

**THE SERVICE CONCEPT LOCATION AND PERFORMANCE
IN RETAIL BANKING IN KENYA**

BY

BEN OBURA YIENYA

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF DEGREE OF
MASTER OF BUSINESS ADMINISTRATION, UNIVERSITY OF
NAIROBI.**

OCTOBER 2012

DECLARATION

This Research Project is my original work and has not been presented for the award of a degree in any other University.

Signed.....^ T & X t y..... Date.....i11!?!??.??.

Ben Obura Yicnya

Reg. No: L)61/62984/2010

This Research Project has been submitted with my approval as the University Supervisor

Signed.......... Date **fc V I I**

Dr. Owino Okwiri

Lecturer - Department of Management Science

School of Business

University of Nairobi

ACKNOWLEDGEMENTS

I would like to acknowledge the following persons whose contributions facilitated the completion of the project: First and foremost, God for the wisdom, blessings and strength. My parents Carcn Kiaye and George Yienya for making me who I am. My siblings: Okebc. Aganyo, Anano. Judy. Suzy. Toto and Tuda for believing in me. My supervisor. Dr. Owino Okwiri, for the wonderful guidance and advice: NBK stall" for their positive understanding and support. Lastly, great pool of people vsho one way or another contributed to the completion of this research project.

DEDICATION

To the conquerors of dreams

ABSTRACT

Retail banking traditionally offers two major categories of services namely deposits and advances. These two core banking services have been the main gauge for performance and source of profit for banks worldwide. Service system design provides a needed insight into the issues relating to the service products themselves and the effect of this service concept on suitability of a given product and its performance. The study sought to establish if the two service products can be classified into one category and if common service design in many retail banks can be justified.

In survey of several branches of one bank, the study finds that two core bank service products ought to be treated differently when decision on service design are being made. While deposits appear to fall within the classification of maintenance interactive services, advances services can be more appropriately grouped as task interactive services. The study also establishes a relation between service concept location and performance of both service products, the study concludes that the two products require different service delivery systems and hence optimization failure would be expected if a common service concept is designed for them as is commonly the case.

ABBREVIATIONS AND ACRONYMS

CBK - Central Bank of Kenya

NBK - National Bank of Kenya

IMF - International Monetary Fund

UK - United Kingdom

S.D - Standard Deviation

TABLE OF CONTENTS

| | |
|---|------------|
| DECLARATION | i |
| ACKNOWLEDGEMENT | ii |
| DEDICATION | iii |
| ABSTRACT | iv |
| ABBREVIATION AND ACRONYMS | v |
| LIST OF TABLES | ix |
| LIST OF FIGURES | x |
| CHAPTER ONE: INTRODUCTION | |
| 1.1 Introduction..... | 1 |
| 1.1.1 Service Operations..... | 1 |
| 1.1.2 Service Classification..... | 2 |
| 1.1.3 Service Concept..... | 3 |
| 1.1.4 Service System Design..... | 4 |
| 1.1.5 Location of service concept and classification..... | 5 |
| 1.1.6 Performance in the Banking Sector..... | 7 |
| 1.1.7 Banking sector in Kenya..... | 8 |
| 1.1.8 National Bank of Kenya..... | 9 |
| 1.2 Research Problem..... | 10 |
| 1.3 Objective | 11 |
| 1.4 Value of the Study..... | 11 |

CHAPTER TWO: LITERATURE REVIEW

| | |
|--|----|
| 2.1 Introduction..... | 12 |
| 2.2 Service classification..... | 12 |
| 2.3 Organizational Performance..... | 14 |
| 2.4 Service Concept and Performance..... | 14 |
| 2.5 Summary of the findings of reviewed literature and conceptual framework..... | 16 |

CHAPTER THREE: RESEARCH METHODOLOGY

| | |
|--------------------------|----|
| 3.1 Introduction..... | 18 |
| 3.2 Research design..... | 18 |
| 3.3 Population..... | 19 |
| 3.4 Data collection..... | 19 |
| 3.5 Data analysis..... | 20 |

CHAPTER FOUR: FINDINGS, ANALYSIS AND DISCUSSION

| | |
|--|----|
| 4.1 Introduction..... | 22 |
| 4.2 Classification of Deposits and Advances..... | 22 |
| 4.2.1 Current Classification of Deposits and Advances..... | 25 |
| 4.3 Service Concept Location..... | 26 |
| 4.3.1 Current Branch Service system design..... | 31 |
| 4.4 Performance of Deposits and Advances..... | 32 |
| 4.5 Location of service concept and performance..... | 35 |

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

| | |
|-----------------------|----|
| 6.1 Introduction..... | 37 |
|-----------------------|----|

| | |
|--|-----------|
| 6.2 Summary..... | 37 |
| 6.3 Conclusion..... | 38 |
| 6.4 Recommendation..... | 38 |
| 6.5 Limitations of the study..... | 39 |
| 6.6 Suggestions for Future research..... | 39 |
| REFERENCES..... | 40 |
| APPENDIX 1: QUESTIONNAIRE..... | 43 |

LIST OF TABLES

| | |
|--|----|
| Table 2.1 Summary of reviewed literature | 15 |
| Table 4.2.1 Classification results of Deposit services by NBK Branches | 22 |
| Table 4.2.2 Classification results of Advance services by NBK Branches | 24 |
| Table 4.3.1 Results of Service Concept location of Deposit services by NBK branches.... | 27 |
| Table 4.3.2 Results of Service Concept location of Advance services by NBK branches...28 | |
| Table 4.3.3 Summary of service concept location | 30 |
| Table 4.4.1 Results of NBK branch performances in Deposits and Advances..... | 33 |
| Table 4.4.2 Deposits Performance | 34 |
| Table 4.4.3 Advances Performance | 34 |

LIST OF FIGURES

Figure 1.1 Service Triangle

Figure 1.2 Maistefs and Lovelock Services (1982) Classification Matrix

Figure 2.1 Conceptual Framework.

CHAPTER ONE: INTRODUCTION

1.1 Introduction

Operations constitute organizations' on-going or daily activities. Operations management is defined as the design, operations and improvement of all activities directly related to the creation of goods and/or services through the transformation of inputs into output of higher value. Value creation is through transformation of inputs to outputs useful to other people or processes. While transformation in manufacturing operations is physical, varying types of transformation are involved in service operations and these include location-transportation, exchange-retailing, storage-warehousing, physiological-healthcare and information-telecommunications.

1.1.1 Service Operations

Service is an economic activity in which the output is neither a product nor construction. Services are generally classified according to the degree of intangibility, customer contact, simultaneity, heterogeneity, time perishability, demand fluctuation, service customization, labor intensity, whether they are towards people or objects. Although all services are intangible which means there is no physical output, there is variability in the degree of intangibility. While some of the services like hair dressing, entertainment, legal services are 100% intangible, some have some elements of tangibility like car hire where the car is tangible but lack of transfer of ownership creates intangibility.

Pride and Ferrell (2010) while discussing service characteristics suggest that services vary in the level of customer contact which is the level of customer interaction between the customer and the service provider. Based on the extent of contact with the customer. Chase (1981) groups services into high-contact or 'pure' services, low-contact services or "quasi-manufacturing" and "mixed" services. Customer contact can be high as witnessed in services with higher customer presence like in hair

hairdressing, low as experienced in travel reservations, tax preparation or mixed as experienced in banking services where different services products require absence or presence of customers.

Another characteristic of service is simultaneity. Simultaneity refers to when the services are rendered and consumed during the same period of time. The degree of simultaneity varies within services and is dependent on the service place. A higher degree of simultaneity, by definition, requires a higher degree of interaction between the producer and the customer (Hirsch, 1993). Services like entertainment, hairdressing are produced and consumed almost immediately creating a high simultaneity. However, legal services are spread over indefinite periods and thus have low simultaneity.

1.1.2 Service Classification

These characteristics have impact in management of service operations as they result in the need to emphasize different aspects. They have given rise to bases for classifying services. External factors like social factors, simultaneity, customer involvement causes variability in service quality which results in heterogeneity of services. This is supported by Zeithaml, Parasuraman and Berry (1985) who asserts that heterogeneity reflects the potential for high variability in service delivery. Another characteristic that classifies services, perishability, refer to services not being able to be stored and carried forward to another time period (Donnelly 1976 and Zeithaml et al., 1985). An example is of an unused capacity in the banking halls which cannot be stored to be used on another day as a result of simultaneity and intangibility of their services.

Services direction, as a characteristic of services, can classify services towards object or individuals. Services like motor vehicle repair are geared towards objects while services like hair dressing, banking are towards individuals. Services are also characterized by demand fluctuation which can be caused by economic situations.

social factors, personal tastes etc. Service customization refers to the degree by which a service is standardized/customized. Preset processes are more standardized like the preset lending processes while the customized processes are more diagnostic like a surgeon's services.

The generic models for classifications of services are based on the general characteristics discussed. Mills and Margulies (1980) classified services into three dimensions based on the types of customer interactions namely: maintenance interaction, task interaction and personal interaction. Maisters and Lovelock (1982) framework involves the degree of standardization or customization of processes and degree of customer contact which included high, low and mixed customer contact.

It has been suggested that these characteristics and variations that bring about these classifications need to be considered while designing a service delivery system. Such design is built around a service concept that ensures what the service needs to produce for both the customer and the service provider is aligned

1.1.3 Service Concept

The term service concept has been defined by numerous researchers among them Johnston and Clark (2001) who define service concept as the service operations, service experience, service outcome and the value of the service. Service operation referring to the way the service is delivered to the customer by the service provider. Service experience on the other hand entails the direct experience of the customer with the service. While service outcome outlines the benefits and results derived by the customer from the service, value of service refer to the benefits the consumer perceives as inherent in the service weighed against the service cost.

According to Goldstein, Johnston, Duffy and Rao (2002), service concept is useful at the operational level during service design planning and during designing and enhancing service encounter interactions. These are achievable since service concept

defines the "what" and the "how" of the service design, further, service concept enhances interactions between the customer and the service provider by linking customer needs and organizational intent.

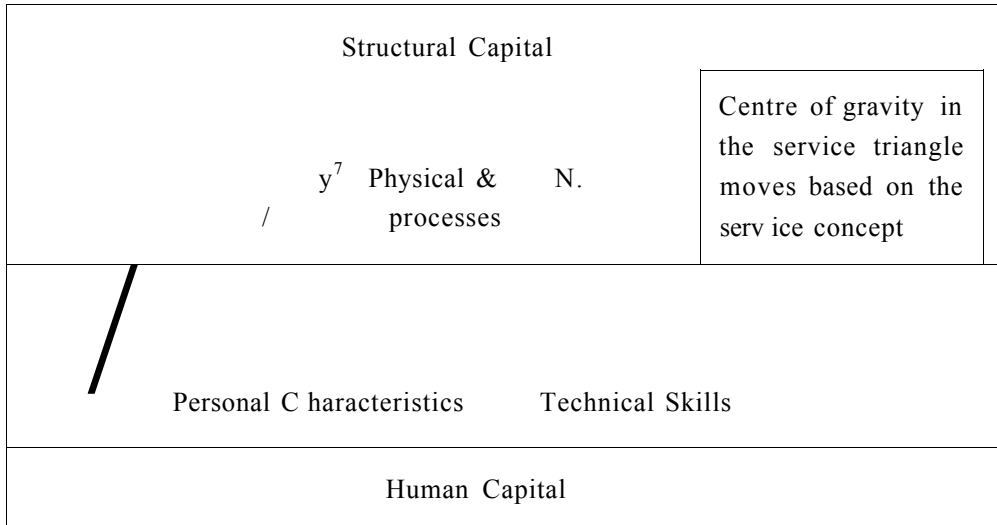
An organization thus has to define its service concept necessary at the strategic level of planning and also define how useful the service concept is at the operational level particularly in integrating service strategy into the service delivery system and in determining appropriate performance measures for evaluating service design. Using the service concept to drive these design decision helps managers to be consistent and competitive in their service design.

1.1.4 Service System Design

In designing a service, the Operations manager has specific components to vary and configure. These are physical and processes component which constitutes the structural capital while the technical skills and personal characteristics components both constituting the human capital (Mills & Margulies, 19X0). Haywood-Farmer (1988) has conceived the concept of a service triangle for representing these components as illustrated in Figure 1.1.

Service design locates this concept in the space in triangle bordered by the three components. The suggestion is that a service concept could be placed closer to structural capital by investing more on the physical and processes components. Alternatively, service concept could also be placed closer to human capital by investing in the personal characteristics. Investing in technical skills component requires placing the service concept closer to the human capital.

Figure 1.1 Service Triangle



Source: Laywood & Farmer (1988) service triangle model.

Operations manager can also design a service according to Maislers and Lovelock (1982) framework. The suggestion here is that service concept should be placed depending on the degree of standardization and the level of customer contact. The relationship between these concepts and the key skills needed to locate the service is illustrated in figure 1.2.

Figure 1.2 Maister's and Lovelock Services (1982) Classification Matrix

| | Standardized Process | Customized Process |
|--------------|--|---|
| High Contact | <i>Key skills:</i> User friendliness. Preset process | <i>Key skills:</i> real time diagnosis of complex, ill-specified problems |
| Low Contact | <i>Key skills:</i> supervision, low cost delivery system | <i>Key skills:</i> creativity and innovative solutions |

Source: Maister's and Lovelock (1982) Services Classification Matrix, pp. 19.

1.1.5 Location of service concept and service classification

How services differ has been explained in section 1.1.1, and how different components that entail service design are configured to make the service concept is

explained in section 1.1.3. These configurations could probably be brought about by the managerial and organizational context. It has however been suggested that, for strategic success, this configuration should be dictated by the nature of services being offered. The differing service offers can be explained by the generic service classification by Mills and Margulies (1980) and Maisters and Lovelock (1982) frameworks.

In Mills and Margulies (1980) framework, maintenance interactive service product has short and standardized interaction, the information transmitted by the customer is important, customer has knowledge on what he/she wants, judgment by service provider are of simple nature and the interface is highly interchangeable which requires locating the service concept at the physical and processes component. When service interactions are characterized by long durations of service, extensive information flow from customer, customer's information not being critical to value creation, complex decisions by service provider and power disparity in favor of service provider, the service is a task interactive services which should be located at the technical skills component. Alternatively, personal interactive service product is characterized by an interaction that is a process, customer information is confidential. Type of decisions by service provider are judgmental and task requires novel solutions which requires location of the service concept at the personal characteristics.

The service concept location chosen by the operations manager has an effect on variety of management decisions affecting an organization namely: competitive positioning, market segmentation and focus, location transferability, customer loyalty and centralization /decentralization. Johnston (1998) states that there is growing awareness of the importance of linking business drivers such as leadership, customer orientation and more operational issues such as benchmarking, quality control and service design, with their impact on business performance.

As a service sector, banking industry would be expected to be subject to these concepts. Management decisions are the pillars for investment in organizations. The banking sector in Kenya provides useful context for studying theoretical propositions suggested above. The issues are investigated under National Bank of Kenya.

1.1.6 Performance in the Banking Sector

Organization consists of various components including physical, human, informational and financial resources that are combined to achieve certain objectives. Business organizations are primarily formed for the sake of profit by performing legal activities. Banking is also one of the business organizations that offer a large number of products and services for profit. Banks, like other organizations, try to enhance their performance and those of individuals for overall improvement of the whole organization. Drivers to performance in banks are efficiency and effectiveness and can be evaluated by comparing with set objectives or competitors.

The banking industry uses a range of performance measures. These include* profitability, quality, design of products, liquidity, management performance, market share, productivity, innovation, human resources and sales volume can evaluate any bank. Each organization would select a measure that is consistent with its strategic objective. According to IMF and World Bank (2005) report, financial indicators like return on assets, return on equity, return on investment, earnings per share are used by number of banks to measure their progress. Return on assets measures efficiency of management in using its assets to generate earnings while return on equity measures profits generated from shareholders' investment.

Bank's performance reflects an organization's understanding and knowledge regarding customer needs and expectations. Adeoye and Olukemi (2012) in their study on Islamic banking practices find that there is a positive correlation between performance of the bank and customer satisfaction.

1.1.7 Banking Sector in Kenya

Banks receive deposits, give advances, provide checking services, invest in securities, discount notes besides offering other financial services. Consumers of banking services are individuals, businesses and governments. As at 2012, the Kenyan banking sector comprised of 43 banks, 1 mortgage finance company and 123 foreign exchange bureaus (CBK, 2011). In terms of business activities, Kenyan banks reported deposits totaling Kshs. 1.24 trillion in 2010 (CBK, 2010). According to CBK (2010) report, advances given out in the same year totaled Kshs. 914 billion with profit before tax of Kshs. 74.3 billion being realized. While deposits account for most of the money supply in use today, advances are a bank's primary asset category and when advances and deposits quality becomes suspect, the foundation of a bank is shaken to the core

Deposit services are offered by banks to all its customers. Banks maximize their profits through a variety of deposit services like checking services, savings services, fixed deposits, charging ledger fees and earning fees and commissions on cash/cheque/internet withdrawals and money transfers. More deposits ensure availability of funds for advances to customers, expansion of operations and scope of financial intermediation (CBK, 2010) which also drive profit maximization. With limited customer interaction involved in deposit transactions, the key to retain customers is to give them value through time efficiency, low stress level to the customer during service offering and efficient payment facilitations. Economic situation, confidence in economy by individuals, social factors can affect the growth momentum of deposits volumes.

The types of bank advances are secured loans, unsecured loans, overdrafts and credit facilities. Banks advance loans to businesses community and other members of the public. The rate charged on advances is higher than the deposit rates, with the difference being the profit. Rates charged increase with increase in the level of risks

involved. The more the advances, the higher the profitability since the banks realize income from interests, fees and commissions for advances. However, Kenyan banks experience the challenge of nonperforming advances which constituted 6% of the total advances in 2010 (CBK, 2010) and less borrowings from customers which in turn reduces bank's profitability. Mistakes in loan issuance, bad debts, poor training of advances personnel and regional challenges are the main issues affecting advances.

1.1.8 National Bank of Kenya (NBK)

According to CBK (2010), National Bank of Kenya is grouped as a medium bank based on deposits volume which is about Kshs. 47.X billion of the entire banking industry's Kshs. 1.24 trillion, with advances of about Kshs. 20.8 billion of the sector total of 914 billion advances. With a profit before tax of Kshs. 2.7 billion (NBK, 2010), the bank's profitability performance as a percentage of its advances comes up at about 13 % which fares much better than the industry average percentage of 8 %. However, the profitability performance to deposits ratio of the bank falls slightly less than the industry average during the same year. NBK reported a better Return on Assets of 4.49% against the banking sector's 3.6%. However, NBK's Return on Equity slightly lower at 27.17 % against the sector's 28.2%.

National Bank of Kenya has 50 branches spread within the country with a customer base of 449,798 as at end of 2010 (NBK Annual Reports, 2011). NBK branches are managed by the General Manager - Operations. Branch performance is measured by setting performance targets according to performance history, location consideration and economic situation of each branch. General Key Performance areas are financial performance, marketing and business growth, operational controls, customer service and people management with each area having varying performance indicators. While financial performance ensures profitability and maximum shareholder value, business growth and operational control ensures increase in volume of business and market

share and customer service and people management ensures efficient service delivery in order to achieve customer satisfaction, loyalty and retention.

Number of new accounts, deposits volume and advances volume are performance indicators for business growth in National bank of Kenya. Key issues in bank's operations include how to increase the deposits and advances, retain deposit and advances clients for longer periods and speed up operations. This would entail maximizing the customer experience in the delivery of both products and more effective and efficient value enhancement. But of equal importance is the maintenance of consistency across the different outlet branches. This should be despite the branch managers having freedom in infrastructure design and staff deployment at different interface point. Outcome of these are differences in setup and service delivery design from branch to branch.

1.2 Research Problem

Retail banking traditionally offers two major categories of services; deposits and advances. While the core requirements for deposit services are efficiency at the interface, timeliness in delivery of services and smoothness of contact, key issues in advances would appear to be good diagnosis, good advisory skills and risk avoidance in credit system. Non-performing loans are known to not only affect profitability but has an effect on the survival of the bank.

These issues have often been studied at business sector level. However, in depth studies that extend to organizations and configurations are limited. Goldstein et al. (2002) established the role of service concept in service design and development, Johnston (1998) study on service operations management: return to roots, linked operational performance to business drivers, service design and operational improvement. In Kenya. Mathara (2007) established ways in which bank respond to non performing loans in a case study set in one of the major retail banks. Recently,

Mulci (2008) study found that deposits rate and advances rates had a positive correlation with deposits, advances and risk free rate.

A study focused on service system design provides a needed insight into the issue relating to the products themselves and the effect of this service concept on suitability of a given product. The study fills this gap by examining these issues in the context of one retail bank in Kenya - National Bank of Kenya. It seeks to get answers to this question: is the variability observed in performance of the branches of the bank due to difference in the service concept?

1.3 Objectives

To answer the research question, the research sought to achieve the following objectives:

1. To determine the service concept location in the different branches of National Bank of Kenya.
2. To determine the relation between service concept location and performance among the branches of National Bank of Kenya.

1.4 Value of the Study

The findings of this study are of interest to a number of target groups. Managers of retail banks will find the knowledge and lesson learnt useful in strategy formulation. The findings will improve the decisions managers must make on service configurations.

The study also provides scholars and academicians with important reference material from which to place future studies in the area of operations management and service operations in particular. The study provides important basis to test service concept service characteristics relationship theories.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In this chapter, literature reporting studies on service operations is reviewed. The issues involved can be determined in terms of how the classification can influence profitability and how the service concept in place can influence that profitability. The literature is therefore reviewed in three streams; first, a review of how classification determines the location of the service concept. Then the literature on organizational performance. Finally, how the location of the service concept influences performance.

2.2 Service Classification

A study by Becker, Bottcher and Klinger (2011) finds that service characteristics and classifications act as a foundation in structuring the service concept. The study reviews existing approaches and systemizes service classifications with the objective of analyzing services and systemizing classifications. A conceptual discussion approach is taken so as to gain insights on services and classifying them according to different characteristics.

The study categorizes these characteristics into four: customer interface characteristics, process characteristics, outcome characteristics and miscellaneous characteristics. Customer interface characteristic describes the interaction between the service providers and customers during the provision of service. This enables analysis of activities conducted and customer's decisions and participation. According to Becker et al. (2011), customer interface characteristics vary depending on the degree of customer contact, relationship between customer and provider, customer interface activities and variety of customer demands. This variation, the study suggests, causes uncertainty in terms of quality, processes and costs.

In contrast, Becker et al. (2011) suggests process characteristics focus on the viewpoint of the service provider and thus it's not usually transparent to the customers. The researchers suggest customers would not usually realize these characteristics. Key variables in this characteristics category include degree of flexibility, workload, complexity of service and degree of routine work and technology use.

A third category in Becker et al. (2011)'s model is the outcome characteristic which describes results of service provision i.e. services from the customer's viewpoint. Under this category, key variables are the level of materiality of services, variety of services, customization level and varying services recipients. Lastly, the study establishes a miscellaneous characteristics which classifies services according to goal incongruence referring to customer and provider pursuing different objectives and performance ambiguity which is a result of difficulty in accessing value of service.

A study by Biittgen and Ales (2010) suggests that services can be classified according to the impact and importance of customer participation on the production and delivery. They argue that services can be classified by the extent of customer participation, service provider's uncertainty and the consequences for the service provider. The study concludes that the primary consequence of customer participation for service providers is increased uncertainty, especially due to the varying characteristic and behavior of customers. These arguments are consistent with the findings of Becker et al. (2011).

Becker et al. (2011) and Biittgen and Ates (2010) are both conceptual papers and an empirical study would help strengthen the knowledge by examining the issues through observation. With these studies explaining the dynamics of service operations, they have not made suggestions on possible responses to the situation. The study examines one potential response - variation in the service concept.

2.3 Organizational Performance

A study by Richard. Devinney, Yip and Johnson (2010) reviewed the contexts that frame organizational performance as a dependent variable with specific emphasis on how it is operationalized and measured. According to the study, organizational performance comprises three specific areas of firms' outcomes namely: the financial performance, market performance and shareholder return.

Organizational effectiveness on the other hand captures organizational performance, effective internal operations and external measures. Due to dimensionality in measurement of performance, Richard et al. (2010) argue that measurement requires; weighing the relevance of performance to stakeholders, taking into account heterogeneity of environments, strategies and practices and understanding of time series of organization activity to performance.

The study identifies different measures of organizational performance namely subjective, objective and quasi-objective measures. The most common and readily available subjective measures enquire from well informed workers about the performance of organizational. Objective measures involve assessments of more specific dimensions like accounting or financial measures thereby minimizing scope for biasness. Lastly, quasi-objective measures employ self-report techniques. Contexts and time influence the specific performance measures. Richard et al. (2010) identifies the need to use combinations of subjective, objective and quasi-objective measures that best capture performance.

2.4 Service Concept and Performance

A study by Goldstein et al. (2002) proposes that defining of the service concept is critical before and during design and development of services. The study concludes that service concept acts as the driver of the many decisions a firm makes during the design of the services. The argument is that the service concept and related goals or

specifications should be used as the basis for the foundation of appropriate performance measures for the service.

A study by Frei and Marker (2001) analyzes approaches for designing and managing key service delivery processes. The conceptual research suggests design of service plays a key role in the overall competitiveness of modern organization. The study mentions that in services, and in particular in banking, the process orientation deals directly with customer interaction with the organization. The study suggests that designing service delivery channels from the perspective of customer interaction leads to better performance through improved ability to anticipate the changes in customer behavior that will eventually affect their cost structure throughout all their channels.

Table 2.1 Summary of reviewed literature

| STUDY | FINDINGS | GAP/LIMITATION |
|--------------------------|--|--|
| Becker et al. (2011). | Identifies basis for classifying services. | An empirical examination to strengthen the conclusion of the concept research |
| Buttgen and Ates (2010) | Presents typology of services based on the relevance of customer participation. | Need to be tested empirically |
| Richard et al (2002). | Measurement approaches that align research contexts with organizational performance. | Need to be tested empirically |
| Goldstein et al. (2002). | A service recovery model and a service design planning model are development. | A conceptual research Can be strengthened by empirically, confirmed knowledge. |
| Frei and Marker (2001). | Approaches for designing and managing key service delivery process | A conceptual research. Can be strengthened by empirically confirmed knowledge. |

2.5 Summary of the findings of reviewed literature and Conceptual framework

Taking Becker et al. (2011) findings, it can be argued that services can have one of two positions in a quantum in four dimensions. One quantum could demand higher contact, with associated high level relationship or with variety of demand from the customers entailing a need for interface non-interchangeability. This would appear consistent with the descriptions of customer interface described by Becker et al. (2010) and customer participation described in Buttgen and Ates (2010) customer contact dimension.

The suggestion is that a service situation can have one of two values in their dimension: high customer contact or low customer contact. A high customer contact will be indicated by more customer involvement in development and provision process and a relatively high customer interface/presence while reverse in these indicators below a threshold would denote low contact.

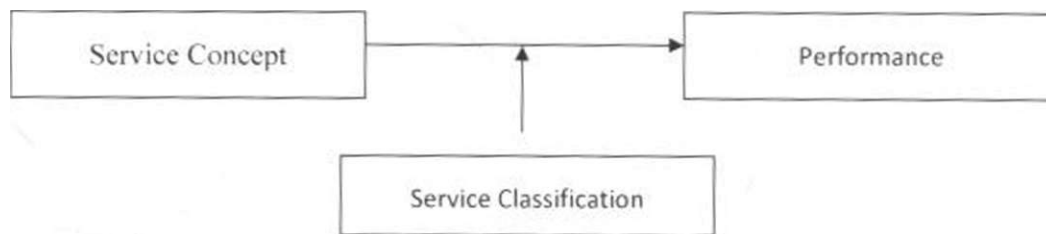
Becker et al. (2010) description of process characteristics suggests a service system evaluation in terms of the extent the process is standardized, understood and anticipated by the customer. Addition of the outcome characteristic creates a third element which describes the results of service provision. There appears to be a consensus in the studies by Goldstein et al. (2002) and Frei and Marker (2001) that meeting the needs of service customer will require different management in the delivery system depending on the characteristics as described in Becker et al. (2010) and Buttgen and Ates (2010).

These reasons lead to a conclusion that the characteristic interact with the service delivery system arrangements and in the extension, a given service process leads to customer satisfaction as a component of performance. This can be taken as conceptualized interaction between two concepts to influence what happens in a third

concept. These two concepts are service characteristic and service design as may be described in Becker et al. (2010) and Goldstein et al. (2002). The third concept would be service operational performance as described in Richard et al. (2002).

Since the service characteristic as a variable can be represented by service classification and service design can be represented by the service concept, the resulting framework can be represented by figure 2.1.

Figure 2.1 Conceptual Framework



The proposition is that appropriateness of the service concept is determined by service characteristic through service classification. As illustrated in chapter one, service concept varies in terms of configuration of the service delivery system. These are based on relative emphasis placed on the three organizational components. Two broad options exist; a service concept that largely emphasizes the structural capital is indicated by the relative importance placed on the physical and processes components of an organization. A second option is the human capital as indicated by the relative importance placed on the personal characteristic components and the technical skills component of an organization.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research approach that was used in this study. It highlights the research design adopted and why it was appropriate. This is followed by an explanation of the population that was targeted and the sample design. Further, tools and techniques that were used for data collection are discussed. Finally, how data collected was analyzed and presented is described.

3.2 Research Design

The key issue in this study was to determine how deposit and advance services, under a case of National bank of Kenya, can be classified in terms of Mills and Margulies (1980) classification framework. To clarify this issue, decision was to be made as to whether to use empirical research or conceptual research. Empirical research was used in this study as it is based on evidence gathered from real life experiences and observations. This research involved getting data from the branches and need for observation was limited to the fact that it is a study of what happens.

The research could either be a longitudinal study or cross sectional study. Due to time limitations, cross sectional study was considered appropriate based on Geoff and Judy (2004) view that cross-sectional studies collect data only once and in one short period unlike longitudinal studies that collect data from the same sample of people on more than one occasion over a period of time.

Another decision point was whether to use single case research or large sample statistics. The study used large sample statistics. As Coppedge (2002) points out, large sample statistics is relatively general; both in its aspirations and in its empirical grounding, than small-sample research and also has the advantage of making at least some assumptions that are empirically supported.

3.3 Population

The unit of analysis for the research was branches. The population comprised of all the branches of National Bank. This bank was chosen because it is a government owned organization and it's listed for privatization. Another reason for the appropriateness of the bank as a context to study the issues was the organization. Despite the bank products being common, each branch is treated independently and branch managers have the freedom in determining their service delivery design.

A census was used because the branches are only 50. Kothari (2000) suggests that when studying few units of interest a census should be carried out. To ensure no other factor is at play, branches which had been in existence for less than 5 years were excluded. This left 35 branches to be surveyed. Purposive sampling was used and managers of each branch filled the questionnaire, this was because of the nature of the banking industry which is heavily regulated.

3.4 Data Collection

For this study, two types of data were available. Primary data was obtained by using a questionnaire with structured questions. Choice of questionnaire as a research instrument was informed by the considerable ease and advantages of administration (Blumberg, Cooper & Schindler, 2008). The questionnaire was administered to the 35 branch manager through email and collected through normal inter-bank mailing system. This was reliable and made it easy for collection. 100% response was observed.

The questionnaire collected data on service categorization based on Mills and Margulies (1980) classification framework. Indicators of service classification were based on attitudinal data collected from staff which included extent of interactions, importance of information, nature of decisions and judgments by staff. Indicators of service concept on the other hand were attitudinal data collected from staff and included the emphasis the

branch placed on processes, procedures, systems, traits, staff attitudes, diagnosis and advisory skills as performance indicators.

The instrument included semantic differential scale data for measuring service classification and paired comparison questions for measuring the service concept. Performance analyzed was based on objective data from records and included historic and current performances of deposits and advances for each branch.

3.5 Data Analysis

Semantic differential and paired comparison data were converted to quantitative measures representing the relevant variables. Data collected were presented in respect to the two issues. First, service categorizing attitudinal data indicated where the deposits and advances belonged in terms of Mills and Margulies (1980) framework. Second, service categorizing attitudinal data indicated the position of the service concept branch wise.

Descriptive statistics were obtained from the data. For the first objective, mean and standard deviation of variables from each branch determined how each branch classifies deposits and advances and where they locate their service concept. For the second objective, correlation analyses were used to determine the relationship and direction between service concept location and performance.

Data collected were presented in three streams namely data on classification, service concept location and performance of the service products. Mean and standard deviation of the three different classification levels namely maintenance interactive, task interactive and personal interactive services were presented in a table form. Secondly, location of the service concept was presented in terms of mean and standard deviation of the relevant variables namely structural capital component variables, technical skills component variables and personal characteristic component variables.

Data analysis involved testing the differences of means of the classification variables and service concept location variables to establish which variable has a greater mean and significance. A correlation analysis was then performed to establish the relationship between the service concept location and performance by testing the relevant hypothesis.

CHAPTER FOUR: FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents the findings, analysis and discussions of the study set out in the research methodology. The findings, analysis and discussion give answers to the study objectives on the location of service concept within the branches of NBK and the relationship between the service concept and performance.

4.2 Classification of Deposits and Advances.

Section A of the questionnaire contained questions on how deposits and advances are classified by the different branches of National Bank of Kenya. The questions involved the indicators of service classification as identified by Mills and Margulies (1980) framework. Respondents were supposed to rate the factors on a five point semantic differential scale. Table 4.2.1 and 4.2.2 summarize the results.

Table 4.2.1 Classification results of Deposit services by NBK Branches

| n | Branch Code | Maintenance Interactive variables | | Task Interactive variables | | Personal interactive variables | |
|-----|-------------|-----------------------------------|-------|----------------------------|-------|--------------------------------|-------|
| | | Mean | S.D | Mean | S.I) | Mean | S.D |
| 1. | 002 | 4.6 | 0.548 | 1.4 | 0.548 | 2 | 1.732 |
| 2. | 003 | 5 | 0 | 1 | 0 | 1.4 | 0.894 |
| 3. | 004 | 4.6 | 0.548 | 1.4 | 0.548 | 1.6 | 1.342 |
| 4. | 005 | 4.2 | 0.447 | 1.8 | 0.447 | 2 | 1.225 |
| 5. | 006 | 4.6 | 0.548 | 1.4 | 0.548 | 2 | 1.732 |
| 6. | 007 | 4.6 | 0.548 | 1.4 | 0.548 | 2.2 | 1.789 |
| 7. | 008 | 4.6 | 0.548 | 1.4 | 0.548 | 2.4 | 1.673 |
| 8. | 009 | 4.6 | 0.548 | 1.4 | 0.548 | 2 | 1.732 |
| 9. | 010 | 4.6 | 0.548 | 1.4 | 0.548 | 2.4 | 1.673 |
| 10. | 1)12 | 4.6 | 0.548 | 1.4 | 0.548 | 2.4 | 1.673 |
| 11. | 013 | 4.6 | 0.548 | 1.4 | 0.548 | 2 | 1.732 |
| 12. | 015 | 3.4 | 0.894 | 2.6 | 0.894 | 2.2 | 1.095 |

| | | Maintenance | | Task Interactive | | Personal interactive | |
|-------|-------------|-----------------------|-------|------------------|-------|----------------------|-------|
| # | Branch Code | Interactive variables | | variables | | variables | |
| | | Mean | S.D | Mean | S.D | Mean | S.D |
| 13. | 016 | 4.2 | 0.447 | 1.8 | 0.447 | 2.6 | 1.342 |
| 14. | 017 | 4.2 | 0.447 | 1.8 | 0.447 | 2.6 | 1.342 |
| 15. | 018 | 4.2 | 0.447 | 1.8 | 0.447 | 2.2 | 1.095 |
| 16. | 019 | 4.8 | 0.447 | 1.2 | 0.447 | 1.6 | 1.342 |
| 17. | 020 | 4.8 | 0.447 | 1.2 | 0.447 | 1.8 | 1.789 |
| 18. | 021 | 4.2 | 0.447 | 1.8 | 0.447 | 2.4 | 1.14 |
| 19. | 022 | 4.6 | 0.548 | 1.4 | 0.548 | 1.6 | 1.342 |
| 20. | 023 | 4.2 | 0.447 | 1.8 | 0.447 | 2.4 | 1.14 |
| 21. | 025 | 5 | 0 | 1 | 0 | 1.8 | 1.789 |
| 22. | 026 | 4.2 | 0.447 | 1.8 | 0.447 | 2.4 | 1.14 |
| 23. | 027 | 4.6 | 0.548 | 1.4 | 0.548 | 2 | 1.732 |
| 24. | 028 | 4.6 | 0.548 | 1.4 | 0.548 | 2 | 1.732 |
| 25. | 029 | 4.2 | 0.447 | 1.8 | 0.447 | 2 | 1.225 |
| 26. | 030 | 4.2 | 0.447 | 1.8 | 0.447 | 2.2 | 1.095 |
| 27. | 032 | 4.6 | 0.548 | 1.4 | 0.548 | 2 | 1.732 |
| 28. | 036 | 4.2 | 0.447 | 1.8 | 0.447 | 2.4 | 1.14 |
| 29. | 038 | 3.4 | 0.894 | 2.6 | 0.894 | 2.2 | 1.095 |
| 30. | 039 | 4.2 | 0.447 | 1.8 | 0.447 | 2.2 | 1.095 |
| 31. | 040 | 4.6 | 0.548 | 1.4 | 0.548 | 1.8 | 1.789 |
| 32. | 042 | 3.4 | 0.894 | 2.6 | 0.894 | 2.2 | 1.095 |
| 33. | 043 | 4.2 | 0.447 | 1.8 | 0.447 | 2 | 1.225 |
| 34. | 045 | 4.6 | 0.548 | 1.4 | 0.548 | 2 | 1.732 |
| 35. | 050 | 4.6 | 0.548 | 1.4 | 0.548 | 1.8 | 1.789 |
| MfcAN | | 4.40 | | 1.61 | | | 2.08 |
| S.D | | 0.39 | | 0.39 | | | 0.29 |

The stud> revealed that in offering Deposit Services, indicators of service classification pointed to deposits being classified as maintenance interactive services by the branches. Visually, the means of maintenance interactive variables were higher

than the means of task interactive and personal interactive variables indicating the classification of deposits fall under maintenance interactive services.

Table 4.2.2 Classification results of Advance services by NBK Branches

| # | Branch Code | Maintenance | | Task Interactive | | Personal interactive | |
|-----|-------------|-----------------------|-------|------------------|-------|----------------------|-------|
| | | Interactive variables | | variables | | variables | |
| | | Mean | S.D | Mean | S.D | Mean | S.D |
| 1. | 002 | 1.2 | 0.447 | 4.8 | 0.447 | 3.4 | 1.517 |
| 2. | 003 | 1 | 0 | 5 | 0 | 3.4 | 1.517 |
| 3. | 004 | 1 | 0 | 5 | 0 | 3.4 | 1.517 |
| 4. | 005 | 1.6 | 0.548 | 4.4 | 0.548 | 2.4 | 1.517 |
| 5. | 006 | 1.2 | 0.447 | 4.8 | 0.447 | 2.6 | 1.817 |
| 6. | 007 | 1.4 | 0.548 | 4.6 | 0.548 | 2.6 | 1.517 |
| 7. | 008 | 1.2 | 0.447 | 4.8 | 0.447 | 3 | 1.414 |
| 8. | 009 | 1.2 | 0.447 | 4.8 | 0.447 | 2.4 | 1.517 |
| 9. | 010 | 1.2 | 0.447 | 4.8 | 0.447 | 2.6 | 1.817 |
| 10. | 012 | 1.6 | 0.894 | 4.4 | 0.894 | 3 | 1.414 |
| 11. | 013 | 1.4 | 0.548 | 4.6 | 0.548 | 2.4 | 1.517 |
| 12. | 015 | 1.2 | 0.447 | 4.8 | 0.447 | 2.2 | 1.304 |
| 13. | 016 | 1.2 | 0.447 | 4.8 | 0.447 | 3 | 1.414 |
| 14. | 017 | 1.8 | 0.837 | 4.2 | 0.837 | 2.8 | 1.095 |
| 15. | 018 | 1.4 | 0.548 | 4.6 | 0.548 | 3 | 1.414 |
| 16. | 019 | 1.2 | 0.447 | 4.8 | 0.447 | 3.4 | 1.517 |
| 17. | 020 | 1.2 | 0.447 | 4.8 | 0.447 | 3.4 | 1.517 |
| 18. | 021 | 1.4 | 0.548 | 4.6 | 0.548 | 2.6 | 1.517 |
| 19. | 022 | 1.2 | 0.447 | 4.8 | 0.447 | 3.4 | 1.517 |
| 20. | 023 | 1.4 | 0.548 | 4.6 | 0.548 | 2.8 | 1.789 |
| 21. | 025 | 1.2 | 0.447 | 4.8 | 0.447 | 3.4 | 1.517 |
| 22. | 026 | 1.4 | 0.548 | 4.6 | 0.548 | 2.6 | 1.817 |
| 23. | 027 | 1.4 | 0.548 | 4.6 | 0.548 | 3 | 1.414 |
| 24. | 028 | 1.4 | 0.548 | 4.6 | 0.548 | 2.6 | 1.517 |
| 25. | 029 | 1.2 | 0.447 | 4.8 | 0.447 | 3 | 1.414 |
| 26. | 030 | 1.4 | 0.548 | 4.6 | 0.548 | 3 | 1 |
| 27. | 032 | 1.4 | 0.548 | 4.6 | 0.548 | 2.6 | 1.817 |

| # | Branch Code | Maintenance | | Task Interactive | | Personal interactive | |
|------|-------------|-----------------------|-------|------------------|-------|----------------------|-------|
| | | Interactive variables | | variables | | variables | |
| | | Mean | S.D | Mean | Mean | S.D | Mean |
| 28. | 036 | 1.2 | 0.447 | 4.8 | 0.447 | 3 | 2 |
| 29. | 038 | 1.2 | 0.447 | 4.8 | 0.447 | 2.2 | 1.304 |
| 30. | 039 | 1.2 | 0.447 | 4.8 | 0.447 | 2.6 | 1.817 |
| 31. | 040 | 1.2 | 0.447 | 4.8 | 0.447 | 3.2 | 1.304 |
| 32. | 042 | 1.2 | 0.447 | 4.8 | 0.447 | 2.8 | 0.837 |
| 33. | 043 | 1.4 | 0.548 | 4.6 | 0.548 | 2.8 | 1.789 |
| 34. | 045 | 1.4 | 0.548 | 4.6 | 0.548 | 2.8 | 1.789 |
| 35. | 050 | 1.2 | 0.447 | 4.8 | 0.447 | 3.2 | 1.304 |
| MEAN | | 1.30 | | 4.70 | | | 2.87 |
| S.D | | 0.16 | | 0.16 | | | 0.36 |

The study found that indicators of service classification pointed to advances being classified as task interactive services > the branches. Visually, the means of task interactive variables were higher than the means of personal interactive variables and maintenance interactive indicating the classification of advances fall under task interactive services.

4.2.1 Current classification of Deposits and Advances

Statistical analysis was conducted to test the classification of deposits and advances in NBK. In classifying deposits, the hypothesis being tested was:

- $H_0: \mu_m < 3$ (Deposits do not belong to maintenance interactive services)
- $H_1: \mu_m > 3$ (Deposits belong to maintenance interactive services)

Where μ_m - mean of maintenance interactive variables

The lower confidence interval was 3.74 which is significantly greater than the hypothesized measuring scale mean of 3. We therefore reject the null hypothesis and conclude that deposits in National Bank of Kenya belong to maintenance interactive services.

On the other hand, in classifying advances services the hypothesis being tested was;

- H_0 : $H_i < 3$ (Advances do not belong to task interactive services)
- H_1 : $H_i > 3$ (Advances belong to task interactive services)

Where n_i = mean of task interactive variables

The lower confidence interval was 4.43 which is significantly greater than the hypothesized measuring scale mean of 3. We therefore reject the null hypothesis and conclude that deposits in National Bank of Kenya belong to maintenance interactive services.

4.3 Service Concept Location

Section B of the questionnaire contained questions on where branches locate their service concept when offering deposit and advance services. Indicators of a service concept located at the structural capital component were banks processes and procedures, bank systems and infrastructure. Indicators of service concept located at the technical skills component were advisor) skills, diagnostic skills and risk avoidance skills while indicators of service concept located at the personal characteristics component were attitude toward work and customers, individual traits and fundamental values. Questions were phrased as to how branch managers emphasize these indicators as performance indicators in the branch.

A paired comparison scale was used to determine which indicator is preferred more than the other and a count was performed to establish the number of times an indicator was preferred. Results in table 4.3.1 and table 4.3.2 summarize, in mean and standard deviation, how each branch locates the service concept of its deposits and advances.

Table 4.3.1 Results of Service Concept location of Deposit services in NBK branches

| # | Branch Code | Structural capital variables | | Technical skills variables | | Personal characteristic variables | | Emphasized concept |
|-----|----------------|---------------------------------|------|-------------------------------|------|--------------------------------------|------|-----------------------|
| | | Mean | S.D | Mean | S.I) | Mean | S.I) | |
| 1. | 002 | 5.67 | 0.58 | 0.67 | 0.58 | 2.67 | 0.58 | Structural capital |
| 2. | 003 | 6.00 | 0.00 | 0 | 0.00 | 3.00 | 0.00 | Structural capital |
| 3. | 004 | 5.33 | 0.58 | 0 | 0.00 | 3.67 | 0.58 | Structural capital |
| 4. | 005 | 4.67 | 1.53 | 0 | 0.00 | 4.33 | 0.58 | Structural capital |
| 5. | 006 | 5.33 | 1.15 | 0 | 0.00 | 3.67 | 1.15 | Structural capital |
| 6. | 007 | 6.00 | 0.00 | 0 | 0.00 | 3.00 | 1.73 | Structural capital |
| 7. | 008 | 5.33 | 0.58 | 0.33 | 0.58 | 3.33 | 0.58 | Structural capital |
| 8. | 009 | 4.33 | 0.58 | 0.67 | 0.58 | 4.00 | 1.00 | Structural capital |
| 9. | 010 | 4.67 | 0.58 | 0.33 | 0.58 | 4.00 | 1.00 | Structural capital |
| 10. | 012 | 5.33 | 0.58 | 0.33 | 0.58 | 3.33 | 0.58 | Structural capital |
| 11. | 013 | 5.00 | 1.00 | 0.67 | 0.58 | 3.33 | 1.15 | Structural capital |
| 12. | 015 | 4.00 | 0.00 | 1.33 | 1.15 | 3.67 | 1.15 | Structural capital |
| 13. | 016 | 5.00 | 0.00 | 0 | 0.00 | 4.00 | 1.00 | Structural capital |
| 14. | 017 | 4.67 | 0.58 | 0.33 | 0.58 | 4.00 | 1.00 | Structural capital |
| 15. | 018 | 5.33 | 0.58 | 0.67 | 0.58 | 3.00 | 1.00 | Structural capital |
| 16. | 019 | 6.00 | 0.00 | 0 | 0.00 | 3.00 | 1.00 | Structural capital |
| 17. | 020 | 5.33 | 1.15 | 0.67 | 0.58 | 3.00 | 1.00 | Structural capital |
| IX. | 021 | 4.33 | 0.58 | 1.67 | 0.58 | 3.00 | 1.00 | Structural capital |
| 19. | 022 | 5.67 | 0.58 | 0.33 | 0.58 | 3.00 | 0.00 | Structural capital |
| 20. | 023 | 5.67 | 0.58 | 0 | 0.00 | 3.33 | 1.15 | Structural capital |
| 21. | 025 | 6.00 | 0.00 | 0.33 | 0.58 | 2.67 | 0.58 | Structural capital |
| 22. | 026 | 4.33 | 1.15 | 1 | 0.00 | 3.67 | 0.58 | Structural capital |
| 23. | 027 | 5.67 | 0.58 | 0.33 | 0.58 | 3.00 | 1.00 | Structural capital |
| 24. | 028 | 4.67 | 0.58 | 0.33 | 0.58 | 4.00 | 1.00 | Structural capital |
| 25. | 029 | 4.33 | 1.53 | 1 | 1.00 | 3.67 | 0.58 | Structural capital |
| 26. | 030 | 4.33 | 1.15 | 0.67 | 0.58 | 4.00 | 0.00 | Structural capital |
| 27. | 032 | 6.00 | 0.00 | 0.33 | 0.58 | 2.67 | 0.58 | Structural capital |
| 28. | 036 | 5.00 | 1.00 | 0.67 | 0.58 | 3.33 | 0.58 | Structural capital |
| 29. | 038 | 4.67 | 0.58 | 0.67 | 0.58 | 3.67 | 0.58 | Structural capital |
| 30. | 039 | 5.33 | 1.15 | 1 | 1.00 | 2.67 | 0.58 | Structural capital |

| # | Branch Code | Structural capital variables | | Technical skills variables | | Personal characteristic variables | | Emphasized concept |
|--------|-------------|------------------------------|------|----------------------------|------|-----------------------------------|------|--------------------|
| | | Mean | S.D | Mean | S.D | Mean | S.D | |
| 31. | 040 | 5.33 | 1.15 | 0.67 | 0.58 | 3.00 | 1.00 | Structural capital |
| 32. | 042 | 4.33 | 0.58 | 1 | 0.00 | 3.67 | 1.15 | Structural capital |
| 33. | 043 | 4.00 | 0.00 | > | 0.00 | 3.67 | 1.53 | Structural capital |
| 34. | 045 | 6.00 | 0.00 | 0.33 | 0.58 | 2.67 | 0.58 | Structural capital |
| 35. | 050 | 5.33 | 0.58 | 0.33 | 0.58 | 3.33 | 0.58 | Structural capital |
| MF. AN | | 5.11 | | 0.53 | | 3.39 | | |
| S.I) | | 0.63 | | 0.48 | | 0.48 | | |

Structural capital component were visually observed to have the highest mean followed by personal characteristics and lastly technical skills. This indicated that in offering deposit services, structural capital components were the most emphasized performance indicator in all the branches.

Table 4.3.2 Results of Service Concept location of Advance services by NBK branches

| | Branch Code | Structural capital variables | | Technical skills variables | | Personal characteristic variables | | Emphasized concept |
|----|-------------|------------------------------|------|----------------------------|------|-----------------------------------|------|--------------------|
| | | Mean | S.D | Mean | S.D | Mean | S.D | |
| 1. | 002 | 2.67 | 0.58 | 5.33 | 0.58 | 1.00 | 0.00 | Technical Skills |
| 2. | 003 | 2.67 | 0.58 | 6.00 | 0.00 | 0.33 | 0.58 | Technical Skills |
| 3. | 004 | 3 | 0.00 | 6.00 | 0.00 | 0.00 | 0.00 | Technical Skills |
| 4. | 005 | 3.33 | 2.08 | 5.33 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 5. | 006 | 3.33 | 0.58 | 5.00 | 1.00 | 0.67 | 0.58 | Technical Skills |
| 6. | 007 | 4 | 1.00 | 4.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 7. | 008 | 3 | 1.00 | 5.00 | 1.00 | 1.00 | 0.00 | Technical Skills |
| 8. | 009 | 3.33 | 2.08 | 4.67 | 1.15 | 1.00 | 1.00 | Technical Skills |
| 9. | 010 | 3 | 1.00 | 5.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 10 | 012 | 4 | 1.00 | 4.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 11 | 013 | 3.33 | 0.58 | 5.33 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 12 | 015 | 3.67 | 0.58 | 3.33 | 1.15 | 2.00 | 0.00 | Technical Skills |
| 13 | 016 | 3.33 | 0.58 | 3.33 | 1.53 | 2.33 | 0.58 | Technical Skills |

| | Branch Code | Structural capital variables | | Technical skills variables | | Personal characteristic variables | | Emphasized concept |
|------|----------------|---------------------------------|------|-------------------------------|------|--------------------------------------|------|-----------------------|
| | | Mean | S.D | Mean | | Mean | | |
| 14 | 017 | 3.67 | 1.53 | 5.33 | 0.58 | 0.00 | 0.00 | Technical Skills |
| 15 | 018 | 3.67 | 2.31 | 5.33 | 0.58 | 0.00 | 0.00 | Technical Skills |
| 16 | 019 | 3 | 1.00 | 5.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 17 | 020 | 3 | 1.00 | 5.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 18 | 021 | 3 | 1.00 | 5.00 | 1.00 | 1.00 | 0.00 | Technical Skills |
| 19 | 022 | 2.67 | 0.58 | 5.33 | 0.58 | 1.00 | 0.00 | Technical Skills |
| 20 | 023 | 3 | 0.00 | 4.67 | 0.58 | 1.33 | 0.58 | Technical Skills |
| 21 | 025 | 3 | 0.00 | 6.00 | 0.00 | 0.00 | 0.00 | Technical Skills |
| 22 | 026 | 3 | 1.00 | 5.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 23 | 027 | 3.67 | 0.58 | 5.00 | 1.00 | 0.33 | 0.58 | Technical Skills |
| 24 | 028 | 3.67 | | 4.67 | 0.58 | 0.67 | 0.58 | Technical Skills |
| 25 | 029 | 3 | 1.00 | 5.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 26 | 030 | 3 | 0.00 | 5.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 27 | 032 | 4 | 1.00 | 4.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| 28 | 036 | 2.67 | 0.58 | 4.33 | 0.58 | 2.00 | 1.00 | Technical Skills |
| 29 | 03X | 3 | 0.00 | 3.33 | 0.58 | 2.67 | 1.53 | Technical Skills |
| 30 | 039 | 3.33 | 0.58 | 3.33 | 0.58 | 2.33 | 0.58 | Technical Skills |
| 31 | 040 | 2.67 | 0.58 | 5.67 | 0.58 | 0.67 | 0.58 | Technical Skills |
| 32 | 042 | 3.67 | 1.15 | 3.33 | 0.58 | 2.00 | 0.00 | Technical Skills |
| 33 | 043 | 3.33 | 0.58 | 4.67 | 1.53 | 1.00 | 0.00 | Technical Skills |
| 34 | 045 | 3 | 0.00 | 3.67 | 2.08 | 2.33 | 0.58 | Technical Skills |
| 35 | 050 | 3 | 1.00 | 5.67 | 0.58 | 0.33 | 0.58 | Technical Skills |
| MEAN | | 3.22 | | 4.93 | | 0.85 | | |
| S.D | | 0.40 | | 0.84 | | 0.79 | | |

Technical skills component were visually observed to have the highest mean followed by structural capital and lastly personal characteristics. This indicated that in offering advance services, technical skills components were the most emphasized performance indicators by all the branches. Table 4.3.3 illustrates further the mean of the different concepts.

Table 4.3.3 Summary of service concept location

| <i>n</i> | Service Concept Location | DHPOSITS | | ADVANCES | |
|----------|--------------------------------------|------------------------------------|----------------------------------|----------|------|
| | | Mean | S.D | Mean | S.D |
| i. | Processes and Procedures | 5.54 | 0.61 | 3.40 | 0.60 |
| 2. | Branch Systems | 5.17 | 0.86 | 3.69 | 0.90 |
| 3. | Infrastructure | 4.63 | 0.91 | 2.57 | 0.74 |
| | Aggregate Mean | 5.11 | 0.63 | 3.22 | 0.40 |
| 4. | Individual traits | 3.63 | 0.69 | 0.94 | 0.87 |
| 5. | Attitude towards staff and customers | 3.74 | 0.70 | 0.86 | 0.97 |
| 6. | Fundamental values | 2.74 | 0.85 | 0.74 | 0.89 |
| | Aggregate Mean | 3.39 | 0.48 | 0.85 | 0.79 |
| 7. | Diagnosis Skills | 0.57 | 0.65 | 4.94 | 1.14 |
| 8. | Advisory Skills | 0.29 | 0.57 | 4.66 | 1.19 |
| 9. | Risk avoidance skills | 0.74 | 0.66 | 5.20 | 0.80 |
| | Aggregate Mean | 0.53 | 0.48 | 4.93 | 0.84 |
| | Concept most emphasized | Structural capital for deposits | Technical Skills for advances | | |

In locating the service concept for deposits. Processes and procedures has the highest mean, followed by branch systems, infrastructure, attitude, individual traits, fundamental values, risk avoidance, diagnosis skills and lastly advisory skills in that order. However, in advances services, risk avoidance skills has the highest mean followed by diagnosis skills, advisory skills, branch systems, processes and procedures, infrastructures, individual traits, attitude and lastly fundamental values in that order.

4.3.1 Current Branch Service system design

Statistical analysis was conducted to test the difference between means and significance of the structural capital variables mean, technical skills variables mean and personal characteristics variables mean to determine the service concept location of both deposits and advances.

In offering deposits, a t-test was used to compare the means of structural capital (Mean= 5.11. S.D= 0.63). technical skills (Mean= 0.53. S.D= 0.48) and personal characteristics (Mean= 3.39. S.D= 0.48). The hypotheses to be tested were:

- $H_0 : \mu_s = \mu_t$ (there is no difference between mean of structural capital and technical skills)
- $H_1 : \mu_s \neq \mu_t$ (there is a difference between mean of structural capital and technical skills)

And

- $H_0 : \mu_s = \mu_p$ (there is no difference between mean of structural capital and personal characteristics)
- $H_1 : \mu_s \neq \mu_p$ (there is a difference between mean of structural capital and personal characteristics)

Where μ_s = mean of structural capital variables mean of technical skills variables
and μ_p = mean of personal characteristics variables.

The two-tailed t value for both cases is less than 0.0001. By conventional criteria, this difference is considered to be extremely statistically significant. We thus reject the null hypothesis in both cases and conclude there is a significant difference between the three mean scores at the 95% confidence level, i.e. the mean score for locating the service concept at the structural capital is significantly higher than the

mean score for locating the service concept at the technical skills and personal characteristics as visually observed in the results.

In offering advances, a t-test was used to compare the means of structural capital (Mean=3.22, S.D= 0.40), technical skills (Mean= 4.93. S.D= 0.44) and personal characteristics (Mean= 0.85. S.D= 0.79). The hypotheses to be tested were:

- $H_0 : \mu_t = \mu_s$ (there is no difference between mean of technical skills and structural capital)

$H_1 : \mu_t \neq \mu_s$ (there is a difference between mean of technical skills and structural capital)

And

- $H_0 : \mu_t = \mu_p$ (there is no difference between mean of technical skills and personal characteristics)

$H_1 : \mu_t \neq \mu_p$ (there is a difference between mean of technical skills and personal characteristics)

The two-tailed P value for both cases is less than 0.0001. By conventional criteria, this difference is considered to be extremely statistically significant. We thus reject the null hypothesis of both cases and conclude there is a significant difference between the three mean scores at the 95% confidence level, i.e. the mean score for locating the service concept at the technical skills is significantly higher than the mean score for locating the service concept at the structural capital and personal characteristics as visually observed in the results.

4.4 Performance of Deposits and Advances

The performances of deposits and advances were obtained by averaging annual achievements of each branch for the last 10 years. The bank considers a target achieved if a branch gets 100% (i.e. Performance index of 1.00) of its yearly target.

Table 4.4.1 Results of NBK branch performances in Deposits and Advances

| DEPOSITS | | | | ADVANCES | | | |
|----------|-------------|-------------------------|--------------|----------|-------------|-------------------------|--------------|
| # | Branch Code | Performance Index (P.I) | Category | # | Branch Code | Performance Index (P.I) | Category |
| 1. | 003 | 1.48 | | 1. | 004 | 1.66 | |
| 2. | 023 | 1.47 | | 2. | 025 | 1.63 | |
| 3. | 019 | 1.44 | | 3. | 029 | 1.47 | |
| 4. | 032 | 1.40 | | 4. | 040 | 1.45 | |
| 5. | 025 | 1.25 | | 5. | 050 | 1.36 | |
| 6. | 039 | 1.23 | | 6. | 030 | 1.29 | |
| 7. | 006 | 1.23 | | 7. | 020 | 1.25 | |
| 8. | 045 | 1.19 | | 8. | 023 | 1.24 | Achieved |
| 9. | 002 | 1.17 | | 9. | 026 | 1.21 | Target |
| 10. | 004 | 1.16 | Achieved | 10. | 002 | 1.20 | |
| 11. | 022 | 1.10 | Target | 11. | 022 | 1.18 | |
| 12. | 040 | 1.09 | | 12. | 010 | 1.17 | |
| 13. | 027 | 1.07 | | 13. | 013 | 1.11 | |
| 14. | 012 | 1.06 | | 14. | 005 | 1.06 | |
| 15. | 007 | 1.05 | | 15. | 019 | 1.05 | |
| 16. | 036 | 1.02 | | 16. | 003 | 1.03 | |
| 17. | 018 | 1.01 | | 17. | 032 | 0.83 | |
| 18. | 050 | 1.01 | | 18. | 028 | 0.81 | |
| 19. | 008 | 1.00 | | 19. | 007 | 0.78 | |
| 20. | 020 | 1.00 | | 20. | 043 | 0.77 | |
| 21. | 028 | 0.94 | | 21. | 027 | 0.73 | |
| 22. | 013 | 0.93 | | 22. | 006 | 0.71 | Below Target |
| 23. | 016 | 0.93 | | 23. | 012 | 0.62 | |
| 24. | 005 | 0.89 | | 24. | 009 | 0.61 | |
| 25. | 010 | 0.86 | | 25. | 021 | 0.60 | |
| 26. | 009 | 0.83 | Below Target | 26. | 008 | 0.60 | |
| 27. | 030 | 0.82 | | 27. | 018 | 0.55 | |
| 28. | 038 | 0.77 | | 28. | 017 | 0.50 | |
| 29. | 017 | 0.75 | | 29. | 036 | 0.45 | Much below |
| 30. | 042 | 0.69 | | 30. | 015 | 0.40 | Target |

| | | | | | |
|---------|------|--------|----|-----|------|
| 31, 026 | 0.69 | | 31 | 016 | 0.24 |
| 32. 021 | 0.53 | | 32 | 042 | 0.20 |
| 33 015 | 0.48 | Much | 33 | 045 | 0.19 |
| 34, 029 | 0.45 | Below | 34 | 039 | 0.14 |
| 35 043 | 0.43 | Target | 35 | 038 | 0.14 |

The study established that majority of the Bank's branches perform fairly good in deposit mobilization. This is evident by 57.1% of NBK branches which achieve targets set in deposit mobilization. While the performances of 31.4 % of the branches are below target. 11.4% of them perform much below target. This therefore gives a general 42.8% of branches which do not achieve targets which is almost half of the branches under study, table 4.4.2 depicts the analyzed performance of deposits.

Table 4.4.2 Deposits Performance

| | Frequency | Percent | Cumulative Percent |
|-----------------------|-----------|---------|--------------------|
| Valid Achieved Target | 20 | 57.1 | 57.1 |
| Below Target | 11 | 31.4 | 88.6 |
| Much below target | 4 | 11.4 | 100.0 |
| Total | 35 | 100.0 | |

Only 42.9 % of the branches have a good lending book according to the study. Majority of the branches fall below set targets in performances of advances as evident by 37.1% which are below targets while 20 % are much below target in performance. These sums up to 57.1 % of the branches not meeting targets in advances as summarized in table 4.4.3.

Table 4.4.3 Advances Performance

| | Frequency | Percent | Cumulative Percent |
|-----------------------|-----------|---------|--------------------|
| Valid Achieved Target | 16 | 42.9 | 42.9 |
| Below Target | 12 | 37.1 | 80.0 |
| Much below target | 7 | 20.0 | 100.0 |
| Total | 35 | 100.0 | |

4.5 Location of Deposit services and performance

A correlation analysis was performed to test the relation between the service concept location and performance. In offering deposits, service concept was observed to be located at the structural capital component. A correlation analysis between structural capital and performance of each branch was conducted.

Pearson Product-Moment Correlation Coefficient (r) = 0.89.

This indicates an almost perfect positive correlation indicating a positive relationship between the variables. This means that as the location of the deposit service concept at the structural capital increases so does the performance of the deposits.

On the other hand, a correlation coefficient between technical skills and performance of deposits was -0.72 while the correlation coefficient between personal characteristics and performance of deposits was -0.56. This indicates a moderate negative relationship between the two variables and performance of deposits.

Alternatively, in offering advances service concept was observed to be located at the technical skills component. A correlation analysis between technical skills and performance of each branch was conducted.

Pearson Product-Moment Correlation Coefficient (r) = 0.86.

This also indicates an almost perfect positive correlation indicating a positive relationship between the variables. This means that as the location of the advances services concept at the technical skills increases so does the performance of the deposits.

On the other hand, a correlation coefficient between structural capital and performance of advances was -0.42 while the correlation coefficient between personal characteristics and performance of advances was -0.71. This indicates a moderate negative relationship between the two variables and performance of deposits implying

that an increase in emphasis on structural capital components and personal characteristics moderately impacts the performance of advances **negatively**.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of research findings, conclusions of the study, recommendations, limitations of the study and suggestions for further research.

5.2 Summary

The objectives of the study were to determine the service concept location in the different branches of National Bank of Kenya and also determine the relation between service concept location and performance among the branches of National Bank of Kenya. The findings of the study were guided by the research objective.

According to Mills and Margulies (1983) framework, classification influences service concept location. Generally, the study identified that National Bank of Kenya's major two products, deposits and advances are classified differently according to the analyzed results. 100 % of the bank's branches classify deposits as a maintenance interactive service. Alternatively, the study found that 100% of the branches of National Bank of Kenya have their advances services classified as task interactive services.

In service concept location, the study identified that when offering deposit services structural capital had the highest mean (mean=5.11. S.D=0.63), then personal characteristics components (mean=3.39. S.D=0.48) and lastly technical skills components (mean=2.53. S.D=0.48). Branches that have higher means in structural capital were identified by the study to perform rather well as shown by the correlation analysis results.

On the other hand, the study identified technical skills components as having the highest mean when offering advance services (mean=4.93. S.D=0.84). followed by structural capital components (mean=3.22. S.D=0.40) and lastly personal characteristics components (mean=0.85. S.I)=0.79). The study observed that branches with higher mean in structural capital and technical skills perform better in deposits and advances respectively.

5.3 Conclusion

The study concludes that the National Bank of Kenya's deposits are classified as maintenance interactive while their advances are classified as task interactive services owing to their respective features observed during their daily operations. The study also concludes that in offering deposit services NBK locates the service concept at the structural capital component while when offering advance services the study established that NBK locates the service concept at the technical skills component.

Further, the study concludes that performance of deposits and advances increases with increased positioning towards the relevant service concept location. This implies that branches that strongly position their deposits and advances at the structural capital and technical skills components perform better than those choosing other alternatives as observed by the positive correlation between concept location and performance of both service products. The study thus concludes that the two products require different service delivery systems and hence optimization failure would be expected if a common service concept is designed for them as is commonly the case.

5.4 Recommendations

The bank should consider strongly designing the deposits and advances differently for the branches performing poorly to ensure stronger service concept location given the positive correlation between relevant service concept location and performance.

The study also recommends that the bank should ensure branches performing poorly should have their managers' emphasis strongly on the relevant service concept location for the services to boost performance and competitiveness.

5.5 Limitations of the Study

Data was collected from one bank, this may limit the application of this study to the entire banking industry as far as locating the service concept of deposits and advances and performance.

5.6 Suggestions for Future research

For future research, the study recommends that a similar study be carried out in other banks to establish their approach in locating the service concept of advances and deposits. The inter-banks comparison will help conclusions regarding the influence of different bank characteristics in locating their service concept and performance.

REFERENCES

- Adeoye B. and Olukemi I. (2012). "Customers Satisfaction and its Implications for Bank Performance in Nigeria". *British Journal of Arts and Social Sciences*, Vol.5 (I), pp. 1-29.
- Becker M. Bottcher M. and Klingcr S. (2011). Systemising Service Classifications. Concept paper. University of Leipzig. Retrieved from http://reser.net/materiali/priloge/slo/becker_m_el_al.pdf.
- Buttgen M. and Ates Z. (2009). "Customer participation and its effects on service organizations: An institutional economics perspective". Naples Forum on Service: Service-Dominant Logic. Service Science and Network Theory, Capri. June 16-19.
- Blumberg. B., Cooper. D. & Schindler. P. 2008, *Business research methods : second european edition*. 2nd European ed edn. McGraw-Hill, Maidenhead.
- Chase. R.B. (1981). "The Customer Contact Approach to Services: Theoretical Bases and Practical Extension." *Operations Research*, 29(4). pp. 698-706.
- CBK's (2011). Reports: [http://www.centralbank.go.ke/downloads/publications/annual-reports/cbk/annual_2010-11 .pdf](http://www.centralbank.go.ke/downloads/publications/annual-reports/cbk/annual_2010-11.pdf).
- CBK's (2010). Reports: http://www.centralbank.go.ke/downloads/publications/annual-reports/cbk/annual_2009-10.pdf.
- Coppedge (2002). "Theory Building and Hypothesis Testing: Large- vs. Small-N Research on Democratization". Working paper. Kellogg Institute. Hesburgh Center. University of Notre Dame.
- Donnelly J.H. Jr (1976). "Marketing Intermediaries in Channels of Distribution for services". *Journal of Marketing*. 40(1). pp. 55-70.

- Frei. X. F. and Marker. P.T. (2001). "Value Creation and Process Management: evidence from retail banking". Working paper. Wharton Financial Institutions Centre, the Wharton school. University of Pennsylvania(Philadelphia. PA).
- Geoff P. and Judy P. (2004). Key concepts in social research. Thousand Oak.Calif. London.
- Goldstein. S.M.. Johnston R., Duffy J. and Rao J. (2002). The service concept: the missing link in service design research? *Journal of Operations Management*, 20(2), pp. 121-134.
- I lay wood-Farmer J. (1988). A conceptual model of service quality. *International Journal Production and Operations Management*: 8(6). pp. 19-29.
- Hirsch. S. (1993). The globalization of services and service-intensive goods industries. In Y. Aharoni (Ed.). *Coalitions and Competition: The globalization of professional services* (pp. 66 78). London: Routledge.
- Johnston (1998). Service Operations management: return to roots. *International Journal of Operations & Production Management*. 19(2). pp. 104-124.
- IMF and World Bank (2005). Financial sector assessments: Retrieved from <http://www.imf.org/external/pubs/ft/fsa/eng/pdf/ch01.pdf>.
- Johnston, R. and Clark. G.. 2001. Service Operations Management. Prentice Hall. Harlow. UK.
- Kothari. C. R. (2000). *Research Methodology-*. Methods and Techniques. New Delhi: New Age International (P) Limited.
- Maister. D.H. and Lovelock. C.II.. (1982). Managing Facilitator Services. *Sloan Management Review /pre-1986*. 23(4). pp. 19.

- Mathara K. (2007). *The response of National Bank Ltd to the challenge of nonperforming Loans*. Unpublished MBA project. University of Nairobi.
- Mills P.K. Margulies N. (1980). "Toward a core typology of service organizations". *Academy Management Review*, 2:118-131.
- Mullei (2008). *The effect of liberalizing interest rate on deposit and advances*. Unpublished MBA project. University of Nairobi.
- NBK Annual Reports (2010). "2010 Annual Reports and Financial Statements- National Bank of Kenya".
- NBK Annual Reports (2011). "2011 Annual Reports and Financial Statements - National Bank of Kenya".
- Pride W. M. and Ferrell O.C. (2010). "Marketing 15 Edition", Cengage Inc. OH, U.S.A.
- Richard et al. (2010). "Measuring Organizational Performance as a Dependent Variable: Towards Methodological Best Practice". *Journal of Management*. 35(3). pp. 718-804.
- Zeithaml V.A., Parasuraman A. and Berry L.L. (1985). "Problems and Strategies in Services Marketing". *Journal of Marketing*. 49(2). 33-46.

APPENDIX 1: QUESTIONNAIRE

Branch Code:

SECTION 1: DEPOSITS SERVICES

Part A: Please answer the following questions either by circling or crossing the appropriating rating.

1. When I work on deposit services:

I take considerably short time with the customer -2 : -1 : 0 : 1 : 2 I take considerably long to provide to one customer

2. In deposit services, my interaction with the customer is:

Rather Cosmetic -2 : -1 : 0 : 1 : 2 Very Important

3. In deposit services, the information I receive from the customer is:

Limited -2 : -1 : 0 : 1 : 2 Extensive

I can still know what to do if am not given - 2 : - 1 : 0 : 1 : 2 Key to what I am to provide service for.

Is recorded for use by any service provider -2 : -1 : 0 : 1 : 2 I must keep for myself

4. In deposit services, the customers;

Knows what I am to do -2 : -1 : 0 : 1 : 2 May know what he/she wants but doesn't know what I have to do exactly.

5. In deposit services, the value is created for the customer

In what I will have done in the outcome -2 : -1 : 0 : 1 : 2 During the close interaction

6. In deposit services, the decisions i make

Can be arrived at by any of my colleague given the same information
 -2 : -1 : 0 : 1 : 2
 Everyone of my colleagues would probably arrive at different decisions given same information

7. In deposit services, the service i give to my customers

Could be given by any of my colleagues to the same standard
 -2 : -1 : 0 : 1 : 2
 Will be different if any of my other colleagues gives it.

8. In deposit services, tasks are

Clear as to what I am to do
 -2 : -1 : 0 : 1 : 2
 There are always some ambiguities I have to deal with.

Part B: For each pair below, tick the one which is more close to what your branch emphasizes when considering **deposit** service delivery facility .

| | |
|---|---|
| In my branch. Processes & Procedures are more emphasized as factors in performance | In my branch, individual personality traits are more emphasized as factors in performance |
| In my branch, branch infrastructure are more emphasized as factors in performance | In my branch, knowledge diagnostic skills are more emphasized as factors in performance |
| In my branch, branch systems are more emphasized as factors in performance | In my branch, individual fundamental values are more emphasized as factors in performance |
| In my branch, individual's attitude to work & customers are more emphasized as factors in performance | In my branch, advisory skills are more emphasized as factors in performance |

| | | | |
|--|---|--|---|
| | In my branch. Processes & Procedures are more emphasized as factors in performance | | In my branch, individual fundamental values are more emphasized as factors in performance |
| | In my branch, branch infrastructure are more emphasized as factors in performance | | In my branch, risk avoidance are more emphasized as factors in performance |
| | In my branch, technical training are more emphasized as factors in performance | | In my branch, branch systems are more emphasized as factors in performance |
| | In my branch, knowledge diagnostic skills are more emphasized as factors in performance | | In my branch, branch systems are more emphasized as factors in performance |
| | In my branch, individual personality traits are more emphasized as factors in performance | | In my branch, branch infrastructure are more emphasized as factors in performance |
| | In my branch, branch infrastructure are more emphasized as factors in performance | | In my branch, individual's attitude to work & customers are more emphasized as factors in performance |
| | In my branch, individual fundamental values are more emphasized as factors in performance | | In my branch, knowledge diagnostic skills are more emphasized as factors in performance |
| | In my branch, branch systems are more emphasized as factors in performance | | In my branch, individual personality traits are more emphasized as factors in performance |
| | In my branch, advisory skills are more emphasized as factors in performance | | In my branch. Processes & Procedures are more emphasized as factors in performance |

| | |
|---|---|
| In my branch, branch infrastructure are more emphasized as factors in performance | In my branch, individual fundamental values are more emphasized as factors in performance |
| In my branch, knowledge diagnostic-skills are more emphasized as factors in performance | In my branch, individual's attitude to work & customers are more emphasized as factors in performance |
| In my branch, individual personality traits are more emphasized as factors in performance | In my branch, risk avoidance are more emphasized as factors in performance |
| In my branch, branch infrastructure are more emphasized as factors in performance | In my branch, advisory skills are more emphasized as factors in performance |
| In my branch. Processes & Procedures are more emphasized as factors in performance | In my branch, knowledge diagnostic skills are more emphasized as factors in performance |
| In my branch. Processes & Procedures are more emphasized as factors in performance | In my branch, individual's attitude to work & customers are more emphasized as factors in performance |
| In my branch, risk avoidance are more emphasized as factors in performance | In my branch, individual fundamental values are more emphasized as factors in performance |
| In my branch, individual personality traits are more emphasized as factors in performance | In my branch, advisory skills are more emphasized as factors in performance |
| In my branch, risk avoidance are more emphasized as factors in performance | In my branch. Processes & Procedures are more emphasized as factors in performance |

| | |
|---|---|
| In my branch, branch systems are more emphasized as factors in performance | In my branch, advisory skills are more emphasized as factors in performance |
| In my branch, individual's attitude to work & customers are more emphasized as factors in performance | In my branch, risk avoidance are more emphasized as factors in performance |
| In my branch, individual fundamental values are more emphasized as factors in performance | In my branch, advisory skills are more emphasized as factors in performance |
| In my branch, individual personality traits are more emphasized as factors in performance | In my branch, knowledge diagnostic skills are more emphasized as factors in performance |
| In my branch, branch systems are more emphasized as factors in performance | In my branch, individual's attitude to work & customers are more emphasized as factors in performance |

SECTION 2: ADVANCE SERVICES

Part A: Please answer the following questions either by circling or crossing the appropriate rating.

1. When I work on advance services;

I take considerably short time with the customer -2 : -1 : 0 : 1 ; 2 I take considerably long to provide to one customer

2. In advance services, my interaction with the customer is;

Rather Cosmetic -2 ; -1 : 0 ; 1 : 2 Very Important

3. In advance services, the information I receive from the customer is:

Limited -2 ; -1 : 0 : 1 ; 2 Extensive

I can still know what to do if am not given Key to what I am to provide service for. -2 : -1 : 0 : 1 : 2

Is recorded for use by any service provider I must keep for myself -2 : -1 : 0 : 1 : 2

4. In advances services, the customers:

Knows what I am to do May know what he/she wants but doesn't know what I'll do exactly. -2 : -1 : 0 : 1 : 2

5. In advances services, the value is created for the customer

In what I will have done in the outcome During the close interaction -2 : -1 : 0 : 1 : 2

6. In advances services, the decisions I make

Can be arrived at by any of my colleague given the same information Any of my colleagues would probably arrive at different decisions given same information -2 : -1 : 0 : 1 : 2

7. In advances services, the service I give to my customers

Could be given by any of my colleagues to the same standard Will be different if any of my other colleagues gives it. -2 : -1 : 0 : 1 : 2

X. In advances services, tasks are

Clear as to what I am to do There are always some ambiguities I have to deal with. -2 : -1 : 0 : 1 : 2

Part B: For each pair below, tick the one which is more close to what your branch emphasizes when considering **Advances** service delivery facility.

In my branch, Processes & Procedures are more emphasized as factors in performance

In my branch, individual personal traits are more emphasized as factors in performance

| | |
|---|---|
| In my branch, branch infrastructure are more emphasized as factors in performance | In my branch, knowledge diagnostic I skills are more emphasized as factors in performance |
| In my branch, branch systems are more emphasized as factors in performance | In my branch, individual fundamental values are more emphasized as factors in performance |
| In my branch, individual's attitude to work & customers are more emphasized as factors in performance | In my branch, advisory skills are more emphasized as factors in performance |
| In my branch. Processes & Procedures are more emphasized as factors in performance | In my branch, individual fundamental values are more emphasized as factors in performance |
| In my branch, branch infrastructure are more emphasized as factors in performance | In my branch, risk avoidance are more emphasized as factors in performance |
| In my branch, risk avoidance are more emphasized as factors in performance | In my branch, branch systems are more emphasized as factors in performance |
| In my branch, branch systems are more emphasized as factors in performance | In my branch, knowledge diagnostic skills are more emphasized as factors in performance |
| In my branch, individual personality traits are more emphasized as factors in performance | In my branch, branch infrastructure are more emphasized as factors in performance |
| In my branch, branch infrastructure are more emphasized as factors in performance | In my branch, individual's attitude to work & customers are more emphasized as factors in performance |

| | | | |
|--|---|--|---|
| | In my branch, individual fundamental values are more emphasized as factors in performance | | In my branch, knowledge diagnostic skills are more emphasized as factors in performance |
| | In my branch, branch systems are more emphasized as factors in performance | | In my branch, individual personality traits are more emphasized as factors in performance |
| | In my branch, advisory skills are more emphasized as factors in performance | | In my branch. Processes & Procedures are more emphasized as factors in performance |
| | In my branch, branch infrastructure are more emphasized as factors in performance | | In my branch, individual fundamental I values are more emphasized as factors in performance |
| | In my branch, knowledge diagnostic skills are more emphasized as factors in performance | | In my branch, individual's attitude to work & customers are more emphasized as factors in performance |
| | In my branch, individual personality trails are more emphasized as factors in performance | | In my branch, risk avoidance are more emphasized as factors in performance |
| | In my branch, branch infrastructure are more emphasized as factors in performance | | In my branch, advisory skills are more emphasized as factors in performance |
| | In my branch. Processes & Procedures are more emphasized as factors in performance | | In my branch, knowledge diagnostic 1 skills are more emphasized as factors in performance |
| | In my branch. Processes & Procedures are more emphasized as factors in performance | | In my branch, individual's attitude to work & customers are more emphasized as factors in performance |

| | | | |
|--|---|--|---|
| | In my branch, risk avoidance are more emphasized as factors in performance | | In my branch, individual fundamental values are more emphasized as factors in performance |
| | In my branch, individual personality traits are more emphasized as factors in performance | | In my branch, advisory skills are more emphasized as factors in performance |
| | In my branch, risk avoidance are more emphasized as factors in performance | | In my branch. Processes & Procedures are more emphasized as factors in performance |
| | In my branch, branch systems are more emphasized as factors in performance | | In my branch, advisory skills are more emphasized as factors in performance |
| | In my branch, individual's attitude to work & customers are more emphasized as factors in performance | | In my branch, risk avoidance are more emphasized as factors in performance |
| | In my branch, individual fundamental values are more emphasized as factors in performance | | In my branch, advisory skills are more emphasized as factors in performance |
| | In my branch, individual personality traits are more emphasized as factors in performance | | In my branch, knowledge diagnostic skills are more emphasized as factors in performance |
| | In my branch, branch systems are more emphasized as factors in performance | | In my branch, individual's attitude to work & customers are more emphasized as factors in performance |

THANK YOU