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Quality Control of Services in the Nigerian Banking Industry (Pp. 181-203)

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Abstract

This study examined the characteristics of a good quality service as well as the methods used in controlling quality of service in the Nigerian Banking industry. It also identified and analysed the problems involved in producing good quality service and made practical suggestions to deal with the problems. The study which was carried out between August and November 2005 used stratified random and stratified purposive sampling techniques in selecting a total of 27 banks and 135 customers respectively. The study involved questionnaire administration as well as focus group discussion. Data collected were analysed using descriptive statistics. The study discovered among others that reliability, responsiveness, unextensive waiting time, competence, courtesy, credibility and communication are major determinants of service quality. The study also showed that epileptic power supply, unstable economic policies, unconducive working environment, and network servers= failures constituted the major problems facing good quality services in the bank industry. The study among others recommended improvement on performances of servers, provision of standby generators and consistent on-the-job training for workers to ameliorate the problems. It concluded that appropriate economic and social policies are required to

ensure good quality control services as well as provision of adequate protection for banking customers and clients are required to ensure good quality control services.

Introduction

Competition is one of the most important factors in running a business in the world economy today. For almost every product or service ever designed, there is more than one organization trying to make a sale. Price is, of course, one of the major issues in whether a sale is made or lost. If the cost of production of goods or services results in high prices, a firm may not be competitive. But another factor that a customer considers before buying a product is quality. In fact, a reputation for producing quality products is often a major marketing issue.

Quality is not just of concern in manufactured products, it is important in banking, hospital care, education, air travel, auto repair, postal delivery services and a host of other firms in the service industry. Total quality management (TQM) is the commonly used term for stressing quality within an organization. TQM uses a systems perspective because it is not a program for one department, but a responsibility of everyone in the organization. To keep quality at the desirable levels, all firms employ the concept of quality control. Quality control (QC) is important not just in the production or transformation process, but earlier at the design stage and later at the service stage as well. One of the major roles of the operations manager is to make sure his or her firm can deliver a quality product to the right place at the right time at the right price (Heizer and Render, 1991: 734).

Quality can be a confusing concept, partly because people view quality in relation to differing criteria based on their individual roles in the production-marketing chain. In addition, the meaning of quality has evolved as the quality profession has grown and matured. Neither consultants nor business professionals agree on a universal definition. A study that asked managers of 86 firms in the eastern United States to define quality; several dozen of different responses such as: perfection, consistency, eliminating waste, speed of delivery, compliance with policies and procedures, providing a good usable product, doing it right the first time, delighting or pleasing customers, and total customer service and satisfaction were obtained (Tamini and Sebastianelli, 1996: 34-39). Thus, it is important to understand the various perspectives from which quality is viewed in order to fully appreciate the role it plays in the many parts of a business organization [Garvin, (1984, 25-43); Smith, (1993, 235-244); Reeves and Bednar, (1994, 419-445); Seawright and Young, (May – June 1996, 107- 113)]. Quality is thus defined based on the following perspectives.

Judgemental Criteria – One common notion of quality, often used by consumers, is that it is synonymous with superiority or excellence. The *Product- Based Criteria* defines quality as a function of a specific, measurable variable and that difference in quality reflect differences in quantity of some product attribute, such as in the number of stitches per inch on a shirt. In terms of *User- Based Criteria*, quality is based on the presumption that it is determined by what a customer wants. Individuals have different wants and needs and, hence, different quality standards. The *Value-Based criteria* sees quality to be based on value; that is, the relationship of usefulness or satisfaction to price. The fifth definition, *Manufacturing- Based Criteria* defined quality as the desirable outcome of engineering and manufacturing practice, or conformance to specifications. The diversity of the definitions of quality can be explained by examining the eight principal quality dimensions defined by Garvin (1984) which are: performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality.

Official definitions of quality terminology were standardized in 1978 by the American National Standards Institute (ANSI) and the American Society for Quality (ASQ) (ANSI/ASQC A3 (1978). These groups defined quality (*Customer- Driven Quality*) as the totality of features and characteristics of a product or service that bears on its ability to satisfy given needs. This definition draws heavily on the product- and user-based approaches and is driven by the need to contribute value to customers and thus to influence satisfaction and preference (Evans and Lindsay, 1999: 10-15). This *Customer- Driven Quality* definition is adopted in this paper.

Total quality management (TQM) is the process that involves everyone in the organization focusing on the customer to continually improve product value. It is the philosophy of meeting and exceeding customer expectations through a systematic process that involves both associates and managers at all levels assuming responsibility for continuous improvement in the firm's day-to-day merchandising and operating activities. It is a set of tools and techniques designed to improve a firm's effectiveness and efficiency (Lewison, 1997: 241).

Quality of services is more difficult for consumers to measure than quality of manufactured goods. Generally though, a user of a service has a few characteristics and attributes in mind that he or she uses as a basis for comparison among alternatives. Lack of one attribute may eliminate a specific service firm from consideration. Quality also may be perceived as a whole bundle of attributes where many lesser characteristics are superior to those of competitors (Murdic, Render and Russel, 1990: 755-756).

According to Hanson (2000), customer service is an organization's ability to supply their customers' wants and needs. He further shows that improving customer service involves both learning what customers' needs and wants are, and developing action plans and process to give customers what they really want and need. Nowadays, customer service has emerged as a competitive weapon for business firms to obtain competitive advantage. In addition, customer service has gained specific importance for the survival of companies.

With this increased importance of customer service, it is obvious that service quality also has become an increased concern (Eppinette and Inman, 1997; 63-69). Services have four distinct characteristics. They are: intangibility [because they can not be seen, tasted, felt, heard or smelled before they are purchased. They are performance rather than objects (Hoffman and Bateson, 2002). It means that services are more like a process than a thing, more like a performance than a physical object and are experienced rather than consumed (Wallström, 2002: 21-22)]. They are inseparable [they are produced and consumed simultaneously. Unlike services, physical products are first produced, then sold and then consumed]. Services are heterogeneous [heterogeneity refers to the service performance being highly variable from one service transaction to another and one time to another since services depend on who provide them, when and where they are provided]. Services are also perishable [this means services can not be stored or saved; services will not exist if they are not consumed at their appointed time. This implies that service marketers have less control for handling supply and demand fluctuations (Hoffman and Bateson, 2002)]. Service quality is difficult to measure and evaluate. Therefore, customers' perceptions of service quality are of major concern to both business managers and researchers ((Hoffman and Bateson, 2002). As a critical measure of organizational performance, service quality remains at the forefront of both the marketing literature generally and the services marketing literature specifically (Johnston, 1997). Practitioners and academics alike are keen on accurately measuring service quality in order to better understand its essential antecedents and consequences, and ultimately establish methods for improving quality to achieve competitive advantage and build customer satisfaction (Palmer, 1995).

Service quality is commonly noted as a critical prerequisite and determinant of competitiveness as well as for establishing and sustaining satisfying relationships with customers. Previous study suggests that service quality is an important indicator of customer satisfaction (Spreng and Machoy, 1996). Attention to service quality can differentiate an organization from others and lead to competitive advantage (Moore, 1987).

Various researches have developed alternative concepts for service quality, like the European perspective (Grönroos 1982, 1984; Lehtinen and Lehtinen, 1982) and the American perspective (Berry, Zeithaml and Parasuraman (1985, 1988). The European perspective states that service quality should include three dimensions, like technical quality, functional quality and corporate image. The American perspective proposes that service quality may be evaluated on the functional quality dimension, described by five components: tangibles, reliability, responsibility, assurance and empathy (Kang and James, 2004).

According to Berry, Zeithaml and Parasuraman (1985: 42), service quality can be defined as the consumer=s comparison between service expectation and service performance. They proposed service quality to be a function of pre-purchase customer expectations, perceived process quality and perceived output quality. Based on their statement in 1985, they then suggest that service quality is determined by the differences between customers' expectations of the service and their perceptions of the service experience. In addition, they suggested three underlying themes after examination of the previous writing and literature on services:

(1) service quality is more difficult for the consumer to evaluate than goods quality,

(2) service quality perceptions result from a comparison of consumer expectations with actual service performance, and

(3) quality evaluation are not made solely on the outcome of service; they also involve evaluations of the process and of delivery of service.

Similarly, Berry, Zeithaml and Parasuraman, (1985) listed ten detailed dimensions of service quality through focus group studies they conducted as: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, competence, understanding the customer and tangibles. Among these ten service quality determinants, reliability is identified as the most important.

In their subsequent research Berry, Zeithaml and Parasuraman, (1988), compressed the ten dimensions to five: tangibles, reliability, responsiveness, assurance and empathy, which constitute the base of a global measurement for service quality. According to their study, reliability was the most critical dimension, followed by responsiveness, assurance and empathy. The tangibles were of least concern to customers. They further explained that service quality is the overall evaluation of a firm's service by comparing the firm's performance with the customer's general expectations of how firms should perform. They then stated the perceived service quality as global judgement or attitude relating to the superiority of the service.

Numerous studies have sought to uncover the global attributes of services that contribute most significantly to relevant quality assessments in the traditional service environment (e.g., Grönroos, 1982, 1984; Lehtinen and Lehtinen, 1982; Berry, Zeithaml and Parasuraman, 1985, 1988). Grönroos (1982) argues that service quality should include three dimensions:

(1) The technical quality of outcome; that is to say, the actual outcome of the service encounter. The service outcome can often be measured by the consumer in an objective manner.

(2) The functional quality of the service encounter. This element of quality is concerned with the interaction between the provider and recipient of a service and is often perceived in a subject manner.

(3) The corporate image. This is concerned with consumers' perceptions of the service organization. The image depends on: technical and functional quality; price; external communications; physical location; appearance of the site and the competence and behaviour of service firms' employees.

Similarly, Lehtinen and Lehtinen (1982) stated that service quality has three dimensions; however the differences can be seen as follows:

(1) Physical quality. This includes items such as the conditions of buildings and enabling equipment.

(2) Corporate quality. This refers to the organization's image and profile.

(3) Interactive quality. This derives from the interaction between service organizations' personnel and the customer as well as the interaction between customers.

In addition, they argue that in examining the determination of quality, it is necessary to differentiate between the quality associated with the process of service delivery and the quality associated with the outcome of the service.

Comparing the work between Grönroos (1982) and Lehtinen and Lehtinen (1982), Swartz and Brown (1989) drew some distinctions concerning the dimensions of service quality. They stated that what the service delivers is evaluated after performance. This dimension is called technical quality by Grönroos (1984), physical quality by Lehtinen and Lehtinen (1982). They also stated that how the service delivered is evaluated during delivery. This dimension is called functional quality by Grönroos (1984), interactive quality by Lehtinen and Lehtinen (1982).This paper is based on the works of Berry, Zeithaml and Parasuraman (1985, 1988); and is meant to provide a better understanding of how customers perceive good quality services in the Nigerian banks and the problems affecting the production of good quality services in Nigerian banks and the way out.

According to Woodside, Frey and Timothy (1989), service quality is represented by answers to such questions as: is the service delivered to customer what they expected or different from what they expected? Was the service they received approximately what they expected or better or worse than expected? A majority studies have sought to find the criteria that contribute to evaluation of service quality in the traditional service environment (e.g., Grönroos, 1982, 1984; Lehtinen and Lehtinen, 1982; Berry, Zeithaml and Parasuraman, 1985, 1988; Johnston, 1995, 1997).

Nowadays, with persistent keen competition, service quality has become a popular area of academic investigation and a key factor in keeping competitive advantage and sustaining satisfactory relationships with customers (Zeithaml, Parasuraman and Malhotra, 2000). This paper focuses on the banking industry as an example of a service industry.

The term bank is generally understood as an institution that holds a banking license granted by financial supervision authorities. Under the authorities, the bank conducts the most fundamental banking services like accepting deposits and making loans and other financial service (Wikipedia, http://en.wikipedia.org/wiki/Bank). According to Cowling and Newman (1995: 25-41), service quality has been widely used to evaluate the performance of banking services. Nowadays, with the development of information technology, customers increasingly expect higher services in this information age. At the same time, most of them are becoming more time conscious and wanting more convenience (Kotler and Keller, 2006).

Resulting from the deregulation and liberalization of the Nigerian banking industry, the industry environment has changed in many ways: before 1987, there was little or no competition because the monetary authorities restricted entry, with the concentration of activities on four largest banks. In 1987, following the introduction of financial liberalization, entry barriers were relaxed and interest rates were decontrolled which initiated activities in the market, this lasted for few years as the licensing of new banks was stopped in 1993, while interest rate regulation was reintroduced in 1994. In 1997, interest rate deregulation was re-implemented while entry restriction was again relaxed in 1999 (Asogwa, 2004: 637-667).

At the same period, a lot of structural reforms took place in the Nigerian banking market. There were a significant number of bank closures, takeover of management and control by the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Corporation (NDIC). As a result of the process of consolidation, the number of banks in Nigeria shrank by approximately 22 percent between 1997 and 1999 and by 72 percent between 2000 and 2005. Other important developments arising from the consolidation include the conversion of some banks to public limited liability companies and the introduction of universal banking since 2001 Asogwa, 2004: 637-667).

These changes in the Nigerian banking industry have brought about increased aggressive competition. To understand and take advantage of the changes, which may be opportunities or threats, Nigerian banks need to understand the important factors shaping the industry and the relevant strategic decisions to be taken. These strategic decisions must take into account the relevant competitive, economic, political, regulatory, legal, technological and socio-cultural factors, among others in the Nigerian business environment. A total quality management (TQM) culture is a strong culture in which values are directed toward the strategic purpose of aligning people, processes and resources to create value for customers through continuous improvement for strategic purposes. Do we have TQM culture in our banks? What are the characteristics of good quality service in the Nigerian Banking Industry? How do we determine good quality service in our banks these days: What are the problems hindering the production of good quality service in Nigerian banks? These are the questions this paper is set to answer.

The objectives of this paper are to:

(i) examine the characteristics of a good quality service;
(ii) find out the methods used in controlling quality of service in the Nigerian Banking industry; and to
(iii) identify and analyse the problems involved in producing good quality service and make practical suggestions for improved services.

Methodology

The study relied on primary data, which were obtained from banks in Lagos State of Nigeria between August and October 2005 by means of pre-tested questionnaires drawn in English Language. Banks in Lagos were purposively selected because 74 (84 %) of the 88 registered banks (eleven old generation banks and seventy-seven new generation banks) in Nigeria have their headquarters in Lagos, apart from their numerous branches located in Lagos as well. Out of the 74 banks that have their headquarters in Lagos were 8 old generation banks and 66 new generation banks. Stratified random sampling technique was used in selecting three old generation banks and twenty four new generation banks (a sampling fraction of 36 percent) using existing old and new generation banks categorization for stratification. On the whole, twenty seven banks were used for the study.

Stratified purposive sampling technique was used in selecting 135 customers, five from each of the selected 27 banks. Also, two bank workers were purposively selected each from the randomly selected 27 banks.

Two sets of unstructured and pre-tested questionnaires were administered: one to bank workers and the other to bank customers. The data presented in this study were based on the 135 questionnaires completed by bank customers and 54 questionnaires completed by bank workers. Focus group discussions were later conducted in November 2005 on two sets of respondents consisting of 10 bank workers and 10 bank customers who were randomly picked from ten out of the sampled banks, the focus group discussions were conducted to confirm and complement the information from the questionnaires. The retrieved questionnaires were coded and the data obtained were analysed using descriptive statistics such as simple percentages with the help of Statistical Package for Social Sciences (SPSS).

Results and Discussions

Characteristics of a good quality service

The characteristics of a good quality service, (that is determinants of service quality) with the percentage of respondents suggesting each quality in parentheses as summarized in Table 1 are discussed as follows:

Reliability involves consistency of performance and dependability. It means that the firm performs the service right the first time and also means that the firm honours its promises e.g. keeping records correctly and performing the service at the designated time (96).

Responsiveness concerns the willingness or readiness of employees to provide service. It involves timeliness of service such as mailing a transaction slip immediately, calling the customer back quickly, giving prompt service (e.g. setting up appointments quickly) (93)

Competence means possession of the required skills and knowledge to perform the service. It involves: knowledge and skill of the contact personnel, knowledge and skill of operational support personnel and research personnel of the organization (89).

Access involves approachability and ease of contact. It means: the service is easily accessible by telephone (lines are not busy and you are not put on hold), waiting time to receive service is not extensive, convenient hours of operation and convenient location of service facility (83).
Courtesy involves politeness, respect, consideration and friendliness of contact personnel. It includes: consideration for the consumer's property (e.g. no muddy shoes on the carpet), and clean and neat appearance of public contact personnel (74).

Credibility involves trustworthiness, believability and honesty. It involves having the customer's best interests at heart. Contributing to credibility are: company name, company reputation, personal characteristics of the contact personnel and the degree of hard sell involved in interactions with the customer (71).

Communication means keeping customers informed in language they can understand and listening to them. It may mean that the company has to adjust its language by different consumers by increasing the level of sophistication with a well-educated customer and speaking simply and plainly with a novice. It involves: explaining the service itself, explaining how much the service will cost, explaining the tradeoffs between service and cost; and assuring the consumer that a problem will be handled (70).

Security is the freedom from danger, risk or doubt. It involves: physical safety (Will I get mugged at the automatic teller machine and confidentiality (Are my dealings with the company private?) (63).

Understanding / knowing the customer - involves making the effort to understand the customer's needs. It involves: learning the customer's specific requirements, providing individualized attention and recognizing the regular customer (52).

Tangibles include the physical evidence of the service such as physical facilities, appearance of personnel, tools or equipment used to provide the service, physical representation of the service such as plastic credit card or a bank statement, and other customers in the service facility (49).

These findings are in line with Berry, Zeithaml and Parasuraman (1985) with reliability identified as the most important.

The Major Factors that Customers Use in Assessing Good Quality Service in the Nigerian Banking Sector

Table 2 summarizes the major factors that customers use in assessing good quality service in the Nigerian Banking sector. These factors are presented as follows. These responses are categorized into five, according to Berry, Zeithaml and Parasuraman (1988)'s categorization.

Reliability: This is about provision of service as promised, dependability in handling customers' service problems, performing services right first time, providing services at the promised time, and maintaining error-free records. All these factors under reliability were suggested by 94 percent of the sampled customers.

Responsiveness: This entails keeping customers informed as to when services will be performed, rendering of services promptly to customers, willingness to help customers and readiness to respond to customers' requests; and were suggested by 86 percent of sampled customers.

Empathy: These are giving customers individual attention, employees dealing with customers in a caring fashion, having the customer's best interests at heart, when employees understand the needs of their customers, and convenient business hours. These were suggested by 67 percent of sampled customers.

Assurance: These are situations when employees instill confidence in customers, make customers feel safe in their transactions, employees are consistently courteous and employees have the knowledge to answer customer' questions; were suggested by 58 percent of sampled customers.

Tangibles: These were of least concern to customers. These entail availability of modern equipment and visually appealing facilities, employees having a neat professional appearance and visually appealing materials associated with the service. They were suggested by 20 percent of sampled customers. In considering how critical these factors are, empathy comes before assurance in this study as compared to Berry, Zeithaml and Parasuraman (1988) wherein the reverse is the case. All other factors follow the same order, with reliability identified as the most important.

The outcomes of rendering good quality services in the Nigerian banking industry as suggested by respondents are: increased customer patronage; increased and improved economic performance by the banks; employee satisfaction; ability to provide enough banking equipments and stationeries, productive management style; staff cooperation; ability to provide conducive, automated and safe environment; ability to provide variety of products; speedy, accurate and good customer relations; maintenance of going concern; and expansion of and network of branches.

Methods used in Controlling Quality of Service in the Nigerian Banking Industry

This study revealed that the following bodies are responsible for controlling banks, to maintain high level standards in the industry in Nigeria: Central Bank of Nigeria (CBN), Chartered Institute of Bankers of Nigeria (CIBN), Nigerian Association of Banking Industry (NABI), Nigeria Deposit Insurance Corporation (NIDC), Nigerian Stock Exchange (NSE), and Securities and Exchange Commission (SEC); but they are not responsible for controlling the quality of service rendered to customers by banks. Findings of the study that the methods used in controlling the quality of services rendered to customers by old generation banks are different from those used by new generation banks. However, the common methods of quality control used by all banks are: employment of skilled and competent personnel, retraining of skilled manpower, motivation of skilled manpower by rewarding competent staffs, provision of automated environment to enhance the output of the manpower, regular and periodic inspection of subordinates by superiors and by management of each bank; and impromptu inspection of the quality of services rendered at various branches by quality control groups in both area offices and head offices. In addition to common methods used by all banks, new generation banks do request for feedback from their customers through constant administration of questionnaire and they also time and control customers= waiting time.

Problems Militating against the Production of Good Quality Service in Nigerian Banks and Suggestions for Improved Services

Table 3 summarizes the problems preventing Nigerian banks from rendering good quality services to customers and suggestions for improved services. The problems with the percentages of respondents suggesting each in parentheses and suggestions for improved services include:

- Lack of total quality management put in place in Nigerian banks (98). The total quality management techniques should be used by all banks and there should be monitoring and supervision of all process;
- Network servers' failures (98): Both computer systems and servers should be upgraded. There should be improvement on performances of servers;
- Management inefficiency and none yielding to changes (90): To be able to cope in this competitive market, managers must give room for changes. Management should be made to change their

orientation and to comply with rules and yield to changes from time to time;

- Insufficient branches/ Lack of adequate staff to cope with customers= needs (87): There should be adequate provision and good networking of branches and each branch should be adequately staffed;
- Insecurity/ Fraud (85): The use of digital signature must be used. Guilty staff must be sanctioned;
- Inaccurate record keeping (73): Electronic processing methods should be put in place;
- Unconducive working environment (71): Workers should be adequately remunerated and their conditions of service improved;
- Insufficient technology and equipment (68): All branches should be well networked to give room for customers to access their account either by phone or through the internet;
- Unstable economic policies (63): Government should formulate policies that will give room for bank customers to enjoy satisfaction with the services they receive from banks;
- Usage of Manual and obsolete equipments (60): There should be adequate provision of required tools and modern equipments to carry out daily operations;
- Epileptic power supply (50). There should be availability of standby generators in all branches;

- Ignorance/ Lack of awareness on the part of the customers (49): The people of the each community should be well informed of available services in each bank through awareness campaigns;
- Lack of regular training programmes resulting in incompetence among some members of bank staffs (45): There should be consistent and periodic on and off the job training for staff.

Conclusions

This study concludes that service quality can be measured by how effectively a service can close the gaps between expectations and service provided. TQM will improve businesses in the Nigerian Banking Industry if well implemented. The Nigerian Banks are, therefore, advised to follow the following strategies, in line with Gatiss (1996), in adopting TQM.

- ❖ Create a total quality approach as part of your culture,
- ❖ Have a mission statement that is communicated to all.
- ❖ Have company objectives that are communicated to all,
- ❖ Involve everyone including the cleaning staff,
- ❖ Put all procedures in writing, but keep them simple and readable so they will be used,
- ❖ Empower the employees to deliver quality to the customer at all levels,
- ❖ Train, train, train and continue to train all employees,
- ❖ Communicate to the outside world that you embrace a total quality approach to your customers,
- ❖ Recruit people with the right attitude and orientation B have a positive policy of recruiting quality people for a quality company,
- ❖ Measure your quality and put a value on it. Use the total quality approach (TQA) tools and techniques,
- ❖ Continuously empower your people to set improved standards,
- ❖ Provide job rotation,
- ❖ Be proactive and educate your customers in a total quality approach,
- ❖ Turn complaints to opportunities for increased business,

- Instill a Aright first time@ attitude and support, recognize and reward those who embrace it. Remember, we learn more from trying and failing than from not trying at all,
- Treat every customer with a lifetime value,
- Be proactive and encourage customer feedback,
- Encourage employee involvement and suggestions,
- Be fair and consistent,
- Underpromise and overdeliver,
- Compete on quality benefits to the customer, not on price,
- Know the cost of loosing a customer,
- Know your competitors,
- Do regular market surveys,
- Communicate, communicate, communicate,
- Remember internal customers have a significant effect on financial surplus,
- Let customers know you care.

As an individual, you should not let the fact that your neighbour, colleague or boss does not have a total quality approach stop you. If you have not gotten the time to it right, when will you have the time to do it again. To crown it all, the following are six rules that help ensure quality customer service. If these rules are followed, there will be increase chances of developing effective human relations skills. When reading the rules, remember that everyone you deal with is a customer. These rules are: put people before things; always be nice B no matter how busy you are; take your time with people; be polite B say please, thank you and you are welcome; don=t discriminate with your service (treat everyone well); and avoid jargon.

The paper concluded that appropriate economic and social policies are required to ensure good quality control services; and provision of adequate protection for banking customers and clients are required to ensure good quality control services.

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Table 1: Characteristics of a Good Quality Service in Nigeria

Characteristic	Measurement of Characteristic	Number of Respondents suggesting Characteristic	% of Respondents Suggesting Characteristic
Reliability	It means that the firm performs the service right the first time and the firm honours its promises.	181	95.8
Responsiveness	It concerns the willingness or readiness of employees to provide service.	176	93.1
Competence	It means that possession of the required skills and knowledge to perform the service.	168	88.9
Access	It involves approachability and ease of contact.	157	83.1
Courtesy	It involves politeness, respect, consideration and friendliness of contact personnel.	140	74.1
Communication	It means keeping customers informed in language they can understand and listening to them.	134	70.9
Credibility	It involves trustworthiness, believability, honesty	132	69.8
Security	It is the freedom from danger, risk or doubt.	119	63.0
Understanding	Knowing the customer involves making effort to understand the customer's needs.	98	51.9
Tangibles	It includes the physical evidence of the services.	93	49.2

Source: Field Survey, 2005

Table 2: The Major Factors that Customers use in Assessing Good Quality Service in the Nigerian Banking Sector

Factor	**Measurement of Factor**	**Number and Percentage of Respondents suggesting Factor**
Reliability	Providing service as promised. Dependability in handling customers' service problems. Performing services right first time Providing services at the promised time. Maintaining error-free records.	127 (94.1)
Responsiveness	Keeping customer informed as to when services will be performed. Prompt service to customers. Willingness to help customers. Readiness to respond to customers' requests	116 (85.9)
Assurance	Employees who instill confidence in customers Making customers feel safe in their transactions. Employees who are consistently courteous. Employees who have the knowledge to answer customer' questions.	90 (66.7)
Empathy	Giving customers individual attention. Employees who deal with customers in a caring fashion. Having the customer's best interests at heart. Employees who understand the needs of their customers. Convenient business hours.	78 (57.8)
Tangibles	Modern equipment Visually appealing facilities. Employees who have a neat professional appearance. Visually appealing materials associated with the service.	27 (20.0)

Source: Field Survey, 2005

Table 3: Problems Militating against the Production of Good Quality Service in Nigerian Banks and Suggestions for Improved Services

Problem	**No and % of Resp. Suggesting Problem**	**Suggestions for Improved Services**
1. Lack of total quality management put in place in Nigerian banks	185 (97.9)	The total quality management techniques should be used by all banks and there should be monitoring and supervision of all processes.
2. Network servers= failures.	185 (97.9)	Both computer systems and servers should be upgraded. There should be improvement on performances of servers
3. Management inefficiency and none yielding to changes.	170 (89.9)	To be able to cope in this competitive market, managers must give room for changes. Management should be made to change their orientation and to comply with rules and yield to changes from time to time.
4. Insufficient branches/ Lack of adequate staff to cope with customers= needs.	164 (86.8)	There should be adequate provision and good networking of branches and each branch should be adequately staffed.
5. Insecurity / Fraud	161 (85.2)	The use of digital signature must be used. Guilty staff must be sanctioned.
6. Inaccurate record keeping.	138 (73.0)	Electronic processing methods should be put in place.
7.Unconducive working environment	134 (70.9)	Workers should be adequately remunerated and their condition of service should be improved..
8. Insufficient technology and equipment.	129 (68.3)	All branches should be well networked to give room for customers to access their account either by phone or through internet.
9. Unstable economic policies.	119 (63.0)	Government should formulate policies that will give room for bank customers to enjoy satisfaction with the services they receive from banks.
10.Usage of Manual and obsolete equipments	113 (59.8)	There should be adequate provision of required tools and modern equipments to carry out daily operations.
11. Epileptic power supply.	95 (50.3)	There should be availability of standby generators in all branches.
12.Ignorance / Lack of awareness on the part of the customers.	93 (49.2)	The people of the each community should be well informed of available services in each bank through awareness campaigns.
13. Lack of training to upgrade staff improvement resulting in half baked staff in some of the banks.	85 (45.0)	There should be consistent and periodic on and off the job training for staff.

Source: Field Survey, 2005.