

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,**

**KUMASI**

**COLLEGE OF ARTS AND SOCIAL SCIENCES**

**SCHOOL OF BUSINESS**

**KNUST**

**EVALUATING THE EFFECTS OF BUSINESS PROCESS REENGINEERING  
IN GHANAIAN BANKS (A CASE STUDY OF ZENITH BANK GHANA  
LIMITED, KUMASI)**

**BY**

**BRENDA KYEREWA OBENG-ADDAE**

**(MBA STRATEGIC MANAGEMENT AND CONSULTING)**

**MAY, 2015**

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**A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL**

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**DEGREE OF**

**MASTERS OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT**

**AND CONSULTING)**

**MAY, 2015**

## DECLARATION

I declare hereby that this research thesis is my own work which is in fulfillment in the direction of obtaining a Masters of Business Administration degree in Strategic Management and Consulting and hence all sources used/stated or cited by me, have been shown and recognized by way of complete references. Therefore, to the best of my knowledge, this study contains materials that have not been earlier submitted or published in full or partial fulfillment of the above mentioned qualification by any person or persons and has also not been accepted by any other educational institution as requirements for this purpose.

Brenda Kyerewa Obeng-Addae  
(PG 5756211)

.....  
Signature

.....  
Date

Certified By:

Dr. Bylon Abeeku Bamfo

.....  
Signature

.....  
Date

Supervisor

Certified By:

Ahmed Agyapong  
(H.O.D Marketing and Corporate Strategy)

.....  
Signature

.....  
Date

## DEDICATION

I dedicate this work to my Husband, (Pastor Obed Obeng-Addae) and my children

Bezaleel Nyamenkwa Obeng-Addae and Phoebe-Urim Soradzepa Obeng-Addae

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## ABSTRACT

Owing to the ever increasing competition with respect to price, quality and selection, service and promptness of delivery in the business world, companies have found that the best instrument for setting up the edge over competitors lies with redefining, revamping or overhauling business processes. It is against this backdrop that business process reengineering (BPR) has become a tool for most businesses. The prominent aim of the study was to evaluate the effects of business process re-engineering on banks. Purposive and random (convenient) sampling techniques were used to collect data from all the one hundred and four respondents. Well-structured questionnaires which were the main data collection tool were sent respectively to the sixty customers, forty employees and four top managers of Zenith Bank in Kumasi. Data collected was analyzed using the Epi Info computer programme and was presented in the form of frequencies, percentages, graphs and charts. The findings of the study revealed that the BPR activity impacted enormously on the bank since its provision of service changed dramatically. The findings revealed that the effect of BPR was greatly hinged on customer appreciation, thus it was discovered that the dramatic effects were hinged primarily on factors that were tailored to suit customer demands. Furthermore, management decisions as the study revealed were not only cardinal in the success of the re-engineering but were also improved. The quality of decisions was seen in the sudden consideration of both internal and external clients. Eventually, it was realized that employee satisfaction and motivation were peaked favourably. Finally, the heightened sense of customer loyalty proved that the satisfaction of the customers was more than fairly appreciated. However, the research recommended that irrespective of employees' appreciation of the BPR activity, provision still be made to cushion their receptivity of change management. It is also to educate customers thoroughly on the process of BPR before the activity or at the induction of new employees.

The study in a nutshell contributes to knowledge by providing a framework for evaluating the effects of BPR on banks in Ghana.

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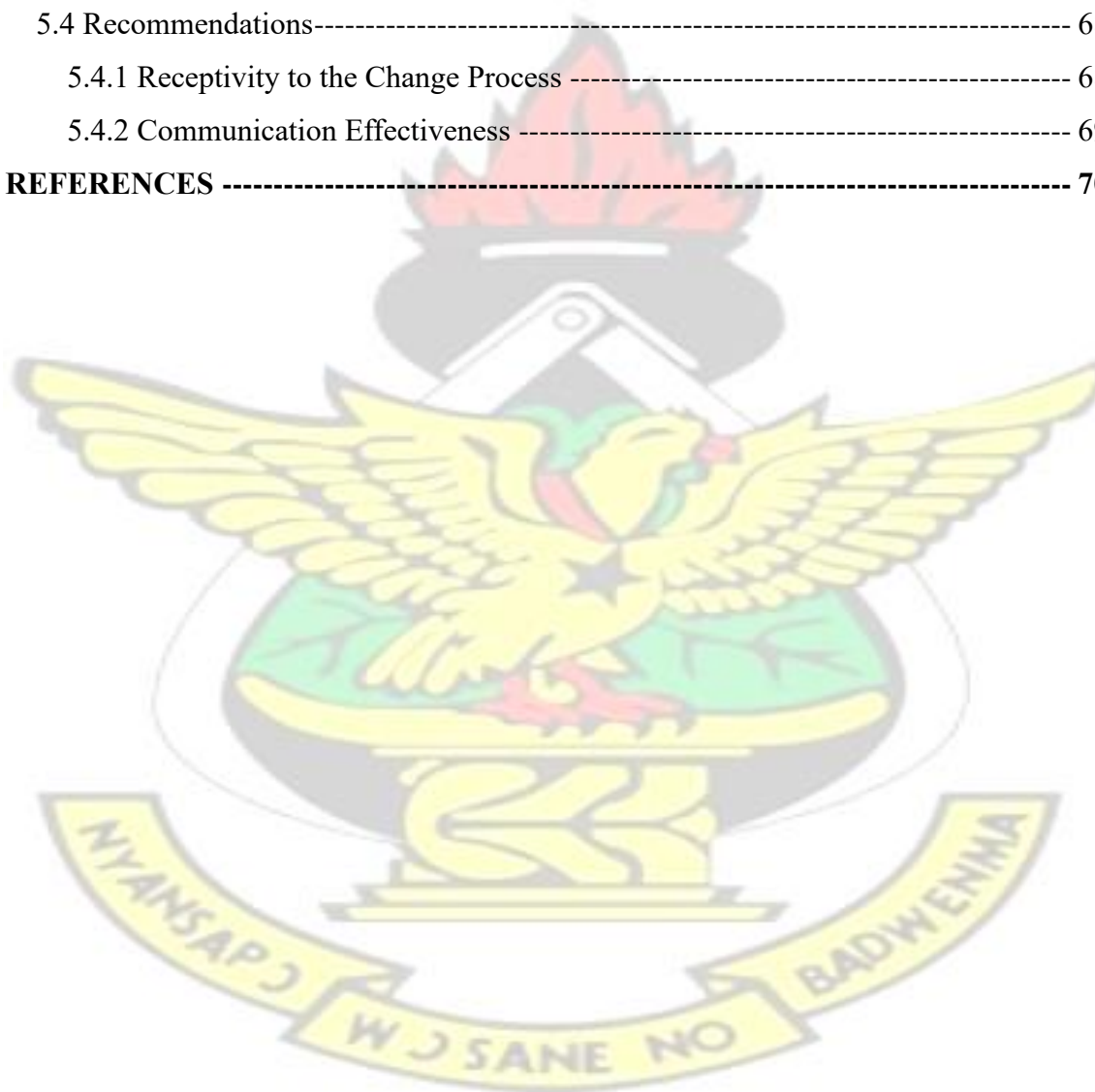
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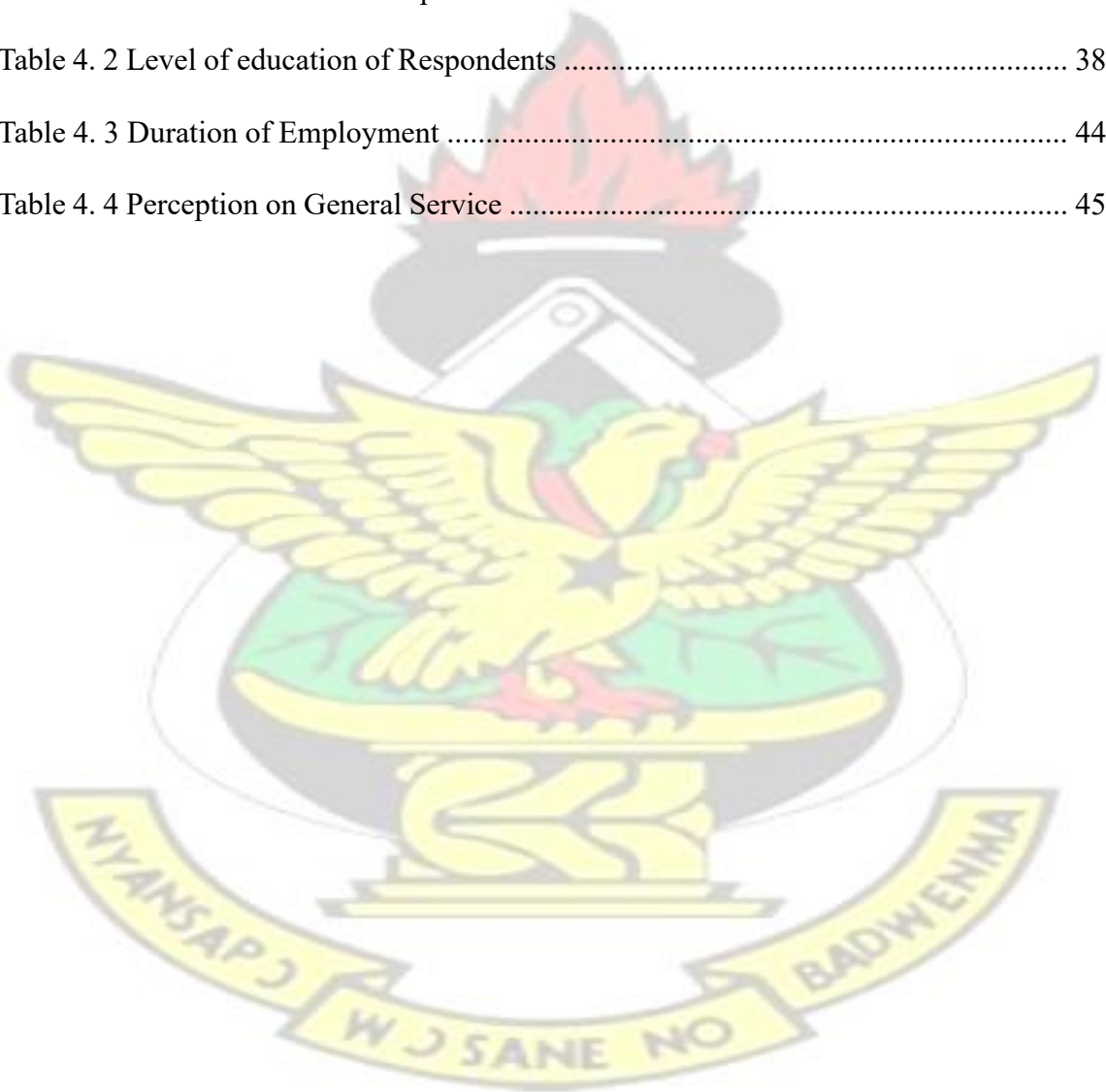
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## **CHAPTER ONE**

### **GENERAL INTRODUCTION**

#### **1.1 BACKGROUND TO THE STUDY**

According to Stoddard and Jarvenpea (1995) business processes are simply a set of activities that transform a set of inputs into a set of outputs (goods or services) for another person or process using people and equipment. Business process entails a set of logically related tasks performed to achieve a defined business output or outcome.

Hammer and Champy (1993) assert that Business Process Reengineering is “the fundamental reconsideration and radical redesign of organizational process, in order to achieve drastic improvement of current performance in cost, service and speed that enjoys a fair measure of consensus. One can then assert that Business Process Reengineering is an offshoot of Business Process. Sharma (2006) therefore posits that business process re-engineering implies transformed processes that together form a component of a larger system aimed at enabling organization to empower themselves with contemporary technologies, business solution and innovations.

The ardent competition in the service industry has made business processes reengineering in banking services very essential. Banks have therefore come under increased demands to provide quality services and continuous quality improvement programmes for customer satisfaction and even customer delight. Poor business processes in banking services waste resources that could result in cost savings and high profitability. In spite of the positive



trends and reforms in the banking industry situation in Ghana, it still remains a fact that there is more than much room left for improvement. The public is therefore becoming more critical of the quality of banking services. This has brought an important wakefulness which banks must respond to by considering the needs of their customers since these can be indicators of good business processes. The purpose of this study is therefore to critically evaluate the effects of business process reengineering in Ghanaian banks, using Zenith Bank Ghana Limited, Kumasi as a case.

## **1.2 STATEMENT OF PROBLEM**

The globalization of the economy and the liberalization of the trade markets have formulated new conditions in the market place which are characterized by instability and intensive competition in the business environment. Competition is continuously increasing with respect to price, quality and selection, service, promptness of delivery and technological innovations. The level of completion globally is so gripping that it is almost impossible for a company to establish a stretching gap of competitive advantage over its competitors. In Ghana, The government of Ghana is committed to improving banking services for all people living in Ghana regardless of age, sex, ethnicity, religion, political affiliation or socioeconomic standing. However, there exist problems which include customer focused strategy, development of information technology in banking, performance measurements, exodus of critical staff, bank customers not being treated with urgency and lack of sense of ownership especially in Public banking institutions. Consequently, people perceive quality of banking service provision in private banks to be

better than that of the public banks. Observable trends that these have caused in the banking industry in Ghana have precipitated an urgent need to address these problems. As a consequence, in order to accelerate access to best banking services, the banking sector will have to deepen efforts which enhance efficiency and quality in bank service delivery among others (Business & Financial Times 3/2/2013 Pg 14).

BPR has gained much notoriety as the one single element that changes the game plan of competition amongst businesses. This factor is the business process. Business processes in companies have become the main elegance or grace to businesses since they determine fluidity of businesses. BPR revitalizes and in most cases overhauls the business processes and creates fluidity in business activities by re-arranging processes. It is against this backdrop that effects of a re-engineered business process should be carefully evaluated to discern the importance of such an activity.

### **1.3 OBJECTIVES OF STUDY**

The main objective of the study is to assess the effects of Business Process Reengineering on banks.

The specific objectives of the study are as follows:

- To determine the impact of Business Process Reengineering on banking service provision
- To determine the factors that help Business Process Reengineering to effect innovative and strategic changes in banking organizations

- To ascertain management's commitment, satisfaction, communications and performance measures used in a re-engineering process
- To determine employee satisfaction and motivation from a re-engineering process
- To uncover how Business Process Reengineering affect customer satisfaction in banks

#### **1.4 RESEARCH QUESTIONS**

- What level of impact has the re-engineering process on banking service provision?
- What factors help Business Process Re-engineering to effect strategic changes in the banking organizations?
- To what level is management committed to the re- engineering process?
- How has the re-engineering process affected employees' satisfaction and motivation?
- Are customers satisfied with the re-engineering process?

#### **1.5 SIGNIFICANCE OF THE STUDY**

Owing to the observed bureaucratic tendencies and irregularities in most of the public agencies in the Country, Governments in the past have found an answer to bureaucratic and processes that need streamlining by offering State Owned Companies to private management so that the rigorous changes can be made to achieve quality service provision. This is due to the reputation that private companies have gained for themselves as having an overwhelming regard for quality, prompt delivery and less attention to public opinion.

There is little business research which evaluates the dimensions of Business Reengineering Processes on banking in Ghana mitigating the need to answer the objectives stated above. As the objective of the study implies, there is the need to evaluate the effects of the BPR especially in Ghana and entrust such knowledge to the various stakeholders. The study will add on to the obvious dearth in literature in this area. This shall aid in bridging the gap of knowledge and adequately inform management, staff and the general public on the essence of BPR and how to evaluate the effects.

The management of organizations will have a fair appreciation of the effects of BPR on the strategic decisions of the company. Workers or staff of various institutions will also appreciate the framework of BPR and not necessarily have problems with its methodology since most fear that they may lose their jobs especially if the BPR process determines that their process in the organizational framework is quite unnecessary. The recommendations will inform the four stakeholders; management, staff, customers and general public, on how to perceive correctly the process of reengineering and properly appreciate the success or otherwise of the BPR process in any organization that seeks to adopt such a process.

The findings of this research will help evaluate dimensions of Business Reengineering Processes in banking services in Ghana. The findings of this research will also help to identify which aspects of Business Reengineering Processes in banking services that needs to be given weights in the banking service industry. Further, this will inform stakeholders of banks on the performance measures of banking processes and help to revise strategies and policies with the final goal to create value-added services for



Management, employees and external customers in general.

## **1.6 SCOPE OF STUDY**

This case study research only covers an institutional survey of all the branches of Zenith Bank Ghana Limited. The branches included the Kumasi Main (at Ahodwo), Adum, Suame and Kumasi Polytechnic Agency Offices in Kumasi, the Ashanti Region of Ghana. The focus of the survey was the evaluation of the effects of Business Process Reengineering in Zenith Bank.

This research spanned the period ranging from October, 2012 to June, 2013.

## **1.7 LIMITATIONS OF THE STUDY**

This study sought to evaluate effects of Business Reengineering Processes in banking services in Ghana. The current research provided data collection from a single bank's branches in just one city, which affected the findings. A more appropriate alternative would have been to collect data from more than one city or even from more than one bank since the topic represents banks in Ghana. This was however not attempted for reasons of exorbitant cost, time and easy access to information. However, care was taken to ensure that the responses collected are representative.

Another limitation came in the form of administering and retrieving questionnaires from respondents. Most of the questionnaires were sent electronically to respondents per their request. However, because of time constraints, the respondents had to be importuned literally while attempts were made to retrieve questionnaires. As already foreseen, the



questionnaires which were administered were more than the ones required. This act curtailed the possibility of having questionnaires come in short.

## **1.8 ORGANISATION OF THE STUDY**

The main report was put into six chapters. In the First Chapter, the general introduction to the study was presented while relevant documents and literature were reviewed in the Second Chapter. The Third Chapter dealt with the Research Methodology and Organizational Profile of the Bank. The analyses and discussion of results are dealt with in the Fourth Chapter while the Fifth Chapter collated the summary of findings, the conclusion and recommendations for strategic planning.

## **1.9 OVERVIEW OF RESEARCH METHODS**

The research seeks to evaluate the effects of BPR in Ghanaian banks. The understanding and insight of this objective will be gained by adopting a quantitative method of analysis through the administration of a well-structured questionnaire to the customers, employees and top four branch managers of the Zenith Bank in the Kumasi metropolis. Data gathered from both primary and secondary sources will be analyzed by the computer software programme; Epi Info application. Relevant conclusions and recommendations will be based on the descriptive method. Results will then be analyzed and presented in the form of frequencies, percentages, graphs and charts.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

## 2.1 INTRODUCTION

The theory of reengineering dates its origin to management theories developed in the early nineteenth (19th) century. Fredrick Taylor suggested in the 1860's that managers could discover the best process of performing work. In Taylor's time, technology did not allow large companies to design processes in a cross-functional or cross dimensional manner. Specialization was the state-of-the-art method to improve efficiency; given the technology situation at that time. Business Processes Reengineering (BPR) simply echoes the classical believe that there is always a better way to conduct tasks. BPR also offers utilities opportunities for operational improvements and cost savings. The rationale behind business process reengineering is to make all organizational processes better today than yesterday and tomorrow's processes, better than today. This depicts a continuous improvement process in organizational BPR.

In the early 1990s, business organizations started moving towards more flexible and customer focused processes. Current trends depict that the redesigning of existing processes is very significant for organizations to be competitive and customer oriented. Organizations are changing their business models to increase their profitability; they are drastically re-engineering their business models to compete each other. Economic globalization has introduced unique conditions in the business environment. Change in the environment has played a big role, technological advancement, political instability, economic down turn and socio cultural changes has forced companies to very much reengineer its old backward processes and make it more effective and efficient

(Hammer et al,1990).

Several other authors also claim that BPR has failed to meet the expectations that were placed on it: Moad (1993) used a Deloitte Touche survey of 500 Chief Information Officers and found that reengineering projects consistently fell short of expectations. Holland and Kumar (1995) showed that 60–80% of reengineering programs end unsuccessfully. Mumford and Hendrick's (1996) review of Hammer and Champy's companies found many were left with processes that were more difficult to manage than the previous ones, costs had increased, and employees were demoralized. Morden's (1997) literature analysis revealed that a paradigm of restructuring, delaying and downsizing results in visionless ,,,negative, reactive, and short term partial strategies"". Biazzo's (1998) critical examination of the BPR phenomenon concluded that reengineering ,,,should be forgotten"", so that the process concept can be understood in terms of socio-technical systems, and only then enabling long-term strategies for change to be put in place.

Additionally Cole (1994), Mumford (1994) and Grint (1998) claim that the rise of BPR was just a repackaging of old ideas to fit a new context, and that this was ultimately used to drive growth in the consulting industry. Initial reengineering studies involved investigation through case studies and the construction of general reengineering principles from these studies (Hammer, 1990; Hammer and Champy, 1993; Caron *et al.*, 1994). Latter empirical research (Guimaraes & Bond, 1996; Zairi & Sinclair, 1995;

Zucco, 1996; O'Neill & Sohal, 1996) largely reinforced the principles established in earlier BPR research. Huizingetal (1997), shows that consistent reengineering endeavors generally result in greater benefits than it does under inconsistent ones. Synthesis of the research that has been conducted in identifying best predictors of BPR, six themes have emerged: strategy, management commitment, information technology, customer focus, continuous improvement, and performance outcomes. The impact of each factor is discussed in the following section.

## **2.2 THE DEFINITION OF BPR**

It is argued by some researchers (for example, van Meel et al., 1994; MacIntosh and Francis, 1997; Peltu et al., 1996) that there is no commonly agreed definition of BPR. Peltu et al. consider that this lack of an accepted definition of BPR makes it difficult to assess the overall success or failure of its concept. Thus it is essential to make clear what the definition of BPR is before we propose any framework and techniques for BPR. It is however worth noting that there are similar tenets that all the definitions find a common premise.

The book *Reengineering the Corporation: A Manifesto for Business Revolution* by Hammer and Champy (1993) is widely referenced by most BPR researchers and is regarded as one of the starting points of BPR. The following is their definition of BPR:



Reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed. (p. 32)

Another BPR father, Davenport (1993), describes „business process redesign“ as the analysis and design of workflows and processes within and between organizations. Business activities should be viewed as a functional unit. This means that business processes should be seen as more than a mere collection of individual or even functional tasks; rather, they should be broken down into processes that can be designed for maximum effectiveness, in both manufacturing and service environment.

These definitions suggest that we should concentrate on *processes* rather than functions (or structures) as the focus of the re-design and management of business activity. In BPR, the process to be reengineered is the so-called *business process*. There are just slight differences in the definitions as put forth by different researchers.

For example, Hammer and Champy (1993) define a process as

“a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer.” (p. 35)

For Davenport (1993), a process is a “specific ordering of work activities across time and space, with a beginning, an end, and clearly identified inputs and outputs: a structure for action. (p. 5)



While Riemer (1998) describes business processes in an object-oriented style as series of steps that change states of business objects (that is, customers, orders and inventory), thereby causing business events. Finally Warboys et al. (1999) define a process as: “A process is structured change, i.e. there is a pattern of events which an observer may recognize across different actual examples (or occurrences) of the process, or which may be made manifest, or implemented, in many different occurrences. (p. 32)”

However we should note that BPR is concerned with customer-orientation. Thus the outputs of business processes should not only achieve the company’s objectives, but also cardinally aim to satisfy customers’ requirements. From these definitions we can conclude that business processes start and end with customers, and the value of business processes is dependent upon customers.

It should be noted that there are three main elements that characterize business processes. These are:

- *inputs*, (data such as customer inquiries or materials),
- *the processing* of the data or materials (which usually goes through several stages and may necessarily be stop because it may turn out to be time and money consuming), and
- *the outcome* (the delivery of the expected result).

The problematic part of the process is *processing*. Business process reengineering mainly intervenes in the *processing* part, which is reengineered in order to become less time and money consuming.

The term "Business Process Reengineering" has, over the past couple of years, gained increasing circulation. As a result, many find themselves faced with the prospect of having to learn, plan, implement and successfully conduct a real Business Process Reengineering endeavor, whatever that might entail within their own business organization.

### **2.3 THE CENTRAL TENETS OF BPR**

BPR seeks to break from current processes and to devise new ways of organizing tasks, organizing people and making use of systems such as IT systems to produce processes that will better support the goals of the organization. This activity is done by identifying the critical business processes, analyzing these processes and redesigning them for efficient improvement and benefit. Vidgen et al. (1994) define the central tenets of BPR as:

- Radical change and assumption challenge;
- Process and goal orientation;
- Organizational re-structuring;
- The exploitation of enabling technologies, particularly information technology.

That is, by focusing on business objectives, we analyze the processes of the organization, eliminate non-essential or redundant procedures, and then use IT to redesign (and „streamline“) organizational operations.

### **2.4 OBJECTIVES OF BPR**

According to Lampathaki (2013) when applying the BPR management technique to a business organization, the implementation team effort is focused on the following objectives:

- **Customer focus:** Customer service oriented processes aiming to eliminate customer complaints.
- **Speed:** Dramatic compression of the time it takes to complete a task for key business processes. For instance, if process before BPR had an average cycle time 5 hours, after BPR the average cycle time should be cut down to half an hour.
- **Compression:** Cutting major tasks of cost and capital, throughout the value chain. Organizing the processes of a company develops transparency throughout the operational level reducing cost. For instance the decision to buy a large amount of raw material at 50% discount is connected to eleven cross checking in the organizational structure from cash flow, inventory, to production planning and marketing. These checking become easily implemented within the crossfunctional teams, optimizing the decision making and cutting operational cost.
- **Flexibility:** Adaptive processes and structures to changing conditions and competition. Being closer to the customer, the company can develop the awareness mechanisms to rapidly spot the weak points and adapt to new requirements of the market.
- **Quality:** Obsession with the superior service and value to the customers. The level of quality is always the same controlled and monitored by the processes, and does not depend mainly on the person, who is servicing the customer.
- **Innovation:** Leadership through imaginative change provides the organization's competitive advantage.
- **Productivity:** Improve drastically effectiveness and efficiency.

In order to achieve the above mentioned adjectives the following BPR project methodology is proposed.

## 2.5 THE METHODOLOGY OF BPR

The methodology of BPR is directly captured by the epic definition given by Hammer & Champy 1993: 46). Four cardinal tenets are identified in the definition and are used in laying the blocks for the methodological framework.

As afore-mentioned, the definition is given as “the *fundamental* rethinking and *radical* redesign of business *processes* to achieve *dramatic* improvements in critical, contemporary measures of performance, such as cost, quality, service and speed.” This definition contains four key words.

The first key word is *fundamental*. Fundamental defines the purpose and foundational tenet that gives the meaning to the act. In doing re-engineering, people must ask the most fundamental questions about their organizations and how they operate: “*Why do we do what we do? And why do we do it the way we do?*” Basically, the fundamental

aspect speaks of the main objective of the operations of the work. Secondly, *radical* design means getting to the root of things, not making superficial changes or fiddling with what is already in place, but throwing away the old. It is quite a harsh and unfriendly approach to unresponsive, bureaucratic and lay processes.



The third key word is *dramatic*. Re-engineering is not about making marginal or incremental improvements, but about achieving performance improvements. The evidence of the re-engineering process is grand, tangible and creates a noticeable effect. The end results of re-engineering cannot, as it were, be hidden.

Finally *processes*. Most organizations are not process-oriented; they are focused on tasks, on jobs, on people, on structures, but not on processes. A process can be defined as a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer (Hammer & Champy, 1993: 32-35).

This effort for realizing dramatic improvements by fundamentally rethinking how the organization's work should be done distinguishes re-engineering from process improvement efforts that focus on functional or incremental improvement (Hammer & Champy, 1993). Therefore, Handy (1990) states that, the theory of *Discontinuous thinking* is central to the BPR process; instead of the continuous (incremental) thinking, which is largely derived from scientific thinking. This continuous thinking is the keystone to many of the quality management techniques. Although the principles of BPR and the quality management techniques differ, quality programs and re-engineering share a number of common themes (Beckford, 1998). They both start with the needs of the process customer and work backwards from there. However, the two programs also differ fundamentally. Quality programs work within the framework of a company's existing processes and seek to enhance them or continuous incremental improvement.



Quality improvements seek steady incremental improvement to process performance. Reengineering seeks breakthroughs, not by enhancing existing processes, but by discarding them and replacing them with entirely new ones.

BPR is achieving dramatic performance improvements through radical change in organizational processes, re-architecting of business and management processes. It involves the redrawing of organizational boundaries, the reconsideration of jobs, tasks, and skills. This occurs with the creation and the use of models; which could be physical models, mathematical, computer or structural models. Engineers build and analyze models to predict the performance of designs or to understand the behavior of devices.

More specifically, BPR is defined as the use of scientific methods, models and tools to bring about the radical restructuring of an enterprise that result in significant improvements in performance.

Redesign, retooling and re-orchestrating form the key components of BPR that are essential for an organization to focus on the outcome that it needs to achieve. In resuming, the whole process of BPR in order to achieve the above mentioned expected results is based on key steps or principles which include redesigning, retooling, and reorchestrating.

## **2.6 STRATEGY OF BPR**

There is a growing body of literature (Zucco, 1996; O'Neill and Sohal, 1996; Zairi and Sinclair, 1995; Carr and Johansson, 1995), which argues strongly in favour of strategically driven reengineering programs. Chan and Chung (1997) attributed the high failure rate of

BPR to a failure of organizations to incorporate BPR into their vision and strategic objectives. Sarkis *et al* (1997) argue that; organizations, failing to take a strategic perspective on BPR were the cause for program failures. Sarkis *et al* (1997) argued that BPR needs to be viewed as a strategic program, in which any process that is reengineered will not only have an impact on the function that has direct control over that process, but other functions that will necessarily support the reengineered process.

These two characteristics point to a strategic change (Terziovski *et al*, 2003).

## **2.7 TOP MANAGEMENT COMMITMENT**

Respondents to the Guimaraes and Bond (1996) and KPMG (Zucco, 1996) study emphasized the need for top management commitment. A lack of commitment in organizations surveyed resulted in a lack of resources and funding culminating in redesign teams feeling „,swamped“ by the changes required.

## **2.8 INFORMATION TECHNOLOGY AND PROCESS REDESIGN**

Markus and Benjamin (1997) noted that IT and BPR are highly interdependent, with each being the key to the other. Davenport and Short (1990) believed that IT and process redesign could „,transform the organization to the degree that Taylorism once did“ . A predominant theme in all BPR literature has been the importance of using IT as an enabler and a tool to build new processes with, rather than building around old Information Technology (Hammer, 1990; Hammer and Champy, 1993; Gunasekaran and Nath, 1997). According to the authors this was achievable by using the „,clean slate“ approach where

organizations obliterated old processes and started from scratch, building the most ideal organizational processes. This approach was seen to be the key to realizing the single dramatic gains of radical process redesign with information technology being the main supportive tool (Cole, 1994). However, Caron *et al* (1994) argued that commercial reality meant that using a total clean slate was impossible and that successfully reengineered organizations had learnt to re-configure and use existing IT for strategic impact.

## **2.9 CUSTOMER FOCUS AND SATISFACTION**

Scherr (1993) saw that the importance of customers was enough to warrant using them as a perspective point when examining core processes. Sheehy (1997) interprets BPR's purpose as finding new ways of adding value to customers. Without this customer focus, Sheehy (1997) argues, "reengineering pulls inevitably towards a cost cutting exercise, this emphasis eventually reengineering the customer out of the picture". Hall *et al* (1993) argues that for BPR to be successful, redesign efforts must be concentrated on areas that have the most direct impact on customer value and cost.

Carden and Dellifrairie (2004) reported that customer satisfaction is a function of consumer expectation with regard to the purchase of a product or service, and the perception of the degree to which those expectations are met after the purchase. They further define customer satisfaction as a post purchase attitude formed through a mental comparison of the quality that a customer expected to receive from an exchange and the level of quality the customer perceives actually receiving from the exchange.

In their study, Carden and Dellifrairie argue that there is a strong positive association between customer satisfaction and organizational performance, in that customer satisfaction has been shown to lead to greater customer loyalty and profitability, attracting of new customers, lowering of costs, and retaining of customers. In a study on customer satisfaction measurement, Nel (2003) argues that, if any organization that lacks customer focus tries to deliver quality, it would more often fall back in delivering quantity (more product features) rather than quality (features that enhance customer enjoyment).

Customers are valuable assets whose value can be enhanced through long-term stream of revenue, and building a strong relationship with customers will help reduce customer turnover and increase profitability. This is because it costs less to retain customers than it does to acquire new ones (Carden and Dellifrairie, 2004).

In the service industry all employees have the responsibility and opportunity to directly impact upon service perception and quality, and deal effectively with customers (Malherbe *et al*, 2003). The bottom line in service industry is that subsequent achievements or successes made by any service organization depends on its internal systems and human resource policies, namely, employee support received from colleagues and the organization, employee capability and responsibility, degree of empowerment, and finally, employee enthusiasm and satisfaction (Malherbe *et al*, 2003).



The relationship between employees' perceptions of service quality and employee satisfaction has also been reported by Heskett *et al* (1994) in a study of MCI's seven telephone customer service centers. The study also linked employee satisfaction directly to customer satisfaction and customer intentions to continue to use MCI services. Reichheld and Sasser (1990) in Heskett *et al* (1994), endorsing the importance of customer loyalty as the driver of profitability and growth, estimate that a 5% increase in customer loyalty can produce profit increases from 25% to 85%. This is a view that is categorically disputed by Sharp (2005), who refers to it as a popular modern marketing myth and a misleading assertion. Sharp, (2005) further explains that Reichheld and Sasser's article does not empirically show that lower defection rates cause massive increases in firm profits, and in fact Sharp (2005) claims that their misleading assertion is not even based on any research.

In a study on customer satisfaction measurement in South African local government, Nel, (2003) explains that many companies are aiming at high satisfaction levels because customers who are just satisfied still find it easy to switch when a better proposition comes along, while on the other hand if the expectations of a customer are exceeded, the customer becomes highly satisfied and are much less ready to switch.

## **2.10 BPR AS PART OF A CONTINUOUS IMPROVEMENT CULTURE**

Learning from failure and success was seen by Caron *et al* (1994) as integral to the ongoing success of BPR. The incorporation of this learning and the creation of formal feedback loops were viewed by Butler (1993) as forming an integral part of any BPR framework. A



Constant on-going redesign within a strategic framework was seen as necessary to achieve optimal operating processes.

## **2.11 PERFORMANCE OUTCOMES**

Gunasekaran and Nath (1997) identified the benefits of IT in BPR as reduced cycle times, due largely to the reduced number of tasks required to carry out processes. Quality improvement, as a result of the removal of inconsistent human input and substantial cost savings, were also identified as benefits of a BPR program. These benefits are reinforced with increased communication flow throughout the organization from new technologies. According to Cummings (1993) ,,,the highest realized benefits of BPR are for improved customer service, faster processes and increased quality, while the lowest improvements are increasing sales and revenue““. Tenget *al* (1992) cited case examples of successful reengineering at Eastman- Kodak, AT&T, Cigna RE and Hallmark. All of these organizations reported increases in productivity as well as a reduction in staff numbers after reengineering.

## **2.12 THE APPLICATION OF BPR**

According to Zygiaris (2012), when British Telecom had announced their Business Plan, all competitors were eager to find out who would be the new CEO of the organization. To the surprise of all the new CEO it was the customer. The company had decided to transform all the operations of the organization the way customers wanted them to operate. The most important action in applying BPR is the company's *strategic* goal to provide

customer oriented services. BPR is a technique used to implement this type of organizational structure.

Having the management commitment for change, another very important factor for implementing BPR, is the enabling role of **Information Technology**. The way that businesses are organized around departments is very logical since, for instance, there were physical barriers in the communication of the accounting department with production department. (The warehouse could be in another location in the part of the city). So it wasn't possible for a cross-functional team to communicate efficiently. In the 90s when telecommunication technologies were becoming abundant and low costing BPR was becoming a world-wide applicable managing technique for business upgrade, enabled by the technology. Employees can easily operate as a team using intranets/extranets, workflow and groupware applications, eliminating distances. We can work together even though we are located in different places. (Lampathaki 2013)

- **Empowering people.** Empowerment means giving people the ability to do their work: the right information, the right tools, the right training, the right environment, and the authority they need. Information systems help empower people by providing information, tools and training.
- **Providing Information.** Providing information to help people perform their work is a primary purpose of most information systems although they provide information in many different ways. Some systems provide information that is

essential in informing a business process, such as the prices used to create a customer's bill at a restaurant. Other systems provide information that is potentially useful but can be used in a discretionary manner, such as medical history information that different doctors might use in different ways.

- **Providing Tools.** In addition to providing the right information, empowering people means giving them the right tools. Consider the way planning analysts produce consolidated corporate plans based on plans of individual divisions and departments. If the plans are submitted on paper, it is a major task to add up the numbers to determine the projected corporate bottom line. When the plan is changed during a negotiation process, the planning analyst has to recalculate the projected results. With the right tools, the numerical parts of the plans arrive in a consistent, electronic format permitting consolidation by a computer. This leaves the analyst free to do the more productive work of analyzing the quality of the plan (Zygiaris 2012).
- **Providing Training.** Since information systems are designed to provide the information needed to support desired work practices, they are often used for training and learning. As shown by an expert system and a decision simulator, they sometimes provide new and unique training methods.

IBM developed an expert system for fixing computer disk drives. The expert system was an organized collection of the best knowledge about fixing these disk drives, and it fostered rapid and efficient training. Before the system was developed, technicians typically took between 1 and 16 months to become certified, but with the expert system, training time dropped 3 to 5 months. (ibid 2012).

- **Eliminating Unproductive Uses of Time.** Information systems can reduce the amount of time people waste doing unproductive work. A study of how professionals and managers at 15 leading U.S. corporations spent their time concluded that many professionals spent less than half of their work time on activities directly related to their functions. Although the primary function of salespeople is selling, the time breakdown for salespeople averaged 36 percent spent on prospecting and selling, 39 percent spent on prospecting and selling, 3 percent on servicing accounts, 19 percent on doing administrative chores, and 6 percent on training. Better use of information systems could save much of their unproductive time performing chores such as collecting product or pricing information, determining order status for a customer, resolving invoice discrepancies, and reporting of time and expenses (ibid 2012).
- **Eliminating Unnecessary Paper.** One common way to improve data processing is to eliminate unnecessary paper. Although paper is familiar and convenient for many purposes, it has major disadvantages. It is bulky, difficult to move from place



to place, and extremely difficult to use for analyzing large amounts of data. Storing data in computerized form takes much less physical space and destroys fewer forests, but that is only the beginning. It makes data easier to analyze, easier to copy or transmit, and easier to display in a flexible format. Compare paper telephone bills with computerized bills for a large company. The paper bills identify calls but are virtually impossible to analyze for patterns of inefficient or excessive usage (ibid 2012).

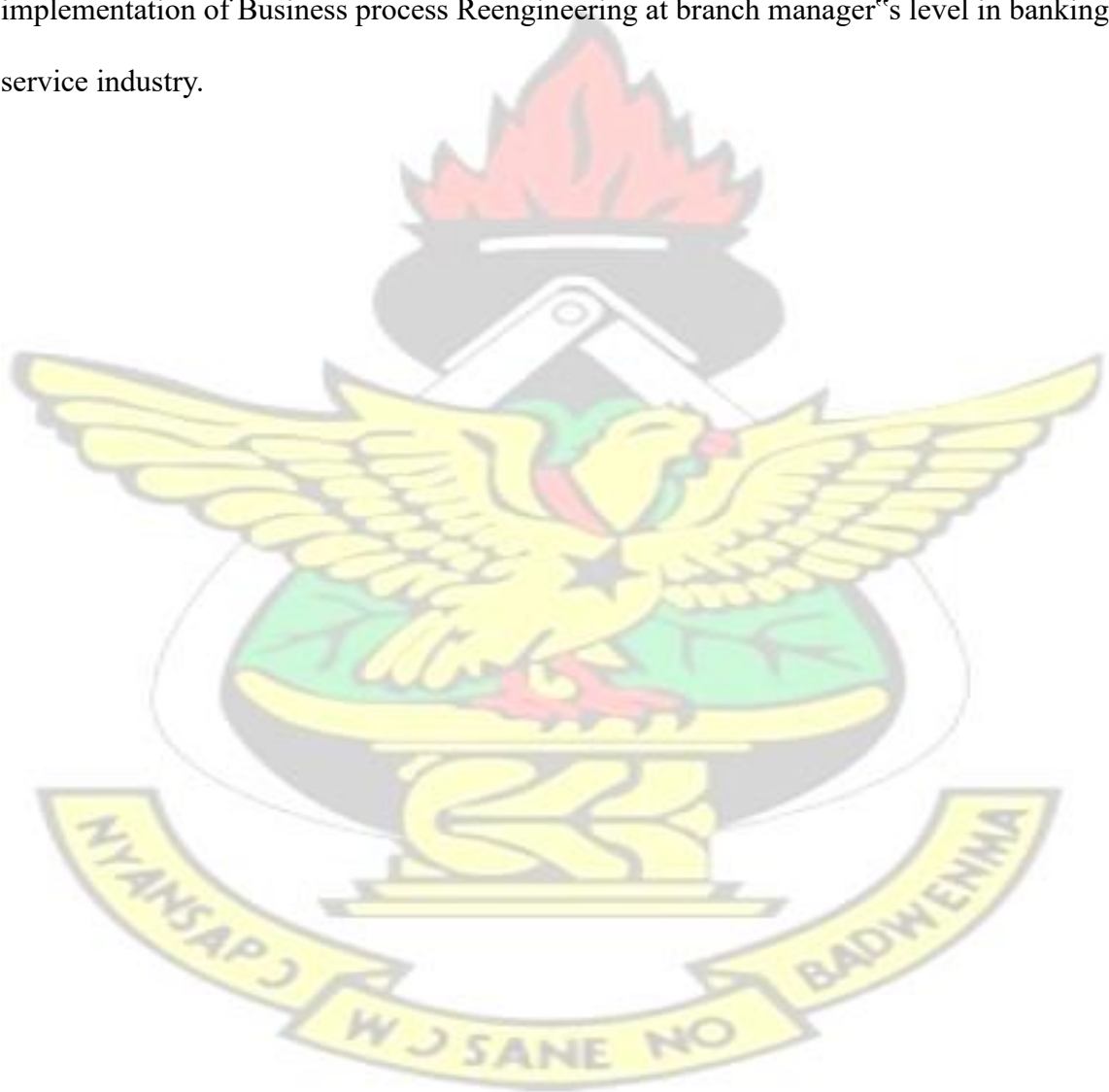
- **Eliminating Unnecessary Variations in the Procedures and Systems.** In many companies, separate departments use different systems and procedures to perform essentially similar repetitive processes, such as paying employees, purchasing supplies, and keeping track of inventories. Although these procedures may seem adequate from a totally local viewpoint, doing the same work in different ways is often inefficient in a global sense. Whenever the systems must change with new technology, new regulations, or new business issues, each separate system must be analyzed separately, often by someone starting from scratch (ibid 2012).

## **2.13 CONCEPTUAL FRAMEWORK**

As shown in Figure 1 below, for a critical evaluation of dimensions of Business process Reengineering in banking service industry, the model below is being used in this study as the main instrument for determining the dimensions of Business Process



Reengineering per banking services in Zenith. In examining and evaluating the indicators of dimensions of business process reengineering, the researcher considers management involvement, organizational change strategy, performance measures, customer focused strategy and technology that results in customer satisfaction and delight. The researcher considers under management involvement, the motivation and hindrances in the implementation of Business process Reengineering at branch manager"s level in banking service industry.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter discusses the main methodological issues considered in the study. It would also inform on the organization under study, their strengths, weaknesses, and environmental opportunities.

#### **3.2 RESEARCH DESIGN**

This part of the study explained into detail the method of the research, techniques of the study, the nature of the research and the length of time.

The objectives of this research were to evaluate the effects of Business Process Reengineering (BPR) on banks. The study was designed as a case study with Zenith bank Ghana Ltd as the chosen bank for the case study due to the bank's adoption of BPR as a tool to gain competitive edge over rivals.

In line with the above the research adopted the descriptive approach since it was deemed appropriate for this type of research. As Osuala (1987) explains, a descriptive research usually describes data and characteristics about a population under investigation. In such researches, the researcher only selects relevant variables of an already existing event for analysis. A descriptive research gives an accurate description of a population or phenomenon which is necessary for making a wider range of policy decisions.

Due to the fact that only a single bank (Zenith bank Ghana Ltd - Kumasi) was chosen as the sample for the research, the single case approach was adopted by the researcher due to the researcher's quest for depth. The approach however was a descriptive one.

### **3.3 POPULATION OF THE STUDY**

The Population comprised all the branches of the Zenith Bank Ghana. It is however a case study of selected branches in the Kumasi Metropolis. The main population from which the sample was taken comprises of all the Branch Managers of Zenith Bank in Kumasi and a sample of their employees and customers.

### **3.4 ORGANISATIONAL PROFILE**

This section deals with the snapshot of an organisation and the key influences of how it operates and the challenges it faces. It is the most appropriate starting point for selfassessment of the organisation (NIST, 2012).

#### **3.4.1 The Historical Development**

Zenith Bank (Ghana) Limited ("Zenith"), being the case for this research, is a private international bank in Ghana that provides quality banking services at very high international standards. Zenith was incorporated in April 2005 under the Banking Act 2004 (Act 673) as a private limited company and commenced operation in September 2005. It is a subsidiary of Zenith Bank PLC, one of the largest banks in Nigeria by all measures, with S & P credit rating of +B/B (stable) in 2011 revised to a positive outlook in early 2012.

Over the years, the zenith brand has become synonymous with the use of information and communication technology (ICT) and general innovation in the Ghanaian banking industry. The bank's main service delivery channel remain its business offices (branches and agencies), which currently stand at twenty-six (26) while offering electronic banking services , such as internet banking, bills payment and telephone banking amongst others. These business offices are strategically located in various cities within the country. Within seven (7) years of operation, zenith has brought dynamism and panache to the Ghanaian banking industry. The bank has improved its capacity, size, and market share and industry rankings in all parameters. Today, Zenith Bank is an epitome of a stable and strong organization with a brand and customer service which is the envy of its peers.

### **3.4.2 Organisational Strengths**

Zenith Bank runs the mainstream banking activities in offering services that cover most aspects of banking and cater for the needs of its customers that cut across the entire public and private market spectra with emphasis on the following major market segments and lines of business:

- Corporate and Investment Banking
- Commercial and Consumer Banking
- Personal and Private Banking
- Trade Services and Foreign Exchange
- Treasury and Cash Management Services



The above services are effectively administered to customers who visit the bank, enough chairs and space for customers who visit the banking halls, restroom facilities for both staff and employees, and a canteen with modern facilities. In a nut shell services at Zenith Bank are classified as having been very diligent to deliver quality services. This is ensured by a Quality Assurance (QA) meeting 7:30am daily. This QA meeting gathers all employees of Zenith Bank at the banking hall and relates to how to handle clients and difficult situations effectively. Employees at such meetings are encouraged to direct difficult situations beyond their capacity to their supervisors and managers. This has underscored the desire and ability with which quality service is delivered.

An average attendance at Zenith has had a trend of 200-250 people and the least has been 150 and even that has been on weekends. Regular clients of Zenith come from a cross-section of people from Kumasi and beyond.

Another area of strength with Zenith processes is that, all of staff members are provided with standard housing and clothing allowances as well as leave and end of year profit sharing which is not so in most banks and that gets to motivate all employees

#### **3.4.3 Organisational Weaknesses**

In terms of the sources of funding for banking operations, monies generated internally have not been enough and have had to be given external support from the headquarters branch in Accra. Debtors sometimes flout their payment terms and this affects the smooth running of banking operations. Consequently outreach programs were implemented from



business community to community such as schools, hospitals, government ministries, trade fairs, and floats within catchment areas to conscientize people on Zenith's best banking practices and offers, and also in order to dim such notions of the bad impressions of Nigerian banks by using community interaction skills and questioning them about Zenith. Also, a search for marketers and tellers has been one great challenge, having to consider the size of marketing and tellering demands and the number of marketers and tellers making annual targets quite difficult for Zenith to also meet. Internally other weaknesses are that managing staff in terms of easy change management has room for improvements. The road network to some branches of Zenith Bank is bad and this has affected patronage.

#### **3.4.4 Environmental Opportunities**

The patronage at Zenith keeps increasing. This is associated with Zenith's cutting edge quality services offered beyond that of its competitors. Zenith Bank intends to expand its services and put up more mobile ATMs at vantage spots all across the city of Kumasi as well as the provision of VISA cards to enable customers' access their cash at any point in time even on other banks VISA ATMs. With major competitors being the Ecobank and GT bank in the region of Kumasi among other banks, the service delivery of Zenith is almost assessed to be the best. In terms of service delivery Zenith is practically unmatched in the Ashanti Region with the exception of UBA because of their service of direct deposits into Nigeria accounts of the same bank (Zenith) which is not provided at Zenith. In the banking

hall, soft and comfortable sofa seats have been provided to make customer care and provision as well as customer turnaround time simply unrivaled.

Under a maximum of five (5) minutes a customer's service transaction is completed even though an average of 500 people are served in a day and sometimes as much as a 1000 customers, yet with no delays in the banking hall, whilst a customer leaves with the satisfaction of being served as quick as expected. This ensures that the banking hall is not choked with long queues of customers being served. Simply, time spent with clients is first class.

### **3.5 SAMPLING TECHNIQUE**

In order to facilitate their work, researchers often rely on sampling techniques that enable them to select some of the members or events to research on, instead of researching on the entire population (Saunders et al. 2009).

The sampling technique used by the researcher to select its respondents was the purposive sampling also known as the judgemental sampling. This technique is used because it defines most of the features of interest of the research and gives proper insight into the topic under interrogation. (Saunders et al. 2009) explained purposive sampling as a technique that helps the researcher to use their own discretions in choosing situations that will better afford the opportunity to realize one's study objective whilst answering their research questions.

The main method for the study is the survey method where a questionnaire based interview is conducted on a sample of the research population. The sample is comprised of a selection of the bank employees, external customers and all branch Managers.

### **3.6 SOURCE OF DATA**

Due to the challenging nature of case studies in Research, Yin (2003) advocates that the researcher should adopt what he terms as “methodological versatility”. Data pertaining to a case study can be obtained through varied methods including documents, archival records, interviews, direct observations, participant observations, physical artifacts and well-structured questionnaires. These sources are best suited addressing most sufficiently the research questions. They can be classified as primary and secondary sources of data and hence were used as the main sources of data.

#### **3.6.1 Primary Data**

The primary data was the data collected purposely for the study. It was gathered mainly by administering questionnaires to all the branch managers. “Questionnaires are a useful tool for investigating patterns and trends in data and are frequently used with success in management, marketing and consumer research (Othman, *et al*, 2001).

Different sets of questionnaires were also administered to the selected employees and customers. In all, questionnaires were administered to one hundred (104) respondents (made up of 40 external customers from all the branches, 60 employees and 4 Top Managers) after explaining to them the purpose of the study and providing assurance of

strict confidentiality. As a matter of ethical concern, permission was sought from the bank's branch Managers before the questionnaires were administered.

### **3.6.2 Secondary Data**

These are data collected for different purposes but which are also relevant for the study. They included extensive review of data from sources such as journals, articles, magazines, conference proceedings, internal records, internet, books etc.

### **3.7 DATA ANALYSIS**

The quantitative technique was used to enable the researcher gain a comprehensive depth on the study in both data collection and analysis. By using cross tabulation and correlation system of analysis to analyze the data, data was analyzed by the aid of the computer software Epi Info application. Quantitative data from the administered standard questionnaires was applied to the other strata of the study sample and was subsequently analyzed with both of the above-mentioned techniques and presented in the form of frequencies, percentages, graphs and charts.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **4.1 INTRODUCTION**

This chapter provides information on the data collected and how the results were generated and analyzed and discussed by making inferences and establishing



relationships.

This research is focused on explaining and analyzing the views of a total of a hundred (100) sampled respondents. These respondents consisted of 57, 40 and 3, customers, employees and managers respectively all of Zenith Bank Ghana Ltd. The project was towards assessing the effect of business process re-engineering in the banking service industry of the ZBGL branches across the city of Kumasi. Structured questionnaires were administered to know the perceptions of the respondents in relation to Business Process Re-engineering (BPR) in the bank focusing on issues relating to the objectives of the study. These were further specified for the various groups of respondents as follows.

## **4.2 DEMOGRAPHIC DATA OF RESPONDENTS**

With a questionnaire as the main research tool for gathering data from the respondents, the first section was intended to gather the demographic data on the respondents. Frequency tables are used in analyzing the data gathered from the respondents. The questionnaires were sent to three different sets of people; the customers, employees and managers and hence analysed in that order respectively.

### **4.2.1 Sex Distribution of Respondents**

Out of the 100 respondents, 44 were males while 56 were females. 58 of the 100 were customers, 42 were employees out of which three were top managers.

**Table 4. 1 Sex Distribution of Respondents**

Respondents	Male	Female

Employees	16	24
Management	2	1
Customers	26	31
Total (%)	44 (44. %)	56(56.0%)

**Source: Author's fieldwork (2013)**

#### **4.2.2 Age distribution of Respondents**

The age distribution of the respondents depicts that the youth are considerably the largest group of people. However the results are different they are looked at in the various groups. For instance, the working class age, that is, 31-40 are the largest number of employees in the firm while the youth were the largest number to respond to the questionnaires.

#### **4.2.3 Level of Educational attainment**

The educational attainment was not only necessary for the ease of questionnaire distribution, but it also gives much recognition to the results attained in the sense that, literacy is required to fully understand and appropriately answer the questions in the questionnaire.

**Table 4. 2 Level of education of Respondents**

3. Educational Background:	Frequency	Percent
Secondary	12	12.6%
Tertiary	82	87.4%

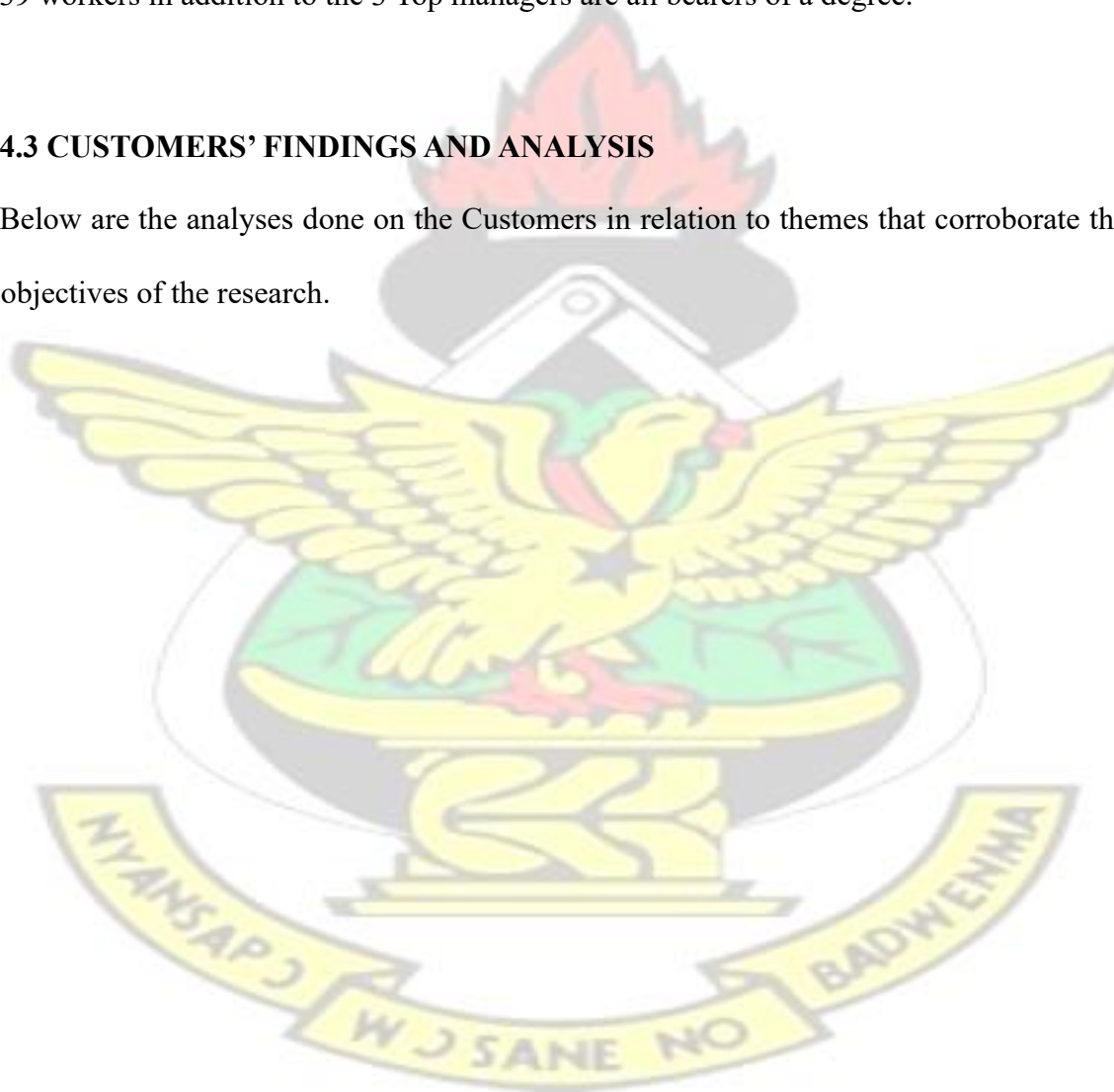
TOTAL	95	100.00 %
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**Source: Author's fieldwork (2013)**

The tertiary level from the Table 4.3 is the largest group of respondents. Evidentially, the minimum requirement for employees of the bank is a degree. Suffice to say that all 39 workers in addition to the 3 Top managers are all bearers of a degree.

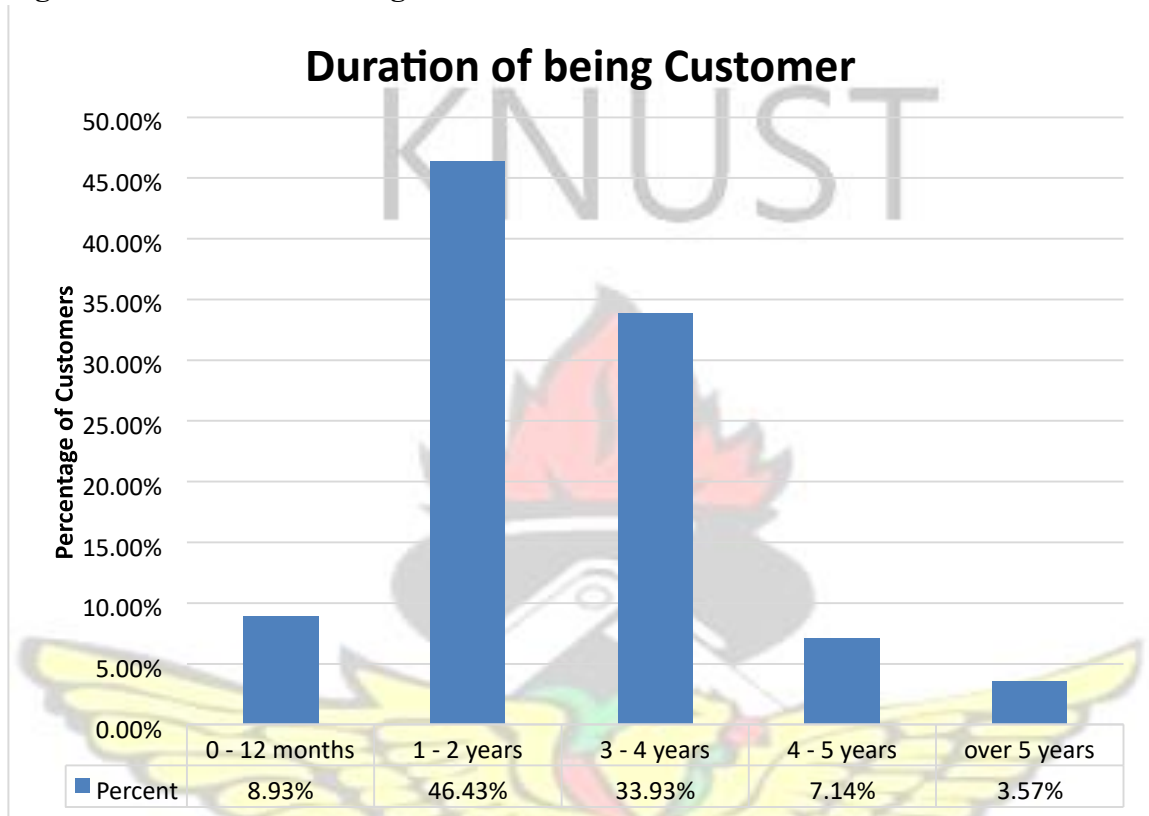
#### **4.3 CUSTOMERS' FINDINGS AND ANALYSIS**

Below are the analyses done on the Customers in relation to themes that corroborate the objectives of the research.



### 4.3.1 Transactional Quality

Figure 4. 1 Duration of Being a Customer

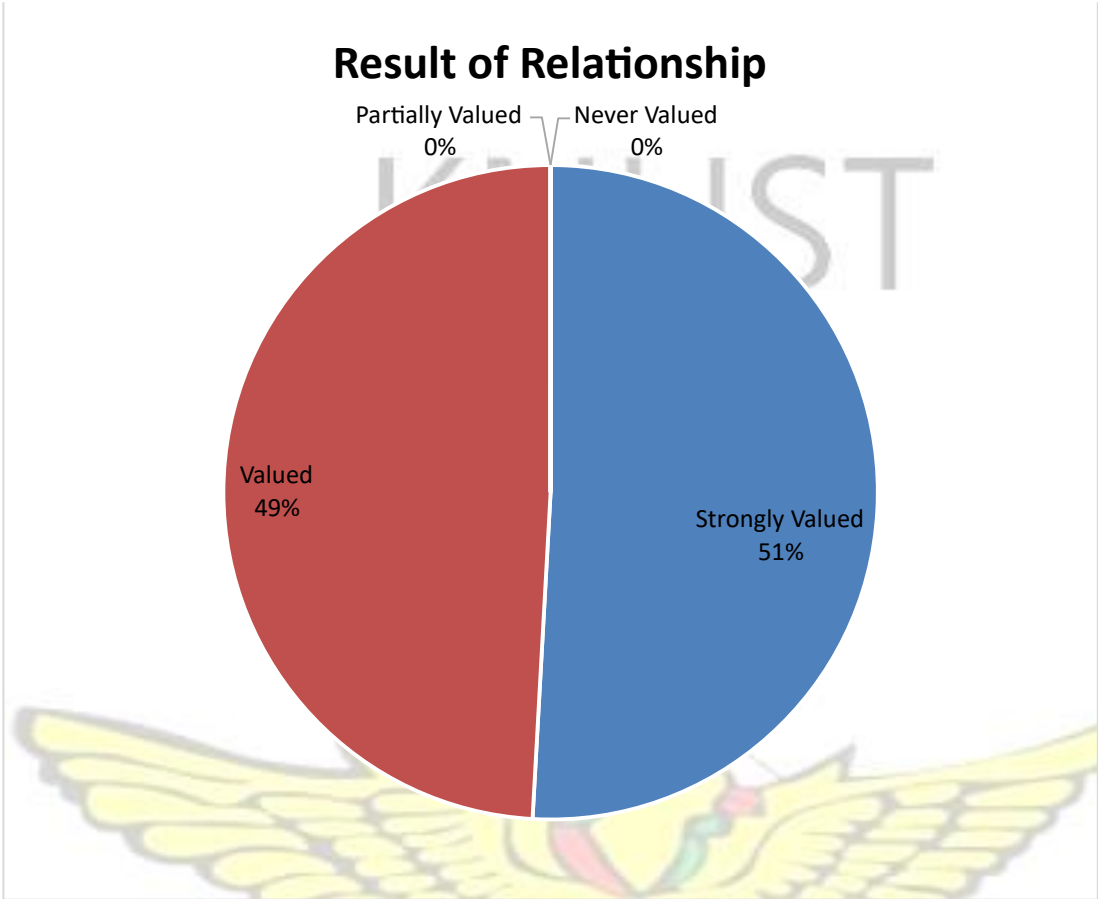


Source: Author's Fieldwork (2013)

In order to appreciate the preferences of the customers, their duration of banking with Zenith Bank was sought. Most of the people interviewed (89.29%) had been customers of the bank for between 1 and 4 years. A small yet significant number of them (10.71%) had been with the bank for over 4 years.

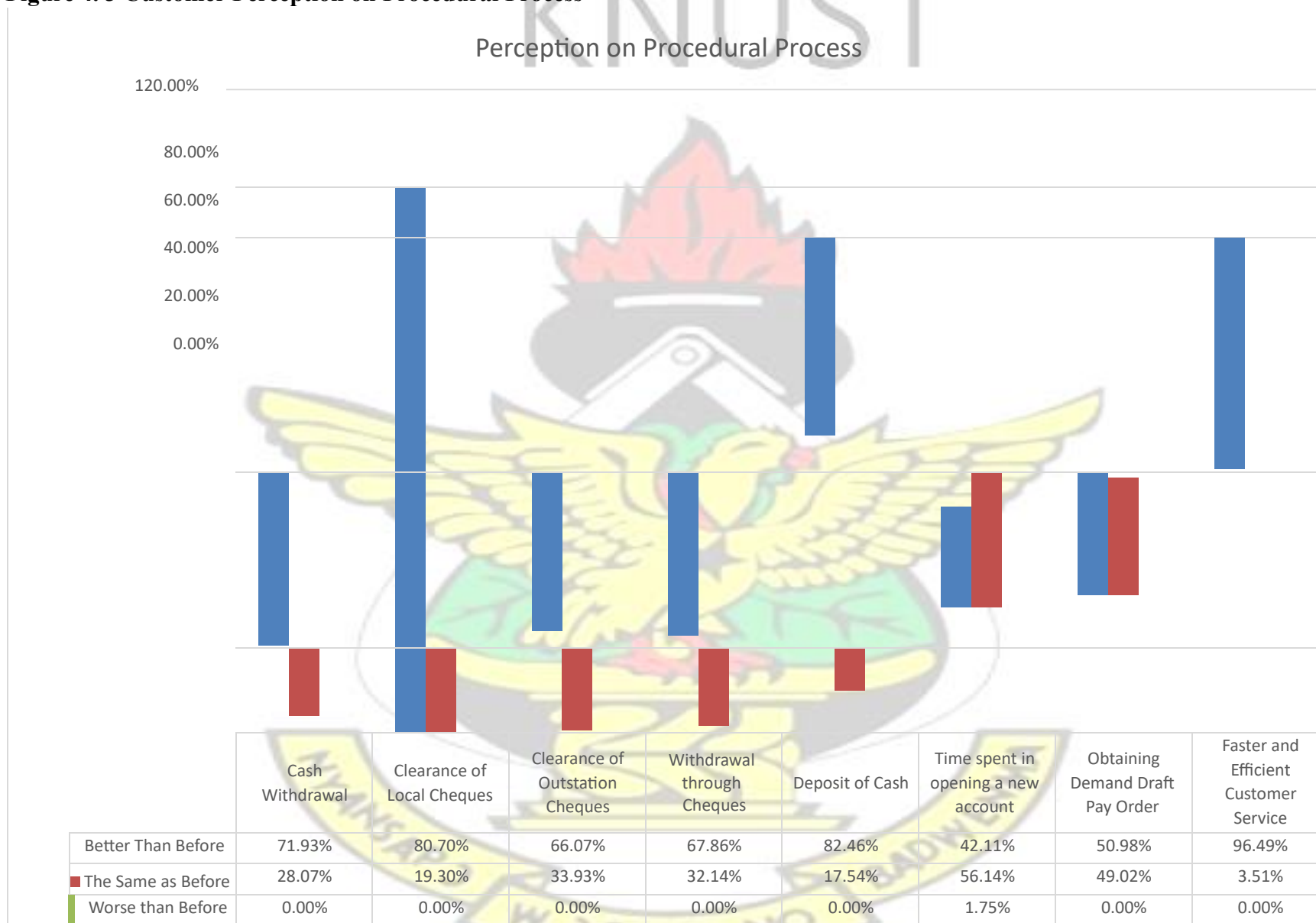


**Figure 4. 2 Result of Relationship**



Concerning the way customers feel based on their relationship with the employees of the Bank, inquiries were made. Customers felt Strongly Valued 51% of the time while 49% of the time, they feel Valued.

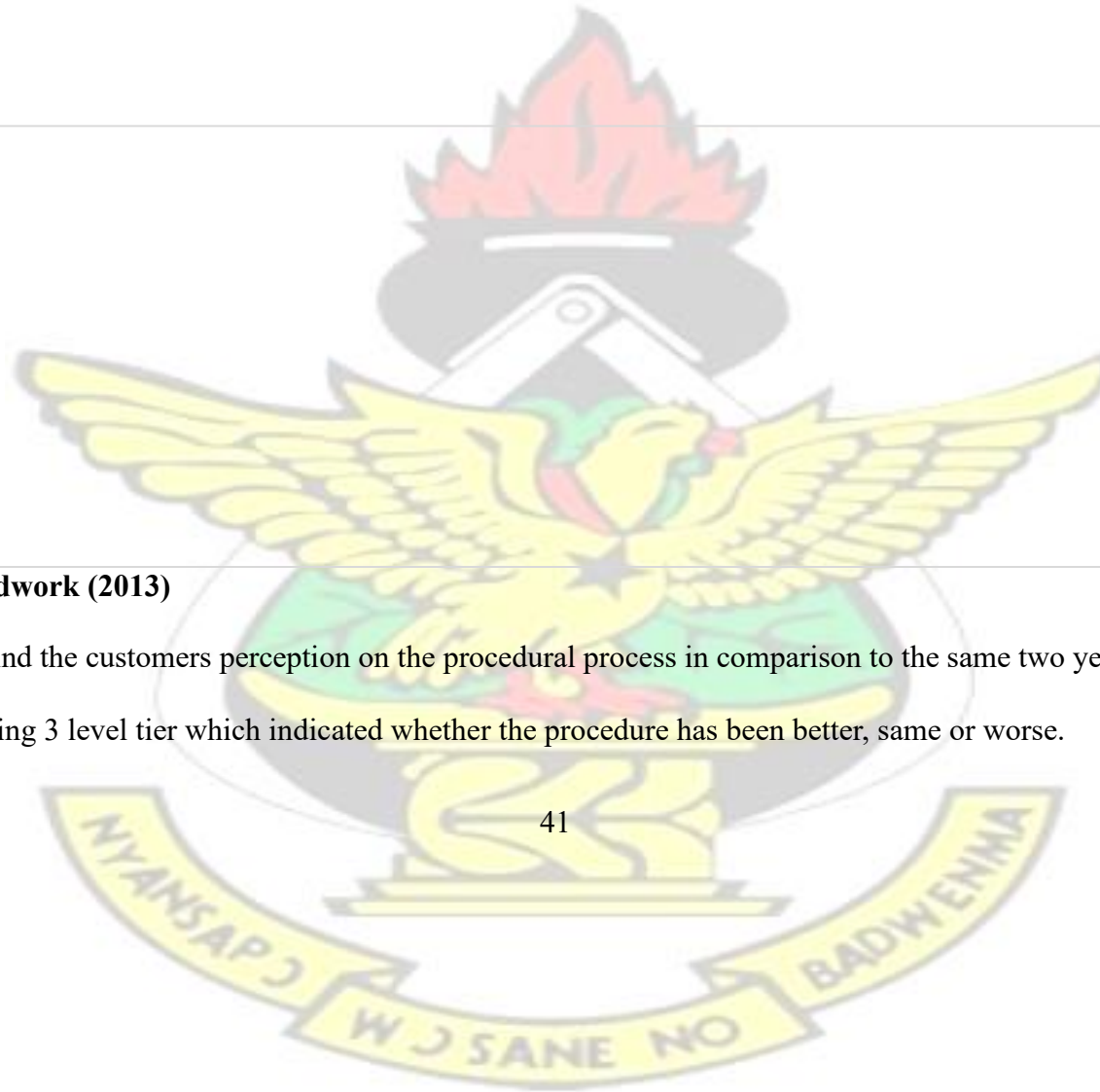
**Figure 4. 3 Customer Perception on Procedural Process**



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Percentage of Customers

100.00%



**Source: Author's Fieldwork (2013)**

The project sought to find the customers perception on the procedural process in comparison to the same two years ago. Customers were required to compare using 3 level tier which indicated whether the procedure has been better, same or worse.

When asked their perception on the procedural process, the responses were as follows:

71.93% responded that Cash Withdrawal has been better than before whiles the Remaining 28.07% said it is the same as before. 80.7% of the customers said Clearance of Local Cheques has been better than before whiles 19.03% said it is the same as before. 66.07% said Clearance of Outstation Cheques is better than before while 33.93% say it is the same as before.

67.86% responded that Withdrawal through Cheques is better than before, 32.14 responded that it is the same as before. 82.46% of customers see Deposit of Cash as Better than before the minority, 17.54% see it as the same as before.

Concerning Time Spent in Opening a New Account, 42.11% of the customers say it is better than before whiles the majority, 56.14% say it is the same as before. A few customers, 1.75% however say it is worse than before. According to 50.98% of the customers, Obtaining Demand Draft Pay Order is better than before whiles 49.02% think it is the same as before. 96.49 enjoy Faster and Efficient Customer Service better than before. The remaining 3.51% think it is the same as before.

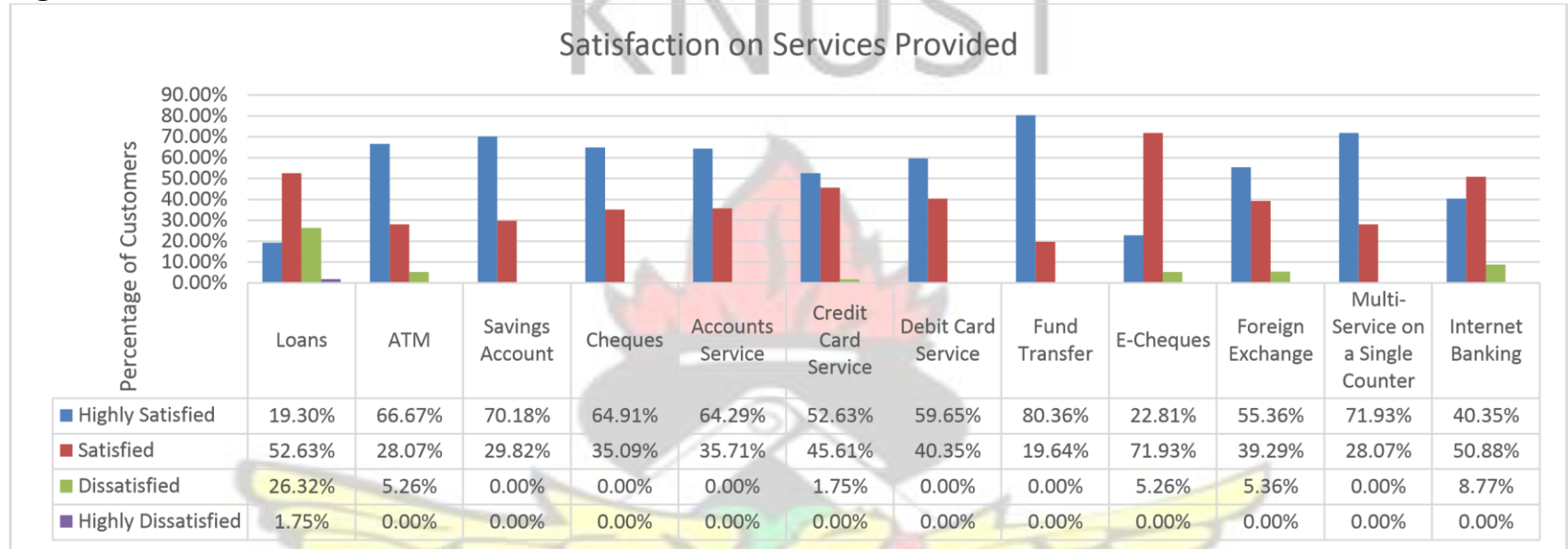


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**Figure 4. 4 Level of Satisfaction on Services Provided**



**Source: Author's Fieldwork (2013)**

Customers' satisfaction on the various services provided by the bank was assessed in order to understand their perception on BPR in Zenith Bank. On the Satisfaction of the Customers from the Services Provided, the Customers were predominantly shared between Highly Satisfied and Satisfied. Concerning Loans however instances where 1.75% customers registered High Dissatisfaction whiles 26.32% were dissatisfied. Aside that, all other services were satisfactory. Fund transfer registered the most Highly Satisfying Service as 80.36% of the customers confirmed that. 43

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#### 4.4 EMPLOYEES' FINDINGS AND ANALYSIS

Below is the analysis done on the employees in relation to the factors that corroborate the objectives of the research

##### 4.4.1 Employee Satisfaction

The table below enumerates the responses elicited from the Employee respondents.

**Table 4. 3 Duration of Employment**

Duration of Employment	Frequency	Percent
0 - 12 Months	8	20.00%
1 - 2 Years	12	30.00%
3 - 4 Years	9	22.50%
4 - 5 Years	4	10.00%
Over 5 Years	7	17.50%
TOTAL	40	100.00%

**Source: Author's Fieldwork (2013)**

In order to appreciate the preferences of the employees, their duration of employment with Zenith Bank were asked. On the duration of being an employee of the Bank,



30% representing the majority group of the people had worked for at least a year. 20% had worked for less than a year. The employees who had been with the bank for more than 3 years are above were 50%. This shows that the employees were very experienced with the changes in the bank.

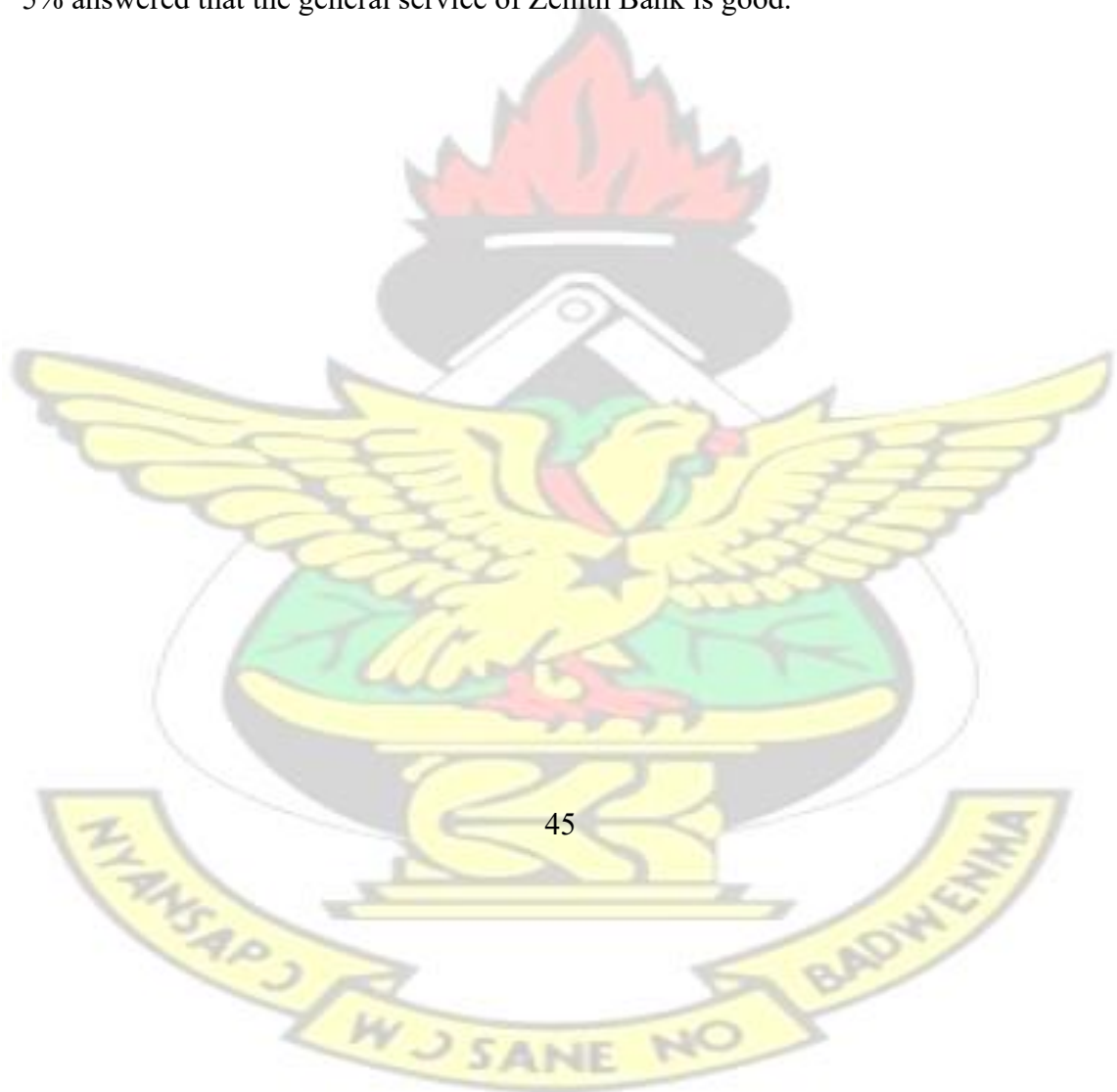
**Table 4. 4 Perception on General Service**

Perception on General Service	Frequency	Percent
Best	21	52.50%
Better	17	42.50%
Good	2	5.00%
Poor	0	0.00%
Disappointing	0	0.00%
TOTAL	40	100.00%

**Source: Author's Fieldwork (2013)**

Inquiries into what employees think on the general service of Zenith Bank were analyzed.

Almost all the Employees, 95% think of the general service to be at least better. Only 5% answered that the general service of Zenith Bank is good.



**Figure 4. 5 Employee satisfaction with BPR**

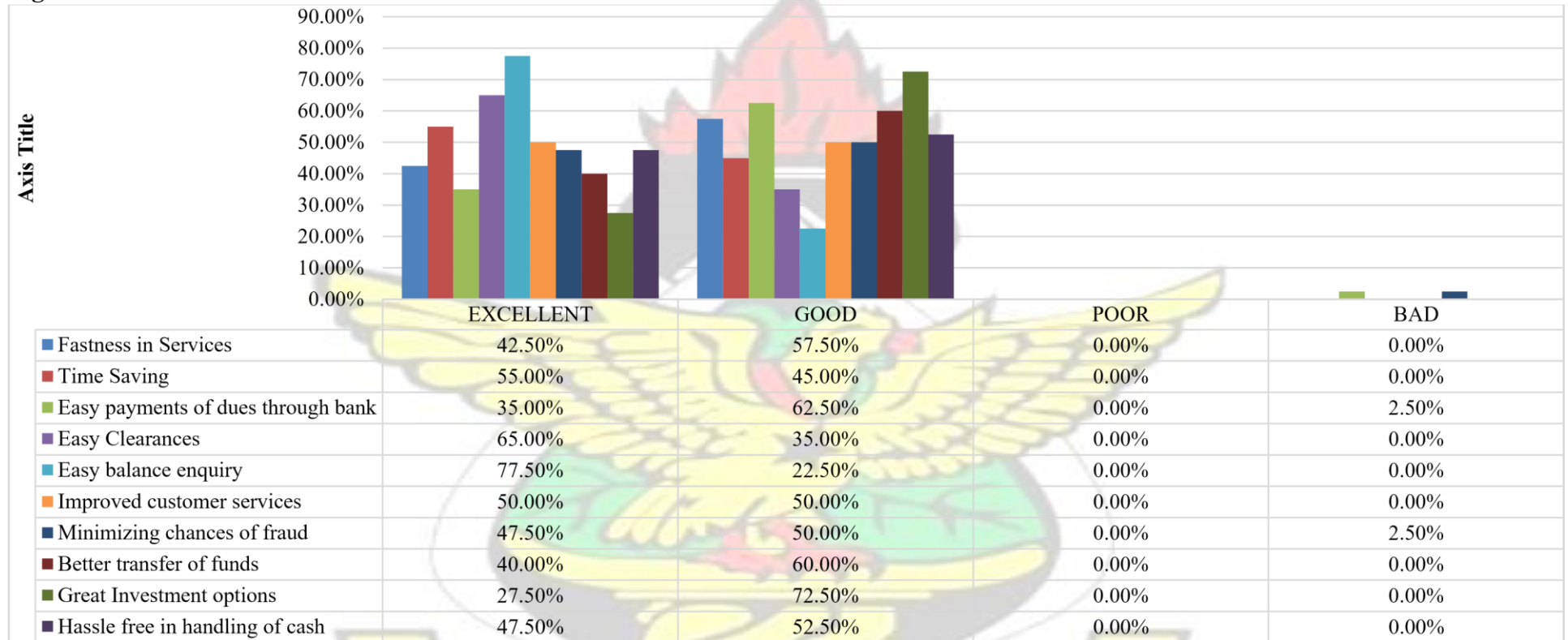


**Source: Author's Fieldwork (2013)**

Generally, the employees are satisfied about all the present process factors. None of them think the process has been worse than before. They either saw significant changes in the system or that the present process is the same as before.

## 4.4.3 Impact of BPR on Banking Service

Figure 4. 6 Benefits of BPR in Zenith Bank



Source: Author's Fieldwork (2013)



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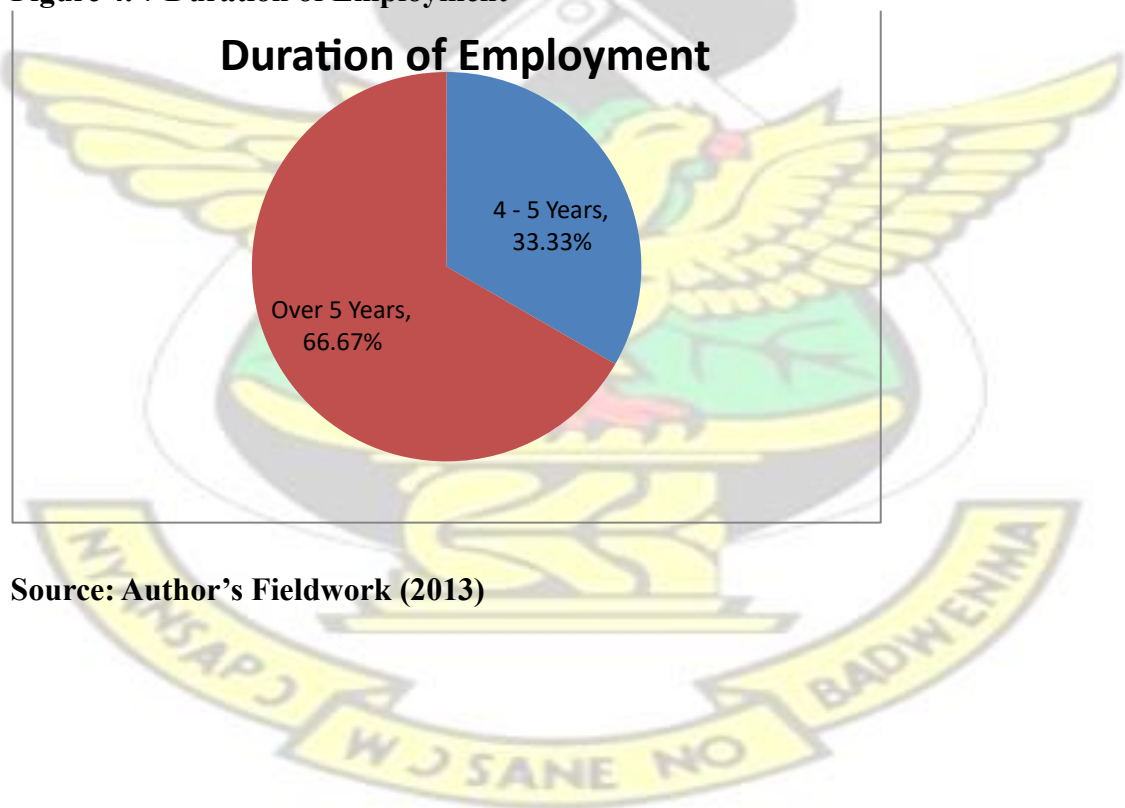


From the study, the benefits of BPR is readily realised in Easy Balance Enquiry. However, through all the factors, BPR has brought immense benefits to the Bank. It was in Easy payments of dues through bank and Minimizing chances of fraud that a negligible number of the population answered that the BPR has been bad.

#### 4.5 MANAGERS' FINDINGS AND ANALYSIS

The table below enumerates the responses elicited from the Manager respondents

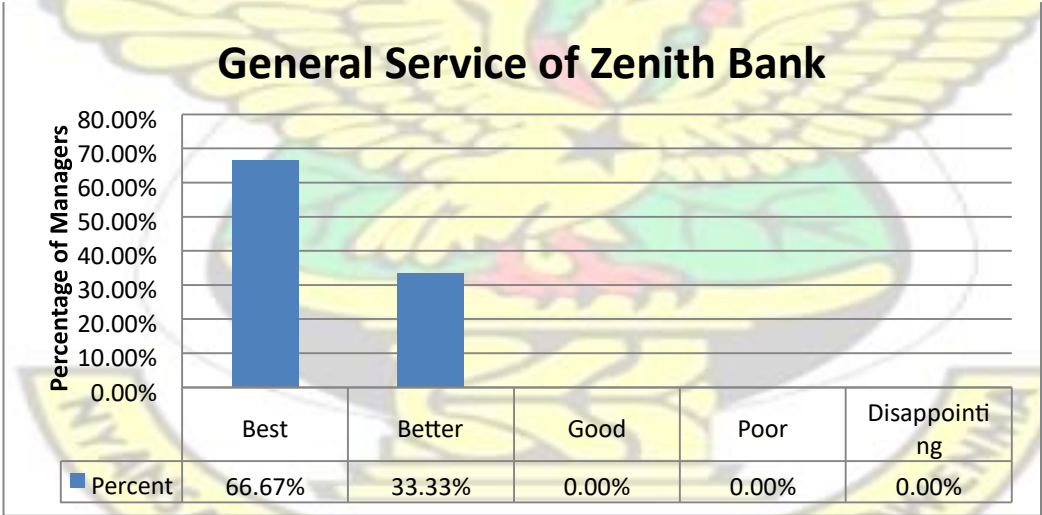
**Figure 4. 7 Duration of Employment**



**Source: Author's Fieldwork (2013)**

The greater percentage of the respondents, 66.67% of them had been employees of the Bank for more than 5 years while the remaining of them had been employees for between 4 and 5 years.

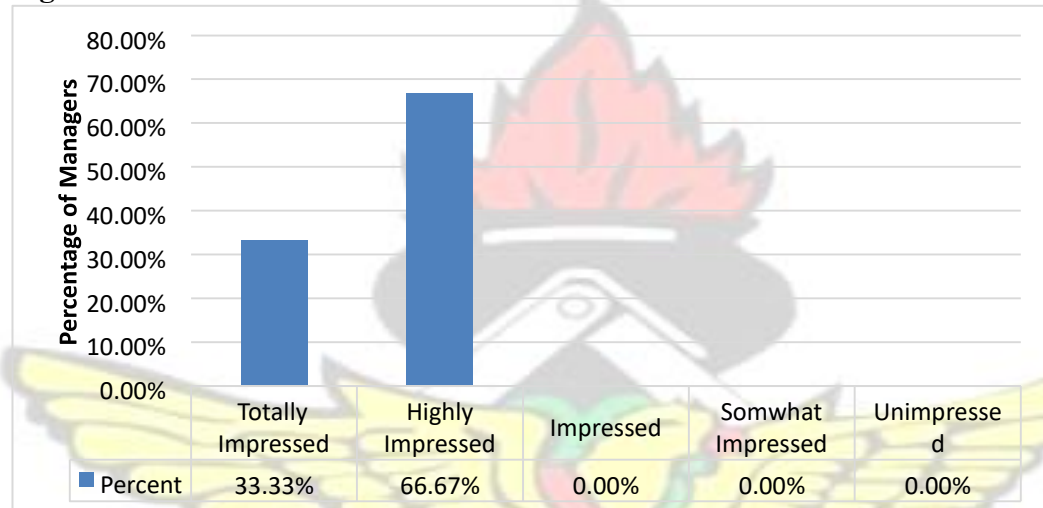
**Figure 4. 8 General Service of Zenith Bank**



**Source: Author's Fieldwork (2013)**

Most of the managers agreed that the General Service of Zenith Bank were the best. 33.33% however answered that it was better.

**Figure 4. 9 The Ambience of Zenith Bank Branches**

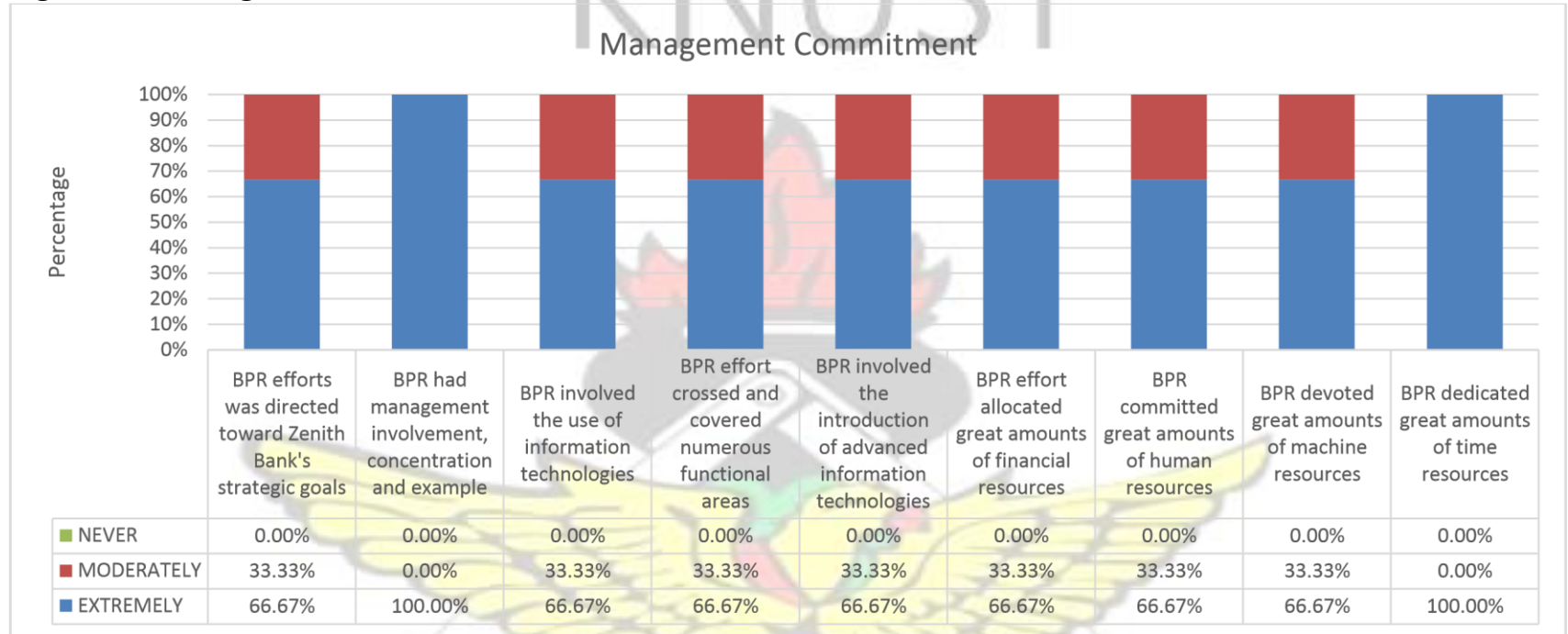


**Source: Author's Fieldwork (2013)**

33.33% of the managers were totally impressed with the appearance and office layout of Zenith Branches while the remaining 66.67% are Highly Impressed. 49



**Figure 4. 10 Management Commitment**



**Source: Author's Fieldwork (2013)**

Generally, Management is seen to be very committed to BPR. In that in all the factors, majority of management commitment were to the extreme whiles the minority were moderate. In no factor were there records of Management showing no commitment. Concerning management involvement and concentration and the dedication of great amounts of time resources, management recorded a 100% extreme commitment.

#### 4.5.1 Management Performance Measures to Sustain BPR

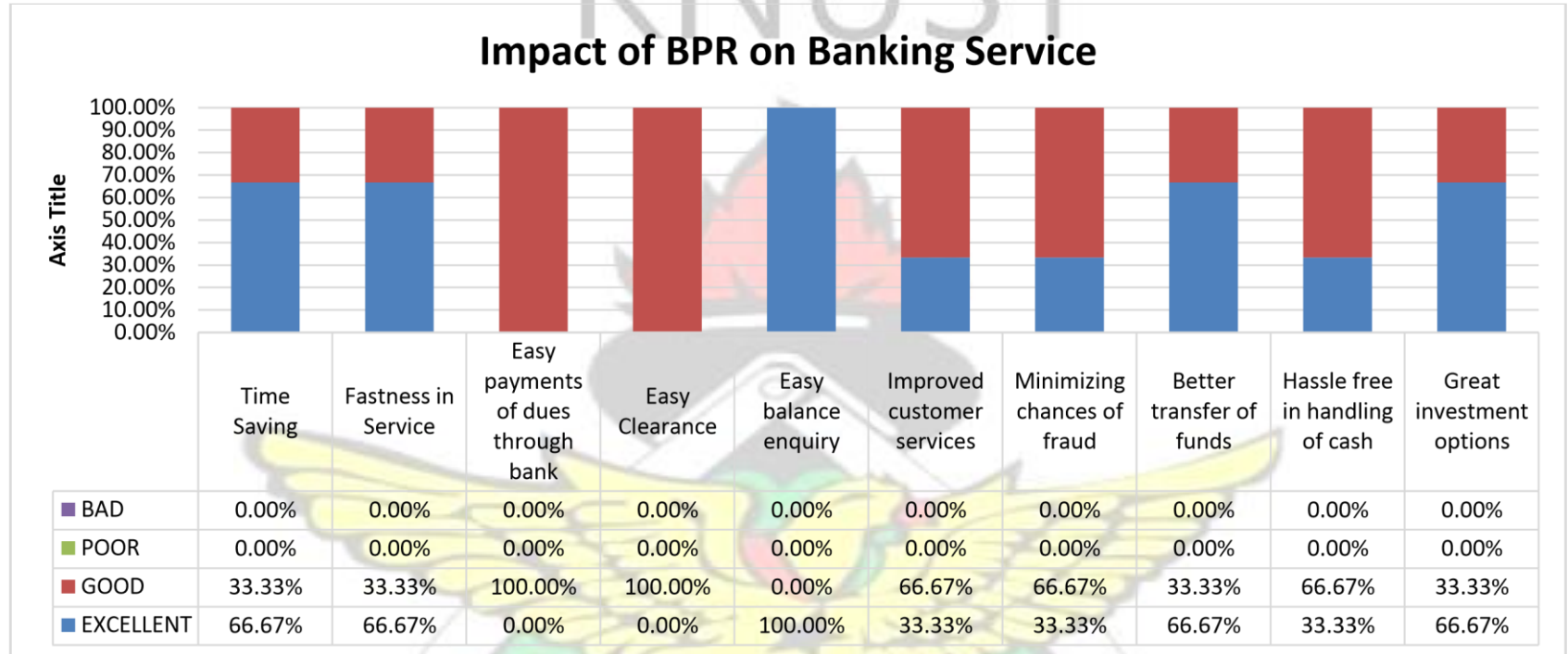
All the respondents answered to the affirmative to the effect that

- There is a pay or reward system designed for reinforcing or penalizing to empower employees
- Much time is reduced per cycle for customer handling on the frontline spot as a result of the current system
- Training and education program is given to employees to enhance employees' knowledge and skill
- There is an action plan on employee empowerment to improve customer satisfaction
- There is a function to monitor, control and secure the BPR to improve service quality in the current system
- The cost incurred to implement the current system has been worthwhile in terms of employee training, IT support and Equipment compared to the benefits Zenith Bank has generated
- Management handle employees' ideas and opinions which are suggested when change is considered with human resource development.
- Management monitors the bank's customer satisfaction level.

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Figure 4. 11 Impact of BPR on Banking Service



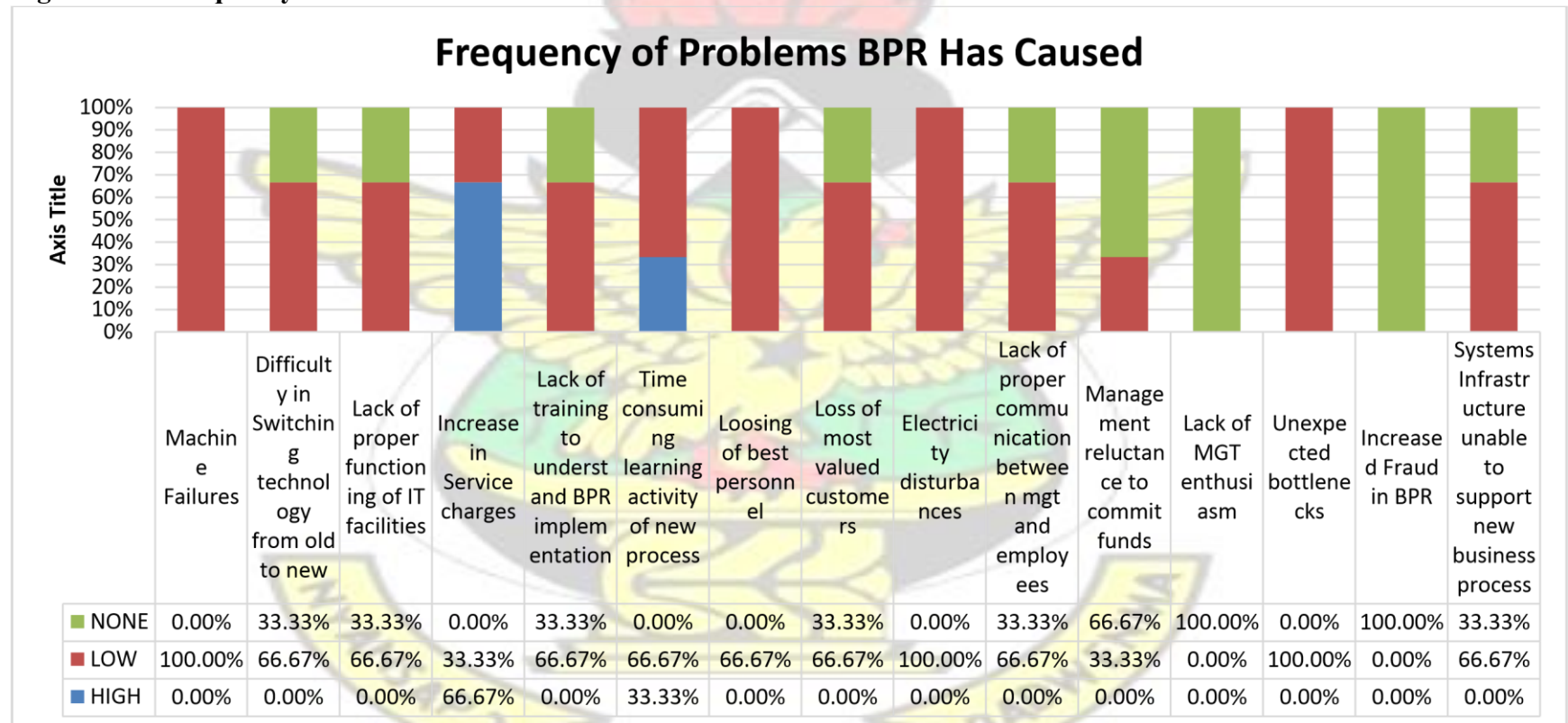
Source: Author's Fieldwork (2013)

Based on the survey, BPR has excellently Impacted Easy balance enquiry. BPR's impact on Easy payments of dues through bank and Easy Clearance has been good all the time. On time saving, BPR has impacted it excellently 66.67% of time whiles



33.33% of the time, the impact was good. This was the same for Fastness in Service and Better transfer of funds and Great investment options. BPR however impacted excellently 33.33% of the time and goodly 66.67% of the time on the following Banking Services: Improved Customer services, Minimizing chances of fraud and Hassle free handling of cash.

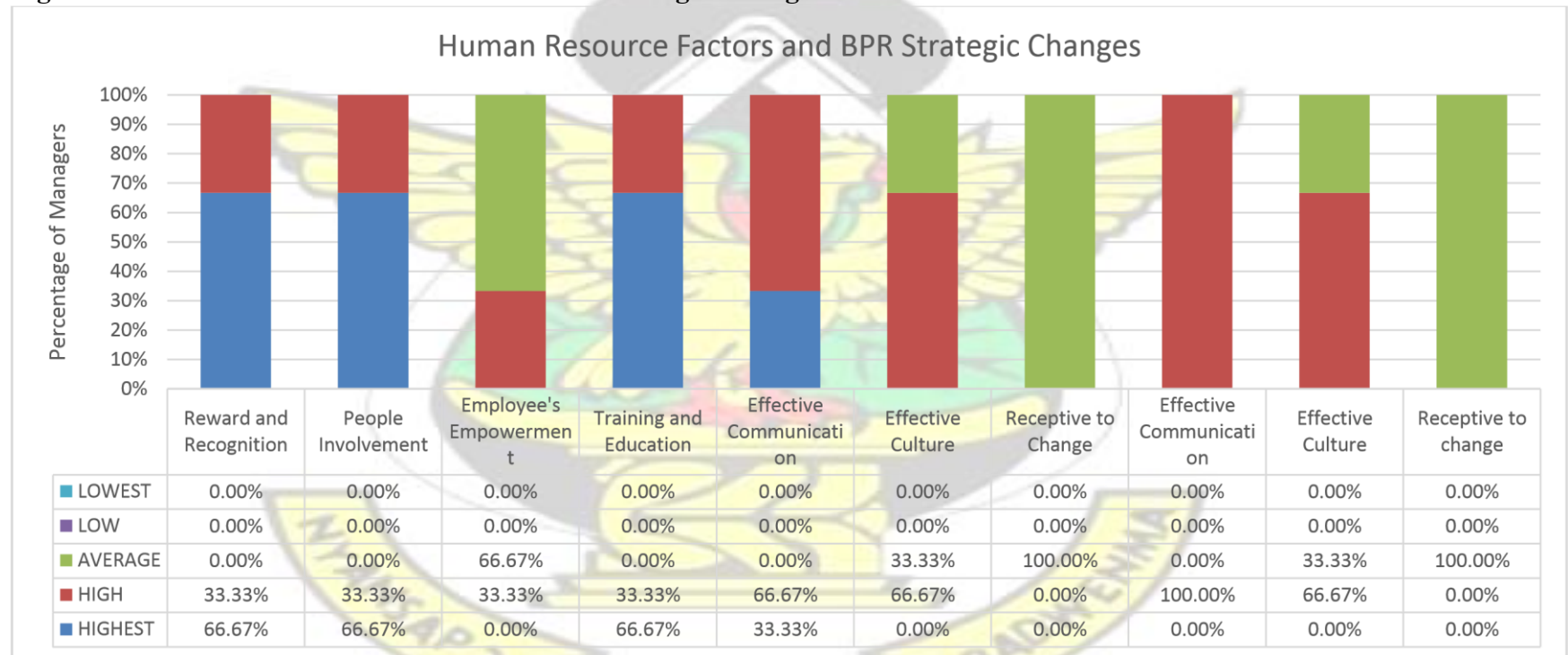
**Figure 4. 12 Frequency of Problems BPR has caused**



**Source: Author's Fieldwork (2013)**

From the survey, except increases in service charge and time consuming learning activity, BPR has not highly caused any problems in Zenith Bank. In terms of increased fraud, there was no record in its favour however; there were low cases of Machine failures, and unexpected bottlenecks. The rest of the factors lay between low and none.

**Figure 4. 13 Human Resource Factors and BPR Strategic Changes**



**Source: Author's Fieldwork (2013)**

The answers of the managers on the Human resource factors and BPR strategic changes, Reward and Recognition, People involvement and Training and Education were seen to have the Highest effect on the Changes in Zenith Bank; being 66.67% of the time. The others that had High changes include Effective Communication. However, Employee Empowerment had an average effect on the changes while Receptivity to Change had an average effect on all count. Effective Communication had its majority effect to be High (66.67) while its minority effect (33.33%).



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

This chapter focuses on the findings, conclusions and recommendations relevant to the problems identified in the research.

#### **5.2 SUMMARY OF KEY FINDINGS**

The key findings of the research as discussed below are a direct reflection of the objectives for the study. For a comprehensive appreciation of the results, they are discussed in relation to the responses elicited from their respective groups of the respondents - customers, employees and managers.

The first objective of the research was directed at finding out the impact of Business Process Reengineering on banking service provision. A credible measuring tool of the success of the BPR is seen in the view of customers. Generally, the customers' view of the BPR is highly positive and correlates positively with the research objective. It was realised that for the period of five years, Zenith bank recorded the highest customer commitment in the last three years, where the peak moment is in the last two years. It registered 54% increase in customer base alone in 2012. It is followed by a close 43% from last year till now. Given that the year is still not closed, there is the potential of hitting the biggest percentage this year. It should be noted that the BPR activity actually took place three years ago thus giving impetus to the Research objective One. The augmented



growth strategies employed by BPR were seen in the customers' appreciation of the ATM services and dutiful customer care line.

The responses of employees as analysed from the data indicate that there is a positive correlation between the BPR activity and the research objective. The responses on general service provision from employees indicate that Zenith Bank ranks as the best banking organization. This is as a result of the cumulative effect of customer care, front desk employee impressions, treatment of customer care, general ambience, friendliness of workers to customers, employee satisfaction, IT factors and Human resource factors registered 79%.

Another finding that was made in relation to discovering the factors that help Business Process Reengineering to effect innovative and strategic changes in banking organizations. The findings of the study revealed that all the factors that helped to effect innovative and strategic changes were tailored to suit the customer satisfaction and thereby gain his trust which ultimately adds up to the goodwill of the organization. This finding validates the assertion by Mallory and Wilson (2002) who assert that the satisfaction of the customer and his general perceived impression of the organization is cardinal to the success of the company. The main factors that were identified include Profitability and Recognition for Awards in Banking Industry, Productivity, Quality, Equipment and Technological Enhancement, Accreditation, Enhanced and Excellent use of ICT in work and Ensuring Maximum Standard, Customer satisfaction, and competitive advantage. The simple bivariate test conducted to determine the level of inspired BPR changes was on „how extreme“ and „how moderate“ the changes were. All the variables registered an



overwhelming approval of the changes on the extreme side except on competitive advantage variable which indicated a divided opinion since there a split up 50% on both sides of being extreme and moderate. The rest of the variables recorded impressive performance against the independent variable – BPR. Quality, Profitability, Productivity, Customer Satisfaction and Ensuring Maximum standard have extremely effected and inspired BPR; recording 85% 80%, 77%, 72%, 77.5% respectively.

As Grant (2013) pointed out, there is always some level of resistance to change, however subtle it may seem in every organization irrespective of the organisational culture. The study found out that Zenith bank is no different from this assertion. While the research recorded a hundred per cent value on all the Human engineered factors, one of them; „receptive to change“ recorded a disapproving figure of 33.3 to indicate that there was generally a defensive attitude to the change process. Generally, the study reveals a positive identification of factors and their relative performance against the independent variable – BPR.

The next finding was to ascertaining management’s commitment, satisfaction, communications and performance measures used in a re-engineering process. The above objective is invaluable to management decisions and setting priorities in the sense that management employs objective 3 as a tool to determine the rate of success of their decisions.

Inferring from the data gathered, it was revealed that the satisfaction of Managers of the BPR process is overwhelmingly positive. Lastly, the results for the performance measures

were also sparsely in outlook but in sum, BPR has excellently impacted on the bank especially in the aspect of easy balance enquiry. BPR's impact on Easy payments of dues through bank and Easy Clearance has been good all the time. On the whole, the analysis of the objective three is very successful since there are on many accounts, a positive indication of approval from the data collated. These included favourable findings on the effectiveness of communication tools,

Last but not the least, in determining employee satisfaction and motivation from a reengineering process, it was realised that irrespective of the ingenuity of the BPR process, its intentions will only see fruition when employees support the process and join in its implementation. Thus, the above is solidly valid for the appreciation of the entire research since employee satisfaction and motivation also determine the viability of the change process. Notwithstanding a few hiccups, the research proved that the employees of Zenith Bank were to a great extent cooperative of the entire exercise. From the data, generally, the employees are satisfied about all the present process factors. While there are few who saw the process as being as before, it is significant to note that

In the same vein, employee motivation is was very high. Motivation is a necessary tool the oils the machinery of progress. Salaries and profits of the employees were not only commensurate with the work, but they were also paid on time and also had adequate resources to carry on the work most efficiently.

Finally, the decision to uncover how Business Process Reengineering affects customer satisfaction in banks proved generally positive. Annamalah et al (2011) posit that unless

service quality engenders high customer satisfaction it cannot contribute to customer loyalty in organisations. They explain that the more customers are satisfied with an organisation's services, the longer they will remain loyal to that organisation. The viability of the above statement while inferring from the data from the field survey proves that the level of customer satisfaction was more than satisfactory. Over the period of two years, the Bank has seen a heightened expression of loyalty, 46.4 % to be precise, more than it has over the last five years.

### **5.3 CONCLUSION**

The present research was conducted to evaluate the effects Of Business Process Re-engineering on banks. The study rigorously explores viability of the BPR in organizations with the aim giving an accurate picture of the effects of such an exercise on the customers, employees and the company. After a close look at the objectives and the research questions set out at the onset of the study, findings indicate that the BPR process which was initiated in Zenith three years ago amidst hiccups truly proves to be worthy venture. It can be concluded from the study undertaken that Business Process Reengineering in Ghana would positively impact the fortunes of any organization that adopt it. The quest for growth, innovation and updated emergent with trends of business in this globally fast pacing business environment requires that a business becomes prone to change, however it may seem. This would ensure that the organization prospers and lives on for generations to come so that the forerunners can look back and feel satisfied that they contributed to the nurturing the growth of the organization.

## **5.4 RECOMMENDATIONS**

Following the discoveries that were made by the research, some notable recommendations have been pointed out below for all stakeholders to carefully examine.

### **5.4.1 Receptivity to the Change Process**

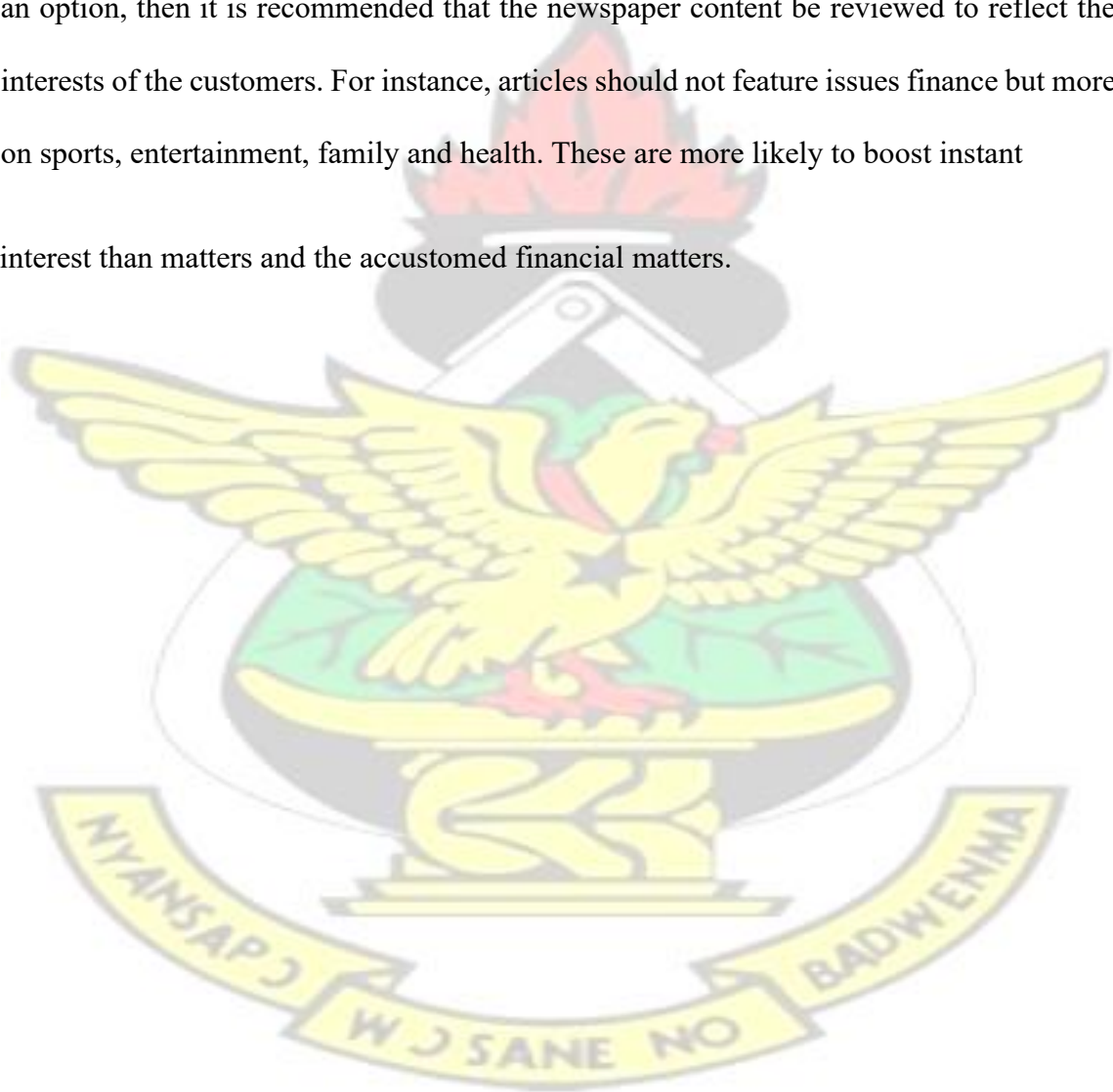
Given that the bank is a service provision entity, the choice of losing customers is not an option especially when it caused by employees. On this wise, provision should be made to cushion employees especially in the area of change receptivity. As noted earlier, the resistance to change by employees is almost always the one main bane that greatly impairs the vision of change to the extent that employees' resistance to change was at an overwhelming 67%. It is against this backdrop that the measures should be put in place cushion any shocks as much as possible of employees and ensure the fluid transmission of change. It is highly recommended that programmes be organised to sensitize employees on the essence of the change process so as to attune their minds psychologically to recognize such a process when it is initiated.

On the same point, employees should be given early awareness of change processes which may be engineered at one point or the other during the induction session into the organization. This process helps employee to understand that BPR is a necessary element of the organization and they are expected, at best, to be cooperative.



#### 5.4.2 Communication Effectiveness

Amongst all the communicative tools that the organization employed, the newsletter medium performed poorly by recording 35% patronage. Since the remaining five communicative tools are doing relatively better, it is recommended that attention be directed to those ones to strengthen their patronage by customers. Granted that this is not an option, then it is recommended that the newspaper content be reviewed to reflect the interests of the customers. For instance, articles should not feature issues finance but more on sports, entertainment, family and health. These are more likely to boost instant interest than matters and the accustomed financial matters.





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