

**INFLUENCE OF BANKING AGENTS ON THE
IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT IN
COMMERCIAL BANKS: THE CASE OF CO-OPERATIVE
BANK OF KENYA IN NAIROBI COUNTY**

BY

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DECLARATION

This research project is my original work and has not been presented for a degree award to any other university.

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DEDICATION

This piece of work is dedicated to my father, Francis Mutua who set very high standards of academic performance in our family. Dad, you not only led the way but you have worked tirelessly through the years to give my siblings and I, a chance to progress academically. In your steps we follow.

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ABBREVIATIONS AND ACRONYMS

AML	Anti- Money Laundering
ATM	Automated Teller Machine
BDO	Banca de las Oportunidades
BISP	Benazir Income Support Program
CBB	Central Bank of Brazil
CBK	Central Bank of Kenya
CFT	Countering the Financing of Terrorism
CSFs	Critical Success Factors
FA	Familias en Acción
KYC	Know Your Customer
MFI	Microfinance institution
MTN	Mobile Telecommunication Network
POS	Point of Sale Terminal
SACCO	Savings and Credit Co-operatives Society
SARB	South African Reserve Bank
SBG	Standard Bank Group
SBP	State Bank of Pakistan
SMPs	Small and medium practices
SMS	Short message service
TQM	Total Quality Management
UBL	United Bank Limited
WAP	Wireless Application Protocol

ABSTRACT

The purpose of the study was to investigate the extent of the influence that banking agents have on the implementation of Total Quality Management (TQM) by Commercial banks. The study was guided by the following objectives; to determine the extent to which banking agents' leadership influences TQM implementation by commercial banks; to determine the extent to which banking agents participation in quality initiatives influences TQM implementation by commercial banks and to investigate the extent to which banking agents' training influences TQM implementation by commercial banks. Using a survey, the researcher showed how the selected factors (leadership, participation and training) influence TQM implementation by commercial banks. The target population for the study was Co-operative bank of Kenya agents in Nairobi County, from which limited liability companies were selected. The sampling frame for this study included all the 60 banking agents that were operational for more than six months before the study and had agent outlets in different parts of Nairobi. The sample was selected using the simple random probability sampling technique. 52 of these banking agents formed the sample size, which was adequate since it comprised 86.7% of the population. The study utilized primary data collected using a questionnaire administered on a face to face basis. The respondents to the questionnaire were the individuals who are directly charged with serving agent banking customers. The questionnaires were checked for completeness and consistency of information at the end of every field data collection day and before storage. Descriptive analysis was used to summarize the data adopted using tabular representation in order to bring out the relative differences of values. The study established that the organizations had a leadership style that promotes TQM implementation. However the goals and policies on quality management were not adequately understood and the TQM vision was yet to be fully communicated for effective implementation. Moreover there were inadequacies in the allowance for work group processes and review of the progress made by teams. This implies that the human resources capability was not fully tapped for TQM implementation. The members of the organizations lacked sufficient training from trained facilitators and even the little training that was provided was not evaluated as to whether it was effective. This leaves a chance that the organizations will continue dedicating resources and incurring training costs without checking whether the training is meeting the organizational strategic goals. Based on the findings of this study, the researcher recommends that commercial banks and their banking agents should; provide and communicate a clear and adequate vision to ensure unity of direction and purpose in TQM implementation, ensure that the goals and policies of quality management are understood so that every stakeholder understands the different roles played for effective TQM implementation, work hand in hand to ensure that they initiate quality practices and encourage all members to participate fully so harvest the full capability of the human resources available, ensure that all members of the organization undergo training on a regular basis on different areas including but not limited to principles of TQM, the use of TQM tools and problem-solving techniques. Thereafter evaluation of the effectiveness of the training provided will be necessary.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Agent banking is quickly becoming recognized as a viable strategy in many countries for extending formal financial services into poor and rural areas. In recent years, agent banking has been adopted and implemented with varying degrees of success by a number of developing countries in Latin America, Asia and Africa.

1.1.1 Banking agents in Brazil

Brazil pioneered the concept of banking agents. It launched the concept in 1973, but only took off in the early 2000's. This is after the Central Bank of Brazil (CBB) in 1999, revising the framework for banking agents, permitting them to open accounts and accept withdrawals, deposits, and bill payments. That same year, Caixa Econômica Federal, a state-owned bank, partnered with more than 9,000 lottery outlets in what became the first large-scale retail agent scheme in the country. With 405,837 banking correspondents as of November 2013, Brazil has the largest agent network in the world (Central Bank of Brazil [CBB], 2013a). The number of banking agents in the country has grown exponentially over the past decade, while the number of bank branches has remained relatively constant (CBB, 2013b)

Bradesco the largest private bank in Brazil, won a public bid from the Brazilian Post Office that gave it exclusive access to 5,300 of the country's 10,500 post offices (Kumar et al., 2006). The Bradesco Banco Postal public-private partnership was a win-win situation for all parties. Bradesco had exclusive access to a well-established network, and the post office gained a new and important revenue source. The government also met its public policy goal of reaching unbanked municipalities. In 2009, 90 percent of new Bradesco account openings were done through Banco Postal, evidence that this model was successful. Also, more than 10 million bank accounts were opened between 2002 and 2011 after the establishment of the partnership. (Enhancing Financial Innovation & Access [EFInA], 2011)

Over the years Brazil has developed a mature network of agent banks covering 100 % of the country's municipalities. Using data from a national survey in Brazil done in 2013, it is clear that Brazil has largely overcome the distance barrier to financial access, and a majority of Brazilians that is 67% of the population now pay at least one bill at an agent. Only 12% of banked respondents usually withdraw from their bank account at an agent, 9% usually deposit at an agent, only 6% have accessed a loan through an agent, and 4% have opened an account through this channel. However, we do find evidence that those using agents are poorer, less

educated, more likely to work in the informal sector, and to be women than those using other channels (Sanford & Cojocaru, 2013)

1.1.2 Banking agents in Colombia

In August 2006, 309 out of 1,100 municipalities in Colombia did not have the presence of a bank; 872 municipalities did not have a cooperative; and 755 municipalities were not served by a microfinance nongovernment organization. This highlighted the need to help smaller municipalities gain access to financial services. During this time, banks started to strategize to gain greater coverage through branchless banking and the use of agents. The Ministry of Finance and the Finance Superintendence promoted regulations that authorized banks to use agents. These regulations were issued in July and August 2006 (Consultative Group to Assist the Poor [CGAP], 2013)

By June 2007, there were approximately 1,500 agents in the country, but most had been created in urban centers and had very high inactive rates. In terms of coverage, banks at the time had used this channel to reach just 25 of the 309 municipalities that had no previous financial institution presence. This slow expansion of agents into the municipalities raised concerns given the difficulties involved in expanding the Colombian Government's conditional cash transfer program Familias en Acción (FA), an endeavor which required a payments channel (EFInA, 2011)

To help quicken the pace of developments, the government established Banca de las Oportunidades (BDO) to provide direct incentives to achieve greater coverage in a short amount of time. The subsidy-based policy of BDO has helped banks create network of agents, providing economic incentives to those financial institutions willing to establish agents in rural areas or unbancarized suburbs. The incentive structure worked as follows: the financial institution opens an agent outlet; according to BDO's studies, the agent's breakeven point is reached when "x" transactions per month are performed at the outlet; if the agent registers "y" transactions, which is less than "x", the difference "x-y" in monthly transactions is paid by BDO (Lozano & Mandrile, 2010)

From the policy, increased coverage was achieved. The number of agents went from 3,500 in December 2007 to 20,865 agents in June 2012. As at September 2013, 99% of all municipalities had access to financial services. The intervention ensured a more prominent presence of formal financial entities in remote areas and promoted the establishment of other banks to the same areas. This model has achieved greater success mainly because it is

focused on the areas that show a serious need of financial services. Also the incentives are only valid for the first 2 years of agent's activities in order to encourage the financial institutions to find a way to make the agent self-sustainable after the second year (Banca de las Oportunidades [BDO], 2013)

1.1.3 Banking agents in Pakistan

The Government of Pakistan introduced agent banking regulation in April 2008. The two largest agent banking initiatives that were introduced in Pakistan were launched by Tameer Microfinance Bank owned by a major mobile network operator Telenor Pakistan, and United Bank Limited (UBL) a major commercial bank. Tameer Microfinance Bank and its parent company launched easypaisa in October 2009. Easypaisa allows any customer, even someone without a Tameer account or a Telenor phone, to make over-the-counter bill payments and money transfers through easypaisa agents. Tameer had over 12,000 easypaisa agents which processed 23 million transactions by the end of July 2011, with a total throughput of US\$500 million. Following the June 2011 revised regulations for account opening by the State Bank of Pakistan (SBP), Tameer and Telenor revamped the account-opening process for mobile accounts and ran a major advertising campaign, which resulted in over 500,000 new customers (Bold, 2011)

UBL launched UBL Omni in April 2010. UBL Omni allows customers to make over-the-counter bill payments and send money to friends and family in Pakistan via a network of agents known as Omni Dukans. The service also offers an account accessible from mobile phones via SMS or WAP and cards. UBL has won several contracts to disburse payments for nongovernment organizations and government schemes, such as the Benazir Income Support Program (BISP), the government's flood relief program, and the World Food Programme. As at the end of June 2011, 5,000 agents were disbursing payments to 2 million recipients under these programs (CGAP, 2011a).

According to the SBP's Agent Banking Newsletter for the second quarter of 2013, agent banking providers collectively carried out 44.8 million transactions during the quarter valued at 173 billion Pakistani rupees, showing 9 per cent growth in numbers and 1 per cent growth in value (State Bank of Pakistan [SBP], 2013). Agent banking accounts witnessed a growth of 10 per cent during April-June 2013 quarter and reached 2.6 million in number from 2.1 million during October-December, 2012 quarter. On average, agents performed 497,333 transactions per day with an average transaction size of 3,870 Pakistani rupees. The number

of agents offering agent banking services surpassed 93,800 as of end of the quarter, representing an increase from 41,567 as of 31st December, 2012 (SBP, 2012)

1.1.4 Banking agents in South Africa

South Africa has often been used as a case study by those with an interest in financial inclusion. The country has an advanced banking infrastructure with nearly 10,000 ATMs and over 100,000 POS devices deployed. The Government has for a long time been committed to expanding access to financial services to the bottom of the pyramid and more than 75% of South African adults have a bank account, an increase from 67% in 2012 (FinScope South Africa, 2013).

The South African regulatory framework gives wide discretion to banks to use nonbank third parties to offer banking services beyond their traditional branch network, either as agents or through outsourcing arrangements. A 2004 South African Reserve Bank (SARB) circular was issued in response to questions by banks regarding proposed outsourcing arrangements. It provides guidance for outsourcing arrangements that could; have a bearing on the risk profile of a bank, affect the systems and control of a bank, be classified as being of strategic importance, or have implications for SARB and its supervisory duties (South African Reserve Bank [SARB], 2004)

South Africa currently has two branchless banking models with transformational potential, Wizzit and MTN Mobile Money, both of which involve nonbanks and banks working in partnership. For both, the bank account application is fully integrated with the mobile phone, enabling the customer to use the mobile phone itself as a payment instrument. MTN and Standard Bank launched one of the first branchless banking services anywhere in the world in 2005 and invested an estimated USD 80 million in the service, but fell afoul of the regulator around their application of KYC standards and saw very low uptake. As a result MTN quietly exited from the service in 2010, although Standard Bank has continued to employ the lessons that they learned from the exercise in their inclusive banking roll-out (CGAP, 2010a). Standard Bank's access points (bank agents) increased from 9716 in 2012 to 15, 529 in 2013 thus providing more familiar points of representation in townships and other underserved areas across South Africa (Standard Bank Group [SBG], 2013)

Wizzit is credited as the first branchless banking initiative in South Africa to focus on low income, unbanked consumers and attain any degree of scale. It was launched in 2005,

providing a Maestro debit card and mobile-enabled bank account via its bank partner, South African Bank of Athens. While Wizzit does not operate any branches on its own, it partnered with the Absa Group and the South African Post Office that act as banking agents and allow Wizzit's customers to deposit funds at any of the 800 Absa branches and 2,600 Post Offices. Similarly, Wizzit does not have an automated teller machine (ATM) network but its customers can pay for purchases and withdraw funds using their debit card at any point of sale (POS) or ATM accepting Maestro cards (Mohan, 2007). As of January 2010, Wizzit had signed up approximately 300,000 customers (CGAP, 2011a).

1.1.5 Banking agents in Kenya

The percentage of Kenyan adults banked rose from 18.9% in 2006 to 22.6% in 2009 (CGAP, 2009). The same survey shows that 32% of Kenya's bankable population remains totally outside the orbit of financial services with only an estimated 40.5 percent of adults in Kenya being "formally" served in banks and nonbank financial institutions (such as MFIs and SACCOs), Post Bank and insurance companies.

If Kenya is to expand access to financial services further so as to reach middle income norms of proportion of people banked by 2030, in line with Vision 2030 objectives, then further massive investment in the distribution infrastructure is required. In an effort to leapfrog this financial inclusion, CBK in 2009 commenced measures to open up banking channels to non-bank agents. This was through an amendment to the Banking Act in the 2009 finance bill which allowed banks to start using agents to deliver financial services (EFInA, 2011).

Prior to the 2009 amendment, the Banking Act did not specifically address the issue of banks using agents to carry out banking activities, nor were there any regulations explicitly governing the outsourcing of functions by banks. Instead, CBK approved such arrangements on a case-by-case basis. Further detail on the manner in which agents may be engaged is provided in regulations issued by CBK. The regulations facilitate the use of third-party agents by banks to provide banking services, but present a cautious approach to the expansion of agent models. Included in them is a number of minimum requirements to ensure an appropriate level of consumer protection, such as; mechanisms to enable customers to identify agents; the issuance by agents of receipts for all transactions; a free channel to lodge complaints and speedy complaint settlement process; and confidentiality protections (CGAP, 2010b).

Banks obtain annual approvals from CBK as to the overall use of agents. They provide CBK with details about engaging particular agents, including names, locations, pre-existing commercial activities, a sample contract, and the services to be rendered. An approval from CBK is obtained before closing any agent locations and this is only permitted for particular reasons or offenses, in the interests of reputation and service continuity. The agents offer broadly two categories of services; transactional services and administrative services, including cash-in/cash-out, disbursement and repayment of loans, bill payments, balance enquiries, mini-statements, collection of account-opening paperwork and loan applications, and mobile phone airtime top-ups. However, agents are not to open accounts or appraise loans on behalf of banks nor are they permitted to charge customer fees (Central Bank of Kenya [CBK], 2013).

1.2 Statement of the Problem

Fears are often stated that, branchless banking is dangerous for vulnerable customers, agents may not be closely supervised, and unsophisticated consumers may be unfamiliar with channels for seeking redress (Dias & McKee, 2010). Additionally there also exists a discrepancy between the actual awareness or knowledge of TQM and the level of implementation (Psychogios & Priporas, 2007). Thus the different extents of TQM implementation among different organizations are sensible.

Given the principal-agent problem, there might be low TQM implementation by banking agents. This is because in the agency banking model, service provision has partially shifted from the hands of the bank's employees to the agents who are only limited by the service contract. This implies that the degree of control exercised by the bank on their agents is minimal. In spite of this, CBK prudential guidelines on agent banking stipulate that banks are ultimately responsible and liable for the actions of the agent and for all compliance responsibilities. Therefore, since the responsibility of implementing TQM in agency banking falls on the commercial banks, it will be important for the commercial banks to consider how to facilitate the contribution of agents to the process. The number of agents and the transactional volumes has increasingly grown over the years and this can only overemphasize the above need.

As at 31st March 2013, there were over 18,082 active agents facilitating over 48.4 million transactions valued at Kshs. 250.1 billion in Kenya (CBK, 2013). This was an increase from 12,054 active agents facilitating over 18.7 million transactions valued at Kshs. 93.1 billion in

June 2012 and 10,006 active agents facilitating over 13 million transactions valued at Kshs. 64.8 billion in March 2012 (CBK, 2012).

The Co-operative Bank of Kenya, one of Kenya's largest commercial banks in terms of revenues, asset base and geographical presence (Olweny and Shipho, 2011) was among the first three banks to launch agency banking in Kenya. The agents in its network have become established and the number has grown considerably from 3,500 in June 2012 to over 6,000 in June 2013 (CBK, 2012). The banks continued growth has been largely attributed to a significant expansion in transaction-based income and aggressive cost rationalization growth in non funded incomes through ATMs, agency banking, personal and business banking, mobile banking, forex transactions and letters of credit (CBK, 2013).

1.3 Purpose of the Study

The purpose of this study was to investigate the influence of banking agents on the implementation of TQM by commercial banks.

1.4 Objectives of the Research Study

The research study was guided by the following objectives

1. To determine the extent to which banking agent's leadership influences TQM implementation in commercial banks.
2. To determine the extent to which banking agent's participation in quality initiatives influences TQM implementation in commercial banks.
3. To examine the extent to which banking agent's training influences TQM implementation in commercial banks.

1.5 Research Questions

This research study focused on the following research questions;

1. To what extent does banking agent's leadership influence TQM implementation in commercial banks?
2. To what extent does banking agent's participation in quality initiatives influence TQM implementation in commercial banks?
3. To what extent does banking agent's training influence TQM implementation in commercial banks?

1.6 Significance of the Study

It was important to investigate the influence that the banking agents have on TQM implementation by commercial banks, because once this is known, it will pave way for

increased implementation of TQM by the banks agents which may in turn bring with it the associated competitive advantage in a fiercely competitive market place (Sila and Ebrahimpour, 2002); enhance market focus, efficiency, full utilization of human resources capabilities and continuous improvement programs (Temtime and Solomon, 2002). A satisfied customer, whom TQM seeks to derive, will often be a repeat customer. Transactional volume is driven by customer loyalty which is derived from customer satisfaction. The banks will benefit tremendously from TQM implementation because of the mere fact that their success and continuity depends on customer satisfaction and loyalty.

This study will facilitate the implementation of TQM to encompass the quality perspectives of both external and internal stakeholders of agent banking in an integrated manner and thereby enable a comprehensive approach to quality management that will assure quality service provision as well as facilitate change and innovation in the agency banking model. Banks' customers are very sensitive to service delivery and they may easily shift to other services offered by other banks. Because of this, banks are required to create loyal customers through a life-long strategy that is based on delighting and continuously surprising them by offering innovative and high quality products and services different from those of competitors (Al-Mansour, 2007).

It is important to investigate the influence that banking agents have on TQM implementation by commercial banks, because this will provide significant insight into the entrepreneurial impact of TQM investment to the agents, the banks, the government, scholars and researchers. The banks and their agents will develop a framework to offer the necessary customer support and advice to their customers (internal and external) and provide innovative and high quality products and services different from those of competitors. The government will provide the required regulations and other interventions that are necessary to ensure smooth operations for all concerned parties. Scholars and researchers may wish to use the findings of this study to carry out further research.

1.7 Basic Assumptions of the Study

This research study assumed that TQM implementation in commercial banks will continue being an important endeavor because previous literature quoted in the study shows the importance of TQM in both manufacturing and service sectors. The study assumed that banking agents had a significant influence on the extent to which the principal commercial banks implement TQM to ensure quality of their services. This is because the agents provide services to customers on behalf of the commercial banks and the level of service quality they

provide determines customer satisfaction and loyalty. The commercial banks who are the principals therefore have a responsibility to ensure high quality services are provided by their agents.

1.8 Limitations of the Study

One of the limitations of this study was the possibility of other factors that show the influence that banking agents have on TQM implementation by commercial banks, which were not included in the study. An example factor is the recognition and rewarding of banking agents as an influence in TQM implementation by commercial banks. A further study can take these factors into account. As well, the data was drawn from Co-operative Bank of Kenya's agents and this may limit generalization of conclusions from this study to other banking agents for other commercial banks because of different policies introduced by the banks to aid in TQM implementation.

1.9 Delimitation of the Study

The population involved in the study focused on banking agents located in Nairobi County only because of time and cost implications. The agent population sampled included limited companies only; this is because of the implied stability and continuity in addition to the clear organizational structures in such setups.

1.10 Definition of Significant Terms Used in the Study

Agent: will refer to Co-operative Bank of Kenya agent, also known as 'Co-op Kwa Jirani' agent. This will be any entity contracted to act on behalf of the bank and approved by the Central Bank to provide banking services as prescribed by the Central Bank's guidelines on agent banking.

Agent outlet: will be any specific and distinct locality that an agent runs his/her business. For the agent to begin operations, the outlet has to be approved by CBK under one application or separately through different applications if the outlets are more than one.

Banking agents' training: will mean the process of developing and promoting agent skills so as to enhance the development of a quality culture for TQM implementation.

Banking agents' leadership: will imply the identification and promotion of needed organizational change through creating a vision to guide and motivate the banking agents through inspiration of their leaders and executing the change with the commitment of all the members of the organizations.

Banking agents' participation in TQM: will imply the bottom-up processes designed to enhance a co-operative relationship between the commercial banks and their agents which fosters banking agents' commitment to collective TQM objectives and development of strategies for TQM implementation.

Commercial bank: is a privately owned financial institution that offers basic investment products. It accepts savings in the form of deposits from the public for safe keeping and using these deposits, it is able to give loans/credit to interested persons

Influence: is the power or ability of one thing to affect another. In this case, the banking agents' power to affect TQM implementation by commercial banks will be researched.

Principal-agent problem: illustrates the condition whereby one party, the agent, who is contracted to act on behalf of another party, the principal, goes against the provisions of the service contract and takes care of their own personal interests instead of those of the principal.

TQM implementation: encompasses all the processes and activities involved in ensuring delivery of high quality products or services for customer needs and satisfaction.

1.11 Organization of the Study

This research study was organized in five chapters; Chapter One gives the context of the study under the following subtopics; the background to the study where a review of the introduction of banking agents in different countries around the world was given, the problem statement where the research problem was described, the purpose, research study objectives and questions that guided the researcher in the study, the significance of the study to show the benefits that the study will bring to different stakeholders, a description of the limitations, and assumptions of the study was given and finally the significant terms used in the study were defined. Chapter Two presents a review of literature and relevant research in TQM implementation and variables of concern in the study under the following subtopics; TQM implementation in the banking industry, banking agent's leadership, training and participation in TQM implementation by commercial banks, the conceptual framework that guided the study and a summary of the literature review. Chapter Three presents the methodology and procedures used for data collection and analysis. Chapter Four contains an analysis of the data and presentation of the results. Chapter Five summarizes and discusses the researcher's findings, provides recommendations and suggestions for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers literature review. It begins with a review of some of the studies that have been done globally, regionally and locally in relation to TQM in the banking industry. The section also covers a review of specific literature on how the banking agents through the specific factors influence the implementation of TQM in commercial banks. A theoretical framework is also provided. A conceptual framework showing the relationship between the variables is illustrated and a summary of the literature review has been given at the end of the chapter.

2.2 TQM Implementation in the Banking Industry Sector

Globally, the current level of the research done on TQM in the service industry sector is not adequate because most of the previous research on TQM was in the manufacturing industry (Gupta, McDaniel, and Herath, 2005). Perhaps the explanative reason for this could be the intangible and less homogeneous nature of services which makes them difficult to measure (Al-Mansour, 2007). Additionally, in service environments the consumption and delivery of a service take place simultaneously, thus making it difficult to control the quality of a service beforehand as compared to manufactured products which can be replaced or adjusted if defective before delivery. Against this backdrop, of late many service organizations are now recording an increasing trend in the interest, adoption and implementation of TQM (Ehigie and McAndrew, 2005).

Total quality management implementation is essential to the banking sector in particular to sustain competitive advantage. Al-Marri et al. (2007) in his empirical study of the United Arab Emirates banking sector identified sixteen factors to be critical to TQM implementation success. The factors are top management support, strategy, continuous improvement, benchmarking, customer focus, quality department, quality system, human resource management, recognition and reward, problem analysis, quality service technologies, service design, employees, services capes, service culture and social responsibility. The significance of the study lies in its considering of soft issues in TQM implementation in the banking sector.

Selvaraj (2009) analyzed the level of TQM implementation in the foreign, private and public banks in India and its impact on their organizational effectiveness. Initiatives such as top

management commitment, customer focus, employee satisfaction, human resource management, technical and information systems, service culture, social responsibility and services capes were studied. The study found that there are significant differences between the three groups of banks in respect of these factors. The public sector banks fared better in employee satisfaction and ranked lowly in customer focus, research and development. Whereas the private sector banks were good in service culture and Human Resource Management, the foreign banks performed better in top management commitment, customers focus and services capes. The important discriminant TQM factors among the three groups of banks were customer focus and top management commitment.

Al-Shobaki, Fouad, and Al-Bashi (2010) show that the implementation of TQM can be of great benefit to the Jordanian banks through customer orientation, productivity and competitive edge. Using data from the banks' annual reports and questionnaires distributed to customers and bank employees of five Jordanian commercial banks selected randomly, the results showed that the implementation of TQM in the Jordanian banking sector led to increased productivity and ability to compete in the global markets. The results also showed that there is nearly equal adaptation from the banks to all principles of TQM. While in reality there is little focus on customer needs and complaints. On the customer side, the study showed that customer's evaluations regarding the provided financial services quality differs, and this gives to the management an indication of the need of giving high priority to develop quality approaches.

Irechukwu (2010) put forward a framework for quality management in organizations with reference to Owena Bank in Nigeria which launched the programme code-named "Quality is Money (QIM)", a domesticated version of TQM and a scheme tagged "Error-Free Banking or We Pay". 102 organizations, covering manufacturing, trading, oil and gas, banking, insurance, investments, services, and government controlled corporations were selected. Both the privately owned and publicly quoted companies were well represented. The key sub-sectors of the economy were also considered and the leaders were selected as part of the sample. The 56 organizations in Nigeria that responded represented fifty five per cent (55%) of the total number sampled. 280 questionnaires were sent but 236 were actually returned completed. The results showed that 35 organizations (62.5%) have actually implemented TQM, while 32 organizations (91.4%) were successful. The results supported the argument that the level of success among organizations that have implemented TQM in Nigeria is high considering the fact that three out of every four that have implemented were successful.

Okoel et al. (2013) investigated the role that service quality plays in the Ghanaian banking sector and its impact on service delivery. A sample of 400 customers encompassed four major indigenous and foreign banks. SERVQUAL dimensions of service quality were used to structure the questionnaire. Empirical findings from this study show that gaps exist between customers' expectations and perceptions of service delivery in all the banks even though the banks performed better on the tangibility dimension. Despite this observation, the banks retained their customers. This study, therefore, concludes that where a gap exists between customer expectation and perception of service delivery, service quality is perceived as low and customer dissatisfaction results. However, dissatisfied customers did not necessarily defect. The study therefore confirms the theory that service quality is a necessary but not a sufficient condition for maintaining strong relationship with customers.

Githaiga (2003) did a survey of TQM practice in the Kenyan Commercial Banks. She noted that the emergence of major forces such as intense competition, customer awareness, technological advancement and product service proliferation has posed a wide range of challenges to organizations and therefore the adoption of strategic practices like TQM was unavoidable. Data was collected using a questionnaire administered on face to face basis. The respondents were selected from commercial banks with their operations in Nairobi. The responses revealed a common appreciation and recognition of TQM as an important organization's strategy. The respondents recognized the role played by top management, employees, teamwork, and employee training and education as necessary in the realization of TQM. In addition the respondents identified a number of benefits derived from the adoption of TQM, namely: increased profits, reduction of operational costs, enhanced corporate image, increased customer satisfaction and customer base and customer loyalty.

Rugendo (2013) investigated the factors influencing TQM practices in the Kenyan banking industry. The research was broken down into four main objectives which were how management commitment, customer focus, continuous improvement and employee empowerment influenced TQM practice among the banks. The level of TQM awareness was found to be very high among the respondents with 80 percent indicating they knew of TQM concepts but only 19 percent of banks practiced TQM in their operations. Management commitment was found to be the factor that affected TQM the most, 65 percent of respondents affirmed this. Employee empowerment and continuous improvement moderately affected the TQM practice having a support of 80 percent from the respondents. Customer focus was found to have the lowest influence on TQM practice. The study

concluded that management commitment, employee empowerment, continuous improvement and customer focus influenced TQM practice in that order.

2.3 Banking Agents' Leadership and TQM Implementation in Commercial Banks

Even though the discipline of operations management (OM) has long been offering differing quantitative techniques for improving the efficiency of banking operations, there has been a trend in recent years that operations and services of the banking industry are becoming more diverse and unstructured, thus rendering many traditional OM quantitative techniques less effective in performance improvement. By integrating the literature on banking operations, service quality, leadership style and work teams, Lee et al., (2011) argue that leadership style and team performance are crucial concerns determining the service quality performance of today's banking operations in a team setting.

Any individual or organization that wishes to take their initial steps on their journey toward TQM must begin with a near sighted examination of its organization leadership capability and culture. This is because TQM today has become the foundation for constant management innovation and leadership. Quality leadership is where quality principles become a basis for guiding, empowering and supporting the constant pursuit of excellence throughout the organization. In this regard the emphasis is on creating the power of an environment of trust, openness and honest communication to encourage the development of individual quality improvement entrepreneurs. The leader specifically has the responsibility to improve the system, that is to make it possible, on a continuing basis, for everyone to do a better job with greater satisfaction (Feigenbaum, 2007).

An organization's management acts as the driver for TQM implementation, creating values, goals and systems to satisfy customer expectations and to improve an organization's performance and is responsible for providing direction and encouragement to the organization (Huq, 2005; Rad, 2006). Leadership is crucial for a company's quality development since, with the support and contributions of the organization's leadership, adequate resources will be allocated to enhance the training activities resulting in better quality measurement, improved customer satisfaction and benchmarking. Top management needs to identify quality improvement areas, for example, improving teamwork or improving quality services in order to achieve sustained TQM implementation.

Guillen and Gonzalez (2002) propose that leaders' technical, psycho-emotive and moral competences are the factors that explain the reason why some leaders are able to influence

members of their organizations beyond the formal power structures. In their study they have shown that it is only through the explicit consideration of the leadership ethical dimension that we can be able to accurately explain why some managers have the ability to influence people's behaviour in organizations strongly and, as a result, why leadership is an enabler of complete, deep and sustainable implementation of TQM. Complete, because leadership facilitates the implementation of all the principles; deep in the sense that the changes obtained through leadership go beyond new organizational arrangements and arrive at the field of personal values and behaviours; and sustainable because, followers' commitment to quality could hardly remain without the kind of trust that leadership generates.

The leadership style of managers is a central agent for employees' performance and business excellence (Kanji, 2003). Leaders provide a clear vision, purpose and direction. They promote quality management practices of customer focus, process improvement, people performance and continuous improvement. Employees receiving support from their managers reciprocate by putting more effort into their work. A leader who inspires, motivates and energizes their followers is more likely to succeed. Such a leader is called a transformational leader.

The dimensions of transformational leadership include: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Idealized influence is the ability of leaders to provide their followers with a clear sense of purpose through critical thinking. Inspirational motivation includes motivating followers to do their jobs. Leaders with individualized consideration pay attention to each employee's abilities, aspirations and needs. Transformational leaders increase their subordinates' job satisfaction, affective commitment, trust and performance (Avolio, Bass, Walumbwa, & Zhu, 2004). Transformational leaders are able to communicate and reinforce values and express an inspirational vision focusing on quality. They also encourage quality improvement by building trust and reducing fear, creating awareness for change, developing a culture to support that change and initiating new problem solving strategies (Luria, 2008).

Management's commitment and leadership are two complementary factors highlighted as crucial determining factors in the implementation TQM (Horga, 2011). However, managerial commitment and managerial leadership have different scopes: a manager who is a leader is committed to the process of change, but a committed manager does not necessarily have to be a leader. Managers' commitment implies that they will facilitate the allocation of resources

and will support (using their formal power) those who develop the TQM project. However, leadership goes beyond this boundary of formal power by involving a different sort of adhesion. The leadership phenomenon is described as any type of process or act of influence which in any way gets people to do something. It constitutes an inter-personal relation of influence that is dynamic (a continuous exchange of influence and acceptance) and free, because the follower's behaviour cannot be required or demanded, it depends on his/her own will (Guillen and Gonzalez, 2000).

A two-dimensional leadership theory most extensively used and applied in Asia where TQM originated is Misumi's PM theory (Misumi and Peterson, 1985). There are four classifications in this theory; high performance and high maintenance, high performance and low maintenance, low performance and high maintenance and low performance and low maintenance. The performance dimension is work centred with little accord to the individual's feelings, while the maintenance dimension is employee centred. There exists a close linkage between these classifications and those of the path- goal leadership theory including; directive leadership, achievement oriented leadership, supportive leadership and participative leadership with the first two having similar orientations as the performance dimension and the last two with the maintenance dimension.

Ehigie and Akpan (2005) argue that both performance and maintenance leadership styles are essential in influencing practice of TQM. The same study found out that to enhance TQM practice in Nigerian organizations, leaders are needed to adopt both performance and maintenance leadership styles. However, emphasis should be more towards maintenance than performance style, based on the negative association of performance style in the joint regression results and the regression weight of maintenance style that is higher. Because in a maintenance leadership style the leaders work together with their followers for a shared vision.

Mann and Kehoe (1995) in an interview to find out the organizational characteristics affecting the successes of TQM with 21 leading TQM organizations found out that, management leadership style and shared values were the two quality- critical organizational characteristics (QCOCs), out of the seven considered, having the greatest impact on the successful implementation of TQM. Process factors were reported to have the least effect. As well, Kanji (1996) identified management's failure to lead as the primary obstacle to successful TQM. Based on several company case studies, he compiled a list of 12 poor

management practices that contribute to failed TQM initiatives. These include a management style that inhibits a learning culture, is based on fear or intimidation, and creates barriers between departments. The same findings were supported by Van der Wiele and Brown (2002), Leonard and McAdam (2002) among others.

2.4 Banking Agents' Participation in Quality Initiatives and TQM Implementation in Commercial Banks

Kumar *et al.* (2009) in an investigation of the impact of TQM implementation on different dimensions of company performance, confirmed the hypothesized positive impact of TQM on all investigated dimensions of company performance, that is; employee relations (improved employee participation and morale), operating procedures (improved products and services quality, process and productivity, and reduced errors/defects), customer satisfaction (reduced number of customer complaints), and financial results (increased profitability).

It is widely accepted that increased participation in the overall quality strategy brings an increased flow of information and knowledge, and contributes in the "distribution of intelligence" to the bottom of the organization for resolving problems (Schalk and Dijk, 2005). When an organization's management is committed to the TQM philosophy, it ensures that all subordinates participate in a quality work culture to create a healthy corporate image by rendering quality services to the customers (Huq, 2005).

Top down TQM approaches frequently loose to create a deep, as well as an assured deviation in organizations. They become a fad soon exchanged by another fad. Downfall to institutionalize TQM can be attributed to a gap among top management's rhetoric about their ambitions for TQM along with the existence of implementation in different subunits of the mission. The space changes from subunit to subunit due to the caliber of management in each. Creating an atmosphere of open dialogues about benefit in the TQM conversion will approve understanding and further change. The TQM adjustments will continue only if top management needs and perfectly institutionalizes a natural organizational wide consultation that surfaces valid data about the quality of management in each subunit of the firm and leads to modifications in management quality (Yadav and Divakaran, 2013)

Different authors have talked about the positive influence of the participation of all persons in an organization, on TQM (Tari, 2005). However, many organizations have still reported

challenges in the implementation and sustenance of this practice. This occurrence can be partly explained by the fact that managers do not know how to encourage subordinate's participation. But most successful TQM implementations depend heavily on changes in attitudes and activities. Feelings of satisfaction and importance are an integral part of the TQM philosophy. Unless the all members of an organization understand the worth of TQM success, it is difficult to create a total quality environment. All individuals are an untapped resource with knowledge and experience which can be released by management providing opportunities and structures for their involvement. It is also assumed that participative decision making is likely to lead to job satisfaction and better quality decisions and that gains are available both to employers (increased efficiency) and workers (job satisfaction), in short an everyone wins scenario (Dawkins and Frass, 2005)

TQM is a management approach of an organization, centred on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction and benefits to the members of the organization and to society. TQM is not an imposition. It cannot be done to you or for you. It is not something that senior managers do and then pass down the line. The total in TQM dictates that everything and everybody in the institution are involved in the enterprise of continuous improvement. The management in TQM likewise means everyone, because everyone within the institution, whatever their status or position, is a manager of their own responsibilities (Hussain, 2011).

Zhongjun et al., (2010) isolated individual-level factors that would enhance or hamper employee's involvement in continuous improvement activities related to work quality. The study used the theory of reasoned action, the theory of planned behavior and the technology acceptance model as bases to develop a causal model. The findings revealed that intentions to involve in the activities are the major contributor to employee participative behavior. These intentions are influenced firstly, by attitude towards participation followed by professional ethics, self-efficacy, subjective norm, and perceived empowerment. These attitudes are influenced firstly by perceived usefulness, and secondly by perceived risk.

Service quality, especially perceived service quality, plays an important role in high-participation industries like banks. Talib et al., (2012) strongly believe that providing quality service to customers is not only the most important and effective factor for customer satisfaction but also the essential criterion that measures the competitiveness of service organizations like banks.

In TQM initiatives, the human element has been playing a vital role because human beings are the factor behind the continuous improvements that need to be delivered to customers to acquire their satisfaction and then loyalty which are crucial for business success. TQM practices encourage individual's participation, promote empowerment and treat individual's as primary resources. Participation in TQM implementation is influenced by individual level factors. These include; scope of expertise in TQM that an individual possesses; the degree of individual empowerment experienced in work settings, the motivation to apply TQM tools to tasks and challenges and individual fulfillment (Schalk and Dijk, 2005).

Karia and Asaari (2006) note that people are a key element in achieving participatory TQM implementations. The nature of the individuals who participates may account for success or failure of TQM programs. In an effort to underscore the importance of group factors as well to the implementation of TQM, it is argued that, no matter how impressive the performance characteristics of an innovative program like TQM may be, its adoption will conflict with some interests and jeopardize some alliances. Overlooking the social context and group processes complexity can lead to sidelining possible sources of resistance to TQM implementation.

With empirical data collected from a city government in the USA, Yeh (2003) attempted to identify and examine organizational variables that may enhance or hinder participation in TQM. The examined organizational variables included individual training and project participation, job characteristics, organizational structure, social support, and self-efficacy. The results indicated that practices of TQM may be most strongly predicted by standardized organizational structure, interpersonal support of the organization, and self-efficacy. Individuals' project participation and training had no direct effects on practices of quality management, but had indirect positive effects through impacts of self-efficacy. In his study Yip (2011) shows that participation has the highest influence as compared to leadership and education and training. Therefore, it is important to encourage participation in TQM implementation.

A direct consequence of participation of all members of an organization is teamwork. Rad (2005) notes that the most difficult aspect of TQM is to create an environment of "all one team". Teamwork promotes close affiliations, overcomes sectionalism and strengthens cooperation for improving quality. Within the context of TQM, teamwork is an important

outcome and a condition for continuous improvement. Teams are needed to develop mutual trust and collaboration between managers, non-managers, between functions, customers and suppliers among members. In traditional management approaches each department needs to take care of its own problems. In a TQM context the whole organization needs to care about quality improvement and not just in a departmentalized way. In this respect, organizations need cross-functional work groups that will deal with inter-departmental management problems. (Yang, 2006).

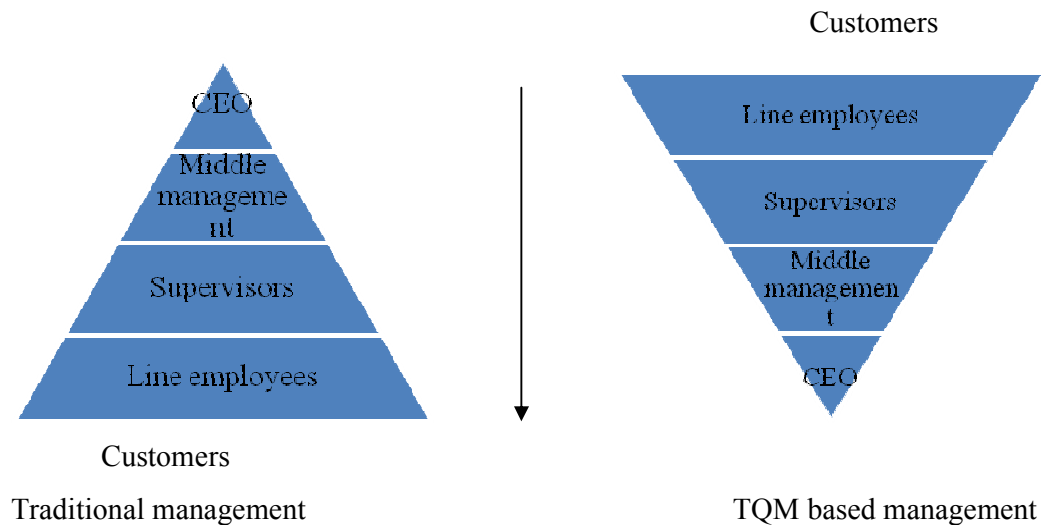


Figure 1: Traditional versus TQM based management approaches

Adapted from: “*Components of succesful total quality management*” by J.J. Tari, 2005, The TQM Magazine 17(2), p.187

Tari (2005) notes that TQM objective of quality improvement and customer satisfaction can be better achieved if the top management are committed to empower employees to be responsible for the quality of their work and also empowerment in relation to decision making authority and process. They also show that empowerment in TQM brings about a flattened organizational chart where there is a shared responsibility between the managers and the employees. Figure 1 will be used to stress the point that in TQM implementation there is a turnaround in corporate culture where the organizational chart is more flattened and no longer the old traditional system of management whereby managers just gives order and the employees simply merely obey them.

2.5 Banking Agents' Training and TQM Implementation in Commercial Banks

Training, one of Deming's 14 points, is a systematic process of altering the behaviour, knowledge and motivation of employees in a direction towards increasing the trainees' effectiveness and organizational value of culture (Iruobe et al., 2012). Training is a remedy for employees who fall short of established standards of performance. It also involves the acquisition of new knowledge and skills that will aid better performance and job satisfaction. Training increases the level of individual and organizational competence. It helps to reconcile the gap between what should happen and what is happening between desired targets or standards and actual levels of work performance. Yip (2011).

Training is very crucial for employees to be highly productive. This is because it helps organizations to improve for quality, competitiveness, productivity, incoming changes and to seek out future ideas. Supervisors are solely responsible for implementing TQM and teaching their employees the philosophies of TQM. Individuals require three basic areas of training; principles of TQM, the use of TQM tools and problem-solving techniques. Following training, individuals remove deficiencies and acquire not only effective listening and interpersonal skills, but also problem-solving, teamwork, decision making and technical skills. The higher the quality of the training that employees believe they receive, the stronger their affective brand associations and the higher their satisfaction with the organisation (Stuart and Gary, 2010).

Training is vital to the internal diffusion of quality ideas and practices, as without it there is no solid foundation for a formal quality program. Once the management has the skills to lead the TQM process, the rest of the organization should be trained to ensure a systematic, integrated, consistent organization-wide effort. Training is fundamental for many TQM programs such as the adoption of new quality concepts, the set-up and practice of customer satisfaction systems, the use of statistical quality control, or the change of culture or quality control circles (Yang, 2006).

Although TQM training is very vital for the success of a TQM program, it is usually a much neglected action item. TQM training should be systematic and continuous throughout the TQM implementation phases so as to warrant a sustainable TQM climate. In the initial stages of TQM implementation, training must take place on a regular basis, for example monthly, and later on at least on a semester basis; The TQM training curriculum should be all inclusive and should address all issues which would contribute to the improvement of quality. This is necessary so as to meet not only changes in technology, but also changes

involving the environment in which an organization operates, its structure, and perhaps most important of all the people who work there (Rad, 2005).

The first study to distinguish between job specific training and quality management training and their differential effects on employee capability and service system performance was done by Mackelprang et al., (2012) who examined the direct and indirect effects of job specific training and training in quality management techniques, on service system performance in mass service and service shop operations. Using a survey from 281 service firms in China the data was analyzed utilizing a Partial Least Squares (PLS) approach to structural equation modelling and multi-group model comparisons. Their results indicated that in generic service settings, quality management related training has a larger positive impact on service system performance than does job specific training. However, this effect is not universal. In service shop settings, job specific training was found to have a larger impact on service system performance, while in mass Service settings quality management training was found to have the higher total impact on service system performance.

Rigorous review of the literature advocates that several factors are to be considered for effective implementation of TQM in an organization. Different business excellence models consider slightly different factors with different weights, but a selected business model suggests same factor ratings for all types of industrial units. These factor weights are very important because they enable the required importance to be given while deploying the TQM concept in an organization and the understanding of the degree of business excellence achieved through TQM deployment.

Maddulety et al., (2012) attempted to develop organization specific factors and factor ratings by considering business specific key performance indicators (KPIs) along with weighted ratings with the help of Analytical Hierarchy Process (AHP). The results had the following weights for 12 factors; top management personal involvement 120 per 1000, employees involvement 110, customers involvement 90, suppliers involvement 40, Government and society involvement 40, system approach 70, factual approach 100, process approach 110, effective communication 70, team work 80, preventive action 60 and training 110. It is directly implied from these ratings that TQM has to be top down approach and this is the reason why top management involvement score is the highest i.e. 120. The second step is that all the trained employees are to be involved for effective implementation of TQM in each and every process of business cycle with process approach. This may be the reason why training,

employee involvement and process approach have scored 110 the second highest factor rating.

Talib et al.(2012) also discovered that International bank brands fared better than local bank brands in Ghana with regards to specific dimensions of service brand quality and attributed this disparity in performance to factors such as the presence of service standards and exposure to well –structured training programs. In order to ensure a successful implementation of TQM in the banks, there is a need to motivate employees to improve the level of services provided by them. Also, appointment of qualified and competent managers will successfully contribute to the management of the banks together with giving enough training and education to employees so that they understand specific quality policy and TQM strategy.

Training is a significant component in TQM implementation in the service industry. Customer perceptions of service quality in most service organizations generally begin with the employees at the lowest levels of the service train, irrespective of whether the service providers have been inculcated into the organizational philosophy or not (Heejung and Chen, 2011). Although service quality has been given a top priority by service-oriented organizations, ill-trained and often apathetic individuals not completely convinced of the superiority of the service themselves are routinely placed in direct contact with customers – resulting in increased customer complaints about the gap between expected service performance and what is actually delivered. The service-performance gap between what is expected and what is often delivered may be narrowed through increased and better training.

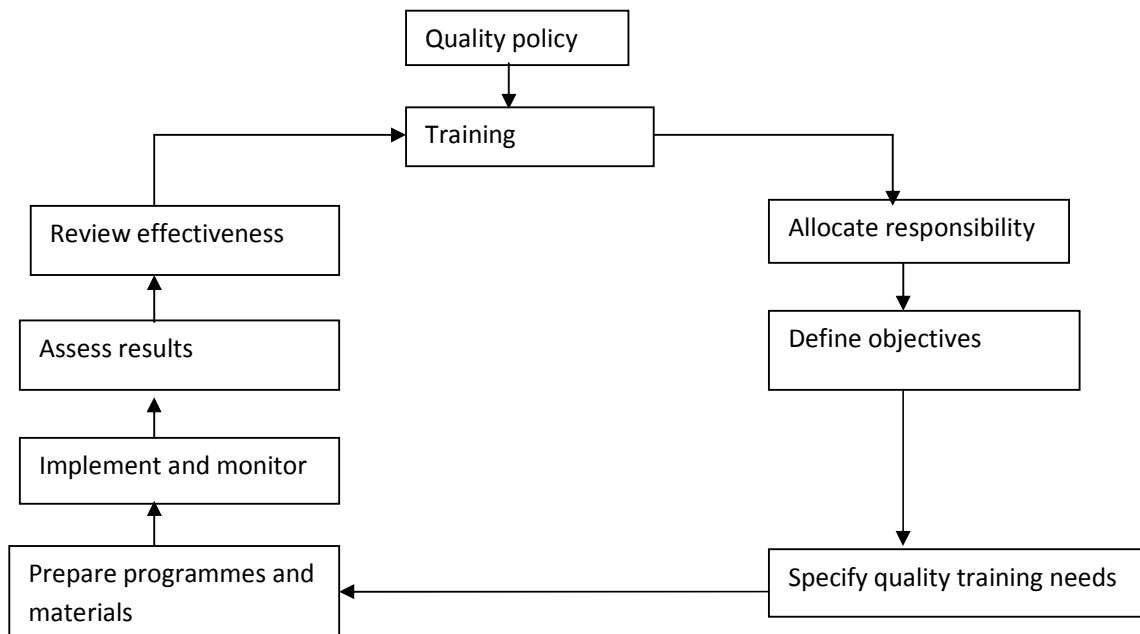


Figure 2: The quality training Cycle

From: *Quality Management* p.422, by J.S. Oakland, 2012, Oxford: Heinemann publications

If all employees are to participate in making the company or organization successful, then they should also be trained in the basics of disciplined management. They need training to Evaluate, Plan, Do, Check and Amend. The word disciplined will apply to people at all levels and it means that they will do what they say they will do. It also means that in whatever they do they will go through the whole process of evaluate, plan, do, check and amend rather than the more traditional and easier option of starting by doing rather than evaluating. This will lead to a never ending improvement. As figure 2 shows, training for quality should have as its first objective, an appreciation of the personal responsibility for meeting the customer requirements by everyone from the most executive to the most junior employee. Responsibility for training in quality rests with the management at all levels and in particular the person nominated for the co-ordination of the organization's quality effort (Oakland, 2012).

Raj, Dixit and Garg (2011) emphasize that for training to be successful there must be a clear commitment to training at all levels of the organization. Top management must provide adequate resources for implementation. The organization should be able to identify where she

is coming from her present level attained and where she is going, how to be responsive to changes in both internal and external environments, a comprehensive system of human resource planning, job analysis, job description and personal specifications. As Figure 2 shows, the objectives and policy for training should be clearly defined so as to address such questions as who is to be trained, where and why, what should be taught, how, where and by whom, how will the training be assessed and executed for expected results to be attained. There should be an effective system of review and evaluation. Organizations spend a lot of money on training and, thus they need to check whether training is meeting the strategic goals. As well, training can be evaluated by specific indicators like customer satisfaction, market share, and performance.

2.6 Agency theory

Agency theory in a formal sense originated in the early 1970s, but the concepts behind it have a long and varied history (Alchian & Demsetz, 1972). An agency relationship arises when one or more principals engage another person as their agent or steward to perform a service on their behalf. Performance of this service results in the delegation of some decision-making authority to the agent. This delegation of responsibility by the principal and the resulting division of labour are helpful in promoting an efficient and productive economy. However, such delegation also means that the principal needs to place trust in an agent to act in the principal's best interests (Devers et al., 2007)

Agency theory assumes both the principal and the agent are motivated by self-interest. This assumption of self-interest dooms agency theory to inevitable inherent conflicts. Thus, if both parties are motivated by self-interest, agents are likely to pursue self-interested objectives that deviate and even conflict with the goals of the principal. The agents may also have more information than their principals and since there are a myriad of factors that may contribute to final outcomes, it may not be evident whether an agent directly caused a given outcome, positive or negative. The principal is unable to directly ensure that the agent is always acting in the principal's best interests, particularly when activities that are useful to the principal are costly to the agent (given different risk tolerances for both parties), and where elements of what the agent does are costly for the principal to observe. The challenge is therefore, to get agents to either set aside their self-interest, or work in a way in which they may maximize their personal wealth while still maximizing the wealth of the principal. (Bruce, Buck & Main, 2005).

Agents are likely to have different motives to principals. They may be influenced by factors such as financial rewards, labour market opportunities, and relationships with other parties that are not directly relevant to principals. Agency theory is concerned with resolving problems or conflicts that can exist in agency relationships. These problems have implications for corporate governance and business ethics. When they occur they tend to give rise to agency costs, which are expenses incurred in order to sustain an effective agency relationship (Clarke, 2004).

To determine when an agent does or does not act in their principal's interest, the standard of "Agency Loss" has become commonly used. Agency loss is the difference between the best possible outcome for the principal and the consequences of the acts of the agent. For instance, when an agent acts consistently with the principal's interests, agency loss is zero. The more an agent's acts deviate from the principal's interests, the more agency loss increases. Various mechanisms may be used to align the interests of the agent with those of the principal. Incentives like; piece rates/commissions, profit sharing, efficiency wages, constraints and punishments like termination of the contract may be used. These methods, however, are effective only if the principals incur agency costs to maximize principal wealth rather than the agent's self-interests (Daily, Dalton & Canella, 2003).

2.6.1 Relevance of the agency theory

Agency theory explains the relationship between the commercial banks and the banking agents. Commercial banks are responsible for the actions of their agents and thus must be able to come up with supervision and monitoring procedures to ensure that they do not suffer material or reputational losses due to the actions of their agents. They must also facilitate the agents in the overall TQM implementation strategy. In concurrence with the theory, some unscrupulous agents deviate from compliance and laid out bank procedures for their own interest. An example is when an agent is compromised by fraudsters in abating frauds to customer's accounts through card skimming. In such an instance, the banks are forced to increase their supervision on the agents thus increasing the cost of agent's administration. Proper screening and vetting of agents before recruitment and a good commission income structure can assist to reduce the scale of such instances, but not totally eliminating them (Ndung'u and Njeru Agnes, 2014)

A major criticism of the theory is that, lacks validity outside a specific social context. The critics contend that the theory relies on an assumption of self-interested agents who seek to maximize personal economic wealth while minimizing personal effort (Bruce et al., 2005). Thus, their view of agency theory is that it applies only to settings in which agents (and possibly principals) hold little regard for others and have little compunction when it comes to shirking one's responsibilities.

Wiseman, Cuevas-Rodríguez and Gomez-Mejia (2012) challenge this criticism since the agency theory's flexibility allows for its application to a variety of non-traditional settings where the key elements of agency theory, such as self-interest, information asymmetry, and the mechanisms used to control agency costs can vary beyond the narrow assumptions implied in traditional agency based research. Instead, they accept that individuals could differ in their goals but that these differences may or may not result in agency costs for principals. Granted this, however, the principal may never know the full extent to which interest divergence, convergence, and opportunism are present at a particular moment in a dynamic principal-agent relationship.

2.7 Conceptual Framework

This research study was guided by the conceptual framework in Figure 3.

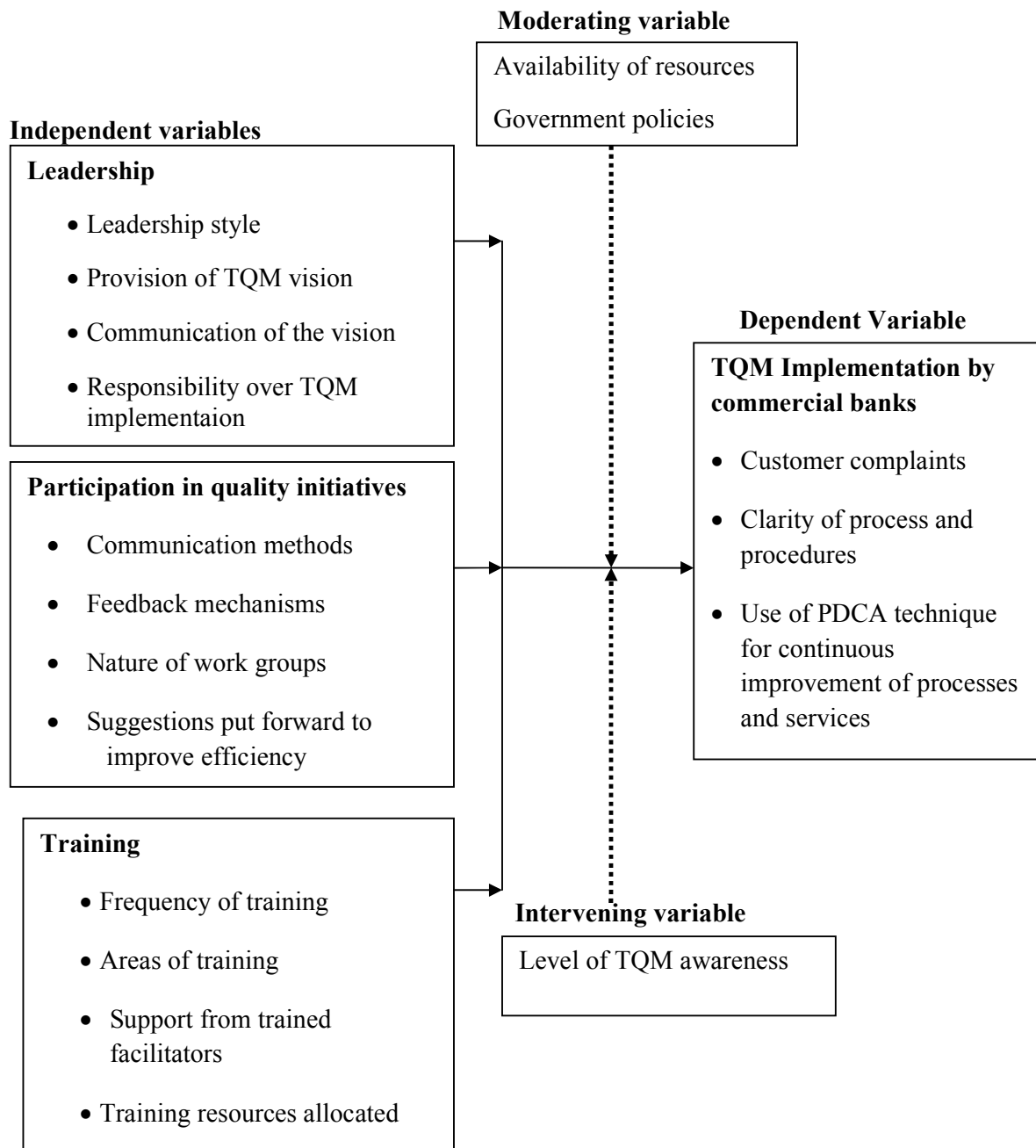


Figure 3: Conceptual framework for the study

The dependent variable for the study was TQM implementation and the independent variables were participation in quality initiatives, training and leadership. The moderating variable in this study was availability of resources for TQM implementation and government

policies because these have a significant effect on the relationship between the dependent and independent variables. The intervening variable was the level of TQM awareness that banking agents have because this might affect the relationship between the dependent and independent variables but it is difficult to measure.

2.8 Summary of the chapter

By closely looking at the literature of TQM implementation in the banking industry covered in this chapter, one can discover that the implementation of TQM in banks has been greatly neglected especially here in Kenya. As well, although several researchers worldwide have conducted studies on various TQM dimensions independently, it seems that no research work, still, has collectively taken all these dimensions into consideration in the Kenyan banking services sector. Currently, no research has been conducted to investigate TQM implementation in commercial banks as influenced by their agents.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research design, methods of data collection and analysis that will be adopted for the study. An elaboration and justification of the same is also given.

3.2 Research Design

The research design chosen for this study was the survey design. This is because the research study will collect data from members of a population in order to determine the current status of that population with respect to one or more variables (Mugenda & Mugenda, 1999). As well, the information gathered from this specific design is in depth, systematic and factual and thus it will be useful in decision making. The study was cross-sectional because the data was collected at a specific point in time from the specified population.

3.3 Target Population

Due to the large number of potential participants countrywide, this study was narrowed to Co-operative bank of Kenya agents in Nairobi county because the region had the highest volume of transactions. Banking agents which are limited liability companies were selected because of implied stability and continuity in addition to the clear organizational structures as compared to non- corporate forms of business organization. This target population was also chosen because Co-operative Bank of Kenya is one of the largest commercial banks in Kenya and one of the attributable factors to the bank's continued growth has been agency banking. Being among the first three banks to launch agency banking in Kenya, its agents have become fully established. The time and cost limitations of the study also influenced the choice of the target population.

The target population comprised of 60 banking agents drawn from the bank's website that had operationalized agency banking for more than six months before this study and had agent outlets in different parts of Nairobi as shown in Appendix I. In most cases these agents were sparsely distributed given that most of their customers come from the respective localities. Except for cases where the nature of economic activities demands otherwise it is not sensible to have agents closely located to each other. Notably this business is highly competitive both internally and externally and agents have to continuously retain their existing clientele and attract new ones as well.

3.4 Sample Size

The sampling frame for this study included all the 60 banking agents that had been operational for more than six months before this study and had agent outlets in different parts of Nairobi as shown in Appendix I. The total sample size for the research study was determined using the table for determining sample size designed by Krejcie and Morgan (1970).

For a finite population of 60 units, a confidence level of 95% and a margin of error of 5%, 52 units were selected as the sample as shown in Appendix II.

3.5 Sampling Procedure

The sample was selected using the simple random probability sampling technique. According to Mugenda and Mugenda (1999) this technique is appropriate when small populations are involved. Each member of the target population had an equal chance of being selected and the entire process was done in a single step with each subject selected independently of the other members of the population. Thus there was little chance of bias on the part of the investigator in influencing the selection of the sample (Yates et al. 2008).

From the complete sampling frame needed for this technique, a consecutive number was assigned to each of the banking agents. These numbers were then placed in a container and mixed thoroughly before the researcher randomly picked 52 of them which formed the sample size of the study

3.6 Research instrument

The study utilized primary data collected using a questionnaire. The questionnaire consisted of both closed and open-ended questions. The questionnaire was divided into subsections respective to the factors under study. Section A sought to get the respondent(s) data and their relation to the company while Section B addressed the specific factors that showed the influence that banking agents have on TQM implementation by commercial banks.

3.7 Validity of the Research Instrument

Validity test of a data collection instrument refers to the extent to which it measures what is supposed to measure; the accuracy, soundness and effectiveness with which an instrument measures what is intended to measure (Kothari, 2004). To enhance validity, the researcher prepared easy to understand research questions. The researcher also performed a pilot study to pre-test the instrument on an agent banking outlet that was not part of the study's sample.

The pilot study helped the researcher in identifying items that were inadequate or ambiguous. Once these items were identified, they were discarded or modified for use in the main research study.

3.8 Reliability of the Research Instrument

Reliability indicates the stability and consistency of the scores obtained for each individual from one administration of an instrument to another and from one set of items to another (Shuttleworth, 2009). To estimate the reliability of the research instrument, the researcher used the cronbach alpha technique. This method is preferred for field studies because it is not affected by memory of the respondents and since it requires only one administration, it is cheaper. It is also a versatile test of reliability because it can be used for attitudinal measurements like likert scales. The researcher coded the data from the questionnaire and prepared a coding sheet for all the items for all the respondents. After this the cronbach's alpha coefficient was calculated in SPSS using the responses from the coding sheet. The reliability of the research instrument was high because the estimate was calculated as 0.875 which is close to 1.

3.9 Data Collection Procedure

The respondents to the questionnaire were the individuals who are directly charged with serving agent banking customers. The researcher sought for a research permit from the National Council of Science and Technology before proceeding to the field to collect data. A letter of transmittal was also provided to the respondents together with the questionnaire. The questionnaire was administered on a 'face to face' basis thus an expected high response rate. The researcher paid a visit to the participants so as to establish rapport before administering the questions and sought to elaborate the basics of the TQM. To avoid misinterpretation, instructions were clearly provided to the respondents.

3.10 Data analysis Techniques

The questionnaires were checked for completeness and consistency of information at the end of every field data collection day and before storage. Coding was done to classify the answers into meaningful categories so as to bring out their essential patterns. A summary sheet was used to tally responses from participants before analysis. Descriptive analysis was used to summarize the data using tabular representation in order to bring out the relative differences of values. The results were summarized based on each of the research questions. The

statistical package for social sciences (SPSS) was used to generate frequency distributions using descriptive statistics in order to determine the pattern of responses.

3.11 Ethical Considerations

The purpose of this research study was clearly identified as seeking maximum customer satisfaction from commercial banks and their agents as well. The procedures used respected the privacy, ensured confidentiality and sought to maximize the benefits derived from banking agents and commercial banks as a whole. The participants to the study participated through voluntary informed consent, without any threat or undue inducement. All the information obtained, was treated with utmost confidence and a confidential report of the same will be made available to the participants on request.

3.12 Operationalization of variables

The variables in the study were operationalized as shown in Table 3.1

Table 3.1 Operationalization table of Variables

Research objective	Variable	Indicator	Measurement	Measurement Scale	Research design	Data Collection Method	Tools of analysis
To investigate the extent to which banking agent's leadership influences TQM implementation by commercial banks	Dependent variable: TQM implementation by commercial banks	<ul style="list-style-type: none"> • Customer satisfaction • Clarity of process and procedures • Continuous improvement of processes and services 	<ul style="list-style-type: none"> • Customer complaints • Level of clarity and transparency of processes and procedures • Level of use of TQM PDCA (Plan, Do, Check and Act) technique 	Ordinal	Survey	Questionnaire	Descriptive statistics Frequency tables
	Independent variable: Leadership	<ul style="list-style-type: none"> • Leadership style • Clear TQM vision • Responsibility over TQM implementation 	<ul style="list-style-type: none"> • Effective Leadership style • Provision of clear TQM vision • Communication of the vision • Effective responsibility over TQM implementation 	Nominal	Survey	Questionnaire	Descriptive statistics Frequency tables

To determine the extent to which banking agent's participation in quality initiatives influences TQM implementation by commercial banks.	Independent variable: Participation in quality initiatives	<ul style="list-style-type: none"> • Communication • Feedback mechanisms • Nature of work groups • Suggestions put forward to improve efficiency 	<ul style="list-style-type: none"> • Communication methods used • Extent of feedback mechanisms structured • Existence of dependent workgroups • Extent of evaluation of team progress • Extent of individual involvement in problem solving • Effectiveness of change witnessed from suggestions put forward 	Ordinal	Survey	Questionnaire	Descriptive statistics Frequency tables
To assess the extent to which banking agent's training influences TQM implementation by commercial banks.	Independent variable: Training	<ul style="list-style-type: none"> • Frequency of training • Areas of training • Support from trained facilitators • Training resources allocated 	<ul style="list-style-type: none"> • Number of training sessions held • TQM training or job training • Level of support from trained facilitators • Adequacy of training resources allocated • Use of different training methods • Evaluation of training effectiveness 	Ordinal	Survey	Questionnaire	Descriptive statistics Frequency tables

3.13 Summary of the chapter

In this chapter, research methodology of the study was provided. The chapter addressed; the research design, population and sampling design, data collection methods, research procedure and data analysis methods.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The chapter presents the research findings based on data collected and analyzed. The findings were presented in form of frequency tables. The findings for the respondent information are provided first. Then the findings as per the research variables are provided.

4.2 Questionnaire response rate

For the study to determine with greater accuracy the number of the respondents who actively participated in the research study, the analysis of the response rate was carried out as shown in Table 4.1.

Table 4.1: Questionnaire response Rate

Response	Frequency	Percent
Questionnaires issued out	52	100.0
Questionnaires returned	45	87.0

Table 4.1 shows the analysis of the response rate. Out of a targeted sample of 52 banking agents, 45 responded and submitted back the research questionnaires. This is an 87% response rate which is acceptable for this kind of study. According to Punch (2003) for surveys which are administered on face to face basis a response rate of 80-85% is adequate so as to allow making of generalizations to the larger population.

4.3 Respondent information

The data on the number of months worked, current job level and number of individuals serving agent banking customers is presented in Table 4.2 to Table 4.4

4.3.1 Number of months worked

The number of months worked by the respondents is shown in Table 4.2

Table 4.2 Number of months worked

	Frequency	Percent	Cumulative Percent
0-2	23	51.1	51.1
2-4	15	33.3	84.4
4-6	1	2.2	86.7
6 and above	6	13.3	100.0
Total	45	100.0	

Table 4.2 indicates that 6 ((13.3%) of the respondents had worked in the banking agents for 6 months and above. 1 (2.2%) had worked between 4 to 6 months. 15 (33.3%) had worked between 2 to 4 months whereas those who had worked between 0 to 2 months comprised of 23 (51.1%) of the respondents. This shows that although the selected sample consisted of banking agents that had been in operation for more than six months, a majority of the respondents 23 (51.1%) had worked in the banking agents for a period of two months or less. Thus, it is clear that there is a high turnover for the people charged with serving agent banking customers at the banking agents.

4.3.2 Current job level

With regard to the job level of the respondents the results were as shown in Table 4.3

Table 4.3 Current job level

	Frequency	Percent	Cumulative Percent
Manager	16	35.6	35.6
Subordinate	29	64.4	100.0
Total	45	100.0	

Table 4.3 shows that managers comprised of 16 (35.6%) of the total respondents while subordinates comprised 29 (64.4%) of the respondents. This indicates that more subordinates have been allocated the duty of serving agent banking customers with the managers overseeing the tasks performed by the subordinates

4.3.3 Number of individuals serving agent banking customers

The number of individuals serving agent banking customers are as shown in Table 4.4

Table 4.4 Number of individuals serving agent banking customers

	Frequency	Percent	Cumulative Percent
More than two	9	20.0	20.0
One	21	46.7	66.7
Two	15	33.3	100.0
Total	45	100.0	

Table 4.4 shows that for 9 (20%) banking agents had more than two individuals serving customers. 21 (46.7%) had only one individual serving customers while 15 (33.3%) had two individuals serving customers. This indicates that majority 36 (80%) of the banking agents customers were sufficiently served by one or two attendants to avoid long queues.

4.4 TQM implementation

TQM implementation was assessed through the level of importance given to quality services, customer satisfaction, improvement of processes and continuous improvement of the quality management critical factors like procedures and methods, management commitment and training. This is presented in Table 4.5 to Table 4.13

4.4.1 Importance of quality services for customer satisfaction

The respondents views on how important quality services are taken in the banking agents is summarized in Table 4.5

Table 4.5 Importance of quality services for customer satisfaction

	Frequency	Percent	Cumulative Percent
Very Important	15	33.3	33.3
Important	25	55.6	88.9
Not important	3	6.7	95.6
Of no importance at all	2	4.4	100.0
Total	45	100.0	

Table 4.5 shows that 25 (55.6%) of the banking agents took the concept of quality services for customer satisfaction as important. 15 (33.3%) of the banking agents took the concept as very important while 3 (6.7%) and 2 (4.4%) of the banking agents regarded as not important

and of no importance at all respectively. This shows that only a minority of 5 (11.1%) banking agents did not concentrate on giving quality services so as to satisfy their customers.

4.4.2 Importance of Customer satisfaction

With regard to the importance regarded to customer satisfaction the results are summarized in Table 4.6

Table 4.6 Importance of Customer satisfaction

	Frequency	Percent	Cumulative Percent
Very Important	24	53.3	53.3
Important	11	24.4	77.8
Not important	4	8.9	86.7
Of no importance at all	6	13.3	100.0
Total	45	100.0	

Table 4.6 shows that 6 (13.3%) of the banking agents regarded customer satisfaction to have no importance at all. 4 (8.9%) regarded it as not important. 11 (24.4%) gave it some importance while 24 (53.3%) took it as very important. This shows that only a minority of 10 (22.2%) banking agents did not accord customer satisfaction any importance. Customer satisfaction was the highest ranked element in importance followed by training.

4.4.3 Importance of Leadership

The results on the importance regarded to leadership are summarized in Table 4.7

Table 4.7 Importance of Leadership

	Frequency	Percent	Cumulative Percent
Very Important	5	11.1	11.1
Important	8	17.8	28.9
Not important	26	57.8	86.7
Of no importance at all	6	13.3	100.0
Total	45	100.0	

Table 4.7 shows that 26 (57.8%) of the banking agents regarded leadership as not important, 8 (17.8%) of the banking agents regarded it as important. While 6 (13.3%) regarded no

importance at all to leadership, 5 (11.1%) regarded it as very important. This shows that leadership was given little regard in terms of importance since only 13 (28.9%) of the banking agents gave it some level of importance. Leadership was the least ranked element of quality services in importance compared to customer satisfaction, participation and training.

4.4.4 Importance of Participation

The importance of participation as regarded by the respondents is summarized in Table 4.8

Table 4.8 Importance of Participation

	Frequency	Percent	Cumulative Percent
Very Important	6	13.3	13.3
Important	14	31.1	44.4
Not important	13	28.9	73.3
Of no importance at all	12	26.7	100.0
Total	45	100.0	

From Table 4.8, 14 (31.1%) of the respondents regarded participation in quality initiatives as an important activity while 12 (26.7%) regarded it with no importance at all. While 13 (28.9%) and 6 (13.3%) regarded it as not important and very important respectively. This indicates that the importance of participation was given little regard since the number of respondents who gave it no importance at all was double the number that regarded it as very important. There is only a slight margin of one respondent (2.2%) between the ones who regarded it as important and not important. Participation was the third ranked element in importance after training

4.4.5 Importance of Training

With regard to the importance of training, the respondents views are summarized in Table 4.9

Table 4.9 Importance of Training

	Frequency	Percent	Cumulative Percent
Very important	10	22.2	22.2
Important	12	26.7	48.9
Not important	2	4.4	53.3
Of no importance at all	21	46.7	100.0
Total	45	100.0	

Table 4.9 shows that 21 (46.7%) of the respondents regarded training to have no importance at all. 12 (26.7%) regarded it as important, 10 (22.2%) as very important while 2 (4.4%) regarded it as not important. This shows that almost an equal number of respondents gave training some importance and no importance. There is only a slight margin of 1 (2.2%) respondent between the two extremes.

4.4.6 Importance of individual efforts

With regard to the importance of individual efforts as a factor determining the success of their organizations, the respondents views are summarized in Table 4.10

Table 4.10 Importance of individual efforts

	Frequency	Percent	Cumulative Percent
Very Important	6	13.3	13.3
Important	10	22.2	35.5
Not important	12	26.7	62.2
Of no importance at all	17	37.8	100.0
Total	45	100.0	

Table 4.10 shows that individual efforts were regarded by 17 (37.8%) of the respondents to have no importance at all in the success of the organization. 12 (26.7%) rated it as not important. 10 (22.2%) rated it as important while 6 (13.3%) rated it as very important. This indicates that a majority 29 (64.5%) of the respondents did not accord individual effort any importance in driving the success of the banking agents. Individual efforts were ranked the least in importance to the organization's success compared to manager's commitment and use of the TQM PDCA technique.

4.4.7 Importance of managers commitment

With regard to the importance of managers commitment in the success of the organization, the respondents views are summarized in Table 4.11

Table 4.11 Importance of managers commitment

	Frequency	Percent	Cumulative Percent
Very Important	10	22.2	22.2
Important	18	40.0	62.2
Not Important	11	24.4	86.7
Of no importance at all	6	13.3	100.0
Total	45	100.0	

Table 4.11 shows that 18 (40%) regarded managerial commitment as important in organization success. 11 (24.4%) rated it as not important while 10 (22.2%) and 6 (13.3%) rated it as very important and of no importance at all respectively. This shows that a majority 28 (62.2%) of the respondents gave management commitment some importance in driving the success of the organization. Management commitment was ranked highest in importance to the organization success followed by the TQM PDCA technique.

4.4.8 Importance of TQM PDCA (Plan, Do, Check and Act) technique

With regard to the importance of the PDCA technique in the success of the organization, the respondents views are summarized in Table 4.12

Table 4.12 Importance of TQM PDCA technique

	Frequency	Percent	Cumulative Percent
Very important	12	26.7	26.7
Important	11	24.4	51.1
Not important	12	26.7	77.8
Of no importance at all	10	22.2	100.0
Total	45	100.0	

From Table 4.12, an equal number of respondents 12 (26.7%) rated the importance of the PDCA technique as very important and not important. 11 (24.4%) rated it as important while 10 (22.2%) rated it with no importance at all in driving the organizations success. This shows

that almost an equal number of respondents gave the PDCA technique some importance and no importance. There is only a slight margin of 1 (2.2%) respondent between the two extremes.

4.4.9 Clarity of agent banking processes and procedures

With regard to clarity and transparency of agent banking procedures and work processes, the respondents views are summarized in Table 4.13

Table 4.13 Clarity of agent banking processes and procedures

	Frequency	Percent	Cumulative Percent
To a very great extent	18	40.0	40.0
To a great extent	18	40.0	80.0
To a little extent	6	13.3	93.3
To a very little extent	3	6.7	100.0
Total	45	100.0	

Table 4.13 shows that an equal number of respondents 18 (40%) were of the view that there was clarity of agent banking processes and procedures to a great extent and to a very great extent. 6 (13.3%) were of the view that the clarity was only to a little extent while 3 (6.7%) were of the view that the clarity was visible to a very little extent. This indicates that a majority 36 (80%) of the respondents were of the view that there was clarity of agent banking processes and processes to a large extent.

4.5 Banking agents leadership

Banking agents leadership was assessed through the leadership style practiced, clear quality vision, communication of the vision, management responsibility over implementation, understanding goals and policies on quality management and significance of the role played by management. This is presented in Table 4.14 to Table 4.22

4.5.1 Leadership style

The leadership styles practised are summarized in Table 4.14

Table 4.14 Leadership style

	Frequency	Percent	Cumulative Percent
Authoritarian	6	13.3	13.3
Laissez-faire	8	17.8	31.1
Participative	31	68.9	100.0
Total	45	100.0	

From Table 4.14, 31 (68.9%) of the banking agent's leaders practised participative leadership style while 8 (17.8%) practised laissez-faire style and 6 (13.3%) practised the authoritarian leadership style. This shows that a majority practised the participative style while a minority 14 (31.1%) practised either the laissez-faire style or the authoritarian style.

4.5.2 Provision of a clear quality vision

The responses on whether the leadership of the organizations has provided a clear vision on how to give quality services to customers is analysed in Table 4.15

Table 4.15 Provision of a clear quality vision

	Frequency	Percent	Cumulative Percent
Yes	45	100.0	100.0
No	0	0	0.0
Total	45	100.0	

Table 4.15 shows that 100% of the organizations provided a clear quality vision

4.5.3 Adequacy of vision in enhancing quality services

In regard to the adequacy of the vision in enhancing quality services to customers the responses are analyzed in Table 4.16

Table 4.16 Adequacy of vision in enhancing quality services

	Frequency	Percent	Cumulative Percent
To a very great extent	17	37.8	37.8
To a great extent	22	48.9	86.7
To a little extent	4	8.9	95.6
To a very little extent	2	4.4	100.0
Total	45	100.0	

From Table 4.16, 22 (48.9%) of the respondents were of the view that the vision provided was adequate to a great extent. 17 (37.8%) were of the view that this vision was adequate to a very great extent. 4 (8.9%) and 2 (4.4%) thought that the vision was adequate in enhancing quality services to a little extent and to a very little extent respectively. This indicates that a majority 39 (86.7%) of the respondents were of the view that the vision provided was adequate in enhancing quality services to a great extent.

4.5.4 Communication of the vision

The responses on whether the vision has been communicated to all members of the organization are analyzed in Table 4.17

Table 4.17 Communication of the vision

	Frequency	Percent	Cumulative Percent
To a very great extent	1	2.2	2.2
To a great extent	3	6.7	8.9
To a little extent	31	68.9	77.8
To a very little extent	10	22.2	100.0
Total	45	100.0	

Table 4.17 shows that 31 (68.9%) of the banking agents had communicated the vision to a little extent and 10 (22.2%) had communicated to a very little extent. 3 (6.7%) had communicated to a great extent while 1 (2.2%) had communicated to a very great extent. This indicates a gap in the communication of the vision since only a minority 4 (8.9%) of the banking agents had communicated the vision to a great extent.

4.5.5 Management responsibility over implementation

In regard to whether the management of the organizations had taken responsibility over implementation of quality services, the responses are analyzed in Table 4.18

Table 4.18 Management responsibility over implementation

	Frequency	Percent	Cumulative Percent
Yes	37	82.2	82.2
No	8	17.8	100.0
Total	45	100.0	

From Table 4.18, 37 (82.2%) of the respondents thought that the management had taken responsibility over implementation of quality practices while 8 (17.8%) thought that this responsibility had not been taken up. This shows a small gap in the responsibility taken by the management over implementation because only a minority 8 (17.8%) thought that the management had not taken responsibility over implementation.

4.5.6 Why management has not taken responsibility

The reasons as to why the responsibility had not been taken are analyzed in Table 4.19

Table 4.19 Why management has not taken responsibility

	Frequency	Percent	Cumulative Percent
Failure to understand TQM	2	4.4	4.4
Lack of commitment to TQM	3	6.8	11.2
Lack of resources	1	2.2	13.4
Unclear processes and procedures	2	4.4	17.8
Total	8	17.8	

Table 4.19 shows that 3 (6.8%) thought that reason why the management had not taken responsibility over TQM implementation was because of lack of commitment to TQM. 2 (4.4%) was equally due to failure to understand TQM and unclear processes and procedures while 1 (2.2%) was due to lack of resources. This shows that lack of commitment to TQM greatly contributed to the management not taking responsibility over TQM implementation,

followed by failure to understand TQM and unclear processes and procedures. Lack of resources least contributed to this lack of responsibility.

4.5.7 Effectiveness of management responsibility

The results on whether the responsibility taken up by management had been effectively practised are analyzed in Table 4.20

Table 4.20 Effectiveness of management responsibility

	Frequency	Percent	Cumulative Percent
To a very great extent	13	28.9	28.9
To a great extent	24	53.3	82.2
To a little extent	6	13.3	95.6
To a very little extent	2	4.4	100.0
Total	45	100.0	

Table 4.20 shows that 24 (53.3%) of the respondents were of the view that management responsibility has been effectively practised to a great extent. 13 (28.9%) expressed that the responsibility was effectively practised to a very great extent. While 6 (13.3%) expressed that the responsibility was effectively practised to a little extent and 2 (4.4%) were of the view that the management responsibility was effectively practised to a very little extent. This indicates that there is a little gap in the effectiveness of the management responsibility because only a minority 8 (17.8%) believed that this responsibility was not effectively practised.

4.5.8 Understanding of goals and policies

With regard to understanding of goals and policies on quality management, the responses are analyzed in Table 4.21

Table 4.21 Understanding of goals and policies

	Frequency	Percent	Cumulative Percent
To a very great extent	6	13.3	13.3
To a great extent	3	6.7	20.0
To a little extent	14	31.1	51.1
To a very little extent	22	48.9	100.0
Total	45	100.0	

From Table 4.21, 22 (48.9%) of the respondents held that the goals and policies on quality management were understood to a very little extent. 14 (31.1%) held that they were understood to a little extent while 6 (13.3%) held that they were understood to a very great extent and 3 (6.7%) held that they were understood to a great extent. This indicates a glaring gap in the understanding of goals and policies on quality management since only a minority 9 (20%) held that these goals and policies were understood to a great extent.

4.5.9 Significance of the role played by management

The significance of the role played by management was analyzed in Table 4.22

Table 4.22 Significance of the role played by management

	Frequency	Percent	Cumulative Percent
To a very great extent	18	40.0	40.0
To a great extent	19	42.2	82.2
To a little extent	6	13.3	95.6
To a very little extent	2	4.4	100.0
Total	45	100.0	

From Table 4.22, 19 (42.2%) of the respondents held that the role played by management was significant to a great extent while 18 (40%) held that the role was significant to a very great extent. 6 (13.3%) held that the role played by management was significant to a little extent while 2 (4.4%) held that it was significant to a very little extent. This indicates that a majority 37 (82.2%) of the banking agents agreed that the role played by management was significant to a great extent.

4.6 Banking agents participation in quality initiatives

Banking agents participation in quality initiatives was assessed through methods of communication used, feedback mechanisms, work group processes, team progress review, involvement in problem solving, consideration of ideas from subordinates and informal suggestions made to improve efficiency in the work place. This is presented in Table 4.23 to Table 4.39

4.6.1 Use of noticeboards or company newsletters

The use of noticeboards or company newsletters is analyzed in Table 4.23.

Table 4.23 Use of noticeboards or company newsletters

	Frequency	Percent	Cumulative Percent
Very frequently used	11	24.4	24.4
Frequently used	17	37.8	62.2
Rarely used	9	20.0	82.2
Never used	8	17.8	100.0
Total	45	100.0	

Table 4.23 shows that, 17 (37.8%) of the respondents frequently used notice boards or company newsletters as methods of communication in the organization while 11 (24.4%) used them very frequently. 9 (20%) rarely used them while 8 (17.8%) never used them. This shows that notice boards or company newsletters were the second highly used method of communication after team briefings or meetings by the banking agents because 28 (62.2%) of the respondents agree that they frequently used them.

4.6.2 Use of team briefings or meetings

The use of team briefings or meetings is analyzed in Table 4.24

Table 4.24 Use of team briefings or meetings

	Frequency	Percent	Cumulative Percent
Very frequently used	14	31.1	31.1
Frequently used	17	37.8	68.9
Rarely used	11	24.4	93.3
Never used	3	6.7	100.0
Total	45	100.0	

Table 4.24 shows that while 17 (37.8%) of the respondents frequently used team briefings or meetings as methods of communication in the organizations, 14 (31.1%) used the methods very frequently. 11 (24.4%) rarely used them while 3 (6.7%) never used them. This indicates that team briefings were the most highly used methods of communication by the banking agents because 31 (68.9%) of the respondents used them frequently.

4.6.3 Use of informal communications via individual managers

The use of informal communications via individual managers is analyzed in Table 4.25

Table 4.25 Use of informal communications via individual managers

	Frequency	Percent	Cumulative Percent
Very frequently used	12	26.7	26.7
Frequently used	5	11.1	37.8
Rarely used	19	42.2	80.0
Never used	9	20.0	100.0
Total	45	100.0	

From Table 4.25, 19 (42.2%) rarely used informal communications via individual managers as a method of communication in their organizations. 12 (26.7%) used them very frequently, 9 (20%) never used them while 5 (11.1%) used them frequently. This indicates that a majority 28 (62.2%) did not frequently use informal communications via individual managers but they preferred to use team briefings or meetings or notice boards and company newsletters.

4.6.4 Use of the employee grapevine

The use of the employee grapevine is analyzed in Table 4.26

Table 4.26 Use of the employee grapevine

	Frequency	Percent	Cumulative Percent
Very frequently used	8	17.8	17.8
Frequently used	6	13.3	31.1
Rarely used	6	13.3	44.4
Never used	25	55.6	100.0
Total	45	100.0	

From Table 4.26, 25 (55.6%) of the respondents never used the employee grapevine as a method of communication. 8 (17.8%) used it very frequently while 6 (13.3%) equally used it frequently and rarely respectively. This indicates that a majority 31 (68.9%) did not frequently use the employee grapevine as a method of communication. Employee grapevine was the least utilized method of communication compared to tem briefings or meetings, notice boards or company newsletters and informal communication via individual managers.

4.6.5 Structured feedback mechanisms

The extent to which feedback mechanisms were structured in the communication to encourage forwarding of ideas, concerns and reactions to quality services is analyzed in Table 4.27

Table 4.27 Structured feedback mechanisms

	Frequency	Percent	Cumulative Percent
To a very great extent	17	37.8	37.8
To a great extent	22	48.9	86.7
To a little extent	3	6.7	93.3
To a very little extent	3	6.7	100.0
Total	45	100.0	

Table 4.27 shows that 22 (48.9%) of the respondents held that feedback mechanisms were structured in the communication to a great extent while 17 (37.8%) held that they were structured to a very great extent. 3 (6.7%) equally held that they were structured to a little extent and to a very little extent respectively. This shows there is a little gap in structuring

feedback mechanisms in the communication since a majority 39 (86.7%) of the respondents held that these mechanisms were structured in the communication to a large extent.

4.6.6 Participation in TQM activities

The results on whether participation in quality initiatives was optional or mandatory are analyzed in Table 4.28

Table 4.28 Participation in TQM activities

	Frequency	Percent	Cumulative Percent
Optional	35	77.8	77.8
Mandatory	10	22.2	100.0
Total	45	100.0	

Table 4.28 shows that 35 (77.8%) of the respondents held that participation in quality initiatives was optional while 10 (22.2%) held that it was mandatory. This indicates that a large number of respondents participated in quality initiatives on an optional basis

4.6.7 Allowance for work group processes

The extent to which work group processes were allowed in the banking agents is analyzed in Table 4.29

Table 4.29 Allowance for work group processes

	Frequency	Percent	Cumulative Percent
To a very great extent	21	46.7	46.7
To a great extent	2	4.4	51.1
To a little extent	14	31.1	82.2
To a very little extent	8	17.8	100.0
Total	45	100.0	

Table 4.29 shows that, 21 (46.7%) of the respondents held that work group processes were allowed in the banking agents to a very great extent while 14 (31.1%) held that they were allowed to a little extent. 8 (17.8%) held that they were allowed to a very little extent and 2 (4.4%) held that they were allowed to a great extent. This indicates that almost an equal number of respondents held that work group processes were allowed in the banking agents to

a great extent and to a little extent respectively. There is only a slight margin of 1 (2.2%) respondent between the two extremes.

4.6.8 Extent of review on team progress

The extent to which team progress was reviewed is analyzed in Table 4.30

Table 4.30 Extent of review on team progress

	Frequency	Percent	Cumulative Percent
To a very great extent	5	11.1	11.1
To a great extent	8	17.8	28.9
To a little extent	8	17.8	46.7
To a very little extent	24	53.3	100.0
Total	45	100.0	

Table 4.30 shows that 24 (53.3%) of the respondents held that the review on team progress was done to a very little extent. 8 (17.8%) equally held that progress was reviewed to a great extent and to a little extent respectively while 5 (11.1 %) held that it was reviewed to a very great extent. This shows a huge gap in the review done for team progress. This is because the number of respondents who held that the review was done to a very little extent is almost five times the number that held it was done to a very great extent.

4.6.9 Contribution of own involvement to problem solving

The responses on the contribution made to problem solving through involvement is analyzed in Table 4.31

Table 4.31 Contribution of own involvement to problem solving

	Frequency	Percent	Cumulative Percent
To a very great extent	18	40.0	40.0
To a great extent	22	48.9	88.9
To a little extent	4	8.9	97.8
To a very little extent	1	2.2	100.0
Total	45	100.0	

Table 4.31 shows that, 22 (48.9%) of the respondents held that that the contribution of involvement to problem solving was to a great extent while 18 (40%) held that it was to a very great extent. While 4 (8.9%) held that it was to a little extent, 1 (2.2%) held that it was to a very little extent. This shows that a majority 30 (88.9%) agreed that individual involvement contributed to problem solving to a great extent.

4.6.10 Influence service quality by intervening at service delivery point

The extent of the influence made to quality services through intervening at the service delivery point is analyzed in Table 4.32

Table 4.32 Influence service quality by intervening at service delivery point

	Frequency	Percent	Cumulative Percent
To a very great extent	14	31.1	31.1
To a great extent	20	44.4	75.6
To a little extent	6	13.3	88.9
To a very little extent	5	11.1	100.0
Total	45	100.0	

From Table 4.32, 20 (44.4%) of the respondents held that intervening at service delivery point influenced quality services to a great extent. 14 (31.1%) held that it influenced to a very great extent while 6 (13.3%) and 5 (11.1%) held that it influenced to a little extent and to a very little extent respectively. This shows that a majority 34 (75.6%) of the respondents influenced service delivery to a great extent by intervening at the service delivery point. Intervening at the service delivery point had the greatest influence on service quality followed by forwarding ideas at meetings.

4.6.11 Influence service quality by solving problems as they arise

The extent of the influence made to quality services through solving problems as they arise is analyzed in Table 4.33

Table 4.33 Influence service quality by solving problems as they arise

	Frequency	Percent	Cumulative Percent
To a very great extent	10	22.2	22.2
To a great extent	12	26.7	48.9
To a little extent	9	20.0	68.9
To a very little extent	14	31.1	100.0
Total	45	100.0	

From Table 4.33, 14 (31.1%) of the respondents held that solving problems as they arise influenced quality services to a very little extent while 12 (26.7%) of the respondents held that it influenced to a great extent. 10 (22.2%) of the respondents held that it influenced to a very great extent while 9 (20%) held that it influenced to a little extent. This indicates that almost an equal number of respondents held that solving problems as they arise influenced service quality to a great extent and to a little extent respectively. There is only a slight margin of 1 (2.2%) respondent between the two extremes.

4.6.12 Influence service quality by forwarding ideas in meetings

The extent of the influence made to quality services through forwarding ideas in meetings is analyzed in Table 4.34

Table 4.34 Influence service quality by forwarding ideas in meetings

	Frequency	Percent	Cumulative Percent
To a very great extent	16	35.6	35.6
To a great extent	7	15.6	51.1
To a little extent	12	26.7	77.8
To a very little extent	10	22.2	100.0
Total	45	100.0	

Table 4.34 shows that 16 (35.6%) of the respondents held that forwarding ideas in meetings influenced quality services to a very great extent while 12 (26.7%) held that it influenced to a little extent. While 10 (22.2%) held that it influenced to a very little extent, 7 (15.6%) held that it influenced to a great extent. This indicates that almost an equal number of respondents held that forwarding ideas in meetings influenced service quality to a great extent and to a little extent respectively. There is only a slight margin of 1 (2.2%) respondent between the

two extremes. The 23 (51.1%) who preferred to forward ideas in meetings so as to influence quality to a great extent did not influence service quality to a great extent by solving problems as they arise.

4.6.13 Influence service quality through forwarding informal suggestions

The extent of the influence made to quality services through informal suggestions is analyzed in Table 4.35

Table 4.35 Influence service quality through forwarding informal suggestions

	Frequency	Percent	Cumulative Percent
To a very great extent	5	11.1	11.1
To a great extent	6	13.3	24.4
To a little extent	18	40.0	64.4
To a very little extent	16	35.6	100.0
Total	45	100.0	

Table 4.35 shows that 18 (40%) of the respondents held that informal suggestions influenced quality services to a little extent while 16 (35.6%) of the respondents held that it influenced to a very little extent. 6 (13.3%) of the respondents held that it influenced to a great extent and 5 (11.1%) held that it influenced to a very great extent. This indicates that a majority 34 (75.6%) did not influence service quality to a great extent by forwarding informal suggestions. Forwarding informal suggestions had the least influence on service quality as compared to intervening personally at the point of service delivery, forwarding ideas in meetings and solving problems as they arise.

4.6.14 Importance of ideas from subordinates

The level of importance given to ideas from subordinates is analyzed in Table 4.36

Table 4.36 Importance of ideas from subordinates

	Frequency	Percent	Cumulative Percent
A very great deal of importance	15	33.3	33.3
A great deal of importance	16	35.6	68.9
A little importance	9	20.0	88.9
No importance at all	5	11.1	100.0
Total	45	100.0	

From Table 4.36, 16 (35.6%) and 15 (33.3%) of the respondents held that ideas from subordinates were given a great deal of importance and a very great deal of importance respectively. While 9 (20%) held that it was accorded a little importance, 5 (11.1%) held that it was given no importance at all. This indicates that ideas from subordinates were given a great deal of importance because a majority 31 (68.9%) agree on this.

4.6.15 Informal suggestions on improving efficiency

The responses on whether informal suggestions had been made to workmates or supervisors on improvement of efficiency in the work carried out are analyzed in Table 4.37

Table 4.37 Informal suggestions on improving efficiency

	Frequency	Percent	Cumulative Percent
Yes	31	68.9	68.9
No	14	31.1	100.0
Total	45	100.0	

From Table 4.37, 31 (68.9%) of the respondents held that they had made informal suggestions on improving work efficiency while 14 (31.1%) held that these informal suggestions had not been made. This shows that majority of the respondents had made informal suggestions to workmates or supervisors on improving work efficiency.

4.6.16 Change from the suggestions

The response as to whether any change was witnessed after the suggestions were made is analyzed in Table 4.39

Table 4.38 Change from the suggestions

	Frequency	Percent	Cumulative Percent
Yes	23	74.0	74.0
No	8	26.0	100.0
Total	31	100.0	

From Table 4.38, 23 (74%) of the respondents held that some change was witnessed as a result of the suggestions made while 8 (26%) of the respondents witnessed no change after the informal suggestions were made. This shows a little gap in effecting change after the suggestions were made. Almost all the suggestions (74%) resulted into some form of change in the way things are done in the organization.

4.6.17 Effectiveness of the suggestions in ensuring quality services

With regard to the extent of effectiveness of the suggestions in ensuring quality services, the responses are analyzed in Table 4.39

Table 4.39 Effectiveness of the suggestions in quality services

	Frequency	Percent	Cumulative Percent
To a very great extent	18	40.0	40.0
To a great extent	13	28.9	68.9
To a little extent	10	22.2	91.1
To a very little extent	4	8.9	100.0
Total	45	100.0	

From Table 4.39, 18 (40%) of the respondents held that the suggestions were effective in ensuring quality services to a very great extent and 13 (28.9%) held that the suggestions were effective to a great extent. While 10 (22.2%) held that they were effective to a little extent, 4 (8.9%) held that they were effective to a very little extent. This indicates that the suggestions were effective to a great extent in ensuring quality services since a majority 31 (68.9%) agree with this.

4.7 Banking agents training

Banking agents training was assessed through frequency of training, type of training received, purpose of the training, adequacy of the training, training and support from trained facilitators, joint training for subordinates and managers, evaluation of training effectiveness, adequacy of resources allocated for training and the use of different methods of training. This is presented in Table 4.40 to Table 4.50

4.7.1 Frequency of training

The frequency of training was analyzed in Table 4.40

Table 4.40 Frequency of training

	Frequency	Percent	Cumulative Percent
Sometimes	33	73.3	73.3
Very often	12	26.7	100.0
Total	45	100.0	

Table 4.40 shows that 33 (73.3%) of the respondents held that training was done sometimes while 12 (26.7%) of the respondents held that it was held very often. This shows a glaring gap in the frequency in the frequency of training since only a minority 12 (26.7%) were trained very oftenly.

4.7.2 Type of training

The type of training carried out is analyzed in Table 4.41

Table 4.41 Type of training

	Frequency	Percent	Cumulative Percent
On the job	31	68.9	68.9
Off the job	10	22.2	91.1
Both	4	8.9	100.0
Total	45	100.0	

From Table 4.41, 31 (68.9%) of the respondents received on the job training, 10 (22.2%) received off the job training while 4 (8.9%) received both on the job and off the job training.

This shows a gap in offering both on the job training and of the job training since only a minority 4 (8.9%) received it.

4.7.3 Learning the basic job as purpose of training received

Learning the basic job recruited for as the purpose of training given is analyzed in Table 4.42

Table 4.42 Learning the basic job as purpose of training received

	Frequency	Percent	Cumulative Percent
To a very great extent	7	15.6	15.6
To a great extent	14	31.1	46.7
To a little extent	19	42.2	88.9
To a very little extent	5	11.1	100.0
Total	45	100.0	

From Table 4.42, 19 (42.2%) of the respondents held that learning the job basics was the purpose of the training received to a little extent while 14 (31.1%) held that it was the purpose to a great extent. 7 (15.6%) held that it was the purpose to a very great extent but 5 (11.1%) held that it was the purpose to a very little extent. This indicates that a minority 21 (46.7%) received training to a large extent so as learn the basic job that they were recruited for.

4.7.4 Adding further skills as purpose of training received

Adding further skills as the purpose of the training received is analyzed in Table 4.43

Table 4.43 Adding further skills as purpose of training received

	Frequency	Percent	Cumulative Percent
To a very great extent	15	33.3	33.3
To a great extent	19	42.2	75.6
To a little extent	7	15.6	91.1
To a very little extent	4	8.9	100.0
Total	45	100.0	

Table 4.43 shows that, 19 (42.2%) of the respondents held that the purpose of the training that was received was to add further skills to a great extent and 15 (33.3%) held that it was the purpose to a very great extent. But 7 (15.6%) and 4 (8.9%) held that it was the purpose to a little extent and very little extent respectively. Adding further skills was the highest ranked purpose of the training received with a majority of 34 (75.6) of the respondents agreeing on this.

4.7.5 Learning new technology as purpose of training received

Learning new technology as the purpose of training received is analyzed in Table 4.44

Table 4.44 Learning new technology as purpose of training received

	Frequency	Percent	Cumulative Percent
To a very great extent	4	8.9	8.9
To a great extent	7	15.6	24.4
To a little extent	15	33.3	57.8
To a very little extent	19	42.2	100.0
Total	45	100.0	

From Table 4.44, 19 (42.2%) of the respondents held that learning new technology was the purpose of the training received to a very little extent and 15 (33.3%) held that it was the purpose to a little extent. But 7 (15.6%) and 4 (8.9%) held that it was the purpose to a great extent and to a very great extent respectively. This shows that a majority 34 (75.6%) of the respondents ranked learning new technology as the purpose of the training to a little extent. This was the least ranked purpose of training received compared to adding further skills, achieving higher quality services and learning the basic job recruited for.

4.7.6 Achieving higher quality services as purpose of training

Achieving higher quality services as purpose of training is analyzed in Table 4.45

Table 4.45 Achieving higher quality services as purpose of training

	Frequency	Percent	Cumulative Percent
To a very great extent	19	42.2	42.2
To a great extent	5	11.1	53.3
To a little extent	4	8.9	62.2
To a very little extent	17	37.8	100.0
Total	45	100.0	

Table 4.45 shows that, 19 (42.2%) of the respondents held that achieving higher quality services was the purpose of training to a very great extent while 17 (37.8%) held that it was the purpose to a very little extent. 5 (11.1%) held that it was the purpose to a great extent and 4 (8.9%) held that it was the purpose to a little extent. Achieving higher quality services was the second ranked purpose of the training received with a majority 24 (53.3%) agreeing on this.

4.7.7 Level of adequacy for the training provided

With regard to the adequacy of the training provided, the results are analyzed in Table 4.46

Table 4.46 Level of adequacy for the training provided

	Frequency	Percent	Cumulative Percent
To a very great extent	9	20.0	20.0
To a great extent	6	13.3	33.3
To a little extent	13	28.9	62.2
To a very little extent	17	37.8	100.0
Total	45	100.0	

From Table 4.46, 17 (37.8%) of the respondents held that the training provided was only adequate to a very little extent and 13 (28.9%) held that it was adequate to a little extent. While 9 (20%) held that it was adequate to a very great extent, 6 (13.3%) held that it was adequate to a great extent. This shows that the training provided was inadequate to a great extent as 30 (66.7%) of the respondents agree on this

4.7.8 Extent of support from trained facilitators

The extent of support received from trained facilitators is analyzed in Table 4.47

Table 4.47 Extent of support from trained facilitators

	Frequency	Percent	Cumulative Percent
To a very great extent	7	15.6	15.6
To a great extent	5	11.1	26.7
To a little extent	4	8.9	35.6
To a very little extent	29	64.4	100.0
Total	45	100.0	

From Table 4.47, 29 (64.4%) of the respondents held that trained facilitators provided support to a very little extent and 4 (8.9%) provided support to a little extent. But 7 (15.6%) and 5 (11.1%) provided support to a very great extent and to a great extent respectively. This indicates a glaring inadequacy of the support received from trained facilitators with a majority 33 (73.3%) agreeing on this.

4.7.9 Extent of measuring training effectiveness

The extent to which the effectiveness of training was measured is analyzed in Table 4.48

Table 4.48 Extent of measuring training effectiveness

	Frequency	Percent	Cumulative Percent
To a very great extent	5	11.1	11.1
To a great extent	6	13.3	24.4
To a little extent	5	11.1	35.6
To a very little extent	29	64.4	100.0
Total	45	100.0	

From Table 4.48, 29 (64.4%) of the respondents held that the effectiveness of training was measured to a very little extent while 6 (13.3%) held that it was measured to a great extent. 5 (11.1%) equally held that it was measured to a very great extent and to a little extent respectively. This indicates a big gap in the measuring of training effectiveness since only a minority 11 (24.4%) of the respondents held that the measurement was done to a great extent.

4.7.10 Extent of allocation of training resources

The extent to which resources were allocated for training is analyzed in Table 4.49

Table 4.49 Extent of allocation of training resources

	Frequency	Percent	Cumulative Percent
To a very great extent	15	33.3	33.3
To a great extent	20	44.4	77.7
To a little extent	4	8.9	86.6
To a very little extent	6	13.4	100.0
Total	45	100.0	

From Table 4.49, 20 (44.4%) of the respondents held that resources were allocated for training to a great extent and 15 (33.3%) held that resources were allocated to a very great extent. While 6 (13.4%) held that they were allocated to a very little extent, 4 (8.9%) held that they were allocated to a little extent. This shows that the resources allocated for training were adequate to a great extent since a majority 35 (77.7%) of the respondents agree on this.

4.7.11 Extent of use of different methods of training

The extent to which different methods of training were utilized is analyzed in Table 4.50

Table 4.50 Extent of use of different methods of training

	Frequency	Percent	Cumulative Percent
To a very great extent	6	13.3	13.3
To a great extent	7	15.6	28.9
To a little extent	6	13.3	42.2
To a very little extent	26	57.8	100.0
Total	45	100.0	

From Table 4.50, 26 (57.8%) of the respondents held that different methods of training were utilized to a very little extent and 7 (15.6%) held that they were utilized to a great extent. 6 (13.3%) equally held that they were utilized to a very great extent and a little extent respectively. This shows that there is a gap in the use of different methods of training since only a minority 13 (28.9%) of the respondents agree that different methods of training were utilized to a great extent.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings of the study, discusses these findings in relation to the literature and gives a conclusion on the influence of banking agents on TQM implementation by commercial banks. Finally, the chapter gives the recommendations and suggestions for further study.

5.2 Summary of the findings

Based on the study, the summary of the key findings focusing on the three objectives of the research study.

5.2.1 Banking agent's leadership and TQM implementation in commercial banks

The study reveals that most respondents (68.9%) rated the most practised leadership style to be the participative one. All of the organizations had provided a clear vision and a majority 86.7% of the respondents were of the view that the vision provided was adequate in enhancing quality services to customers to a great extent. In spite of this, the study exposed that the vision had not been communicated to all members of the organization sufficiently, only a minority 8.9% of the banking agents had communicated the vision to a great extent. Most respondents (82.2%) agreed that the management had taken effective responsibility to implement quality services in the organizations. The respondents who held that there was no responsibility taken gave the reasons as; lack of commitment to TQM (6.8%), failure to understand TQM (4.4%), unclear processes and procedures (4.4%) and lack of resources (2.2%). The goals and policies on quality management were not adequately understood in the organizations as supported by 80% of the respondents. The role played by management in introduction of quality initiatives was substantially significantly played as supported by 82.2% of the respondents.

5.2.2 Banking agent's participation in quality initiatives and TQM implementation in commercial banks

The study reveals that team briefings or meetings were the most utilized method of communication in the organization (68.9%) followed by noticeboards or company newsletters (62.2%), informal communication via individual managers (37.8%) and the employee grapevine (31.1%). Feedback mechanisms were to a great extent structured in the

communication so as to allow every individual in the organizations to give their concerns, ideas and reactions to quality services, a majority 86.7% of the respondents agreed on this. Although a majority 77.8% held that participation in TQM activities was optional, allowance for work group processes was not adequately provided, as there was only a slight margin of 2.2% of the respondents that held they were allowed to a great extent and to a little extent respectively.

In addition to this, there was a huge gap in the review done for team progress. This is because the number of respondents who held that the review was done to a very little extent is almost five times (53.3% versus 11.1%) the number that held it was done to a very great extent. The level of involvement in problem solving was high (88.9%) in the organizations so as to help in giving quality services to customers. The biggest influence to quality services was made at the service delivery points by intervening personally (75.6%) and forwarding ideas in meetings (51.1%). Informal suggestions had minimal influence on quality of services (24.4%). Ideas from subordinates were a great deal of importance (68.9%) which explains the high number of respondents (68.9%) who gave suggestions on improving work efficiency. From almost all the suggestions made (74 %), notable changes had been observed and therefore the suggestions were noted by a majority 68.9% as effective to a great extent in enhancing quality services

5.2.3 Banking agent's training and TQM implementation in commercial banks

The study reveals that the training provided was not adequate as it was not held very often, only a minority 26.7% were trained very oftenly. The type of training that was mostly done was on the job training, only a minority 8.9% received both on the job and off the job training. Adding further skills was selected as the major purpose of the training received (75.6%) followed by the purpose of achieving higher quality services (53.3%), learning the basic job recruited for (46.7%) and learning new technology (24.4%). A majority 73.3% agreed that there is a gap in the level of support received from trained facilitators on a regular basis. Tied to this is the fact that 71.1% of the respondents held different methods of training were not optimally utilized to a great extent. The effectiveness of training was also not measured adequately as held by 75.6% of the respondents and 77.7% of the respondents held that the resources allocated for training were adequate to a great extent.

5.2.4 TQM implementation in commercial banks

The study reveals that provision of quality services for customer satisfaction has been taken with high importance. Only a minority of 5 (11.1%) banking agents did not concentrate on

giving quality services so as to satisfy their customers. Customer satisfaction was the highest ranked element in importance (77.8%) followed by training (48.9%), participation (44.4%) and leadership (28.9%). Although managerial commitment led by 62.2% as a key factor necessary for the success of the organization, and use of TQM PDCA (Plan, Do, Check and Act) technique in ensuring consistent quality followed in ranking with 51.1%, individual efforts of the members of the organizations were not taken as key in the organization's success as only 35.5% of the respondents agreed on this. The agent banking processes and procedures were noted to have clarity great extent by a majority 80% of the respondents.

5.3 Discussions

The findings of the study are discussed in relation to the three objectives of the study as below.

In relation to the banking agents leadership, the study revealed that the participative leadership style as recommended by Ehigie and Akpan (2005) was in practise in the organizations but still a sufficient number of organizations did not have this style which can hinder the effective implementation of TQM. A clear TQM vision is necessary for unity of direction and purpose. Inadequate communication of this vision implies that the organizations will only implement TQM to a limited extent. This is because all members of the organization need to become part of the bandwagon to implement TQM as Lee et al., (2011) put it. The goals and policies on quality management in each organization need to be discussed and understood by everyone. Although every person in the organization plays a role in TQM implementation, the management has to play a significant role by providing a supportive leadership structure, to make it possible on a continuous basis, for everyone to do a better job with greater satisfaction (Feigenbaum, 2007).

In relation to banking agents participation in quality initiatives, the study revealed that as recommended by Yang (2006) team briefings or meetings were the most utilized method of communication. Feedback mechanisms aid in TQM implementation by allowing the flow of information and knowledge, and contributing in the distribution of intelligence to the bottom of the organization for resolving problems as advocated by Schalk and Dijk (2005). Participation in TQM initiatives is not supposed to be forced because top down TQM approaches frequently loose to create a deep, as well as an assured deviation in organization. Top management needs to allow a natural organizational wide consultation that leads to optional and progressive participation as recommended by Yadav and Divakaran (2013). Work group processes are also important in TQM implementation according to

Dawkins and Frass, (2005) because every individual in the organization is an untapped resource with knowledge and experience which can be released by management providing opportunities and structures for their involvement. The evaluation of team progress helps in determining the success of these work groups

In relation to banking agents training, the study revealed that although systematic and continuous training is required for a sustainable TQM climate, it was not provided. Most organizations were found to be lacking on the job training as well as off the job training, yet these skills are necessary in promoting productivity on the job and in TQM implementation as recommended by Mackelprang et al., (2012). Trained facilitators are needed on a regular basis so as to define objectives of training, specify training needs, prepare materials and programs and assess the effectiveness of training as per the quality policy. As Stuart and Gary, (2010) put it, the higher the quality of the training that employees believe they receive; the stronger their affective brand associations and the higher their satisfaction with the organization. Adequate resources need to be allocated to facilitate the trainers, avail materials and evaluation of the effectiveness. Low level of TQM implementation can therefore be attributed to lack of training and a planning of how the same is to be effected.

In relation to TQM implementation in commercial banks, the study revealed that provision of quality services for customer satisfaction has been taken with high importance as recommended by Al-Marri et al. (2007). When quality services are delivered there is no gap between customer expectations and perception of service delivery, thus customers are satisfied and there is little or no customer complaints received. Managerial commitment is an important discriminant factor in TQM implementation because it implies that the managers will facilitate the allocation of resources and will support (using their formal power) those who develop the TQM project as advocated by Horga (2011). Use of the PDCA (Plan, Do, Check and Act) technique together with clear processes and procedures increases operational efficiency and ensures consistent quality of services thus reduced errors and by extension reduced customer complaints and continuous improvement of processes. For TQM implementation to succeed, team effort is necessary. It promotes close affiliations and strengthens co-operation for continuous improvement of quality.

5.4 Conclusions

The study established that the organizations had a leadership style that promotes TQM implementation. However the goals and policies on quality management were not adequately understood and the TQM vision was yet to be fully communicated for effective

implementation. Moreover there were inadequacies in the allowance for work group processes and review of the progress made by teams. This implies that the human resources capability was not fully tapped for TQM implementation. The members of the organizations lacked sufficient training from trained facilitators and even the little training that was provided was not evaluated as to whether it was effective. This leaves a chance that the organizations will continue dedicating resources and incurring training costs without checking whether the training is meeting the organizational strategic goals.

5.5 Recommendations

Based on the findings of this study, the following are recommended;

1. Commercial banks and their banking agents should provide and communicate a clear and adequate vision to ensure unity of direction and purpose in TQM implementation.
2. Commercial banks and banking agents should ensure that the goals and policies of quality management are understood so that every stakeholder understands the different roles played for effective TQM implementation.
3. Commercial banks and banking agents should work hand in hand to ensure that they initiate quality practices and encourage all members to participate fully so harvest the full capability of the human resources available
4. It will be necessary for all members of the organization to undergo training on a regular basis on different areas including but not limited to principles of TQM, the use of TQM tools and problem-solving techniques. Thereafter evaluation of the effectiveness of the training provided will be needed.

5.6 Suggestions for further research

Based on the findings of this study, the following areas are recommended for further research;

1. Replication of the same study in other commercial banks
2. A study of other influential factors in TQM implementation
3. Factors influencing uptake of agency banking by local businesses

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APPENDIX I: Sampling Frame of banking agents in Nairobi

Agent Company	Physical location of outlet
Agape growers ltd	Uchumi house
Amnaj Company Ltd	Amnaj building, Nairobi
Anchor E. A Ltd	Avon center, Enterprise road, Industrial Area
Ariquest Ltd	Aberdeen plaza, off Langata road
Auto Track Systems Ltd	Uchumi stalls, temple road
Basil Communication company ltd	Mathare north area 4
Berean Communications limited	Buru buru shopping centre
Beverly technologies ltd	Beverly court, Lenana road
Bins management services ltd	Njiru, Kangundo road
Bridgehouse holding ltd	Kariobangi south
Centoil Ltd	Mountain view, along Waiyaki way
Chewaki ltd	Mathare north area 4
Chicken Choice Ltd	Mishael Plaza along Kamiti Rd, Zimmerman
Dave Trade Innovators Limited	Eastleigh Section I, 2 Avenue
Dazzling communications ltd	Taveta road, Iqbal building
Denje technologies limited	Dandora
Denright Enterprises Co Limited	Usalama Hse, Cross Lane, Duruma Rd – Nyamakima
Desol enterprise Ltd	Embassy house, Parliament lane
Digital link limited	Buruburu, phase 2
Donnell Incorporated limited	Reinsurance plaza, Nairobi
Eralc limited	Karen Kerarapon drive
Errisam Ltd	Ramco court, Mombasa road
Fair matt stores limited	Kayole
Fashtech computers ltd	Afya center 9th floor , Tom Mboya street Nairobi
Guiding Systems Consult Ltd	Karen south opposite Catholic University
Guro communications Ltd	Moi Drive, Umoja
Heluk International Ltd	Goshen gardens, Kasarani
Hidden Ltd	Tel Aviv outerring road, Pipeline Embakasi
Home Depo Wholesaler & Retail Ltd	Zimmerman, Kamiti Road
Intermech sales and services ltd	Jam rescue hotel, Nairobi
Jaer enterprises Ltd	North Airport road
Jarman enterprises Ltd	Ngong road, near Lenana
Jeys Pharmacy Ltd	Travellers building, Parkroad
Jikomart enterprises ltd	Jikomartt plaza-Kiamumbin, Kasarani
Jojo EastaMan Ltd	Ngotho house, Naivasha road, Kawangware
Kaka Self services Ltd	Zimmerman Estate off Kamiti road

Karia supermarkets Ltd	Kei Kei Plaza, John Osogo road, Dandora
Kellyline Technologies Ltd	Town center, river road
Kwitu holdings limited	Saachi plaza Argwings Kodhek
Liki Pharmacy ltd	KCC village near Kariobangi south
Marketing Advantage E.A Ltd	Wallmart supermarket, Kawangware
Mc Dan enterprises Ltd	Kamili building, Nairobi
Memento spurs ltd	Kianjoya house, River road
Metroplitan health services limited	Buruburu phase 3
Mintsoft systems Ltd	Umoja, near horn bill
Mosecat Communications ltd	Bypass, Flyover
Mwarap capital holdings ltd	Metro fair view towers, Pangani shopping center
Over-iced limited	Mountain view, Kangemi
Paybox investments Ltd	Gazebo restaurant building, Upperhill
Powerware Systems ltd	Ruaraka industrial park, Baba Dogo Road
Primafrica Ltd	AA Road Embakasi
Ronimer enterprise Ltd	Kariobangi south, Off Komarock road
Siloam enterprises Ltd	NHC flats shops, off Lang'ata road
Southend Grocers Limited	Zimmerman Kamiti Road
Spinners ventures	Outering road
Stanchem Pharmacy	Theraphy corner building, Kasarani- Mwiki road
Steka investment Company Ltd	Gill house, Tom Mboya street
Tepsha Holdings Ltd	Janisala road, Nairobi
Traron enterprises Ltd	Tom Mboya, Nairobi
Votex limited	Westlands
Wally enterprises ltd	Eastleigh, sunrise mall
Yoga enterprises limited	Utawala bypass

APPENDIX II: Selected sample of banking agents in Nairobi

Agent Company	Physical location of outlet
Primafrica Ltd	AA Road Embakasi
Ariquest Ltd	Aberdeen plaza, off Langata road
Fashtech computers ltd	Afya center 9th floor , Tom Mboya street Nairobi
Amnaj Company Ltd	Amnaj building, Nairobi
Anchor E. A Ltd	Avon center, Enterprise road, Industrial Area
Beverly technologies ltd	Beverly court, Lenana road
Berean Communications limited	Buru buru shopping centre
Metroplitan health services limited	Buruburu phase 3
Digital link limited	Buruburu, phase 2
Mosecat Communications ltd	Bypass, Flyover
Denje technologies limited	Dandora
Dave Trade Innovators Limited	Eastleigh Section I, 2 Avenue
Wally enterprises ltd	Eastleigh, sunrise mall
Desol enterprise Ltd	Embassy house, Parliament lane
Paybox investments Ltd	Gazebo restaurant building, Upperhill
Steka investment Company Ltd	Gill house, Tom Mboya street
Heluk International Ltd	Goshen gardens, Kasarani
Intermech sales and services ltd	Jam rescue hotel, Nairobi
Tepsha Holdings Ltd	Janisala road, Nairobi
Jikomart enterprises ltd	Jikomartt plaza-Kiamumbin, Kasarani
Mc Dan enterprises Ltd	Kamili building, Nairobi
Eralc limited	Karen Kerarapon drive
Guiding Systems Consult Ltd	Karen south opposite Catholic University
Bridgehouse holding ltd	Kariobangi south
Ronimer enterprise Ltd	Kariobangi south, Off Komarock road
Fair matt stores limited	Kayole
Liki Pharmacy ltd	KCC village near Kariobangi south
Karia supermarkets Ltd	Kei Kei Plaza, John Osogo road, Dandora
Memento spurs ltd	Kianjoya house, River road
Basil Communication company ltd	Mathare north area 4
Chewaki ltd	Mathare north area 4
Mwarap capital holdings ltd	Metro fair view towers, Pangani shopping center
Chicken Choice Ltd	Mishael Plaza along Kamiti Rd, Zimmerman
Guro communications Ltd	Moi Drive, Umoja
Centoil Ltd	Mountain view, along Waiyaki way
Over-iced limited	Mountain view, Kangemi
Jarman enterprises Ltd	Ngong road, near Lenana
Jojo EastaMan Ltd	Ngotho house, Naivasha road, Kawangware

Siloam enterprises Ltd	NHC flats shops, off Lang'ata road
Bins management services ltd	Njiru, Kangundo road
Jaer enterprises Ltd	North Airport road
Spinners ventures	Outering road
Errisam Ltd	Ramco court, Mombasa road
Donnell Incorporated limited	Reinsurance plaza, Nairobi
Powerware Systems ltd	Ruaraka industrial park, Baba Dogo Road
Kwitu holdings limited	Saachi plaza Argwings Kodhek
Dazzling communications ltd	Taveta road, Iqbal building
Hidden Ltd	Tel Aviv outering road, Pipeline Embakasi
Stanchem Pharmacy	Theraphy corner building, Kasarani- Mwiki road
Traron enterprises Ltd	Tom Mboya, Nairobi
Kellyline Technologies Ltd	Town center, river road
Jeys Pharmacy Ltd	Travellers building, Parkroad

APPENDIX III: Letter of Transmittal

TECKLA KAMENE MUSYOKA,
UNIVERSITY OF NAIROBI,
COLLEGE OF EDUCATION & EXTERNAL STUDIES,
P.O BOX 92,
KIKUYU.

Dear respondent,

I am a postgraduate student in the School of Continuing & Distance Education of the University of Nairobi, undertaking a Master of Arts in Project Planning and Management. Part of the requirements for the successful completion of this course is to write a research project. My project is in the area of TQM (Total Quality Management) as applied to banking agents. I specifically would like to find out the influence that banking agents have on the implementation of TQM by commercial banks. The factors to be considered in showing this influence will be; Leadership, Participation in quality initiatives and Training.

I write to you to request, to carry out the survey study titled “***The influence of banking agents on the implementation of TQM by commercial banks: The case of Co-operative Bank of Kenya Ltd***”. All the information obtained, will be treated with utmost confidence and a confidential report of the same will be made available to you on request. The findings of this study will enhance policy formulation with respect to the identified factors and it is my sincere hope that my request will be granted.

Yours Faithfully,
Teckla Musyoka

APPENDIX IV: The Questionnaire

A questionnaire to establish the influence that banking agents have on the implementation of TQM by commercial banks, the case of Co-operative Bank of Kenya Ltd. This questionnaire is designed to generate information on how banking agents through the specified factors (Leadership, Participation and Training) influence TQM implementation by commercial banks.

Instructions to respondents

Kindly fill in the questionnaire below by placing a tick mark (✓) or the answer on the space provided for each question.

Section A: Respondent information

1. How many months have you worked for this banking agent?
0-2 Months []
2-4 Months []
4- 6 Months []
6 Months and above []
2. What is your current job level ?
Subordinate []
Manager []
3. How many individuals in the organization serve agent banking customers?
One []
Two []
More than two []

Section B: Variables

I. TQM Implementation by Commercial Banks

4. How important in your view, is the concept of quality services for customer satisfaction within this organisation taken?
Very important []
Important []
Not important []
Of no importance at all []

5. On a scale of 1 (Very Important) to 4 (of no importance at all), rank the following elements of quality services in your workplace
- | | |
|-----------------------|----------|
| Customer satisfaction | [] |
| Leadership | [] |
| Participation | [] |
| Training | [] |
6. Rank the following factors on a 4 point scale from 'very important' to 'not important at all' depending on how you think the success of the organisation most depends on ?
- | | |
|--|----------|
| Efforts of individuals | [] |
| The commitment efforts of managers | [] |
| Use of TQM PDCA (Plan, Do, Check and) technique of ensuring consistent quality | [] |
7. To what extent would you say that there is clarity and transparency of agent banking procedures and work processes in your organization?
- | | |
|-------------------------|----------|
| To a very little extent | [] |
| To a little extent | [] |
| To a great extent | [] |
| To a very great extent | [] |

II. Banking Agents Leadership

8. In your opinion which leadership style is practised by leaders in this company
- | | |
|---------------|----------|
| Authoritarian | [] |
| Participative | [] |
| Laissez-faire | [] |
9. Has the leadership of the company provided a clear vision on how to give quality services to customers?
- | | |
|-----|----------|
| Yes | [] |
| No | [] |
10. To what extent would you say that this vision is adequate in enhancing quality services to customers?
- | | |
|-------------------------|----------|
| To a very little extent | [] |
| To a little extent | [] |
| To a great extent | [] |
| To a very great extent | [] |

11. To what extent has this vision been communicated to all the members of the organization?

To a very little extent []

To a little extent []

To a great extent []

To a very great extent []

12. Has the management taken responsibility over implementation of quality practices in the company as regards agent banking?

Yes []

No []

13. If no, why do you think the management not taken this responsibility?

.....

.....

.....

.....

14. To what extent would you say that this responsibility has been effectively practiced?

To a very little extent []

To a little extent []

To a great extent []

To a very great extent []

15. To what extent are goals and policies with respect to quality management understood in your company?

To a very little extent []

To a little extent []

To a great extent []

To a very great extent []

16. In your opinion, what is the significance of the role played by the management in the introduction of quality initiatives ?

Very significant []

Significant []

Not very significant []

Not significant at all []

III. Banking Agents' Participation in quality initiatives

17. Ranking from Very frequently used (1), Frequently used (2) rarely used (3) to never used(4) the following methods of communication usage in the organization.

Noticeboards or company newsletters	[]
Team briefings or meetings	[]
Informal communications via individual managers	[]
The employee 'grapevine'	[]

18. To what extent are feedback mechanisms structured in the communication so that every individual can give their concerns, ideas and reactions to quality services?

To a very little extent	[]
To a little extent	[]
To a great extent	[]
To a very great extent	[]

19. How would you classify the participation in TQM activities in your company?

Optional	[]
Mandatory	[]

20. To what extent are the work group processes allowed in the company?

To a very little extent	[]
To a little extent	[]
To a great extent	[]
To a very great extent	[]

21. To what extent do senior managers review the progress of teams?

To a very little extent	[]
To a little extent	[]
To a great extent	[]
To a very great extent	[]

22. To what extent do you feel that your own level of involvement in problem-solving helps in giving quality services to customers?

To a very little extent	[]
To a little extent	[]
To a great extent	[]
To a very great extent	[]

23. In what way do you feel you can have the most influence on quality services provided to your customers? [Rank order of following items]

By intervening personally at the point of service delivery []

By solving problems as they arise []

By putting forward ideas at meetings []

By putting forward suggestions in a more informal way []

24. What degree of importance do you think management give to the ideas which come from subordinates?

A very great deal of importance []

A great deal of importance []

Little importance []

No importance at all []

25. Since you started serving agent banking customers, have you made any informal suggestions to the people you work with, or to any supervisor or manager, about ways of improving the efficiency with which your work is carried out ?

Yes []

No []

26. Did anything change as a result of your suggestions ?

Yes []

No []

27. If yes, to what extent do you think your suggestions were effective in ensuring quality service delivery?

To a very little extent []

To a little extent []

To a great extent []

To a very great extent []

IV. Banking Agents' Training

28. How frequent have you been trained since you started serving agent banking customers?

Sometimes []

Very often []

29. What type of training have you received?
- on - the - job []
- off - the - job []
- both []
30. On a 4 point scale from to a very large extent (4), to a large extent (3), to a little extent (2) and to a very little extent (1). How would you rank the below as the purpose of the training received?
- To learn the basic job you were recruited for []
- To add further skills to that basic job []
- To work with new technology or methods in the job []
- To achieve higher quality services []
31. To what extent would you say the training provided has been adequate?
- To a very little extent []
- To a little extent []
- To a great extent []
- To a very great extent []
32. To what extent do your teams get training and support from trained facilitators on a regular basis?
- To a very little extent []
- To a little extent []
- To a great extent []
- To a very great extent []
33. To what extent would you say that training effectiveness is measured in your company?
- To a very little extent []
- To a little extent []
- To a great extent []
- To a very great extent []
34. To what extent would you say the resources allocated for training are adequate?
- To a very little extent []
- To a little extent []
- To a great extent []
- To a very great extent []

35. To what extent would you say different methods of training subordinates on quality initiatives have been utilized by your company?

To a very little extent []

To a little extent []

To a great extent []

To a very great extent []

Is there anything you wish to add? Please use the back of the questionnaire to make any other comments you wish about any of the elements of quality management raised in the questionnaire

Thank you for your time and patience