

GHANA TECHNOLOGY UNIVERSITY COLLEGE

GRADUATE SCHOOL

COVENTRY UNIVERSITY

M.SC. SUPPLY CHAIN MANAGEMENT

Project Title:

**ASSESSMENT OF THE DETERMINANT OF EFFECTIVE
IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT
PRINCIPLES IN COMMERCIAL BANKS; A CASE OF HFC BANK.**

SUBMITTED BY:

SUZZY KRIST ADDO

(05AG0916054)

SUPERVISOR: MRS. VERA GRAHAM ASANTE

SEPTEMBER, 2017

DECLARATION

I hereby declare that the content of this research work is solely as a result of my own research undertaken and has not been presented to any other university for an award of certificate. All references cited in this work have been duly acknowledged in accordance to research ethics.

SUZZY KRIST ADDO

.....

.....

(STUDENTS NAME)

Date

Signature

MRS. VERA GRAHAM ASANTE

.....

.....

(SUPERVISOR)

Date

Signature

ABSTRACT

The study assessed the factors that support effective implementation of total quality management principles at HFC. A combination of primary and secondary data was applied in this research. Primary data was collected from 73 employees of five purposely chosen HFC bank branches in Accra. Secondary data was collected from the bank's annual reports, academic journals and previous relevant published studies. Data analysis techniques such as descriptive statistics and regression analysis were conducted on the collected data. The statistical package for social scientists software was applied for the analysis.

The findings revealed that HFC bank has followed six key quality strategies to improve its operational performance. These strategies are continuous improvement, benchmarking practices, business process re-engineering, ISO series, lean practices and six sigma practices. Out of these approaches, continuous improvement, business process re-engineering and ISO series respectively contributed tremendously to improved operational performance at HFC bank.

The study has also demonstrated that the six strategies have ended up in contributing to operational performance to a very great extent as pointed out by 87% of the respondents. These results were further corroborated by the regression coefficient results which established a positive significant association between the individual TQM strategies and operational performance. Factors such as top management commitment, customer focus, continuous improvement, employee involvement and employee empowerment were observed as major contributors to effective implementation of TQM practices in firms.

ACKNOWLEDGEMENT

The author of the research work wishes to express her immense gratitude and appreciation to her supervisor **MRS. VERA GRAHAM ASANTE** for her significant support and constant guidance before and during the preparation of this Research work.

AM VERY GRATEFUL MADAM

DEDICATION

This research work is dedicated to my first love, best friend and father **MR. KWAME ADDO**. Your unconditional love, consistent support and moral principles instilled in me has encouraged me to compile this research study. Am grateful to you for contributing immensely to the woman I have become today. **GOD RICHLY BLESS YOU DADDY.**

To **Mr. Nicholas Owusu-Appiah, Dr. David Ackah, Mr. John Yao Agbeko and Mr. Ebenezer Essilfie-Baiden** who through their consistent support in diverse ways, encouragement and constructive criticisms have brought out this educative research work.

AM REALLY GRATEFUL TO ALL PERSONS MENTIONED

TABLE OF CONTENTS

CONTENT	PAGE
DECLARATION.....	i
ABSTRACT.....	ii
ACKNOWLEDGMENT.....	iii
DEDICATION.....	iv
LIST OF TABLE.....	viii
LIST OF FIGURES.....	viii
CHAPTER ONE: INTRODUCTION.....	1-6
1.1 Background of the study.....	1-3
1.2 Statement of the problem.....	3-4
1.3 Research aim and objectives.....	4
1.3.1 Aim of the study.....	4
1.3.2 Specific objectives.....	4
1.4 Research questions.....	4
1.5 Significance of the study.....	5
1.6 Scope of the study.....	5
1.7 Brief methodology.....	5

1.8 Organisation of the study.....6

CHAPTER TWO: LITERATURE REVIEW.....7-37

2.1 Introduction.....7

2.2 The concept of total quality management.....7-9

2.2.1 Strategies of TQM implementation.....10-11

2.3 Factors that supports the implementation of TQM in banks.....11-22

2.4 Empirical review.....22-30

2.5 Theoretical Framework.....31-35

2.5.1 Philip Crosby’s Approach to TQM.....31

2.5.2 Karou Ishikawa’s Approach to TQM.....32

2.5.3 Edwards Deming’s Approach to TQM.....32-33

2.5.4 Armand Feigenbaum’s Approach to TQM.....33

2.5.5 Joseph M. Juran’s Approach to TQM.....34

2.5.6 The EFQM Framework.....34-35

2.6 CONCEPTUAL FRAMEWORK.....35-36

2.6.1 Operationalization.....36

2.7 Summary and gaps.....37-38

CHAPTER THREE: RESEARCH METHODOLOGY.....39-45

3.1 Introduction.....39

3.2 Research approach.....39

3.3 Research design.....40

3.4 Population.....40

3.5 Sampling technique and sample size.....	41-42
3.6 Data source.....	42
3.7 Data collection.....	42
3.8 Data analysis.....	43-44
3.9 Ethical considerations.....	45
3.10 Conclusion.....	45
CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION.....	46-57
4.1 Introduction.....	46
4.2 Response rate.....	46
4.3 Analysis of the study variables.....	46-57
4.3.1 Research objective one: To examine the TQM practices available in HFC Bank.....	47-48
4.3.2 Research objective two:	48-54
4.3.2.1 Management commitment.....	49-50
4.3.2.2 Customer focus	50-51
4.3.2.3 Continues improvement	51-52
4.3.2.4 Employee involvement and empowerment	53-54
4.3.3 Objective three:.....	55-57
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION.....	58-61
5.1 Introduction.....	58
5.2 Summary of key findings.....	58-59
5.3 Conclusion.....	59
5.4 Recommendations	60
5.5 limitations of the study.....	60-61
5.6 Suggestion for further studies	61

References.....	62-66
Appendix A: questionnaire.....	67-70
Appendix B: Morgan and Krejcie Table for determining sample size.....	71

LIST OF TABLES

Table 3.1: Classification of Sample size.....	42
Table 4.1: TQM practices available at HFC bank.....	47
Table 4.2: Assessment of management commitment variables.....	49
Table 4.3: Results for customer focus.....	50
Table 4.4: Continuous improvement practices.....	52
Table 4.5: Employee involvement processes at HFC bank.....	53
Table 4.6: Model Summary.....	55
Table: 4.7: ANOVA Results.....	56
Table 4.8: Coefficient of determination.....	57

LIST OF FIGURES

Figure 2.1: Conceptual Framework.....	36
Figure 4.1: Quality improvement strategies and operational performance.....	54

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Banks play a very significant role in the development of every economy. In their operation, however, they are faced with challenges which mostly emanates from oversight in management practices (Benson, Seraph, & Schroeder, 2014). According to (Adam, Flores, & Macias, 2014), total quality management techniques can be adopted to fix some of these challenges.

Total Quality Management (TQM) is an approach that endeavours to improve quality and performance to meet or exceed customer expectations. It involves all members of the firm partaking in a continuous cycle of improving the organisation's processes, products, and services with the intention of meeting or exceeding customer expectations (Adam et al., 2014).

This management practice was applied mostly in the manufacturing industry in Japan to improve on the quality of product so as to compete effectively at the global stage. However, following its success in the 1980s, it was adopted in the service sectors such as financial institutions, healthcare institutions, schools, and airlines (Ross, 2014; Zehir and Sadikoglu, 2010).

Many banks fail to recognize the fact that they fall within the service sector. As a result, they devote many resources of theirs toward assets management rather than customers (Adam et al., 2014). It is a common practice among banks that they award their employees based on loans given out or deposits made rather than the number of customers drawn (Sangeeta & Banwe, 2012). Today due to the intensity of competition and greater level of awareness among customers, banks are struggling to maintain their customer base. This is because the cost required to switch from one bank to the other is minimal, hence customers look for banks that meet their needs (Vander, Williams, and Dale, 2010).

Unfortunately, many banks are not in a position to avert this situation simply because they hardly give weight and priority to customer complains, hence most of them lack proper strategies to get feedback from customers on whether their problems were solved and what should be done to avert future incidences (Omachonu and Ross, 2010).

Murphey (2011) asserts that the scope and size of banks is getting bigger as of the moment. Conversely, the bureaucracy and complacency that accompanies this growth can stifle customer service, which in turn may create a possibility of big banks losing customers due to slow and lengthy procedures. Also, employees at a point may become less motivated because of the monotony of doing the same thing severally without being given the chance to participate in management activities that could define new ways of handling problems in their departments. The banking sector also faces challenges such as keeping customers waiting during instances of ATM breakdowns, process mistakes like giving customers wrong information on their account etc. Banks have also been reported to have hidden charges on loans and dishonouring agreements on interest rates which customers should pay (Naeem, Saif, & Qasim, 2008).

The core aim of TQM is to establish a sustainable competitive advantage through meeting the needs of customers at present and anticipating the changes in those needs in the future. This can be achieved through the implementation of concepts propounded by experts who popularized the TQM concept. One of such concept is the Plan, Do, Check and Act cycle (PDCA) by Deming. Other TQM concepts have been covered by experts such as Kaoru Ishikawa, Philip Crosby, Joseph Juran and Armand Feigenbaum (Ngware, 2012).

The practices involved in TQM include management commitment. This is the most critical factor of all the practices and affects the success or otherwise of the TQM implementation directly. Management commitment influences the culture of the organization and the team

spirit of employees. It has been observed that management makes more than 80 percent of decisions in organizations. Therefore the lack of commitment of management can affect a successful implementation of TQM (Chuan and Soon, 2010).

Another TQM practice that has a great bearing on the success of a business is customer focus. It involves having a long term relationship with existing customers and having strategies to attract others. Knowing customer needs may be achieved through surveys, keeping customer database to follow consumption patterns among other ways. Once customers are drawn, efforts to sustain them can be achieved by offering personalized services (Hunt, 2011).

The TQM processes also include employee involvement. This aspect of TQM seeks to create flat organizations by ensuring teamwork, reorganization, innovation and motivating them to boost their interest and productivity (Edward, 2012). Continuous improvement is another crucial practice in TQM. Also referred to as Kaizen, it is an ongoing effort to improve products, services or processes. The best way to implement Kaizen is through the use of PDCA model. Opportunities and needs are identified in the plan stage, gauge to the required expectations in the check stage and corrected to conformance in the Act Stage (Arawati, 2013).

1.2 STATEMENT OF THE PROBLEM

TQM has been identified as a vital factor sustainable competitive advantage in the currently challenging business environment (Yusof and Aspinwall, 2010). Unfortunately, organisations find it difficult to adopt it as a result of noncompliance with procedures and principles of TQM implementation (Naeem et al., 2008; Reed, Lemak, & Montgomery, 2012). While some firms run TQM as a program which they expect to function and perform the magic by itself, others have used half-hearted approach to it, by using some bits and pieces of the principles. This has

accounted to the failure of most organisations to successfully implement this ideology (Oakland, 2010).

A preliminary study to establish the extent to which TQM has been adopted in the Ghanaian banking sector reveal that research work on the implementation of TQM in the Ghanaian banking sector is scanty. Most studies on TQM are focused on the manufacturing industry (Al-Mansour, 2007; Ahire, 2012; Adza-Awude, 2012). The few studies that were done in the service sector in Ghana focused on higher education (Samson, & Terziovski, 2013). Moreover, (Kannan & Tan, 2011) established that banks can embrace quality management principles and implement them successfully to be able to delight their customers through efficient quality service. This study therefore seeks to bridge this knowledge gap by assessing factors that affects effective implementation of TQM principles in commercial banks in Ghana.

1.3 RESEARCH AIM AND OBJECTIVES

1.3.1 Aim of the study

The aim of this study is to assess the factors that support effective implementation of TQM in HFC Bank

1.3.2 Specific Objectives

1. To examine the TQM practices available in HFC Bank
2. To evaluate the factors that support the implementation of TQM in HFC Bank
3. To assess the effect of the strategies on operational performance

1.4 RESEARCH QUESTIONS

This study seeks to answer the following questions

1. What are the TQM practices employed by HFC Bank?

2. What factors support the implementation of TQM in HFC Bank?
3. What is the effect of the adopted TQM practices and operational performance at HFC Bank?

1.5 SIGNIFICANCE OF THE STUDY

The study results will assist in policy formulation in the banking sector.

Management experts in the banking sector will find this study very important as it will help them in implementing TQM in banks. It may also assist government agencies and policy formulators as the results can serve as the basis for policy guidelines on strategic responses in both state and private institutions. It can serve as reference to formulate viable policy documents that will effectively boost productivity. Finally, academicians and other researchers will find this study useful as a point of reference and indeed, add to the existing body of knowledge by further research on this area.

1.6 SCOPE OF THE STUDY

This research concentrated on the banking sector with emphasis on HFC Bank. The main focus is on five selected branches in the great Accra Metropolis. These branches are chosen because they have adopted TQM principles. Operational performance was measured by effective implementation of the TQM strategies.

1.7 BRIEF METHODOLOGY

A descriptive research design was followed in this study. The research approach is qualitative and quantitative approach. Employees of HFC Bank Limited formed the population for the study. Staffs from marketing, relationship management, and operations departments were targeted in this study. Both primary and secondary data sources of data were used. Self-

administered questionnaires will be used to obtain primary data. Secondary data was collected from journals and the literature review. The study performed a pilot study to pre-test and validates the research instrument. Twelve (12) individuals were selected to participate in the test. Questions that are not well formulated were corrected. Data analysis was done using the Statistical Package for Social Sciences software.

1.8 ORGANIZATION OF THE STUDY

The thesis report is structured into five broad chapters. This introductory part is chapter one. Chapter two covers literature review and has reviewed both theoretical and empirical literature concerning TQM in Ghana and beyond. Chapter three has covered the research methodology. The research approach, the study population, sampling and data analysis techniques were all discussed in chapter three. Chapter four is data analysis and presentation. Chapter five comprises of summarise of the key findings of the study, draw conclusion from the key findings and make recommendation based on the conclusion.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter presents a review of literature on the implementation of TQM in business organizations. It summarizes relevant information from other researchers who have conducted their research in a similar field of study. It covers by a comprehensive review of both theoretical and empirical review of existing literature. The theoretical critique has helped build an in-depth understanding of the current body of knowledge leading to the research model adopted for this study. The empirical literature review also provided an in-depth understanding of what other related studies have found and proposed in their recommendations. The section further presented the intended gap this study seeks to bridge.

2.2 THE CONCEPT OF TOTAL QUALITY MANAGEMENT

The principle of TQM has surfaced as one of the most obvious key alternatives in the 1990s and has been largely deployed worldwide (Rad, 2013). TQM however, in the service zone is still infantile and at the ranks of developmental theory (Sinclair & Zairi, 2011). Generally, TQM has been explained and expressed in many regards, for example, a search for “excellence”, exploring a “right first time” approach, “zero defects” and impressing the client (Moore and Brown, 2014). TQM is basically an industry-wide strategy, where employees are encouraged and equipped to do the things right first time subsequent times, to review what they do and to advance in what they do (Flynn, Schroeder & Sakakibara, 2010). Flynn (2012) explained TQM as strategy to attaining and maintaining high quality results, concentrating on the sustenance and continuous enhancement of processes and error avoidance at all ranks and in all roles of the company, so as to meet or go beyond client needs.

According to Prajogo and Sohal (2014), TQM is a means of striving to enhance the flexibility, competitiveness and effectiveness of an enterprise as a whole unit. It is also a way of pruning loss, by including everybody in enhancing the way of doing things. Hackman and Wageman (2015) logically critiqued the three quality capos' (Deming, Juran, and Ishikawa) perspectives about TQM. According to the results of their review, the five ensuing mediations are the pillars of TQM: creation of supplier partnership; explicit identification and measurement of customer wants and needs; use of process management heuristics to enhance team effectiveness; use of scientific methods to monitor performance and identify points of high leverage for performance improvement; use of functional teams to identify and solve quality problems.

Prajogo and Sohal (2014) mentioned ten TQM factors: commitment, leadership, continuous improvement, total customer satisfaction, training and education, total involvement, ownership, error prevention, reward and recognition, teamwork and cooperation. Waldman (2014) listed eight vital TQM attributes: a broad definition of quality as meeting customers' expectations, top leadership determination to place quality as a top priority, the development of a quality culture, TQM values and vision, an orientation toward managing-by-fact, involvement and empowerment of all organizational members in cooperative efforts to achieve quality improvements, the commitment to continuously improve employees' capabilities and work processes through training and benchmarking, customers involved in TQM efforts and attempts to get external suppliers.

For the past three decades, the principle of quality has developed very fast beginning with the profiling of the quality management magnates Deming, Crosby, Feigenbaum, Juran, Ishikawa, Taguchi, amongst others. Nevertheless, the concept of TQM has been encountering positive

inputs in terms of theory modification from many investigators. Despite the large volume of study carried out, TQM is still at the primary levels of theory development (Kaynak, 2013).

Currently, several models have been established for TQM initiatives implemented by various industries to be founded on their potentialities willing to attain their own objectives through their cultural situation. Otherwise stated, TQM methodology has no singular model; rather, it is being fashioned by various institutions to suit their operations and projected targets (Fine, 2013). In modern business climates, banks, like other institutions, are not left out in terms of quality. Like other industries, banks are expected to encounter uncertain environment, critical customers with high quality service demands and global business challenges (Al-Mansour, 2007). Hence, banks have been advised to apply nouvelle initiatives to guarantee their buoyancy and business development. In the literature of TQM, minimal consideration has been given to the factors affecting TQM practice in banks. Most of the investigations initiated have been case studies or theoretical in nature.

According to Morrow (2010), the stress has been mounting on various business organizations to offer quality services. He argued that with each rise in level of economic purchasing power, education and consumer awareness, modern clients are craving for higher quality merchandise, be it in the service or manufacturing circles. Universally, there has been an appreciable comprehension of the usefulness of TQM methodology for business performance; thus many institutions make great attempts in the adoption of TQM as a reaction to the stern universal contention and aware-and-quality-minded clients.

2.2.1 Stages of TQM Implementation

Dale (2013) established six distinctive stages of TQM implementation, these includes: drifters, uncommitted, improvers, tool pushers, award world class and winners. According to them,

these levels do not categorically capture the steps by which businesses travel on their TQM mission. These stages according to Dale et al are to assist businesses in pointing out their frailties and prescribing remedies to them via the adoption of continuous enhancement.

Uncommitted: This step symbolises business institutions that have not begun an official process of quality enhancement. Enterprises at this level see quality enhancement as an extra cost and therefore have no stake in quality enhancement drives such as educating of workforce. The top leadership of these business enterprises are distinguished by a focus on net asset employed and revenue.

Drifters: These are companies that are involved in a process of quality enhancement within three years and have practiced the prevailing counsel and prudence of TQM. The top leadership of the institutions at this level seem to critique the operation of the organisation on grounds of the implementation of TQM and desire prompt payoffs from it.

Tool pushers: Business associations in this block perceive quality enhancement activities but in most instances default in applying such logistics rightly. They apply quality management mechanisms such as quality improvement groups, quality cycles. These associations usually ascribe the ineffectiveness of TQM on the mechanisms employed.

Improvers: Enterprises in this stage have engrossed themselves in a procedure of quality enhancement for periods between five and eight years and during these years made significant progress (Dale, 2013). They are aware that total quality includes futuristic cultural transformation and have considered the need for cultural transformation and the need for quality enhancement.

Award Winners: These corporations are called award winners for reason being that they have risen to a stage in their TQM growth where the employee involvement, values and trust

capabilities relationship and kind of culture and has become absolute in nature and cover the whole institution (Dale, 2013).

World class:-According to (Dale, 2013) these business associations are denoted by the total quality enhancement and business methodologies to the satisfaction of clients. The businesses that have hit this level are constantly searching for possibilities to enhance their products to delight clients. Furthermore, it was intimated that the attention of TQM here is on improving competition by enhancing the views of clients to the organisation by the endless creativity of the service delivery.

2.3 FACTORS THAT AFFECT THE IMPLEMENTATION OF TQM IN BANKS

2.3.1 Top Management Commitment

Leadership is the capacity to garner assurance and assistance among those required to attain corporate targets (Dooley, 2013). Anderson and Rungtusanatham (2014) highlighted the principle of leadership as: the capacity of top executives to carve, utilize, and champion a futuristic dream for the company, determined by altering client preferences, as against a closed-circuit management command duty. Leadership is therefore portrayed by long-term orientation, clarity of vision, participative change, coaching management style, planning, implementing organizational change and employee empowerment.

Quality leadership by the top brass has been stressed and championed by several researchers as the foundation for excellent implementation of TQM in a bid to attain job satisfaction, customer satisfaction, continuous improvement and quality product (Anderson and Rungtusanatham, 2014). In a quest to attain total quality it is required that the top executives vividly clarify the quality goals and also handle quality as a vital segment. They are requested

to establish quality as a prerogative whilst committing sufficient inputs to continuous quality enhancement and assessing the workforce in line of their achievements (Burrows, 2012).

Several corporations have defaulted in implementing TQM due to the unwillingness of the top executives in arrogating some powers and motivate workers (Burrows, 2012). This is a very critical section because if the top brass are determined in motivating the workers, the latter would accept the challenge for the quality of their output and this will in the long-run improve continuous advancement. TQM initiative scheme, always dwell on the need for top leadership as the main torchbearer of TQM initiatives.

Lawler (2013) further explained that targets must be set by the top brass by making sure that dedication to the philosophy of TQM is present in all subsidiaries of their firm. Similar proponents of TQM such as Deming (1982) postulated that most quality impediments are originated by top management and the programs they initiate and run (Minjoon, 2012). Pearson (2013) argued that managerial leaderships demand management at all stages to switch their duty from autocratic decision makers to coaching facilitator.

According to Juran and Gryna (2013), particular duties of top leadership can be listed as follows: establish and deploy quality goals, establish quality policies, stimulate improvement provide resources and provide problem-oriented training. The European Quality Award (1994) and the Malcolm Baldrige Quality Award (1999) acknowledge the critical functions of management in creating the values, systems and goals that drive the quest for continuous performance enhancement. A significant plot in quality management literature is that great dedication from leadership is important. The basis of an exemplary leadership quest is top dedication. Exhibiting such dedication is thus a fundamental leadership philosophy for accomplishing TQM. Inadequate top leadership dedication is part of the reasons for the collapse of TQM programs (Harvey and Brown, 2013).

That notwithstanding, top leadership dedication in itself is inadequate. It is more crucial that leadership actively engage in several quality management initiatives. Moreover, it must greatly advocate worker inclusion in quality management programs. According to Dooley (2014), an essential management culture is to empower people to meet the height of quality. To be a competent manager in most emerging companies, the executive leader should press on in developing and learning. Insight of the organisation and progressive learning are critical catalysts to competent leadership (Dooley, 2014). The widespread literature review by (Anderson, 2014) recommended that if leadership wants to initiate administrative cultures that will be adaptable to learning, they should provide the instance by becoming learners themselves and including other people in the learning activity. Hence, a learning conglomerate will be created.

Empowerment is the act of assigning decision-making power to subsidiary levels within the company. Particularly notable is ammunition of the workforce (Gryna, 2013), which is important since this may engender creativity (Dooley, 2014). In a pursuit to competently lead the organisation, the executive arm must inspire the labour force to remedy the problems they encounter. To this end, employees can assume the call to tackle challenges and prevent their repeat in the long term.

Additionally, to competently manage a corporate institution, top managers have to be committed to allocating adequate inputs for workers' training and education and maintaining trustworthy relations with workers. Chief administrators have to be committed to allocating sufficient inputs in a bid to dodge, and also remove impediments related to quality. It should dwell on quality frequently; for example, by giving speeches on the matter and deriving solutions to challenges associated with quality at every staff meeting.

Management is the yardstick for implementing TQM programs, to enhance a business enterprise's operations and building systems, values and goals and processes to meet client demands (Rad, 2012). It is notable for giving direction and approval to the organisation (Walsh, 2012). Commitment on the part of top leadership is essential for the quality improvement of the institution since, with their support and provisions, sufficient resources will be allocated to enhance training exploits resulting in improved quality measurement, improved customer satisfaction and benchmarking.

It is essential that HFC Bank will implement decision process, succession policy, quality culture, partnership to direct the program and leader. Quality visions must be projected. An annual program on quality improvement should be enforced that must involve inputs from all workers. TQM is a continuous phenomenon that must be shrouded in the institutional culture. It is however not a one-sided endeavor; hence, it must be open to everyone (Juran, 2013). Top leadership participation and contribution is crucial to building a culture of quality service. This vision and impact is also critical in creating and using a methodology for total quality management. Lack of devotion on the side of leadership could spark service deficiencies or cause service breaches to occur.

Triggering the success of quality management in an organization means exporting quality from an auxiliary management function to a prime function of management. Although the bulk of research investigations reinforce the need for dedication on the side of leadership, renowned quality guru Philip Crosby believes he does not require "commitment" from top management, he demands "participation". According to Crosby (2010) TQM integrated basic management processes, assets and its implementation arrive as both a resource and a challenge to leadership. Enforcement of TQM, and the impacts that these cultures have on comparative edge, is an adaptable process, thus quality of product is a crucial characteristic of clients (Bester,

2009). Henceforth, it is imperative for corporate bodies to improve the product quality and items in order to attain highest client satisfaction and at the end enhance conveyance of service (Agus, 2012). Schonenberger (2010) proposed that the success of quality management efforts depend on the proper integration of several management systems.

Mann (2013) opined that the phenomenon of excellent and continuous enhancement (Deming's philosophy) demand firm to purchase, not from the least applicant, but rather from providers who have given proof that their productions churn out peak quality. The reason in selecting the suppliers should be on the basis of quality and not on costs. Now, with the mounting burden from the firm's own clients from greater quality or their own self-imposed quality standards, businesses are placing higher responsibility on their suppliers in terms of quality of component parts, finished items and incoming materials.

Most significantly, workers in the business setup must be consistently polished and given sufficient education and training on methods, prescriptions and the phenomenon of quality, which mostly includes team skills, problem-solving and TQM principals. Training techniques should be constantly updated to ensure that activities are provided on time and are relevant to the organization.

2.3.2 Customer Focus

This is a principal theory of Total Quality Management. In the recent years, it has been established that organisations will make most of their profits from 60 percent of their current clients. The highest aim of TQM methods is to gratify the demands of clients and cater for their varying anticipations. If the TQM approach enforcement does not benefit the clients, the TQM approach is classified as a nonstarter. In view of meeting the expectations of customers, there needs to be a progressive and efficient feedback between businesses and clients and clients must be promptly considered in the design of service and products (Kaynak, 2013). To enable

one to obtain the absolute inclusion of clients in all the trading processes, there must be long-term partnership program with clients through direct communication. Furthermore, every business institution, particularly banks must establish trustworthy client-related information on clients 'expectations and needs as well as consistent supervision of their level of gratification. Because banks are absolutely influenced by clients and pursue their comfort via creative and top quality outputs, customer centred principle of TQM strategy is required to assists banks to attain greater accomplishment (Naeemet al., 2008).

The survival of any organisation depends on its clients. Organisations in the service sector strive to capture as many clients as practicable since they directly relate to revenue. Clients influence revenue measures based on their conceptualisation of service quality. In brief, quality affects revenue, and clients alone represent and ascertain what that quality is and should be (Edward, 2012). TQM strategy was fundamentally established on the principle that it is a management school of thought that sorts to gratify clients via consistent advancements it can aid banks to meet the expectations of their client and reward the faith of customers reposed in them. Advanced service quality rendered by banks must be largely premised on obtaining profound data about the clients' requirements, expectations and needs.

To get such information, there must be a comprehensive information exchange between the banking staff, including middle and top executives, and as a critical element of the quality systems (Al-Mansour, 2007). Regarding the heightening rivalry among banks, the winning banks are dependent on their capacity to meet the expectations of both external and internal clients. It is based on this foundation that banks must take the responsibility of conducting researches into marketing trends to discover clients' tastes and preferences. Moreover, banks must create an atmosphere whereby the clients are persuaded to be actively engaged in

implementing and assessing the products they require situated on their changing expectations (Al-Mansour, 2007).

In a research work done by Sampson (2010) Customers are settling on banks offering better products and services, are not too difficult working with, and those banks that have on offer quality packages over certain weak factors including longevity in business operations, and brand pioneer roles. These factors are indications that total quality management is soaring in significance in terms of how banking clients select their banks. According to John A. Young, President and CEO, Hewlett - Packard (2010), *"Our one major goal is to create satisfied customers. Hence, all systems, objectives, and measurements are designed to improve customer satisfaction."* Service companies that employ TQM must monitor, as a matter of necessity, those that are important to the client. Goals and benchmarks that are of importance to clients are: duration of processing of leading services and products, like new accounts, loans, credit cards; waiting moments like downtime and queuing time; friendliness and efficiency of staff; customer complaints, written or verbal; accuracy and timeliness of statements of accounts and records; promptness in responding to customer inquiries such as in answering the phone, the number of rings before phone is picked up, and number of transfers before the caller talks to the right person and attention to lost customers and accounts; effective interest rates, inclusive of all service and hidden charges (Olabode, 2013).

Service and manufacturing industries are using client fulfilment as the yardstick for assessment of quality. This principle is captured in the Malcolm Baldrige National Quality Award, in where client gratification suffices for 300 out of the 1000 maximum points. A business organization needs to offer its clients a quality service or package that satisfies their needs, at affordable price, timely service delivery, and incredible service. It has been established in modern businesses that if TQM would have any aims; it is gaining clients and keeping them

excited (Dale, 2013). Paying attention to the clients and reacting smartly to their changing expectations, tastes and preferences is one of the fundamental strategies of TQM. By being on a level ground with their clients, organisations can establish the needs of client; collect data on clients' demand patterns and establishing benchmark on them with their rival organisations. This can be a smart move aimed at roping in fresh clients and sustaining the loyalty of clients (Edward, 2012).

Clients' reaction is a sensitive area that service companies must be attentive to. According to a report on client behaviour (TARP) on American clients delivered to the White House: ninety six percent of unfulfilled clients do not grumble about unruly or ill treatments. Ninety percent of clients or more who are disillusioned with the service they are offered will not buy or come back again (TARP, 2010). The TARP report indicates further that every one of the disillusioned client shares his or her experience with not less than nine other folks, it also discovered that thirteen percent of those unimpressed previous clients will voice their agonies out to 20 people or even more. The effects of slow service and processing on revenue could also be terrific. In the productions sector, the cost of quality, or the cost of not putting the right stuff right the first time, is projected at 15%-35% of revenue of any organization (TARP, 2010).

Absolute client gratification also means keeping an astute attention on the internal client. Before external clients can be fulfilled, impediments encountered by internal clients need to be cleared first of all. This is in view of the fact that company staffs are the treasure and part of the company's process. It is essential to establish a positive condition of work needed for them to create and grind out quality by giving them efficient information, training, empowerment and tools needed for self- management to function perfectly. By so doing, all the employees can rightfully be deployed via strong contributions from dedicated and self-motivated workers (Edward, 2012).

2.3.3 Continuous Improvement

The Kaizen theory is a Japanese school of thought and activity that desires progressive in advancement in engineering, management and production processes. Kaizen strategies have been utilised in the management of a group of industries, including banking and government. The philosophy of Kaizen tackles the duties and outputs of the entire workforce, from the president and CEO to workers at the lower ranks. Kaizen sets out to lessen loss and TQM increase performance by improving standardization (AI Marri, 2007). Fundamentally, the principle has been explained as the management philosophy that desires to gratify the clients via efforts geared towards progressive advancements at all ranks of an organization. Hence, businesses must spread out their progressive advancement efforts to comprehend all sorts of procedures spanning management functions and styles (Benavent, 2012). From the viewpoint of operations, there are various activities in banks that might be as a result of quality advancement. These sections such as the procedure of opening new accounts, service processing time, ATM, loan application, credit cards, timeliness of financial records and waiting times and accuracy. Time to react to clients' questions and assisting lost clients are seen as part of the operations that need sustainable advancements (Kaynak, 2013).

Progressive advancement of all schemes and operations in a business institution is important for the manifestation of TQM. A progressive advancement structure directs the business towards achievement of the mandate. The advancement scheme should not only be consistently used, but also sustainably, all through the business structure (Ngware, 2012). Before it could be fruitful, progressive advancement attempts need a system established on trust, with all and sundry in the business entity working hard to advance the organisation. However, it has been

observed that several business entities in Asia specifically Malaysia default in their commitment to progressive advancement. Loss has been associated to failing to realize that continuous improvement is a journey not a destination, poor strategy alignment and poor coordination by management (Arawati, 2010).

For progressive advancement to be successful, Deming proposed a system of progressive revolution that comprises 5 steps. The sequence begins by clarifying the mandate or motive of the business. Top management specifies the mandate, with contributions from everybody. Then everybody in the business aligns his particular motive to furnish the larger mission. By so doing, the target and prerogatives of the foresight are clarified, built, comprehended and approved by everybody (Naeem, 2008).

The next step after clarifying their mandate involves stating down all advancement procedures. It is essential to get a sound comprehension of the system of establishing a medium of advancement at this phase. Clients, both within and without, are singled out and their desires and prospects appreciated. Suppliers also are aligned with customers. Any prospective challenges are isolated at this stage (Kaynak, 2013).

For the third step of choosing improvement opportunity, particular advancement chances are chosen depending on the crucial procedures that have the highest influence on client fulfilment. These challenges are addressed by employing a principled strategy such as process analysis, statistical process control and quality function deployment and should be used continuously to accomplish a task, advance a procedure and address limitations throughout the business organization. The last phase is Shewhart or Deming's Plan Do Check Act cycle (PDCA), the outcomes for the effect of advancements are assessed in view of the overall target. Here, a sixth phase can be included as a memorial: Do it many, many, many times. The sequence is never resulting in a consistent advancement scheme (Kaynak, 2013).

2.3.4 Employee Empowerment

A portion of the TQM school of thought seeks to equip all workers to uncover quality-related bottlenecks and deem to remedy them. With the ancient perception of quality, workers were reluctant to figure out business barriers for fear of victimisation. Often low quality was shoved on to somebody else, so as to make it “someone else’s problem.” The new generation view of quality, TQM, provides motivation for workers to highlight quality barriers. Workers are incentivised for highlighting quality challenges, not reprimanded (Saunders, 2012). Ahire (2014) explained human resource management as a subset of TQM strategy to be the employee empowerment, employee training and employee involvement. However, Arawati (2013) postulated that the human resource of a business entity is the yardstick for competitive advantage. In view of that, it has been generally accepted by advocates of change and change management that TQM establishment involves changing the organizational culture to assist the convenient TQM structure employed by a business entity.

To make gains from true quality strategies, any business institution should construct a favourable TQM framework founded on HRM practices that support all the workers to acknowledge and successfully practice any planned quality programs (Magutu, 2010). In TQM strategies, the human factor has been pivotal as workers are the instruments behind the progressive advancements that are to be passed on to clients to obtain their gratification and then patriotism which is the bane of successful organisation. In the team strategy to employee empowerment, TQM emphasises that quality is an organizational drive. To expedite the tackling of quality challenges, it places high premium on teamwork. Using methodologies such as quality control tools, discussion and brainstorming, teams work constantly to remedy challenges. The inputs of teams are seen as critical to the welfare of the firm. In this regard, firms reserve time in the workday to attend team meetings (Shenawy, 2013).

Worker inclusion is a strategy for motivating employees of a business organization to make decisions and to address challenges commensurate with their ranks in the institution. Empowerment is equally useful in service companies, where most often client conception of quality is upheld or flattened premised on the choice of the worker in a close contact with the client. This can be attained by making the worker part of the business organization, which is important to the progress of the institution. Workers who trust they are essential will be empowered to be certain that their contributions are sustainable and dependent on the inputs made (Saunders, 2010). Education and training supply the needed knowledge and skills - the capacity to ensure it does succeed. This activity is a venture that must be embarked upon. According to Naeem (2008) Estonia, India and Japan are said to commit between 65 and 80 hours per annum for every training and educational programs per worker. They perceive that gratification of the labour force and subsequently empowerment and capacity to push as a productive segment in the cycle of progressive advancement thrives on training and education.

Particular job that requires training should be given and regularly modified to show the updated process. Too often top leadership challenges workers to get things right first time, to function well in quality improvement teams and to engage in the non-stop prospecting for perfection. Nevertheless, they usually default in providing the tools, training, empowerment and information useful for self-management to operate efficiently. For it to be workable, it is expedient that all preparations be directed towards precise, concise aims; it must be done as timely as possible as it is needed and must be buttressed to ensure the output required to succeed. It should be noted that education and training are endless for everybody in the company. Progressive improvement is defined as learning and firms seeking to adopt TQM need to become learning organizations (Bilich & Neto, 2012).

Recognition and reward must be commensurate with the rank by being rank-ordered, the greater the accomplishment, the bigger the reward. It could range from bonuses, change in title or promotion and upward salary adjustment. In a TQM atmosphere, there should be a difference in the normal acknowledgement process. One must offer appreciation for energy invested, not just for achieving a stated objective. This acknowledgement of effort offers a strong inducement for everybody to become part of quality improvement.

2.4 EMPIRICAL REVIEW

2.4.1 Effect of the TQM Strategies on Operational Performance

This portion features both international and domestic factual research study akin to financial performance of firms and quality management practices. Below is the argument; Ettlle (2014) tested the performance, technology and quality interrelatedness of information technology (IT) companies. The research work used a cross-sectional survey in which a primary data was gathered from IT experts via a structured questionnaire. Descriptive statistics was employed in analysis of data. The research findings portrayed that quality management was markedly tied up to performance. This agrees with the hypothesis of this research which presupposes that there lies a workable relationship between financial performance and TQM programmes of listed companies in the manufacturing sector in Kenya.

Samson & Terziovski (2013) studied the relationship between organizational performance and TQM practices in Australian and New Zealand manufacturing firms. The research makes use of a cross-sectional analysis of TQM practices and organizational performance of manufacturing companies. The research used a huge database of 1,024 meaningful feedbacks from the manufacturing firms. The findings discovered that TQM practices were categorically related to performance of an organisation.

Adam, Corbett, Flores & Harrison (2007) studied the influence of quality management practices on financial performance of health facilities in Netherlands. The research adopted a cross-sectional survey research design in a population of 100 state hospitals. The research employed both primary and secondary data for a period of three years. Data analysis was done using a regression model and the discoveries of the analysis realised that quality management practices directly influences the financial disposition of health centers in the Netherlands.

Fenghueih & Yao-Tzung (2012) exploited the association between TQM practices and organizational performance among Taiwan firms. A survey questionnaire was emailed to 1,000 huge manufacturing companies listed at China credit information service, Ltd., in 1999. Primary data was obtained using a questionnaire and the target respondents were managers. Data was analysed using a regression model and the results of the analysis found that implementation of TQM practices led to reduced costs and increased efficiency which resulted to improved performance.

Backstrom (2009) interrogated the causes of low quality management practices by manufacturing company in Europe. The research used a longitudinal research design. The population of the study was 100 manufacturing companies. Panel data for 10 years was applied. It was discovered that the reasons for poor quality management practices was due to lack of quality goals and quality plans, ineffective change management, organizations and the working environment, lack of commitment by individuals and quality policies.

Oriare (2011) evaluated the practicality of TQM in strategic management at Safaricom Limited. The research applied a cross-sectional survey research design. Primary data was obtained using a questionnaire which was obtained from operations and quality assurance managers. Data analysis was performed following a descriptive statistics method. The findings

were that the utilization of TQM in the communication sector of Kenya results in higher productivity and capacity to contest in the world market.

Wachira (2013) explored quality management practices and performance of Supermarkets in Abuja. The inquiry adopted a descriptive research design. Primary data was gathered via a semi-structured questionnaire. The target participants for the research were quality assurance and operations managers. Data analysis was done using a regression model and the findings were that there was statistically functional correlation between performance and quality management practices. Further, the findings have it that implementation of quality management practices resulted in decreased costs and increased fulfilment of clients. The research has restricted itself to the retail sector.

Mutua (2014) inquired from the quality management practices employed by cement manufacturing companies in Nigeria. A descriptive research design was utilised for purposes of proving the correlation between variables. Primary data was assembled with the aid of a semi-structured questionnaire from the quality assurance executives of cement production companies in Nigeria. Data analysis was made using both descriptive statistics and regression. The end products of the regression analysis undertaken proved that quality management practices were significantly related to financial prowess.

Muli (2014) explored the business performance and quality improvement practices between commercial state corporations in the Ministry of Health. The research applied a descriptive survey and data was obtained with a semi-structured questionnaire. Analysis of data was made using descriptive statistics and the outcomes revealed that the height of support and dedication that top executives absorb in putting together a total quality system is crucial to the progress of quality improvement practices implementation. The research also concluded that from quality improvement practices standpoint, strategy comprises of realising what clients want

and keeping the organization in line with plans to deliver the promises. The research study finally concluded that client service and client gratification are at the bane of the organization and the prime objective of quality improvement practices.

Kathaara (2014) delved into the total quality management practices and operational performance of commercial banks in Nigeria. A survey of 17 commercial banks was made for this research work. The inquiry depended on data sampled via a structured questionnaire to meet the aims of the study using five point Likert scale. The questions on the questionnaire were directed to the operational performance and total quality management practices implementation of the Nigeria commercial banks. The questions were both open ended and closed ended questions. Data analysis was made with a regression model. The findings showed that quality management practices were significantly related to operational performance of commercial banks in Nigeria.

In 2009, a research on the impact of TQM practices on client gratification in the light of Malaysia's small service institutions was embarked on in Malaysia by Keng-Boon. The objective of the research was to study the correlation between total quality management (TQM) practices and customer satisfaction and also to examine the relationship between TQM practices and service quality within the enclave of Malaysia's small service institutions. The study used data from the viewpoints of sales and marketing managers in 108 small service organizations in Malaysia. Data was analysed by using correlation and multiple regression analysis to examine the association between service quality, TQM practices and customer satisfaction. The results revealed that TQM practices are positively notably connected to customer satisfaction and service quality of the small service business companies. The study further discovered that the sections of client care and information and analysis were greatly related to client satisfaction and service quality.

A similar study sought to establish the impact of TQM implementation on the performance of Japanese-owned manufacturing companies in the USA. The research was conducted in 2009 by two Japanese intellectuals namely Masahiro Miyagawa and Kosaku Yashida. The prime target was to study the association between business performance and total quality management (TQM) practices of Japanese-owned manufacturers in the USA. 200 firms were selected by random sampling from the universal group of 519 in August 2007. The survey outcomes revealed that TQM practices positively affected the total industry performance of Japanese-owned manufacturers in the USA. This inspired them to conclude that TQM is an applicable strategy for increasing business performance, irrespective of where the firm might be sited so long as the TQM practices are implemented effectively.

A research work aiming to discover the impact of TQM implementation on operational performance of institutions that have annexed prizes for quality was carried out in 1997 by Kevin Hendricks and Vinod Singhal in USA. In this work, the research fellows sought to investigate the hypothesis that effective implementation of TQM programs increase the operating performance of business organizations. They caused the sweeping of quality laurels as a roadmap for successful implementation of TQM programs. Transformations in various performance yardsticks for chosen sample of quality award winning companies were likened to those of control industries. The critical study of results indicated that there was reasonably solid proof that quality award winning companies registered impressive operating revenues compared to those in the control group. In specific terms, the outputs proved that TQM companies did better in terms of controlling costs, sales volume, total asset creation, employment and capital expenditures. The researchers concluded that TQM implementation notably improves operating performance of business organizations and hence must be adopted and promoted by all business organizations.

A similar research carried out in Kenya by Margaret (2001) sought to identify the bottlenecks to the implementation of TQM. Her research discovered that whereas some companies pursued the excellence by the assistance of TQM, the major impediments encountered by most companies in the implementation of TQM included the poor understanding of the concept, resistance to change and lack of top management commitment.

Mwaniki, & Bichanga (2014) focused on figuring out the impacts of total quality management on fiscal performance in the banking arena: a case study of national bank of Kenya. This research was restricted to determining how the components of TQM, namely customer relationship, supplier relationship, top management involvement and processes could connect to financial performance. The four components of TQM comprised the independent variables of the research whilst financial performance was the dependent variable. The discoveries of the research showed a significant correlation between financial performance, process and supplier relationship and top management involvement.

In their research Hassan, Mukhtar, Qureshi and Sharif (2012) investigated the relationship between quality management practices and performance, i.e. organizational performance, quality and business. The quantitative data were gathered via a survey from 171 quality managers of Pakistan's manufacturing industry. This research seeks to agree with the hypothesis that quality management systems practices significantly improve the performance. Quality management systems instruments and skills (Process, Incentive and Recognition System, Continuous Improvement and Monitoring and Control) and Behavioural factors (Top management's commitment to quality, fact based-management, customer focus and employee involvement) provide support for the successful implementation of quality management systems. The research study reports that successful acceptance and implementation of quality management systems practices leads to a performance boost of the organization. The main

consequence of the research findings for top executives is that with quality management systems practices, manufacturing organizations are likeliest to achieve better performance in employee relations, customer satisfaction, business activities and quality than without quality management systems practices.

According to Irfan, Ijaz, Kee and Awan (2012) in the study aimed at enhancing organizational Performance of Public Hospital in Pakistan applied a questionnaire with fourteen Quality management systems practices to examine the effect of Quality management systems on organizational performance of public hospital in Pakistan. Structural Equation Modelling (SEM) approach with AMOS 16.0 was used to build a Quality management systems and performance model. A total of 239 questionnaires was included in the study and the trends indicate that selected Quality management systems practices has a grave positive influence on quality management systems implementation and also on operational performance in the line of improved quality of services, increased flexibility, effective diagnostics and reduction in service time.

In determining whether quality management service in the public sector Stringham (2014) concentrated on the quality movement in the United States for the last two decades in the spectrum of public management. The write-up reviewed the relationship between the Pennsylvania Department of Transportation's twenty-year experience with its quality improvement program on overall organizational performance and productivity. The research concluded with a deliberation on the problems of upholding a quality program in the face of the frequent reshuffle of top political nominee leadership and the simmering tension between process improvement quality approaches and cost savings/cost avoidance approaches that come up in times of government fiscal crises.

Adeoti (2013) investigated into the benefits of the application of total quality management in the service sector with specific focus on commercial banks in Nigeria and additionally to observe how the application of TQM can forestall unforeseen dangers of distress in commercial banks. Three banks were picked at random, one to signify each one of the three generation banks. The outcome of the research proved that the quantity and quality of labour employed impact to a very large degree the survival of any bank, also that the application of TQM is not guarantee against distress but a security measure for distress.

Baidoun (2013) also conducted a fact finding research on crucial components of TQM in Palestinian business institutions and realised that senior management dedication and active role represented by: development of quality policy and values, development of clear organization mission, creating quality management structure, proper planning on quality management and setting of realistic quality goals improve implementation of quality management systems and creates quality awareness.

Discoveries of Jamali (2010) in their research captioned: TQM Implementation: An Investigation of Critical Success Factors acknowledged training as one of the most crucial pillars in effective implementation of TQM. Implementation of TQM demands exquisite realistic employee's knowledge and skills on quality which can only be accomplished via the process of continuous training. Training equips workers to partake in continuous improvement initiatives that are relevant in TQM implementation (Oluwatoyin & Oluseun, 2008). Workers at all ranks should subscribe to quality education and training as it aids workers at their ranks to comprehend quality management strategies and their functions in implementing TQM (Arshida & Agil 2012).

A factual investigation conducted by Samir (2013) on essential determinants of TQM in Palestinian organizations revealed a workable association between workers education and

training and effective implementation of TQM. It linked employee training and education with employee empowerment and improved performance of their functions in quality management.

A similar study by Yu Chu & Wang (2001) on factors influencing the implementation choices and procedures of ISO quality management systems in Taiwan's public sectors showed that employee awareness, employees training and development, team leaders involvement amongst other components are crucial in implementation of quality drives. Workers feel part in quality management initiatives when taken through timely training on quality initiatives and eventually give it a positive outlook suppressing employee.

The research finding of Wali and Boujelbene, (2011) in their investigations into cultural factors on TQM implementation in Tunisian companies indicated a significant connection between implementation of TQM and a good organizational culture. They gathered that, institutions with a culture that is subject to modification and that is open to innovative initiatives and ways of going about things would likely succeed in initiating and implementing TQM. Reason being that such an atmosphere empowers workers and support creativity. This was in agreement with the discoveries of Aljalhma (2011) that proved that group culture aids in minimizing information barriers, customer related barriers and employee's barriers that are regularly encountered in the implementation of TQM whereas rational culture ameliorates top management barriers which in turn encourage implementation of TQM.

A research initiated by Sharp (2013) on Factors Affecting Successful Implementation of ISO 9001:2000 realised that an institution with quality awareness and clear communication provided by active top management is likely to succeed in the implementation of ISO 9001:2000. Moreover, a study embarked on by Baidoun (2014) on crucial components of TQM in Palestinian organizations showed that consistent and clear communication at all ranks and

duties of the organization on quality mission, quality objectives and quality programs defining quality values is vital in successful implementation of TQM.

2.5 THEORETICAL FRAMEWORK

Kaziliunas (2013) proposed theory as a means of defining phenomena by stating constructs and the principles that blend these constructs with each other. The logic behind TQM is chiefly associated to a number of quality bigwigs: Ishikawa (1985), Crosby (1979), Juran (1993), Feigenbaum (1991) and Deming (1986). In spite of the fact that each illustrates a distinctive approach to TQM and with different emphasis, it is evident that they all embrace similar principles and practices. Their propositions are the foundation for understanding the concept of TQM.

2.5.1 Philip Crosby's Approach to TQM

Crosby (1979) identified a number of important principles and practices for a successful quality improvement program, which include: management participation, management responsibility for quality, employee recognition, education, reduction of the cost of quality (prevention costs, appraisal costs, and failure costs), emphasis on prevention rather than after-the-event inspection, doing things right the first time, and zero defects. Crosby claimed that mistakes are caused by two reasons: lack of knowledge and lack of attention. Education and training can eliminate the first cause and a personal commitment to excellence (zero defects) and attention to detail will cure the second. Crosby also stressed the importance of management style to successful quality improvement. The key to quality improvement is to change the thinking of top managers; to get them not to accept mistakes and defects, as this would in turn reduce work expectations and standards in their jobs. Understanding, commitment, and communication are all essential.

2.5.2 Karou Ishikawa's Approach to TQM

Ishikawa (1985) argued that quality management extends beyond the product and encompasses after-sales service, the quality of management, the quality of individuals and the firm itself. He claimed that the success of a firm is highly dependent on treating quality improvement as a never-ending quest. A commitment to continuous improvement can ensure that people will never stop learning. He advocated employee participation as the key to the successful implementation of TQM. Quality circles, he believed, are an important vehicle to achieve this. Like all other gurus he emphasized the importance of education, stating that quality begins and ends with it.

2.5.3 Edwards Deming's Approach to TQM

The theoretical essence of the Deming approach to TQM concerns the creation of an organizational system that fosters cooperation and learning for facilitating the implementation of process management practices, which, in turn, leads to continuous improvement of processes, products, and services as well as to employee fulfilment, both of which are critical to customer satisfaction, and ultimately, to firm survival (Anderson, 2014). Deming (1986) stressed the responsibilities of top management to take the lead in changing processes and systems. Leadership plays an important role in ensuring the success of quality management, because it is the top management's responsibility to create and communicate a vision to move the firm toward continuous improvement. Top management is responsible for most quality problems; it should give employees clear standards for what is considered acceptable work, and provide the methods to achieve it. These methods include an appropriate working environment and climate for work free of fault-finding, blame or fear.

Deming (1986) also emphasized the importance of identification and measurement of customer requirements, creation of supplier partnership, use of functional teams to identify and solve quality problems, enhancement of employee skills, participation of employees, and pursuit of continuous improvement. Anderson (2014) developed a theory of quality management underlying the Deming management method. They proposed that: the effectiveness of the Deming management method arises from leadership efforts toward the simultaneous creation of a cooperative and learning organization to facilitate the implementation of process-management practices, which, when implemented, support customer satisfaction and organizational survival through sustained employee fulfilment and continuous improvement of processes, products, and services. The means to improve quality lie in the ability to control and manage systems and processes properly, and in the role of management responsibilities in achieving this.

2.5.4 Armand Feigenbaum's Approach to TQM

Feigenbaum emphasized that efforts should be made toward the prevention of poor quality rather than detecting it after the event. He argued that quality is an integral part of the day-to-day work of the line staff, and operatives of a firm. There are two factors affecting product quality: the technological i.e. machines, materials, and processes; and the human i.e. operators, foremen, and other firm personnel. Of these two factors, the human is of greater importance by far. Feigenbaum considered top management commitment, employee participation, supplier quality management, information system, evaluation, communication, use of quality costs, and use of statistical technology to be an essential component of TQM. He argued that employees should be rewarded for their quality improvement suggestions, quality is everybody's job. He stated that effective employee training and education should focus on the following three main aspects: quality attitudes, quality knowledge, and quality skills.

2.5.5 Joseph M. Juran's Approach to TQM

TQM is the system of activities directed at achieving delighted customers, empowered employees, higher revenues, and lower costs (Juran, 1993). Juran believed that quality problems are due to management rather than workers. The attainment of quality requires activities in all functions of a firm. Firm-wide assessment of quality, supplier quality management, using statistical methods, quality information system, and competitive benchmarking are essential to quality improvement. Juran's approach emphasizes on teams i.e. QC circles, self-managing teams and project work, which can promote quality improvement, improve communication between management and employees coordination, and improve coordination between employees. He also emphasized the importance of top management commitment and empowerment, participation, recognition and rewards.

2.5.6 The EFQM Framework

The European Foundation for Quality Management Model is built upon nine TQM principles. Of the nine principles, five of them mainly capture what a company does whilst the other four basically tackle what a company accomplishment. The result of this is that this EFQM model eschews prejudice of preferring one particular strategy that can spur on an organisation to accomplish quality management in its activities but ties up a platoon of strategies that can allow an institution employ TQM strategies in her running.

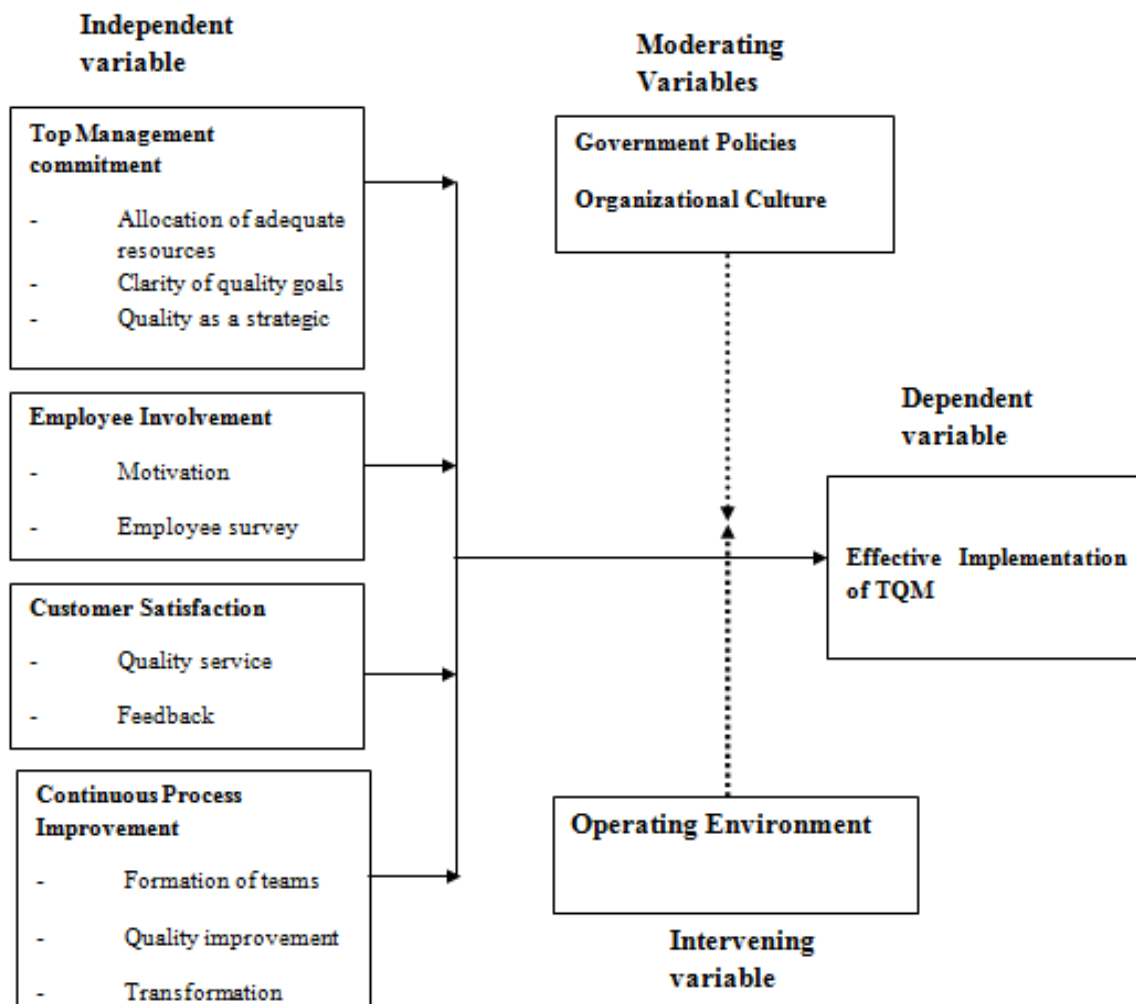
This model has the following guiding principles: an insistence on results that is a company's primary role is to delight all its partners. Customer-centred that is ensuring clients are delighted by satisfying their demands in a progressive format. Focus on leadership that has the prime objective of initiating, leading and observing structures and processes that will support the company to post revenue in the long run. Workers welfare, which usually articulates the need for a company to ensure her employees obtain the most quality education and additionally

engaging them actively in the administration of the company. Constant knowledge acquisition; all the employees must be afforded the chance of upgrading themselves with much attention on skills modification. Formation of workers' groups; a company will immensely gain from this as it gives them an opportunity to tap knowledge and experience from their colleagues in which ways they can improve their firm's operations hence utilizing the gains of joining those synergistic collaborations. Eventually, an enterprise must initiate a philosophy of forming collaborations with the state with the view of developing their host communities into a more advanced society as this strongly has a positive bearing on the society.

2.6 CONCEPTUAL FRAMEWORK

The many unknown quantities that have been featured in this write up are categorized in a summary form in Figure 2.1. Dependent variable is effective implementation of Total Quality Management at HFC Bank, independent variables are; employee involvement, top management commitment to TQM, continuous process improvement and customer focus. Moderating variables are institutional culture and government policies. Intervening variable is the operating environment. The independent variables are those inconstant that are manoeuvred by a researcher in a bid to gauge their impact or effect on another variable. This implies that top employee involvement, management commitment, customer satisfaction and continuous process of improvement have the tenacity to predict if total quality management has some bearing on operational performance at HFC Bank. The result of the dependent variable therefore is based on the control of the independent variables, while moderating variables are those variables that have notable impact on the connection between the dependent variable and the independent variable. For that matter, institutional culture and government policies can negatively impact the association between the independent variable and the dependent variables. Institutional culture can also act as a moderating variable.

Every single institution has its unique culture some of which may attempt to enhance total quality management in the dispatch of service or service delivery with no involvement of TQM concepts. Intervening variable can as well influence the correlation between the independent variable and dependent variable, but it is not too clear cut and might be uneasy to quantify. Figure 2.1 displays the conceptual model that was considered for the research work. The structure shows the plausible interaction between the identified dependent, independent and moderating study variables that the study inquired into.



**Figure 2.1 Conceptual Framework
Researcher's construct, 2017**

The conceptual model showed above reveals the variables identified and their correlations that mitigate in the research model. Government policies and organizational culture support the delivery of quality service. Total Quality management is dependent upon the stated variable for quality delivery of service. The intervening variables which include the operating environment, helps in the assessment of quality service delivery.

2.6.1 Operationalization

The research involved conducting an analysis of top leadership dedication towards prevailing quality protocols at HFC Bank in five branches. The study reviewed the nature of the prevailing employee contributions towards the quality service delivery including the depth of client involvement as regards the quality service delivery and the prevailing continuous process improvement strategies with the degree to which they have influenced quality service delivery.

2.7 SUMMARY AND GAPS

This chapter has managed to supply the reader with a bigger spectacle of the components that determine successful implementation of TQM in the service industry by investigating into the studies and inputs of other research fellows grounded on the central idea of the study. Information from books, periodicals and journals from several authors aided in location of knowledge gaps. Total Quality Management practices have been proven to be very essential in corporate bodies of various dimensions in every industry, in spite of all the gains accruing from the application of these practices, little information is gathered about a Ghanaian research conducted to measure the degree to which these methodologies have been established and well implemented in prevailing systems in the banking sector. An overview of study carried out in other locations of the universe specifically places such as Russia and Malaysia sought to uncover gaps and irregularities with some studies citing positive effects on corporate

institutions adopting TQM and other studies citing no enhancement at all. This is what ignited the desire to investigate the impact of this leadership theory from the Ghanaian standpoint.

Furthermore, many research fellows have centred on the usefulness of TQM and avoided the degree to which the individual TQM practices have been accepted and implemented. A fact finding critique into the Total Quality Management practice also ascertains a consistent argument on the application of TQM in related fields rather than the service industry. This research that is biased more to the service industry seeks to contribute deeper perspectives to the pool of existing knowledge. In as much as there is no singular framework or model of TQM that is overwhelmingly settled upon (Ngware, 2012), makes it essential to enquire about how individual organisations apply quality practices.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter describe the procedures used in conducting the study and includes the research approach, the research design, the population, sampling technique and sample size, data collection and data analysis methods that the researcher used to achieve the objectives of this study.

3.2 RESEARCH APPROACH

The general objective of this study requires learning more about TQM practices and how it affects operational performance in Banks. Therefore, a combination of quantitative and qualitative research approach based on observations and document studies of existing literature is preferred in order to meet the research objectives. Qualitative study is used to examine substantive areas about which little is known or about which much is known to gain novel understanding (Corbin & Strauss, 2008). Besides, it can be used to obtain the intricate details about phenomena such as feelings, thought processes and emotions which are difficult to extract or learn about through more conventional research methods (Mugenda and Mugenda, 2013). Quantitative research on the other hand explains a phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics) and is essentially about collecting numerical data to explain a particular phenomenon (Peters, 2013). The study followed these two approaches to present the analysed data.

3.3 RESEARCH DESIGN

There are 3 main types of design as established by (Cooper and Schindler, 2006). Exploratory research design this is a study done with an aim of exploring a phenomena or an object. Descriptive research design is a study done to describe the characteristic of a phenomena or an object. Casual research design is a study that involves the analysis of the relationship between dependent and independent variable (Cooper and Schindler, 2006).

The study employed cross-section survey which entailed the combination of both qualitative and quantitative approaches. These, was done because the problem required a wider analysis of data at HFC Bank. Survey design uses questionnaires and interview to collect data from the population in order to determine the current status of the population in respect to one or more variable (Mugenda, 2010).

3.4 POPULATION

Borg and Gall (1996) defines population as all members of real hypothetical set of people, even or objects to which a researcher wishes to generalize the results of the study. Target population statistics is defined as the specific population about which information is desired. According to Ngechu (2012), a population is well defined or set of people, services, elements, events and group of things or households that are being investigated. This definition ensures that population of interest is homogeneous. Based on the above definition the target population comprises of the employees of all the 16 branches of HFC Bank in the greater Accra metropolis.

3.5 SAMPLING TECHNIQUE AND SAMPLE SIZE

A sample is a subset of population (Hyndman, 2008). Marczyk, DeMatteo & Festinger (2012) defined a sample as a subset of the population to be studied. It is a true representative of the entire population to be studied (Ngechu, 2012). A good sample should be truly representative of the population, result in a small sampling error, viable, economical, and systematic, whose results can be applied to a universe with a reasonable level of confidence (Kothari, 2010).

Non-probability sampling technique was used in the sample selection. Non-probability sampling according to Saunders (2007) is “a sampling technique to which units of the sample are selected on the basis of personal judgement or convenience. Out of the 16 branches of HFC Bank in the greater Accra metropolis, the study purposively selected five branches. These branches were chosen because they were willing to participate in the study. The estimated number of employees in the five Banks is 80.

Stratified random sampling technique was used to determine the sample size. This method was preferred because the population that was sampled was divided into homogenous groups based on characteristics considered important to the indicators being measured. This method also helped to achieve precision, flexible in the choice of the sample design for different strata and finally one is able to get estimates of each stratum in addition to the population estimate (Kothari, 2010). The strata for the study were divided into top managers, a middle level managers and supervisors. This therefore made all the respondents in the target population have an equal and non-discriminatory opportunity to participate in the study. The researcher adopted a formula from Krejcie and Morgan (1970), to determine the sample size at 95% confidence level. With this formula, the sample size derived from the 80 estimated population is 76. Table 3.1 depicts the classification of the sample unit.

Table 3.1 Classification of Sample size

Category	Population size	Confidence =95%			
		Margin of error			
		5.0%	3.5%	2.5%	1.0%
Top managers	20	19	20	20	20
Middle level managers	20	19	20	20	20
Managers	20	19	20	20	20
Supervisors	20	19	20	20	20
Total	80	76			

Source: Researchers Construct, formula adapted from Krejcie and Morgan 1970

3.6 DATA SOURCE

The research used both primary and secondary data. Primary data was obtained by the use of structured and semi structured questionnaires. Secondary data was collected from, annual reports of HFC Bank, academic journals, project reports, and internet web-sites.

3.7 DATA COLLECTION

For this study, primary data was collected by use of a questionnaire. The questionnaire items were derived from the review literature. The questionnaire items were measured on a Likert scale where respondents were required to indicate their views on a scale of 1 to 5. The questionnaire was categorized into four key sections to address each of the research objectives. Section A is planned to obtain demographic data of the interviewee whereas sections B, C, and D were structured to amass data on the TQM strategies used by HFC Bank, the factors that affects implementation of TQM practices in HFC Bank and the effect of the TQM strategies on operational performance in HFC Bank respectively. The questionnaire was structured to hold equally open ended and closed ended questions to capture as much data as possible. The questionnaires were administered by drop and pick later method at an agreed time with the researcher.

3.8 DATA ANALYSIS

Data Analysis is the processing of data to make meaningful information (Saunders, Lewis and Thornbill, 2009). Burns and Grove (2013) define data analysis as a mechanism for reducing and organizing data to produce findings that require interpretation by the researcher. According to Hyndman (2008) data processing involves translating the answers on a questionnaire into a form that can be manipulated to produce statistics. This involves coding, editing, data entry, and monitoring the whole data processing procedure.

The data collected was sorted, cleaned and coded before the analysis. A descriptive analysis was then employed. Descriptive statistics such as means, standard deviation and frequency distribution were used to analyze the data. Multiple regression was used to measure the quantitative data which was analyzed using the SPSS. Tables and other graphical presentations as appropriate were used to present the data collected for ease of understanding and analysis.

The questionnaire was structured based on key variables which were identified in the literature review to address each of the research objectives. On each of the variables, respondents were asked to indicate the extent to which they agree with each of the factors on a five-point scale where: 1-Strongly disagree, 2- disagree, 3-fairly agree, 4-agree, 5-strongly agree. In order to empirically ascertain the extent to which each factor contributes to the performance of HFC Bank, the Relative Importance Index (RII) was employed. RII was used for the analysis because it best fits the purpose of this study. According to Babbie (2013), RII aids in finding the contribution a particular variable makes to the prediction of a criterion variable both by itself and in combination with other predictor variables. In the calculation of the Relative Importance Index (RII), the formula below as used by Blau (2015) was used.

$$RII = \frac{\sum W}{N} \times A$$

Where, *W* is weighting given to each statement by the respondents and ranges from 1 to 5; *A* is the higher response integer (5); and *N* is the total number of respondents.

The above methods were used to address the first and second objectives. The third objective which is to assess the effect of TQM on operational performance was addressed using a multiple regression analysis.

Multiple regressions is a flexible method of data analysis that may be appropriate whenever quantitative variables (the dependent) is to be examined in relationship to any other factors (expressed as independent or predictor variable) (Huang and Lin, 2013). Relationships may be non-linear, independent variables may be quantitative or qualitative and one can examine the effects of a single variable or multiple variables with or without the effects of other variables taken into account, (Huang and Lin, 2013). For this study, the researcher was interested in measuring the effect of TQM practices on the operational performance in HFC Bank using the multiple regression model below.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \epsilon$$

Where

Y = the value of dependent variable; α = the constant term; β = the coefficient of the function;

X = the value of independent variables and ϵ = the disturbance or error term.

In the study, the dependent variable was organisational performance of HFC Bank. Six TQM indicators, namely; Continuous improvement, business process re-engineering, ISO series, benchmarking, lean practices and six sigma practices representing the independent variables were used.

In the model, operational performance was measured applying Return on Assets (ROA) which is calculated as Net Income divided by Total Assets. To calculate this ratio, the study used secondary data extracted from the income statement of the bank, covering a period of five years (2012-2016).

3.9 ETHICAL CONSIDERATIONS

The respondents were informed of the intention of the research before information was collected from them therefore in compliance to the standards of voluntary and informed consent. The researcher sought permission from heads of the various departments of HFC Bank. Honesty and confidentiality were very much upheld all through the study.

3.10 CONCLUSION

This section presents the methods adopted by the study to address the research objectives. It started with the research approach, followed by the research design, the target population and the sample selection strategy respectively. Other topics such as the data source, data collection methods, data analysis procedures and ethical considerations were thoroughly covered in this section. These procedures were considered as pertinent to this study since similar strategies were followed by several previous researchers.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 INTRODUCTION

The aim of this research is to assess the factors that support effective implementation of TQM in HFC bank. This chapter provides the findings of the study based on the analysis of the primary data obtained from respondents and the secondary data extracted from the income statements of HFC bank (Appendix c). To aid easy understanding, presentation of the results was done utilizing tables, figures and graphs. Furthermore, beneath each statistical presentation, pertinent meanings and interpretations are provided.

4.2 RESPONSE RATE

Primary data was obtained utilizing questionnaire and a self-constructed data gathering sheet was adopted to obtain secondary data. Seventy-six (76) questionnaires were distributed to employees of HFC bank. Seventy-three (73) questionnaires representing 96% response rate were brought back and utilized in the study.

4.3 ANALYSIS OF THE STUDY VARIABLES

This subsection presents the descriptive statistics for each of the research objectives formulated in chapter one. The research applied frequencies on single responses questions. Regarding multiple response questions, the study applied Likert scale in obtaining and assessing data whereby a scale of 5 points were employed in calculating the Relative Importance Index (RII). These were then showed in tables, charts and graphs as suitable with explanations and interpretations.

4.3.1 Research objective one: To examine the TQM practices available in HFC Bank

The heightening demands towards continuous improvement and the wish of banks to accomplish business superiority to become a first-class financial institution drives the need for improvement plans. In an attempt to address the first research objective, respondents were required to indicate the TQM programmes that HFC bank has adopted to improve the performance of their operations.

The questions were set on a five Likert scale where 1 stands for very little extent, 2 for small extent, 3 equals to moderate, 4 for great extent while 5 stands for very great extent. The RII technique was further applied to determine the participant's perception of the relative importance of the indicators.

The RII is calculated as:

$$RII = \frac{\sum W}{A \times N}$$

Where W is the weight assign to each variable by the participants and rates from 1-5. A is the highest weight and equals to 5. N is the total number of the study's participants.

The findings are presented in the Table 4.1 below.

Table 4.1: TQM practices available at HFC bank

VARIABLES	RESPONSES						RII	
	1	2	3	4	5	W	RII	Rank
Continuous improvement	3	8	14	18	30	283	0.775	1st
Business process re-engineering	5	9	12	16	31	278	0.761	2nd
ISO series	6	10	13	17	27	268	0.734	3rd

Benchmarking	7	9	15	18	24	262	0.717	4th
Lean	8	11	14	19	21	253	0.693	5th
Six sigma	10	13	15	16	19	240	0.657	6th

Source: Authors analysis, 2017

From the tabulated results above, it became obvious that HFC adopted six TQM practices to improve its business processes. Of these practices, continuous improvement was rated by respondents as the most frequent quality improvement programme used by the bank (RII=0.775); followed by business process re-engineering with (RII=0.761), ISO series (RII=0.734), benchmarking (RII=0.717), lean (RII=0.693), and finally six sigma with an RII score of 0.657. The results makes continuous improvement, business process re-engineering and ISO series the top common practices followed by HFC bank to enhance its operations. The findings contradicts the results of Anderson (2014) who established that the best TQM programme for service firms must be quick response, Kaizen, and Agile practices. The results however concurs with Murray and Chapman (2014) who state that ISO series and business process re-engineering are the most effective quality improvement practices in the service sector because of their continuous improvement and customer satisfaction capabilities.

4.4.2 Research objective two:

To evaluate the factors that supports effective implementation of TQM at HFC Bank

To address this objective, the study adopted five key determinants of TQM implementation as identified by previous researchers such as Baidoun (2013) and Stringham (2014) in a similar study. These factors are management commitment, customer focus, continuous improvement, employee involvement and employee empowerment. The sections below have examined these factors individually.

4.4.2.1 Management commitment

As a major contributor to effective TQM implementation, the study assessed whether there was some support from management in vital areas of policy, quality audits, statistical tools and methods and quality supplier associations. The components of these factors were estimated on a five point Likert scale and further application of the RII method. The results are shown in the table below.

Table 4.2: Assessment of management commitment variables

VARIABLE	RESPONSES						RII	
	1	2	3	4	5	W	RII	Rank
Management comply with internal quality activities such as audits and investigational designs	5	6	12	17	33	286	0.783	1st
Management adheres to procedure control to avoid sub-standard services	4	10	13	15	31	278	0.761	2nd
Management supports the utilization of quality tools and statistical techniques to make choices	6	9	12	14	32	276	0.756	3rd
The bank's management has obviously specified policies on quality pattern	3	11	15	18	26	272	0.745	4th
Management matches the demands of your bank to quality certified supplies	7	9	11	18	28	270	0.739	5th

Source: Authors analysis, 2017

From the tabulated results in Table 4.2 above, it is apparent that management commitment to internal quality activities such as audits and investigational designs was highly practiced as indicated by an RII score of 0.783. Respondents also ranked management's adherence to procedure control to avoid sub-standard services as the second highly followed activity at the bank with an RII rating of 0.761. The utilization of quality tools and statistical techniques to

make choices emerged as the third most important activity with (RII=0.756), specification of policies on quality patterns came as fourth (RII=0.745), while the matching of the demands of the bank to quality certified supplies was ranked fifth (RII=0.739). The result is consistent with the findings of Rad (2012), who established that management functions as the driver for the implementation of TQM, creating standards, goals and systems to please consumer expectations and to enhance the performance of firms. The results further corroborate the findings of Walsh (2012) who found that management commitment is vital for a firm's quality growth because with their support and contributions, adequate resources would be apportioned to improve training actions resulting in superior quality dimension, enhanced customer satisfaction and benchmarking.

4.4.2.2 Customer focus

Customer focus as a vital component to the excellence of any service organization is a strong factor that affects TQM. As an independent indicator to examine the degree to which it affects TQM, the study's participants requested to assess the various aspects of customer focus using a likert scale of 1-5.

Table 4.3: Results for customer focus

VARIABLE	RESPONSES						RII	
	1	2	3	4	5	W	RII	Rank
HFC bank benchmarks its systems and procedures to the best practices for the advantage of clients	2	8	13	21	29	286	0.783	1st
HFC bank has a swift answer strategy which reduces the time for replying to customer grudges	5	9	14	19	26	271	0.742	2nd
Customer complaint processes reduces bureaucracy to the lowest	4	12	13	17	27	270	0.739	3rd
HFC bank keeps a usual service appraisal policy of their products to meet the customers up-and-coming demands	7	10	11	16	29	269	0.736	4th

Client surveys are vital elements of HFC bank in tracking consumer demands	10	12	16	17	18	240	0.657	5th
--	----	----	----	----	----	-----	-------	-----

Source: Authors analysis, 2017

It can be noted from the analysis in the above table that, benchmarking of systems and procedures to the best practices for the benefit of customers was the most practice customer focus activity of HFC bank (RII=0.783). This is followed by the swift answer strategy which reduces response time to customer grudges with an RII rating of 0.742, Customer complaint processes reduces bureaucracy to the lowest was the third most vital activity (RII=0.739). The least practiced activity under this category is clients surveys in tracking customer demands (RII=0.657).

The results concur with Edward (2012) who concludes that listening to customers and responding rapidly to their varying demands, perceptions and expectations is one of the TQM essential approaches. By maintaining close association with the clients, businesses can ascertain client’s needs; collect data on customer trend and benchmark them with their rivals. This can be an appealing plan towards attracting new clients and maintaining customer loyalty (Edward, 2012).

4.4.2.3 Continues improvement

As a major success indicator for TQM, continuous improvement is vital in making sure that banks earns a competitive advantage by streamlining their functions, reducing operational expenses and making distinctive products that are path reliant. The responses of the participants regarding the extent to which continuous improvement practices affected quality improvement is given in table 4.4 below:

Table 4.4: Continuous improvement practices

VARIABLE	RESPONSES						RII	
	1	2	3	4	5	W	RII	Rank
HFC bank provides continuous training of its staff	2	8	11	16	36	296	0.808	1st
Vision, mission and objectives were followed	4	12	13	17	27	270	0.739	2nd
HFC bank has invested in individual innovation processes	6	9	15	18	25	266	0.728	3rd
PDCA cycle was extremely mobilized within banking activities	10	12	16	17	18	240	0.657	4th
HFC implement improvements processes based on Statistical approach	9	14	16	16	18	239	0.654	5th

Source: Authors analysis, 2017

The results in Table 4.4 reveal continuous improvement processes have been followed to a very great extent with continuous training of staffs given the utmost priority at the bank (Ranked 1st). Quality vision, mission and objectives were ranked second most important continuous improvement function with an RII score of 0.739. The extensive support for the personal continuous improvement processes by HFC indicates that continuous learning a strategy that was common in the 1980s is ranked as the third most important process in the bank (RII=0.728). The Shewart's Cycle or Plan Do Check and Act Cycle was ranked fourth with an RII ratings of 0.657. This result means that statistical founded approaches are not fully followed by HFC bank as demanded by globally accepted standards which requires its higher implementation in service firms (Buainainn, 2014). The results are contrary to the findings of Kaynak (2013), who established that most commercial banks in Malaysia adopted statistical based quality approach in their operations.

4.4.2.4 Employee involvement and empowerment

Participants were asked to measure their perception of the contributions of five employee involvement indicators to quality improvement in HFC bank. Their responses are given in the Table 4.5 below.

Table 4.5: Employee involvement processes at HFC bank

VARIABLE	RESPONSES						RII	
	1	2	3	4	5	W	RII	Rank
Defining of managerial obligation	5	6	12	17	33	286	0.783	1st
Staff motivation	3	10	12	18	30	281	0.769	2nd
Teamwork	6	8	13	20	26	271	0.742	3rd
Rewards and recognition	8	11	13	15	26	259	0.709	4th
Training of staff	9	11	13	17	23	253	0.693	5th

Source: Authors analysis, 2017

The findings in Table 4.5 above shows that employee involvement and empowerment was implemented to a very great extent with defining managerial obligations being the most followed activity with an RII of 0.783. Staff motivation received the second most important indicator rankings of RII=0.769. Team work followed with an RII score of 0.742, rewards and recognition was fourth with an RII of 0.709. Training of staff comes last in what is regarded as very high expenses of accomplishing the duty.

The respondents were further required to indicate the level to which the adoption of the various quality improvement strategies contributes to HFC banks operational performance. Their responses are shown in the diagram below.

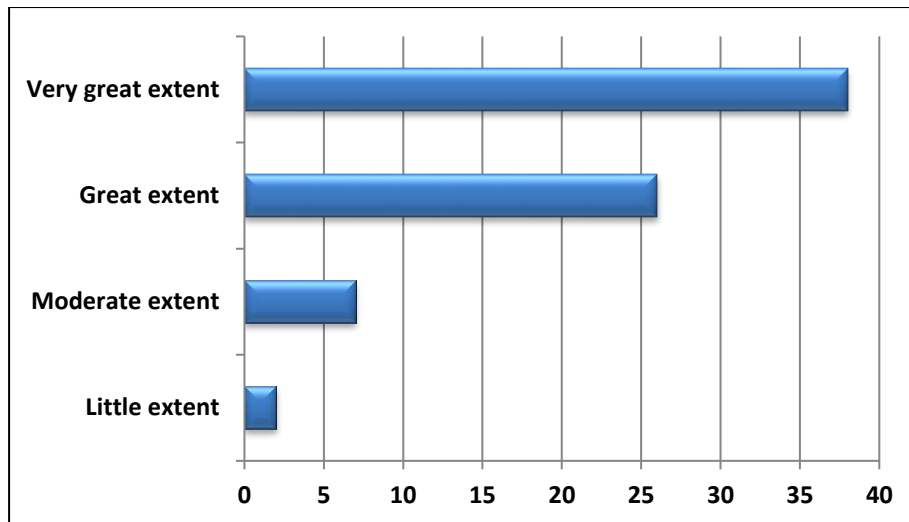


Figure 4.1: Quality improvement strategies and operational performance

Source: Researcher's Fieldwork, 2017

As indicated in Figure 4.4 above, the responses are mostly positive as majority of the participants (52%) believed that the quality strategies applied by HFC bank has led to better operational performance to a very great extent and 35% to a great extent, while 10% indicated moderate extent. Only 3% of the participants selected little extent.

These results means that the quality strategies applied by HFC bank has ended up in improving operational performance as measured by effective implementation of TQM strategies to a great extent as shown by the number of respondents who opted for very great extent and great extent respectively. It also reveals the tremendous prospect that awaits HFC bank if it continues to apply these strategies.

4.4.3 Objective three:

To assess the effect of the TQM practices on operational performance in HFC Bank

To address this objective, the study carried out a multiple regression assessment to examine the associations between the six quality improvement variables and operational performance as measured by Return on Asset. Secondary data extracted from the bank's income statements

spanning five years (5) was used for the analysis (Appendix c). The statistical package for social scientists (SPSS) was applied to code, enter and calculate the dimensions of the multiple regressions for the research. The results are calculated in Tables 4.6, 4.7, and 4.8 respectively.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.864	0.752	0.684	0.563

Source: Researcher's Fieldwork, 2017

- a. Predictors: (Constant), Continuous improvement, business process re-engineering, ISO series, benchmarking, lean, six sigma
- b. Dependent variable: ROA

The findings in Table 4.6 show a correlation coefficient rate of 0.864. This indicates a good linear dependence between ROA and the six predictor indicators. An R-square rate of 0.752 was achieved in the regression model and further adjusted to 0.684. The coefficient of determination rate (R) of 0.864 suggest that the six independent indicators contribute 86.4% to the changes of operational performance even as other indicators that were not included in the model explained 13.6% of ROA.

The research further carried out an Analysis of Variance (ANOVA) examination to make simultaneous comparisons between the study indicators so as to establish the significant association between the research variables. This analysis also helped the research to determine the significance of the regression model adopted for the study. Table 4.7 depicts the ANOVA results.

Table: 4.7: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.923	8	1.052	7.425	.000 ^a

	Residual	8.621	63	1.921		
	Total	10544	71			

Source: Researcher's Fieldwork, 2017

- a. Dependent variable: ROA
- b. Predictors: (Constant), Continuous improvement, business process re-engineering, ISO series, benchmarking, lean, six sigma

The ANOVA findings above show the regression association was significant in anticipating how the six quality improvement practices contributed to ROA as showed by the p-value of .000. The findings established that the regression model is significant statistically as proved by the computed F-value of 7.42 which is greater than the critical F-value of 2.04.

4.4.3.1 Model coefficient

The research also examined the coefficients to determine the direction of the relationship (either negative or positive) among the quality improvement measures and operational performance.

The results are presented in Table 4.8 below.

Table 4.8: Coefficient of determination

Model		Under standardized Coefficients		Standardized Beta	t	Sig.
		B	Std. Error			
1	Constant	1.023	0.1125		4.253	.000
	Continuous improvement	0.654	0.0952	0.1257	5.684	.010
	Six sigma practices	0.485	0.2863	0.1432	3.084	.000
	ISO series	0.511	0.1824	0.1901	2.621	.000
	Lean	0.321	0.1621	0.0832	2.421	.001
	Business process re-engineering	0.245	0.152	0.624	2.2845	.004
	Benchmarking processes	0.215	0.092	0.621	2.621	.002

Source: Researcher's Fieldwork, 2017

- a. Dependent variable: ROA

The regression model beneath was attained from the model coefficient Table above.

$$\text{ROA} = 1.023 + 0.654X_1 + 0.485X_2 + 0.511X_3 + 0.321X_4 + 0.245X_5 + 0.215X_6$$

Per the above equation, the research established that Continuous improvement, business process re-engineering, ISO series, benchmarking, lean and six sigma practices explain a positive association with ROA. The results demonstrate that these variables were statistically significant at 95% confidence level. Established on the results, continuous improvement had a p-value of (p=0.010), six sigma practices gained a p-value of (0.000), ISO series recorded a p-value of (p=0.000), lean practices had a p-value of (0.001), business process re-engineering recorded a p-value of (0.004) and ultimately, benchmarking processes had a p-value of (p=0.002). These values are less than 0.05, and accordingly regarded as significant statistically. The overall outcome of the findings means that continuous improvement, six sigma, ISO series, lean practices, business process re-engineering and benchmarking processes are capable of improving operational performance if the bank continues to follow these strategies.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This is the concluding chapter of the research report. It gives a summary of the major findings of the study, conclusions made from the findings, recommendations for policy formulation and suggestions for future research.

5.2 SUMMARY OF KEY FINDINGS

The study assessed the factors that support effective implementation of total quality management principles at HFC bank. A combination of primary and secondary data was applied in this research. Primary data was collected from 73 employees of five purposely chosen HFC bank branches in Accra. Secondary data was collected from the bank's income statement, academic journals and previous relevant published studies. Data analysis techniques such as descriptive statistics and regression analysis were conducted on the collected data. The statistical package for social scientists software was applied in the analysis.

The findings revealed that HFC bank has followed six key quality strategies to improve its operational performance. These strategies are continuous improvement, benchmarking practices, business process re-engineering, ISO series, lean practices and six sigma practices. Out of these approaches, continuous improvement, business process re-engineering and ISO series respectively contributed tremendously to improved operational performance at HFC bank.

The study has also demonstrated that the six strategies have ended up in contributing to operational performance to a very great extent as pointed out by 87% of the respondents. These

results were further corroborated by the regression coefficient results which established a positive significant association between the individual TQM strategies and operational performance. Factors such as top management commitment, customer focus, continuous improvement, employee involvement and employee empowerment were observed as major contributors to effective implementation of TQM practices in firms.

5.3 CONCLUSION

This research assessed the factors that support effective implementation of TQM at HFC bank. The conclusions and recommendations made were founded on dealing with the three research objects developed in chapter one which were;

1. To examine the TQM practices available in HFC Bank
2. To evaluate the factors that support the implementation of TQM in HFC Bank
3. To assess the effect of the TQM practices on operational performance at HFC Bank

With regard to the first research objective, the research discovered that HFC bank has adopted six major TQM practices to improve operational performance. The second research objective found top management commitment, customer focus, continuous improvement, employee involvement and employee empowerment as the key factors that promote effective implementation of TQM at HFC bank. The third research objective has assessed the effect of the TQM practices on operational performance at HFC Bank. Majority of the respondents (87%) as per the findings pointed out that the TQM practices followed by HFC bank has resulted in improved operational performance to a great extent.

5.4 RECOMMENDATIONS

Based on the findings of the research, the recommendations below were made:

It has emerged from the results that HFC bank has not implemented some of the components of the TQM practices to the fullest. A crucial aspect of continuous improvement practices is the use of statistical based approaches, a process which was ranked as the least practiced at HFC bank. Hence, HFC bank must enlarge their continuous improvement exercises to involve all manner of procedures including management actions and styles. From the operations point of view, there are countless activities in HFC bank that may be the focus of quality improvement. Areas such as loan application, the service processing time, ATM, procedure of opening new accounts, credit cards, waiting times and precision and timeliness of financial statements. Furthermore, the times needed to respond to client's inquiries are regarded as some of the processes that require continuous improvements.

5.5 LIMITATIONS OF THE STUDY

It was hard to convince and persuade respondents to participate actively in the study process. Most of the participants mentioned busy work schedules at the bank as reasons why they cannot make time to fill the research instruments. The researcher had to make several follow-ups to have the instruments completed within time.

The results of this research are limited to the banking sector; they cannot be applied either directly or indirectly to other firms functioning outside the framework of the banking sector. It is proper for the reader to realize that these results can be applied for only comparative reasons and not straight application of other sectors.

A major challenge encountered by the study during data gathering was time constraints. Obtaining of primary data consumed a lot of time. The researcher had to prepare effectively so as to deal with the diverse demands of the procedures while ensuring that every activity is performed within time and on schedule.

5.6 SUGGESTION FOR FURTHER STUDIES

This study was conducted in only one commercial bank. Future researchers can consider three or more banks applying the same TQM strategies adopted by HFC bank. With this, the study can make a comparison between the three banks and establish a result that can be generalised.

This study recognizes the multidimensional nature of TQM practices. Nevertheless, further studies can look at the connections not just between particular quality improvement practices but also among the practices and diverse sets of performance indicators to gain a superior view of quality management. Finally, the researcher considers that the function of a company's competitive surroundings as a precursor of the adoption of quality improvement strategies also merits further research. It is essential to extend a deeper view of the kind of environment that supports the acceptance of quality improvement strategies.

Further studies can also be carried out to assess the effectiveness of quality practices in Ghana's public sector. Emphasis must be on the ministries, department and agencies where several complaints have been made on inadequate quality of service. The findings of such research can help the public sector to devise innovative quality strategies that can improve their services.

REFERENCES

Adam, E., Flores, B. & Macias, A., 2014. Quality improvement practices and the effect on manufacturing firm performance: evidence from Mexico and the USA, *International Journal of Production Research*, 39, pp. 43-63.

Adam, Jr, Corbett, M., Flores, E. & Harrison, J., 2007. An international study of quality improvement approach and performance in Healthcare Centre's, *International Journal of Operations & Production Management*, 9:842-73.

Adza-Awude, K., 2012. Assessment of total quality management practices on organisational performance at intravenous infusions limited Koforidua. *Unpublished MBA Thesis: KNUST, Ghana, 2012*

Agus, A., 2012. An Empirical Investigation on The Impact of Quality Management on Productivity and Profitability: Associations and Mediating Effect. *Contemporary Management Research*, 5(1), 77-92.

Ahire, S. & Dreyfus, P., 2012. The impact of design management and process management on quality: an empirical examination, *Journal of Operations Management*, 18, pp. 549-575.

AI-Mansour, A., 2007. *Application of TQM to Financial Services*. Retrieved January 19, 16(8-9), pp. 1053-1060. 2012,

Aljalahma, R., 2011. Impact of Organizational Culture on TQM Implementation Barriers. *Brunel Business School – Doctoral Symposium 28th & 29th March 2011*

Anderson, J., & Rungtusanatham, M., 2014. *A Theory of Quality Management Underlying the Deming Management Method*. *Academy Of Management Review*, 19(3), 472-509.

Anderson, M., 2014. "A Study of the Relationship between Quality Management Practices and Performance in Small Business", *International Journal of Quality & Reliability Management*, Vol. 16 pp. 859-77

Arawati, A. (2013). The Structural Linkages Between TQM, Product Quality Performance, and Business Performance: Preliminary Empirical Study in Electronics companies. *Singapore Assurance in Education*, 14, 339-362.

Babbie, E., 2013. *The Survey of Social Research*, 8th Ed., Belmont, California, Wadsworth Publishing Company

Backstrom, I., 2009. Quality management and causes of poor quality management implementation, Mid Sweden University, Ostersund, doctoral dissertation

Baidoun, S., 2014. An Empirical Study of Critical Factors of TQM in Palestinian Organizations. *Logistics Information Management* 16 (2), 156-171

Benson, P.G., Seraph, J. & Schroeder, R., 2014. The effects of organizational context on quality management: an empirical investigation, *Management Science*, 37(9), pp. 1107-1124.

- Black, A. & Porter, L., 2013. Identification of the Critical Factors of TQM. *Decision Sciences*, 27(1), 1-21. <http://dx.doi.org/10.1111/j.1540-5915.1996.tb00841.x>
- Blau, G., 2015. "Testing the Longitudinal Impact of Work Variables and Performance Appraisal Satisfaction on Subsequent Overall Job Satisfaction", *Human Relations*, Vol. 52 No. 8, pp. 1099-113.
- Burrows, P., 2012. *TQM reality check: It works, but it's not cheap or easy*. *Electronic Business*, 18, 8-22. Crosby, P. B. (1979). *Quality is free*. New York: McGraw-Hill, Inc.
- Chuan, T. & Soon, L., 2010. A detailed trend analysis of national quality awards worldwide. *Total Quality Management, II* (8), 182-185.
- Cooper, D., & Schindler, P., 2006. *Business Research Methods* (8th edn) McGraw-Hill: New York.
- Crosby, P., 1979. *Quality is Free: The Art of Making Quality Certain*, New American Library, New York, NY: Penguin.
- Dale, D., Zairi, M., Van der Wiele, A., & Williams, T., 2010. Quality is dead in Europe: Long live experience - true or false? *Measuring Business Excellence*, 4(3), 4-11.
- Dale, E., 2013. Managers and Consulting: A Total Quality Perspective. *The Journal of Management Development*. Vol. 12 No. 7.
- Deming, W., 1986). *Out of crisis*. Cambridge, MA: Massachusetts Institute of Technology, Center for Advanced Engineering Study. Lewis, Saunders and Thornhill, 2011).
- Dooley, K., 2014. "The paradigms of quality: evolution and revolution in the history of the discipline", *Advances in the Management of Organisational Quality*, Vol.5, JAI press 1-28.
- Edward, S., 2012. TQM in Banking. *The TQM Magazine*, 2, 14-15.
- Ettlie, J., 2014. Quality, technology, and global manufacturing, *Production and Operations Management*, 6, 2, 150-64.
- Feigenbaum, A., 1991. *Total quality control* (3rd ed.). New York: McGraw-Hill, Inc.
- Fenghueih, H., & Yao-Tzung, C., 2012. Relationships of TQM philosophy, methods and performance: a survey in Taiwan, *Industrial Management & Data Systems*, 102, 4, 226 - 234
- Fine, C., 2013. *Managing Quality; A Comparative Assessment, Manufacturing Issues*, New York; Booz Allen & Hamilton Inc.
- Flynn, B., Schroeder, R. & Sakakibara, S., 2010. "A Framework for Quality Management Research and an Associated Measurement Instrument", *Journal of Operations Management*, Vol. 11 No. 4, pp. 339-66
- Gardner, D. & Carlopio, J., 2012. "Employee Affective Reactions to Organizational Quality Efforts", *International Journal of Quality Science*, Vol. 1 No. 3, pp. 39-49
- Hackman, J., & Wageman, R., 2015. Total quality management: empirical, conceptual and practical issues, *administrative science quarterly*, 40(1995): 309-343.

Harvey, D., and Brown, D., 2013. *An Experiential Approach to Organisational Development*. Upper Saddle, Prentice Hall.

Huang, Y., & Lin, B., 2013. An Empirical Investigation of Total Quality Management: A Taiwanese Case. *The TQM magazine*, 14(3) 172-181.

Hunt, J., 2011. Total Quality Management: empirical, conceptual, and practical issues. *Administrative Science Quarterly*, 40, 309-342.

Ishikawa, K., 1985. *What is Total Quality Control? The Japanese way*. London: Prentice-Hall.

Jamali, G., Ebrahimi, M., & Abbaszadeh, M., 2010. TQM Implementation: An Investigation of Critical Success Factors. *International Conference on Education and Management Technology*

Journal- November 2008, 7(11), 49-54.

Juran, K., 1993. *Juran's Quality Control Handbook*. McGraw-Hill Book Company New York, NY.

Juran, M., & Gryna, F., 2013. *Juran's Quality Control Handbook*. McGraw-Hill Book Company New York, NY.

Kannan, V. & Tan, K., 2011. Just in time, total quality management, and supply chain management: Understanding their linkages and impact on business performance, *Omega*, 33, pp. 153-162.

Kathaara, C., 2014. Studies on Total Quality Management Practices and Operational Performance of commercial banks in Kenya.

Kaynak, H., 2013. The relationship between total quality management practices and their effects on firm performance, *Journal of Operations Management*, Vol. 21, 4,405-35

Kaziliunas, A., 2013. The Implementation of Quality Management Systems in Service Organizations. *MykolasRomeris University*. 34, 71-82

Kothari, C., 2010. *Research methodology*, 2nd Ed. New Delhi: New Age International (P) Limited Publishers.

Krejcie, R., & Morgan, W., (1970). *Determining sample size for research activities*. Educ psychol meas. *Management Review*, 27 (1), 87-105.

Morrow, P., 2010. "The Measurement of TQM Principles and Work-related Outcomes", *Journal of Organizational Behaviour*, Vol. 18 No. 4, pp. 363-76

Muli, E., 2014. Quality improvement practices and business performance among commercial state corporations in the Ministry of Health, Kenya, *Unpublished MBA Project*, University of Nairobi

Murphey J., 2011. Total Quality Management: An Assessment of Implementation in Florida's Municipal Police Agencies

- Mutua, W., 2014. Quality management practices and performance of cement manufacturing firms in Kenya, *Unpublished MBA Project*, University of Nairobi
- Naeem, R., Saif, M., & Qasim, S., 2008. Total Quality Management - A Recommended
- Ngechu, M., 2012. Understanding the Research Process and Method, University of Nairobi, Star Bright Services Ltd
- Ngware, M., 2012. Total quality management in secondary schools in Kenya. *Quality*
- Oakland, J., 2010. From quality to excellence in the 21st century, *Total Quality Management*, from, <http://faculty.kfupm.edu.sa/CEM/bushait/cem515/term-papers/TOM-Finance>.
- Oloko, M., 2001. Obstacles in the Implementation of TQM in the Banking Sector: A Case of the Standard Chartered Bank (K) Ltd. Unpublished MBA Project Report, School of Business, University of Nairobi
- Oluwatoyin, A. & Oluseun, A., 2008. Total Quality Management. A test of the Effect of TQM on Performance and Stakeholder Satisfaction. *Blekinge Institute of Technology, School of Management*
- Omachonu, V. & Ross, J., 2010. *Principles of Total Quality*, St Lucie Press, Delray
- Oriare, K., 2011. Application of total quality management in strategic management at Safaricom Limited, *unpublished MBA project*, University of Nairobi School of Business.
- Peters, J., 2013. Operationalizing total quality: a business process approach. *The TQM Magazine*. Vol. 6 No.4, pp 29-33
- Prajogo D. & Sohal, A., 2014. "TQM and innovation: a literature review and research framework", *Technovation*, vol.21, pp. 539-558.
- Rad, A., 2013. The impact of organizational culture on the successful implementation of total quality management. *The TQM Magazine*, 18(6), 606-625.
- Reed, R., Lemak, D. & Montgomery, J., 2012. Beyond process: TQM content and firm performance, *Academy of Management Review*, 21(1), pp. 173-202.
- Ross, B. (2014). *Strategic Quality Management. International Guide to Quality Science* (2nd ed.). Sheffield: University of Sheffield.
- Samson, D., & Terziovski, M., 2013. The Relationship Between Total Quality Management Practices and Operational Performance. *Journal of Operations Management*, 17, 393-409. <http://dx.doi.org>
- Sangeeta, S. & Banwe, D., 2012. *Conceptualizing total quality management in higher education. The TQM Magazine*, 16(2), 145-159.
- Saunders, M., Lewis P. & Thornhill, A., 2009. Research Methods for Business Students 5th edition Prentice Hall
- Sharp, P., Sharif, I., Kutucuoglu, K., & Davies, J., 2013. Factors Affecting Successful Implementation of ISO 9001: 2000. *School of Management, University of Salford, UK*

Sinclair, D. and Zairi, M., 2011. An empirical study of key elements of total quality-based performance measurement systems: a case study approach in service industry, *Total Quality Management*, Vol. 12 No. 4, pp. 535-50.

Strategy For The Pakistani Banking Sector. *International Business & economics Research*
Waldman, D., 2014. "The Contributions of Total Quality Management to a Theory of Work Performance", *Academy of Management Review*, Vol. 19 No.3, pp. 510-36

Wali, S. & Boujelbene, V., 2011. Cultural Influences on TQM Implementation and Financial Performance in Tunisian Firms

Walsh, A., 2012. "Total Quality Management Continuous Improvement: Is the Philosophy a Reality?" *Journal of European Industrial Training*, Vol. 26(6), pp. 299-307

Yusof, S. & Aspinwall, E., 2010. "A conceptual framework for TQM implementation for SMEs", *The TQM Magazine*, Vol. 12 No. 1, pp. 31-6.

Zehir, C., & Sadikoglu, E., 2010. The relationship between total quality management (TQM) practices and organizational performance: An empirical investigation, *International Journal of Production Economics*, Vol.101, No. 2, pp.1-45

**APPENDIX A:
QUESTIONNAIRE**

This questionnaire is meant to gather data from workers of HFC Bank. The researcher needs this information so as to complete her Master’s degree thesis. All information you shall give will be treated as confidential and utilised rigorously for academic purpose only.

SECTION A: Quality practices available at HFC Bank

Please indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where 1= strongly disagree and 5 = strongly agree. Please tick (√) which best describes your opinion of the statement.

VARIABLES	RESPONSES				
	1	2	3	4	5
Continuous improvement					
Business process re-engineering					
ISO series					
Benchmarking					
Lean					
Six sigma					

Others please specify

.....

.....

.....

.....

SECTION B. MANAGEMENT COMMITMENT

Please indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where 1= strongly disagree and 5 = strongly agree. Please tick (√) which best describes your opinion of the statement.

VARIABLE	RESPONSES				
	1	2	3	4	5
Management comply with internal quality activities such as audits and investigational designs					
Management adheres to procedure control to avoid sub-standard services					
Management backs the utilization of quality tools and statistical techniques to make choices					
The bank’s management has obviously specified policies on quality pattern					
Management matches the demands of your bank to quality certified supplies					

Others Please specify

.....

.....

.....

SECTION C. CUSTOMER FOCUS

Please tick (√) which best describes your opinion of the statement.

VARIABLE	RESPONSES				
	1	2	3	4	5
HFC bank benchmarks its systems and procedures to the best practices for the advantage of clients					
HFC bank has a swift answer strategy which reduces the time for replying to customer grudges					
Customer complaint processes reduces bureaucracy to the lowest					
HFC bank keeps a usual service appraisal policy of their products to meet the customers up-and-coming demands					
Client surveys are vital elements of HFC bank in tracking consumer demands					

SECTION D. CONTINUOUS IMPROVEMENT

Please tick (√) which best describes your opinion of the statement.

VARIABLE	RESPONSES				
	1	2	3	4	5
HFC bank provides continuous training of its staff					
Vision, mission and objectives were followed					
HFC bank has invested in individual innovation processes					

PDCA cycle was extremely mobilized within banking activities					
HFC implement improvements processes based on Statistical approach					

SECTION E. EMPLOYEE INVOLVEMENT AND EMPOWERMENT

Please tick (√) which best describes your opinion of the statement.

VARIABLE	RESPONSES				
	1	2	3	4	5
Defining of managerial obligation					
Staff motivation					
Teamwork					
Rewards and recognition					
Training of staff					

Others please specify

.....

.....

.....

.....

Thank you for your time

Appendix B

Morgan and Krejcie Table for determining sample size

Required Sample Size								
Population Size	Confidence = 95%				Confidence = 99%			
	5.0%	Margin of error		1.0%	5.0%	Margin of Error		1.0%
		3.5%	2.5%			3.5%	2.5%	
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	146	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1,067	427	636	827	1,119
1,500	306	515	759	1,297	460	712	959	1,376
2,000	322	563	869	1,655	498	808	1,141	1,785
2,500	333	597	952	1,984	524	879	1,288	2,173
3,500	346	641	1,068	2,565	558	977	1,510	2,890
5,000	357	678	1,176	3,288	586	1,066	1,734	3,842
7,500	365	710	1,275	4,211	610	1,147	1,960	5,165
10,000	370	727	1,332	4,899	622	1,193	2,098	6,239
25,000	378	760	1,448	6,939	646	1,285	2,399	9,972
50,000	381	772	1,491	8,056	655	1,318	2,520	12,455
75,000	382	776	1,506	8,514	658	1,330	2,563	13,583
100,000	383	778	1,513	8,762	659	1,336	2,585	14,227
250,000	384	782	1,527	9,248	662	1,347	2,626	15,555
500,000	384	783	1,532	9,423	663	1,350	2,640	16,055
1,000,000	384	783	1,534	9,512	663	1,352	2,647	16,317
2,500,000	384	783	1,536	9,567	663	1,353	2,651	16,478
10,000,000	384	784	1,536	9,594	663	1,354	2,653	16,560
100,000,000	384	784	1,537	9,603	663	1,354	2,654	16,584
300,000,000	384	784	1,537	9,603	663	1,354	2,654	16,586

Appendix c:

Secondary data extracted from the income statement of HFC Bank

Year (2012-2016)	Net Assets (Total assets –Total liabilities)	ROA (Net Income / total assets)
2012	6101251	0.151010
2013	5701102	-0.02103
2014	5612170	0.066533
2015	4503132	-0.06153
2016	7080246	0.147510