

EFFECT OF CUSTOMER FOCUS ON ORGANIZATIONAL PERFORMANCE  
OF BANKS

(A STUDY OF FIRST BANK OF NIGERIA, PLC, MINNA)

BY

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## **DECLARATION PAGE**

I, MazaduTolaMaidawa, hereby declare that this work is the product of my own research efforts undertaken under the supervision of Dr. Kabir J. Ringim and has not been presented elsewhere either in whole or in part for the award of a degree or any other certificate. All sources have been duly acknowledged.

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**MAZADU TOLA MAIDAWA**

**DATE**

**CERTIFICATION**

The Dissertation, “Effect of Customer Focus on Organizational Performance of Banks”, meets the regulations governing the award of Master of Business Administration (MBA) of the Department of Business Administration, Ahmadu Bello University, Zaria-Nigeria and for literary presentation.

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## **DEDICATION**

This Research Work is dedicated to Almighty God, in whom I have my being.

## **ACKNOWLEDGEMENT**

I wish to, as a matter of priority, appreciate Almighty God for life and Strength, wisdom and understanding to undertake this programme which has been climaxed by this research work. For this, I will forever remain grateful and avail myself for the service of my Creator and Humanity.

Let me thank my immediate family for the wonderful support throughout this programme. I am highly indebted to you all.

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And to my Supervisor who worked tirelessly through mentoring and strict supervision to ensure that this work is a piece to be reckoned with, I thank you so much for your efforts and encouragement.

I wish not to forget my colleagues with whom we shared academic, pleasant and unpleasant moments during this programme, honestly I will miss you all.

## **ABSTRACT**

Customer service is the series of activities designed to enhance the level of customer satisfaction – that is the feeling that a product has met the customer's expectation and even beyond his/her expectation. Customers evaluate a product or service in terms of whether that product or service has met their needs and expectations. Customer satisfaction is derived largely from the quality and reliability of products and services. Commercial Banks encounter challenges in meeting customer's expectations of services and customer satisfaction.

However, in the long run, with the right caliber of leadership, staffing, tools and facilities, these challenges are overcome and customer focus coupled with efficient and effective leadership leads to customers receiving the right treatment from the staff and eventually stick to the bank for the comfort and joy they derive by being customers of the Bank. This show of solidarity translates into mouth-to mouth publicity and advertisement of the banks' activities and in the final analysis more customers are added to the existing number.

Building performance capabilities is rightfully a central theme. When people learn and grow, they are empowered to create results that make a difference.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

The goal of every organization is to meet the needs and requirements of its stakeholders not only to ensure the survival of the organization but also allow it to flourish. Customers are presumed to be one of the most important stakeholders in any organization because without them, organizations are not likely to succeed. Hence marketers emphasize on research in the area of consumer behavior and particularly behavioural intention. Knowledge of consumer behaviour will go a long way in ensuring effective marketing policies towards the organizations; most especially, since customer behavioral intention is a strong indication of his actual behavior (Kotler, 2006).

Customer focus refers to the process by which a selling Organization undertakes activities in order to reduce customer defections to ensure retention. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. A Company's ability to attract and retain new customers is not only related to its product or service, but strongly related to

the way it services its existing customers and the reputation it creates within and across the market place.

Customer focus is more than giving the customer what they expect; it is about exceeding their expectation so that they become loyal advocates for your brand. Creating customer loyalty puts customer value rather than maximizing profits and shareholders' value at the centre of the business strategy. The key differentiator in competitive environment is more often than not, the delivery of a consistently high standard of customer service.

Customer focus leading to retention has a direct impact on profitability. Research by Reichheld, 2009 indicates that engaged customers generate 1.7 times more revenue than normal customers, while having engaged employees and engaged customers returns a revenue gain of 3.4 times the normal.

Customer focus is potentially an effective tool that banks can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment. Majority of banks have non-domestic owners and are not very diversified in terms of the products and services they offer

(Hull, 2002). This suggests that the banking industry has reached the maturity phase of the product lifecycle and has become commoditized, since banks offer nearly identical products. This carries the danger of creating a downward spiral of perpetual price discount-fighting for customer share (Mendzela, 1999). One strategic focus that banks can implement to remain competitive would be to create and retain as many customers as possible.

The argument on customer focus is relatively straightforward. It is more economical to keep customers than to acquire new ones. The cost of acquiring customers to replace those who have been lost are high. This is because the expense of acquiring customers is incurred only at the beginning stages of the commercial relationship (Reichheld and Kenny, 1990).

In addition, longer term customers buy more and if satisfied, may generate positive word-of-mouth promotion for the company. Additionally, long-term customers also take less of the company's time and are less sensitive to price changes (Healy, 1999). These findings highlight the opportunity for management to acquire referral business, as it is often of superior quality and inexpensive to obtain. Thus it is believed that reducing customer defections by as little as five percent can double the profits (Healy, 1999).

The key factors influencing customer focus activities of a bank include the range of services, rates, fees and prices charged (Abratt and Russel, 1999). It is apparent that superior service alone is not sufficient to satisfy customers. Prices are essential, if not more important than service and relationship quality. Furthermore, service excellence, meeting clients' needs and providing innovative products are essential to succeed in the banking industry. Most private banks claim that creating and maintaining customer relationships are important to them and they are aware of the positive values that relationships provide (Colgate, et al, 1996).

While there have been several studies emphasizing the significance of customer focus in the banking industry (See Dawins and Reichheld. 1990; Fisher, 2001; Marple and Zimmerman 1999; page, Pitt and Berthon 1996; Reichheld and kenny, 1990), there has been little empirical research examining the constructs that could lead to customer retention. This paper examines the constructs that impact customers' decision to stay or leave their current banks. In addition, the paper explores whether there is any association between customers' demographic characteristics (like age, gender, educational level and income) and loyalty decisions.

The concept of Organizational performance, on the other hand, dwells on and comprises the actual output or results of an organization as measured against its intended outputs (goals or objectives). It also refers to an analysis of a company's performance as compared to goals and objectives. Within corporate organizations such as Banks, there are three primary outcomes analyzed: Financial performance, market performance and shareholder value performance.

The Banking industry has been facing fierce competition in view of the economic importance of the industry, as such the need and struggle for an improved financial performance, pursuit for greater market share through scouting for more customers with a view to increasing shareholder value cannot be overemphasized.

A standard principle of banking supervision is that excessive competition among banks could threaten the solvency of particular institution and, at an aggregate level, hamper the stability of the entire banking system. Competition arising from the liberalization of the banking system should erode the franchise value of a bank and encourage it to pursue riskier policies in an attempt to maintain its former profits, see Keely, 1990. Examples of riskier policies are taking on more credit risk in the loan portfolio, lowering capital levels or both. These riskier policies should

increase the probability of higher non-performing loan ratios and more bank bankruptcies. In contrast, restrained competition should encourage banks to protect their higher franchise values by pursuing safer strategies that contribute to the stability of the whole banking system. The “franchise value” paradigm has been supported both theoretically and empirically over time in the banking literature.

## **1.2 Problem Statement**

Banks are facing intense competition from customers who have range of alternatives from which to choose. The pressure is to create customers, grow customers and attract new ones. But while they must be attentive to the needs of customers, they face the challenge of rising costs.

Value in one's products or service always is defined on customers' terms. It is a matter of perception. If your product or service is perceived by the customer as having value, then just perception will result in a purchase. Customer value may also arise from having used the product consistently with satisfactory results.

Customer value in its most basic form is merely the difference between the benefit received from a product and the cost associated with that product; of note is the fact that today's consumers are more educated and informed due to the power of internet. As such they tend to purchase products they feel are worth the cost needed to obtain such product consumers also wish to know exactly what they want to purchase and would not waste time with unsuitable products.

With interest rates movement, it becomes extremely difficult to manage those costs. Heightened risk factors pose huge problems, exacerbated by different departments, lines of business and regions measuring and reporting risk differently. Access by decision makers to accurate and timely data that reflects the health of the organization and points to the problematic areas of employees' performance is critical. But banks are faced with the additional challenges of different data base systems that must be integrated and aggregated. With consolidation taking place across the industry through ongoing bank acquisitions, dealing with multiple database systems is a problem that will not go away anytime soon.



## **Effect of competition in the Banking Industry**

In recent years we have witnessed a substantial convergence of research interest and the opening of a debate on the economic role of market competition in the banking industry. The need for such a debate may seem unjustified at first. The common wisdom would hold that restraining competitive forces should unequivocally produce welfare losses. Banks with monopoly power would exercise their ability to exact rents by charging higher loan interest rates to business and by paying a lower rate of return to depositors. Higher lending rates would distort entrepreneurial incentives toward the undertaking of excessively risky projects, thus weakening the stability of credit markets and increasing the likelihood of systemic failure. Higher lending rates would also limit firms' investment in research and development, thus slowing down the pace of technological innovation and productivity growth. Lower supply of loanable funds associated with higher lending rates, should also be reflected in a slower process of capital accumulation and therefore, in a lack of convergence to the highest levels of income per capita.

There are some of the conventional effects that market power in the banking industry is commonly thought to generate. However, in most recent years, researchers have begun analyzing additional issues in the matter of bank

competition, highlighting potentially negative aspects and so raising doubts regarding the overall beneficial welfare impact of bank competition on the economy. The research efforts devoted to this issue has picked up noticeably, a sign that the time is ripe for an open debate regarding the costs and benefits of bank competition.

The policy implications associated with this issue related to the regulation of the market structure of the banking industry, are especially relevant. In fact banking market structure is a traditional policy variable for the regulator. Implicitly or explicitly motivated by the desire to retrain banks' ability to extract rents, policy makers would typically recommend measures aimed at fuelling competition, promoting the liberalization of financial markets and removing barriers to entry.

### **Empirical evidence**

Simultaneously with the development of theoretical debate, researchers have also begun to investigate empirically, the economic role of banking market structure. As with the theoretical contributions, the empirical finding suggests that banking market structure has both negative and positive economic effects and it is hard to establish which one ultimately dominates.

### **1.3 Research Questions**

Sequel to the various problems highlighted above, this study is focused on providing answers to the following questions:

- a. What is the implementation level of Customer Focus by First Bank of Nigeria Plc? and
- b. To what extent does Customer Focus affect the performance of the organizational performance of First Bank of Nigeria Plc?

### **1.4 Research Objectives**

The major aim of this study is to evaluate the impact of customer focus/satisfaction in the Nigerian banking industry with First Bank Plc as case study. The study has the following objectives:

- a. To examine the implementation of Customer Focus Strategies by First Bank of Nigeria Plc; and
- b. To determine the effect of Customer Focus in Performance of First Bank of Nigeria Plc.

## **1.5 Research Hypothesis**

The research method used in this project is questionnaire. Desk research was also used to collect information from the bank. The following hypotheses have been formulated and would be tested in the course of this study:

Ho: Customer focus does not have any significant Effect on the organizational performance of banks.

H1: Customer focus has significant Effect on the performance of banks

## **1.6 Significance of the Study**

This study is significant to banks on the need for excellent service provision as a strategy for customer creation and improved performance. The research also exposes the banks to the benefits derivable from quality service delivery besides helping to improve upon the profitability of the business.

Finally, the research will provide a basis for further study on the topic and related areas.

### **1.6.1 Policy Contribution**

Employees in service contexts who are customer focused may play a large role in promoting customer satisfaction. Core employees in service organizations have direct contact with customers and/or a direct impact on

the quality of a product or service provided. Customer focused in-role as well as extra-role customer focused helping behaviours stemming from value alignment may have a significant impact on the quality of service customers receive (Shneider and Bowen, 1985). Although a meta-analysis has found mixed evidence for the relationship between commitment and performance (Mathieu and Zajac, 1990), research also suggests that the level of control an employee has over a particular outcome determines the degree to which performance can be influenced by commitment and its resultant behaviours (Meyer and Allen, 1997). Employees in service roles have direct contact with customers and thus have an ability to make an impact on customer perceptions of service quality based on this proximity. Employee in-role as well as extra role customer-focused behaviours stemming from value alignment are likely to have a significant impact on their overall effectiveness in promoting customer satisfaction.

### **1.6.2 Theoretical Contribution**

In the modern service economy, customer satisfaction is a key factor contributing to organizational success. The collective attitudes and behaviours of the work force in a service organization have great potential to impact customer satisfaction because of the direct contact these workers

have with customers. By managing the boundary between the customer and the firm, employees in service providing jobs influence competitive advantage by shaping customer loyalty and buying behavior (Heskett, Sasser and Schlesinger, 1997). Thus it is critical to understand what management practices contribute to the creation of positive service interactions between employees and customers. Human resources practices have been found to relate positively to firm performance in recent studies (e.g. Huselid, 1995). However, we do not yet understand the mechanisms through which these practices may influence performance further. The goal of this study however, is to open this black box by proposing the importance of group commitment and customer focus as key mediating Factors for service success.

Interest in strategic human resource management (SHRM) has heightened as a result of a number of studies that found a relationship between HR systems variously labeled “High Performance”, “Commitment”, or “Involvement” models and firm financial performance. (e.g. Arthur, 1994; Huselid, 1995; Macduffie, 1995; Ichniowski et al, 1997). High performance HR systems are characterized by rigorous selection, investment, investment in training, work designed so that employees have opportunities for participation and decision making; and rewards structures designed to recognize high performers and

promote from within (Delery and Doty, 1996, Huselid 1995; Macduffie, 1995). The underlying rationale of this stream research is that these are the “best practices” that impact high performance by enhancing the skill, motivation and empowerment of the workforce (Delery, 1998; Delery, Gupta and Shaw, 1998; Huselid and Becker, 1996). In the last decade a number of studies have documented a positive relationship between a firm’s use of these sets of HR practices and firm level performance outcomes (e.g. Arthur, 1994; Huselid, 1995; Macduffie, 1995; Ichniowski et al, 1997).

## **1.7 Scope of the Study**

This study is limited to First Bank, plc, Minna, capital city of Niger State. The basis is centered on how banks are striving hard towards gaining customer loyalty through excellence and at the same time improved performance of the employees in the bank.

In order to have a good understanding of the subject matter under study and to determine the reliability of variable under test, the period 2012 – 2014 is being considered.

The practice of customer focus has been implemented by various organizations under the umbrella of Total Quality Management (TQM). It

represents one of the several critical factors of TQM together with other critical factors such as continuous improvement, team work and management commitment (Abdullah *et al.*, 2008; Yu *et al.*, 2012). The benefits of customer focus practice had been confirmed in various types of firms, such as manufacturing (Mojtahedzadeh and Arumugam, 2011), retail (Chotekorakul and Nelson, 2013; Tajjediniet *al.*, 2013, service (Alam, 2013, Dadfaret *al.*, 2013)), Hospitality and Tourism (Sun and Kim, 2013), and Public Service (Fonseca *et al.*, 2010). Although the bottom line of this practice is to attain customer satisfaction, its effect on other firm performance measures, such as financial results and employee satisfaction, also reportedly exist (Anaza and \Rutherford, 2012; Chotekorakul and Nelson , 2013).

In accordance with the philosophy of quality management, which emphasizes upon the importance of development launched by and for customers themselves (Sousa, 2003), the practice of customer focus is frequently considered to be an integral feature of TQM. Thus as an integral TQM feature, firms with strong practice on customer focus move beyond the objective of delivering products and service that meet customer expectations and demand (Verhoef and Lemon, 2013). Instead the practice of customer focus requires firms to have adequate attention across the entire



supply chain operations, such as looking for qualified suppliers, designing products in accordance with customer expectation, timely delivery to the customer, reasonably priced products and effective after-sales service. In other words, becoming a customer focused firm requires the organization to continuously improve all the processes involved (Tajjedini *et al.*, 2013). As a consequence, the benefits of this practice to a firm had been reported to have direct or indirect impacts on various performance measures such as employee satisfaction, innovation and cost benefits (Alam, 2013; Anaza and Rutherford, 2012; Krivokapic *et al.*, 2013).

Despite the fact that customer focus has been tested as a variable within several TQM-related studies (Abdullah *et al.*, 2008; Yu *et al.*, 2012) almost all of this studies investigated customer focus in combination with other factors that commonly fall under the rubric of TQM. As such these researchers neglected to consider the issues which are specifically relevant to customer focus alone. Additionally, despite the fact that many authors argued that customer focus has a positive effect of performance (Cai, 2009) Most failed to shed light upon the exact nature of the effect and its operation during instances in which the four central attributes of performance were tested simultaneously. These four attributes are:

➤ Customer satisfaction

- Employee satisfaction
- Innovation
- Cost benefits.

Most of the previous studies measured organizational performance as a singular construct (Abdullahiet *al.*, 2008) without taking into consideration the theoretical link that exists between performance measures – such as indicators of non-performance and their potential to influence measures of financial outcomes (Cai, 2009).

Thus the theoretical link between different performance measures deserves further research attention (Tarigan and Widjaja, 2014). Customer focus is a strategic objective with a long term focus that may have subtle results in the short run (Pan *et al.*, 2012). Its implementation requires a considerable amount of financial commitment (Verhoef and lemon, 2013); yet advocated results have only been prevalent in the longer term. However, the long term focus of customer focus strategy creates tension for managers who at the same time need to meet the financial performance requirements, which is generally measured on yearly financial results.

## **1.8. Plan of the Study**

The study is divided into five chapters. The introduction covers the background of the study, statement of research problems, research questions, objectives of the study, significance of the study, scope of the study and the organization of the study. Chapter two discusses the literature review. Chapter three is concerned with research methodology while chapter four deals with data presentation analysis and discussion. The final chapter presents the summary, conclusion and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

#### **2.1 Organizational Performance**

Organizational performance comprises the actual output or result of an organization as measured against its intended outputs (or goals or objectives).

According to Richard et al, (2009), organizational performance encompasses three specific areas of firm outcomes: (a) Financial performance (Profits, Return on Assets, Return on Investments) (b) Product Market Performance (Sales, Market Share, etc) and Shareholders' return (Total shareholder return, economic value added, etc).

Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development.

In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multi dimensions such as:

- Financial performance (eg Shareholder return)
- Customer service
- Social responsibility (e.g. Corporate citizenship, community outreach)
- Employee stewardship

This concept of organizational performance, in most cases, is used interchangeably with organizational effectiveness.

Organizational effectiveness is the concept of how effective an organization is, in achieving the outcomes the organization intends to produce. Organizational effectiveness groups in organizations directly concern themselves with several key areas. They are talent management, leadership development, organization design and structure, design of measurements and scorecards, implementation of change and transformation, deploying smart processes and smart technology to manage the firm's human capital and the formulation of the broader human resource agenda. If an organization has practices and programs in the areas above, the organizational effectiveness does many or all of the following roles:

- ✓ Examines alignment between the areas and improves them;
- ✓ Improves trade-offs between reliability, speed and quality in the above areas;

- ✓ Strategizes for higher adoption rates in these areas; and
- ✓ Facilitates/initiates/catalyzes capability building: structure, processes and people.

It is the goal of performance management to position employees for success.

It is premature to conclude that you have a performance issue until you have taken into account all the factors that may be contributing to a performance problem.

### **Analyzing Performance Problem**

There may be a variety of factors contributing to a performance problem.

These include:

#### **a. Organizational and Job factors**

Organizational and job factors outside the employees control may affect the employees ability to meet expectations. Some of these include:

- Poor leadership/role modeling
- Lack of clarity concerning expectations, context, linkages, roles and responsibilities, authorities, etc.
- Inadequate tools/support.

- Cumbersome work processes
- Unrealistic processes and procedures
- Changes in system of equipment
- Work environment (poor information sharing, harassment, discrimination, insensitivity, etc.
- Lack of rewards for effective performance and consequences for poor performance
- Lack of feedback
- Lack of influence on how the work gets done.

When the cause of the performance problem is related to organizational and job factors outside the employee's control, the manager is responsible for taking action to correct the problem where he/she has authority to do so or to bring the issue to the next level of authority.

## **b. Individual Factors**

Some individual factors that may influence the employees' performance include:

- Personal circumstances (e.g marital or family difficulties, financial problems, bereavement, etc.)

- Physical and/or emotional health problems (e.g medical issues, substance abuse, depression, anxiety)
- Inappropriate personal behaviours
- Insufficient knowledge/competence to the job
- A mismatch to the job

When you are aware the employee is facing personal circumstances which might affect the employee's ability to meet the performance expectations, it is a best practice to make reasonable effort to accommodate the employee in the short term. The employee remains responsible for performance. If performance still fails to meet expectations, you should clarify expectations and the consequences of not meeting the objectives.

### **Poor Performance versus Misconduct**

It is sometimes difficult for managers to distinguish between poor performance and misconduct in all cases.

Poor performance

- Unable to do job because of incompetence or incapacity
- Not willful
- Subject to guidance and/or coaching/training



- May result in demotion or termination for cause
- Grievable

#### Misconduct

- Breach of discipline
- Behavior rather than performance
- Willful refusal subject to progressive discipline
- May result in demotion or termination for cause
- Grievable and adjudicable

### **2.1.1 Measurement of Organizational Performance**

Performance measurement is the process of collecting, analyzing and/or reporting information regarding the performance of an individual, group, organization, system or component. It can involve studying processes/strategies within organizations, or studying engineering processes/phenomena to see whether output are in line with what was intended or should have been.

Performance measurement has been defined by Neely as “the process of quantifying the efficiency and effectiveness of past actions”, while Moulin

defines it as “the process of evaluating how well organizations are managed and the value they deliver for customers and other stakeholders”.

Good performance is the criterion whereby an organization determines its capability to prevail. Performance measurement estimates the parameters under which programs, investments, and acquisitions are reaching the target results. All processes of measuring performance require the use of statistical modeling to determine results. A full scope copy of the performance of an organization can never be obtained, as generally some of the parameter cannot be measured directly but must be estimated via indirect observation and as complete set of records never delivers an assessment without compression to key figures.

Several performance measurement systems are in use today and each has its own group of supporters. For example the Balanced Scorecard (Kalan and Norton, 1993, 1996, 2001) Performance Prism (Neely, 2002), action-profit linkage APL (Epstein and Westbrook, 2001) and the Cambridge Performance Measurement Process (Neely, 1996) are designed for business-wide implementation and the approaches of the TPM process (Jones and Schilling, 2000), 7-step TPM Process (Zigon, 1999) and Total Measurement Development Method (TMDM) (Tarkenton Productivity Group, 2000) are specific for team-based structures. With continued research efforts and the

test of time, the best-of-breed theories that help organizations structure and implement its performance measurement system should emerge.

Although the Balanced Score Card has become very popular, there is no single version of the model that has been universally accepted. The diversity and unique requirements of different enterprises of different enterprises suggest that no one-size-fits-all approach will ever do the job. Gamble, Strickland and Thomson (2007, p.31) lists ten financial objectives and nine strategic objectives involved with a balanced score card.

Most performance measures can be grouped into one of the following six general categories. However, certain organizations may develop their own categories as appropriate depending on the organization's mission:

Effectiveness: A process characteristic indicating the degree to which the process output (Work product) conforms to requirements. (Are we doing the right things?)

Efficiency: A process characteristic indicating the degree to which the process produces the required output at minimum resources cost. (Are we doing things right?)

Quality: The degree to which a product or service meets customer requirements and expectations.

Timeliness: Measures whether a unit of work was done correctly and on time. Criteria must be established to define what constitutes timeliness for a given unit of work. The criterion is usually based on customer requirements.

Productivity: The value added by the process divided by the value of the labour and capital consumed.

Safety: Measures the overall health of the organization and the working environment of its employees.

The following reflect the attribute of an ideal unit of measure:

- Reflect the customer's needs as well as our own
- May be interpreted uniformly
- Provide an agreed upon basis for decision making
- Is compatible with existing sensors (a way to measure it exists)
- Is understandable
- Is precise in interpreting the results
- Applies broadly
- Is economical to apply.

Performance data must support the mission assignment(s) from the highest organizational level downward to the performance level. Therefore, the measurements that are used must reflect the assigned work at that level.

## **2.2 The Nature of the Banker-Customer Relationship**

The basic relationship of banker and customer is contractual. It is the relationship of debtor (the banker) and creditor (the customer) with the position reversed when the customer overdraws his accounts. To be a customer, current or deposit account must be opened. The money, which the customer deposits for the credit of his account, is not, in banking law, held in trust for the customer, but borrowed from him with promises to repay it or any part of it on demand. The banker is therefore obliged to honour the customers' request for repayment of cheques addressed to the branch where an account is kept, in writing during banking hours. The case of *Foley V. Hill* (1848) was the first British court case in which the banker – customer relationship was given due legal consideration. In the case, it was held that the banker – customer relationship is merely a debtor – creditor relationship with the obligation that the bank will honour the customer's cheque opposed to the ordinary debtor – creditor relationship, where the rule is that the

debtor must seek his creditor. In banking relationship, the bank as the debtor does not seek the customer who is the creditor; instead the customer (creditor) seeks the (debtor) for the payment of his money by issuing cheques.

Some other types of relationship include the following:

- i. Bailor/Bailee Relationship – this is created when a customer delivers to the bank items of valuable goods or documents and the bank accepts it for safe keeping. In this relationship, the bank is the bailee and the customer, bailor.
- ii. Principal and Agent – the relationship arises when the customer instructs the bank to carry out specified instructions on his behalf. The customer being the principal and the bank is regarded as the agent.
- iii. Mortgagor and Mortgagee – the relationship arises where the customer uses his property (Land and Building) to secure a credit with the bank subject to equity of redemption. In this circumstance, the customer is the mortgagor and the bank is the mortgagee.

## **2.2 Customer Focus Strategies**

The banking industry has evolved strategies for ensuring that it wins customers, maintain them, retain them and make them happy about the kind of services that are obtainable from the banking world.

Customer Focus therefore, can be described as the various means of ensuring the total happiness and contentment of bank customers as regards service delivery and marketing of banking/financial services.

Nigerian banks are known for unnecessarily long queues and often unsightly banking halls. Modern day customers demand a comfortable banking environment where quality service can be delivered. This will require banks to use the customer care strategies; this is because of the sophisticated nature of the customer. Therefore, bankers need to imbibe the following steps into their daily routine in order to ensure that customers' needs are met:

- i. Identifying customers by organization or group or segment;
- ii. Determine customer requirement and expectation
- iii. Determine methods and ways of meeting their requirements
- iv. Anticipate their needs
- v. Meet their needs.
- vi. Gain their commitment

Other instruments that can be developed to improve customer care in banks include:

- a. Mutual Funds
- b. Unit Trust
- c. Equity Ways
- d. Asset Securitization
- e. Risk Asset Trading
- f. Fund Management Services
- g. Investment Advisory Services
- h. Stock Brokerage Services

It will be observed that these instruments require that the capital market be so structured to facilitate their development. Luckily, the liberalization of the capital market currently appears to make this feasible. Bankers must therefore take initiative and develop products in consonance with the mission and objectives of their banks to improve the quality of their services and satisfaction of bank customers.



### **2.2.1 Meeting The Needs Of The Customers**

Bank customers require effective and efficient services from their bankers. Based on this, one must ask; what is quality service in banking? And how will banks meet the changing needs of their customers?

Quality and effective service can be defined in technical and professional terms from the manner in which the service is rendered and in terms of environment in which it is rendered (the physical and human dimensions). Professionally, quality service in banking must meet three basic requirements namely: competence, reliability and credibility. Competence means knowing one's job. Customers are happy to deal with a banker who knows his/her job. One exerts authority as a banker when he/she can demonstrate to a customer that he understands our challenges and can prove that he or she has all it takes to tackle them. To do one's job very well, one must be properly trained. Thus the need for banks to get their employees properly trained through capacity building, workshops and seminars cannot be over emphasized.

Reliability is another measure of quality and rendering effective service. Bankers' word should be their bond. Bankers must be consistent and reliable; policies to guide banks activities must be consistent as that makes

room for practicability. Customers are thrown off balance when policies are changed too frequently.

Credibility is another measure of quality and rendering effective service. The relationship of any bank is determined by its credibility. This is why it is dangerous for a bank to make claims of what it cannot offer customers. Much as bankers must strive to satisfy the needs of the customers, they must be careful not to make empty or ridiculous promises.

Building, winning and retaining customers' loyalty depends on how fast you respond to his/her needs. Customers value courtesy and efficiency. To this end, bankers should be courteous and sensitive to the needs of the customer. The biggest mistakes bankers can make in this regards is to assume that they know what the customer needs. Different customers have different needs.

Thus the safest and surest way to know what the customer needs is to ask him/her and this underscores the importance of banking.

It is important to note that the market today appears to be highly dichotomized. On the one hand, there are highly sophisticated customers who expect to receive the same services they receive from their banks in London or New York. On the other hand, we have customers who prefer to do their business in the traditional way. The ability to satisfy the needs of these two

distinct classes of customers simultaneously is going to remain a challenge to Nigerian bankers for a long time to come.

### **2.2.2 Concept of Customer Focus, Satisfaction and Service**

Customer focus is defined as the orientation of an organization toward serving its clients' needs. Having a customer focus is usually a strong contributor to the overall success of a business and involves ensuring that all aspects of the company puts its customers' satisfaction first. Also having a customer focus usually includes maintaining an effective customer relations and service program.

From the foregoing definition, the basic and primary idea of customer focus is identifying customers with a view to giving them satisfaction at its optimum through effective and efficient service delivery.

The American Bankers Association defined customer services as reflecting the total approach of a bank to a customer'. It is the attitude of helpfulness, friendliness and professionalism that satisfy customers and leads to repeat business. In other words, this means that in banking for effective customer service, every member of staff is a marketer, a practitioner of quality

management, as well strategic management. Since, without repeat business from customers, none of these good plans can be operationally successful.

Customer service requires bankers to emphasize on customers. Empathy implies bankers putting themselves in the position of customers identifying with their needs, being patient in dealing with them and above all endeavouring to give error free service. Attitudes of bank staff to customers have a long lasting impression since counter staff in particular are usually the first point of contact and poor impression usually last long. Practical strategies on customer service delivery can be grouped into two, viz:

- i. Firm-based strategies
- ii. Individual-based strategies

Firm-based strategies include:

- a. Service Delivery Time Management: This is the management of service delivery time. Customers appreciate quick, efficient and effective services. This requires provision of an appropriate environment conducive for service delivery and in which customers feel wanted. This may require re-engineering of the banking hall to ensure that orderliness and prompt services are provided to customers. As part of this, customers need enhanced time for transacting business with banks. The current

practice whereby banks have extended their banking hours is a case in point.

- b. **Cost and Price of Service:** This can be used to attract customers under the current liberalized banking environment where competition holds sway. In this regard bank management need to develop competitive price that ensures good returns on their investment.
- c. **Error-free Service Provision:** This implies that bank management must continually train and re-train their staff to improve their capacity towards greater service delivery. They must improve service delivery efficiently. For this, the acquisition of computer hardware and software and other modern technologies for improving service delivery should be given priority in Nigerian banks.
- d. **Total Satisfaction of Customers:** This should be the ultimate customer service by the bank's management. While this looks more of an ideal, the involvement of all bank staff in operationalizing the marketing concept, total quality management in banking can help ensure this.

Of course, this means that motivation of all bank staff to give their best and be continually loyal to their organizational vision and mission must be assured.

Individual based strategies:

This strategy relates to what each bank staff must do to carry out his/her job. It involves how staff, present themselves, communicate with customers and handle difficult costumers. In presenting oneself, bank staff must be conscious of their appearance and ensure that they are neat, smart and cute. Courteous greetings give lasting impressions on customers. Nigerian banker must learn that customers are the ones doing them a favour rather than customers who often claim his right. In dealing with all these groups of customers the golden rule which says that “the customer is always right” and empathy from the banker should not be in short supply.

### **2.2.3 Effective Customer Service**

A service is often an intangible solution that is provided to a client. Kotler (1997) define services as “Any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its provision may or may not be tied to a physical product”.

To some extent effective customer service is more difficult because some elements are intangible and difficult to measure. A survey of service

employees by a company concerning what effective means in terms of job performance yielded the following responses:

Providing extremely prompt and accurate services. Viewing the customer as having done us a favour by buying products in order to support them better, researching problems to come up with good, solid solutions, maintaining good relationships with distributors and dealers to make customers feel comfortable, giving you all and going all out to die for the customer, providing the customers with simple solutions that enable them to do their work more efficiently”.

Despite the difficulty in defining and measuring some service elements, one advantage of managing service quality can be that a greater percentage of company employees are in contact with the external customer, therefore customer orientation can be easier to achieve. This increased customer contact can be described as “Moments of Truth” by Jan Carlzon, then president of the Scandinavian Airlines Systems (SAS). He said “each time customers come into contact with an organization, they form an impression, each time is a moment of truth. The sum of the moments of truth forms the overall company quality rating. To be successful, companies need to manage the moments of truth so that a good quality impression is formed and the customer will come back”. Berry et al (1985) have developed a list of the

major determinants of service quality. They found that customers use basically similar criteria regardless of the type of service. The criteria described as follows:

- a. Access: This refers to the receptiveness of the service provider to the customer's requests, the service is easy to access in convenient locations at convenient times with little waiting.
- b. Courtesy: The employees are friendly, respectful, polite, considerate and empathetic.
- c. Competence: This refers to the adequacy of skills and knowledge required to deliver service by employees.
- d. Communication: This refers to the ability to listen to the customer keep the customer informed, describe the service accurately in the customer's language and accept customer feedback.
- e. Credibility: The company and employees are honest, trustworthy and have the customer's best interest at heart.
- f. Reliability: This deals with the consistency, accuracy and dependability of service.
- g. Responsiveness: The employees respond quickly, willingly, promptly and creatively to customer's request and problems. Responsiveness encompasses timeliness.



- h. Understanding (comprehension): The readiness of the service and all employees to know the customer, understand the customer's need and provide individual's attention.
- i. Security: The service is free from danger, risk or doubt.
- j. Tangibles (Tools): This deals with the appearance of physical facilities, equipment, personnel and communication materials.

#### **2.2.4 Services Offered By First Bank Nigeria (FBN) Plc**

##### **i. Deposit Accounts**

A customer can maintain any of the following types of accounts with the bank.

##### **a. Savings Account**

No references are required when opening a savings account, but a customer may be required to open a savings account with a minimum of N2,000.00.

A customer can deposit into or withdraw money from his account upon presentation of his pass book during banking hours at any branch of FBN

Furthermore, customers cannot draw cheques on savings account but can pay cheques into the account by special arrangement with the bank.

## **b. Current Account**

To open a current account, a letter of introduction or referees is required. Both cash and cheques can be paid into a current account. A customer maybe able to pay postal order, money order and dividend warrants into the account. A customer can only withdraw cash by cheques and cannot overdraw his/her account without prior arrangement with his/her banker. A customer may not be permitted to draw against an unclearedcheque. For operating a current account, the bank normally charges a commission on turnover (COT).

Details of money, cheques coming in and going out of the customer's account are usually set out in a form of statement, which will also show how much money the customer has left in his/her account.

## **c. Other Deposits**

A customer can arrange to deposit any amount with the bank for a fixed period in a Fixed Deposit Account. The terms of such deposit including interest payable thereon are subject to negotiation between the customer and the bank. The deposit can be renewed after maturity for another fixed period.

#### **d. Loans And Overdraft**

With an arrangement with the bank, a customer can borrow money by:

- i. Overdrawing his/her current account
- ii. Direct Loan

Overdraft is payable on demand at the bank's discretion but loans are payable over a fixed period. Any small customer, small, medium, large individual or corporate clients can borrow as long as the bank's conditions are met. The bank may request from a customer to offer some kind of collateral security such as a share certificate, life insurance policy, title deeds to property as cover for loans and overdraft. Interest on overdrawn or loan accounts is usually calculated on the overdrawn or loan account balance.

#### **ii. Bill Discounting**

This is a re-financing arrangement packaged for the sustenance of trade – creditor customers. This can be customized in respect of all negotiable instruments that show evidence of title to goods or of being owed.

#### **iii. Customized Cheque Books**

Upon a customer's specific request, the bank provides a tailor-made cheque book to celebrate a customer or client's name, products and / or line of

business. In addition to preserving and enhancing the integrity of a client's corporate image, the product provides a handy, but relatively cheap promotional tool to the customer as the design of each cheque book remains unique to each client.

#### **iv. Cheque Collection Service**

This has been introduced for the convenience of the bank's customers. It facilitates the prompt payment and early clearing of cheques. By arrangement, the bank goes to customers to collect their cheques for lodgement on their behalf.

#### **v. Commercial Paper**

This is a short-term credit paper with a variable tenor of up to 180 days. Interest is collected up front and there is the option of roll over upon maturity.

#### **vi. Stock Replacement Facility (SRF) Import Finance:**

Foreign Exchange to finance the importation of the customer's raw materials is purchased through the bank for the establishment of letters of credit. This is done by way of commercial papers (excluding land) not exceeding about US \$2.5 Million or about N50 Million.

## **vii. Commercial Paper Intermediation**

This is a special product for corporate customers of the bank. The bank secures funds for willing investors in the form of bankers' acceptance.

## **viii. Loan Syndication**

When a customer seeks a considerable capital outlay that may be beyond one bank, the bank can work with a consortium to pool required resources.

## **ix. Small and Medium Scale Enterprises (SMEs) Development Project Loan Scheme**

Through this, the bank in their bid to restructure or modernize their operations while retaining comparative advantage supports existing enterprises. To qualify, the enterprise must have fixed assets.

## **x. Purchase and Sale of Foreign Exchange**

The bank purchases foreign currencies for its customers from Central Bank of Nigeria and sources the same for its customers through the autonomous market at a negotiable rate to fund their bills of collection.

#### **xi.Outward Foreign Transfer (OFT)**

Through foreign drafts, electronic transfer computer links, etc customers in Nigeria can make payments abroad for school/examination fees, personal home remittances subscriptions, etc.

#### **xii. Inward Foreign Transfer (IFT)**

Through this service, people overseas can send money through corresponding banks worldwide to beneficiaries in Nigeria. The service is available to customers and non-customers alike. Beneficiaries can claim their money in foreign currency or in Naira. They may choose to have the money paid into their domiciliary accounts.

#### **xiii. National Economic Reconstruction Fund (NERFUND) Scheme:**

The Federal Government established NERFUND in 1989 principally to provide medium and long term loans in local or foreign currencies (or both) to participating banks for lending to small and medium scale enterprises to boost productive activities.

#### **xiv. Bullion Service**

Upon the request of corporate clients, the bank assists them by collecting their proceeds from the depot for safe keeping.

#### **xv. Local Corresponding Banking**

Services provided under this arrangement are tailor-made for other banks (Client Banks) and are in the areas of draft issuance or payment (on behalf of client-banks), remittance of funds, custodian services, etc. the client-banks and their customers are availed the opportunity of utilizing the bank's nation-wide branch network.

#### **xvi. Domiciliary Account**

A unique feature of this service is that it allows a customer to operate an account, which is denominated in foreign currency, but withdrawable in local currency (Naira) of the foreign currency. A holder of this account enjoys automatic payment to overseas by the bank for importation.

#### **xvii. Remittance Collection Account**

This is designed to be a convenient and reliable way of transferring clearance balances at specified intervals from collection accounts to a main account.

#### **xviii. Marine Insurance**

This service is available to all letters of credit customers at competitive premium, especially to those benefitting from the Stock Replacement facility.

### **xix. Customs Duty Payment**

Through the banks wide branch network, customers can use its drafts to pay customs duties in respect of any port in Nigeria.

### **xx. Customers Client Cash Lodgment Service**

Through a special arrangement, the bank recovers payments from third parties into the accounts of its customers, the cashiers used may be the bank's staff or agents of the customer on whose behalf the bank is receiving payment.

### **xxi. Equipment Leasing**

This finance option enables the acquisition of equipment of all types without actual purchase. This is available to individuals and corporate bodies that need fairly expensive equipment but cannot afford outright purchase. At the end of the lease period, the equipment becomes that of the customer.

### **xxii. Financial Electronic Data Interchange Service (FEDIS)**

This provides the customer with a means of conducting online account and balance enquiries and also of transmitting, in an agreed format, financial information, using a designated computer system in the client's office linked to the computer at the bank's branch where the client's account is domiciled.



Such information is processed automatically without human intervention. Clients could also receive information, including statement, electronically from the comfort of their offices.

#### **xxiii. Export Banking and Finance**

The bank receives inward letters of credit for onward delivery to customers, processing and registration of NXP forms and handing of shipping documents for negotiation with overseas banks on behalf of customers

#### **xxiv. Trusteeship**

One of the members of the FBN Group, First Trustees Nigeria Limited, manages investible funds (such as pension funds) on behalf of the organization and acts as trustees to debenture issues where many lenders are involved.

#### **xxv. Registrarship**

This is available only to corporate bodies that have large number of shareholders. The bank's subsidiary, First Nigeria Limited, formally the Registrar's Department, is into the maintenance of members'/shareholders' registers on behalf of clients.

## **xxvi. First Cash**

This is available only to First Bank Customers. First cash is a trade name for the Automated Teller Machine (ATM) services offered by the Bank. ATM is a self-service terminal offering various banking services during and after banking hours.

The range of services which the bank offers through this device include cash withdrawal, cash/cheque deposit, statement of account request, bill payment and confirmation of balance.

To benefit, a customer must be a holder of the First Cash Card-a plastic card with a magnetic stripe issued by the bank. The card holder has access to an ATM machine throughout the day.

## **xxvii. Valucard**

The First Bank Valucard is an electronic purse which serves as an alternative to cash. This card enables companies and individuals to carry money conveniently from one location to the other for settlement of bills and other transactions without the need for physical cash, cheque or draft.

The first bank valucard is a debit card loaded with value at First Bank and it enables its holders to utilize it at any merchant (vendor) location where point

of sale equipment has been installed. The merchant is any business outlet that accepts the First Bank valucard during payment for goods and services.

The uniqueness of the First Bank Valucard is that it is beneficial to both card holders and the merchant or vendor in many ways. The card holder and merchant are spared the risks involved in carrying cash. The card is reliable, portable and usable nationwide. The merchant enjoys instant payment for goods and services.

#### **xxviii. Thomas Cook Traveller's Cheque**

First Bank was among to be appointed agent to this reputable worldwide organization in Nigeria. The bank provides traveller's cheques in pound sterling and US dollars to customers travelling overseas in accordance with prevailing exchange regulations in the country.

#### **xxix. Loans and Advances**

Loans and advances are structured credit facilities with specific tenor and repayment programs, unlike overdraft.

### **xxx. Master Card**

First Bank of Nigeria Plc, is the principal acquirer of master card in Nigeria.

Five star hotels, duty –free shops and selected super markets, accept master card.

### **xxxi. Western Union Money Transfer**

The international money transfer scheme, introduced by first bank in 1996 in Nigeria, allows electronic transfer of funds through a global network of more than 48,000 agents' locations in over 165 countries. The introduction actually marked the advent of international money transfer service links with Nigeria.

Through this platform FBN has been able to provide succour to Nigerians and other nationals resident in Nigeria in the face of previous losses relating to unreliable and unsafe money remittance method adopted by relatives and friends overseas. Western Union offers a safe, reliable and convener alternative. One of the numerous appeals of the Western Union Service is the fact that it is available to First Bank customers and non-customers alike. The bank's branch network, which is the largest in Nigeria guarantees easy accessibility. In addition, four banks Cooperative Development Bank Plc, Diamond Bank Plc, Zenith Bank Plc and Unity Bank Plc have been signed

on by First Bank as sub-agents. Money transferred to Nigeria through Western Union can be received in these banks as well, it is quite to use the western union service or benefit from it. Once a transfer is satisfactorily concluded, the sender communicates the beneficiary who now goes to any designated branch of FBN to receive the local currency equivalent of the amount sent after properly identifying himself/herself. All these take only few minutes.

#### **xxxii. Domestic Western Union Money Transfer (DWUMT)**

In line with the bank's resolve to meet and exceed customers' expectations, a new service called Domestic Western Union Money Transfer (DWVMT) services has been introduced. The service is meant to complement the existing Western Union Money Transfer Service. DWUMT will enable people transfer money electronically through any of FBN's over 300 branches spread through the country. Money so sent can be collected at the branch nearest to the beneficiary. These services are open to all persons, customers and non-customers alike.

DWUMT is designed to alleviate the problems and dangers associated with the transfer of money within the country. With this service, business men and travellers need not carry large sums of money as they can easily walk

into the FBN branch closest to their destination to collect their money. Also sending money to students and other loved ones can now be done instantly and safely.

#### **xxxiii. First Educational Savings Scheme (FESS)**

This is designed to offer educational support to the children and wards of customers operating the scheme. It is open to new and existing account holders and attracts 1% above prevailing savings interest rate. The scheme pays 100% insurance cover of account balance up to N2 Million in case of permanent disability or death through accident. Also the sum of N10,000 education subsidy is given to 25 account holders each quarter. The beneficiary could be either the account holder or his/her children/wards. The deposits could be used as a collateral for credit facilities granted by the bank.

#### **xxxiv. First Target Savings Scheme (FTSS)**

This helps customers achieve plans for specific projects such as business venture, celebration, festivity, wedding, holiday, travel, pilgrimage and so on. It is open to all existing customers it requires a minimum opening operating balance of N10,000 for a period of 90 days, 180 days or 365 days for a target amount not less than N50,000 and attracts between 0.5 and 2%

above prevailing savings interest rate depending on tenor and amount.

Deposit could also be as collateral for credit facilities granted by the bank.

#### **xxxv. First Retirement Savings Scheme**

This is intended to provide a cushioning effect for workers especially civil servants in light of the fact that their pensions and gratuity may be delayed.

Under this scheme, all existing customers are free to operate the account. It requires a minimum opening balance of N10,000 and attracts 2% above prevailing savings interest rate. It offers 100% insurance cover of account balance up to N2 Million for permanent disability and 200% insurance cover of account balance subject to a maximum of N5 Million in case of death through accident. It has a minimum tenor of Five years and deposits could be used as collateral for credit facilities granted by the bank.

#### **2.2.5 Information Technology**

In the area of information technology, the bank has acquired the finance banking application software developed by INFOSYS TECHNOLOGIES of India to meet new operational challenges. This new banking software operate from a centralized data base and all branches on the network will be able to access the data centre. Customers at the various branches on the

Network would be able to operate their accounts from any branch of their choice.

The software guarantees on-line, real time banking which the former software, bankmaster could not execute. Through the internet banking by Finacle, cheque encashment is faster, signature card index were captured including photograph ID, and referencing was easier.

#### **2.2.6 Benefits Of Quality Customer Service to an Organization**

It is obvious that the achievement of quality customer services to customers by an organization involves immense cost both in terms of human and material resources. But in spite of these costs, banks still embark upon the quest for customer service excellence for the reasons stated below:

- i. Quality service helps not only in making retaining old customers, but also in attracting new customers;
- ii. Doing things right the first time, saves other costs of doing a job again;
- iii. Quality customer service leads to repeat customers; and
- iv. Quality service restores loyalty



## **2.3 Theoretical Framework**

Today, customers are more value oriented in the consumption of services because they have alternative choices (Slater, 1997; Woodruff, 1997). For example, Gale and Wood (1994) explained how customers make purchase decisions between competing providers. The author argued that customers buy on value; they do not simply buy products. Interestingly, it was observed customers learn to think objectively about value in form of preferred attributes, attributes performance and consequences from using a product in a use situation (Woodruff, 1997). Thus, banks must be able to provide “up-close” personal service for customers who come with high expectations. For customers who value convenience most, banks much offers the latest products such as electronic banking, touch-tone phone account access and internet banking. Clearly, customer value is a strong driver for organizational effectiveness.

Reindenback (1995) argued that customer value is a more viable element than customer satisfaction because it includes not only the usual benefits that most banks focus on but also on a consideration of the price that the customer pays. Customer satisfaction is merely a response to the value proposition offered in specific products/markets (Reindenbach, 1995). By

this view, banks must determine how customers define value in order to provide added-value services.

### **2.3.1 Underpinning Theory**

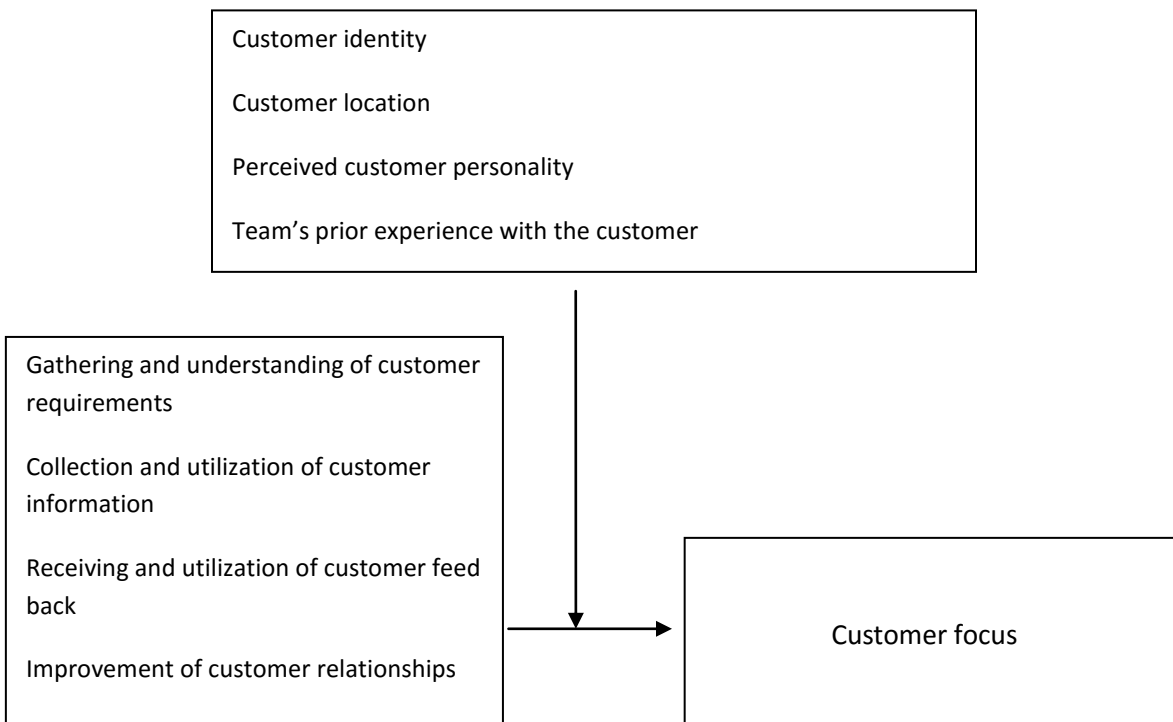
Today, customers have more choices for their financial needs than ever before. Technology, globalization, increased competition and increased customer mobility have dramatically changed the way people bank (Harwood, 2002). Many financial institutions are looking at branding techniques to differentiate themselves. Harwood, 2002, argued that branding, as a tool to build image, is critical in the banking industry where all firms offer about the same kind of products. Hence it is critical that banks have a critical knowledge of customers' values, attitudes needs and perceptions of various services the bank offers and the image which customers have of the bank itself (Kaynak, 1986a, 1986b). Accordingly, bankers must be able to build and manage their bank's image in order to clearly define the differences between their bank and its competitors.

### **2.3.2 Proposing Model**

The following model proposes a simple framework for understanding customer focus in an agile project management theory context. This

framework provides managers with a set of factors to be considered in becoming a truly customer focused organization.

### Customer Focus Model



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter deals with the several methods employed in obtaining data for the purpose of the research work. The chapter discusses the research design, population of the study, sampling technique and sampling size of the study, method of data collection, method of data analysis and methodological problems.

The chapter also discusses conceptual issues relating to organizational performance and its measurement, customer focus strategies, related literatures on the topic under study, customer satisfaction and service, as well as various services offered by organization under study.

Previous studies have identified the importance of customer focus towards organizational performance (Colgate *et al*, 1996; Reichheld and Sasser, 1990; Storbarcka, et al., 1994). The longer a customer stays with an organization, the more utility the customer generates (Reichheld and Sasser, 1990). This is an outcome of a number of factors relating to the time the customer spends with the organization. These include the higher initial costs of introducing and attracting a new customer, increases in both the value and

number of product patronage, the customer's better understanding of the organization and positive word of mouth promotion.

Apart from the benefits that the longevity of customers brings, research findings also suggest that the cost of customer retention activities is less than the cost of acquiring new ones. For example Rust and Zahorik, 1993 argue that the financial implications of attracting new customers may be five times as costly as keeping existing customers. However, maintaining high levels of satisfaction will not, by itself ensure customer loyalty. Banks lose satisfied customers who have moved, retired or no longer need certain services. As a result, retaining customers become a priority. Previous research shows, however, that longevity does not automatically lead to profitability (Colgate, Stewart and Kinsella, 1996).

On the other hand, (Beckett, *et al.*, 2000) draw tentative conclusions as to why consumers appear to remain loyal to the same financial provider, even though in many instances they hold less favourable views towards these service providers. For example, many customers appear to perceive little differentiation between financial providers, making any change essentially worthless. Secondly, consumers associate changing banks with high switching costs in terms of the potential sacrifice and effort involved.

Clearly, there are compelling arguments for bank management to carefully consider the factors that might increase customer retention rates with research providing ample justification for customer satisfaction efforts by banks (Marple and Zimmerman, 1999; Fisher, 2001).

However, there has been little empirical research that investigates the constructs leading to customer loyalty and retention. Previous empirical work has focused on identifying constructs that are precursors to customer retention. Other studies have focused on developing measures of customer satisfaction, customer value and customer loyalty without specifically looking into other potential constructs. Examples of such constructs are competitive advantage, customer satisfaction, switching barriers, corporate image and bank service characteristics.

These have the potential to influence organizational performance if carefully handled and periodically reviewed to ensure sustenance of effective service delivery leading to long term mutually beneficial relationship between the customer and the bank.

## **3.2 Research design**

The research is a survey type which collects the opinions of the bank customers and bank staff through a structured questionnaire administration, a situation whereby the researcher makes use of questionnaire and related secondary sources with a view to obtaining relevant information needed for the research. However, the questionnaire is designed in such a way that it will enable respondents to express their views.

The information collected for this work and its sources, as well as the procedure employed are stipulated by the overall framework of this project work. And because the design of this work is empirical, it provides or affords the researcher the opportunity to carry out an objective and explanatory study about focus and how it enhances organizational performance. Hence, the design of the study is empirical, as well as explanatory.

### **3.2.1 Population of the Study**

This research project is conducted on the applicability or otherwise of customer focus and improved performance. Therefore, the population of this study covers some selected staff and customers of First Bank of Nigeria Plc,

Minna. Conclusion would be drawn on the data collected from the bank and purpose of hypothesis testing and verification of responses.

### **3.2.2 Sampling Technique**

A stratified non-probabilistic sampling technique will be used. In this case, the population is first divided into sub-population of units based on some observed set of criteria. Each of the sub-population from banks make up the population.

### **3.2.3 Sample Size of the Study**

To ensure an adequate representation of all features of the population of the study without having to use any random method of selection, the sample size of the study is fifty (30) respondents which include the executive Trainees, Executive Manager, Assistant Manager and Deputy Manager. The technique was used because it would be difficult to sample all the branches of the Bank across the country.



### **3.3 Data Collection Strategy**

Data used for this work have been collected using questionnaire, personal interview and review of some literature. After designing the questionnaire to fit the objectives and problems of this research, they were administered on staff and customers of the FBN Plc, Minna. The researcher administered the questionnaire personally.

The questionnaires were divided into three sections. Section A dealt on information about the respondents and the need for correct and honest information on the bank and person sampled.

Section B asked questions regarding the kinds of services the bank provides to customers and how they ensure that their staff meet and surpass customers' needs and expectations, respectively. Respondents were asked their idea of what quality service to customers mean to the bank and what the bank do to attract and retain customers.

Section C asked questions regarding the methods used by the bank to educate staff or to ensure that staff performance is improved or enhanced. Provisions were made for the respondents to fill in their views.

Open ended questions are framed in such a way that required respondents to specify if any in few words and thereby given the respondents the choice of

framing their own answers in their own words and forms. Close ended questions were also designed in a way that calls for responses that are strictly limited. Respondents were offered a choice of alternatives from which the given answers were ticked by them.

### **3.4 Sources of Data Collection**

The research makes use of both primary and secondary sources to collect relevant data needed for the research work.

#### **a. Primary Sources**

The primary source constitutes the questionnaire administered to the staff of the bank, as well as a face to face interview. The questionnaire is divided into two sets; the first solicits for personal information for the staff while the second solicit for general information which will help in addressing the research questions.

#### **b. Secondary Sources**

The secondary source includes the records of the bank's customer focus and improved performance on professional journals, marketing management textbooks, financial newspapers, information management and publications as well as, internet data.

### **3.5 Methods of Data Analysis**

The data collected will be analyzed by extracting from those individual questionnaires administered to the staff of the bank under study. However, the process of analysis involves the breakdown of data presented into meaningful information for interpretation and clarification. In analyzing the data, descriptive statistics such as frequency and percentage distributions, various tables and charts are also used for proper understanding of the data in the study. Regression Analysis is employed in testing the hypotheses.

### **3.6 Operationalization of Measurement of Variables**

An organization can achieve the overall goal of effective performance management by continuously engaging in the following activities:

- Identifying and prioritizing desired results;
- Establishing means to measure progress towards those results;
- Setting standards for assessing how well results are achieved;
- Tracking and measuring progress toward results;
- Exchanging ongoing feedback among those individuals working to achieve results;

- Periodically reviewing progress;
- Reinforcing activities that achieve results; and intervening to improve progress where needed.

One way to design a well-balanced performance management system is to focus on four strategic perspectives derived from the Balanced Scorecard Model as shown in the diagram below. Balanced scorecard is a performance measurement tool to measure whether smaller-scale operational activities are aligned with larger scale objectives in terms of vision and strategy. The example depicted below shows that focusing on financial outcomes plus the operational aspects of a program or organization, the balanced scorecard helps provide a more comprehensive view, which in turn helps an organization act in its best long-term interests.



## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND DISCUSSION**

#### **4.1 Introduction**

This chapter is designed mainly for presentation, analysis and interpretation of data collected by means of interview and administration of questionnaire to the staff of First Bank of Nigeria Plc, Minna branch. As explained earlier in Chapter three, tools such as tables, percentages and the SPSS are used in the analyses and interpretation of data.

Data presentation and analysis provide a background and in-depth understanding of problems and facilitate solution discovery as well as providing quick perception of certain variables in terms of determining their relationship or otherwise.

#### **4.2 Data PresentationAnd Analysis**

The data presented below were obtained from the responses in the questionnaire administered to the FBN Plc Bank staff. 25 questionnaires were administered out of which three respondents defaulted. To this end, the analysis would cover only the 22 respondents who answered the questions and returned them.

**Table 4.1: Sex of Respondents**

<b>Description</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
Male	13	59
Female	9	41
<b>Total</b>	<b>22</b>	<b>100%</b>

Source: Field Survey, 2015

Table 4.1 above shows that 13 of the respondents representing 59% are male while 9 of the respondents representing 41% are female. Therefore, in the bank, most of their staff are of the male gender that handle most of the executive jobs and are supported by their female counterpart.

**Table 4.2: Marital Status**

<b>Description</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
Married	8	36
Single	13	59
Divorced	Nil	-
Widowed	1	5
Separated	Nil	-
<b>Total</b>	<b>22</b>	<b>100</b>

Source: Field Survey, 2015

From the table 4.2 above, 8 representing 36% are married, 13 representing 59% are single, none is divorces, 1 is widowed representing 5% and none is separated. This indicates that single staff of the bank have quest for effective and efficient organizational performance

**Table 4.3 Educational Qualification of Respondents**

<b>Description</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
Diploma, NCE and equivalent	11	50
HND, First Degree	9	41
Masters and HigherDegree	2	9
<b>Total</b>	<b>22</b>	<b>100%</b>

Source: Field Survey, 2015

In the above table, 11 respondents representing 50% have Diploma, NCE and equivalent, 9 of the respondents representing 41% are graduates while 2 of the respondents representing 9% have Masters and higher degree respectively. This implies that the bank under review has more of its employees within the population of First degree holders with fresh memory and preparedness to face challenges.

**Table 4.4 Awareness of Good Customer Services**

<b>Description</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
We are conversant with customer services	20	91
We are not conversant with customer services	2	9
<b>Total</b>	<b>22</b>	<b>100%</b>

Source: Field Survey, 2015

Here, 91 percent of respondents, that is, 20 out of 23 confirmed knowledge of the bank's customer service drive. This shows that virtually all staff are have been working towards satisfying the bank's customers.

**Table 4.5: Working Experience**

<b>Description</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
1-3	2	9
4-5	4	18
6-8	6	27
9 and above	10	46
<b>Total</b>	<b>22</b>	<b>100%</b>

Source: Field Survey, 2015



The above table shows that 2 of the respondents representing 9% have worked in the bank for between 1 and 3 years, 4 of the respondents, representing 18% have worked for between 4 and 5 years, 6 of the respondents representing 27% have worked for between 6 and 8 years while 10 of the respondents representing 46% have worked for a reasonable number of years and therefore have acquired enough working experience.

**Table 4.6: Frequency Distribution**

The Table hereunder provides number of respondents under each interview element. This is to provide insight into each respondent's perception concerning each question and how individuals who work under the same environment have different perceptions regarding various issues in an organization. However, the overall results points positively to a general understanding of the Banks efforts at delivering quality services to meet and eventually surpass customers' expectations. Respondents' also recognizes the management's efforts at providing effective and efficient leadership coupled with various motivational techniques to enhance performance of the bank's staff for greater results and productivity.

SN	Questions	Strongly Agree		Agree		Undecided		Disagree		Strongly Disagree	
		Agree								Disagree	
Customer Focus											
Freq	%	Freq	%	Freq	%	Freq	%				
1.	Effective leadership in organizational management is concern for task/performance and people.	18	82	3	14	1	4	0	0	0	0
2.	Effective leadership in organizational management is concern for people.	10	45	0	0	0	0	1	5	11	50
3.	Leaders that choose to relate with their subordinates have a strong influence on the performance of their subordinates.	20	91	0	0	0	0	0	0	2	9
4.	Leaders that choose to relate with their subordinates have a strong influence on the motivation morale of their subordinates.	20	91	0	0	0	0	0	0	2	9
5.	Training and development is vital in assisting managers to develop effective leadership style.	22	100	0	0	0	0	0	0	0	0
6.	Effective leadership depends on sticking to one particular leadership style in all circumstances.	5	22	0	0	0	0	0	0	17	78
7.	When you are coerced to do a job that is when you do it well.	5	23	0	0	0	0	0	0	17	77
Performance											
Freq	%	Freq	%	Freq	%	Freq	%				
8.	Employee would be more motivated to work with management when he/she knows his/her contribution to the achievement of organizational objective.	20	91	0	0	2	9	0	0	0	0

9.	Employees are motivated to work hard if the Managers recognizes their performance.	20	91	2	9	0	0	0	0	0	0
10.	You normally complain or grudge about the attitude of your Boss.	5	23	10	45	7	32	0	0	0	0
11.	The Organization normally varies in their leadership style.	2	9	2	9	15	68	2	9	1	5
12.	Effective leadership leads to better performance by workers in an Organization.	20	91	2	9	0	0	0	0	0	0

### 4.3 Test of Hypothesis

The hypothesis of the study which states that “customer focus has no significant effect on the organizational performance of banks” was tested using linear regression. The results of the regression are presented in Tables 4.7, 4.8, 4.9 and 4.9.1, respectively.

**Table 4.7: Variables in the Regression Test**

<b>Variables Entered/Removed<sup>a</sup></b>			
Model	Variables Entered	Variables Removed	Method
1	Customer Focus <sup>a</sup>	.	Enter

a. All requested variables entered.

b. Dependent Variable: Performance

Table 4.7 shows the variables that are regressed, namely ‘customer focus’ as the independent variable, and ‘organizational performance’ as the dependent variable.

**Table 4.8: Summary of the Regression model**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.661 <sup>a</sup>	.437	.409	1.456

a. Predictors: (Constant), CustomerFocus

Table 4.8 shows the model in summary in terms of R and R<sup>2</sup>. The R value of .661 indicates that there is positive strong correlation of 66% between ‘customer focus’ and ‘organizational performance’. That is, 66% increase in

customer focus can lead to same 66% increase in banks performance. The  $R^2$  value of .409 shows that, as much as 40.9% variation in the dependent variable (i.e. bank performance) is explained by the independent variable (i.e. customer focus), while the remaining 59.1% changes in bank performance is explained by other variables.

**Table 4.9: Analysis of Variance**

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.934	1	32.934	15.541	.001 <sup>a</sup>
	Residual	42.384	20	2.119		
	Total	75.318	21			

a. Predictors: (Constant), CustomerFocus

b. Dependent Variable: Performance

Table 4.9 shows the relevant ANOVA statistics. Specifically, the F.cal is 15.541 and the corresponding significant value is .001, which is less than 5% probability value ( $P < .05$ ). This connotes that the regression model is a good fit of 'Y'. In other words, the regression model is robust in explaining the effect of customer focus on bank performance.

**Table 4.9.1: Regression Coefficients**

Coefficients <sup>a</sup>					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	
1	(Constant)	12.713	1.977		6.431
	CustomerFocus	.305	.077	.661	3.942

a. Dependent Variable: Performance

Importantly, Table 4.9.1 reveals the unstandardized coefficient ( $B=.305$ ), standardized coefficient ( $\beta=.661$ ), t-test value of 3.942, and significant value of .001 ( $P<.05$ ). This implies the null hypothesis which states that “customer focus has no significant effect on the organizational performance of banks” is rejected, while the alternative hypothesis which states that “customer focus has significant effect on the organizational performance of banks” is accepted. Therefore, the main finding resulting from the hypothesis test is that, indeed, customer focus has significant effect on the FBN’s performance.

#### **4.4 Discussion on Findings**

Following from the array of figures in Table 4.9.1, on row 1, about 82% of respondents favoured effective leadership which pays much attention to task/performance and people. 14% also concurred this clearly indicates that majority of respondents under this column are of the view that effective leadership achieves better results when both tasks and people are placed on watch. This was against 45% in the second column who concurred that effective leadership in organizational management only concern people.

On the 3<sup>rd</sup> and 4<sup>th</sup> rows, 91% of the respondents strongly agreed that leaders that choose to relate with their subordinates have a strong influence on both their performance and motivation. This is an indication of the fact that a flawless communication and avoidance of any form of communication barrier between the management and subordinates has high impact in the subordinates' overall performance.

On row 5, 100% of respondents showcased the importance of training and development as a tool for efficiency which in turn assists managers to develop an effective leadership style

On row 7, only 23% of respondents agreed that one needs to be coerced into performing his statutory function before it is done well. 77% rather disagree

with this assertion implying that with high sense of responsibility and commitment, one does not need to be coerced before he/she performs his/her functions.

On rows 8 and 9, 91% of the staff agreed that they are more motivated when their contributions are recognized by the management. 2 of the staff about 9% were rather undecided. This indicates that recognizing their efforts towards attainment of the objectives of the organization will further fuel their efforts into doing more.

On the 12<sup>th</sup> row, all staff members agreed that effective leadership in their organization leads to better performance by workers in the organization.

In today's dynamic and rapidly changing workplace and globalized economy, development of organizational performance is associated with development of personal performance, skills, knowledge and experience. However, the ability to achieve and maintain high performance and productivity in organizations is a key challenge facing management today.

Management of Banks therefore, ought to give higher attention towards understanding individual differences, needs and behaviours to help them understand and manage organizational complexities.



## **CHAPTER FIVE**

### **5.1 Summary**

It's a different world. Not just today, thanks to the manic pace of change in the volatile business environment, technologies capable of making or breaking corporate reputations in real-time and customers who are more informed, educated and demanding than any past generation could have imagined.

Those customers are the life blood of organizations, companies that fail to focus their cultures, strategies and especially their workforces on pleasing those customers are simply courting failure. High performance organizations (HPOs) – defined by the Institute for Corporate Productivity (i4cp) on the basis for revenue growth, profitability, market share, and customer satisfaction over time.-understand that customer focus is a complete blend of elements attraction, engagement, satisfaction, collaboration, retention and more.

When research by i4cp and the American Management Association (AMA) examined customer focus through the level of high performance, findings showed that the majority of those top organizations strive to keep promises to customers, take every opportunity to know their customers well, and

affirm that their companies exist largely to serve those customers. In fact, three-quarters of business leaders from high performance organizations declared their companies to be more customer focused than their competitors.

Further, four key findings demonstrated that high-performance organizations apply distinctive approaches enabling them to leverage excellence in customer focus as a core driver of competitive advantage.

For key findings;

- i. Customer alignment starts high and Runs deep. The behaviours of executives support customer focus in high performance organizations and the practice is drilled down to include the behaviours of middle managers, too.
- ii. Customer satisfaction is good, but customer advocacy is better. Satisfaction is the global standard for measuring customer focus, but high performers recognized that active, engaged customers are the global standard
- iii. Customer focus is data driven. In the age of big data and evidence-based business activity, high performance organizations use customer insights to shape products, services and strategy.

- iv. Technologies enable customer connections from CRM software to social media, high-performance leverage high-tech to achieve high touch with customers worldwide.

## 5.2 Conclusion

An attempt was made, in the course of this research to establish the relationship and ultimately, impact of customer focus on organizational performance of banks. The result establishes the important role towards competitive advantage and organizational excellence. Customer satisfaction, through the concept of total quality management contributes to higher organizational performance. Stakeholders in the organization should recognize the importance of customer focus in the management of the bank. The role of customer focus therefore, coordinates and also provides competitive advantage for organizational profitability, performance and growth.

It was discovered that banks use several techniques ranging from staff motivation through providing opportunity for communication between high ranking officers and subordinates, supervision of subordinates to ensure compliance with bank policies towards achieving goals. Aside from the customer-oriented services provided by the officers of the bank to ensure

customer loyalty, courtesy measures have been introduced to further entice the customer to maintain relationship with the bank. Such courtesy measures include warm welcome by the junior staff of the bank and farewell bid during exit.

### **5.3 Recommendations**

In the pursuance of the objectives of this research, the following recommendations are proffered:

- i. Banks should improve upon their policy and timeliness of the services they deliver bearing in mind that the only thing that differentiates one bank from another in the eyes of the customers is simply the quality of service since similar products are also offered by other banks.
- ii. Another area that banks need to focus attention is on systems downtime. It is pertinent to standardize operations in this regard ranging from improved internet services, avoid power failure by making available alternative power supply sources. Down time are usually frustrating and time-wasting to both bank staff and customers as well.

- iii. Banks staff salaries need to be enhanced to at least be commensurate with the job they perform. Similarly other forms of motivation such as promotion, presentation of award to the high performer(s) would go a long way in improving staff performance towards good quality service delivery that is customer-oriented.
- iv. The Bank may wish to consider introducing “shift duties” to eliminate the fatigue syndrome which usually affects staff performance. This will also enable staff to spend quality time with members of their families and have some leisure to refresh for greater tasks.

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## **Appendices**

- i. Letter of introduction to the Management of First Bank, Minna
- ii. Section A of the Questionnaire
- iii. Section B of the questionnaire
- iv. Regression tables



## **APPENDIX I**

Department of Business Administration  
Faculty of Administration,  
Ahmadu Bello University,  
Zaria, Nigeria

### **Questionnaire For Bank Staff**

Dear Sir,

I am an MBA student of the above-named Institution conducting a research on the topic, “Effect of Customer Focus on the Organizational Performance of Banks: A case study of First Bank of Nigeria Plc, Minna”.

2. I humbly solicit your co-operation in filling this questionnaire. The study is principally for academic purposes; as such, I pledge and guarantee that all information provided will be treated with utmost confidentiality.
3. Thank you for your understanding.

Yours faithfully,

**MazaduTolaMaidawa**

## Appendix II

Please tick appropriately and be free to provide additional relevant information where necessary.

## Section A:

## Information about the Respondent

- |  |                           |                  |
|--|---------------------------|------------------|
| 1. Sex:  | Male [       ]            | Female [       ] |
| 2. Marital Status                                  | (a) Married               | [       ]        |
|  | (b) Single                | [       ]        |
|  | (c ) Widowed              | [       ]        |
|  | (d) Separated             | [       ]        |
| 3. What is your highest educational qualification? |                           |                  |
|  | (a) None formal education | [       ]        |
|  | (b) Secondary education   | [       ]        |
|  | (c) Diploma, NCE          | [       ]        |
|  | (d) HND/First Degree      | [       ]        |

(e) Masters and higher degree, please specify.

.....

4. Are you conversant with the Bank's customers' services?

Yes [     ]     No [     ]

5. How long have you been working with the bank?

(a) 1-3 years [     ]

(b) 4-5 years [     ]

(c) 6-8 years [     ]

(d) 9 and above [     ]

6. What is your rank in the Bank?

(a) Executive Trainee [     ]

(b) Bank Executive [     ]

(c) Manager [     ]

(d) Assistant Manager [     ]

(e) Deputy Manager [     ]

## SECTION B

SN	QUESTIONS	STRONGLY AGREE - 5	AGREE - 4	UNDECIDED - 3	DISAGREE - 2	STRONGLY DISAGREE – 1
<b>CUSTOMER FOCUS</b>						
1.	Effective leadership in organizational management is concern for task/performance and people.					
2.	Effective leadership in organizational management is concern for people.					
3.	Leaders that choose to relate with their subordinates have a strong influence on the performance of their subordinates.					
4.	Leaders that choose to relate with their subordinates have a strong influence on the motivation morale of their subordinates.					
5.	Training and development is vital in assisting managers to develop effective leadership style.					
6.	Effective leadership depends on sticking to one particular leadership style in all circumstances.					
7.	When you are coerced to do a job that is when you do it well.					
<b>PERFORMAMCE</b>						
8.	Employee would be more motivated to work with management when he/she knows his/her contribution to the achievement of organizational objective.					
9.	Employees are motivated to work hard if their Managers recognize their performance.					
10.	You normally complain or					



(h) Diploma, NCE [      ]

(i) HND/First Degree [      ]

(j) Masters and higher degree, please specify

.....

10. Are you conversant with the Bank's customers' services?

Yes [      ]      No [      ]

11. How long have you been working with the bank?

(e) 1-3 years [      ]

(f) 4-5 years [      ]

(g) 6-8 years [      ]

(h) 9 and above [      ]

12. What is your rank in Bank

(f) Executive trainee [      ]

(g) Bank executive [      ]

(h) Manager [      ]

(i) Assistant Manager [      ]

(j) Deputy Manager [      ]

## Section B

13. How does your bank consider service to customers?

- (a) Has a target to be achieved [     ]
- (b) Places very high emphasis on it [     ]
- (c) Does not consider it much [     ]
- (d) Management is nonchalant about service [     ]
- (e) Others specify .....

14. How do you see the relationship between your bank and customers?

- (a) Very courteous, caring and friendly [     ]
- (b) Official with little warmth [     ]
- (c) Cordial, warm enough to make a customer think of making a repeat [     ]
- (d) Staff go extra mile to serve and satisfy every customer [     ]

15. To what extent does the management value customer services?

- (a) Very high to the extent that staff are often rewarded for excellent services  
[     ]
- (b) Value the profit they want to make above service [     ]
- (c) Rarely emphasize on quality customer service [     ]
- (d) Emphasizes service in every transactions [     ]

16. What Are the motivational techniques employed by your bank?

- (a) Bonuses [     ]
- (b) Review of salaries every 2 years [     ]
- (c) Promotions [     ]

(d) Housing allowance [      ]

(e) Health care allowance [      ]

17. How will you rate the motivational practice of your bank?

(a) Very good [      ]

(b) Good [      ]

(c) Fair [      ]

(d) Poor [      ]

(e) Very poor [      ]

18. How would you rank the bank in terms of quality customer service delivery?

(a) Excellent [      ]

(b) Very Good [      ]

(c) Good [      ]

(d) Fair [      ]

(e) Poor [      ]

19. How often do your customers commend your bank for effective service delivery?

(a) Very often [      ]

(b) Quite often [      ]

(c) Rarely [      ]

20. What effect does your service to customers have on them



- (a) Excellent service to customers helps to retain them [      ]
- (b) Satisfied customers will market your bank [      ]
- (c) They will want to come back [      ]
- (d) None

21. If you were to be the customer; would the services your bank render appeal very much to you and make you come back?

- (a) Highly appealing [      ]
- (b) Fairly appealing [      ]
- (c) Not appealing [      ]

22. What are the techniques used by your bank to improve staff performance?

- (a) Regular in-house training [      ]
- (b) Training programs and seminars [      ]
- (c) Basic banking course organized every six months [      ]
- (d) Others, specify .....

23. Which of the following factors motivate you to higher performance?

- (a) Award/Merit [      ]
- (b) Salary increment [      ]
- (c) Promotion [      ]
- (d) Bonuses [      ]
- (e) If others, specify

24. What problem do you encounter at work?

- (a) Work is highly stressful [      ]
- (b) Difficulty in communicating with superiors [      ]
- (c) Delay in salary payment [      ]
- (d) Lack of cooperation among staff [      ]
- (e) Others, specify .....

25. What is the effect of these problems on your work performance?

- (a) Fatigue [      ]
- (b) Absent mindedness [      ]
- (c) Neglect of duty [      ]
- (d) Hot temperature [      ]
- (e) Others, pls specify .....