

**THE EFFECT OF TOTAL QUALITY MANAGEMENT CONTROL ON SERVICE
DELIVERY IN FINANCIAL INSTITUTIONS IN NIGERIA**

EMMANVITALIS IFEDIBA (PhD)
Department of Marketing,
Madonna University Nigeria.

Abstract

The major objective of the study is to ascertain the level of awareness and adoption of TQM practices among staff of Zenith Bank in Awka metropolis and also determine the major limitations of the TQM practice in the bank. Instrument for data collections are questionnaires and research questions, which formed the course of primary data, while materials from various published articles, textbooks, journals and newspapers formed the secondary data. The method of analysis is the use of tables, percentages and chi square. The major finding of the research is that all staff of Zenith Bank are aware of the TQM elements and are fully involved in the practice of TQM in their day to day business. The study recommended that since the practice of TQM improves customer service and care, there is need for constant training of all staff on TQM practices on a continuous basis. Employees and subordinates should be given opportunity to participate in decision making using the element of TQM practice and culture

Keywords: Total Quality Management, Total Quality Control, Quality Assurance, Zenith Bank.

Introduction

Today every organization has to study what customer demand is. Who is our customer? How do we delight our customers? What do customers wish to experience when dealing with us? What do customers frame in their mind about us? All these questions should be taken into consideration hence it is the customer who defines quality (Arora 2009). Quality is fast becoming an essential aspect of banking, and in the coming years it would form a basic requirement for the survival of the industry. It is indeed worthy of note that quality needs to be natural through positive attitude and quality culture in an organization.

The financial service sector has not been immune from or ignored the era of quality revolution. New products sought initial competitive advantage, new attractive interest rate, turnaround time, all in the bid to attract more customers. Macdonald (1998).

The term TQC (Total quality control) was conceived by A.V. Freignbaum in 1983. TQC later became TQM. It is a corporate business management philosophy which recognizes that customer needs and business goals are inseparable, Arora (2008). Management must be able to recognize that TQM will not happen by accident. TQM is a management process which involves people, system and supporting tools and techniques. Quality should begin to permeate financial institutions as a way of life and it should begin with employee satisfaction.

TQM, though a recent phenomenon is important in the banking sector. It has evolved as a management concept out of the need by organizations for continuous quality improvement and critical importance of increased profitability and survival in the face of competitive challenges in the banking industry. This starts with the customers by learning to identify and meeting their basic requirements and then empowering staff by giving them the tools they need to perform excellently. It is in this regard that this research work is aimed at assessing the practice of Total quality a management by Zenith Bank Plc.

Statement of the Problem

The influx of new banks in the new millennium into Nigeria's banking sector has engendered competition that is unprecedented in the annals of Nigerian banking history. When competition heightens to the level that is now being witnessed in Nigeria banking sector, the power of bank's products in them to deliver competitive advantage whittles down dramatically. In fact, any time competition heightens in any industry, the most proven means of effectively differentiating any institution in that industry is the delivery of superior service quality. The Nigeria banking system has grown in terms of size (total assets), number of banks and level of participation by the consuming public. With the issuance of universal banking licenses to all banks in Nigeria, all banks are now striving to grow their retail banking portfolios and superior service quality has been identified as the bottom for the success in this respect.

From the above discussion it is imperative for the competitors in the banking industry to adopt various customer service strategies like their counterparts in advanced world which basically aims at differentiating them from their competitors. With the increased competition intensity however, it becomes important to address the question: how well do bank attract and maintain its clientele in other to enhance its profitability? The research therefore assessed the effect of quality customer service on the performance of Zenith Banks in Awka Metropolis with respect to increased profitability, market share as well as cost reduction.

The objectives of the study are;

1. To ascertain the level of awareness of TQM among staff of Zenith Bank, Plc
2. To assess the level of adoption of TQM practice by staff of zenith bank plc
3. To determine the extent to which members of staff are involved in the practice of TQM in Zenith Bank, Plc.
4. To determine the extent the practice of TQM affect customers service and care in Zenith bank Plc.
5. To identify the major limitations of TQM practice in Zenith Bank, Plc

To solve the objectives of the study, the following research questions

were addressed in this study;

1. What is the level of awareness of TQM among staff of zenith bank Plc
2. What is the level of adoption of TQM practice by staff of Zenith Bank
3. To what extent are members of staff of zenith bank Plc involved in the practice of TQM?
4. To what extent does the practice of TQM affect customer's service and care in zenith bank Plc?
5. What are the major limitations of TQM practice in zenith bank Plc?

The corresponding tests of hypothesis were thus formulated.

Hypothesis 1

H0; the level of awareness of TQM among Zenith Banks staff is not high

H1; the level of awareness of TQM among Zenith Banks staff is high

Hypothesis 2

H0; the level of adoption of TQM practice by staff of Zenith Bank is not high

H1; the level of adoption of TQM practice by staff of Zenith Bank is high

Hypothesis 3

H0; Members of staff of Zenith Bank are not involved in TQM practice to a large extent.

H1; Members of staff of Zenith Bank are involved in TQM practice to a large extent

Hypothesis 4

H0; the practice of TQM does not significantly affect customer services and care in Zenith Bank Plc.

H1; the practice of TQM does significantly affect customer services and care in Zenith Bank Plc

Literature Review

Origin of TQM

Although TQM techniques were adopted prior to World War II by a number of organizations, the creation of the Total Quality Management philosophy is generally attributed to Dr. W. Edwards Deming. In the late 1920s, while working as a summer employee at Western Electric Company in Chicago, he found worker motivation systems to be degrading and economically unproductive; incentives were tied directly to quantity of output, and inefficient post-production inspection systems were used to find flawed goods. Deming teamed up in the 1930s with Walter A. Shewhart, a Bell Telephone company statistician whose work convinced Deming that statistical control technique could be used to supplant traditional management methods. Using Shewhart's theories, Deming devised a statistically controlled management process that provided managers with a means of determining when to intervene in an industrial process and when to leave it alone. Deming got a chance to put Shewhart's statistical-quality-control techniques, as well as his own management philosophies, to the test during World War II. Government managers found that his techniques could be easily taught to engineers and workers, and then quickly implemented in over-burdened war production plants one of Deming's clients, the U.S. State Department, sent him to Japan in 1947 as part of a national effort to revitalize the war-devastated Japanese economy. It was in Japan that Deming found an enthusiastic reception for his management ideas. Deming introduced his statistical process control, or statistical quality control, programs into Japan's ailing manufacturing sector. Those techniques are credited with instilling a dedication to quality and productivity in the Japanese industrial and service sectors that allowed the country to become a dominant force in the global economy by the 1980s. While Japan's industrial sector embarked on a quality initiative during the middle 1900s, most American companies continued to produce mass quantities of goods using traditional management techniques. America prospered as war-ravaged European countries looked to the United States for manufactured goods. In addition, a domestic population boom resulted in surging U.S. markets. But by the 1970s some industries had come to be regarded as inferior to their Asian and European competitors. As a result of increasing economic globalization during the 1980s, made possible in part by advanced information technologies, the US manufacturing sector fell prey to more competitive producers, particularly in Japan.

In response to massive market share gains achieved by Japanese companies during the late 1970s and 1980s, U.S. producers scrambled to adopt quality and productivity techniques that might restore their competitiveness. Indeed, philosophies and systems were finally recognized in the United States and Deming himself became a highly-sought-after lecturer and author. The "Deming Management Method" became the model for many American corporations eager to improve. And Total Quality Management, the phrase applied to quality initiatives proffered by Deming and other management gurus, became a staple of 25 American enterprises by the late 1980s. By the early 1990s the U.S. manufacturing sector had achieved marked gains in quality and productivity.

Empirical Literature

Newman & Cowling (2005) conducted an empirical study as major quality improvement initiatives undertaken by two British banks. Tool for data collection was developed on the basis of SERVQUAL model. The model measured 10 aspects of service quality: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding or knowing the customer and tangibles, (Ziethmal, & Bitner 1996). It measured the gap between customer Expectations and experience. The study indicated a considerable improvement in service quality and that was evidenced in support of the SERVQUAL model. A TQM study by Burton & Philip (2005) discovered if the organization had, a track record of effective responsiveness to the environment, and if it had been, to successfully change the way it operated, the TQM will be easier to implement. Implementing TQM essentially involved organizational transformation: beginning to operate

in new ways, developing a new culture. The study also concluded that implementation of TQM would inevitably face resistance, to be addressed directly by change agents coming up according to the expectations of external customers. The study concluded that leadership styles and organizational culture must be congruent with TQM. TQM is a powerful technique for unleashing employee creativity and potential, reducing bureaucracy and costs, and improving service to clients and the community. Saffran & Vogt (2006) studied the implementation of quality management System based on ISO 9000 at Deutsche Bank AG. To establish the quality system, a structural plan was divided into four steps: determination of tasks and responsibilities; studies; implementation and certification. A major component of the second step was the quality manual, the creation of which followed three guidelines; simple language, understandable illustrations, and focusing on the essentials. Guidelines for this documentation included: outcome-based planning, form methods of describing procedures, readability and employee focus.

Documentation was the basis for evaluation during the registration audit, which found nonconformities. Therefore, Deutsche Bank earned a three-year registration without limitation. Implementation of the quality management system cost Deutsche Bank about 3,975,000 DM, not including registration costs. Benefits of implementation included improved clarity and motivation for employees, increased customer satisfaction, and higher productivity. Success of Deutsche Bank quality system initiative was based on factors such as employee involvement, open communication, customer orientation, and flexibility in adapting the system to new requirements.

Edwards & Smith (2001), conducted a research on TQM in Banking focusing on quality performance standard setting, measuring and monitoring. The study concluded that customer care programs, action teams and improved communications were the first step; the next step in maintaining the competitive edge was the establishment of quality performance standards, and devising system for measuring and monitoring their effectiveness. The best way to institute quality into an organization, particularly a bank, was to train employees to do their job better through a top down training structure. Brah (2000), conducted a research on TQM and business performance in service sector in Singapore. Clear evidence was found that TQM implementation improved business performance in the service sector of Singapore. The study found that while accrued benefits could be attributed to some of the tools of TQM, such as, customer focus and quality improvement rewards, the key to the success of TQM lied in its intangible and behavioral features such as top management support, employee empowerment and employee involvement. TQM study by Tsang & Antony (2001) analyzed TQM practices in UK. The results focused on 11 critical factors of quality management. Continuous improvement, teamwork and involvement, customer focus, top management commitment and recognition, training and development, quality systems and policies, supervisory leadership, communication within the company, supplier partnership or supplier management, measurement and feedback and cultural change. It was found that customer focus is the most successful driven factor for TQM programs in UK service organizations. Joseph (2001) examined the implications of Total Quality Management approaches for various manufacturers in the State of Maine, USA. Information was gathered through a written questionnaire. The research utilized various quality tools such as measurement of external customer satisfaction, employee involvement and team building. The data strongly indicated that the larger firms were more likely to have a quality initiative in place. The study suggested further areas of inquiry, Indicating a need for additional information and including training for small firms regarding application of a quality program.

Zia ul Haq (2005) conducted a study on TQM Implications in Financial sector, focusing on change management issues that addressed quality management practices in the service sector, difficulty in taking a holistic approach to Total Quality Management (TQM) implementation in the service environment, and the challenges of delivering organizational reform through TQM. The study employed a quasi -qualitative case study methodology. Twenty service companies from health care, insurance, consulting, banking and financial services were studied over a period of two years to assess their change

management practices for implementing TQM. The study found that unrealistic expectations of employee commitment, absence of process focus, lack of information flow, holes in education and training and failure to create a continuous improvement culture contributed significantly towards failure. The study concluded that when real and actual approaches to change management follow academic models and techniques of change management, the ability to develop and implement organization-wide change progresses more smoothly. Gupta (2005) conducted a study on Quality Management in service firms: sustaining structures of total quality service. The research proposed a conceptual model may be developed that may be used in understanding the relationships between sustaining structures that support the total quality service (TQS) philosophy and customer satisfaction. Integrating the SERVQUAL instrument and other work in the service quality literature especially the Deming management model, the investigation developed a model for understanding the interactions between customer satisfactions and sustaining structures. This model developed three constructs leadership, organizational culture and employee commitment, which are very important in achieving total quality service objectives. The proposed model linked these three constructs with business processes and total quality service. This study provided an important conceptual framework for evaluating the relationship between customer satisfactions and sustaining structures. Samat (2006) conducted a study on TQM practices, service quality, market orientation. The main purpose of this study was to explore the relationship between Total Quality Management (TQM) practices and service as well as the relationship between TQM practices and market orientation. Structured questionnaires were distributed to managers of 175 service quality organizations in the northern region of Malaysia. The results showed that employee empowerment, information and communication, customer focus, continuous improvement had a significant effect on service quality whereas only employee empowerment and customer focus had a significant effect on market orientation.

Brief Historical Background of Zenith Bank Plc.

Zenith Bank Plc is one of the biggest and most profitable banks in Nigeria with total assets of N1.66 trillion as at the end of December 2009. The bank was established in May 1990 and started operations in July same year as a commercial bank. It became a public limited company on June 17, 2004 and is listed on the Nigerian Stock Exchange on October 21, 2004. The bank presently has a shareholder base of about one million, an indication of the strength of the Zenith bank. The operating results of the bank since it went public in 2004 indicate an impressive performance on all parameters. Total assets grew by 759 per cent from N193.3 billion as at the end of June 2004 to N1.66 trillion in December

2009. Within the same period, shareholders funds rose from N15.6 billion to N337.8 billion, indicating an increase of 2065 per cent while total deposit jumped by 830 per cent from N131 billion to N1.2 trillion. Recent financial performance has been equally impressive with results for the fifteen months ending December 2009 showing gross earnings of N277 billion profit before tax of N35 billion. Profit after tax for the period was N20.6 billion. Operating from its head office located at 87, Ajose Adeogun Street, Victoria Island, Lagos, Nigeria, with over three hundred and fifty (350) branches and business offices nationwide, Zenith Bank has presence in all the capitals, the Federal Capital Territory (FCT) as well as major cities and towns in Nigeria. The bank also maintains a strong presence along the West Coast with subsidiaries in Accra, Ghana (Zenith Bank, Ghana), The Gambia and Freetown, Sierra Leone (Zenith Bank Sierra Leone) as well as in Europe through Zenith Bank UK Limited. This is addition to a representative in Johannesburg, South Africa.

Research Methodology

This study is a survey research covering all the Zenith Banks in Awka Metropolis Anambra state. Awka is the state capital of Anambra state.

This study settled for a sample size since it was unable to study the whole population. The sample size for the research using Taro Yamani formula work is 300. Approximately, a total of three hundred (300) questionnaires

were distributed to different categories of staff and department, out of which 270 were completed and returned which represents 90% of the total questionnaires product. Out of the 270 questionnaires that were returned 7 was rejected due to wrong completion. Thus, only 263 questionnaires that were properly filled were used in the analyses.

The response gotten from the questionnaires were presented in tabular forms. The responses were converted to frequencies and percentages. Interpretation was based on the findings and the research question of the study. The hypothesis formulated in this work was tested with the use of chi-square method, which shows the magnitude of the discrepancy between the variables, expectation and observation. The test was carried out at 5% level of significance. A measure of reliability called Cronbach's Alpha was employed. Cronbach's Alpha ranges in value from 0 to 1. A coefficient equal to or greater than 0.6 is considered a minimum acceptable level, although some authorities argued for a stronger standard of at least 0.70. The internal consistency for this instrument is considered high and acceptable given a result of 0.76. To ensure that the structured questionnaire instrument developed for this study measures what it is expected to measure, that is to certify the requirement of validity, content validity was adapted to adequately measure coverage of the research topic. The instrument was submitted to the experts in the field for criticisms and suggestions relevant to the research. The corrected copy was validated by the researcher from which final copies were reproduced.

Findings of The Study

Table 1 Responses of Awareness of TQM Practice In The Bank

S/N	Variables	Frequency	Percentage (%)
	YES	263	100
	No	0	0
	Total	263	100

Source: Field survey, (2019)

From the above table, it can be seen that all the respondents agreed that they are aware of TQM practice in the bank. This implies that all the respondents are quality conscious in Zenith Bank Plc.

Table 2 Extent of awareness of TQM by staff

Variables	Frequency	Percentage (%)
Large extent	248	94.3
Little extent	15	5.7
Not At All	0	0
Total	263	100

Source: Field survey, (2019)

Table 2 shows that 94.3% indicated that staff are aware of TQM to a large extent in the bank. 5.7% indicate that they are aware to a little extent. None indicated Not At All. This implies that there is a high level of awareness of TQM among staff of Zenith Bank Plc.

Table 3 Responses on extent to which TQM practice has been adopted

Variables	Frequency	Percentage (%)
1. Large extent	240	91.3
2. Little extent	23	8.7
3. Not At All	0	0
Total	263	100

Source: Field survey, (2019)

Table 3 shows that 91.3% indicated TQM practice has been adopted in Zenith Bank Pic to a large extent. 8.7% indicate that it is to a little extent. None indicated Not At All. This implies that the bank is largely focused on providing high quality service to its customers.

Table 4 Responses on staff involved in the practice of TQM

Variables	Frequency	Percentage (%)
1 Categories		
Management	15	5.7
Supervisory	15	5.7
Senior Staff	15	5.7
Junior staff	7	2.7
All of the above	211	80.2
Total	263	100

Source: Field survey, (2019)

Table 4 shows that 5.7% indicated that management staff are the ones involved in the practice of TQM in the bank. 5.7% indicated supervisory staff, 5.7% indicated other senior staff 2.7%, indicated junior staff. 80.2% indicated all of the above. This implies that all the staff is involved in the practice of TQM in the bank.

Table 5 Extent to which members of staff are involved in the practice of TQM

S/N	Variables	Frequency	Percentage (%)
	Large extent	248	94.3
	Little extent	15	5.7
	Not At All	0	0
	Total	263	100

Source: Field survey, (2019)

Table 5 shows that 94.3 % indicated that members of staff are involved in the practice of TQM to a large extent while 5.7% indicated to a little extent. None indicated Not At All. This means that there is a high

level of staff involvement in the practice of TQM in Zenith Bank Plc.

Table 6 major element of TQM practice in the bank.

S/N	Variables	Frequency	Percentage (%)
1.	Continuous quality improvement	15	5.7
2.	Compulsory innovations	15	5.7
3.	Value based decision-making	15	5.7
4.	Reduced cost of product and Service deliver	15	5.7
5.	Cultural change at all level of the organization	15	5.7
6.	Team work spirit	15	5.7
7.	Customer satisfaction/ involvement	15	5.7
8.	All of the above	158	60.1
Total		263	100

Source: Field survey, (2019)

On the major elements of TQM practice, 5.7%, 5.7% and 5.7% indicated continuous quality improvement, compulsory innovations and value-based decision, 5.7%, 5.7%, 5.7% and 5.7% indicated reduced cost of product and service delivery, cultural change at all levels of the organization, teamwork spirit and customers satisfaction/involvement respectively. 60.1% indicated all of the above. This implies that TQM involves continuous improvement in product/ service quality, innovations, and changes that involves everyone in the bank. This demands teamwork spirit and would lead to reduced cost of service delivery, efficiency and customer satisfaction.

Table 7 Responses on whether TQM practice improves customer services and care.

S/N	Variables	Frequency	Percentage (%)
	YES	248	94.3
	NO	15	5.7
Total		263	100

Source: Field survey, (2019)

Table 4.13 shows that 94.3% agreed that the practice of TQM improves customer services and care in Zenith Bank Plc while 5.7% disagreed. This implies that in the practice of TQM in the bank, continuous quality improvement ensures improvement in customer services and care for customers. Thus, customers satisfaction through improved service delivery is at the core of TQM.

Table 8 Extent to which TQM improves customers' services and care.

S/N	Variables	Frequency	Percentage (%)
1.	Significant	255	97,0
2.	Insignificant	8	3.0
3.	Not At All	0	0
Total		263	100

Source: Field survey, (2019)

Table 8 shows that 97.0% agreed that practice of TQM improves customer services and care significantly while 3.0% indicated insignificantly. This implies that the practice of TQM improves the services and care given to customers to a large extent.

Table 9 Major limitation of TQM practice in zenith Bank, Plc

S/N	Variables	Frequency	Percentage (%)
1.	Lack of constant training in TQM	68	25.9
2.	Inconsistent approaches Irregular	60	22.8
3.			28.5
4	Irregular Evaluation of TQM Practice	75	22.8
4.	Short-run Vision	60	
Total		263	100

Source: Field survey. (2019)

On the major limitation of TQM practice in the bank, 25.9% indicated lack of constant training of TQM. 22.8% indicated inconsistent approaches to TQM. 28.5% indicated Irregular evaluation of TQM practice while 22.8% indicated short- run vision.

Table 10 Result on the Chi-square test on the Research Questions

Variables	X ²	Degrees of freedom	p-value
Table 2	206.4	2	5.994
Table 3	179.04	2	5.994
Table 4	475.56	4	8.442
Table 7	206.42	1	3.64

Hypothesis 1

H1; the level of awareness of TQM among Zenith Banks staff is high from Table 2

Hypothesis 2

H1; The level of adoption of TQM practice by Staff of Zenith Bank is high from Table 3

Hypothesis 3

H1; Members of staff of Zenith bank are involved in TQM practice to a large extent from Table 4

Hypothesis 4

H1; the practice of TQM does significantly affect customer services and care in Zenith Bank Plc from Table 7

Summary of Findings

Total quality management (TQM) is in practice in Zenith Bank Plc and almost all the staff are aware of it. This implies that members of staff have adopted TQM. Every staff is involved in the practice. The major elements of TQM practice in the bank include: Continuous quality improvement, Compulsory

Innovations, value based decision-making, reduced cost of product and service delivery, Cultural change at all levels of the organization, Teamwork spirit, Customer satisfaction/ involvement. The practice of Total quality management (TQM) affects or improves customer services and care. This is as a result of continuous improvement in quality. The major limitations of the practice of TQM in the banks are lack of constant training in TQM, inconsistent approaches and irregular evaluation of TQM practice and short-run vision

Conclusion

There is high level of awareness of TQM among staff of Zenith Bank Plc. TQM practice has been adopted to a large extent by the staff and they are involved in the practice as well. The practice of TQM significantly improves customer service delivery and care. This implies that TQM is a customer -oriented practice which calls for steady improvement in service quality so as to meet the expectations of the customers. To this, innovations are inevitable.

Recommendations

1. Management of Zenith Bank Plc should ensure that the current level of awareness of TQM among the staff does not fall. Rather they should create more awareness by ensuring that specific structures that will support TQM practice are created.
2. There should be constant training and education of staff in TQM practices. This will ensure changes in employees beliefs, behaviour and attitude to quality.
3. There should be constant evaluation of TQM practices so as to ensure constant improvement in quality.
4. Employee input to quality should be encouraged so as to evoke the total commitment of employees in the operational end of total service delivery.
5. Employees should be rewarded and recognized for their quality improvement efforts.
6. It is imperative to control the processes and improve quality systems. The emphasis should be on the prevention of deficiencies and not on corrective Measures All employees should be assigned roles and responsibilities of total quality operations, this will ensure that employees are accountable for deficiencies.

REFERENCE

- Arora K. C. (2009) Total Quality Management 3rd ed, (Delhi: S.K. Katara & Sons).
- Brah, A.S.(2000). TQM and Business Performance in Service Sector. *International Journal of Operations and Production Management*, 20 (11).
- Burton, G. (2005). *TQM and organizational change and development*. Albany, New York: Rockfield College Press.
- Joseph, J. M. (2001). Productivity and total quality management: Application in Maine manufacturing. *The University of Maine*, 3 (1).
- Macdonald. John (1998): Quality and the Financial Service Sector: *The Journal of Total Quality*- Vol 1, No 2 Pg. 13.
- Newman. K., & Cowling, A. (2005). Service quality in retail banking. *International Journal of Bank Marketing*, 14 (6).
- Samat, N. (2006). TQM practices, service quality and market orientation. *Journal Management Research News*, 29 (11).
- Tsang, H. Y. J., & Antony, J. (2001). TQM in UK Service Organizations. *Managing Service Quality*.11 (2). Zenith Bank Pic, Group Annual Report and Financial Statement 2009.
- Ziethmal, A. V., & Bitner, M. J. (1996). *Services Marketing*. Singapore: McGraw Hill Inc.