Obstacles in the Implementation of Total Quality Management in the Banking Sector: A Case of the Standard Chartered Bank (K) Ltd.

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ABSTRACT

Service industry is a crucial part of our economy in terms of its contribution to economic growth and development. The banking sector, which is part of the service sector, deals with the marketing of services (intangible goods) which possess various unique characteristics making their marketing difficult as compared to the marketing of physical commodities. Due to this, services are best marketed by improving the quality of service as a whole.

In this regard, most banks including Standard Chartered Bank (which is the main area of study and a pioneer in TQM implementation), have attempted to implement total quality management in their operations. This is being done in an attempt to continuously improve the quality of services provided (which are produced and consumed simultaneously) in order to achieve customer satisfaction.

Although TQM practice is relatively new in Kenya, and particularly the banking sector, it has been accelerated by increased global competition occasioned by liberalization and increased customer awareness. Standard Bank, therefore, introduced the concept as a competitive weapon against the other players in the banking industry in order to give it a competitive edge. TQM practise enables a bank to differentiate it's offerings from the others' offerings.

Despite, the bank's efforts to implement the concept in it's operations, the process has not been easy-going. The study is therefore, sought to determine the various obstacles that hinder effective implementation of TQM by the bank to identify the various strategies that it has used to overcome the mentioned obstacles and to find out whether TQM has a future in the Banking Industry.
From the analysis TQM faces many obstacles in its implementation. Some of which include people’s resistance to change, low attitude and poor understanding of the concept among others.

Some of the strategies that the bank has used to solve the mentioned obstacles, include, staff training Management of change, participatory management and many others.

Finally, TQM practice in the banking industry has a bright future because it is only through focusing on quality that the banks will survive into the next millenium.