

**ASSESSING TOTAL QUALITY MANAGEMENT IN THE SERVICE
SECTOR – A CASE STUDY OF G.T. BANK, ADUM-KUMASI**

By

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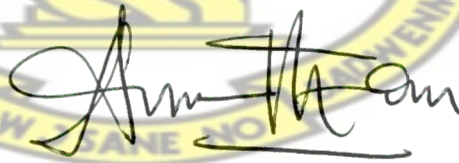
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ABSTRACT

In today's global village quality of products and services is the only competitive advantage that ensures survival in the business environment. The aim of this study is to assess total quality management; its awareness and implementation at G.T. bank Adum-Kumasi. It is also aimed at increase quality management awareness and improvement in TQM implementation in the institution.

The review of this matter established the fact that human-oriented quality dimensions such as training, education, motivation, communication and customer satisfaction are essential in the effective implementation of TQM. It also considers the importance and relationship between TQM and International Organization of Standardization (ISO).

In assessing TQM practiced in the bank, the major quality management dimensions were employed in a constructed questionnaire. Customer satisfaction was ascertained using the SERVQUAL gap instrument.

The study revealed that there exist a level of quality management practiced in the institution but need improvement and its culture encouraged as confirmed by the customer assessment of service quality using the SERVQUAL instrument.

There is the need to develop quality management in the curricula of the institutions of higher education. Small and medium sized enterprises (SME) also need technical assistance in developing their capacity in quality management.

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LIST OF ABBREVIATIONS

TQM-	Total Quality Management
ISO-	International Organization for Standardization
TQC-	Total Quality Control
IBM-	Institute of Business Management
NBC-	National Broadcasting Corporation
XBS-	Xeros Business Services
AGI	Association of Ghana Industries
GSB	Ghana standards Board
SME	Small and Medium Scale Enterprises
UNCTAD -	United Nations Commission on Trade and Development
ITC-	International Trade Commission
NEPAD-	New Economic Partnership for African Development
JITAP-	Joint Integrated Technical Assistance Project
IQS-	International Quality Study
DANIDA-	Danish International Development Agency
DSTV-	Digital Satellite Television

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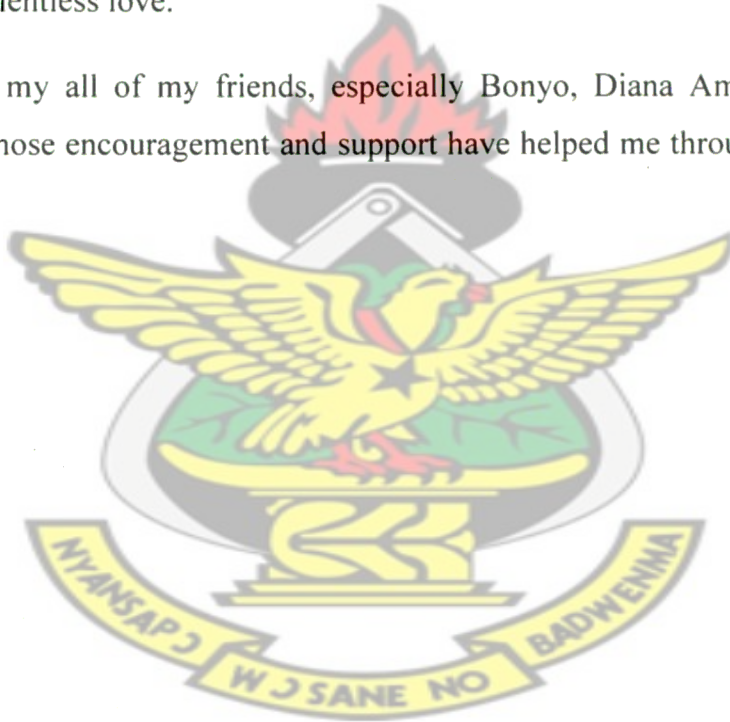
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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Quality products and services is the only tool for success and development in today's industrial society. The survival of both small and large organizations depends on the quality of their output. For patronage the general society who consumes products and services has to be assured of quality and this tends to create competitive advantage for the company or firm in the industry.

The concept of quality in the global industrial setting is receiving a growing concern among the general society and industry as a whole in both developed and developing countries. This has come about as a result of fierce international competition among firms and organizations through globalization and trade activities in the world today.

The current situation has engaged many organizations in research and development to keep pace with customer need and satisfaction and thus stay on top. The search for solutions to survival and leading market share leads to the concept of providing quality in all aspects of work and operations. This idea has been developed into a new management philosophy known as Total Quality Management (TQM) as a solution to promote industries that want to remain effective and efficient in the new competitive global market.

Introduction of quality systems into companies in developing countries would however require an understanding of the nature of their market, industrial culture and their perception of quality. The industries here are in various stages of development, which need a critical look into the conception of quality management systems. Manufacturing companies are generally family owned and professional management is limited to large companies or production units working under license from multinationals. Consequently many producers are not aware of the benefits of quality management systems and its effects on profitability and long term growth. (ISO guidelines for developing countries, 1993). In these environments, many manufactures particularly the small and medium sizes tend to use cheap materials to produced low priced goods of minimal quality.

TQM is relatively a new approach to the art of management which seeks to improve production and service quality and increase customer satisfaction by restructuring traditional management practice. (U.S. General Accounting Officer Report, 1996).

Chase (1996) defines TQM as managing the entire organization so that it excels in all dimensions of products and services that become important to the consumer.

TQM tend to ask customers what they want and producing to meet it, setting zero defect standards at every stage of work, completing work in the shortest possible time, measuring the system and totally ensuring that every one feels like a stakeholder in the organization.

The ISO 9000 defines TQM as the management approach of an organization centered on quality and based on the participation of all its members and aiming at a long term success through customer satisfaction and benefit to all members of the organization and society.

1.2 Statement of the problem

The unprecedented growth in the number of banks and other financial institutions in Ghana is a laudable attempt in the development of the financial sector in particular and the service industry as a whole.

However the products and services these financial institutions offer are frequently questioned as to whether they help in the well being of their customers or the institutions and other stakeholders alone. With beautiful and attractive adverts, encouraged and coaxed by direct sales persons along side with interesting raffles, it's important that the quality of the products and services these institutions offer is always at the cutting edge in the service sector.

This will help improve the financial sector and subsequently lead to a larger percentage of Ghanaians banking make the country a cashless economy at the same time keeping the institutions in competitive business.

In order to survive and thrive in today's competitive world and a more competitive working environment of tomorrow, it's extremely necessary for every business organization to implement an efficient and effective quality management system. This brings to the fore the importance of the principles of total quality management in operations. Across every organization and in every business

sector, an effective implementation of a widespread TQM system ensures positive returns on investment with minimal wastage of valuable resources and cost reduction. Banks are struggling to improve service and proclaim that they are customer-focused and outstanding but exceptional quality service is still the exception rather than the rule. Two routes to profit growth in financial organizations are cost-efficiency and differentiation. Excellent service contributes to both.

These will not only help to improve customer satisfaction but also result in decent profit margins and appreciable market share.

However some service providers perceive TQM as not applicable in Ghana and have not institutionalize it, believing it could only be practiced in highly technologically advanced institutions in the developed countries. It then becomes clear that TQM awareness in the management of the service sector is very much needed in this crucial period of economic crisis for institutions to have that competitive advantage and be desirable since its benefits cannot be overemphasized.

Thus a thorough research in assessing the application of TQM in the service industry to ascertain an ultimate effective implementation of quality management systems is therefore need.

1.3 Research Question

1. What specific principles govern the operation of TQM?
2. What systems and structures have been put in place by management to assure quality and how are these systems being managed?
3. What policies are in place to improve implementation of TQM in the bank?
4. How does the bank perceived quality and what is the perception workers have on the quality system in place?
5. What is the state of quality awareness in the Ghanaian service sector?

1.4 Objective of the Study

The main objective of this study is to ascertain the measures and strategy for ensuring TQM application in the G.T. Bank in particular and the Ghanaian service sector in general.

The specific objectives are to:

1. Assess the quality system in place at G.T. bank.
2. Investigate the main areas of quality concentration.
3. Evaluate how the total quality management system in place is influenced by the culture of the bank.
4. Evaluate customers' expectations and perception of the quality system in place.

1.5 Rational for the study

As competition increases globally, quality management is becoming important to the leadership and management of organizations. Owing to this, the research seeks to create quality awareness in the service industry in the economy, precisely to improve quality in the service and operation of the financial sector. Also for the case study institution, any adverse or positive feedback from management, employees and customers will form the basis for management to redesign its setup and operations to achieve the desired objective of the bank. This is to improve quality and its practices in the country.

1.6 Scope of study

The study is focused mainly on management aspects of quality through the bank which includes policy formulation, implementation, and review and customers perception of service quality.

1.7 Research Methodology

Data was obtained from primary and secondary sources. Primary data was gathered using questionnaires, personal observations, formal and informal interview with management, staff and customers. Secondary data was obtained from relevant literature on TQM.

This study has a descriptive cross sectional quantitative and qualitative design and used a purposive evaluation of TQM in the G.T. Bank, Adum- Kumasi.

The measuring instrument for staff is a constructed questionnaire based on seven quality management variables. Customers' expectation and perception on the services of G.T. bank was assessed using the SERVQUAL Gap Model. Interviews were conducted on specific question but there was room for open discussion so that the interviewees could share complementary information on the various quality management variables considered.

1.8 Organization of the study

This study is divided into five chapters. Chapter one covers the introduction of the study. This is mainly made up of the background of the study and the need for this study. Chapter two covers the literature review and theoretical frame work of this study and a profile of the case study organization. Chapter three examines the method of the study. Chapter four presents findings and carries out an analysis and discussion of data. Chapter five focuses on summary of findings, conclusions and recommendations.

1.9 Limitations

Although the subject matter was found interesting and very important to the bank it focused on, the limited time and money available for the study did not allow for a more detailed research, both field and secondary. Ideally a wider case study representative of the bank and service sector of the whole country should have been examined in such an important course of study, but as pointed out, time and funding limitations did not make that possible.

CHAPTER TWO

2.0 INTRODUCTION

The purpose of this study is to assess the application of the total quality management (TQM) concept to the service environments. The service sector of the economy is highly dependent upon the interactions of employees with customers. A high proportion of a service product is created by employees in their interactions with customers. Thus, the effectiveness of the interrelationship between the TQM concept and human resource management (HRM) is critical to the application of the TQM concept by service organizations.

Today's marketing environment is characterized by increased competition, uncertain economic conditions, and shifts in global trading relationships. The pressure to understand market conditions and customer requirements is growing to the point where organizations will be compelled to exceed, rather than simply meet, customer expectations.

Quality is now more important in this networked world. Companies have to adapt quickly to technological changes if they are to stay ahead of competition and still maintain or exceed the standards of quality expected by customers. Thus the need for quality management is imperative in every organization

In adapting to this pressure, service organizations are looking to service initiatives as a way to create or sustain competitive advantages. Measuring customer

satisfaction is, therefore, critical to the process of serving the customer and responding faster and better.

This chapter seeks to evaluate the theoretical basis of the quality management philosophy and its role as a strategic management tool in the current trend of industrialization. It also seeks to identify implementation problems, the success stories and the evaluation of quality management situation in Ghana.

2.1 THE CONCEPT OF QUALITY

In a study such as this, the concept of quality is of great importance as this will serve the theoretical basis on which to discuss this subject matter. Quality is one of the entities in and around us that society cherishes most.

2.1.1 Definition of Quality

Quality means different things to different people and thus very difficult to define. In simple terms, quality is defined variously as a zero defects in the product or services provided by an organization in order to satisfy customer needs and totality of characteristics of an entity that bears on its ability to satisfy stated and implied need (ISO 8402, 1994).

M.L. White, for example, defines quality as "performance leadership in meeting customer requirements by doing the right things right the first time. Doing the right things means focusing work processes on essential tasks which add value to customers, both internal and external. Doing them right the first time means

working as efficiently and accurately as possible avoiding the wasted efforts required to correct mistakes."

Juran (1988) also defines quality as fitness for use.

Crosby (1979) defines quality as compliance with product specified requirements. The definition of quality has evolved into a multidimensional description of customers' wants and perceptions. The need for effective management of this quality feature leads to the concept of Total Quality Management (TQM).

2.1.2 Total Quality Management (TQM) and Its Definition

Total Quality Management (TQM) refers to the management methods used to enhance quality and productivity in organizations, particularly businesses. TQM is a comprehensive system approach that works horizontally across an organization, involving all departments and employees and extending backward and forward to include both suppliers and clients or customers

Different authors focused on the need for consumer satisfaction and delight. According to Hellard (1995) cited in Kwame Appiah (1999), TQM is a structured approach for managing business to achieve the best result. It goes far beyond management systems related to the production processes and encompasses the philosophy, principle, processes and procedures and services provided by all parts of the organizations. Love et al, (1998) further explained that TQM is not a time-limited project, which has a beginning and an end. it is essentially a continuous process that ends when the company folds up, yet many companies have given up

on the concept because the reward have not been profitable as first envisaged. According to Chase and Aquilano (1992), TQM may also be defined as managing the entire organization so that it excels in all dimensions of products and services that are important to customers. He gives emphasis to elements such as:

1. Customer- driven quality standards
2. Supplier-customer links
3. Prevention oriented operation
4. Continuous improvement
5. Quality at source

In the past the term quality assurance, quality control and quality meeting tend to be used synonymously. British standards define quality assurance as “all activities and function concerned with the attainment of quality, which is now widely referred to as Total Quality Control and the related systems as TQM

The focal point of all the various definition given by the gurus is centered on the customer as the reason for an organization’s existence. There is therefore the need to ascertain the true requirement of these customers and meet them on the professional level through the provision of high quality products and services not only to satisfy the customers but also give them delight.

2.1.3 ISO 9001 and TQM

2.1.3.1 ISO 9001

ISO 9000 is a family of standards that provides a series of guidelines on how to establish a quality system to manage the processes that affect its product or service. This family of standards was first published by the international organization for standardization (ISO) in 1987 and was subsequently updated in 1994, 2000 and recently, on November 15, 2008, has made changes to the requirements to ISO 9001. This is to reflect application in all industries. Management is required to document the quality system and employees are required to follow consistently the documented procedure. After the quality system is implemented the firm can obtain registration through an audit performance. Two types of auditing are required to become registered to the standard: auditing by an external certification body (external audit) and audits by internal staff trained for this process (internal audits). The aim is a continual process of review and assessment, to verify that the system is working as it's supposed to, find out where it can improve and to correct or prevent problems identified. It is considered healthier for internal auditors to audit outside their usual management line, so as to bring a degree of independence to their judgments

2.1.3.2 Criticisms of ISO 9001

Barns (2000) Criticizes ISO 9000 as generally relates to high level of paperwork and documentation, a rigid system that does not support creativity or empowerment, and a standard that aims for consistency but not continuous quality improvement,

A common criticism of ISO 9001 is the amount of money, time and paperwork required for registration. According to Barnes (2008), "Opponents claim that it is only for documentation. Proponents believe that if a company has documented its quality systems, then most of the paperwork has already been completed."

According to Seddon (2008), ISO 9001 promotes specification, control, and procedures rather than understanding and improvement.

Jim Wade (2008) argues that "ISO 9000 is effective as a guideline, but promoting it as a standard helps to mislead companies into thinking that certification means better quality, undermining the need for an organization to set its own quality standards." Paraphrased, Wade's argument is that reliance on the specifications of ISO 9001 does not guarantee a successful quality system.

The standard is seen as especially prone to failure when a company is interested in certification before quality. Certifications are in fact often based on customer contractual requirements rather than a desire to actually improve quality. "If you just want the certificate on the wall, chances are, you will create a paper system that doesn't have much to do with the way you actually run your business," said

ISO's Roger Frost. Certification by an independent auditor is often seen as the problem area, and according to Barnes (2008), "has become a vehicle to increase consulting services". In fact, ISO itself advises that ISO 9001 can be implemented without certification, simply for the quality benefits that can be achieved.

2.1.3.3. Effects of ISO 9000 certification

Emulti (1997) states, in a study conducted in two manufacturing plants, one ISO 9000 registered and the other non-ISO 9000 registered, of a large corporation in the USA, it was found that the ISO 9000 quality program improved the participants' quality of work life. In addition, there was a positive impact on employee productivity and export sales

Chittenden (1998) found that the UK firms that adopted ISO 9000 tended to be large, multi-product and manufacturing based. On the other hand, the firms that did not adopt ISO 9000 tended to be smaller businesses that dealt with domestic customers and served the local market. The study concluded that a high majority of ISO 9000 users felt that the advantages of using ISO 9000 outweighed the disadvantages.

Mc Adam (1999) showed that ISO 9000 certification resulted in benefits. Better control of business, increased sales/business, reduced costs, increased productivity and fewer customers complaints were the benefits derived from ISO 9000 registration. The businesses that gained most from total quality management

(TQM) started with ISO 9000 and focused on external (example, customer satisfaction) as well as internal measures (scrap, efficiency, cost, and others).

Anderson (1999) cited in Kwame Appiah (1999) found that manufacturing firms in North America adopted ISO 9000 as a means to provide credible signals of quality assurance to external parties. ISO 9000 complements rather than substitutes TQM. In addition, ISO 9000 was adopted as a tool in a grand strategy of achieving competitive advantage through quality management and communicating quality results.

2.1.4 Relationship between ISO 9000 and TQM practices

The family of ISO 9000 standards has faced criticisms that the certification process fails to deal with some important aspects of TQM practices such as leadership, strategic planning and employee empowerment (Rao 1997). Therefore, questions have been raised whether an ISO 9000 registration can result in an effective implementation of quality management practices. Sadgrove (1995) argues that ISO 9000 is a lower form of life than TQM system. He argues that, most activities follow a preset format right from the arrival of raw materials to packaging as well as in all other work processes. In all these processes mistakes are bound to occur even by dedicated staff. For example, records get misfiled, and time is lost searching for them and over dose usage of chemicals by productions

staff but ISO 9000 addresses these problems. ISO 9000 gives a solid base, with agreed systems that everyone can work to. It operates on the following principles:

put in writing how tasks should be done, keep records, do audits, manage quality control, allocate responsibility and control paper work. It thus formalizes systems already in use and thus can help companies to perform better when used correctly.

He continued to say that in the perfect quality system, each employee knows how the system works because he was involved in writing or updating it, everyone knows how their job works because they are familiar with the written procedures, the work force uses the system to prevent and correct errors and staff use the quality manual as a source of information, and to remind them how a product should be made. Sadgrove (1995) as cited in Kwame Appiah(1999) thus concludes that ISO 9000 need not be an enemy of TQM. It can be the reverse of the same coin: TQM looks at the corporate culture and ISO 9000 looks at the corporate systems. Together they help a company become world class. Rao (1997) argued that if the clauses of ISO 9001 are interpreted in depth and detail, they contain all the requirements that are associated with quality management practices. For example, clauses 4.1, 4.2 and 4.18 deals with management responsibility, quality system and training respectively, which require practices that are in line with leadership, strategic planning and employee empowerment practices of quality management.

2.2 Historical Background Of TQM

The origin of the term TQM and its concepts are paramount to give a better understanding for its usage by practitioners and researchers. The recent mass propagation for TQM application as a new management philosophy suggests a recent origin. This is highly erroneous as the concept has been in existence since the middle Ages but has developed through time.

Powel (1995) makes the point that, TQM's origin can be traced to 1949, when the Union of Japanese Scientists and Engineers, and government officials devoted to improving productivity and enhance their post-war quality of life and American firms also began to take serious notice of TQM around 1980.

Martinez-Lorente et al(1998) have argued that many of the TQM dimension were being applied by organizations before the TQM movement appeared; consequently it is not easy to establish the exact date of birth of the term TQM.

Stuelpnagel (1993) stated that in Ford and Crowter's book, "My life and Work", published in 1926, the origins to TQM can be found. Nevertheless, it is clear that the term and the philosophy as a whole appeared around the mid 1980s.

Bemowski (1992) cited in Kwame Appiah (1999) states that the term TQM was initially coined in 1985 by the Naval Air Systems Command to describe its Japanese-style of management approach to quality improvement. Perhaps, the main reason for the origin of the term TQM could be a substitution in the previously used term of total quality control (TQC), the word "control" by "management" with the reasoning that quality is not just a matter of control, it has to be managed. This is reinforced by Deming's (1982) who makes the point that control is not necessary when a zero defect level is achieved. The term "control" is sometimes understood as meaning control over the workforces' activities, and this is clearly not the aim of TQM, (Godfrey et al, 1997).

In the USA the development of quality management resulted from the penetration of its markets by Japanese products, which started in the 1970s, together with the impact of the writings of Crosby, Deming, Flegenbaum and Juran. Consequently, companies and academics studied the works of these authors and others. These included Ishikawa, and integrating their approaches with quality management gave rise to the concept of TQM. This movement was exported to other countries, the UK being one of the first.

Dale (1988), who started his research in quality management back in 1981, believes that the term TQM arose in the UK from the activities of the Department of Trade and Industry's national quality campaign which was launched in 1983 and the pioneering work of organizations such as Institute of Business Management (IBM). It is also worth mentioning that in the early 1950s to mid-1980s the use of quality related terms and acronyms was nothing like as pronounced as it is today.

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A summary of the historical events that have shaped the development of TQM indicates its gradual emergence. Martinez-Lorente et al (1998) explains the use of statistical methods and the fundamentals of the system of work-force management began to be developed early in the century and how the Japanese develop their TQM approach gradually from the Second World War. Japanese pressure and success of some American writers at the end of the 1970s and early 1980s created a general concern about the focus on quality management in the National Quality Award and other similar awards in other countries they argue was the official recognition of the importance of TQM.

2.3. TQM: Views Of The Quality Management Gurus

Crosby, Deming, Feigenbaum, Ishikawa and Juran can be considered the most important gurus of the quality management movement. However, this does not mean their approaches are the same.

Deming achieved great popularity in 1980 after the NBC television documentary about success in Japan where he was considered a key element. Although Deming maintained a contrary position with respect to some of the TQM elements, for example zero defects and quality costing (Deming, 1982, 1986). A considerable number of authors (Davis and Fishers (1994); Grandzol and Traaen (1995); Milakovich (1991); Pollock (1993) Rago (1994); Schay, (1993); Tamimi and Gershon, (1995) as cited in Kwame Appiah (1999) consider him as one of the main supporters of the TQM concept. English (1996) suggests that Juran is related to TQM and Drensek and Grubb (1995) and English (1996) also consider that Crosby is a TQM theorist.

Hackman and Wageman (1995) as cited in Kwame Appiah (1999) state that Deming, Ishikawa and Juran can be considered the founders of the TQM philosophy, “since TQM drinks in their works”. Surprisingly, they do not mention Feignebaum, the originator of the term TQC, which as shown in this review has many similarities with the term TQM. However, they also consider that “what many organizations are actually implementing is a pale or highly distorted version of what Deming, Ishikawa and Juran laid out”.

In a brief comparison of the ideas of the five quality gurus in relation to TQM dimensions, It can be seen that the need of top management support and the importance of customer relationship is shared by all. Benchmarking is not considered by any of them, perhaps because this technique came to the fore when

they already had a well-proven approach to quality management. The gurus focus their approaches on the production process without referencing the design process; however, their views are different, since Crosby defines the Achievement of zero defects through employee commitment, whereas Deming criticizes slogans and exhortations to achieve zero defects. The supplier relationship, the quality data and reporting dimensions are not considered in any details by five authors, but important difference do not appear to exist; Ishikawa's approach is more employees focused than the other four, which consider that quality management needs to be guided mainly by managers. Juran et al devote chapters of their books to sampling inspection, whereas Deming criticizes this technique and Crosby considers that it is not necessary in zero defects environment.

2.4 Factors for Effective Implementation of TQM

According to Schaffer and Thompson (1992) much work has not been done on the critical factors of TQM generally due to the fact that it remains poorly understood by senior managers and its potential for enhancing competitiveness is not well appreciated. Notwithstanding this view TQM has been used and well implemented by some organizations with success stories.

2.4.1 Case Studies

Whitcher and Whyte's (1998) study of 235 companies found little evidence that TQM had failed. According to the survey, 2 out of 3 of the companies had adopted TQM and most companies were still new to TQM. In the study, they realized that TQM appeared to be moving away from its narrow quality management origins to a fuller version of TQM. That is, there was now more company-wide development of TQM, more vision or mission statements, universal involvement of senior management, company coordinating mechanism, surveys of external and internal customers and more use made of consultants. It also came out that TQM experience was associated with greater long term planning, a cooperative interpersonal climate, joint problem solving, enabling management style and a dynamic attitude to change and market focus. Their evidence also suggested that there was an internal bias in TQM. That is the surveys were less frequent for external than internal customers and that there was little use of marketing expertise in TQM initiatives. On the pessimism about whether TQM was delivering, the result indicated that it had been overdone and that quick fix expectations were misplaced. They also made the statement that TQM will have to keep on delivering for firms to survive.

The study of Zairi (1994), at Bradford on TQM had a positive finding. A sample of 29 companies was carefully selected for the study. Crucial factors identified were leadership elements such as quality policy, strategic planning and mission focus. Issues considered were hard elements such as tools and systems and soft elements such as team work, empowerment and innovation. The analysis focused

on the performance of the 29 companies over a five-year span. The findings were that the companies exhibited above average industry performance. The result of the study suggested that TQM led to improvement in bottom line result. In other words, the result was the TQM offered companies the opportunity to carry out improvement and focus on getting closer to customers.

The most widely cited survey of all the TQM studies is the joint project by Ernst et al. The study found out that some TQM practices (particularly process improvement and supplier certification) universally improved performance, but that the effect of other TQM features varied considerably, depending on the firm's stage of development in TQM. Thus International Quality Study (IQS) findings challenged the assumptions that any organization, regardless of its current performance, can benefit from the widespread adoption of TQM practices.

It is therefore imperative to explain the critical factors that have greatly influenced the implementation of TQM in both develop and developing organizations.

For the successful implementation of TQM or any quality program, the culture of the organization is the most important ground to attend to. However, culture is often overlooked, although it is essential for adopting TQM as a guiding principle. Volker Kruger (1998), has noted that the key element of successful TQM is the human dimension, but this aspect appears to be difficult and overlooked in actual practices. That there is preoccupation with technical quality tools and controls at the expense of the human dimension.

Among the elements to be considered are leadership's commitment, training and education, communication and information, motivation, cost, customer satisfaction, planning and control.

Although change is being advocated in this sense, and there are many suggestions for successful implementation of change in organizational culture, there is no tried and true way to ensure a successful change experience. As stated earlier on, organizations are unique in their operation and must therefore explore the appropriate option. Nevertheless, the factor stated above is essentially needed in every quality program implementation.

2.4.2. Leadership Commitment

It was once said "if it does not come from the top, it cannot get to the grass root". Hon. Minister Sanjeeva Reddy of India, at the 8th World Congress on Total Quality in the year 1998 said that, we live in an interdependent and fast-integrating world and that the definition of management had changed from: "getting things done through others to getting things done with others" (TQM Magazine, vol. 10 No3, 1998). According to Dale et al (1996), the key factor for the implementation of TQM is considered to be the personal involvement. The leadership effectiveness and the interaction process between superior and subordinates as well as the role of training chief executives in effective leadership skill Atik (1994); Greenleaf (1991); Trait (1996). Lapovatz (1998) has

also stated that, ‘without a strong visible leadership committed to quality, business cannot succeed in people management, policy, strategy and management of resources’. The manager’s ability to deal with people is the major factor for a successful total quality manager.

The work of Harrington (1998), also revealed the following as roadblocks from management which when removed can unleash the zest of employees;

- Lack of employee trust
- Lack of delegation
- Lack of management credibility
- Lack of training
- Misdirected measurement systems
- Poor communication
- Lack of employee loyalty
- Fear of risk taking
- Lack of continuity

He regarded the biggest opportunity for business improvement today as embedded in management performance. Harrington iterates that ‘you can buy a person’s time, physical presence, you can even buy his mental effort, but you cannot buy his loyalty, trust and enthusiasm’. Management must earn these through commitment.

2.4.3. Education and Training

Training of employees in the quality management system is very crucial to its successful implementation. TQM cannot survive in an organization that does not commit to providing management training and time to monitor ensuing improvement initiatives. The need for the investment in training and time of TQM is justified by the improvement in efficiency, product and service quality levels as well as excellence in thinking and high quality work methods that will enable the organization as a whole to become more dynamic and responsive, as well as more competitive. Carpinelti (1998), has argued that empowerment and involvement can be effective if and only if employees receive formal systematic training in quality management. Employees can understand quality related issues only when they are trained in the quality concepts and tools.

2.4.4 Information and Communication

Before a company can consider embarking on the quality journey, Love et al (1998), has argued that management must communicate to employees why this journey is to be undertaken. Implanting quality management in an organization without consulting employees and just telling them 'what to do or else' leads to resistance and antagonism towards management. Employees do not fear change but they fear being changed. Thus management must give paramount

consideration to let workers know exactly the content and its benefits to them in order to allay their fears and insecurity. Also collaboration between units and flow of ideas could boost company performance and cut cost but in many cases new initiatives are not adopted throughout an organization, either remaining unused or taking a long time to be implemented, O'Dell and Grayson (1998). Building an effective Human Resource Management (HRM) communications program involves a few fundamental elements. These include top management commitment, what is to be communicated, allowing for feedback and information success (De Cenzo et al, 1996).

In essence, effective communication surrounds the effective operations in HRM activities in that it brings about understanding between the organization and its employees, assists in recruiting, selection, successful training and specific what activities must be performed to successfully perform one's job. Effective communication also implies keeping employees informed of happenings in the organization.

Research has shown that certain factors constitute a barrier to communication. These include lack of motivation to adopt the practice, inadequate information about how to adapt the practice and make it work, lack of "absorptive capacity", the resources and skill to make and manage change.

2.4.5 Motivation

The next important factor is motivation. It is interesting to note Peter Wicken's comment on 'The road to Nissan'. "In sum, quality of work only is high if the individuals are fully motivated. While we may say that quality must be 'built into' the job, this will only happen if the right attitude to quality comes from within the individuals. No amount of exhortation will achieve genuine commitment to quality- wall posters and slogans will fail. It is a key management responsibility and can be obtained if we realize that it is total motivation that matters".

This points to the fact that motivation is crucial to the success of the quality management program as the potential in the individual to achieve the expected benefits have to be unearthed from within to bear on the quality activities of the organization, Drennan (1992). The worker needs to feel his worth to the company. The classic example of the power of attention is the Hawthorn Experiment in the late 1920s; the lesson of Hawthorn is still relevant today. Consistent management attention to key goals, combined with genuinely concerned treatment of those involved in the work, can produce not only record-breaking performance but also a breaking of the limits that old cultural habits have imposed.

Denman (1992), goes on to say that it takes passion and dedication from top management to achieve real success and that the dedication and attention of staff will be no greater than that of management. When management can pursue organizational goal with passion, the zeal and sincerity of management will be

contagious, and the people will follow through with enthusiasm. Harrington (1998) remarked that enthusiasm makes the ordinary person extraordinary.

2.4.6 Customer Satisfaction

The ultimate aim of quality management implementation is to achieve high quality operation that will bring out the highest customer satisfaction. This will then lead to customer loyalty, customer growth and sustainability of sales and to increasing levels of profit.

Laszlo (1998) argues that the impetus for motivation for a quality assurance program is external with the basic focus on customer assurance to ensure customer retention and profitability. This then demands that management finds out about what the customer really wants and not what the organizations can offer. Production without considering the needs and wants of customers is no production at all. It is imperative then that customer's survey is carried out regularly to know the necessary modification needed in the products and also for new product development.

The case of Xerox Business Services (XBS) in the USA is worth noting, XBS is involved in customized solutions designed to meet a particular customer's requirements. XBS is improving, adding hundreds of customers to its book every year. Profits are rising by over 30% per annum as its commitment to customer

care and continuous learning for all employees earned them a Malcolm Badridge National Quality award in 1997, (TOM magazine, Strategic Insight No. 3 1998).

2.4.7 Planning and Control

“If you don’t know where you are going any road will lead you there”. This is wholly true in the sense that if one fails to plan, one is planning to fail. If one does not measure initial performance one cannot set targets. And without targets there is no way of judging the process (Sadgrove, 1995). Thus planning, measuring and controlling the quality system is very crucial to successful implementation of TQM. There is a need to measure Productivity, Financial Performance, Product Quality, Staff attitudes, Customer Satisfaction, Health and Safety and Environment status. This becomes the basis for future planning and policymaking. There is the need to have an extensive data on employees, customers and the process that will provide a solid source of intelligence for the business. Employing the voice of the customer and the voice of the market information systems, strategic initiative can be developed to address the strengths and weaknesses of the organization in the face of the possible opportunities and threats facing the organization. Information from other sources must also be gathered and analyzed to build a wider picture that will give leaders a clearer view of future challenges, customers’ requirements and how to approach them. The strategic insight expresses the view that from a “strategic content” must be developed to pinpoint priorities for investment and business partnership plans.

These priorities filter down and are incorporated into a Human Resource (HR) plan, an investment plan and operational plan for each business unit, customer accounts and employee accounts. Attention to detail in all areas in the organization's business will pay high dividends. This was exactly what happened in XBS.

2.5 The Benefits of Quality Management System

Quality has become imperative in today's business operation as a result of fierce market competition and globalization. Organization striving for larger market share and staying on top have used the all-pervasive business tool, quality management, to secure their place in the world market.

As Schomberger and Knod (1996) put it in their book, "Operation Management, customer focused Principles", "TQM is thought of as a good management philosophy in general and an imperative for global competitiveness". Recent studies suggest a strong relationship between TQM and Competitiveness. This is expressed through market and cost-route benefits. The market route benefit results in increased market share, profitability and customer satisfaction. The cost-route benefit is expressed through better quality, lower costs and improved employee relations. As for cost, the main concern is with those associated with not having quality. Emphasis is now shifting to support the value of quality (Schomberger, 1996).

The quality gurus, Crosby (1979); Juran (1982) and Deming (1986) have consistently claimed the contribution of quality to business performance. Empirical research from the Professional Institute of Management Studies (PIMS), Bruzzel and Wiersema (1981); Jacobson and Aaker(1987); Flynn et al (1995, 1997); Forker et al (1996); Adams et al (1997) all support the preposition that better quality has a positive relationship with performance. This has been found to be true for the services sector also. Carpon et al (1990) identify 20 services studies that find a positive relationship between quality and business performance. Rust et al (1994) also reviewed the marketing literature on service quality and performance and came to the conclusion that a link exists between quality and financial returns. Caruana's (1997), study of 131 UK service firms suggest that better quality does have a positive effect on the overall performance of the firm, relative to its competitors. Although quality itself does have positive relationship with better performance, there is little commonality in how performance is measured or how quality is defined (Garvin, 2000).

Installation of TQM gives a corporate image to an organization on the international scene. The ISO 9000 quality system when installed in an organization leads to attainment of quality certification. A certified company is highly preferred as its customers are assured of quality. Quality certifications, registrations and awards have become influential these days as companies pare down their lists of supplier. Companies and their suppliers are increasingly

seeking to become registered to the ISO standards, which are internationally recognized. Ghanaian companies need to take the issue of quality management crucial and get on board with it since it has become the order of the day internationally in business for better performance.

TQM can be addressed in business in a number of ways. The most common are:

A policy of zero defects - any problems in the production process are filtered out before they get anywhere near the customer.

Quality chains - each stage of the production process is seen as being a link in the chain right down to the relationship between one worker in the process and another.

Quality circles - meetings of those directly involved in the production process to discuss and solve problems and make improvements to the production process.

Statistical monitoring - the use of data and statistics to monitor and evaluate production processes and quality.

Consumer feedback - using market research and focus groups to identify consumer needs and experiences to build upon these in the processes.

Changing production methods - many businesses, where appropriate, have looked at the layout of their production processes - it could be the move to open plan offices, the development of teams or the use of cell production to improve worker commitment to the philosophy.

TQM invariably involves some sort of cost. Re-organizing the business in any of the ways above not only involves capital cost but also the cost of training staff. High quality change management is therefore an essential ingredient of the success of such strategies.

2.5.1 Quality: A Tool for Development in Ghana

Developing countries have for a long time faced difficulties in their industrial drive and unfavorable balance of trade in their economies coupled with low level of productivity and hence low rate of economic growth. Dr. Peter Burst and Dr. Frank M. Gryna, of the University of Tampa, in the substantial report, "Product Quality and Macro economy' – five links", examined the impact of quality of goods and services on the overall economy of nations. They proposed that quality in macroeconomics is often overlooked, stimulating debate on the importance of quality to national economy. According to them improvement in quality may affect exports, trade balance and hence economic growth (TQM Magazine, Strategic insight No 2, 1998). Quality of conformance has a major influence on costs. Improvement in this area can also increase customer satisfaction. As a result of lower costs, it may be possible to add extra features to a product without

adding to price. This can lead to customers benefiting from improved products and added value while demand for the product increases boosting sales. Continuous improvement pursued in this direction can lead to competitive advantage.

Japan is a clear example of a country that has transformed its image through quality improvement. Japanese exported goods were once associated with poor quality, but gradually, they changed and are now linked with reliability, excellence and high standards.

Ghana can also take a bold initiative in this direction and gradually improve on quality in its industrial and service sectors as well as the economy as a whole. There is now a growing awareness and concern for quality in Ghana's industrial and service sector especially in the export market.

The Association of Ghana Industries (AGI) the Ministry for Trade and Industry and Manpower Development among others have over the years identify this issue.

According to Dr. Kofi Konadu Apraku, a former Minister of Trade and Industry, the main factors that have been hampering the expansion and growth of most Small and Medium Scale Enterprises (SM Es) are;

1. Lack of effective managerial systems
2. Lack of financials support

3. Inability and lack of capacity to produce good quality and standardized products and services to compete on the international markets. (Daily Graphic, 4th June, 2002)

Mrs. Villars, a former AGI president noted that most Ghanaian industries have the capacity of producing to meet international standards. She continued that as president of AGI, her goal is to propel local industries into competitiveness and work in partnership with Ghana Standard Board (GSB) to assist industries to produce goods to meet ISO 9000 certification. Her ultimate aim is to develop SMEs into larger prosperous enterprise through quality of products and competitiveness in Ghana's Golden Age of Business.

Mr. Peter Lysholt Hansen, a former Denmark official to Ghana, pointed out that to assist Ghana through bilateral trade, packaging is imperative. He also noted that with quality products and services, Ghanaian companies could move competitively not only in Africa but also in Europe and America. Products gaining acceptability on the export market need to meet present standard and this really calls for institution of quality standards in the export oriented industries if Ghana really wants to breakthrough the international market.

As Brust et al (1998) put it; 'if we can improve on the quality of conformance (example by reducing scrap product) we can raise the Gross National Product (GNP) by providing additional saleable products from the same amount of input

resources.’ Quality Systems are therefore a must in Ghana’s industrial campaign toward economic growth and development.

2.5.2 The Need For Quality Management and Standards In The Economy Of Ghana.

The urgent need for policy formulation on quality standards and management in Ghana’s economy in general is necessary to mitigate the problems that the business sector faces in terms of the poor perception of made – in – Ghana goods, high preference for imported goods, and unfavorable export market among others. The business sector generally lacks the quality technology and standards to produce on high quality levels in accordance with international standards, which make it difficult to compete with goods from countries that are associated with quality products. These issues hamper on trade and economic growth and hence development.

The current situation demands the inclusion of quality management practices and standards in the business sector of Ghana. No wonder the attention of the international communities like the G8, UNCTAD, ITC, WTO, among others have been focused on this all important ingredient in Africa’s trade, which is central to development.

2.5.3 Multiplier Effect of Quality Improvement

It has been argued that producing goods that people need and want is common sense but by doing that while continuously improving quality, organizations can gain competitive advantage over rivals and reduce costs.

From a wider perspective, as the Japanese case indicates, quality can help reduce trade deficits in a more sustainable way than currency devaluation. Standardization of quality measures leads to global trading opportunities and economic growth (Strategic Insight, N0.3 1998).

As quality increase productivity increase due to reduction in wastes and this is fundamental to wealth creation and job creation for more people in the economy. Brust and Gryna(1998) believe that, improvement in product and service quality can be a catalyst in the betterment of nations and their people. The need for a serious quality management advocacy in Ghana therefore cannot be over emphasized.

2.6 The Quality considerations at GT Bank

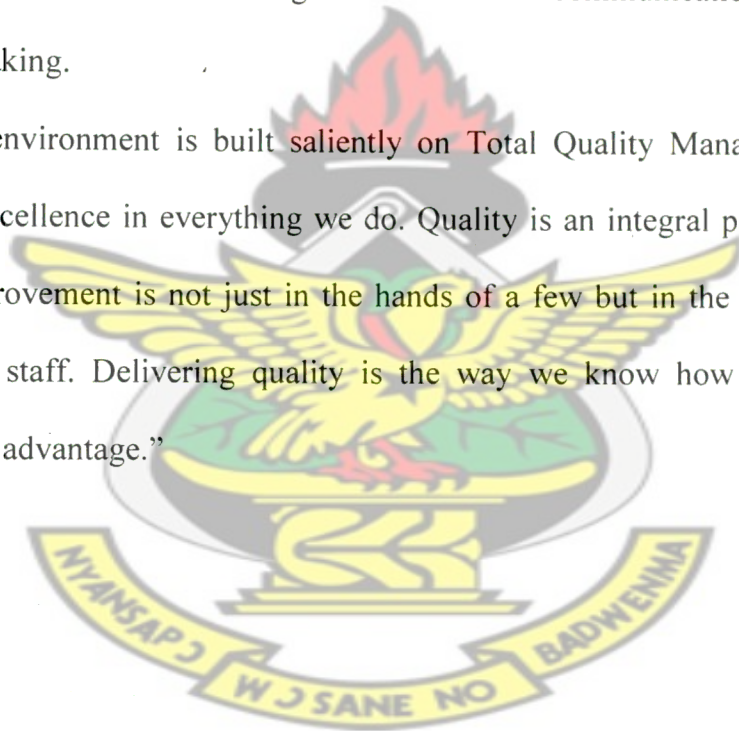
Guaranty Trust Bank (Ghana) Limited maintains a culture of excellence. The bank goes to great lengths to ensure that they meet customers' needs and exceed their expectations through the following:

“Our core values are hinged upon: professionalism, integrity ethics, and superior service delivery.

We maintain an informal but competitive environment where people call each other by 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 our convictions, the non-regimented open environment brings out the best productive output in our people.

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, we have a flat organizational structure that engenders effective communication and prompt decision-making.

The work environment is built saliently on Total Quality Management, and a thirst for excellence in everything we 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 we know how to sustain our competitive advantage.”



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Such important study requires exact and accurate data. Historical data and time series data of all variables under consideration should be provided. Data was therefore obtained from two sources; primary and secondary.

3.1 Primary data

Primary data was obtained using questionnaires, formal and informal interviews with management and staff and customers of the bank under study. Structured interview schedules were constructed and used to obtain information from the staff and management to ascertain their views on relevant TQM practices. These people were chosen because of their role and participation in the day to day activities of the bank. Customers also completed questionnaires on service quality which assessed their expectations of the services provided and their perception of the actual services they received.

Over the years, different methods have been developed on how to measure quality. Unfortunately, there is still not that much research made in the field of measuring quality of Services. Nevertheless, there are some attempts made by researchers to develop models for measuring service quality. Based on these models they try to evaluate the quality of services by using the disconfirmation approach stating that quality is perceived through the comparison between

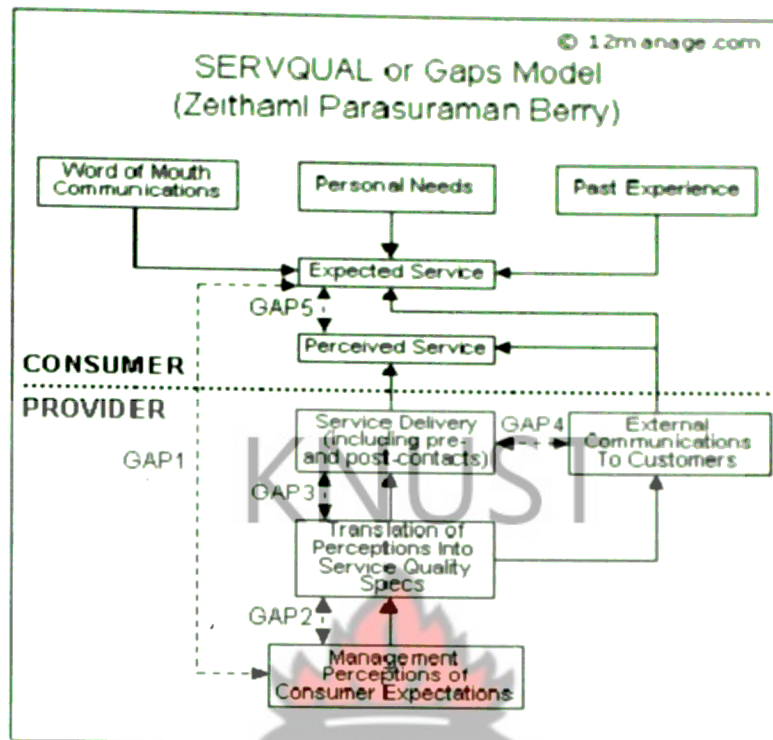
expectations and perceptions of customers for a given service over a number of quality attributes. According to Cronin & Taylor (1992), although perceptions-only measures have been shown to demonstrate better predictive validity than perception-expectation measures the perception expectation measures, yield data about the quality of given service richer and more informative.

Despite its benefits, surveys involving the measurement of expectations and perceptions individually are too complicated, time-consuming and tedious. Taking into consideration the time and resource limitations of this study, the researchers decided to measure directly the divergence between customers' expectations and perceptions using "SERVQUAL" gap instrument. (Appendix 2)

The SERVQUAL method from Valarie A. Zeithaml, A. Parasuraman, and Leonard L. Berry is a technique that can be used for performing a gap analysis of an organization's service quality performance against customer service quality needs.

SERVQUAL is an empirically derived method that may be used by a service organization to improve service quality. The method involves the development of an understanding of the perceived service needs of target customers.

Fig. 3.0



SERVQUAL takes into account the perceptions of customers of the relative importance of service attributes. This allows an organization to prioritize. And to use its resources to improve the most critical service attributes.

The data are collected via surveys of a sample of customers. In these surveys, these customers respond to a series of questions based around a number of key service dimensions.

The methodology was based around 5 key dimensions:

1. Tangibles: Appearance of physical facilities, equipment, personnel, and communication materials.
2. Reliability: Ability to perform the promised service dependably and accurately.

3. Responsiveness: Willingness to help customers and provide prompt service.
4. Assurance: Knowledge and courtesy of employees and their ability to convey trust and confidence.
5. Empathy: The firm provides care and individualized attention to its customers

3.2 Secondary data

Secondary data was obtained from relevant published and unpublished literature on TQM, its application and other relevant material. These include data from the institution of the case study, information from academic literature, books, journals, reports, Internet sources, dailies, library and other institutions of interest. This formed the bases of background information for the actual research survey.

3.3 Research Approach

The study has a descriptive cross sectional qualitative and quantitative design. It consisted of an evaluative study of TQM system in a service institution in Ghana. It assessed management and staff understanding and commitment to TQM in the case institution and structures available for the management and implementation of the TQM system.

Quantitative and Qualitative Research Methods.

Yin (1994), states “when one needs to supplement, the research strategy should be chosen according to the research questions in the particular situation. Each

strategy has its own advantages and disadvantages, because of its specific approach to collect and analyze empirical data. According to Yin (1994) the type of question posed; the degree of focus on historical or contemporary events and the control over actual behavioral elements should be the main grounds on which the appropriate research method is chosen.

Miles & Huberman (1994) affirm that qualitative research requires strong contact with real situation, which is usually reflecting the everyday life of individuals, societies, groups or organizations. According to Amaratunga, Baldry, Sarshar & Newton (2002), this type of research has few favorable features: this type of studies allows revealing of what the “real life” is by studying events occurring in natural settings; the information gathered through qualitative research is complete and rich and has potential to reveal complexity and finally this type of studies are quite flexible in nature. Furthermore, qualitative approach is found appropriate for discovery, exploring a new area, developing hypotheses and qualitative data are useful.

Quantitative research approach is based on the development of testable hypotheses and theory which can be generalized across settings. Amaratunga et al. (2002) argues that quantitative investigations tend to measure “how often” or “how much”. This approach allows generalization of conclusions and flexibility in the treatment of data, in terms of comparative analysis, statistical analyses and repeatability of data collection in order to verify reliability. Taking into consideration the description of the quantitative research approach stated above, which is used to measure “how much” across settings and allows for statistical

analysis on the collected data, we have chosen this method for the purpose of this thesis. First of all, through the use of quantitative research method, we would like to measure “how much” Total Quality Management is operational in a branch GT Bank. Furthermore, this method will allow statistical analysis of the collected data, on the basis of which an instrument for measuring TQM is developed alongside the use of “SERVQUAL” for ascertaining customer satisfaction which is a key component of TQM.

To collect the quantitative data the questionnaire method has been used and eventually the data has been analyzed by using statistical techniques. The combination of the quantitative method with the questionnaire is found appropriate by the researchers, as a large population has been studied and general conclusions have been drawn for the entire population.

During the first step, the preliminary version of the staff questionnaire was tested on five students at KNUST Business School, who have held and hold managerial and senior staff positions in other banks. Also the customer questionnaire received testing from ten MBA students of KNUST Business School who are customers of various banks. In the second step, the modified questionnaires were given to the researchers’ supervisor for inspection and a few more slightly changes were made, including paraphrasing of some of the questions.

3.4 Measurement variables

3.4.1 TQM Practices

Independent Variables: To evaluate quality management status, it is important to have a valid instrument for measurement. This measure is based on the quality dimensions of TQM developed by Zhang (1999) and Lau and Idris (2001). A 7 quality dimension, of 10 to 14 item instrument on quality management concepts was used to serve this purpose. The following quality dimensions were used to assess the effectiveness of TQM application in GT Bank.

- i. Leadership and commitment
- ii. Training and education
- iii. Information and communication
- iv. Motivation
- v. Planning
- vi. Measurement and control
- vii. Customer satisfaction.

Responses to these dimensions in the questionnaire were ranked on a 5-point Likert format ranged from 1 = very ineffective, 2 ineffective, 3 neither effective nor ineffective, 4 effective and 5 = very effective. (Appendix 1). The meanings of these 5-points for analysis are shown in table 3.1 below.

Table 3.1

Meaning of ratings in the survey

Ratings	Meaning
1	No Evidence
2	Poorly Done
3	Fairly Done
4	Effectively done
5	World class

Source: researchers own design

Dependent Variable: Dependent variables were those reflecting the outcomes of implementing TQM principles. These characteristics include Commitment to work, quality productivity, and employee and customer satisfaction resulting in improved performance. It was obvious that such indicators took into account the interests of organizational stakeholders represented by customers, employees and shareholders.

3.4.2 SERVQUAL

Independent Variables: Assessing customer satisfaction and service quality as part of TQM practices of an organization is very challenging because customer satisfaction is determined by many intangible factors unlike products with physical features that can be objectively measured. In addition, service quality extends beyond the immediate encounter because it has an impact on a person's

future quality of life. The multiple dimension of service quality is captured in the “SERVQUAL” instrument with a pair of 22 quality measuring statements on customer expectations and perceptions.

The score for the quality of service is calculated by computing the differences between the ratings that customers assign to paired expectation and perception statement; precisely expectation minus perception (E-P). This score is referred to as GAP 5 as shown in figure 3.0 above. (Appendix 2)

Dependent Variables: Dependent variables are the customers' response to the pair of 22 statements of the SERVQUAL instrument. This covers dimensions which customers use in judging service quality such as; reliability, responsiveness, assurance, empathy and tangibility.

The instrument has been designed and validated for use in a variety of service encounters and most importantly, the tracking of service quality trends through periodic customer surveys. For multisite services “SERVQUAL” could be used by management to determine if any unit has poor service quality and direct attention to correct the source of the poor customer perceptions.

3.5 Reliability and Validity

When developing and evaluating an instrument and when conducting research in general, there are two important issues that have to be examined - the reliability and validity of the study.

3.5.1 Reliability

An instrument is considered reliable when the outcome of the measuring process is reproducible. According to Zikmund (2000), reliability can be defined as: “The degree to which measures are free from error and therefore yield consistent results”. There are two aspects of the reliability issue: external and internal reliability. According to Hardy and Bryman (2004), external reliability means that the studied variable does not fluctuate greatly over time which means that it is stable. This kind of reliability can be tested through test-retest reliability, which means measuring the same scale twice in different time frames and see to what extent the two sets of data have yielded the same replies of the respondents. This method of measuring the reliability is applied in the underlying studies. Furthermore, according to Hardy and Bryman (2004), internal reliability means that all the constituent indicators of a variable are measuring the same thing which means that the variable is coherent.

3.5.2 Validity

An instrument is valid when the outcome of the measuring process has really measured what it was designed to measure. According to Eriksson and Wiedersheim-Paul (1997), validity can be defined as: “The ability of a scale or measuring instrument to measure what is intended to be measured”. According to Hardy and Byrman (2004), there are different types of validity:

1. Face validity – requires a thorough examination of the wording of the items included in the instrument and their connection to the relevant frame of reference

used in the particular study. Face validity can also be examined through the use of the opinion and judgment of experts concerning the items and wording used.

2. Criterion-related validity – evaluates a scale in terms of a criterion on which people tend to differ. This includes concurrent and predictive validity.

3. Construct validity – requires “an examination of the theoretical inferences that might be made about the underlying construct” (Hardy and Byrman, 2004). In this thesis, the face validity has been applied, where the validity of the study has been proven through thorough pre-testing, rewording and reevaluation of the instruments used.

3.6 Sample

The target population of this study was staff and customers of the GT bank, Adum branch in Kumasi.

The bank was selected due to its claim of practicing Total Quality Management as indicated in its profile- “The work environment is built saliently on Total Quality Management, and a thirst for excellence in everything we 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 we know how to sustain our competitive advantage”

The focus the survey in assessing TQM using the management and staff of the bank numbering up to 24 alone will not be holistic without assessing the satisfaction of customers as stakeholders in banks TQM processes. Due to this, we selected at random, 300 customers that come to do business with the bank over a

period of three weeks. The sample technique used by the researchers for the customers is the random sampling, which Oakshott (1998) argued that “every member of the target population has an equal chance of being selected”. This sampling method was also chosen in order to avoid the occurrence of bias in the chosen sample population.

3.7 G. T. Bank’s Profile

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 full fledged commercial banking activities in the United Kingdom.

GT Bank Plc, Nigeria, currently owns 96% of the issued share capital of the Bank, with Nederlandse Financierings-Maatschappij Ontwikkelingslanden N.V. (FMO) holding 2% and Alhaji Yusif Ibrahim, a Ghanaian business entrepreneur, holding the remaining 2%.

It recently increased its paid up capital from GH¢10 million to GH¢76million well ahead of the Bank of Ghana’s deadline of December 31st 2009. Apart from giving the Bank a competitive advantage in terms of business capacity, meeting

the new capital requirement early is a reflection of the Bank's belief in the Ghanaian environment and its readiness to contribute meaningfully to the country's development.

The Bank is built on the strengths of its staff, its structures, policies and procedures. Of total staff strength of 250 people, only two members are Nigerians, the rest are all Ghanaian, reflecting the bank's preparedness to invest and develop in the country's human capital. Within this short period of our existence, we now have 12 branches covering Accra, Tema, Kumasi and Takoradi. We intend to spread to other regions and increase our brand network to a minimum of 20 by end of 2009.

3.7.1 G.T. Bank Adum-Kumasi

G.T. bank, Adum- Kumasi branch started operations in May 2008. Good Corporate Governance remains high on the Bank's agenda. GT Bank 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 management, Board of Directors and senior executives in order to maximize stakeholder value.

The branch has total staff strengths of 24 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 for the environment and of course, our customers and other stakeholders.

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, we have a flat organizational structure that engenders effective communication and prompt decision-making.

3.7.1 Products and Services

The focus of Guaranty Trust Bank (Ghana) Limited is to provide top quality financial services to our clients. The bank also stands for excellent customer service. Product portfolio and services include:

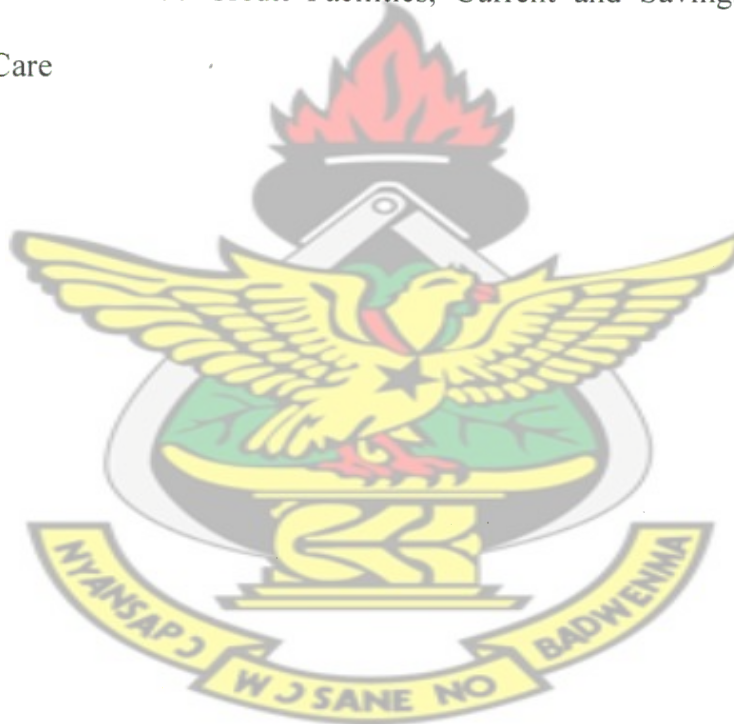
E-Products: The electronic products offered by the bank include; e-business which is SMS and internet banking, ATM banking service, slip free banking and the Guaranty Trust Money Transfer (GTMT). There is also the GeNS which is the notification through a customers' electronic mail box transaction concerning his or her account and MTN mobile money.

Consumer and Private Banking Products: These include Target Saving Account, Easy Savers Account and Smart Teens Savings aimed at encouraging the savings culture in Teens. This comes with other educational gifts as the account grows.

Treasury and Funds Management: These are Treasury bills and other government securities, Fixed Deposits, Foreign exchange sales and purchases, Call Deposits which is where this particular deposit will require a call to notify the bank before the deposit is withdrawn and attracts higher interest.

Trade Finance & other Foreign Transactions: For international trade and other foreign transactions the bank offers Funds Transfer, Documentary Collections, Export Finance, Letters of Credit, Correspondent Banking Services, Western Union.

Others products include Credit Facilities, Current and Savings Account sand Customer Care



CHAPTER FOUR

DISCUSSIONS AND ANALYSIS OF RESULTS

4.0 INTRODUCTION

The service sector of the economy, of which banking is part, is highly dependent upon the interactions of employees with customers. A high proportion of a service product is created by employees in their interactions with customers. Thus, the effectiveness of the interrelationship between the total quality management (TQM) concept and human resource management is critical to the application of the TQM concept by banking organizations.

It is, thus, important for service providers to understand that it is the employees at the service point, not the management, who are in charge of serving quality in these service companies. Therefore, an effective application of TQM in service companies requires high levels of employee job satisfaction, and greater discretionary authority for employees interacting with customers. High quality of service in the service industries means, among other things, employee interacting with a customer can solve the customer's problem then and there, as opposed to telling a customer that "We'll get back to you." The effective application of TQM in service firms requires that great care be exercised in employee motivation and communication. Such application also requires that superior training be provided to employees; that is effective job related support services be provided for employees and that organizations retain these employees. In a service business,

knowledge and information are the raw materials, and the assets are loyal customers and employees.

The case study institution in this research- G.T. Bank, Adum-Kumasi, is an institution that provides commercial banking services for corporate institutions and the general public. In carrying out this study, we first and foremost granted questionnaire interview to all the 24 management and staff. Through personal visits to the bank and with the help of staff, a sample of 300 customers was identified and helped in answering the customer questionnaires.

To assess quality management status, it is important to have a valid instrument for measurement. Two sets of instruments were used; a quality dimension questionnaire for staff and management and the SERVQUAL gap instrument for customers.

A 7-quality dimension questionnaire was constructed. This was used to survey management and staff views and opinions on TQM implementation in the bank and analyzed with the Statistical Program for Social Sciences (SPSS) Software.

The 7-quality dimensions used for the staff questionnaires are as follows:

- Leadership and commitment
- Training and education
- Information and communication
- Motivation
- Planning

- Measurement and control
- Customer satisfaction

We used perceptual measures on a five-point likert scale to develop the questionnaire with ratings of 1-very ineffective, 2-ineffective, 3-neither effective nor ineffective, 4-effective and 5-very effective, (Appendix 1). Respondents were required to rank the bank on the effectiveness of the application of the quality management concept in executing the business strategy statement in the questionnaire. Also through interviews, the research sought staff's views of G.T. bank as an institution to work with. This represents a survey of the bank's culture and employees' attitude towards quality management system in the bank's branch.

The customer survey was done using the "SERVQUAL" based gap instrument.

4.1 MANAGEMENT AND STAFF ANALYSIS

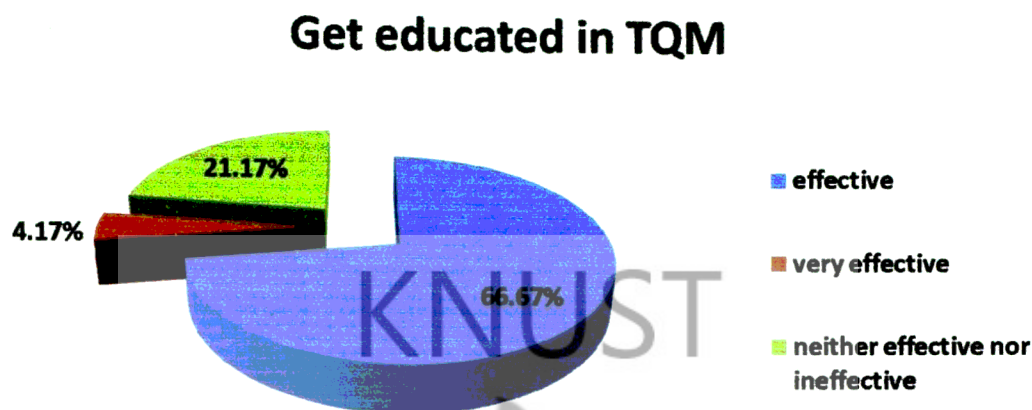
This is the analysis of the results of the 7 quality dimensions used in the management and staff questionnaire.

4.1.1 Leadership and Commitment

This quality dimension shows the level of involvement of senior management in total quality management activities in the institution.

4.1.1.1 Get educated in TQM

Fig 4.1



Source: Field Survey 2009

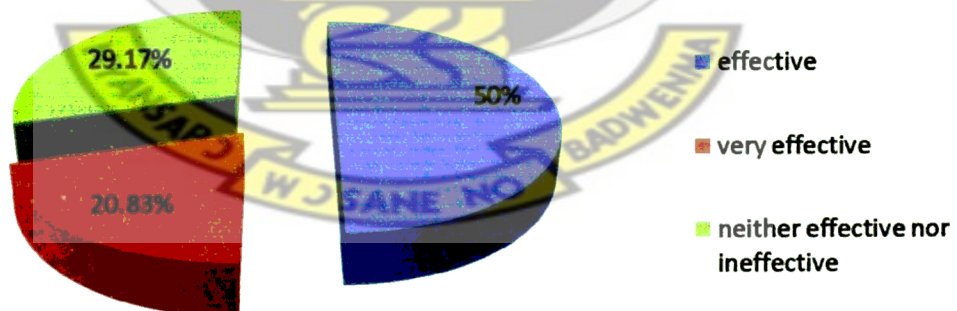
As shown in fig.4.1 above, 66.67% and 4.17% of the respondents indicated that, senior management's involvement in "getting educated in TQM" is effective and very effectively respectively, while 21.17% felt it is neither effective nor ineffective meaning just fairly done and needs improvement. Staff and management recognize the level of commitment of senior management to getting educated in TQM. This is very important in the implementation and workings of quality programs as it must be fully accepted and understood by management first so as to be well implemented and supervised. At G.T. bank, it is a policy for management to undergo training on any new developmental program which makes them competent in the execution of their duties. Periodically refresher and updating training programs on improved banking practices and effective management of specific departments are also organized for management. This has

contributed to the 66.67% and 4.17% of effective and very effective response which means this is effectively done but can be improved. The implication of this is that, management to a large extent is committed to professional development owing from their quest for success and competence. Spenley (1992) states that training structures must be top-down, starting with the top team and cascading down the organization. The golden rule to successful implementation is to ensure managers train their own people. This is necessary to show management commitment and to ensure managers actually understand the TQM principles and methods.

4.1.1.2 Train others in the organization on TQM

Fig 4.2

Train others in the organisation on tqm



Source: Field Survey 2009

On “training others in the organization on TQM”, the researcher sought to find management involvement in training others. The survey showed a response of

50% for effective, 20.83% for very effective and 29.19% on neither effective nor ineffective as in fig. 4.2. This is indicative of a relatively high level of senior management commitment to the success and effective implementation of TQM in G.T. bank. According to Dale et al (1996), the key factor for the implementation of TQM is considered to be the personal involvement. The leadership effectiveness and the interaction process between superior and subordinates as well as the role of training chief executives in effective leadership skill. The high affirmative response to leadership getting education in TQM is an indication that G.T. bank's leadership wants to take ownership of the process improvement. This edges them to train their subordinates on TQM which result in the effective implementation and acceptance by all staff. Through this, the bank's programs become simple, easy and cost effective as the culture of efficiency in executing any work at any time is developed and waste is prevented. At G.T. bank, program and policy executives in the human resource department are in charge of training others in the various departments of the bank. However the 20.83% response of neither effective nor ineffective meaning it is fairly done is an indication that there is a big room for improvement.

4.1.2 Education and Training

This dimension in the quality assessment is equally very important as it is the beginning of the quality management journey of every institution. As noted earlier that senior management first gets education on TQM principles, there are also

education and training programs on TQM for every member of staff. This is why the bank has established a TQM curricula and aligning work with TQM.

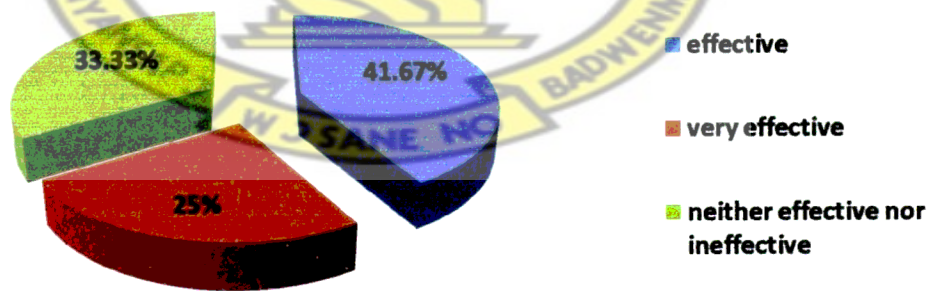
4.1.2.1 The bank has a TQM curriculum established.

This identifies the bank having its own TQM subjects and training programs.

The survey on “the bank having a TQM curriculum established”, indicated 33.33% of respondents believing it is neither effective nor ineffective, 41.67%, effective and 25%, very effective as shown in Fig.4.3. This show that about one third of the respondents that is 33.33% feel the TQM curriculum is neither effective nor ineffective in its implementation. This indicates it is just fairly done and this needs great attention. However it is clear some effort is being made.

Fig 4.3

Has a TQM curriculum established in my company

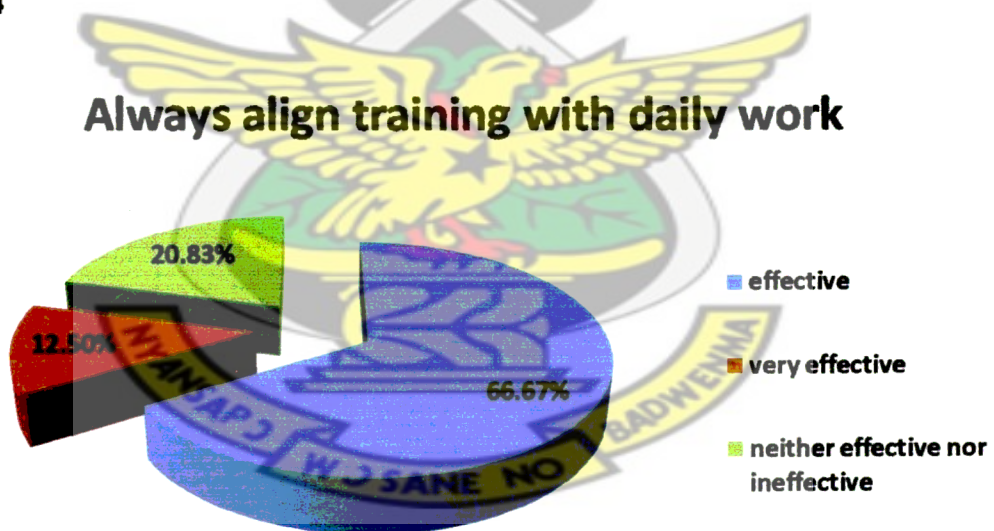


Source: Field Survey 2009

4.1.2.2 Align training with daily work

With “aligning training with daily work”, we sought to identify how TQM is practices through daily work at the bank. 20.83%, 66.67%, and 12.50% were recorded in the survey representing; neither effective nor ineffective, effective and very effective respectively as shown in fig.4.4. These percentages indicates that G.T. bank aims at continuously improving the efficiency of its service and processes and thus TQM programs are tailored purposely to run through the banks operations and work to achieve the targeted results. Though 66.67% affirmed its effectiveness, 20.83% of respondents indicate it’s fairly done and points to the fact that more should be done in aligning training with daily work.

Fig 4.4



Source: Field Survey 2009

The establishment of the TQM curriculum and it’s alignment with daily work in relation to feedback from customers, employees and the process is a good step in

establishing strong and effective working processes in the bank. Due to this, most problems of customers are envisaged, thought of and fixed before they get out of hand. Employees of G.T. bank receive training for every new program and are scheduled to take a training course at least once a year at the national banking college to develop and update them on new ways of banking business in relation to specific job functions. This empowers staff and management in their duties making them more efficient, fast and reliable. However during informal interviews, respondents proposed for in-depth training also for contract staff just as permanent staff to equally make them efficient in their duties. This will go a long way to improve the chain of services delivered.

Carpinelti (1998) has argued that empowerment and involvement can be effective if and only if employees receive formal systematic training in quality management. Employees can understand quality related issues only when they are trained in the quality concepts and tools. The figures shown in fig. 4.4 indicates that education and training is effective and if taken more seriously will lead to better understanding of policies, programs and products for a more efficient discharge of duty while delighting and retaining customers.

Work within the G.T. bank is modeled to reduce waste of materials and time through the recycling of recyclable materials like paper, wrappers and rubber bands. These must be used when they could be reused especially in-house. Time for doing a task is reduced by staff being trained to do tasks effectively the first time. This is to prevent waste and extra time to redo task not done right the first time. The checks and balances inbuilt in the training programs of the bank see to

it that work is done appropriately the first time. Also staff going out on official duties along the same route is encouraged to use the same car if possible further helping to cut down waste of fuel. All these help to cut down cost of operations and realize the benefits of TQM. The operations manager confirmed that although banking business activities are increasing with the increase in customers to over 1300 within the past year, the cost of stationary and other resources have not increased in direct proportion to the growth in customer base. This is partly as a result of the efficiency in executing duties thus avoiding waste. Also customers have openly shown appreciation for the fast and easy ways of doing business with G.T. bank, Adum-Kumasi branch. Customers are delighted with the bank's "slip free" banking; where no paper or writing is used, just talk to deposits cash with the help of your picture identification on the teller's computer and mentioning of your name. When withdrawing, your signature is signed and cross checked on the teller's computer for security purposes. This has reduced turnaround time in the banking hall while preventing long queues. The use of stationary and its attendant difficulty of writing and spelling for the uneducated is reduced. This is seen as helping with the banking needs of illiterate who otherwise would not have banked due to the challenges of writing and spelling. The bank has increased its customer base while saving on stationary.

4.1.3 Information and Communication

W. Edwards Deming (1982) in his 14 point program on TQM states that: Drive out fear; eliminate fear by encouraging the communication of problems and expression of ideas.

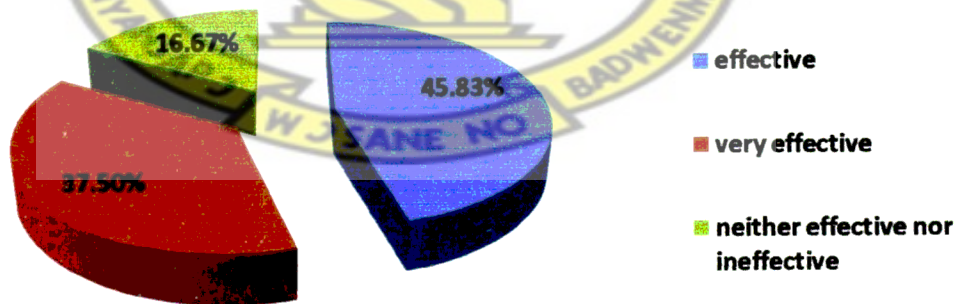
4.1.3.1 Communicates about both TQM processes and their results to the entire organization

This is to identify the flow of information concerning TQM processes in the bank and its performance within the entire organization.

The survey showed that G.T. Bank, Adum Kumasi, “communicates about both TQM processes and their results to the entire organization” with 16.67% of respondents indicating it is neither effective nor ineffective, 45.83% effective and 37.50% affirming it is very effective as shown in Fig.4.5. This show what TQM processes are being implemented and how effective these processes have been. The 45.83% response represents it is effectively done with the 37.50% confirming a world class level. But the 16.67% indicating just fairly done and requires more attention to further reduce this figure.

Fig.4.5

Communicate about both TQM processes and results to the entire organisation



Source: Field Survey 2009

4.1.3.2 Develop a TQM communication strategy and plan focusing on stakeholders

This is to identify how effective the bank develops TQM communication strategies and plans focusing on management and staff, customers and shareholders. The percentage response were 25%, 50% and 25% for neither effective nor ineffective, effective and very effective respectively as indicated on fig. 4.6. With 25% of the respondent indicating that the TQM communication strategy and plan is fairly done that is neither effective nor ineffective, there is the need for a more effective work to be done to reduce this figure. However it is clear that some level of communication is practiced as shown in the figures on fig.4.6

Fig 4.6

Develop a TQM communication strategy and plan focusing on stakeholders



Source: Field Survey 2009

These figures indicate good and easy flow as well as access to information within the bank and with other stakeholders outside the bank. In a response to what staff

liked about the bank, 25% affirmed the open and friendly environment in the organization which helps in the collection of information and its communication. (Appendix 3). This informs how easy information flows through the institution and its potential of making staff updated on issues, policies and programs to efficiently undertake their duties on time and avoid errors. Thus true to the bank's open door policy which reinforces an informal atmosphere and breeds a feeling of equality. At G.T. bank, everyone is accessible and approachable easily, this is aided by working in open offices alongside colleagues. In addition, there is a flat organizational structure that promotes effective communication, team work and prompt decision-making. The branch holds departmental meetings every Tuesday to brainstorm on its programs and policies as well as mapping out new strategies to challenging issues. Also, better processes of handling work within the bank to reduce cost and time are mapped out to help discharge duties effectively and improve the quality of service. Performance assessment of each employee is carried out which is tied in with promotions. These are to help constantly improve the system of service delivery. Communication among staff is easily aided with the use of inter communication telephone network connecting every desk. This makes communication faster as staff will not have to leave one's desk to assess information and verifications from any other desk within the bank. This has improved verbal communications a great deal in the operations of the bank. However these same telephones are used to contact other stakeholders through the commercial fixed telephone networks.

Every desk has a computer and it's connected to the internet aiding staff communication through intranet within the branch and the world. Also duties, reminders, notices and documents meant for consideration are sent to staffs' electronic mailboxes.

These are also great means of managing communication effectively with staff, receiving feedbacks and monitoring staff activities and performance by accessing what every employee does on his or her computer. Customers also have access to a special internet connected computer within the bank to communicate complains and check their banking transactions for free. All these have helped the bank in gathering information and communication.

Love (1998) has argued that management must communicate to employees why this journey is to be undertaken. Implanting quality management in an organization without consulting employees and just telling them 'what to do or else' leads to resistance and antagonism towards management. Employees do not fear change but they fear being changed. Thus management must give paramount consideration to letting workers know exactly the content and its benefits to them in order to allay their fears and insecurity.

4.1.4 Measurement and Control

This is to identify the TQM means of measuring and controlling bank's procedures, processes and performance. Philips Crosby (1979) advocates that the status of quality through out the organization should be audited. This requires quality measurements to be reviewed and established where they do not exist.

Once quality becomes measurable, an objective evaluation should be made to identify nonconformance and the necessary corrective action. Developing quality measures for service is a difficult task but it represents an opportunity for worker participation. Service personnel most often respond with enthusiasm and pride when asked to identify quality measures for their work

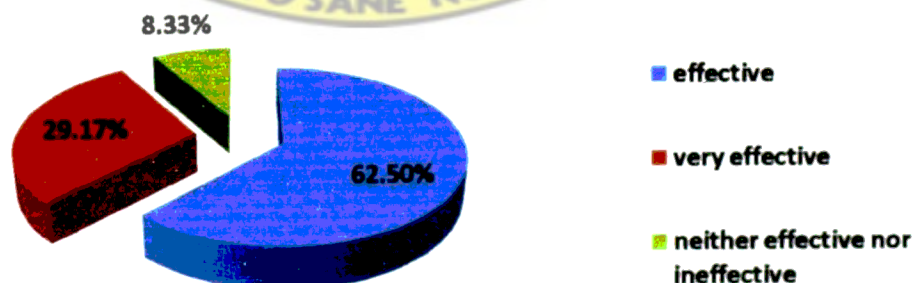
4.1.4.1. Bank establishing a new measurement as needed to track process improvement

With this the researchers sought to identify the establishment of new measures in response to changes in processes of doing business.

Under this dimension the survey of G.T. bank “establishing a new measurement as needed to track process improvement” indicated responses of 8.33% for neither effective nor ineffective, 62.50% effective and 29.17% very effective as shown in Fig.4.7. TQM requires constant improvement and the results suggest the bank is making this effort.

Fig 4.7

Establish new measures, as needed to track process improvement

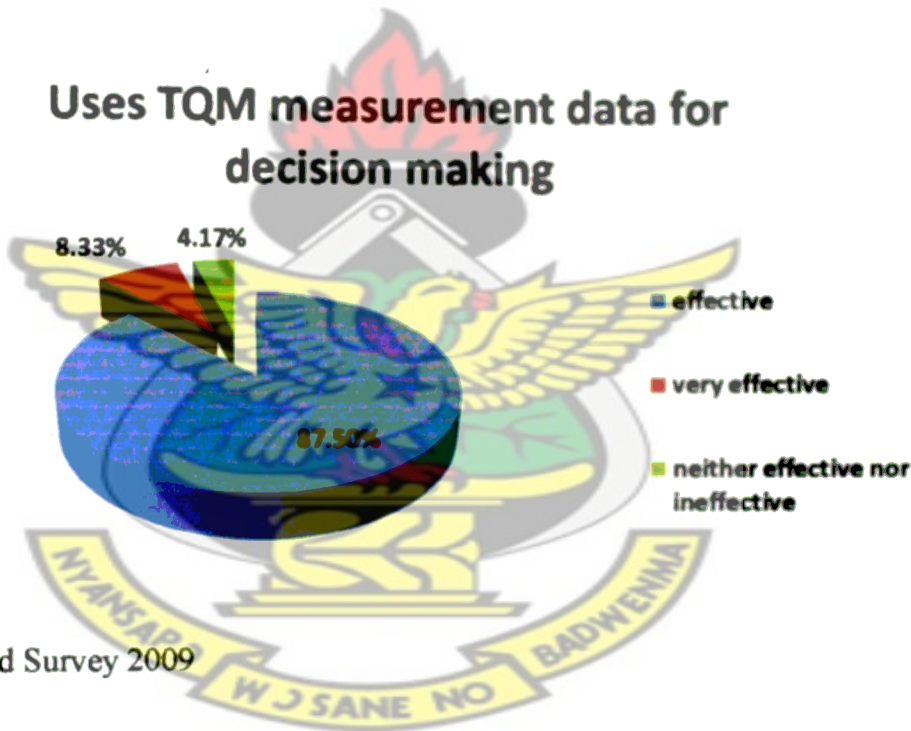


Source: Field Survey 2009

4.1.4.2 Use of TQM measurements data for decision making

This is to identify decision making based on TQM measurements data from the bank's processes. Responding to the use of TQM measurements data for decision making, 4.7% indicated neither effective nor ineffective with 87.50% and 8.33% affirming effective and very effective respectively as shown in Fig.4.8. Gathering data is important but more important is acquired data through TQM and using it for decision making as exhibited strongly by this survey of the bank.

Fig 4.8



Source: Field Survey 2009

This indicates decisions are made based on empirical data through TQM procedures so as to improve the process and control while checking every situation. Measuring and controlling the quality system is very crucial to successful implementation of TQM in the banking industry. There is the need to measure productivity, financial performance, product quality, staff attitudes,

customer satisfaction, health and safety and environment status. This becomes the basis for future planning and policymaking. Periodic surveys by the bank's corporate affairs department seek to assess G.T. bank's products and services out on the market and the responses generated. Necessary adjustments are made as indicated by the feedback received. As part of the branch's total budget, every marketing desk has its own budget showing how much the desk earns for the branch in terms of not only the number of accounts the desk opens but also the sizes of these accounts and their profitability to the branch along side the expenditure of these desks. Through the internet the financial control department monitors the performance of every desk weekly and monthly on their targets. Staff is trained and encouraged to make surplus budget which is a self checking measure of ones performance. Desk presentations are made on financial performance and reasons for such performances are outlined.

Also an appraisal system is used to assess staff performance by the unit heads and grades awarded which is considered when promotions are due. These create a motivational factor to performance improvement within the bank. What's more, a consistently good grade attracts cash allowance.

The operations manager also pointed out that before procurements are undertaken, three or four invoices are compared in relation to the quality of product or service to be rendered. This is to prevent unwarranted repair works associated with poor products and services. Further to keep down cost, the bank is embarking on efficient use of energy by issuing fuel and lubricants to drivers through the use of a "Tom card"; a computerized system of allocating only authorized quantities of

fuel at a petroleum filling station. To further check abused of fuel by drivers, the authority to use the “Tom card “is vested in the officer being driven by the driver. Electricity is also conserved with the use of energy saving electrical gadgets and switching off all unused lights during working hours and after work.

The bank is making efforts to keep an extensive database on employees, customers and the process which provides a solid source of intelligence for the business. Employing the voice of the customer and the use of market information systems, strategic initiative are being put in place for the bank to be proactive rather than reactive in the bank’s decision making processes. This is seen in the banks policy of severing corporate and very important customer at their door step with their deposits and withdrawals knowing the bank’s relative disadvantage in geographic location in the city of Kumasi.

Information gathered and analyzed from customers, staff, management and other stakeholders gives a clearer view of future challenges, customers’ requirements and how to approach them. This is why the bank has invested hugely in computerization and information technology with Fridays branded as “e-Fridays” for customer education on the bank’s information technology facilities such as e-Business (SMS and Internet Banking), ATM Banking Service, VISA debit cards etc. This is organized for customers that visit the bank on these Fridays.

4.1.5 Planning

W. Edwards Deming (1982) in his 14 point program on TQM states that: Create a constancy of purpose for improvement of product and service. Management must

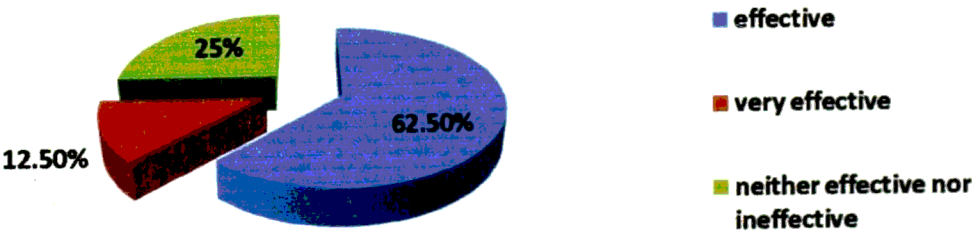
stop its preoccupation solely with the next quarter and build for the future. Innovation in all areas of business should be expected.

4.1.5.1 Revisiting TQM plans to identify needed changes and document results

This is to identify the bank's use of TQM processes in planning for changes and the processes of documenting these changes. On the issue of "revisiting TQM plans to identify needed changes and document results", the survey response was 25%, 62.50% and 12.50% for neither effective nor ineffective, effective and very effective respectively shown in fig.4.9. This shows that the bank seeks to improve its activities considerably when the need be and these processes are documented for future development. This is done weekly and it's a collaborative activity between management and staff by each outlining their weekly plan which is developed into a monthly and quarterly one. The 25% indication of this being fairly done needs to be reduced to reflect improvement because TQM planning is very important in fiscal policies.

Fig **4.9**

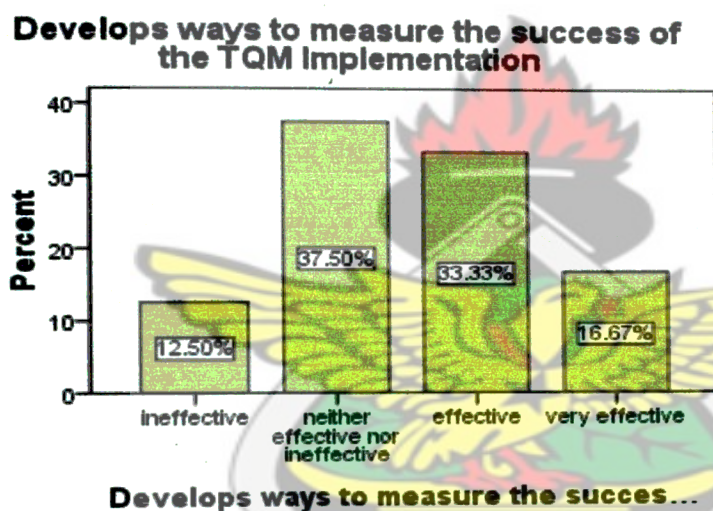
Revisits the TQM plan to identify needed changes and document results



4.1.5.2 Develop ways to measure the success of TQM implementation

In response to developing ways to measure the success of TQM implementation the survey recorded 12.17% for ineffective, 37.50% for neither effective nor ineffective, 33.33% for effective and 16.67% for very effective as shown in fig 4.10. These are indications of the bank's attempt not only at implementing TQM but also to assess its self in this process.

Fig 4.10



Source: Field Survey 2009

Philips Crosby (1979) advocates goal setting, where employees are encouraged to think in terms of establishing improvement goals for themselves and their groups. Supervisors should help their employees to set specific and measurable goals. The bank has scheduled a weekly and monthly statistical review of programs, policies, directives and products, which are a brainstorming section aimed at refocusing their efforts at achieving excellence. During these meetings targets are reviewed

and new ones set for departments and individuals. Also every desk has to develop his or her own plan and activities in line with corporate policies to achieve their set targets. Department heads are also responsible to the branch manager in the bank's accountability policy for processes, products and programs weekly. These are compiled and further presented at the head office in Accra monthly. Here reasons are given why targets were exceeded or not met. Targets for the next month are set and plans, policies and procedures to achieve them are explained.

“If you don't know where you are going any road will lead you any where”. This is wholly true in the sense that if one fails to plan, one is planning to fail. If one does not measure initial performance one cannot set target, and without targets there is no way of judging the process. The growth in our customer base is due to the targets we set and effort made to achieve these hard targets for a new bank like this.” These are the words of the head of marketing at G.T. bank Adum-Kumasi.

Sadgrove, (1995) argues that planning, measuring and controlling the quality system is very crucial to successful implementation of TQM. As a policy at G.T. bank, every November is a month of evaluation for the current year and planning and setting of targets for the coming year for every staff, department, branch and the whole institution.

4.1.6 Motivation

W. Edwards Deming (1982) stated organizations should institute modern methods of supervision. Focus supervision on helping workers to do a better job. Provide

the tools and techniques to promote pride in one's work. Also Deming proposed drive out fear; eliminate fear by encouraging the communication of problems and expression of ideas.

4.1.6.1 Aligning TQM with employees' needs for growth and development

This is the use of TQM to identify and plan employees' need for growth and development. In response to "aligning TQM with employees' needs for growth and development", the survey recorded a response of 25% for neither effective nor ineffective, 41.67% for effective and 33.33% for very effective shown in Fig 4.11. This is an indication of the bank's efforts to develop its staff professionally as a motivation for the employees and strategically for competitive advantage. However with the strategic nature of this growth and development, a response of 25% for neither effective nor ineffective meaning it is fairly done needs a lot of improvement because TQM depends on human resources. It is however encouraging with the level of effectiveness the survey recorded.

Fig 4.11

Align TQM with employees' needs for growth and development



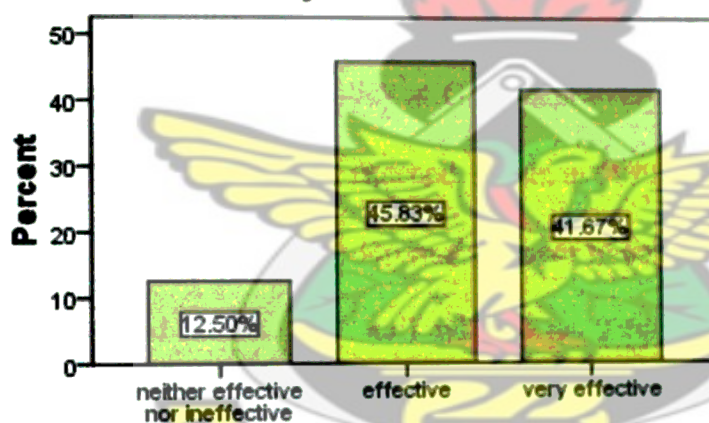
Source: Field Survey 2009

4.1.6.2 The bank ensuring senior management interacts freely with junior staff

Also responding to “the bank ensuring senior management interact freely with staff” the survey recorded 12.50% for neither effective nor ineffective, 45.83% for effective and 41.6% for very effective as shown in Fig.4.12. This is indicative of how effective communication in the working environment is enhanced. However it could be improved.

Fig 4.12

Ensure senior management interacts freely with junior staff



Ensure senior management interacts freely with junior staff

Source: Field Survey 2009

These figures suggest the professional development plans embarked upon by G.T. bank to motivate employees in their carriers as bankers and be professional in their output. This is seen in the intense education and training programs for staff and management. Every staff at least once a year is scheduled for a relevant

and management. Every staff at least once a year is scheduled for a relevant training course at the Ghana institute of bankers and receives a certified certificate. This is undertaken to develop staff and management in their area of work within the bank periodically and when the need be. Also in house training and development programs are organized to instill the G.T. bank's banking culture in staff and management. This is a great motivation for management and staff to develop professionally in their carriers, resulting in higher efficiency in duty and performance. Tied to this is the building of a strategic advantage of competent human resource for efficiency.

The free interaction between management and staff eliminate fear and encourage team work, teaching and learning as well as a healthy supervision which lead to better work output. As a policy at G.T. bank every body is referred to by his or her first name with no titles attached. Denman (1992) goes on to say that it takes passion and dedication from top management to achieve real success and that the dedication and attention of staff will be no greater then that of management. When management can pursue organizational goal with passion, the zeal and sincerity of management will be contagious, and the people will follow through with enthusiasm.

Staff of G.T. bank confirms they are on good salaries compared to its competitors in the industry. There are two types of yearly bonuses, the first being based on the general performance of the bank which is shared across board and the second only due for the business development teams exceeding their set target for the year. In addition to this, a "13th month" salary is received every December across board.

Medical insurance and allowances are also part of staff and management remuneration. This is a strategy of attraction in the industry so that the bank selects a good cream of workers. Also it serves as a motivation which check staff turnover resulting in experienced personnel from long years of work with the bank and the benefits thereof. However interviews reveled that staff would be more motivated if they could access loan facilities for cars and accommodation. Management in response to this claim transport and rental allowance are factored into salaries and also training staff to live within their means and not develop the culture and situation of staff owing the institution so much which need the same money to do business.

4.1.7 Customer Satisfaction

Christopher W. L. Hart (1988) writes that service guarantee has obvious marketing appeal and can redefine the meaning of service for an industry by setting quality standards through focus on customers, setting clear standards of services and its guarantee as well as building customer loyalty.

4.1.7.1 Empowering every one in the organization to “delight the customer”

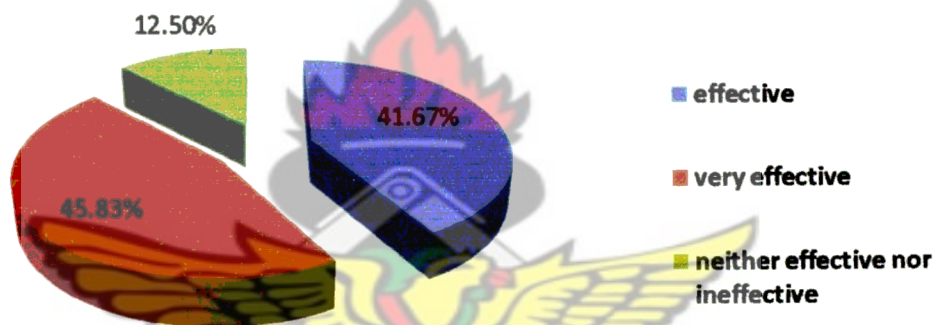
This sought to identify how staff is enabled to undertake their duties to make the banking experience of customers more pleasurable than their expectation.

The survey inquired of G.T. bank “empowering every one in the organization to delight the customer” and the responses were 12.50% neither effective nor ineffective, with 41.67% and 45.83 % for effective and very effective respectively

as shown in fig.4.13. This confirms the effort being made by the bank to live to its customer friendly proclamation. Nonetheless a 12.5% neither effective nor ineffective response is an indication of this fairly done and requires some more attention and improvement. This confirmed in the customer analysis in section 4.5.

Fig4.13

Empowers every one in the organisation to 'delight the customer'



Source: Field Survey 2009

4.1.7.2 Linking customer requirement to the development of new products and services

On the issue of “linking customer requirement to the development of new products and services”, 20.83% of the respondents answered neither effective nor ineffective while 45.83% and 33.33% affirmed effective and very effective respectively as in fig4.14. Effort is being made at this but the 20.83% of neither effective nor ineffective response meaning this is fairly done needs improvement

to meet customer satisfaction in the services of the bank as indicated in the customer analysis in section 4.2.

Fig 4.14

Link customer requireent to the development of new products and services



Source: Field Survey 2009

These results are indication of the effective policies and plans made to identify customer expectations and provisions made to satisfy them. Also new products and services are tailor made to customer needs as much as possible as their requirements are factored into all innovations, policies and programs not just what the bank can offer. The “slip free” banking which is doing business of withdrawals and deposits verbally is a good strategy to meeting the needs of illiterates in the banking operations of G.T. bank. This makes transactions really faster and easy thus reducing the turn around time in the banking hall and the use of stationary resulting in cutting down cost of operation. This has helped increase the bank’s customers to about 1300 in just over a year. Also customers who are literate in the use of the internet through the bank’s internet banking program can

transfer money to other G.T. bank accounts on the internet any where without coming to the bank. There is also the automated teller machine (ATM) service for easy and fast access to account information and money with out entering the banking hall. All these free the banking hall of long queues and reduce turn around time in doing business with the bank.

On the internet there is a website page of the bank for customers to forward their complains which is monitored closely and issues treated as urgent and solved promptly.

In their bid to further delight customers and creates customer loyalty, every major customer especially corporate customers have a particular staff who attends to them personally, especially when the customer has a specific banking and financial need, but the customer may not have time attending to them. Example is paying customers' electricity and DSTV subscription fees on his or her behalf. Customers may call their assigned staff to come to their work premises for their deposit or make a withdrawal and bring to their work place or home. There is also customer customization through establishing a data base of valued customers' requirement and expectation and a partner relationship with key customers.

4.2 Customer Analysis

Generally, it is assumed that most customers enter a service situation with some expectations. These expectations are formed either by word of mouth, previous experiences of the same or similar service, or simply expectations generated by the customer independently. A customer usually undertakes a service experience

with some preconceived expectations and thereafter develops a perception of that experience. Hence, service quality through the SERVQUAL gap instrument could be measured as expectations minus perceptions or “E-P” gap. A positive “E-P” score implies that customer expectations are more than the perceptions of the customer i.e. the expectations of customers are not met whereas a negative score in this gap indicates a delighted customer.

The SERVQUAL survey of a sample of customers of G.T. Bank Adum Kumasi revealed a positive score and ratings for the statements of the tangible, reliability and assurance dimensions of service quality. This means customers are not happy with these dimensions. On the other hand, the dimensions of responsiveness and empathy were scored in the negative which is an indication of customer delight. This is shown in Fig.4.21

Table 4.0

TABLE OF SERVICE DIMENSIONS

DIMENSIONS	MEAN
TANGIBLES	4
RELIABILTY	8.2
RESPONSIVENESS	8.25
ASSURANCE	6
EMPATHY	7.6

Source: Field Survey 2009

Fig. 4.2.1

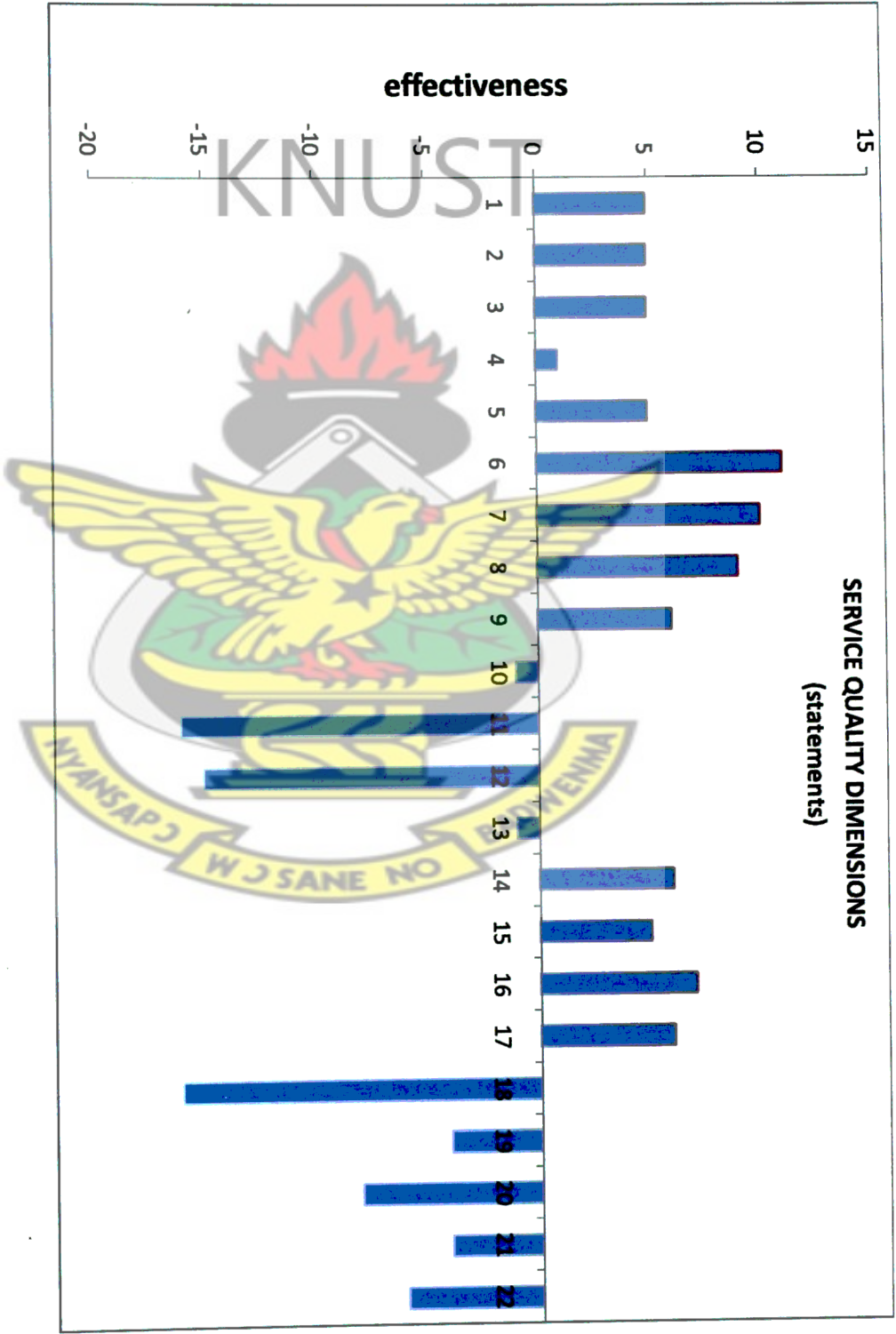


Fig. 4.2.1

1-4: Tangibles, 5-9: Reliability, 10-13: Responsiveness, 14-17: Assurance, 18-22 Empathy

Source: Field Survey 2009

4.2.1 Tangibles

The tangible dimension recorded a mean of 4 being the lowest of the dimensions scored positive which means the quality of service in this dimension do not meet customer expectation shown in fig. 4.16. This means the tangible dimension though unacceptable in quality to customers of the bank surveyed, is relatively better than the other dimensions scored positive. This is an indication of customers having some challenges with the branch decorum and condition of premises. Thus physical facilities within the bank will need improvement and be more appealing. Customers complained about the lack of enough waiting chairs in the banking hall. Also more attention may be paid to the dressing of staff and management.

4.2.2 Assurance

With a mean of 6, the assurance dimension came next to the tangible in the service quality dimensions with a positive value from the survey also showing that the quality of the assurance dimension need to be improved as shown in fig. 4.16. This indicated that staff should be more polite and the bank should create an environment that will make customers feel safer in their transactions. Also employees of the bank should be more resourced to do their job better. A customer in an interview indicated that there are not enough counting machines for the bulk money counting room and makes them queue at time.

4.2.3 Reliability

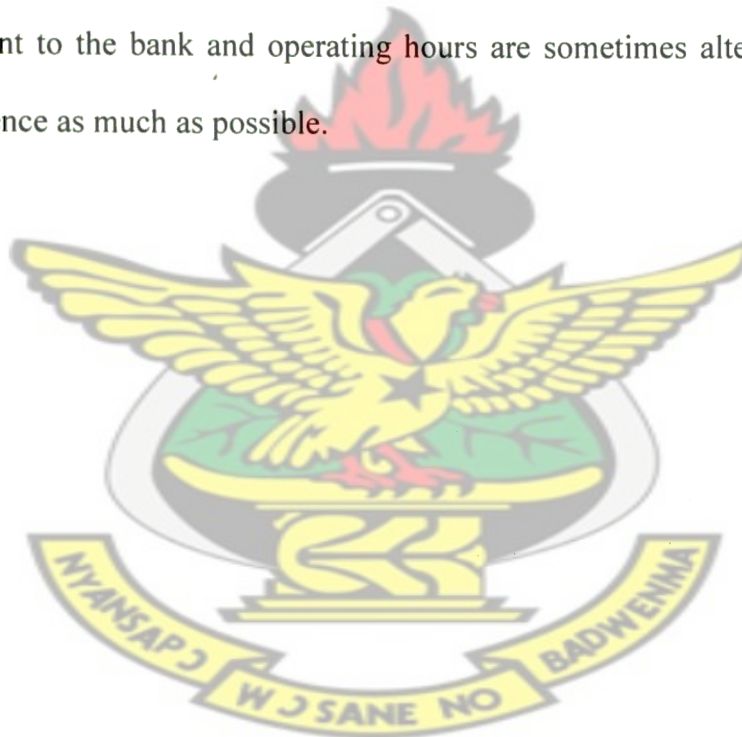
Scoring a mean of 8.2, the reliability dimension is the highest of the positive valued service quality dimension from the survey shown in fig 4.16. This makes this dimension the most unacceptable service quality dimension of the customer survey and really needs attention. By this there is an indication that when the bank promises to do something by a certain time it is not done and should be more sympathetic and reassuring with customer when they face problems. A customer interviewed confirmed that time stated for his ATM card replacement has long elapsed without having it. What is more, the record keeping of the bank should be improved.

4.2.4 Responsiveness

With a mean of 8.25, shown on table 4.0, the responsiveness service quality dimension has the highest mean and also with a negative score as shown in Fig 4.16. This makes the responsiveness service quality dimension a delight for customers as their expectations are exceeded with services received in this dimension of service quality from the bank. This is an indication of staff rendering services promptly and always willing to help and even making special arrangement for customers. This confirms some degree of customer customization being practiced to delight and retain customers.

4.2.4 Empathy

The empathy dimension of service quality scored a mean of 7.6. This dimension from the survey also recorded a negative value and thus is a service quality dimension of G.T. bank that delights her customers by exceeding their expectations as shown on Fig 4.16. Efforts should however be put in place to maintain and improve it. With this dimension customers receive individual attention and staff anticipates customers' problems and helps them. This is seen in the setting of the banking hall where there are special cubicles for customers to have their privacy with officers transact business. Also the interest of customers is paramount to the bank and operating hours are sometimes altered to meet their convenience as much as possible.



CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

From the analysis of the survey result it is evident that there is a culture of quality management in G.T. bank Adum-Kumasi but needs to be improved. This is shown from the responses to the assessment of the quality dimensions by staff and management of G.T. Bank, Adum Kumasi. A sample of customers of the bank also through the “SERVQUAL” gap instrument indicates that service could be improved. These results should not only help to increase quality management awareness but also its effective implementation through every department and everybody in the service sector.

5.1 Summary Of Findings On Total Quality Management Situation In Ghana

5.1.1 TQM situation in Ghana

From the research the following findings were made on the quality situation in Ghana:

1. Quality management systems application is not wide spread in Ghana and only a few institutions in the service sector are trying its implementation in their businesses.
2. There is very little education and literature available on total quality management in the service sector of.
3. There is currently no government policy on TQM to guide service providers and consequently no national quality awards to encourage service providers.
4. A number of organizations such as DANIDA, UNDP, UNCTD/ITC and the New Partnership for Africa's Development (NEPAD) have taken steps to initiate and assist projects that seek to build the capacity of business organization in quality management systems applications (Joint Integrated Technical Assistance Project (JITAP) Report, 2002).

5.1.2 Findings from case study institution -G.T. Bank Adum, Kumasi.

Challenges:

This refer to areas where further improvements need to be considered

1. Training: Concluded from the staff and management survey, training programs for contract staff are not as intensive as for permanent staff and this weakens the chain of quality flow in the service quality of the bank.
2. Motivation: To the staff, motivation could be improved by the provision of loan facilities for cars to aid easy commuting to and from work as well as housing loans. However the policy of the bank is to impute in salaries, clothing, rent and health allowances as well as fuel and maintenance

allowance for staff having cars. This is also seen as a means by management to teach staff to live within their means.

3. Communication: Some level of bureaucracy impedes the smooth flow of information through the institution which affects problem resolution and decision making. Also the band width for the internet service should be improved to speed up communication
4. There should be more interaction with customers to know their changing needs as a greater level of their expectations are not satisfied.

Positive findings:

1. The bank has made conscientious effort to practice quality management or to implement some level of quality management system as reflected in the ratings given by management and staff on the various quality dimensions on which they were assessed.
2. The bank has experienced a positive trend of growth in customers and its financial performance largely due to the quality system being practiced.
3. G.T. bank is noted and recognized for its high level and effective technological products and facilities making banking a delight to its customers.
4. The open door policy and flat organizational structure encourages the sharing of ideas on issue and build team work through out the institution.

5.2 Conclusion

There is a quality management system in place with an overall performance more than average because management and staff have a level of commitment to its success. Customer expectations are met half way which confirms the need for improvement in the implementation of total quality management to the central business strategy and the people factor at the core of the approach.

The need for quality management policies to assist improve the service industry in Ghana cannot be overemphasized since there is severe competition out there in the ever shrinking global village which could lead to business fold ups. Thus capacity planning and building in quality management systems in the light of growing and changing demands of customers for quality services from service providers cannot be overlooked.

In order to succeed in commercial banking, there is a need to develop an organizational culture based on the tenets of the TQM. By this, everybody is involved in quality enhancement processes, and the bank management is keen and fully committed to its implementation and ultimately satisfy customers. Quality is to be taken as an attitude, and the behavior of staff and management should reflect that learned attitude.

5.3 Recommendations

5.3.1 Quality policy in Ghana

In Ghana like in most developing counties, quality management is considered as an added on optional due to the fact that the concept is not well understood by

institutions, companies and other businesses. To help solve this, the following strategic guidelines are recommended for creating quality awareness in Ghana:

Quality management curricula in educational institutions: The current trend of global trade requires the introduction and where introduced the in-depth teaching and learning of quality management systems in Ghana's institutions of higher learning such as the Polytechnics and Universities to imbibe in potential managers and work force the culture of Quality management.

Technical assistance: The ministry of trade and industries could co-ordinate with the Association of Ghana Industries AGI, Ghana National Chamber Of Commerce (GNCC), Private Enterprise foundation (PEF), and donor agencies to offer technical assistance to Small and Medium Scale Enterprises in the implementation of quality management systems thereby creating the quality culture and deepening its implementation in Ghana.

Institution of Quality Award System: Like the United States of America with the Malcolm Baldrige national quality award and Japan with the Deming quality award, there is the need for the ministry of trade and industry to institute a quality award program well designed to encourage service providers and manufacturers adopt and implement total quality management in their systems and procedures.

5.3.2 For case study institution- G.T. Bank Adum-Kumasi

Management should institute regular scheduled surveys focusing on customer expectations and behavior related to quality process improvement, team work and employee capacity. This is to effectively help meet the ever changing needs of customers and assessing the level of quality management implementation and its culture in the institution.

Reward and recognition: it is essential to reward employees who demonstrate appropriate “quality minded” behaviors and culture which aims at achieving the corporate mission and vision with praise and reinforcement. Publicizing the name of the individual or team in the company’s “quality hall of fame” list is a way of creating a positive competitive atmosphere for quality improvement and making employees feel recognized.

It is the results of training that is important and not the fact that it is being done. This is what a company should focus on. Thus all staff especially those who have contact with customers should receive adequate training in spite of employee status; permanent or on contract.

5.4 Suggestion for future research

To present a complete picture of the quality implementation situation in Ghana, the following are suggested:

A more conclusive study is needed by using a large sample size for both service and manufacturing industries to arrive at a more comprehensive strategic guideline in quality management in business organizations.

Certain element of quality management methods such as Customer Relationship Management, Cost of Quality and Supplier Quality Management which this study could not cover in details should be considered for future researches.



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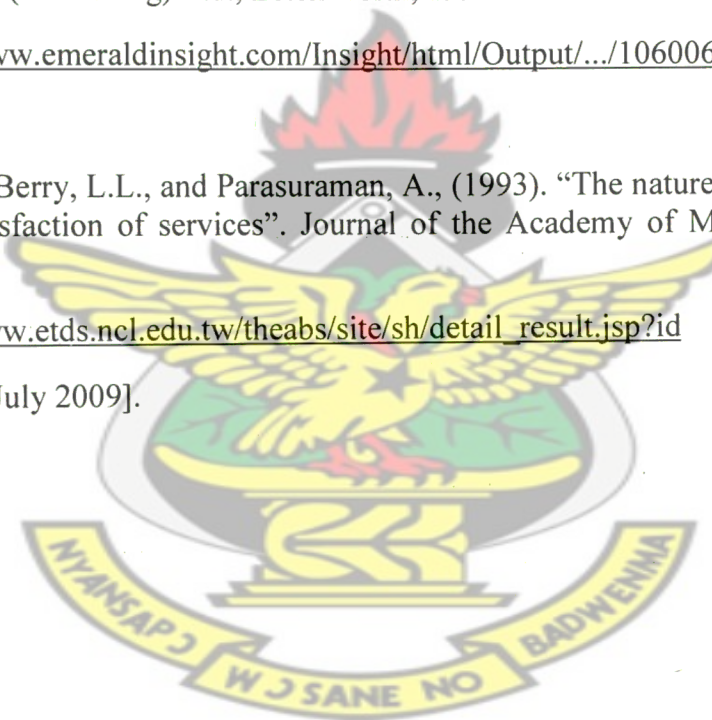
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APPENDIX 2

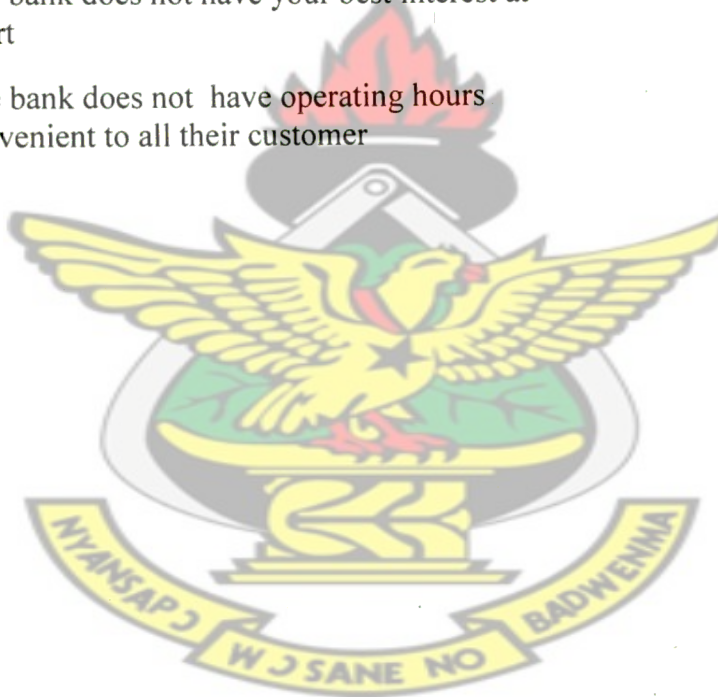
QUESTIONNAIRE FOR ASSESSING CUSTOMER SATISFACTION

Rate GT bank on the following service issues by the scale:

1= Strongly disagree, 2= Disagree, 3= Neither Agree nor Disagree, 4= Agree,
5= strongly agree

	PERCEPTION (actual)
1. The bank has have up to date equipments	1 2 3 4 5
2. The bank's physical facilities are visually appealing	1 2 3 4 5
3. The bank's employees are well dressed and appear neat	1 2 3 4 5
4. The appearance of the physical facilities of the bank is in keeping with the type of service provided	1 2 3 4 5
5. When the bank promise to do something by a certain time they do so	1 2 3 4 5
6. When customers have problem, the bank is sympathetic and reassuring	1 2 3 4 5
7. The bank is dependable	1 2 3 4 5
8. The bank provide their services at the time they promise to do so	1 2 3 4 5
9. The bank keep their records accurately	1 2 3 4 5
10. The bank does not tell customers exactly when service will be performed	1 2 3 4 5
11. Customers receive prompt services from employees of the bank	1 2 3 4 5
12. Employees are not always willing to help customers	1 2 3 4 5
13. Employees of the bank are too busy to respond to customer request promptly	1 2 3 4 5
14. Customers can trust employees of the bank	1 2 3 4 5

- | | |
|---|-----------|
| 15. Customers feel safe in their transactions with the bank's employees | 1 2 3 4 5 |
| 16. The bank's employees are polite | 1 2 3 4 5 |
| 17. The bank's employees get adequate support from the bank to do their jobs well | 1 2 3 4 5 |
| 18. The bank does not give customers individual attention | 1 2 3 4 5 |
| 19. Employees of the bank do not give you personal attention | 1 2 3 4 5 |
| 20. Employees of the bank do not know what your needs are | 1 2 3 4 5 |
| 21. The bank does not have your best interest at heart | 1 2 3 4 5 |
| 22. The bank does not have operating hours convenient to all their customer | 1 2 3 4 5 |



QUESTIONNAIRE FOR ASSESSING CUSTOMER SATISFACTION

Rate GT bank on the following service issues by the scale:

1= Strongly disagree, 2= Disagree, 3= Neither Agree nor Disagree, 4= Agree, 5= Strongly agree

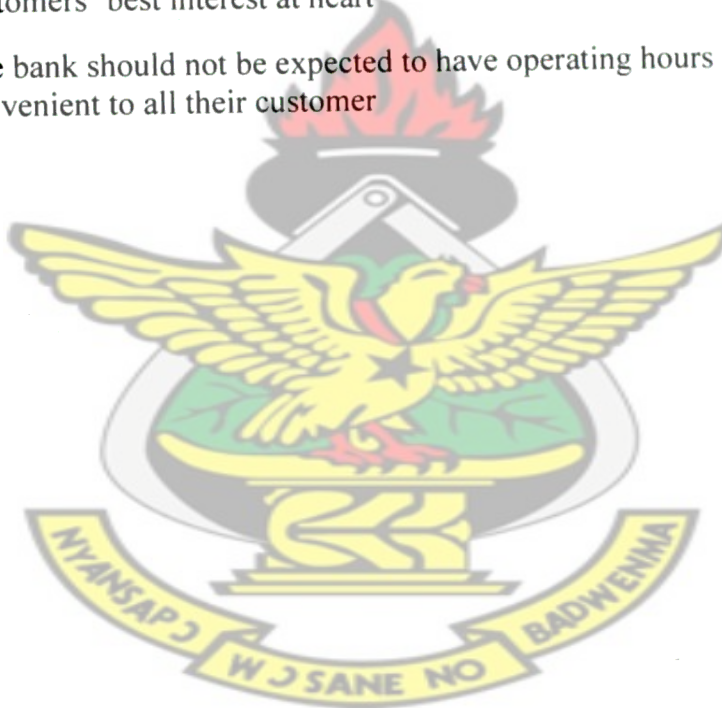
Please circle the number

EXPECTATION

- | | |
|---|-----------|
| 1. The bank should have up to date equipments | 1 2 3 4 5 |
| 2. The bank's physical facilities should be visually appealing | 1 2 3 4 5 |
| 3. The bank's employees should be well dressed and appear neat | 1 2 3 4 5 |
| 4. The appearance of the physical facilities of the bank should be in keeping with the type of service provided | 1 2 3 4 5 |
| 5. When the bank promise to do something by a certain time they should do so | 1 2 3 4 5 |
| 6. When customers have problem, the bank should be sympathetic and reassuring | 1 2 3 4 5 |
| 7. The bank should be dependable | 1 2 3 4 5 |
| 8. The bank should provide their services at the time they promise to do so | 1 2 3 4 5 |
| 9. The bank should keep their records accurately | 1 2 3 4 5 |
| 10. The bank is not expected to tell customers exactly when service will be performed | 1 2 3 4 5 |
| 11. It is not realistic for customers to expect prompt services from employees of the bank | 1 2 3 4 5 |
| 12. Their employees do not always have to be willing to help customers | 1 2 3 4 5 |
| 13. It is OK if they are too busy to respond to customer request promptly | 1 2 3 4 5 |
| 14. Customers should be able to trust employees of the bank | 1 2 3 4 5 |
| 15. Customers should be able to feel safe in their transactions | 1 2 3 4 5 |

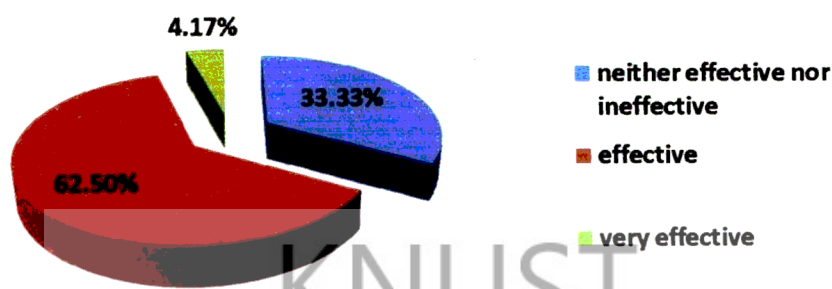
with the bank's employees

- | | |
|--|-----------|
| 16. The bank's employees should be polite | 1 2 3 4 5 |
| 17. The bank's employees should get adequate support from the bank to do their jobs well | 1 2 3 4 5 |
| 18. The bank should not be expected to give customers individual attention | 1 2 3 4 5 |
| 19. Employees of the bank can not be expected to give customers personal attention | 1 2 3 4 5 |
| 20. It is unrealistic to expect employees to know what the needs of their customers are | 1 2 3 4 5 |
| 21. It is unrealistic to expect the bank to have their customers' best interest at heart | 1 2 3 4 5 |
| 22. The bank should not be expected to have operating hours convenient to all their customer | 1 2 3 4 5 |

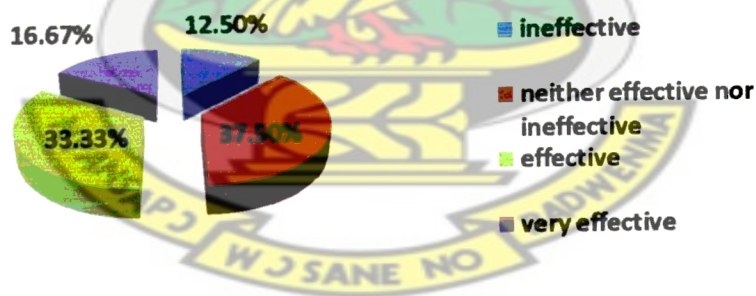


APPENDIX 3

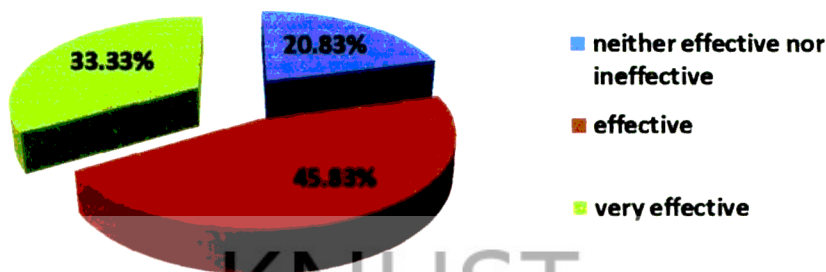
Gather and intergrate information
critical to TQM implementation



Develop ways to measure the
success of TQM implementation



Link customer requirement to the development of new products and services



What do you like about working with G.T.bank

