STRATEGIES FOR ENHANCING CUSTOMER SATISFACTION IN
THE BANKING INDUSTRY IN KENYA:
A CASE STUDY OF COMMERCIAL BANK OF AFRICA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY
NAIROBI

SPRING 2002
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BY
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A Project Report Submitted to the School of Business in Partial Fulfilment of the Requirement of the Degree of Masters in International Business Administration

UNITED STATES INTERNATIONAL UNIVERSITY
NAIROBI

SPRING 2002
STUDENT'S DECLARATION

I, the undersigned declare that this is my original work and has not been submitted to any other college, Institution or University other than USIU-A in Nairobi for academic credit.

Signed: [Signature]  
Susan Wambui Omondi  
Date: 24-09-02

This project paper has been presented for examination with my approval as the appointed supervisor.

Signed: [Signature]  
Dr. George K'Aol  
Date: 26-09-02

Signed: [Signature]  
Dean, School of Business  
Date: 27-9-02

Signed: [Signature]  
Deputy Vice Chancellor, Academic Affairs  
Date: 2-10-02
DEDICATION

Dedicated to:

My husband, Lucky Omondi
My daughter, Ashley Omondi
My parents, sisters and brothers.

Many thanks for your understanding and patience.

Susan Wambui Omondi
ACKNOWLEDGEMENTS

Many people contributed to the accomplishment of this project and I wish to express my gratitude to them all.

I acknowledge the professional guidance of my supervisor, Dr. G.O. K’Aol, who patiently provided the direction I should take.

Special thanks to my husband, Lucky Omondi and my daughter, Ashley Omondi, whose time I had to sacrifice to ensure completion of this project.

Sincere thanks to the CBA staff and customers who took time out of their busy schedule to answer the questionnaires as truthfully as possible.

Finally, my appreciation goes to all those who assisted me in one-way or the other.

To all of you, many thanks and God bless.

Susan Wambui Omondi
USIU-AFRICA: NAIROBI 2002
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LIST OF ABBREVIATIONS/ACRONYMS

1. ARM – Account Relationship Manager
2. ATM – Automated Teller Machines
3. CBA – Commercial Bank Of Africa Ltd
4. f – Frequency Distribution
5. HRD – Human Resource Department
6. I.T. – Information Technology
7. TQM – Total Quality Management
8. TQS – Total Quality Service
9. USIU – United States International University
ABSTRACT

The purpose of this study was to determine strategies that can enhance customer satisfaction at Commercial Bank of Africa Ltd (CBA) in order to improve services and gain a competitive edge. The research was guided by the following research questions:

- What strategies reflect CBA’s senior management commitment to customer satisfaction?
- What strategies does CBA use to facilitate employee involvement and satisfaction?
- What strategies does CBA use to satisfy external customers?

The research design was a case study. The population sample of the study was CBA branches, CBA staff and CBA customers in Nairobi. A total of five (5) branches were selected. The staff included senior management, middle level management and non-management staff. The external customer sample included both individual and corporate account holders. Primary information was solicited from the target population through questionnaires.

The research findings revealed that the majority of the senior management formulated and implemented strategies with a view of attaining customer satisfaction. The vision of CBA calls for an absolute dedication to understanding customer needs and fulfilling those needs with the appropriate mix of service, efficiency and reliability. The leadership styles adopted and the generic strategy used contribute to the success of the customer satisfaction strategies.

The research also revealed that the internal customers are generally satisfied with the strategies that address their satisfaction especially the working environment, teamwork and lack of discrimination. However, the majority of the internal customers indicated that an increase in staff benefits and incentives, and higher remuneration was necessary. CBA staff members were especially keen on receiving bonuses as a way of profit sharing.

The results indicated that the majority of the external customers were also satisfied with the strategies in place such as service delivery, branch locations, products offered and
professional staff but certain areas needed improvement such as introduction of more
delivery channels with ATMs being the most popular, change in loan policies to cater for
'small' borrowers and enhanced stationery.

The major conclusion made from the findings was that CBA strives to ensure customer
satisfaction, both internal and external. Although CBA has not undertaken a TQM project
specifically, they have understood the concepts of TQM and are seen to be concerned with
top management commitment to a quality culture, employee involvement and continuous
improvement. Strategies to enhance customer satisfaction would not succeed if top
management were not committed to their formulation, implementation and control.
Employees would be highly dissatisfied if they were not involved in the change processes in
the bank. A dissatisfied internal customer would not serve external customers successfully.
External customers would not be satisfied if CBA was not continuously improving on their
service delivery, products and services offered. In the highly competitive banking industry,
the unmet needs of any of the customers would be detrimental to the success of the
organization in terms of growth and profits.

The major recommendations for improvement based on the research findings was that
CBA needs to consider the service delivery channels and provide additional facilities like
ATMs and Internet Banking. It is also recommended that internal customers should be
equally motivated through both monetary and non-monetary rewards. The Human Resource
Department should plan for cross training and develop clearly defined succession plans.

Further research should be conducted on other banks and results compared to determine the
major areas of dissatisfaction in the banking industry as a whole.
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

Hanson (1987) states that customer satisfaction related to expectation fulfillment is an extremely important and critical issue facing organizations in the complex business environment of today. The banking industry is certainly not an exception to this premise. In fact, it has been widely held in financial institutions that customer satisfaction may be the most influential factor in the selection of a banking institution.

Wayland and Cole (1997) stipulate that with all the changes taking place in the financial marketplace and the increase in competition, it becomes apparent that more attention must be given to customer service and satisfaction. Based on what customers have indicated in various banking situations, personalized and quality customer service will provide community banks with the ability to be more competitive than large regional or multi-national banks (Hanson, 1987).

To develop and implement a successful customer service program, management must set the standard for customer service provision based on the customer needs/wants (Pezullo, 1993). The employees and officers of a financial institution usually exhibit those service characteristics emanated by management. Therefore, it is not only important to obtain customer input as to the services and products they desire, but it is equally important to develop a culture that upholds quality at all time (Hanson, 1987).

Hanson (1987) gives an example where management may determine that the bank does not need more than one automated teller machine based on the low usage of an existing machine in a poor location. On the other hand, customers may be moving from that bank because they believe the competition has machines in locations that
better meet their needs. Thus there is need for constant feedback and ongoing reviews on strategies needed to ensure customer satisfaction.

Commercial Bank of Africa Limited (CBA) was founded in 1962 in Dar-es-salaam, Tanzania. It thereafter established branches in Nairobi and Mombasa. During the period of 1980 to 1984, Bank of America re-organized CBA developing and installing Bank of America’s global systems and disciplines. In the late 1984, Bank of America agreed to sell the majority of its shareholding to local investors whilst retaining a minority interest and continuing to provide management to the bank via a management agreement. Bank of America has now sold all its shares and CBA is wholly Kenyan owned (CBA Annual Report, 2000).

Commercial Bank of Africa (CBA) aims to be the acknowledged leader of domestically owned banks in Kenya. Their focus is on Corporate and Trade Finance, Treasury, the quality end of the Personal Banking Market and the Foreign Mission and Non-governmental Organization segments. CBA strives to provide genuinely personal service to match the highest international standards. They seek to establish leadership status for the range and quality of their products and services, the efficiency of their delivery, and responsiveness and solution driven approach to customer needs (Commercial Bank of Africa Website, 2001).

The CBA Annual Report 2000, highlights strategies to achieve the above mission as follows:

- Absolute dedication to understanding customer needs and fulfilling them with the appropriate mix of service, efficiency, reliability and products
- Providing services at prices which are attractive to their clients and which produce sufficient profits to finance future growth.
- Cultivating the highest levels of integrity and professionalism in the staff and a ‘get it right first time’ attitude.
- Optimization of available technology to increase efficiency and reduce cost base.
- A performance driven environment which rewards achievement, enthusiasm and team spirit and which offers each and every employee the opportunity for personal development.

CBA has won a number of prestigious awards including the following:
- The Banker Magazine Bank of the Year 2000 award

These awards are a strong recognition of the banks’ success in meeting set objectives and a clear testimony of the Bank’s stability, high calibre of professionalism and international class performance in the area of service delivery. The growth in the banks’ shareholders fund, deposits and assets is a clear indication that customers have confidence in CBA.

CBA has a comprehensive network of correspondent banks covering all major financial centers and currencies. CBA operates a fully-fledged treasury operation, which offers competitive pricing on all foreign transactions. It was the first bank in Kenya with a network to offer real time on line banking to its customers from any branch location. In addition, CBA was a pioneer in the offering of electronic banking in the form of Customer Access System (CAS) and electronic transfers (Paynet), which allows corporate customers access to certain banking services from the comfort of their offices such as account balances and salary transfers.

CBA has twelve branches in Kenya, three in Mombasa and nine in Nairobi. All the branches are networked making delivery of service to be faster and more accurate. The opening hours of the branches are staggered with some opening until 2.30pm, others 4.30pm and yet another 8.00pm, making it easy to serve all customers. The Visa cards enable customers to make purchases and withdraw cash from an ATM with a Visa sign during those periods when the branches are all closed (Commercial Bank of Africa Website, 2001).
1.2 Problem Statement

CBA prides itself as a provider of quality service in the highly competitive banking industry (CBA Annual Report, 2000). However, no study has been carried out to prove this assertion. Creech (1994) stipulates that organizations have to adapt a customer focused quality program in the highly competitive domestic and global markets to enhance customer satisfaction and ensure continued growth. CBA is no exception to the rule hence the need for this study.

The study focused on the strategies for service provision already in existence, how they could be improved and also explored new ones that can be adopted with a view to enhancing customer satisfaction. Lindsay and Petrick (1997) outline service quality criteria such as turnaround time, completeness, courtesy, consistency, accessibility/convenience, accuracy and responsiveness, which were considered in analyzing the effectiveness of the strategies adopted.

1.3 Purpose of Study

The purpose of the study was to determine strategies that can enhance customer satisfaction at Commercial Bank of Africa Ltd (CBA) in order to improve services and gain a competitive edge.

1.4 Research Questions

The study was guided by the following research questions:

1.4.1 What strategies reflect CBA’s senior management commitment to customer satisfaction?

1.4.2 What strategies does CBA use to facilitate employee involvement and satisfaction?

1.4.3 What strategies does CBA use to satisfy external customers?
1.5 Importance of the Study

Webster (1991) stipulates that customers are more informed and hence able to demand quality service. They are well aware they have a choice and are not willing to settle for poor service. Banks are therefore faced with a problem, as they have to please the various stakeholders and at the same time provide quality service to their customers at the lowest cost possible (Pezullo, 1993). Changes in legislation continue to affect the operations of banks such as the Donde bill, which if effected will greatly diminish a major revenue earner (East African Standard, 2002). The findings of the research would enable CBA’s senior management to formulate strategies that will increase the customer base while at the same time highlighting the prevalent failures that need to be addressed. External customers would benefit, as they would have customized services based on their various needs as deduced from the study. Internal customers would also benefit as they give feedback on processes that affect their output and their involvement in strategy formulation would increase staff morale and commitment to results. It is important to make both the internal and external customers happy as only then can CBA achieve its mission of offering quality service and hence increase customer satisfaction.

1.6 Scope of the Study

The study targeted internal customers (staff members) and external customers (both corporate and individual account holders) of CBA at the Wabera Street Branch, Mama Ngina Branch, Mamlaka Branch, Westlands Branch and Industrial Area Branch.

1.7 Definition of Terms

1.7.1 Strategy

The broad program for defining and achieving an organization’s objectives, the organization’s response to its environment over time or a plan of action (Pearce and Robinson, 1991).
1.7.2 **Strategic Plans**
Plans designed to meet an organization’s broad goals (Thompson and Strickland, 1987).

1.7.3 **Strategic Management**
The process of determining the basic long-term goals and objectives of an enterprise (Pearce and Robinson, 1991).

1.7.4 **Customer satisfaction**
The process of providing goods and services that consistently meet customer requirements (Ross, 1995).

1.7.5 **Total Quality Management**
A set of management processes and systems that aims at achieving customer satisfaction through continuous improvement of goods and services hence creating delighted customers (Ross, 1995).

1.7.6 **Quality**
The desire of excellence in a product or service or the totality of features and characteristics of a product or service that bear on it the ability to satisfy stated or implied needs (Ross, 1995).

1.7.6 **Service Quality**
The art of meeting the expectations and experiences of a given customer so as to achieve customer satisfaction (Irons, 1994).
1.8 Chapter Summary

The chapter has given background information on the study. It has highlighted the purpose of the study, the research questions and importance of the study.

The purpose of the study was to determine strategies that can enhance customer satisfaction at CBA so as to improve services and gain a competitive edge. The study was guided by research questions as follows:

- Strategies that reflect CBA's senior management commitment to customer satisfaction.
- Strategies CBA uses to facilitate employee involvement and satisfaction.
- Strategies CBA uses to satisfy external customers.

The focus of the study was both CBA staff and CBA account holders at five of the Nairobi branches, namely Wabera Street Branch, Mama Ngina Branch, Mamlaka Branch, Westlands Branch and Industrial Area Branch.

The literature review chapter looked at the strategies that can enhance customer satisfaction at Commercial Bank of Africa Ltd. The focus was on the senior management commitment to customer satisfaction, internal customer satisfaction and external customer satisfaction.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter is structured based on the research questions. The chapter addresses the strategies that reflect senior management commitment to provision of banking services that ensure customer satisfaction, the strategies used to facilitate employee involvement and satisfaction and the strategies that reflect the bank’s endeavor to satisfy external customers.

2.2 Senior Management Commitment to Customer Satisfaction

Strategic planning is a prerequisite for the top management. Thompson and Strickland (1987) highlight the role of strategic management as direction setting, environmental control, goal setting, prosperity and growth, and efficient use of resources. Pearce and Robinson (1991) propose that strategic management involves strategy formulation, implementation, and control and evaluation. Top management set direction by engaging in strategy formulation. This involves setting a vision, mission, formulation of a company profile, analysis of external environment, strategic analysis and choice, setting long term objectives, development of grand and generic strategies. They are also involved in strategy implementation where they formulate action plans, short term objectives, tactics and policies that empower action. The third role of top management in strategic management involves strategy control and evaluation.

Ross (1995) defines strategic planning as the determination of the basic long term goals and objectives of an enterprise, the adoption of courses of action and allocation of resources necessary for carrying out the goals. Ross further defines strategic quality planning as the process of effectively integrating quality requirements into the company’s plan which begins with a vision of the organization’s direction and specific data on customers, competition and internal quality status. Ross views strategic quality goals as specific, quantifiable targets.
that the organization hopes to achieve. He gives examples of typical quality goals as customer satisfaction, product performance, quality improvement and competitive performance.

Oakland (1993) describes the strategic planning process in four stages. The first stage is formulation of the organizational mission, goals and objectives. The mission statement should indicate the domain in which the organization will operate, its reason for existence and the stakeholder groups the organization will serve. Goals are statements that specify what the organization hopes to achieve in the long term while objectives are specific quantifiable targets that the organization hopes to achieve in the short and medium term. The second stage involves an analysis of the external environment in terms of the economic, political, technological, competition and customers. The third stage involves the internal environment that looks at the strengths, weaknesses, opportunities and threats facing an organization. The fourth stage involves choosing a strategy that best aligns the external opportunities and the internal environment strength. Finally, strategic planning involves implementing and evaluating the strategy to determine the extent to which the objectives have been achieved.

The Bankers Workbook on Strategic Marketing Management (1996) stipulates that growth in the range of financial services has been spectacular and top management need to consider the following issues in the analysis of the external environment:

- Increased competition as more and more players get into the market. It is easier for non-financial or non-bank companies to enter markets for certain banking products.

- Symmetric competition which means it is easier for non-banks to enter banks than it is for banks to diversify out of banking. For example, clothing companies such as Marks and Spencer have entered their own credit card but banks cannot venture into the clothing industry.

- Technology which has led to products and services being broken into component parts hence making it possible for some organizations to enter just part of the process where they have a competitive advantage. For example provision of loans can be broken into the origination process, the
administration process and the asset holding of the loan. Companies can
decide to handle one part of the process only.
- Capital requirements and regulation make it difficult for banks to divert
assets into higher-earning activities such as real estate.

Ross (1995) recommends that Total Quality Management (TQM) should start at the
top, as commitment from the top management is the only way to implement and
maintain the culture necessary for TQM. Top management must develop and
establish quality policy that defines the quality for the organization, identifies the
customers, allocates resources, trains and develop employees. Ross recommends
that top management should be leaders and members of the quality improvement
council whose role is to establish infrastructure, set quality goals, identify and
assign quality actions, provide resources and evaluate progress.

As part of managing service quality, an organization should design and operate an
ongoing quality improvement program that will monitor the level and consistency
of service. A related but hard task is for top management to evaluate service quality
by measuring satisfaction or the customer’s perception of the quality of an
organization’s services and then formulates strategies to ensure continuous
improvement (Cronin & Taylor, 1992).

Banks are now adopting a customer orientation. This means they identify the target
market then recognize and respond to that market’s needs and wants. It is not
important to be skillful in making the customer do what suits the interest or
convenience of the firm but to be skillful in inducing the firm to do what suits the
interest of the customer (Pezzullo, 1993).

Pezullo (1993) goes on to say that the highly competitive banking sector has
necessitated a high level of quality service as defined by the customer. This is
because they have discovered that a highly satisfied customer tends to be a repeat
purchaser and it is much more expensive to generate a new customer than to
provide additional service to an existing one. Satisfied customers are more loyal,
less likely to stray to competitors and less price-sensitive than are customers who
are not highly satisfied. Greater customer satisfaction also improves earnings by increasing fee income and deposit balances. Banks have to strike a balance between their profit objectives and customer satisfaction.

Barsky (1995) relates customer satisfaction to profitability and high levels of customer satisfaction lead to increased profits. To remain competitive, organizations no longer rely on traditional ways of satisfying customers. Companies have to automate and streamline complete business functions to improve their ability to please customers. Increased competition has made achievement of customer satisfaction an uphill task and organizations with the most knowledge of their clients will have a competitive advantage over others. Thus frequent research, review and analysis of the market coupled with feedback from the customers is needed to ensure organizations are achieving customer satisfaction.

Ross (1995) recognizes the importance of leadership in achieving customer satisfaction in an organization. Quality leadership is a transformational leadership that aims at creating quality motivation in an organization, changing beliefs, needs and values of the followers. It requires participative management approach and flexibility in dealing with customers. Maxwell (1998) stipulates that leadership ability determines effectiveness and leaders are influencers. Leaders are people who see more than others, see farther than others and see before others do. All leaders face the challenge of creating change in an organization and establishing a quality culture calls for change. Top management should take up a leadership role so as to influence their followers to successfully implement strategies that ensure customer satisfaction.

Creech (1995) says that quality in the product is impossible without quality in the process. Quality in the process is impossible without the right organization and the right organization is meaningless without the proper leadership. Strong, bottom-up commitment is the support pillar for all the rest.

Irons (1994) suggest that for any strategy to succeed, the involvement of all parties concerned is important. The commitment from top management is a prerequisite in
ensuring strategies for quality customer service succeed. Top management must define the quality goals for the organization, identify the customers, allocate resources, train and develop the employees.

Pezullo (1993) suggests that it is essential for senior management to remain in control while at the same time creating high levels of feelings of leadership within the frontline workers so that any strategies formulated can be implemented successfully. Hence high measures of decentralization is important, coupled with strong controls and feelings of freedom of interpretation on the part of supervisors and staff. The less there is role ambiguity and role conflict within the organization, the less conflict there will be between the organization and the customer, and the more the customer is likely to be satisfied.

Walker (1990) recommends that top management should recognize the importance of culture as a strong culture in the service industry gives a business a competitive edge and in the long run, success. When top management fail to see themselves as part of the culture and of any change required in it, then they are doomed to fail. Where a harmonious culture exists, then there are clear views on responsibilities, authorities and management priorities, which engender confidence towards the customer. Walker defines a service business as one where service is a significant part of the expenditure, perception or reason for choice on the part of customers. All people involved in the organization need to be keenly aware of this definition so as to give exemplary service.

Lawton (1993) suggests that successful strategies require top management commitment for their successful implementation. The implementation process would require an assessment of the top management capabilities and interests so that the most active leaders can be chosen. Secondly, management need to create awareness by introducing the customer-centered culture and strategy to all those involved in maintaining a quality culture. The strategy can be implemented using projects as these usually have high potential to create a significant impact on organizational performance and customer satisfaction. Management needs to provide just-in-time skill training and unlimited support for the teams. Lawton
further stipulates that for customer service strategy to be successfully implemented, management needs to communicate all policies carefully, transform the structure and prevent growth of bureaucracy. All policies, plans, measures, objectives, systems and incentives should be aligned with the quality strategies so as to achieve customer satisfaction.

Ross (1995) defines continuous improvement as organized creation of beneficial change or the attainment of unprecedented levels of performance. It involves on the spot correction, prevention and striving for breakthroughs. Since perfection will never be reached and customer's expectations are not static, lasting improvement in quality needs efforts to create a climate of continuous improvement. Thus top management should adopt deliberate and positive change to win and hold the customer base or to remain economically competitive. Organizational improvements include enhancing value to customers through new and improved products and services; reducing errors, defects and wastes; improving responsiveness, productivity and effectiveness in the use of resources and improving the company's performance and leadership position in fulfilling its public responsibility and serving as a role model in corporate citizenship.

Lawton (1993) outlines four major organizational strategies aimed at continuous improvement. One is problem-driven change that aims at zero defects. It is a limiting strategy as it can be habit forming without necessarily moving to a proactive approach. It also tends to be viewed as the best and final solution, which may not be the case, and the successes do not have a clear impact on improving customers' experience or competitive position. Another strategy for continuous improvement is team driven which involves the use of quality circles. The quality circles were confined to issues the group had authority to change hence eliminating some areas that may require improvement. A third strategy is training driven change. Training is effective when each participant is receptive to personal change, know what he/she is expected to do with the knowledge and skills taught, where the training content is relevant to the participants' work context and there is sufficient follow-up and support to minimize roadblocks preventing application. The fourth strategy outlined by Lawton is customer driven change. This strategy integrates the
strongest features of teamwork; problem solving and just in time training to ensure customer satisfaction is achieved.

Quality service can only be obtained if the entire organization is committed to quality. When a teller is rude to a customer, the customer regards the whole bank as being rude. The customer-oriented attitude does not develop naturally but has to be fostered by management. The commitment to customer satisfaction must be made and supported by top management and implemented in the form of a corporate culture that places the customer at the center of all the bank’s activities. In a customer-focused bank, all employees understand that if you are not serving the customer directly, then you are serving someone who is (Apps, 1996).

In the East African Standard (2002, April 19), the findings of an information technology survey were highlighted. According to the survey, customers now expect banks to comply with their needs and not vice versa. Thus the busy customer requires banks to comply with new technology and be able to transact via telephone, Internet or digital television. Customers want a service that gives them the convenience to manage their finances when it suits them and quickly. The survey found out that customers require banks to reorganize their systems to be more customer-focused so that they can identify the most profitable customers and give them preferential treatment. Banks need to segment their customer base more intelligently so that they can identify the customers who give them the highest profits and be able to please them. The non-profitable customers can then be offered new products such as insurance or mortgages so that the bank can still make profits.

The role of services in providing value is ever more important and top management need to allocate resources to functions that affect delivery of service. Services technology offers managers new options for lowering costs, restructuring their organizations and redefining their strategic focus. The top managers that ignore the opportunities that services technology create will surely create competitive advantage to their more far-sighted rivals (Porter, 1991).
Porter (1991) goes on to say that true strategic focus means that a company can concentrate more power in its chosen markets than anyone else and concentrate efforts on areas that lead to greater demonstrable value for the customer. To develop an activity-focused strategy, management needs to concentrate its competitive analyses not on market share but on the relative potency of the services under girding its own and its competitor’s product positions. Defining each activity in the value chain as a service that can be either produced internally or sourced externally is the first step in the new competitive analysis. Management needs to focus the organization’s energy on two sets of activities: those where it can create unique value and those it must control to maintain its supremacy in the critical elements of its value chain (Porter, 1991).

It is the duty of the top management to understand the definition and duties of a bank before formulating a mission statement. According to Section 2(1) of the Banking Act (Cap 488-Laws of Kenya), a bank is defined as one that accepts money as deposit from members of the public, accepts money on current accounts and pays on cheques, accepts cheques and uses money held for investment or provision of loans. Thus the legal definition is based on the functions of banks. A customer is also defined from two perspectives – an account holder and/or a user of banking services. A person must open an account so as to be called an account holder and the mere cashing of a cheque across the counter is not enough. A person is considered a customer irrespective of whether the account has money and the duration for which the account is held is immaterial. A person who seeks investment advice or safe custody facilities is still considered a customer even if he does not have an account.

Hanson (1987) outlines various duties that a bank should undertake on behalf of the customer. The bank should obey the mandate given by the customer; pay the customer his money on demand provided there are sufficient funds and the customer’s instructions are unambiguous and correctly drawn; inform the customer of any forgery on his account; receive and collect cheques and money on behalf of the customer; give the customer reasonable notice before closure of the account; provide the customer with regular statements of the account; act with due care and
attention; keep the customer’s affairs secret except where compelled by law or where disclosure is in the public’s interest or the banks interest or there is implied consent from the customer to disclose his/her affairs.

2.3 Internal Customer Satisfaction

Ross (1995) stipulates that the bottom line of TQM is customer satisfaction. The organization’s goal is to meet and exceed customer satisfaction and the customer can either be internal or external. Ross defines an external customer as one who purchase or use the company’s product or service while internal customers are the people, activities and functions that depend on each other. Meeting the external customer needs requires that the organization also meet the needs of internal customers.

Herman (1999) considers various strategies that can lead to employee satisfaction. He divides them into environmental strategies such as sharing a common vision, teamwork, being fair and honest, prohibiting discrimination, providing a safe and secure environment and responding to complaints with solutions. He also highlights relationship strategies such as facilitating open communication, showing respect, giving people freedom and flexibility, and balancing praise and criticism. The third strategies are support strategies that include providing challenges, defining authority and responsibilities, giving clear direction and empowering employees. Herman defines the fourth strategies as growth strategies that include establishing a learning culture, training and development, career planning, cross training and providing incentives for growth. The fifth group he refers to as compensation strategies and these include designing reward systems to stimulate employee involvement, exploring non-financial compensation, linking performance to payment, providing medical insurance and paying for club memberships.

Thomson (1997) stipulates that factors such as high levels of achievement, recognition, opportunities for advancement and responsibility made people feel satisfied with their job and motivated them to work. Factors such as affected employees satisfaction and led them to feel dissatisfied include company policy
and administration, supervision, salary, interpersonal relations and working conditions. Common forms of dissatisfaction at work include persistent lateness, absenteeism, below average performance and real or imagined illness.

Thomson (1997) recognized pay as a factor that can lead to dissatisfaction rather than one that contributes to job satisfaction and motivation. Performance-related pay systems can be in the form of simple bonuses or salary/wage increases, time rates, payment by results, measured day work or profit sharing. Whatever system is used should suit the circumstances of the organization, its ability to operate it successfully and should be participated in willingly by employees. To be successful, performance-related pay schemes need to be based performance management that links objectives, behaviors, competencies and skills to organizational requirements.

Toast Masters International (1994) stipulates that customer satisfaction can be achieved if an organization focuses on providing good customer service. This requires good communication skills, insights into human behavior and a real desire to provide service to others. Organizations can fail in ensuring customer satisfaction due to failure to meet expectations and poor delivery of service. Toast Masters International further argue that customer service has information that is critical to the success of your organization and customer needs should drive the strategic decision making process.

Ross (1995) mentions that a quality culture is important. Culture is the pattern of shared beliefs and values that provide members of the organization with rules of behavior and accepted norms of conducting operations. A quality culture can be created through teaching, experience, and explicit behavior, taking action that support quality, ensuring everyone knows the mission and their role in it and establishing quality polices. Hence total involvement of everyone is important so as to formulate and implement strategies that enhance customer service in any organization.
Lawton (1993) highlights some of the priorities of a customer-centered culture. This includes a focus on customer needs, problem prevention, perception, and performance; regarding people as assets and empowering of all employees. Such a culture requires a consideration of product performance and its perception by customers to be considered in assessing the level of quality.

Total involvement calls for a recognition of the direct link between internal culture or the happenings within the organization and the customer perceptions. The internal culture is as a result of attitudes, behavior and beliefs of both management and staff while the external culture is as a result of attitudes, behavior and beliefs of both organizational personnel and customers. Due to this linkage, customers help shape the culture. They participate directly in the final processes of forming the service they receive and their expectations and reactions are a key part of conditioning performance. The organization's culture is part of what the customer buys and determines the market value, the positioning of the company in the market and the ability to create customer experiences that meet or exceed expectations (Johnson and Jakeman, 1997).

The Harvard Business Review (1997) considers training and development of employees as critical factors of continuous improvement. Training and development lead to reduced waste, errors and accidents and also leads to improved productivity, motivation and commitment of employees.

Ross (1995) continues to say that communication is also very important. The only way to ensure total involvement of is to communicate the quality goals to all employees. Communication that supports quality is usually bottom-up communication. It also requires flatter organization structures so as to shorten the channels of communication and empowerment of employees in quality decisions. Toast Masters (1994) re-emphasized this aspect when they said that the customer service desk has critical information that should be communicated to the strategists in the organization.
Harvard Business Review (1997) found out that organizations need to value investments in people as much as they value investments in machines, sometimes more. Organizations need to put customers first so as to succeed. They can only do these if they focus on how and where they interact with the company so that the focus can also be on the workers who actually create or deliver the things that customer’s value. Thus organizations have to redesign the front offices, organizational structures and systems so that they can maximize the value created for the customer.

Ross (1995) developed three basic principles for continuous improvement. One is a focus on the customer. All organizations need to understand how well their outputs are performing in the eyes of the customers through constant feedback. A second is an understanding of the process. Processes can only be improved if they are well understood and any bottlenecks eliminated. The third principle is a commitment by all employees. Every person in the organization is expected to play his part, whether they are at the top or bottom.

2.4 External Customer Satisfaction

Customer satisfaction in the service sector is dependant on the customer’s expectations before they receive the service and their actual experience with the service. If what the customer expected is not what they receive, then their perception of the organization shifts either positively or negatively (Irons, 1994).

The Chartered Institute of Bankers Workbook on Strategic Management (1996) suggests that the study of quality service poses various problems. This is because quality is subjective, distinctive and also dynamic. Thus it cannot be measured in an absolute sense as it is relative to customer expectations. Different customers will also want, need or expect different things from the same product-type. Product differentiation and highly segmented modern markers mean that the precise requirements of a particular market segment will impart an equally precise and differentiated definition of quality. Expectations and therefore definitions of quality are highly dynamic. They change over time as a consequence of experience. Expectations will rise relatively easily but will rarely and very reluctantly fall.
Kotler (1994) stipulates that the key to quality service is to meet or exceed customer's service quality expectations. These expectations are formed by their past experiences, word of mouth and advertising. Customers will choose a provider of service on this basis and then compare the perceived service or expected service with the services received. If the service received falls below the perceived or expected service, customers will lose interest in the provider but if it exceeds, then they will use the service provider again.

Customers will evaluate the quality of a service based mainly on expectations and perceptions that are formed in the mind. They normally look for certain parameters such as reliability or the ability to perform promised service dependably and accurately. The second is responsiveness or the willingness to help customers and provide prompt service. The third parameter is assurance or the knowledge, courtesy of employees and their ability to convey trust and confidence. Empathy is the fourth parameter and it refers to the provision of caring, individualized attention to customers while the fifth parameter is the tangibles or the appearance of physical facilities, equipment, personnel and communication materials.

Winning and retaining customers' demands a unified, consistent marketing approach. Customer satisfaction is dependant on perceived benefit of a product/service, which is normally at three levels i.e. the physical product/service, the support services that must be provided to meet customer satisfaction and the intangibles such as reputation, brand name, corporate image and other user recommendations. Thus satisfaction involves the selection and organization of internal and external data in a way that creates meaning for a consumer (Phipps and Simmons, 1996).

According to Webster (1991), service quality that does not meet customer expectations can result in loss of sales and a failure to attract new customers. Management must strive to maintain consistent service quality at or above a level of customer expectations. It is however difficult to maintain consistency in service
output and performance quality may vary between organizations and even within the same organization.

Stamatis (1996) recognizes that customer driven quality is one judged by the customer. He defines it as a strategic concept which is directed towards customer retention and market share gain. It demands constant sensitivity to emerging customers, market requirements and measurement of factors that drive customer satisfaction and retention. A customer driven quality requires that all product and service attributes should contribute value to customers and lead to customer satisfaction and preferences.

Hayes (1997) highlights service attributes that customer's value as performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality. These attributes lead to customer satisfaction and retention. They require that an organization is customer-focused and their measurement is important so as to determine how well the products or services are performing in the eyes of the customers.

Gale and Wood (1994) suggest that the quality of customer service is linked to profitability and organizations should set standards of performance that are measurable, realistic, customer-focused, flexible and adaptable to changing customer expectations. They considered customer service as the primary customer satisfier criteria. Other secondary customer satisfiers include accessibility, professionalism, attitude and efficiency. From these, tertiary customer satisfiers which are actionable items can be derived such as willingness to help, treat customers intelligently, being empathetic to customers and making them feel comfortable (Gale and Wood, 1994).

Hayes (1997) proposes that knowledge of customer's perceptions and attitudes is important in order for a business to make good business decisions. Customer satisfaction can only be achieved if an organization is able to formulate strategies that assist in meeting the requirements of the customers and this requires a good knowledge base. Hayes said that customers base their opinions on various
dimensions such as responsiveness, availability, convenience, timeliness and professionalism.

Lawton (1993) found out that customer satisfaction is based on three major criteria. These are performance of the service or product as defined by the objective criteria, perception of the product and related subjective criteria and the outcome or results obtained by using the service or manufactured product. Customers mix these factors when they communicate their needs and management needs to separate them so that they can design strategies that are appropriate. Customers are also more interested in perception than performance attributes as they expect products/services to work. Thus attributes that enable a product to meet expected quality standards are going to have greater impact on dissatisfaction if they are not there than on satisfaction if they are there.

The Bankers workbook on Strategic Management (1996) outlines various dimensions and determinants of service quality. One dimension is the technical quality of the service to the customer i.e. what the customer receives. Customers want products that are customized to meet their requirements. Another dimension of service quality is the relationship between employees. They should be professional and know their role in the team and the function of their colleagues. They should know who to refer to and should not be unduly critical of their colleagues. The appearance and personality of service personnel is also an important dimension. They should convey an attractive and positive image and seem interested in the customer and the customer’s needs. The language used to communicate should be easily understandable to the customer and the staff should appear alert, interested and welcoming.

The determinants of service quality as outlined in the Bankers workbook on Strategic Management (1996) fall into various categories such as tangibles which must be consistent with the desired image; reliability which means getting it right first time; responsiveness or staff’s willingness to deal with customer’s queries; the organization should be perceived to be honest, trustworthy and acting in the best
interest of their customers; security as customers need to feel their conversations with bank staff are private and confidential.

Wayland and Cole (1997) give an interesting perspective of looking at customers as assets. Customers are ultimately the only sustainable source of shareholder value and rigorously working out the implications of this fact can provide useful strategic insights. Customer relationships are assets that should be evaluated and managed as rigorously as any financial or physical assets. It is the relationship that is the assets and not the customer as the relationship gives rise to future cash flows that we can estimate and to which we can assign a value.

Wayland and Cole (1997) further stipulate that the value of a firm is ultimately equal to the sum of the values of its customer relationships, and this sum can grow only through acquisition, development and retention of profitable customer relationships. To make the customer connection, a firm needs to manage a portfolio of customer relationships, focus on the valuable ones, find opportunities for creating value for customers and shareholders and view technology as a means to deliver what customers want, when they want it and in the way they want it.

Milakovich (1995) defines Total Quality Service (TQS) as a simple but powerful method of process improvement for achieving customer satisfaction without the need for substantial additional resources. Managers are required to anticipate future customer needs by systematically evaluating and validating customer requirements, streamlining internal processes and merging customer satisfaction data with existing management control systems. TQS anticipates customer needs and encourages employee satisfaction and ownership of work processes. It is an essential first step that allows an organization to define its own quality standards, compete on a higher level, exceed customer expectations and increase market share.

Pezullo (1993) quoted important aspects of what customers considered most valuable in the services they received. They found out that customers value reliable service, courteous treatment, clear and understandable communications, competent staff and responsive service. Customers expect the bank, its product and its staff to
perform as promised, when promised, and in the manner promised. If a bank officer promises to respond to a query within twenty-four hours, then they should honor that promise. They also expect bank staff to be friendly and thoughtful and to treat them with respect. They expect them to be considerate of their feelings and sensitive to the privacy of their financial transactions. They want to be treated as if they matter to the bank. Customers also require both written and spoken communications to be in clear, concise language that reflects the customer’s and not the bank’s perspective. Bank customers want staff to be professional and to have the skills and knowledge necessary to recommend and deliver the services offered by the bank. They expect bank staff to able to explain how the bank’s products work and to answer their questions clearly.

Quality service must be determined from the perspective of the customer based on regular research and monitoring. Thus the customer service given and the marketing undertaken should incorporate quality elements in them. Quality is a word that is subjective and has personal meaning for each person. However, it cannot be ignored due to its subjectivity but should be achieved based on the various perceptions of individual customers. This calls for relationship marketing which is concerned with both getting and keeping customers. Relationship marketing ensures that the customer is satisfied with the services provided and continually monitors satisfaction with a view to improve (Christopher, Payne and Ballantyne, 1991).

In the East African Standard (2002, April 19), the findings of an information technology survey were highlighted. According to the survey, customers now expect banks to comply with their needs and not vice versa. Thus the busy customer requires banks to install the latest technology that will enable them to transact via telephone, Internet or digital television. Customers want a service that gives them the convenience to manage their finances when it suits them and quickly. The survey found out that customers require banks to reorganize their systems to be more customer-focused so that they can identify the most profitable customers and give them preferential treatment. Banks need to segment their customer base more intelligently so that they can identify the customers who give
them the highest profits and be able to please them. The non-profitable customers
can them be offered new products such as insurance or mortgages so that the bank
can still make profits.

The East African Standard (2002, April 19) also found out that customers using the
Internet require tailored service based on their needs and preferences and not just a
standard set of messages. The branches should be geared to selling and offer a
pleasant environment. Banks are now contacting I.T. companies to provide a bridge
between the business and the technology that will help banks deliver their new
generation of services. Banks need to improve their processes by adopting systems
that are more flexible and have software that enables them to launch new services
more quickly and at far less expense.

Information technology can assist banks in delivery of service and marketing of
appropriate products. Banks can then be able to track patterns of behavior and
anticipate customer requirements. Thus when a customer borrows a car, the
information system can be updated and the person can be persuaded to take the
motor insurance policy available. The use of cellular phones to access bank
balances; automated teller machines (ATM) and electronic fund transfers are
examples of new and improved processes that have been facilitated by I.T.
2.5 Chapter Summary

The chapter has outlined factions that a bank performs with a view to determining whether CBA is performing its functions. It has also outlined ways of achieving customer satisfaction and discussed the importance of total involvement of both top management who provide the leadership and other staff who implement the strategies. The chapter also discussed the importance of continuous improvement by ensuring the processes and products offered are consistently re-invented to meet customer needs and that employees are trained to cope with the new processes.

Strategy is a continued struggle to distinguish a company from its rivals. Some important elements have been outlined which organizations need to adhere to if they are to have successful customer service strategies. These include attributes such as timeliness of a service, ease of use or how well services are explained and certainty or the ability to receive the same service accurately all the time.

The chapter has discussed some of the challenges that face management in formulating strategies that can enhance customer service provision. This is because customers evaluate quality based on a number of subjective factors such as reliability, responsiveness of the service provider, courtesy of employees, individualized attention to customers and the physical appearance of both facilities and personnel.

The next chapter looks at the methodology used in the study to obtain data. It focuses on the research design, population and sample size, the data collection methods, research procedures, and data analysis and presentation methods.
CHAPTER THREE

3.0 METHODOLOGY

3.1 Introduction

The chapter outlines the overall methodology used in the study and adopts the following structure:
- Research design
- Population and Sample Size
- Data Collection Methods
- Research Procedures
- Data Analysis and Presentation Methods
- Chapter summary

3.2 Research Design

The type of research design was a case study on Commercial Bank of Kenya. A case study is a study focusing on one organization selected from the total population of other organizations in the same industry (Emory, 1985). The purpose of a case study is to investigate a certain aspect intensively and comprehensively and the focus is usually an item, which can either be an institution, an individual or a particular community. In this case, the focus was CBA, which is an institution, and the rationale behind use of a case study is that it allows the researcher to get the background of the problem under study and its current status.

A case study design was chosen to enable the researcher to collect in depth data on the population being studied and allows the researcher to be more focused and hence give recommendations that are specific and relevant.

3.3 Population and Sample Size

A population is the total collection of elements about which we wish to make some inferences (Cooper and Schindler, 2000). A large set of observations is called a population while the smaller set is called the sample. Since the population can be
extremely large, we often examine a sample to make conclusions about the larger population (Hayes, 1997).

3.3.1 Population

The total population of both individual and corporate account holders totaled 17,840 as at the end of October 2001. This comprised of 13,223 individual accounts and 4,617 corporate accounts at all the twelve branches of CBA. The account holders either hold a savings, current or fixed deposit account. Some may hold more than one account and the signatories of the corporate accounts usually have personal accounts too.

CBA offers many types of accounts such as savings, current, loans, fixed deposit, Letters of Credit and money market accounts. The more commonly used type of accounts is savings and current accounts.

The CBA Human Resource Policy (April 2002) gives the total number of staff members as two hundred and sixty-eight (258). The senior management level consists of twenty-four (24) senior management, one hundred and thirty-five (135) middle management and one hundred and nine (109) non-management staff. CBA’s policies require staff to hold a current account at the bank and hence the employees are both internal and external customers and formed part of the population. The branches are distributed as follows:

- Head office (Wabera Street Branch)
- Mama Ngina Street Branch
- Westlands Branch
- Industrial Area Branch
- Kijabe Street Branch
- Moi Avenue Branch (Mombasa)
- Hilton Agency
- Intercontinental Agency
- Mamlaka Branch
- Cargo Centre Branch
- Diani Branch (Mombasa)
- Bamburi Branch (Mombasa)

3.3.2 Sampling Frame
A sampling frame is a list of elements from which the sample is actually drawn and is closely related to the population (Cooper & Schindler, 2000). Due to the similarity of branches and services offered, data was obtained from customers at five of the Nairobi branches namely: Wabera Street Branch, Mama Ngina Street Branch, Industrial Area Branch, Westlands Branch and Mamlaka Branch. The distribution of account holders at the sample branches was as follows:

Table (a) Distribution of both internal and external customers.

<table>
<thead>
<tr>
<th>Branch</th>
<th>External Customers</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Corporate</td>
<td>Individual</td>
<td>Total</td>
</tr>
<tr>
<td>Wabera Street</td>
<td>2200</td>
<td>3298</td>
<td>5458</td>
</tr>
<tr>
<td>Mama Ngina Street</td>
<td>1654</td>
<td>2482</td>
<td>4136</td>
</tr>
<tr>
<td>Industrial Area Branch</td>
<td>1162</td>
<td>775</td>
<td>1937</td>
</tr>
<tr>
<td>Westlands Branch</td>
<td>455</td>
<td>682</td>
<td>1137</td>
</tr>
<tr>
<td>Mamlaka</td>
<td>460</td>
<td>692</td>
<td>1152</td>
</tr>
<tr>
<td>Total</td>
<td>5931</td>
<td>7929</td>
<td>13,860</td>
</tr>
</tbody>
</table>

3.3.3 Sampling Technique
The sample was determined statistically. Statistical sampling relies on mere chance to determine who is selected in the sample and calls for random selection in the inclusion of the cases into the sample. It is a statistical determination of the appropriate sample size and enables the researcher to generalize results to the population (Hayes, 1997).
The stratified sampling technique was used. This method calls for a division of the total population into appropriate strata that are mutually exclusive. Stratified sampling gives various advantages such as an increase in a sample’s statistical efficiency; provides adequate data for analyzing the various subpopulations and enables different research methods and procedures to be used in different strata (Cooper & Schindler, 2000).

3.3.4 Sample Size

The sample size was determined using stratified sampling technique. This approach divides the population into two or more groups called strata and simple random sampling is conducted within each group. In simple random sampling, a random sample is selected in such a way that every case in the population has an equal chance of being included in the sample. In the case study of CBA, the strata would be the internal customers and external customers.

Given that CBA targets a certain section of the market that share certain similarities, a sample size of one hundred and fifty (150) respondents were selected, with one hundred (100) respondents being external customers and fifty (50) being internal customers. A fraction of 1% of the total external customers in each branch was selected giving a total of one hundred and thirty eight (138) respondents. For the internal customers, 2% of the total customers in Wabera Street Branch and Mama Ngina Street branch were selected as the two branches have the largest number of staff out of the selected branches. 100% of the internal customers in Industrial Area Branch, Westlands and Mamlaka Branch were selected as they have fewer staff members. This gave a total of 50 internal respondents.
<table>
<thead>
<tr>
<th>Branch</th>
<th>External Customers' Number</th>
<th>Sample Size</th>
<th>Internal Customers' Number</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Percent</td>
<td></td>
<td>Percent</td>
</tr>
<tr>
<td>Wabera</td>
<td>5498</td>
<td>54.98</td>
<td>92</td>
<td>18.4</td>
</tr>
<tr>
<td>Mama Ngina</td>
<td>4136</td>
<td>41.36</td>
<td>45</td>
<td>9</td>
</tr>
<tr>
<td>Industrial Area</td>
<td>1937</td>
<td>19.37</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Westlands Branch</td>
<td>1137</td>
<td>11.37</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Mamlaka Branch</td>
<td>1152</td>
<td>11.52</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>13,860</td>
<td>138.6</td>
<td>160</td>
<td>50.4</td>
</tr>
</tbody>
</table>

### 3.4 Data Collection Methods

Data was collected from both secondary and primary sources. Information was gathered by distributing questionnaires to external and internal customers in the selected branches. Follow-up was done via personal discussions with customers who opted to complete the questionnaire in the banking hall, and telephone calls to those who carried the questionnaires with them to ensure quick response. Secondary data was obtained from the various library books, CBA publications, media publications and websites covering Total Quality Management (TQM) principles such as top management commitment, continuous improvement, customer satisfaction and total involvement of all employees.

### 3.5 Research Procedures

The researcher designed the questionnaires based on the research questions in the study. A pilot test was conducted to three (3) of the senior management, ten (10) internal customers and ten (10) external customers to enable the researcher review and revise the questionnaires where necessary.

Research assistants administered the questionnaires to the respective respondents. The research assistant strategically positioned himself in the banking hall of the selected branches and issued questionnaires to the first twenty (25) account holders who visited the branch. Thus a total of one hundred and fifty (150) questionnaires
were issued to external account holders with the aim of getting the targeted one hundred (100) responses. Where a respondent visited the branch twice, then the next account holder was issued with a questionnaire to avoid repetition. The researcher e-mailed questionnaires to the internal customers using the internal mail system. The internal customer questionnaire was e-mailed to fifty (50) respondents and the senior management questionnaire to fifteen (15) respondents. The aim was to get a target of forty (40) internal customers and ten (10) senior management staff.

Each questionnaire took about ten (10) to fifteen (15) minutes to complete.

3.6 Data Analysis Techniques and Presentation

Data analysis was both qualitative and quantitative. Frequency distribution and percentages were used in the analysis. Where the data collected was qualitative, the information was listed and used to draw preliminary conclusions on the research questions in the study.

Data from the questionnaires was tabulated to work out the frequency distribution of the phenomenon under investigation. The tabulation was entered into a computer using the excel package to generate percentages and appropriate tables to assist the researcher in answering the research questions.

The research questions were used to assess the quality dimensions for enhancing customer satisfaction. Thus factors which were highly linked to overall customer satisfaction such as responsiveness of service, speed of transaction, availability of service, professionalism and timely communication was used to summarize the findings of the data (Hayes, 1997). The analysis endeavored to identify the percentage of customers who were content with the strategies in place and those who were not. Data presentation was in the form of tables.
3.7 Chapter Summary

The chapter covers the methods used to collect the information. The study was descriptive in nature and a case study was conducted on CBA. Stratified sampling technique was used and the population studied was divided into two strata namely, internal and external customers. A sample size of one hundred (100) external respondents and fifty (50) internal respondents was drawn from the population. Respondents from each of the categories to be studied were determined using Simple Random Sampling technique. Data collection method was by use of a questionnaire. A pilot test was conducted to a few of the respondents to assist the researcher improve on the questionnaire. Data were analyzed by use of excel spreadsheets and presented in the form of tables.

The next chapter reports the results and findings of the study based on the research questions. These were obtained from the questionnaires administered to senior management, internal customers and external customers. The chapter highlights the strategies adopted by senior management to enhance customer satisfaction, strategies to enhance both internal and external customer satisfaction.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the findings of the study based on the research questions. The results of the study were obtained from senior management questionnaire, internal customer questionnaire and external customer questionnaire.

The results are presented as follows:

- The strategies adopted by senior management to enhance customer satisfaction.
- Strategies to enhance internal customer satisfaction.
- The strategies that can enhance external customer satisfaction.

4.2 Senior Management Commitment

To analyze senior management commitment to enhancing customer satisfaction, the research identified the methods used in strategy formulation, the implementation strategy and leadership styles that enhance customer satisfaction. The research also identified the strategic vision, goals and policies that address customer satisfaction. Finally the analysis gave an indication of CBA's competitive strategy and key success factors. A total of ten questionnaires were sent to the senior management and eight completed questionnaires were returned.

Table 1: Senior Management Work Experience

<table>
<thead>
<tr>
<th>Number of years worked</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>2</td>
<td>25%</td>
</tr>
<tr>
<td>6-10</td>
<td>4</td>
<td>50%</td>
</tr>
<tr>
<td>Over 10</td>
<td>2</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 1 indicates that 50% of senior management staff had worked for a period of five to ten years while the rest had either worked for less than five years or more than ten years. All the senior management who responded to the questionnaire had been previously employed before joining CBA.

Table 2: Methods Used in Strategy Formulation

<table>
<thead>
<tr>
<th>Method</th>
<th>Distribution</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>SWOT Analysis</td>
<td></td>
<td>6</td>
<td>75%</td>
</tr>
<tr>
<td>Financial Analysis</td>
<td></td>
<td>8</td>
<td>100%</td>
</tr>
<tr>
<td>Value Chain Analysis</td>
<td></td>
<td>Nil</td>
<td>0%</td>
</tr>
<tr>
<td>BCG Analysis</td>
<td></td>
<td>3</td>
<td>38%</td>
</tr>
</tbody>
</table>

Table 2 shows that 100% of the senior management staff use financial analysis in strategy formulation while none used Value Chain Analysis. SWOT analysis was the second most favorable method used by 75% while only 38% used BCG analysis. The senior management indicated the use of more than one method mainly a combination of financial analysis and SWOT analysis or financial analysis and BCG analysis. That is why the total percentage exceeds 100%.

Table 3: Type of Generic Strategy Used

<table>
<thead>
<tr>
<th>Generic Strategy</th>
<th>Distribution</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differentiation</td>
<td></td>
<td>6</td>
<td>60%</td>
</tr>
<tr>
<td>Cost Leadership</td>
<td></td>
<td>1</td>
<td>10%</td>
</tr>
<tr>
<td>Niche</td>
<td></td>
<td>3</td>
<td>30%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>10</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 3 shows that 60% of senior management used differentiation in strategy implementation while 30% used niche as the generic strategy. Only 10% of the respondents used cost leadership.

**Table 4: Leadership Styles**

<table>
<thead>
<tr>
<th>Leadership Style</th>
<th>Distribution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td></td>
</tr>
<tr>
<td>Authoritative</td>
<td>Nil</td>
<td>0%</td>
</tr>
<tr>
<td>Autocratic/Benevolent</td>
<td>Nil</td>
<td>0%</td>
</tr>
<tr>
<td>Democratic/Consultative</td>
<td>4</td>
<td>50%</td>
</tr>
<tr>
<td>Participative/Laissez-faire</td>
<td>4</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table 4 indicates that senior management at CBA used democratic and participative management styles in strategy implementation and the over-riding reason given for the use of this style is that it fosters team spirit.

### 4.3 Internal Customer Satisfaction

This section deals with the results and findings of the internal questionnaire issued to CBA staff members to determine their satisfaction. The staff members have been divided into two groups namely:
- Middle level management
- Non-management staff

A total of fifty (50) questionnaires were distributed to the two groups and thirty-two (32) staff members completed and returned the questionnaires. Out of the total figure, twelve (12) were middle level management and twenty (20) were non-management staff.
The composition of the middle level management staff was as follows:
- 5 Branch Operations Managers
- 6 Account Relationship Managers
- 1 Senior Dealer

The composition of the non-management staff was as follows:
- 14 Tellers/Cashiers
- 3 Customer Service Officers
- 2 Internal Auditors
- 1 Security Officer

4.3.1 Middle Level Management

Table 5: Middle Level Managements' Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-30</td>
<td>2</td>
<td>25%</td>
</tr>
<tr>
<td>31-40</td>
<td>4</td>
<td>50%</td>
</tr>
<tr>
<td>41-50</td>
<td>2</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 5 shows the majority of the middle level management were in the age bracket of 31-40 years while the rest were evenly distributed in the age bracket of 21-30 years and 41-50 years.

Table 6: Middle Level Managements' Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>8</td>
<td>67%</td>
</tr>
<tr>
<td>Female</td>
<td>4</td>
<td>33%</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 6 shows that 67% of the middle level management staff was male while only 33% were females.

Table 7: **Factors that Influence Customer Satisfaction**

<table>
<thead>
<tr>
<th>Factors Influencing Satisfaction</th>
<th>Frequency</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider CBA a Fair Employer</td>
<td>10</td>
<td>83%</td>
</tr>
<tr>
<td>Adequate Staff Benefits &amp; Incentives</td>
<td>6</td>
<td>50%</td>
</tr>
<tr>
<td>Adequate Working Environment</td>
<td>11</td>
<td>92%</td>
</tr>
<tr>
<td>Efficient Staff Grievances Forum</td>
<td>9</td>
<td>75%</td>
</tr>
<tr>
<td>Effective and timely communication</td>
<td>12</td>
<td>100%</td>
</tr>
<tr>
<td>Adequate Training and Development</td>
<td>12</td>
<td>100%</td>
</tr>
<tr>
<td>Sufficient employee empowerment</td>
<td>8</td>
<td>67%</td>
</tr>
<tr>
<td>Presence of a Team Spirit</td>
<td>11</td>
<td>92%</td>
</tr>
</tbody>
</table>

Table 7 shows that 83% of staff considered CBA to be a fair employer as it gives equal employment chances, life insurance and medical insurance. The percentage of respondents who felt that CBA gives adequate benefits and incentives was 50% while 92% consider the working environment to be adequate.

Table 7 also shows that 75% of the respondents felt that the forum for staff grievances is efficient while 25% felt that it took too long to address staff grievances. All the respondents (100%) felt that communication is timely and effective. The training and development programs were considered adequate by 50% of the CBA staff members while 67% felt they were sufficiently empowered to make decisions affecting their responsibilities. With regard to teamwork, 92% felt there was teamwork and had participated in team activities while only 8% had not participated in any team projects.
The table totals are more than 100% as the respondents gave their views on each factor independently and hence responded more than once on the factors that influence satisfaction. The factors were mutually exclusive.

4.3.2 Non-management Staff

**Table 8: Non-Managements’ Staff Age**

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-30</td>
<td>12</td>
<td>60%</td>
</tr>
<tr>
<td>31-40</td>
<td>7</td>
<td>35%</td>
</tr>
<tr>
<td>41-50</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 8 shows that 60% of the respondents were in the age bracket of 21-30 years while 35% were in the age bracket of 31-40 years. Only 5% were in the 41-50 age bracket.

**Table 9: Non-Managements’ Staff Gender**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Distribution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>9</td>
<td></td>
<td>45%</td>
</tr>
<tr>
<td>Female</td>
<td>11</td>
<td></td>
<td>55%</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 9 shows that 55% of the respondents in the non-management staff category were female while only 45% were male.
Table 10: Factors that Influence Customer Satisfaction

<table>
<thead>
<tr>
<th>Factors Influencing Satisfaction</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider CBA a Fair Employer</td>
<td>14</td>
<td>70%</td>
</tr>
<tr>
<td>Adequate Staff Benefits &amp; Incentives</td>
<td>12</td>
<td>60%</td>
</tr>
<tr>
<td>Adequate Working Environment</td>
<td>18</td>
<td>90%</td>
</tr>
<tr>
<td>Efficient Staff Grievances Forum</td>
<td>9</td>
<td>45%</td>
</tr>
<tr>
<td>Effective and timely communication</td>
<td>16</td>
<td>80%</td>
</tr>
<tr>
<td>Adequate Training and Development</td>
<td>17</td>
<td>85%</td>
</tr>
<tr>
<td>Sufficient employee empowerment</td>
<td>11</td>
<td>55%</td>
</tr>
<tr>
<td>Presence of a Team Spirit</td>
<td>17</td>
<td>85%</td>
</tr>
</tbody>
</table>

Table 10 indicates that 70% of the non-management staff considered CBA to be a fair employer while 30% did not consider CBA a fair employer as promotions and rewards not being done in a standardized manner. Sixty percent (60%) of CBA non-management staff felt that the staff benefits and incentives were adequate while 90% considered the working environment to be adequate too. Of the total respondents, 45% of the non-management staff felt that the staff grievances forum was not efficient due to the length of time taken in addressing staff grievances. On the issue of communication, 80% of the respondents considered the communication system to be effective and timely. The training and development programs were considered adequate by 85% of the staff members. Of the total respondents, 55% of the employees felt empowered in their responsibilities while 85% consider CBA to have a team spirit.

4.4 External Customer Satisfaction

To determine the strategies that enhance external customer satisfaction at CBA, the research identified the kind of customers according to the length of customer relationship, whether individual or corporate and the type of services the customers use at CBA. A total of 150 questionnaires were issued and 85 responded.
4.4.1 General Characteristics of CBA Customers

Table 11: Length of Customer Relationship

<table>
<thead>
<tr>
<th>Length of customer relationship</th>
<th>Distribution</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>1 to 5 years</td>
<td>5</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>35</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>11 to 15 years</td>
<td>15</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Over 15 years</td>
<td>20</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Table 11 shows that 18% of CBA external customers had held accounts at CBA for a period of 1 to 5 years while 41% had been account holders at CBA for 6 to 10 years. Only 17% had been account holders for 11 to 15 years while 24% of the respondents had accounts for more than 15 years.

Table 12: Total Individual and Corporate Accounts

<table>
<thead>
<tr>
<th>Type of account</th>
<th>Distribution</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>26</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td>36</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>Both</td>
<td>23</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Table 12 shows that 31% of the external customers had individual accounts while 42% had corporate accounts. Of the total respondents, 27% had both individual and corporate accounts.
Table 13: Services Used at CBA

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Distribution</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>28</td>
<td>33%</td>
</tr>
<tr>
<td>Checking/Current accounts</td>
<td>45</td>
<td>53%</td>
</tr>
<tr>
<td>Fixed Deposit accounts</td>
<td>25</td>
<td>29%</td>
</tr>
<tr>
<td>Safe Custody Facilities</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Foreign Exchange</td>
<td>38</td>
<td>45%</td>
</tr>
<tr>
<td>Loan Facility</td>
<td>24</td>
<td>28%</td>
</tr>
<tr>
<td>Overdraft Facilities</td>
<td>15</td>
<td>18%</td>
</tr>
<tr>
<td>Investment Services</td>
<td>2</td>
<td>2%</td>
</tr>
</tbody>
</table>

Table 13 shows that 33% of the customers had savings accounts. The most favorite type of service was the checking account that had 53% of the total respondents. Twenty-nine percent (29%) of the respondents had fixed deposit accounts while only 1% enjoyed safe custody facilities. The customers who deal in foreign exchange were 45% while 28% had taken loans at CBA. Of the total respondents, 18% enjoyed overdraft facilities and 2% used CBA for investment services. The respondents use more than one type of service at CBA.

4.4.2 Factors that Influence External Customers Satisfaction

Table 14(a): Complaints Level

<table>
<thead>
<tr>
<th>Customer Complaints</th>
<th>Distribution</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
</tr>
<tr>
<td>Customers who have expressed a complaint</td>
<td>25</td>
<td>30%</td>
</tr>
<tr>
<td>Customers who have not had a complaint</td>
<td>60</td>
<td>70%</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 14(a) shows that only 30% of the respondents had expressed a complaint while 70% had not.

**Table 14(b): Resolution of Complaints**

<table>
<thead>
<tr>
<th>Complaints Resolution</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
</tr>
<tr>
<td>Customers satisfied with complaint resolution</td>
<td>18</td>
</tr>
<tr>
<td>Customers dissatisfied with complaint resolution</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
</tr>
</tbody>
</table>

Table 14(b) shows that 72% of the respondents felt their complaints were resolved to their satisfaction while 28% felt that CBA could have handled their complaints better.

**Table 15: Branch Location**

<table>
<thead>
<tr>
<th>Convenience of Branch Location</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
</tr>
<tr>
<td>Convenient</td>
<td>76</td>
</tr>
<tr>
<td>Not convenient</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
</tr>
</tbody>
</table>

Table 15 shows the branch locations were considered convenient by 89% of the respondents while 11% felt CBA should open branches in upcountry locations like Kisumu and Nakuru.
Table 16: Continuous Improvement

<table>
<thead>
<tr>
<th>Factor</th>
<th>Number</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updated Technology</td>
<td>82</td>
<td>96%</td>
</tr>
<tr>
<td>Relevant products/services</td>
<td>80</td>
<td>94%</td>
</tr>
<tr>
<td>Improved Delivery of services</td>
<td>81</td>
<td>95%</td>
</tr>
</tbody>
</table>

Table 16 shows that 96% of the respondents believed CBA was up to date with the latest technology. Ninety-four percent (94%) considered the products/services offered by CBA to be adequate for their banking needs while 95% feel there was improvement in the delivery of services.

Table 17: Comparison with Competitors

<table>
<thead>
<tr>
<th>Factor</th>
<th>Better %</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>66</td>
<td>78%</td>
</tr>
<tr>
<td>Reliability</td>
<td>74</td>
<td>87%</td>
</tr>
<tr>
<td>Timeliness</td>
<td>68</td>
<td>80%</td>
</tr>
<tr>
<td>Accuracy</td>
<td>59</td>
<td>69%</td>
</tr>
<tr>
<td>Consistency</td>
<td>64</td>
<td>75%</td>
</tr>
<tr>
<td>Willingness to assist customers</td>
<td>80</td>
<td>94%</td>
</tr>
<tr>
<td>Maintaining customer confidentiality</td>
<td>45</td>
<td>53%</td>
</tr>
<tr>
<td>Courtesy of employees</td>
<td>71</td>
<td>84%</td>
</tr>
<tr>
<td>Convenience and accessibility</td>
<td>60</td>
<td>71%</td>
</tr>
<tr>
<td>Security of banking premises</td>
<td>52</td>
<td>61%</td>
</tr>
</tbody>
</table>

Table 17 shows the results of the comparison with competitors. Of the total respondents, 78% believed CBA was more efficient while 22% believed it was at
par with competitors. Eighty seven percent (87%) rated CBA as more reliable while only 1% believed CBA was worse than the competitors. A majority (80%) of the respondents felt that CBA was timely in its communication while 18% felt CBA was at par with competitors. As compared to competitors, 69% of the respondents believed CBA was accurate in transaction processing, none of the respondents believed the bank was worse than its competitors while 31% believed CBA is just about the same as the competitors.

CBA was considered consistent by 75% of the respondents while 4% rated CBA worse than the competitors and 21% believed CBA was at par with the competitors. A majority (94%) of the respondents considered CBA staff to be very willing to assist customers; none rated CBA as being worse than the competitors while 6% rated CBA as being on the same level as the competitors. Fifty-three percent (53%) of the respondents felt CBA maintained customer confidentiality better than the competitors while 47% believed the levels of confidentiality were similar to competitors. None of the respondents rated CBA worse than the competitors.

A majority (84%) of the respondents felt that CBA employees were more courteous than employees of competitors while 2% felt CBA employees were worse than the competitors. Courtesy of CBA employees was rated similar to competitors by 14% of the respondents. Of the total respondents, 71% considered CBA to be convenient and accessible while 25% rated it similar to the competitors. Security of banking premises was considered better by 61% of the respondents; none felt CBA premises were worse than the competitors while 39% believed the banking premises were just as secure as the competitors.
4.5 Chapter Summary

In this Chapter, the findings of the study based on the Research Questions were presented.

The results indicated that the majority of the senior management staff had been in employment with CBA for a period of five to ten years and had been previously employed elsewhere before joining CBA. The most commonly used method of strategy formulation was financial analysis while the leadership styles favored by most were democratic and participative.

The results from the internal customers were subdivided between middle level management and non-management staff. The middle level management were mainly male in the age group of thirty-one to forty years. The majority felt that CBA provided adequate training and development, good working environment, and timely and effective communication. The findings also indicated the presence of a team spirit at CBA.

The non-management staffs were mainly female in the age group of twenty-five to thirty years. The findings indicated that a majority of the non-management staff felt that the working environment, and training and development programs were adequate and that there was team spirit at CBA.

The results from external customers indicated that most had been CBA customers for a period of six to ten years and the majority held corporate accounts. The least used services from the analysis were safe custody facilities and investment services. The complaints reported were minimal and of those who had complaints, the majority felt their complaints were resolved to their satisfaction. The location of the branches was considered convenient although a few of the customers felt CBA should open branches in upcountry towns like Nakuru, Kisumu and Eldoret.

The findings indicated that CBA technology was considered up to date and there was continuous improvement in products and service delivery. The external customers also considered the products/services offered to be relevant to their
banking needs. The staff at CBA was considered courteous and willing to assist external customers. The findings also indicated that factors such as consistency, efficiency, reliability and timeliness both in communication and transaction processing were considered very important in customer satisfaction.

The next chapter is a discussion on the findings of the study, the conclusions derived from the findings and the recommendations for improvement and further research. The discussions and recommendations are based on the research questions, which were strategies that reflect CBA's senior management commitment to customer satisfaction, strategies to enhance internal customer satisfaction and strategies to enhance external customer satisfaction.
CHAPTER FIVE:

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section provides a discussion of the findings of the study, the conclusions derived from the findings and recommendations for improvement and further research.

5.2 Summary

The purpose of the study was to determine strategies that can enhance customer satisfaction at Commercial Bank of Africa (CBA) in order to improve services and gain a competitive edge. The type of research design was a case study on Commercial Bank of Africa. The population consisted of internal customers and external customers at five selected branches of CBA. Stratified sampling technique was used to determine the sample elements. Data was collected by use of questionnaires, which were e-mailed to internal customers and issued to external customers visiting the selected branches. Data analysis was by the use of descriptive statistic and it was presented by use of tables.

The major findings of the study were as follows:

- Senior Management staff at CBA were constantly striving to meet their target market banking needs by formulating policies that will enhance satisfaction. They encouraged feedback from internal customers who are in more frequent contact with customers and better positioned to advise on areas that need improvement and those that should be maintained.

- Internal customers were generally satisfied with the staff policies such as training and development, staff benefits, operating environment and communication systems in place. However, areas of dissatisfaction were evident in the pay and reward systems currently in place.

- External customers were satisfied with the products offered by CBA and the service delivery was considered good with courteous and professional staff. They were also pleased with the technology that CBA used although the
majority felt that CBA should introduce ATM’s in order to enhance service delivery.

5.3 Discussion

This section will give a discussion based on the research questions as follows:

- Discussion on the strategies that reflect CBA’s senior management commitment to customer satisfaction.
- Discussion on the strategies that CBA used to enhance internal customer satisfaction.
- Discussion on the strategies that CBA used to enhance external customers customer satisfaction.

5.3.1 Senior Management Strategies

The study revealed that CBA senior management used financial analysis and SWOT analysis to formulate strategies that enhance customer satisfaction. Financial analysis was used to reflect the performance of the bank, which is of particular interest to shareholders and the board of directors. SWOT analysis was also used so as to match the strengths of CBA to the opportunities that the competitive environment provides. SWOT also helps senior management to identify various threats and weaknesses that may enable competitors to ‘eat’ into CBA’s market share and hence erode profits.

Ross (1995) proposes that strategic planning should begin with a vision of the organization’s direction. From the CBA mission statement, the bank is interested in providing services to a narrow target market. Thus CBA senior management used niche and differentiation generic strategies to enhance customer satisfaction for the narrow target market. Niche generic strategy was reflected in the customer base where CBA offers attractive packages to embassies and NGO’s. Differentiation was also used as the products offered are tailored to a specific target market. In the case of individuals, CBA targeted high net-worthy individuals who were able to meet the costs and regulations.
CBA's senior management used both democratic and participative leadership styles to implement strategies that enhance customer satisfaction. Maxwell (1998) proposes the use of democratic and participative leadership for an organization that wants to create a team spirit. The reasons given for the use of these styles is that they facilitate team input in developing strategies that are better aligned to meet customer needs. Senior management recognized that working together as a team facilitates development of appropriate strategies as the team members are in more frequent contact with customers and hence able to give appropriate input.

Senior management described the strategic vision as the development of products and services that meet the needs of the target group of customers. The mission statement summarizes the strategic vision as absolute dedication to understanding customer needs and then fulfilling those needs with the appropriate mix of service, efficiency and reliability (CBA Financial Report, 2001).

Senior management considered the competitive strategy of CBA to be based on high levels of customer service, relationship management, multiple delivery channels and niche target marketing. The study revealed that CBA strives to understand the competitive environment through benchmarking and regular monitoring of activities with a view to achieving customer satisfaction.

The research found that CBA's strategic goals in relation to customer service quality were based on an understanding of customer needs, developing products that meet identified needs and investing in resources (people, premises and technology) to fulfill the needs. This compares with the TQM principles of continuous improvement, employee satisfaction and top management commitment as proposed by Ross (1995). The motto adopted is 'getting it right first time'. Various goals are used in this regard that address customers' waiting time, continuous improvement, product differentiation and flexibility in service delivery.

Senior management felt that CBA's policies that address customer satisfaction are indicated in the mission statement, the five-year strategic plan and the service
quality policy guidebook. The policies address the issue of segmentation of the market and development of appropriate products; attractive operating environment to meet customers' expectations; professionalism when handling customers and investment in technology and people.

The research revealed that various key success factors are used to evaluate the performance of strategies that affect customer satisfaction. These include customer turnover, new customer acquisitions, product market share, operational capacity and international awards. An important key success factor is customer complaints management, as CBA believes it is better to have a complaining customer rather than one who does not complain but disappears. Wayland and Cole (1997) propose that for an organization to grow, it needs to recognize that customers' needs come first. CBA senior management has adopted this important growth strategy as they continuously strive to tap any unmet needs in their target market.

5.3.2 Internal Customer Satisfaction

The internal customers in the study were mainly middle level management staff and non-management staff.

The study revealed that a majority of the internal customers consider CBA to be a fair employer. Various reasons were given for this conclusion such as the fact that CBA has a well-organized system of work and gives equal chances regardless of gender. Other internal customers felt CBA was a fair employer due to the fact that it employs on merit, provides opportunities for personal development and adopts an open door policy. The study revealed that some employees considered CBA a fair employer, as there were processes in place to ensure parity such as job evaluation, human resources committee, transparent salary grading and structures. This compares with what Herman (1999) proposes as strategies for keeping good people.

However, a few of the employees did not consider CBA to be a fair employer as staff complaints and departures were on the rise and staff morale was low. One of the reasons given for dissatisfaction was the low incremental rate given during the
annual salary appraisals even after the bank has reported profits in the previous financial year.

The study also found that a majority of the internal customers were satisfied with the staff benefits and incentives in place. However, some felt additional benefits such as bonuses when the bank makes exceptional profits would enhance satisfaction. Other additional benefits that were highlighted include club membership; travel allowances or mileage compensation when one used their personal car for business purposes. The study also revealed that staff were not happy with the current medical scheme as it required payment first and reimbursement later, which normally takes up to two weeks. They also felt that incase of an emergency, one may not have ready cash to seek medical assistance.

The research revealed that CBA staff were happy with the working environment and considered it conducive for good performance. They had all the necessary tools and equipment necessary for delivery of quality service.

The study also found out that a majority of the employees believed there was a forum for airing staff grievances and giving feedback. However, they did not consider it efficient as grievances took over fourteen days to be resolved.

The most commonly used type of communication was e-mail. This channel was used to inform staff of any changes in the organization, update them on new procedures, staff movements and promotions. The findings revealed that the majority of the staff believed this channel was effective and timely. However, a few of the staff members felt that some issues were not communicated in good time hence facilitating rumors and grapevine. Some of the staff members felt that some communication should be done orally so that they are given a chance to give immediate feedback.

Thomson (1997) proposes that one important way of managing staff is to ensure they receive occasional training so that they do not feel like the organization is draining their knowledge. The results of the study revealed that CBA provided
adequate training and development for the staff. Most of the respondents acknowledged that CBA encouraged cross training but then the tight schedules within the departments made it almost impossible for all staff to cross-train. The staff were disappointed that cross training is an exception rather than the rule as it is only allowed when one can get another staff member to relieve them of their duties. An interesting perspective emerged that some of the staff members were not willing to cross-train as they were insecure and afraid that whoever relieves them of their duties may be placed in their positions permanently.

The research found that most of the staff members were not aware of their career development plan. The majority claimed that the Human Resource department did not openly discuss career progression plans and were not transparent in their promotion qualification criteria. The study revealed that most of the staff members are not aware of the performance factors that would ensure growth and subsequent progression.

Herman (1999) considers empowerment a support strategy as it assists employees in carrying out their duties and responsibilities efficiently. The study revealed that some staff members felt they were empowered to make decisions affecting their job responsibilities. They acknowledged that guidelines and procedure manuals were in place and they could make decisions based on them that can then be ratified by their superiors. On the other hand, the study revealed that some staff members did not feel empowered to make decisions. They would like to be empowered more to make decisions so as to eliminate fear of overstepping boundaries. Staff acknowledged that credit decisions are complex and require specialized knowledge but routine decisions of branch operations should be within the power of the supervisors. A restructuring of the branch operations was recommended to enhance empowerment.

The study further revealed that CBA encouraged teamwork and a majority of the staff members had been involved in team projects and activities. The possible benefits associated with teamwork include product innovations, faster resolution of issues, developing a sense of unity and involvement, and breaking boundaries
created by positions. Teamwork was also accredited with better results and more cohesion within the work force as it leads to a diversity of ideas. The over riding benefit of teamwork was that it fosters better working relations among employees and enhances satisfaction. Herman (1999) gives examples of compensation strategies, which include reward systems that stimulate employee involvement, performance-based payment and non-financial compensation. The study found out that CBA needs to address the compensation strategies as this were obviously a source of dissatisfaction.

5.3.3 External Customer Satisfaction.

The research targeted CBA account holders irrespective of the type of account held. The rationale for this is that customers should be treated uniformly even if they use different services in the bank. Such consistency is a valued aspect of quality service.

A majority of the customers had checking accounts commonly referred to as current accounts, savings account, fixed deposit accounts, and loan and overdraft facilities. Out of the representative sample, only one customer enjoyed safe custody facility. This is because CBA did not offer such facilities and the customer was granted a safe custody facility on an exceptional basis. Most of the customers enjoyed more than one service and the majority of the respondents had both corporate and individual accounts.

The findings revealed that CBA provided timely statements of the customer accounts and adequate withdrawal instruments such as cheque books which facilitate accessibility to funds. CBA customers considered the banking halls to be private as the windows were well covered with blinds and reasonable distance is provided between one customer and the other. Queue controllers were placed in the banking halls and the customer service desks to avoid overcrowding. A few respondents felt privacy could be enhanced if the windows were tainted. The respondents considered CBA staff members as being professional in the way they handle customers and communication on changes affecting accounts are timely.
The CBA branches are well equipped with stationery, pens and comfortable working surfaces.

Every account holder at CBA signs a General Terms and Conditions (GTC) form, which highlights the terms for operating an account. These include treatment of customer instructions, authorized signatories, set-off of account indebtedness, charges and interest, termination of relationship, among others. The terms state that the bank can at any time upon notice to the customer terminate or vary its business relationship with the customer. Ordinarily, CBA exercises this clause if an account if constantly and consistently overdrawn. The respondents, who in the past had been given notice to correct a debit balance felt the period was reasonable.

Pezullo (1993) proposes that customers value reliable service, courteous treatment, clear communication, competent staff and responsive service. The study revealed some reservations on delivery of services. The respondents expressed the need to send adequate notice of changes affecting accounts including bank charges. Some tariffs were regarded as very critical such as ledger fees; chequebook charges and minimum balance penalties and customers felt this should be advised over a longer duration of time.

According to Hayes (1997) complaints management is very important if an organization is to maintain loyal customers. The research findings revealed that CBA provided a complaint/suggestion box, which they called “Your Views Matter” box. This is displayed in all the branches and agencies. The complaints that customers had expressed previously were highlighted as follows:

- Errors in transaction processing
- Failure to notify customers before un-paying a cheque due to insufficient funds.
- Failure to grant loans to customers who had banked with CBA for a long time.
- Erroneous charges to customers accounts
- Insufficient staffing at the teller line. Customers would like more tellers in the banking hall and a system where specified tellers in all branches serve customers with time-consuming transactions.
- Inadequate communication on policies that affect customer accounts such as period taken before an account is declared dormant.

A majority of the customers felt complaints were resolved to their satisfaction and any errors corrected. However, those who needed loans felt a less rigid method of appraisal should be adopted and adequate explanations given where a customer does not qualify. The respondents felt the issue of increased bank tellers is still unresolved. However, they acknowledge that some branches have more tellers and they can use their services for bulk transactions since CBA is online.

The study revealed that most customers’ felt the branch locations were convenient for their banking needs while some felt CBA should open branches in upcountry towns. The most favored areas were Nakuru, Kisumu, Eldoret and Nanyuki. The corporate account holders favored these towns as the majority had branches in them and the absence of a CBA branch forced them to open accounts with banks located there. The individual account holders favored the locations, as they need easy access to their funds when they travel upcountry.

Ross (1995) proposed continuous improvement as an important principle in TQM implementation. The research findings indicated that CBA was implementing this important TQM principle by investing in people, products, technology and machinery. The technology was considered up to date and the products offered relevant for the customers’ banking needs. A majority of the customers felt that CBA had improved in service delivery. However, a small minority of the customers felt that CBA should improve on the deposit slips, as they were not carbonated. The use of a separate carbon was considered outdated and contributed to making the banking hall untidy due to the presence of too many papers. Hilton Hotel and Webern Street Branch were quoted as branches that need improvement due to the long waiting time on the queues.
The East African Standard (2002, April 19) highlighted the findings of an information technology survey on banks with emphasis on Internet banking and Automated Teller Machines (ATMs). The study revealed that customers would like CBA to introduce ATMs so as to reduce congestion experienced in some of the branches especially during the weekend. This was a recommendation given by a large percentage of the respondents. Some customers recommended the use of electronic banking and the need to enhance the system such that one does not need to complete withdrawal instruments or deposit slip. They recommended that the CBA system should enable the printing of the withdrawal instruments or deposit slips and the customer appends his signature to signify consent.

The research findings revealed that CBA compares favorably with competitors. A very small fraction rated CBA as being worse than the competitors in terms of consistency, timeliness, convenience and accessibility. CBA was considered better than the competitors with regard to efficiency, reliability, accuracy, and willingness to assist customers and courtesy of employees.

The study revealed that CBA was at the same level as competitors in terms of maintaining customer confidentiality. This is very important, as a breach of confidentiality can be detrimental to a bank. Banks and their customers work on the premise of trust and once broken, a bank's reputation is shattered. The Banking Code of Ethics re-emphasizes this fact and highlights the recourse available to customers who feel the duty of confidentiality had been breached.
5.4 Conclusion

The purpose of the study was to determine strategies that can enhance customer satisfaction at Commercial Bank of Africa Ltd (CBA) in order to improve services and gain a competitive edge.

The following are the conclusions based on the findings and discussions:

1. The research revealed that senior management staff were customer-conscious and committed to enhancing customer satisfaction. The strategy formulation, implementation and monitoring steps were undertaken with a view to ensuring customers are happy. The mission statement addressed customer satisfaction as CBA endeavored to provide highly personalized services to meet the customer needs. Specific mottos were used such as getting it right first time and providing stress free banking to enhance customer satisfaction.

2. The staff members of CBA (internal customers) were satisfied with issues that affect them. Internal customers were satisfied with an employer who provides opportunities for staff advancement and recognized staff efforts towards achieving the organizational goals. However, the internal customers’ satisfaction would be greatly enhanced if they were given bonuses during boom periods, Christmas bonuses and increased benefits. The internal customers felt very strongly about salary increments. The rates applied during salary evaluation in the year of the study were considered to be too low. These rates were quoted as being between one and five percent. The majority of the internal customers considered the salary scales used at CBA to be too low and called for a review of the same. CBA had a well-established training department and library that was adequately equipped with learning materials. All staff members had attended team building courses and customer care seminars. CBA had a learning culture but needed to set aside adequate funds that can facilitate post-graduate courses.

3. The research revealed that a majority of CBA external customers were satisfied with the quality of services offered. The customers were happy with the delivery of
services and customer complaints management. There was a definite need to provide ATM's as this were highly favored by the majority of the customers. The discussion also revealed that relationship marketing needed to be enhanced to increase customer loyalty. A customer who enjoyed more than one service in a bank was bound to be more loyal than one who had only one type of service. CBA needed to address the needs of small scale borrowing customers as most felt they had ignored this particular segment. Given the highly competitive banking industry, CBA cannot afford to ignore the unmet needs of their customers. The competing banks and financial institutions offer similar products but what distinguishes one bank from another is the delivery of quality service and the satisfaction the customer gets from dealing with one bank as opposed to another.

4. A general conclusion on customer satisfaction whether internal or external, revealed that CBA had understood the concepts of TQM namely top management commitment, employee involvement and continuous improvement. Strategies to enhance customer satisfaction would fail if top management were not committed to their formulation, implementation and control. Top management staff members were also detrimental in determining the culture in an organization. The performance of employees would be greatly hindered if their views were not considered in the strategy formulation stage and if their needs were not met. Internal customers cannot please the external customers if they are dissatisfied. On the other hand, external customer satisfaction would be difficult to achieve if CBA is not continuously improving on their services. Customer needs are not static and hence CBA needs to continuously review its performance with a view to ensuring it is meeting their customer needs. The wheezing speed of technological innovations has necessitated a change in processes and banks cannot afford to 'stick to the knitting'.
5.5 Recommendations

The following recommendations were made based on the findings and conclusions of the study.

5.5.1 Suggestions for Improvement

1. Senior Management
   In order to enhance senior management commitment to customer satisfaction, senior management needed to clearly understand their customer needs, both internal and external, and continuously improve services with the aim of exceeding these expectations.

   Additional delivery channels such as ATM network, Mobile Phone banking and more late night branches would greatly enhance customer satisfaction. Other factors would be a dedicated corporate customer service team that would be able to answer calls irrespective of the time. The current system was not favorable as Account Relationship Managers (ARM) were not on duty on Saturdays hence making it difficult for the branches that open on weekdays to contact them. It is recommended that at least one ARM should be on duty at all times to cater for such temporary overdraft requests.

   It is also recommended that CBA should have a dedicated product development team that constantly aims at developing new products or enhancing existing ones so that customers are satisfied.

2. Internal Customer Satisfaction
   Although the research findings indicated that CBA internal customers were generally satisfied, there was need for a revision in the remuneration/pay offered. It is recommended that all employees should be equally motivated through monetary and non-monetary rewards. Employees’ contribution should be awarded and the basis for giving promotions made more transparent. End of year bonuses/profit sharing should be introduced.
Employee empowerment should be encouraged to allow freedom in decision-making. Staff opinions should be sought more proactively especially when making decisions that affect them directly. Staff need to be made aware of the career development plans for every job as only then can staff members plan their careers and work towards moving on to the next level. It would also enhance the feeling of parity in giving promotions, as all staff would be aware of what is required to move on to the next level.

Cross training between departments should be strictly adhered to and should not be a plan on paper only. Efforts should be made by Human Resource Department (HRD) to ensure adequate staff to facilitate movement between departments. This would enhance satisfaction, as employees would have more experience and break the monotony of doing routine tasks. It would also create a greater appreciation between departments, as employees would understand how their output affects the next department in the chain of production/service delivery.

It is recommended that the I.R. department should develop clearly defined succession plans and provide monthly or quarterly updates on opportunities available for career progression. It is also recommended that the training department should arrange for international training especially for middle management staff as they provide a vital link between senior management and non-management. The benefits of such exposure would be felt bank-wide.

3. External Customer Satisfaction

The research indicated that external customers are generally satisfied with CBA but there are areas for improvement. Automated Teller Machines (ATMs) need to be introduced to facilitate service delivery. The loans facilities should be enhanced to cater for ‘small’ borrowers. Internet banking should be enhanced, as the busy customer does not have time to visit the banking halls during the restricted opening hours. It is also suggested that customer interview rooms should be introduced to offer additional privacy. The current customer service
set up makes it difficult to discuss financial affairs in private without the next customer listening in to the conversation.

5.5.2 Suggestions for Further Research

1. This research focused on strategies that can enhance customer satisfaction in the banking industry by conducting a case study on CBA. Further research should be conducted on other banks and results compared to determine the major areas of dissatisfaction in the banking industry.

2. In an effort to ensure internal customer satisfaction, further research should be conducted specifically on the various groups of staff, that is, senior management, middle level management and non-management staff. The research did not address the satisfaction levels of senior management and made general conclusions from the middle level and non-management staff. Such a research study would be useful in determining how to satisfy each level as their requirements may differ.

3. Separate research should be carried out on the needs of the individual account holders and another on the needs of the corporate account holders. The findings would be useful as corporate account holders may require specific products/services that individuals may not need. For example, the loan requirements for both groups differ and the criteria applied would be tailored specifically to address each group.
REFERENCES:


APPENDIX (I)

COVER LETTER:

Susan Omondi  
United States International University  
P.O. Box 14634  
Nairobi

Dear Respondent,

I am carrying out a research on the strategies that can enhance customer satisfaction in the banking industry in Kenya by conducting a case study on Commercial Bank Of Africa Ltd (CBA). This is in partial fulfillment of the requirement of the Masters degree in International Business Administration at United States International University.

The results of this study will be used to enhance the provision of quality services will lead to customer satisfaction.

I would be grateful if you could spare some time to provide the information in the attached questionnaire.

Many thanks for your assistance.

Yours truly,

SUSAN OMONDI
APPENDIX (II)

SENIOR MANAGEMENT QUESTIONNAIRE

STRATEGIES FOR ENHANCING CUSTOMER SATISFACTION – A CASE STUDY OF COMMERCIAL BANK OF AFRICA LTD.

This is an academic research paper in partial fulfillment of the requirement of the Masters Degree in International Business Administration at United States International University-Africa. The results will be used to enhance customer satisfaction and your responses will be treated with strict confidence.

SECTION 1: GENERAL INFORMATION:

1. Title...........................................................................................................................................
2. Length of Employment at CBA ........................................................................................................
3. Number of Previous Employers ......................................................................................................

SECTION 2: TOP MANAGEMENT COMMITMENT IN ENHANCING CUSTOMER SATISFACTION

4. Which of the following methods does CBA use in strategy formulation. (Please tick as appropriate).
   SWOT Analysis
   Financial Analysis
   Value Chain Analysis
   Boston Consulting Group (BCG) analysis

5. Kindly indicate the generic strategy that CBA uses in strategy implementation. (Please tick as appropriate).
   a) Differentiation
   b) Cost leadership
   c) Niche
   d) Other (specify)..........................................................................................................................

6. a). Which leadership style do you use in implementing strategies that enhance customer satisfaction? (Please tick as appropriate).
   Authoritative
   Autocratic/Benevolent
Democratic/Consultative
Participative/Laissez-faire

b). Briefly give reasons as to why you use the style above

7. Briefly describe the strategic vision of CBA that addresses the issue of customer satisfaction.

8. In just a few words, describe CBA's competitive strategy?

9. a). What are the strategic goals of CBA in relation to customer service quality?

b). Kindly state the major CBA's policies that address customer satisfaction.

10. Kindly enumerate the key success factors that CBA uses to evaluate the performance of strategies affecting customer satisfaction.

APPENDIX (III)

INTERNAL CUSTOMER QUESTIONNAIRE

STRATEGIES FOR ENHANCING CUSTOMER SATISFACTION – A CASE STUDY OF COMMERCIAL BANK OF AFRICA LTD.

This is an academic research paper in partial fulfillment of the requirement of the Masters Degree in International Business Administration at United States International University-Africa. The results will be used to enhance customer satisfaction and your responses will be treated with strict confidence.

SECTION 1: GENERAL INFORMATION

1. Position/Title

2. Age

3. Sex

4. Length of Employment

5. Number of Previous Employers

SECTION 2: EMPLOYEE INVOLVEMENT AND SATISFACTION

6. a) Do you consider CBA to be a fair employer? Yes [ ] No. [ ]

b) Give reasons for your answer

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7. STAFF BENEFITS AND INCENTIVES

a) Are the benefits and incentives offered by CBA adequate?

Yes [ ] No. [ ]

b) If your answer to (a) above is No, kindly state additional benefits and incentives that would enhance job satisfaction and improve performance.

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8. WORKING ENVIRONMENT
a). Is the working environment conducive for good performance?
   Yes [ ] No [ ]

b). Do you have all the equipment/machinery/tools necessary for delivery of quality service?
   Yes [ ] No [ ]

c). If you answered No to any of the questions above, kindly elaborate.
   
   

9. STAFF GRIEVANCES
a). Is there a forum for airing staff grievances/giving feedback?  Yes [ ] No [ ]

b). How long does it take to address the staff grievances? Please tick as appropriate.
   One to seven days [ ]
   Eight to fourteen days [ ]
   Over fourteen days [ ]

10. COMMUNICATION
a). What is the most commonly used communication channel? 

b). Do you think its effective?  Yes [ ] No [ ]

c). Is communication timely?  Yes [ ] No [ ]

d). If you answered ‘No’ to any of the questions above, kindly suggest ways of improvement.
   
   

11. TRAINING AND DEVELOPMENT
a). Does CBA provide adequate training necessary for your performance?
   Yes [ ] No [ ]

b). Are staff members given a chance to cross-train between departments?
   Yes [ ] No [ ]
c). Are you aware of your career development plan?
   Yes   No

d). If you answered "No" to any of the questions above, kindly elaborate and suggest ways of improvement.

12. **EMPOWERMENT**

   a). Are you empowered to make decisions affecting your job responsibilities?
      Yes   No

   b). If yes, kindly elaborate.

   c). If not, suggest ways you would wish to be empowered.

13. **TEAM WORK**

   a). Does CBA have a team spirit?
      Yes   No

   b). Have you taken part in any project/activity that involved team work?
      Yes   No

   c). Kindly highlight the possible benefits associated with team work.

14. Kindly give your recommendation on ways CBA can increase employees' satisfaction.
APPENDIX (IV)

EXTERNAL CUSTOMER QUESTIONNAIRE

STRATEGIES FOR ENHANCING CUSTOMER SATISFACTION – A CASE STUDY OF COMMERCIAL BANK OF AFRICA LTD.

This is an academic research paper in partial fulfillment of the requirement of the Masters Degree in International Business Administration at United States International University-Africa. The results will be used to enhance customer satisfaction and your responses will be treated with strict confidence.

SECTION 1: GENERAL INFORMATION

1. Length of Customer Relationship

2. Do you hold an individual or corporate account?

3. Which of the following services provided by CBA do you use?
   - Savings accounts
   - Checking Accounts
   - Fixed deposit accounts
   - Safe custody facilities
   - Foreign Exchange
   - Loan facility
   - Overdraft facilities
   - Investment services

SECTION 2: EXTERNAL CUSTOMER SATISFACTION

4. DELIVERY OF SERVICES
   a) Does CBA provide timely statements of your account(s)?
      Yes [ ] No [ ]
   b) Does CBA provide cheque books and other withdrawal instruments?
      Yes [ ] No [ ]
   c) Does CBA give reasonable notice before closure of an account?
      Yes [ ] No [ ] Not Applicable [ ]
   d) Does CBA provide privacy in the banking halls?
      Yes [ ] No [ ]
c) Do CBA staff provide services in a professional manner?

Yes [ ]  No [ ]

f) Does CBA provide timely communication of changes affecting your account?

Yes [ ]  No [ ]

g) Does CBA strive to ensure their branches are well equipped with stationery, pens and comfortable working surfaces?

Yes [ ]  No [ ]

h) If you answered negatively to any of the above, kindly give recommendations.

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5. CUSTOMER COMPLAINTS

a) Does CBA provide you with a complaint/suggestion box?

Yes [ ]  No [ ]

b) Have you ever had a complaint?

Yes [ ]  No [ ]

c) State the nature of the complaint.

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d) Was the complaint resolved to your satisfaction?

Yes [ ]  No [ ]

Please elaborate

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6. BRANCH LOCATION

a) Are the locations of the various branches convenient for your banking needs?

Yes [ ]  No [ ]

b) If not, suggest areas you would like CBA to open a branch and give reasons.
7. CONTINUOUS IMPROVEMENT

a). In this era of information technology, do you think CBA is up-to date with the latest technology?
Yes ☐ No ☐
If not, kindly indicate the areas for improvement that CBA should consider.
................................................................................................................................................................................
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b). Does CBA develop new and relevant products/services to meet your banking needs?
   Yes ☐ No ☐
If not, state products or services you would wish CBA to introduce so as to better meet your needs.
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c). Have you seen an improvement in the delivery of services at CBA?
   Yes ☐ No ☐

d). If not, highlight ways in which services have deteriorated.
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8. COMPARISON WITH COMPETITORS

a). Do you maintain an account at any other bank?
   Yes ☐ No ☐
b). If yes, how do their services rate in comparison with CBA in the following areas? (Please tick as appropriate).

<table>
<thead>
<tr>
<th></th>
<th>Better</th>
<th>Worse</th>
<th>Same</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Efficiency</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>b) Reliability</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>c) Timeliness</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>d) Accuracy</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>e) Consistency</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>f) Staff’s willingness to deal with Customers’ queries</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>g) Maintaining customer confidentiality</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>h) Courtesy of employees</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>i) Convenience and accessibility</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>k) Security of banking premises</td>
<td>(   )</td>
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9. Kindly give your recommendations on products/services that CBA should introduce to better meet your needs.

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APPENDIX (V)

THE BUDGET

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<tr>
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<td><strong>Sub Total</strong></td>
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<td>Project Fees</td>
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IMPLEMENTATION PLAN

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<tr>
<td>Data Collection</td>
<td>April</td>
</tr>
<tr>
<td>Data Analysis and Presentation</td>
<td>May</td>
</tr>
<tr>
<td>Completed Project</td>
<td>June</td>
</tr>
</tbody>
</table>