

**MANAGEMENT INVOLVEMENT IN PROCESS
IMPROVEMENT: A SURVEY OF KENYAN BANKING
SECTOR.**

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DECLARATION

This research project, which is my original work, has not been presented for an award of a degree in any other University.

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DEDICATION

This research is dedicated to my beautiful wife, Perpetual and my parents, for their inspiration, support, encouragement and understanding throughout the research period.

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I humbly thank God for giving me my life. Without his amazing grace I would not have been able to clear my project. I cannot fail to recognize that He is my strength and power and the giver of life to all human beings.

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ABSTRACT

The study was aimed at establishing the level of management involvement in process improvement in the Kenyan banking sector. The study was aimed at determining the extent of management involvement in process improvement in the Kenyan banking sector and extent of the adoption of Business Process Improvement (BPI) methodologies in the Kenyan banking sector. The study used a census survey targeting all the 44 commercial banks registered and licensed to carry out banking business in Kenya. Data was collected from primary sources through a semi-structured questionnaire and administered to the target banks.

The study found out that management involvement in process improvement is majorly from the middle level and partly from the top level management and that the banks have extensively adopted business process improvement methodologies in their operations. Of the business process improvement initiatives the study found out that Lean production, six sigma, business process reengineering and total quality management initiatives improved all aspects of operations in the banks. The study recommends that banks should adopt BPI methodologies to a greater extent to improve their efficiency and focus on strategies that benefit the banks in reducing over production/processing and operational wastes, those that lead to clear definition, improvement, and control of problems, those that facilitate measurement of the problem and leads to proper analysis, improvement and control of the of the problem. The top management should also engage a participatory approach geared towards problem identification, solution and feedback communication on the actions taken.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The business operating environment the world over is very competitive and dynamic. The dynamics of present day competitive environment also places increasing pressures on organizations to reinvent themselves almost continuously (McAdam & McCormack 2001). Governments are therefore, urging the public sector organizations to improve the quality of their services to raise the standards to higher level (KEBS, 2005). New technology advancements have created or improved services, more involvement of customers in self-services operations, creation of centralized customer service department and recording of information in easily accessible data banks (Eisenhardt, 2002).

In order to deliver seamless service, companies are embarking on continuous process improvement. Process improvement is viewed as the implementation of a deliberate change in the way of doing business in order to achieve operational excellence, quality of output, and business performance (Liu, 2006). One of the ways of improving this is through embarking on certification programs such as (ISO) 9001 for constituting a quality assurance program. This means that anyone who sees the mark on the company products or communication will interpret it to mean that such a company delivers a high quality service. Employees would also be expected to reflect the documented standard in their behaviour and attitudes (Laguna and Marklund, 2005).

With a highly improved process, comes the organizations competitive edge in operations, increased efficiency, improved quality of goods and services, better communication, motivated staff and cost savings (Liu, 2006). There is continuous change in all aspects of operations, including products, competitors, costs, markets, locations employees, customers, state of economy, business objectives, technology, shareholders and just about everything else. In response, managers must continuously adjust the operations to suit the environment. What Business Process improvement methods should managers use to improve their operations?

1.1.1 Business Process Improvement methodologies

Business Process Improvement (BPI) methodologies have become strategically important for any organization (Harrington, 1991; Hammer, 2002; Snee, 2004). These include well-known approaches such as Total Quality Management (TQM), Business Process Reengineering (BPR), Six Sigma, and Lean Production. Regardless of the emergent themes and terms used, the underlying essence of BPI is to improve the quality of process and service in a customer-focused scheme for achieving and sustaining operational and service excellence. BPI methodologies have long been rooted and adopted successfully in the manufacturing industry; but more recently have spread widely in the service sector (Antony et al., 2006). Financial and healthcare services are two important service sector areas that have adopted BPI as a strategic initiative (Hammer and Goding, 2001; Hoerl, 2004). A number of academic papers have asserted that BPI methodologies can be suitably transferred to the service sector with minor adjustment and adaptation (e.g. Bowen and Youngdahl, 1998; Jones et al., 1999; Does et al., 2002; Prajogo, 2005). The adoption of BPI in the service sector, however, still appears to be in the early stages. This is a challenge for both practitioner and researcher in understanding the application of BPI methodologies, pertinent to the specific service settings.

An increasing number of papers have attempted to broaden the understanding of BPI in the service context. The majority concentrate on a customer-focused approach to BPI, which is inherently attractive for service companies with the aim of enhancing customer satisfaction. Some recent articles have focused specifically on understanding the implementation of BPI in financial services (Knights and McCabe, 1997; Allway and Corbett, 2002; Swank, 2003). Additionally, researchers have empirically examined and identified critical success (and failure) factors, considering also significance for practitioners, aiming to the effectiveness of BPI adoption in the financial sector (Larsen and Myers, 1997; Al-Marri et al., 2007). Even though there is a growing body of literature in this area, the academic research related to BPI methodology adoption in financial services is still quite limited, and has tended to lack consideration of ‘softer’ aspects, such as managerial involvement, service employees and customer perspectives. With this knowledge gap, the researcher’s context of study would be the banking sector in Kenya.

1.1.2 Kenyan Banking Sector

The reputation of Kenyan banking sector suffered during the banking crisis from 1985-1990. Out of the 29 commercial banks operating in 1985, only 15 commercial banks operated in 1992. The situation was largely precipitated by poor management and control systems, long term loans which created a huge risk portfolio without proper risk management oversight to provide necessary controls (CBK, Economic Review, 1992). The first casualty of the banking crisis in Kenya was the Rural Urban Credit Finance Limited which was placed under receivership and eventually liquidated in 1984 (CBK, 1995). This crisis saw the banking and Central Bank Acts reviewed, the capital requirements increased and creation of deposit protection fund (DPF) to protect small investors and secure the core capital from erosion by bad and doubtful loans.

Statutory reserve fund was established which required that 12.5% of banks' profits be transferred to reserve to guard against future losses (CBK, 2006). The Banking Act (Cap.488) section 107(2004) prohibited banks from lending any individual or group of companies more than 25% of its core capital; capital and reserves in order to protect depositor's money and minimize credit risks. Banks continued to violate the requirement and continued lending more than the 25% cushion to people especially its own directors (CBK Economic Review, 2006). Similarly, insider lending policy which involves giving loans to bank officers was violated by failure to follow regulators rules. This forced the central bank supervisory department to be more stringent in ensuring that the Banking Act is fully complied with. To this the CBK worked closely with the Kenya Bankers Association (KBA) in addressing the problem of non-performing loans (CBK, 2004).

The government's effort did not succeed and the banking sector in Kenya had 32 banks being liquidated or placed under receivership during the period 1984-2004. For example, the continental bank of Kenya Limited and Continental Credit Finance Limited collapsed in 1986, Capital Finance Limited collapsed in 1987, and even non-banking financial institutions were merged to form the consolidated bank of Kenya Limited in 1989. In 1999, Trust bank, the sixth largest bank in Kenya collapsed mainly due to excessive insider lending to directors and major shareholders and Euro bank collapsed in 2003.

Central Bank attributed the trend to poor management, lack of proper credit control systems, lack of risk management framework and insufficient process analysis, improvement, management, and credit risk identification and measurement (CBK, 2006). The following therefore, is a brief problem justification.

1.2 Research Problem

Organizations can achieve excellent performance through improvement initiatives (Loch *et al.* 2003). By improving work processes, managers can enhance performance to have a competitive advantage over other firms in their industry (Garvin 1998). Toyota is a quintessential example of a firm that achieved competitive advantage through process improvement (Liker 2004). Unfortunately, despite their importance; process improvement efforts frequently fail (Hackman and Wageman 1995). Research suggests that insufficient management involvement causes such failures (Berwick 2005, Hackman and Wageman 1995, Westphal *et al.* 1997, Zbaracki 1998). Managers' actions are important not only because of their direct effects but also because they shape the organizational climate for improvement. Organizational climate refers to workers' perceptions of shared beliefs about what behaviours are desirable and rewarded within the organization (Zohar, 1980).

Good management supportive climate is an important determinant of improvement success for two reasons. First, it influences how much effort employees put into achieving improvement goals (McFadden *et al.* 2009). When employees perceive that managers do not value efforts to improve work processes, they are reluctant to engage in these discretionary behaviours (Vogus and Sutcliffe 2007). For example, some organizations are characterized by a fire fighting climate, where workers believe that managers care about short-term performance instead of long-term improvement. In these organizations, problems are "patched" rather than eliminated through removal of underlying causes (Bohn 2000). In contrast, when workers believe that management is committed to improvement, workers are more likely to adopt behaviours necessary for successful improvement, such as compliance with new safety procedures (Zohar 2002).

Research has shown a strong link between management supportive climate and workers' behaviours, which in turn leads to reduced accidents (Zohar 2002). Thus, climate predicts objective outcomes. Second, managers can create a climate where workers feel safe engaging in

risky behaviours, such as speaking up about problems and experimenting with new processes—that are necessary for creating new knowledge that drives improvement (Choo et al. 2007, Edmondson 1999, Terwiesch and Bohn 2001).

Despite consensus that process improvement and a management supportive climate is a necessary lever for improvement efforts, scant research has assessed the impact of process improvement and specific managerial activities on organizational climate for improvement. This is a critical gap in knowledge because it leaves managers and scholars with little information about what specific actions managers could take to strengthen a poor climate for improvement. What role does management play in breakthrough process improvement? Are they merely the sponsors and bill payers? Is it just final approval that is needed from them? Or perhaps, are they needed just for them to run interference if the head office is looking for ways to save money? What BPI methods are employed by managers to improve processes? How important are the BPI initiatives? This study addresses this gap. The researcher will use data from a survey of the Kenyan banking sector to assess the extent of application of various business process improvement methods and the impact of a set of three management activities on supportive management climate for improvement.

The set of three activities of management involvement with process improvement are: Interacting with workers to learn about problems; Ensuring that action is taken to address the problem, and Communicating about action taken. The choice of this set of activities was informed by Toyota's emphasis on managers going to the production line to help employees identify and resolve problems in context (Liker 2004, Masaaki 1996), as well as prior process improvement research which found that the context in which problems occur contains valuable information about the problems' impact, causes, and solutions (Shannon et al. 2007, Tyre and von Hippel 1997).

1.3 Research Objectives

The general objective of the study was to assess the level of management involvement in process improvement in the Kenyan banking sector.

1.3.1 Specific Objectives

The specific objectives that were to enable the broad objectives to be achieved were:

- I. To determine the extent of management involvement in process improvement in the Kenyan banking sector.
- II. To determine the extent of adoption of Business Process Improvement (BPI) methodologies in the Kenyan banking sector.

1.4 Value of the study

This study is useful to the following groups: Banks in Kenya, the government of Kenya, researchers and other bank stakeholders. Banks can use the findings to identify and put in place proper and effective process improvement techniques/initiatives to enhance service delivery, customer satisfaction and shareholder's wealth maximization. This study greatly benefits the government generally and specifically the CBK in formulating policy guidelines governing the banking industry in Kenya as a whole and also to protect the entire stakeholder in the industry. The study is also of great importance to researchers as it points out the gap that the academic community needs to fill in order to attain the desirable and effective process improvement approaches in the country. The employees in general and specifically those in the banking industry in Kenya will find the findings of this study valuable in their day to day activities and the various challenges they face as they execute their duties. The study will provide information that the bank managers should pay attention to in order to improve their loan processes in the banking systems in Kenya and finally, the findings from this study will go towards contributing to the current literature.

2.1 Introduction

After having been widely adopted in manufacturing, Business Process Improvement (BPI) methodologies have emerged as a powerful strategy for improving operational effectiveness in service organisations (Hammer, 2002; Antony et al., 2006). These methodologies are: Total Quality Management (TQM); Business Process Reengineering (BPR); Lean Production; and Six Sigma. Basically, the term process improvement (PI) emerged in, and has been widely used since the early 1990s. However, process improvement was influenced by two main management movements: Total quality management (TQM) or quality circle (QC), and business process reengineering (BPR). Quality circle was the early version of total quality management which was widely adopted in the 1980s (Deming, 1986). Business process reengineering (BPR) emphasized the radical improvement of business process where a redesigned process and information system were a significant influence on redesign implementation (Hammer, 1990). The main distinguishers between total quality management and business process reengineering were that TQM focused on incremental improvement, while BPR searched for radical improvement; TQM utilized internal resources, while BPR adopted external resources in the form of consulting; and TQM had a permanent team structure while BPR teams were usually temporary (Davenport, 1993; Hutchins, 1985). However, process improvement shared some characteristics with the two main management movements. Process improvement involved small to large change improvement and comprised teams ranging from 3 to 20 team members (Kock & McQueen, 1997).

2.1 Defining process improvement.

Process improvement was viewed as the implementation of a deliberate change in the way of doing business in order to achieve operational excellence, quality of output, and business performance (Liu, 2006). Some of the best known process improvement methodologies were International Organizational Standardization (ISO) 9000, Total Quality Management (TQM), and Six Sigma (Liu, 2006).

Every organization had a network of processes and all work was accomplished through a process and every process had inputs; the outputs were the result of the process (Hindle, 1997b). Therefore, there were no products and services without process. Process is an activity or a team

of activities that converts inputs while adding value into products or services and provides outputs that the customer needs (Harrington, 1991). Business process has been defined as sets of interrelated activities or work flow (Harrington, 1991). Kock, McQueen, and Corner (1997) defined business process as comprising the functions (carried out by organizational staff) and tools involved in the execution of the activities in a process.

Business process is a set of logical related tasks in which organizations utilized their resources to achieve a defined business outcome (Davenport & Short, 1990). However, in the literature, the terms business process reengineering (Hammer & Champy, 1993), process improvement (Harrington, 1991), process innovation (Davenport, 1993), and business process redesign (Davenport & Short, 1990) were used interchangeably to represent the phenomenon of “business process change” (Kettinger & Grover, 1995). Improvement of process refers to changing a process to make it more effective, efficient, and adaptable (Harrington, 1991). In order to improve process, Harrington (1991) suggested that organizations needed an emphasis on process rather than on organizational structure. Harrington (1991) also distinguished between organizational focus and process focus, as shown in Table 2.1

Table 2. 1 Harrington’s differences between organizational and process focuses

Organizational focus	Process focus
Employees are the problem	The process is the problem
Employees	People
Understanding my job	Knowing how my job fits into the total process
Measuring individuals	Measuring the process
Can always find a better employee	Change the process
Motivate people	Change the process
Motivate people	Remove barriers
Controlling employees	Developing people
Don’t trust anyone	We are all in this together
Who made the error?	What allowed the error to occur?
Correct errors	Reducing variation
Bottom-line driven	Customer driven

Source: (Harrington, 1991)

Business process is concerned with achieving three main objectives: making process effective: producing the desired results; making process efficient: minimizing the resources used; and making process adaptable: being able to adapt to customer and business needs (Harrington, 1991).

There were a number of fine reasons for focusing on the business process or process improvement. Harrington (1991) argued organizations benefited from focusing on business process improvement because business process improvement enabled organizations to focus on the customer, allowed the organization to predict and control change, enhanced organizational ability to compete by utilizing available resources, promoted good interrelationships, provided a systematic view of organizational activities, kept a focus on the process, prevented error from occurring, explained how inputs become outputs, and provided a view of how error occurred and a solution to correct it (Harrington, 1991).

Harrington's five phases for business process improvement were Phase one: Organizing for improvement - to ensure success by building leadership, understanding, and commitment; Phase two: understanding the process - to understand all dimensions of the current business process; Phase three: streamlining - to improve the efficiency, effectiveness, and adaptability of the business process; Phase four: measurements and controls - to implement a system to control the process for ongoing improvement; and Phase five: continuous improvement - to implement a continuous improvement process (Harrington, 1991).

2.2 The history of Business Process Improvement (BPI)

Business process improvement (BPI) was originally so named by James Harrington (Harrington, 1991), and has also been linked with the Business Process Reengineering (BPR) approach (Hammer, 1990), from which it should be clearly distinguished. The customer-focused approach of BPI is inherently attractive for a service organisation. Hence, BPI methodologies have been widely disseminated and adopted, especially in financial services and healthcare areas (Hammer and Goding, 2001; Does et al., 2002; Hoerl, 2004). In the context of this research, the author refers to BPI broadly as an improvement initiative or initiatives, adopted for improving a business process to achieve the goals of reducing cost and enhancing customer satisfaction. Four main methodologies are reviewed below, mainly focusing on the two most recent initiatives: the

Six Sigma and Lean concept. The older yet still extant approaches of TQM and BPR are also more briefly described, to cover all existing BPI methodologies used in the financial services sector.

2.2.1 Six Sigma

Six sigma is a BPI methodology that seeks to identify and eliminate causes of errors, defects or failures in business processes to achieve breakthrough improvements in quality, process performance, productivity and customer satisfaction (Nave, 2002; Snee, 2004; Antony, 2004a). Six Sigma was developed based on statistical thinking and methods, focusing on the reduction of process variation (Hensley and Dobie, 2005). Motorola is well recognised as the pioneer company that adopted the Six Sigma concept for reducing quality cost in the 1980s (Henderson and Evans, 2000; Antony, 2002). Subsequently, it has been adopted by many large companies such as General Electric (GE), American Express, Ford, etc. The successful implementations at Motorola and GE have been reported and benchmarked through a number of papers (e.g. Denton, 1991; Hendricks and Kelbaugh, 1998). The term Six Sigma is derived from that minimal level of variation which might, under certain conditions, achieve 3.4 defects per million opportunities (DPMO), considering a defect opportunity as a failure in the process that is significant to customers (Nonthaleerak and Hendry, 2006).

The strength of Six Sigma, as distinct from other methodologies, is a clear focus on achieving measurable and quantifiable financial returns (Antony, 2004b; 2006). Considered as a project-base, Six Sigma provides a constructive approach for measuring and analysing operational processes to determine exactly how and why defects occur, and then taking steps to address those root causes for improvement (Hammer, 2002).

Two main underlying methodologies are DMAIC and DFSS. DMAIC is an acronym of an implementation process consisting of: Define, Measure, Analyse, Improve and Control phases. DMAIC provides a well-structured framework for solving problems by assuring correctness and effectiveness of the execution process (Hammer and Goding, 2001). DMAIC is in line with the problem-solving steps of Deming's PDCA cycle; however, it places more emphasis on integrating specific tools into each step of the method (Hoerl, 2004). A number of tools and techniques are employed during DMAIC phases such as FMEA, cause-effect diagram, statistical process control, etc. (Hoerl, 2004; Schroeder et al., 2008). DFSS (Design for Six Sigma) is a

powerful approach to design new products, processes and services in a cost-effective and simple manner to meet the needs and expectations of the customers, aiming to achieve by design Six Sigma quality levels (Antony, 2002; Nonthaleerak and Hendry, 2006).

Six Sigma continues as one of the most successful quality improvement initiatives. Although more than 25 years old, it is nowadays still strongly increasing in importance, particularly in financial and healthcare services (Antony et al., 2007). The underlying concept, which is rooted in understanding the true customer needs, makes Six Sigma appropriate for adopting in services, to enhance customer satisfaction (Schroeder et al., 2008).

2.2.2 Lean Production

In the famous publication, “The machine that changed the world”, Womack et al., (1990) highlighted the fact that manufacturing industry has tended to change from mass production to Lean production (also called Lean manufacturing). Previously, mass production introduced a large amount of unseen waste along the whole length of the value chain (Kippenberger, 1997). The term ‘Lean’ was pioneered on the shop-floors of the Japanese automotive industry, at the Toyota Motor Company (Hines et al., 2004). Besides focusing on the shop floor, Womack and Jones (1994) suggest that the Lean concept can be applied throughout the value stream to eliminate waste and to enhance value to the end customers. According to Hines et al. (2004), customer value can be created by reducing internal wastes and adding service features without adding cost; resulting from implementation of the Lean concept. This reflects the philosophy of Lean that aims at improving the processes considering the most economical approach (Dahlgaard and Dahlgaard-Park, 2006).

The essence of Lean is the elimination of ‘muda’ or waste, and non-value added activities from processes by applying a robust set of performance change tools; emphasising operational excellence to deliver a superior value to customers (Jones et al., 1999; Hines and Taylor, 2000; Womack and Jones, 2005). Eight types of wastes are addressed by Womack and Jones (1996) as follows: Defects refer to the mistakes which require rectification; Over-production of goods that are not needed; Inventories of goods awaiting processing or consumption; Inappropriate processing steps; Unnecessary motion (movement of employees); Transport of goods between processes without purpose; Employees waiting leading to idle time and; The design of goods and services which do not meet the need of customers



The Lean concept represents a systematic approach for identifying and eliminating non-value added elements in the process, consequently pursuing perfection in delivering to customers (Anderson et al., 2006). Lean provides a way to re-specify value, line up value creating actions in the best sequence, ensure that such activities are conducted without interruption, thereby all activities can be performed more effectively (Kippenberger, 1997). Several tools and techniques are applied for achieving the objective of Lean such as Kanban, Kaizen, 5S, Pull scheduling, etc. Specifically, value stream mapping is recognised as the core method. Hines and Rich (1997) develop the decision-making process for mapping the value stream, providing tool and techniques, to assist the Lean implementation. To achieve the goal of Lean, a company should follow five key principles, i.e. specify value, and identify the value stream, flow, pull and perfection.

Lean has been extended from Lean production to Lean enterprise, which focuses on delivering value from a customer's perspective and eliminating all non-value added activities along the value chain (Womack and Jones, 1994). The latest version of Lean consumption is considered as a customer-focused approach which aims to improve operational efficiency to provide a value to satisfy customers' expectation of their goods and services (Womack and Jones, 2005). Recently, Lean has become one of the most important improvement initiatives that is disseminated to both manufacturing and service industries. Nevertheless, it has sometimes been questioned, regarding the limited applicability and suitability of Lean adoption in the service sector (Hines et al., 2004). As with Six Sigma, academic research related to the adoption and implementation of Lean in the service sector is still at a fairly early stage, the available literature being dominated by manufacturing-related work. This calls for empirical research to understand the way in which a Lean concept could be applied to the under-researched areas, particularly in the banking s sector.

2.2.3 Total Quality Management (TQM)

TQM was developed from a synthesis of similar and overlapping approaches put forward by 'quality gurus' such as Deming, Juran, Ishikawa, Feigenbaum, Taguchi and Crosby (Slack et al., 2004). The most important principle of TQM is customer-focus (Dean and Bowen, 1994). The underlying theory concentrates on management of leadership, people and teamwork, and process improvement, aiming to satisfy the customers (Snee, 2004). It is viewed as a means of managing the entire organisation to excel on all dimensions of products and services which are important to

customers (Chase et al., 1998). The core elements of TQM can be classified as two dimensions: “social or soft” TQM and “technical or hard” TQM. Both dimensions should be interrelated and support each other for successful implementation. (Bou-Llusar et al., 2009). Prajogo (2005) points out that the soft aspect (e.g. leadership, customer focus, empowerment, etc.) has influenced the adoption of TQM in the service sector.

The holistic approach of TQM therefore, helps to integrate all functions to focus on the customer needs and organisational objectives through the improvement of quality, productivity, and competitiveness (Kumar et al., 2008). In this way, Mehra and Ranganathan (2008) suggest that customer satisfaction should be included as an important objective of the TQM implementation. The improvement approach of TQM is based on the Deming or PDCA (Plan-Do-Check-Act) continuous-improvement cycle (Anderson et al., 2006) and the incremental Japanese improvement approach known as Kaizen.

Overall, TQM has been empirically demonstrated to be successful in terms of financial results, operating performance, quality, and customer dimensions etc. (Hendricks and Singhal, 1997; Agus, 2004; Kumar et al., 2009). Nevertheless, there are some criticisms and concerns of TQM adoption related to: a lack of structured approach to improve the process, difficulties in measuring TQM outcomes, costs and length of TQM implementation, and effectiveness of TQM in service industries etc. (Hackman and Wageman, 1995; Powell, 1995; Basu and Wright, 2004; Mehra and Ranganathan, 2008).

2.2.4 Business Process Reengineering (BPR)

In contrast with the incremental change concept of TQM, business process reengineering (BPR) is an improvement initiative that provides radical change of the business processes in an organisation (Hammer, 1990). Various critical ideas are applied for achieving the objective of BPR, such as Just-in-Time concepts, process flow charting, customer-focused operations, etc. (Slack et al., 2004). Typically, information technologies are incorporated to enable the redesigning of processes. BPR is defined as the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed (Hammer and Champy, 1993, p.2). The underlying approach is the belief that the operations should be organised in end-to-end business processes to deliver value for customers, rather than focusing on the individual activity or

function (Slack et al., 2004). In order to achieve the objective of BPR, the improvement team should be members from related functional units, and all the units that depend on the improved process (Hammer, 1990). BPR has been criticised regarding a perceived lack of concrete foundation of the implementation approach, and paying too little attention to the softer employee aspects such as change management, reward and motivation, human involvement training, etc. (Povey, 1998; Shin and Jemella, 2002).

2.3 BPI methodology in the service sector

BPI methodologies have long tended to expand far beyond the manufacturing arena into the service sector. BPI methodologies have been growing strongly for service companies as an improvement strategy (Bowen and Youngdahl, 1998; Hammer and Goding, 2001; Does et al., 2002; Antony, 2004a). There are a number of papers that specifically explore the extension of BPI from manufacturing to service settings. Bowen and Youngdahl (1998) discuss the transferring of Lean to service operations, revisiting the production-line approach of Levitt (1972). Prajogo (2005) empirically examined the differences between TQM implementation in manufacturing and service sectors; revealing the insignificant differences, in terms of impacts on quality performance. Does et al. (2002) investigated the use of Six Sigma in non-manufacturing processes, focusing on eight improvement projects in Dutch industry. Similarly, Benedetto (2003) studied an adaptation of Six Sigma for improving service activities in a film library. Lean application in the communication industry (BT) was studied by Jones et al. (1999), focusing on the improvement of service quality and operating costs. All these authors suggest that BPIs are suitable and readily applied to the service sector, with minor adaptation and adjustment.

BPI methodologies have been rapidly disseminated to financial and healthcare services (Antony *et al.*, 2007). The study of Hoerl (2004) suggests two main reasons why BPIs have been adopted in these areas including; both financial and healthcare service operations are similar to manufacturing: flow processes with high-volume, short cycle times, etc. And Financial and healthcare services nowadays play an important role in national economies. Citibank and GE money are examples of successful financial institutions that adopted Six Sigma and Lean as improvement strategies to increase customer satisfaction (Douglas and Erwin, 2000).

2.3.1 BPI implementation

To date, the majority of academic papers related to BPI implementation are based on the manufacturing sector. Two main categories of publication can be found. First of all, there are a number of papers seeking to examine the critical success factors of BPI implementation. Coronado and Antony (2002) surveyed and prioritised the critical success factors which are necessary for an effective implementation of Six Sigma projects. Motwani (2003; 2004) examined the critical success factors involved in the implementation of Lean and Six Sigma, using a business process change framework adapted from Kettinger and Grover (1995). Achanga et al. (2006) present the critical success factors that constitute a successful implementation of Lean manufacturing within Small and Medium Enterprises (SMEs) in the UK.

More recently, Al-Marri et al. (2007) examined the critical success factors of TQM in the banking sector, focusing on the service quality dimensions. Studies by Antony et al. (2004; 2007) surveyed the critical success factors of Six Sigma in a UK service organisation; identifying the linkage with organisational strategy, customer focus, management commitment, culture, and training and education; as important ingredients of successful implementation.

The second category is the discussion on the integration of BPI methodologies, which helps to enhance the underlying methodology (Hoerl, 2004; Nonthaleerak and Hendry, 2006). The most vital theme of the integration, nowadays, is the collaboration between Six Sigma and Lean. George (2002) argues that applying Six Sigma alone seems to lack consideration of the improvement in lead time and does not directly address the process speed.

Additionally, some papers present an integration of Lean and Six Sigma with other methodologies. Revere (2003) demonstrates the ease of integrating Six Sigma with TQM effort, providing empirical evidence through a case study in healthcare service. Both papers of Bhasin and Burcher (2004), and Hines et al. (2004) elucidate the rationale for integrating Lean with other management approaches or improvement tools without contradiction to provide a higher value to customers. Hence, an understanding of the way in which various BPI methodologies could be integrated to optimise the organisation's benefits leaves a critical gap for future studies.

2.3.2 The evaluation of BPI methodologies in service industry

Several authors have studied the impact of BPI approaches on various dimensions of performance, although the main focus has been on the well-established approach of TQM. Mann and Kehoe (1994) examined the effects of TQM and other BPI initiatives on business performance, aimed at assisting a company to select quality activities to solve specific problems. More recently, Kumar et al. (2009) investigated the impact of TQM implementation on multi-dimensional performance. These two studies reveal that improvement initiatives help in improving operational processes, employee relations, financial results, and customer satisfaction; thereby positively impacting on company performance. These authors suggest that the evaluation of improvement initiatives should incorporate both the internal performance standard and external customer perceptions.

Of course, researchers over many years have studied the impact of BPI initiatives on customer satisfaction. Crosby (1991) developed a road-map to understand the linkages between improvement initiatives and customer satisfaction measurement in service firms. More recently, Maddern and Maull (2007) investigated improvement initiatives in UK financial services, to develop a generic model for measuring the effectiveness of Business Process Management (BPM) for increasing customer satisfaction. Studies by Agus (2004) and by Mehra and Ranganathan (2008) empirically indicated that TQM practices strongly impact on customer satisfaction. Roth and Jackson (1995) highlighted how improvement initiatives adopted in the banking industry helped in improving both technical and functional quality aspects. Two papers by Setijono and Dahlgaard (2007; 2008), suggested that the evaluation of initiatives should involve not only costs from the providers perspective, but also the outcomes in term of perceived customer value.

As clearly stated by Deming (1986), an improved business process should result in both lower costs and more satisfied customers. Managerially, it is of interest to understand the linkages between BPI initiatives and customer satisfaction, in order to identify the internal operations process to be improved that will have the greatest impact on the customer dimension (Kordupleski *et al.*, 1993).

2.4 Management participation in BPI

Emerald (2005) emphasized that, for a successful application of the management theories and to achieve a long term goals, it is of great importance if management could avoid losing focus of their managerial role; has role model and active participant in decision implementation. In addition, the success of an organization is when top management are fully involved in work process, with follow-ups and free flow of information or communication.

Andersson (2007) and Stoner et al. (1995), highlighted management concept as planning or organizing processes that will lead to control of all types of resources in an organisation, in order to reach a common vision. This will eventually transcend to continuous evolution of modern quality management as organization favourable respond to changes in business demands. On the other hand, Bergman and Klefsjö (2003) further explained; with quality dimensions in three different phenomena, which will deepen the understanding of what create customer satisfaction and values.

2.4.1 Management commitment and BPI practice

Management role in quality management has been highlighted as one of the crucial requirement for a successful quality improvement implementation (Crosby, 1979; Deming, 1982; Feigenbaum, 1983; Garvin, 1988; Juran and Gryna, 1988). According to Pheng and Jasmine (2004), the degree of support that management takes in the implementation a quality environment is very critical to the success of BPI implementation and BPI cannot be fully implemented if there is lack of commitment from top management. Commitment of top managers in BPI implementation will enable the employees to follow their direction and way of working.

2.4.2 Leadership by management

Quality leadership by top management has been emphasized and supported by many researchers as the basis for proper implementation of BPI in order to achieve customer satisfaction, quality product, continuous improvement and job satisfaction (Aderson et al. 1995). In order to achieve total quality it is imperative that the top managers should clearly define the quality goals and as well treat quality as an important aspect. They are expected to set quality as a priority while allocating adequate resources to continuous quality improvement and evaluating employees based on their performances (Minjoon et al. 2006). Many organizations have failed in

implementing BPI processes because of the reluctance of top management in delegating some authorities and empower employees (Minjoon et al. 2006). This is a very crucial aspect because if the managers are committed in empowering the employees, the employees will be responsible for the quality of their work and this will go a long way to enhance continuous improvement (Pheng and Jasmine, 2004).

BPI initiative programs, always emphasizes on the importance of top management as the main driver of BPI activities. Other advocates of BPI such as Deming (1982) pointed out that most quality problems are caused by management and the system they create and operate (Minjoon et al. 2006). Pearson et al. (1995) also pointed out that managerial leaderships require management at all level should shift their role from authoritarian decision maker to coaching facilitator.

2.4.3 Relationship between management and other BPI imperatives

From a study carried out by Minjoon et al. (2006), on some companies between the Mexican and US borders implementing BPI, management leadership was seen as an important aspect. It showed that, significant changes could be brought to an organization, company or institutions, based on the nature of management commitment. Their work resulted to five fundamental hypotheses that relate to the relationship between management commitments:-Top management commitment has a positive impact on the level of employee empowerment; Management commitment has a positive relationship on the level of employee training; Management commitment has a positive impact on teamwork; Management commitment has a positive relationship on the impact performance appraisal system and; Management commitment has a positive impact on employee compensation system.

2.4.4 Management role in process improvement realization

The magnitude of a successful project depends on the level of top management commitment (Olorunniwo and Udo, 2002). Project rejections, acceptance, resistance and variation is a function of management support, thus, their involvement at all stages or levels, empowering employees where necessary and managing resources is of paramount importance, (Beck, 1983; Manley, 1975). Olorunniwo and Udo (2002) identified three main facets of management support which are crucial in BPI practice and project realization:-Showing interest by participating in team meetings, willingness to spend time with people and listen to feedback as well as willing to help resolve problem; providing necessary resources, including training and other crucial

resources; providing leadership by helping to translate plan into action, regular review of project programs and official commissioning of project leaders and project team. They also emphasize the fact that top management are expected to set the overall directions of the project by formally forming an executive steering committee to track, review and monitor the project progress. The following are some of the bank operations processes.

2.5 Technology and Bank operation processes

In most organizations both private and public, whether engaged in making goods or delivering services, the bulk of their human and financial resources are invested in their operations functions (Hayes et al., 1996). Meredith and Shafer (2003) explain the major role operational activities play in determining the cost of a product or service, particularly during the up-front design for the output. It is commonly said that approximately 70 percent of the costs is built in at the design engineering stage. That is anything happening after this point can affect the cost by only about 30 percent.

The two elaborate further on how organizations have been increasingly investing in information technology in a bid to improve productivity rates and hence keep their absolute costs as low as possible. However, despite the substantial investments in IT, research has not been able to establish corresponding improvement in organizational performance. In the last one year, banks in Kenya have pursued revenue growth strategies based on their ability to acquire new customers and cross-selling more products and services to existing customers by leveraging on technology (The Banking Supervision Report, 2009).

Several banks also upgraded their core operating systems to either Flexcube or T24 banking platform, widening their electronic delivery channels for products and services. While long term investment in ICT platforms is expected to increase in the next five years, initial investments have been massive and sometimes prohibitive as banks have to pump hundreds of millions of shillings in to-of-the-range ATM software and enterprise resource planning (Daily Nation, 7th Feb 2011). Some of the technologies currently in use by banks have a life span of about three to four years. This calls for constant updating of the software.

Banks use resources like establishment, technology and employee quality to deliver a high level of service for the customers. A better service delivery helps banks to differentiate their offerings, extract more business from existing customers and attract new customers. Thus, better service leads to improvement in financial performance of the banks (Mukherjee et al., 2003).

2.6 Research Gaps

The review of BPI methodologies above indicated that understanding of BPI adoption in the service sector lags behind the manufacturing area, and practice. Relatively little empirical research is evident in the academic literature, and hence this areas appears to be in an early stage of development. There is a challenge for both researcher and practitioner to further explore the existing phenomenon of BPI methodology, pertinent to applications and approaches adopted in the services sector.

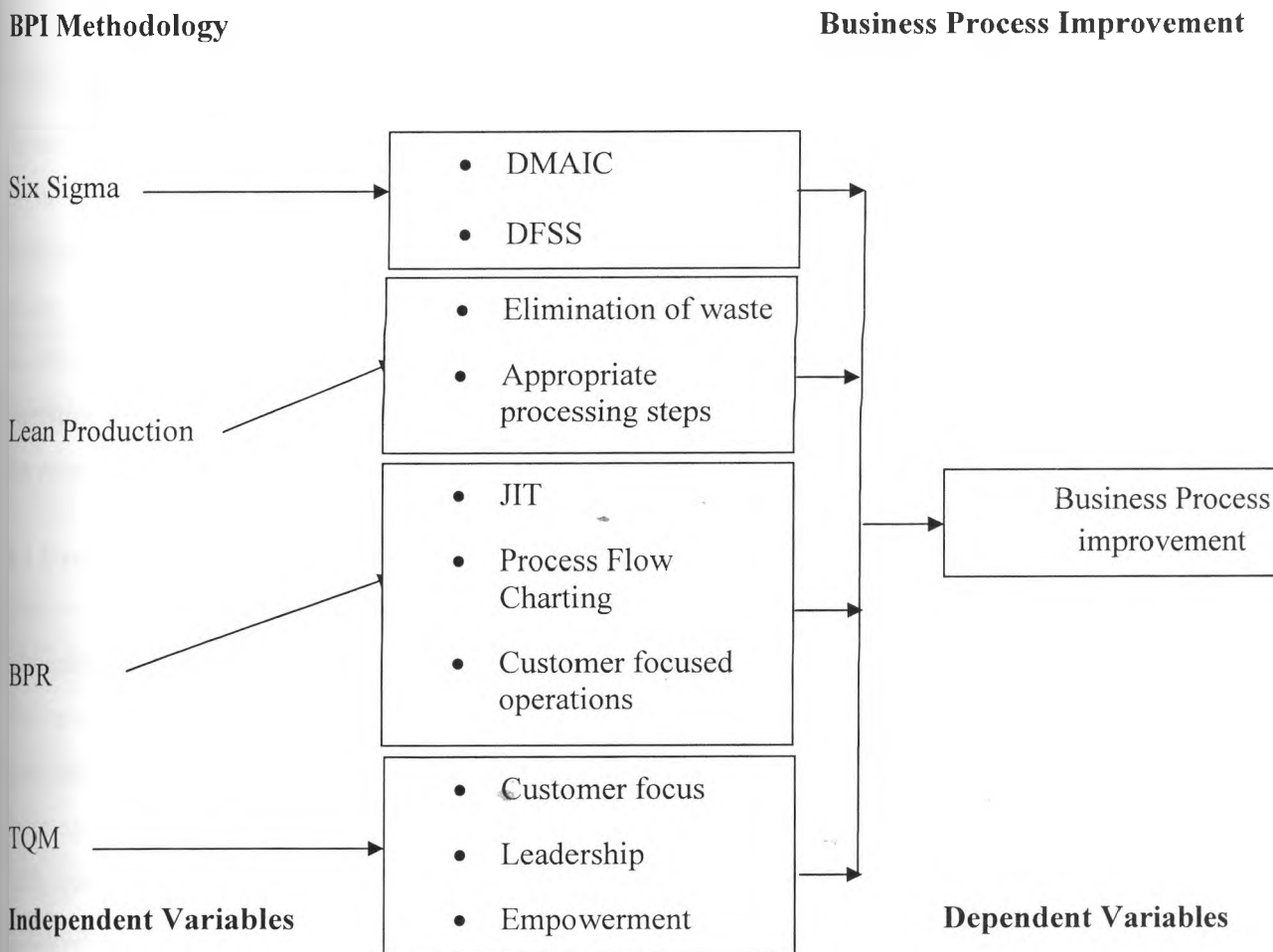
With this in mind, the author broadened the literature review above, considering particularly the important aspects in adopting BPI in the services context. The financial services sector is of interest; however, the literature in this area is still quite limited. There is limited attention paid to the “soft aspects” (i.e. employee and customer perspectives) of BPI adoption in services. The author considered this an important issue which has not been rationally addressed in the BPI literature, signifying an opportunity to extend an understanding towards service quality principles.

As also discussed above, little empirical evidence is available pertaining to the full range of outcomes of BPI adoption in services. Whilst description of BPI adoption outcomes in manufacturing have typically emphasised cost and operational processes, these may not be so appropriate to services. There appeared to be no comprehensive theory or model in the extant literature, which explains how to measure BPI adoption outcomes from the customer perspective (i.e. perceived service quality, customer satisfaction). Considering these related research gaps; this study hence aimed to focus on BPI adoption in Kenyan banking sector at the operational level, and to explore particularly the relationships between management involvement in BPI initiatives and process improvement. The following therefore, is the conceptual framework of the study.

2.7 Conceptual Framework

The framework is developed concerning two underlying concepts: BPI methodologies and process improvement. The intention is to establish a preliminary concept of the linkages between management involvement in process improvement through BPI methodologies and process improvement. A financial dimension is not incorporated into this framework, because of known data restrictions issues related to the confidentiality of collaborating survey companies. Hence, this research is based primarily on the assumption that highly effective and efficient processes leads to sustainable revenue growth and profitability; which is in agreement with the key scholarly literature (e.g. Fornell, 1992; Anderson, Fornell, and Lehmann, 1994; Heskett et al.,1997).

Figure 2. 1 The conceptual framework



The conceptual framework (author 2011)

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter sets out the research methodology that was adopted so as to meet the objectives stated in chapter one of this study. The research setting, population of interest, sample design and data collection instruments as well as data analysis techniques.

3.2 Research Design

The study used a census survey to assess the level of management involvement in process improvement and the extent of application of various Business Process Improvement (BPI) methods adopted by the Kenyan banking sector. In the context of this research, a survey method was found most appropriate since the researcher sought responses from a section of the bank employees.

3.3 Target population

According to CBK (2010) report, there are 44 licensed commercial banks in Kenya. The population of interest was the entire 44 commercial banks registered and licensed to carry out banking business in Kenya under the banking Act Cap 488 and as listed in appendix II. In this study, the whole population was surveyed and this was appropriate given the relatively small number of commercial banks in Kenya. The researcher sought responses from one manager from operations department of every commercial bank. The judgemental sampling was used to select the respondents.

3.4 Data Collection

Data was collected from primary sources through a semi-structured questionnaire and administered to the target banks. The questionnaire comprised of close-ended questions, with a few open-ended ones. Since all the banks have their headquarters based in Nairobi, a “drop and pick later method” was used for the respondents with busy schedules and therefore, allowing them appropriate time to peruse and answer the questionnaires keenly. Data collection utilized both quantitative and qualitative research. Primary data was collected by way of distributing questionnaires that were self-filling to the manager in the operations departments at the commercial banks.

3.5 Validity and Reliability

For validity of the instrument, the researcher conducted a pilot survey. This involved pre-testing the questionnaire with selected staff members. To test for validity, the data collection instrument was administered to conveniently selected respondents.

The researcher selected a pilot group of four individuals from Kenya Commercial Bank, head office at KenCom house to test the reliability of the research instrument. The questionnaires were personally administered by the researcher with the help of one research assistant who was trained on the questionnaire objectives.

3.6 Data Analysis

The extent of management involvement in process improvement in the banking sector was analyzed by coding the responses to Part I questions and the number of times the manager attends the meeting per month, participates in problem identification, taking actions and giving feedback analyzed using appropriate statistical tests such as frequency tables, mean, mode, median and percentage. Coded responses from part II were also analyzed using appropriate statistical procedures, which allowed easy entry of data, manipulation and transfer for analysis. These procedures included description of data collected, comparing the data against previous studies, organizing the data using appropriate software for the quantitative data and content analysis for the qualitative data. The results were compared with the study's objectives and the researcher then correlated the finding with those of similar studies. The findings were then documented in both narrative and graphical form.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The data was gathered exclusively from questionnaires as the research instrument. The questionnaire was designed in line with the objectives of the study. To enhance quality of data obtained, Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likerts scale. The data has been presented in form of quantitative, qualitative form followed by discussions of the data results. The chapter concludes with critical analysis of the findings.

4.1 Respondents' demographic characteristics.

4.1.1 Response Rate

The study targeted 44 respondents in collecting data. Results in table 4.1 below, show that 32 out of 44 target respondents, filled in and returned the questionnaire contributing to a 73% response rate. This response rate was good and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This commendable response rate was made a reality by the researcher and the engagement of a research assistant to administer the questionnaires. This survey can therefore be said to be successful.

Table 4. 1 Response Rate

Response Rate	Frequency	Percentage
Responded	32	73
Not responded	12	27
Total	44	100

Source: Survey Data, (2011)

4.1.2 Respondents distribution by department

Further, the study inquired the department of each respondent. Results from the table 4.2 below shows that majority of the respondents were from the operations department comprising 96.9%

while 3.1% were from the personal banking department. This shows that a majority of the respondents were aware of the operations of the banks including BPI initiatives.

Table 4. 2 Respondents distribution by department

Variable	Frequency	Percent
operations	31	96.90
personal banking	1	3.10
Total	32	100.00

Source: Survey Data, (2011)

4.1.3 Management level of the Respondents

The study further inquired on the management level of the respondents. Results from the table 4.3 below shows that majority of the respondents were in middle level management as shown by a 71.9 percent, from senior level management comprising 21.9 percent while 6.3 percent were from lower level management. This shows that a majority of the respondents were in a position to make management and operational decisions in the banks.

Table 4. 3 Management level of the Respondents

	Frequency	Percent
senior level management	7	21.90
middle level management	23	71.90
lower level management	2	6.30
Total	32	100.00

Source: Survey Data, (2011)

4.1.4 Years respondent has worked in the Bank

The study sought to establish the length of time the respondent had served in their respective banks. The results are given in table 4.4 below.

Table 4. 4 Years Respondent Has Work in the Bank

	Frequency	Percent
0-3 years	5	15.60
4-7 years	18	56.20
8 years and above	9	28.10
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish the length of time the respondent had served in their respective banks. From the findings the study revealed that most of the respondents as shown by 56.2% had served in their respective companies for 4 to 7 years, 28.1% of the respondents indicated that they had served their companies for 8 years and above, whereas 15.6% of the respondents had served less than 3 years. This shows that majority of the respondents had stayed in their respective companies long enough to give credible information to the study.

4.2 Management Involvement in Process Improvement

The study sought to establish the frequency with which the respondents attended departmental meetings in a month in their respective banks. The results are given in table 4.5.

Table 4. 5 Respondents Attendance of Departmental Meetings per Month

	Frequency	Percent
1-2	10	31.30
3-4	18	56.30
5-6	3	9.40
7 and more	1	3.10
Total	32	100.00

Source: Survey Data, (2011)

From the findings the study revealed that most of the respondents as shown by 56.3% attended departmental meetings 3 to 4 times in a month, 31.3% attended departmental meetings 1 to 2 times in a month, 9.4% attended departmental meetings 5 to 6 times in a month and 3.1% attended these meetings 7 times or more in a month.

The respondents were asked to indicate the attendance of line managers at departmental meetings. The results are given in table 4.6 below.

Table 4. 6 Attendance of Line managers at Departmental Meetings

	Frequency	Percent
1-2	14	43.80
3-4	16	50.00
5-6	1	3.10
7 and more	1	3.10
Total	32	100.00

Source: Survey Data, (2011)

From the findings the study revealed that most of the respondents as shown by 50.0% agreed that line managers attended these meetings 3 to 4 times, 43.8% attended these meetings 1 to 2 times, 3.1% attended these meetings 5 to 6 times and 7 and more times.

The respondents were asked to indicate the level of management that participated in problem identification in cheque clearance. The results are given in table 4.7 below.

Table 4. 7 Level of management who participates in problem identification in cheque clearance

	Frequency	Percent
lower level management	8	25.00
middle level management	18	56.30
top level management	6	18.80
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish the level of management that participates in problem identification in cheque clearance. A majority of the respondents indicated that middle level management participated in cheque clearance as shown by 56.3%, lower management participated to a less extent as shown by 25.0% and top level management participated least as shown by 18.8 % in cheque clearance.

The respondents were asked to indicate the level of management that participated in problem identification in loan processing. The results are given in table 4.8 below.

Table 4. 8 Level of management who participates in problem identification in loan processing

	Frequency	Percent
lower level management	8	25.00
middle level management	24	75.00
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish the level of management that participates in problem identification in loan processing. A majority of the respondents indicated that middle level management participated in problem identification in loan processing as shown by 75.0%, while the rest indicated that lower level management participated in problem identification in loan processing as shown by 25.0%.

The respondents were asked to indicate the level of management that participated in problem identification in account opening. The results are given in table 4.9 below.

Table 4. 9 Level of management who participates in problem identification in account opening

	Frequency	Percent
lower level management	12	37.50
middle level management	19	59.40
top level management	1	3.10
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish the level of management that participates in problem identification in account opening. A majority of the respondents indicated that middle level management participated in problem identification in account opening as shown by 59.4%, 37.5% indicated that lower level management participated in account opening, while 3.1% indicated that top level management participated in problem identification in loan processing as shown by 25.0%.

The respondents were asked to indicate the level of management that participated in problem identification in cash operations. The results are given in table 4.10 below.

Table 4. 10 Level of management who participates in problem identification in cash operations

	Frequency	Percent
lower level management	2	6.30
middle level management	27	84.40
top level management	3	9.40
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish the level of management that participates in problem identification in cash operations. A majority of the respondents indicated that middle level management participated in problem identification in cash operations as shown by 84.4%, 9.4% indicated that top level management participated in cash operations, while 6.3% indicated that lower level management participated in problem identification in cash operations.

The respondents were asked to indicate the level of management that participated in problem identification in credit risk assessment. The results are given in table 4.11 below.

Table 4. 11 Level of management who participates in problem identification in credit risk

	Frequency	Percent
lower level management	3	9.40
middle level management	14	43.80
top level management	15	46.90
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish the level of management that participates in problem identification in credit risk assessment. Most of the respondents indicated that top level management participated in problem identification in credit risk assessment as shown by 46.9%, 43.8% indicated that middle level management participated in credit risk assessment, while 9.4% indicated that lower level management participated in problem identification in credit risk assessment.

The respondents were asked to indicate the level of management that participated in problem identification in treasury operations. The results are given in table 4.12 below.

Table 4. 12 Level of Management who participates in problem identification in treasury operations

	Frequency	Percent
lower level management	1	3.10
middle level management	8	25.00
top level management	23	71.90
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish the level of management that participates in problem identification in treasury operations. A majority of the respondents indicated that top level management participated in problem identification in treasury operations as shown by 71.9%, 25.0% indicated that middle level management participated in treasury operations, while 3.1% indicated that lower level management participated in problem identification in treasury operations.

The respondents were asked to indicate how frequently respondents engage in problem identification. The results are given in table 4.13 below.

Table 4. 13 How frequency respondents engage in problem identification

	Frequency	Percent
periodically	23	71.90
occasionally	3	9.40
always	6	18.80
Total	32	100.00

Source: Survey Data, (2011)

The study sought to how often the respondents engage in problem identification. From the study a majority of the respondents indicated that they periodically engaged in problem identification as shown by 71.9%, 18.8% of the respondents always engaged in problem identification while 9.4% of the respondents occasionally engaged in problem identification.

The respondents were asked to indicate how often the problems are identified. The results are given in table 4.14 below.

Table 4. 14 How often the above problems are identified

	Frequency	Percent
periodically	19	59.40
rarely	2	6.30
occasionally	5	15.60
always	6	18.80
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish how often problems are identified in the respondents banks. The study showed that a majority of the respondents indicated that problems were identified

periodically as shown by 59.4% of them, always identified by 18.8%, occasionally identified by 15.6% of them and rarely identified by 6.3% of the respondents.

The respondents were asked to indicate the Presence or absence of a departmental service charter. The results are given in table 4.15 below.

Table 4. 15 Presence or absence of a departmental service charter

	Frequency	Percent
Yes	26	81.20
No	6	18.80
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish if the respondents had a departmental service charter. The study revealed that a majority of the respondents had a departmental service charter as shown by 81.2% of the respondents while 18.8% of the respondents had no departmental service charter.

The respondents were asked to indicate the frequency of feedback on actions to resolve problems. The results are given in table 4.16 below.

Table 4. 16 Frequency of feedback on actions to resolve problems

	Frequency	Percent
periodically	20	62.50
rarely	2	6.30
occasionally	5	15.60
always	5	15.60
Total	32	100.00

Source: Survey Data, (2011)

The study sought to establish how regularly feedback is given on actions to resolve a problem. The study found out that a majority of the respondents were given feedback periodically on actions to resolve a problem as shown by 62.5% of the respondents, 15.6% of the respondents indicated that they were given feedback occasionally, 15.6% of the respondents indicated that they always received feedback while 6.3% of the respondents indicated that they rarely received feedback.

The respondents were asked to rate management involvement in process improvement in cheque clearance. The results are given in table 4.17 below.

Table 4. 17 Rating of management involvement in process improvement in cheque clearance

	Frequency	Percent
very low	2	6.30
Low	2	6.30
medium	12	37.50
medium high	11	34.40
very high	5	15.60
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the extent of management involvement in cheque clearance. From the study the most of the respondents as shown by 37.5% rated management involvement to a medium extent, 34.4% to a medium high extent, 15.6% to a very high extent, 6.3% to a low extent and 6.3% to a very low extent.

The respondents were asked to rate management involvement in process improvement in account opening. The results are given in table 4.17 below.

Table 4.18 Rating of management involvement in process improvement in account opening

	Frequency	Percent
very low	2	6.30
Low	3	9.40
Medium	9	28.10
medium high	11	34.40
very high	7	21.90
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the rating of extent of management involvement in account opening. From the study the most of the respondents as shown by 34.4% rated management involvement to a medium high extent, 28.1% to a medium extent, 21.9% to a very high extent, 9.4% to a low extent and 6.3% to a very low extent.

The respondents were asked to rate management involvement in process improvement in loan processing. The results are given in table 4.19 below.

Table 4. 19 Rating of management involvement in process improvement in loan processing

	Frequency	Percent
Low	2	6.30
medium	9	28.10
medium high	15	46.90
very high	6	18.80
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the rating of extent of management involvement in loan processing. From the study the most of the respondents as shown by 46.9% rated management involvement to a medium high extent, 28.1% to a medium extent, 18.8% to a very high extent and 6.3% to a low extent.

The respondents were asked to rate management involvement in process improvement in postings. The results are given in table 4.20 below.

Table 4. 20 Rating of management involvement in process improvement in postings

	Frequency	Percent
very low	2	6.30
Low	1	3.10
medium	3	9.40
medium high	17	53.10
very high	9	28.10
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the rating of extent of management involvement in postings. From the study most of the respondents as shown by 53.1% rated management involvement to a medium high extent, 28.1% to very high extent, 9.4% to a medium extent, 3.1% to a low extent and 6.3% to a very low extent.

The respondents were asked to rate management involvement in process improvement EFTs. The results are given in table 4.21 below.

Table 4. 21 Rating of management involvement in process improvement in EFTs

	Frequency	Percent
very low	1	3.10
medium	4	12.50
medium high	16	50.00
very high	11	34.40
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the rating of extent of management involvement in EFT's. From the study the majority of the respondents as shown by 50.0% rated management involvement to a medium high extent, 34.4% to a very high extent, 12.5% to a medium extent and 3.1% to a low extent.

The respondents were asked to rate management involvement in process improvement in treasury operations. The results are given in table 4.22 below.

Table 4. 22 Rating of management involvement in process improvement in treasury operations

	Frequency	Percent
Low	3	9.40
medium	4	12.50
medium high	11	34.40
very high	13	40.60
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the rating of extent of management involvement in treasury operations. From the study the most of the respondents as shown by 40.6% rated management involvement to a very high extent, 34.4% to a medium high extent, 12.5% to a medium extent, 9.4% to a low extent and 6.3% to a very low extent.

The respondents were asked to rate management involvement in process improvement in credit assessment. The results are given in table 4.23 below.

Table 4. 23 Rating of management involvement in process improvement in credit risk assessment

	Frequency	Percent
very low	1	3.10
Low	2	6.30
medium	6	18.80
medium high	12	37.50
very high	11	34.40
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the rating of extent of management involvement in credit risk. From the study the most of the respondents as shown by 37.5% rated management involvement to a medium high extent, 34.4% to a very high extent, 18.8% to a medium extent, 6.3% to a low extent and 3.1% to a very low extent.

The respondents were asked to rate management involvement in process improvement in cash operations. The results are given in table 4.24 below.

Table 4. 24 Rating of management involvement in process improvement in cash operations

	Frequency	Percent
very low	1	3.10
Low	3	9.40
medium	9	28.10
medium high	9	28.10
very high	10	31.30
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the rating of extent of management involvement in cash operations. From the study the most of the respondents as shown by 28.1% rated management involvement to a medium high extent, 28.1% to a medium extent, 31.3% to a very high extent, 9.4% to a low extent and 3.1% to a very low extent.

The respondents were asked on their awareness of six sigma. The results are given in table 4.25 below.

Table 4. 25 Awareness of six sigma

	Frequency	Percent
Yes	25	78.10
No	7	21.90
Total	32	100.00

Source: Survey Data, (2011)0

The study sought to find out the awareness of the respondents on six sigma. The study found out that a majority of the respondents were aware of six sigma as shown by 78.1% of them while 21.9% of the respondents were not awareness not aware of six sigma.

The respondents were asked on their awareness of lean production. The results are given in table 4.26 below.

Table 4. 26 Awareness of lean production

	Frequency	Percent
Yes	26	81.30
No	6	18.80
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the awareness of lean production methodologies. From the study, a majority of the respondents were aware of lean production methodologies as shown by 81.3% of the respondents and 18.8% of the respondents were not aware of lean production methodologies.

The respondents were asked on their awareness of TQM. The results are given in table 4.27 below.

Table 4. 27 Awareness of TQM

	Frequency	Percent
yes	32	100.0

Source: Survey Data, (2011)

The study sought to find out the awareness of TQM methodologies by the respondents. From the study it was found out that all the respondents were aware of TQM Methodologies as shown by 100% of the respondents.

The respondents were asked on their awareness of BPR. The results are given in table 4.2.8 below.

Table 4.28 Awareness of BPR

	Frequency	Percent
Yes	30	93.80
No	2	6.30
Total	32	100.00

Source: Survey Data, (2011)

The study sought to find out the awareness of BPR methodologies by the respondents. From the study it was found out that the majority of the respondents were aware of BPR methodologies while 6.3% were not aware of BPR methodologies.

The respondents were asked to rate lean production initiatives. The results are given in table 4.2.9 below.

4.3 Business Process Improvement Initiatives extent of adoption

Table 4.29 Lean production initiatives

Lean production	Mean	Std. Deviation
Reduces operational wastes	1.78	1.83
Does not reduce operational wastes	4.09	1.12
Reduces over production/processing	1.62	.83
Does not reduce over production/processing	4.06	1.08
Leads to appropriate processing steps	1.67	.937
Does not lead to appropriate processing steps	3.97	1.33

Source: Survey Data, (2011)

The study sought to establish the views on adoption of BPI initiatives in the banks affect lean production. From the findings on the respondent's level of agreement, the study found that

majority of the respondents agreed that BPI initiatives lead to appropriate processing steps as shown by a mean of 1.6562, reduces over production/processing as shown by a mean of 1.6250 reduces operational wastes as shown by a mean of 1.7813, disagreed that Bpi initiatives do not lead to appropriate processing steps as shown by a mean of 3.9688, does not reduce over production/processing as shown by a mean of 4.0625 and does not reduce operational wastes as shown by a mean of 4.0938. The study further revealed that respondents varied greatly in their responses as shown by large standard deviation in most of the cases.

The respondents were asked to rate six sigma initiatives. The results are given in table 4.30 below.

Table 4. 30 Six sigma

Six Sigma	Mean	Std. Deviation
Leads to clear definition, improvement, and control of problems.	1.47	.67
Does not lead to clear definition, improvement, and control of problems	4.06	.95
Facilitates measurement of the problem	1.63	.79
Does not facilitate measurement of the problem	4.06	1.05
Leads to proper analysis, improvement and control of the of the problem	1.63	.75
Does not lead to proper analysis, improvement and control of the problem	4.03	.97

Source: Survey Data, (2011)

The study sought to establish the views of the respondents on adoption of six sigma initiatives in the banks. From the findings on the respondent's level of agreement, the majority strongly agreed the six sigma leads to clear definition, improvement, and control of problems as shown by a mean of 1.4688, respondents also agreed that six sigma facilitates measurement of the problem and leads to proper analysis, improvement and control of the of the problem as shown by a mean of 1.6250 in each case. Respondents also disagreed that six sigma does not lead to proper analysis, improvement and control of the problem as shown by a mean of 4.0313, does not lead to clear definition, improvement, and control of problems and leads to proper analysis, improvement and control of the of the problem as shown by a mean of 4.0625 in each case. The

study further revealed that respondents didn't vary much in their opinion as shown by low standard deviation in most of the cases

The respondents were asked to rate business process initiatives. The results are given in table 4.31 below.

Table 4. 31 Business process reengineering

Business Process Reengineering	Mean	Std. Deviation
Results in Customer – focused operations to surpass customer needs	1.38	.61
Does not result in Customer- focused operations to surpass customer needs	4.09	1.12
Improves process flow scheduling to improve on customer service rate	1.50	.88
Does not improve process flow scheduling to improve on customer service rate	4.13	1.13
Leads to Just In Time ordering and customer service	1.88	1.26
Does not lead to JIT ordering and customer service	4.03	1.03

Source: Survey Data, (2011)

The study sought to establish the views of the respondents on business process reengineering initiatives in the banks. From the findings on the respondent's level of agreement, the majority strongly agreed the BPR leads Results in Customer – focused operations to surpass customer needs as shown by a mean of 1.3750, respondents also agreed that BPR Improves process flow scheduling to improve on customer service rate as shown by a mean of 1.5000, Leads to Just In Time ordering and customer service as shown by a mean of 1.8750. Respondents also disagreed that BPR Does not lead to JIT ordering and customer service as shown by a score of 4.0313, Does not result in Customer- focused operations to surpass customer needs 4.0938 and Does not improve process flow scheduling to improve on customer service rate as shown by a mean of 4.1250. The study further revealed that respondents varied greatly in their responses as shown by large standard deviation in most of the cases.

The respondents were asked to rate Total quality Management initiatives. The results are given in table 4.32 below.

Table 4. 32 Total Quality Management

Total Quality Management	Mean	Std. Deviation
Results in provision of proper leadership that instills confidence to your customer.	1.56	.80
Does not result in provision of proper leadership that instills confidence to your customer	4.09	1.23
Results in empowerment of employees	1.53	.72
Does not result in empowerment of employees	4.03	1.20
Leads to effective and efficient Customer focus	1.72	1.28
Does not lead to effective and efficient customer focus	4.03	1.23

Source: Survey Data, (2011)

The study sought to establish the views of the respondents on business total quality management initiatives in the banks. From the findings on the respondent's level of agreement, most of the respondents agreed that total quality management results in empowerment of employees as shown by a mean of 1.5313, results in provision of proper leadership that instills confidence to customers as shown by a mean of 1.5625 and leads to effective and efficient customer focus as shown by a mean of 1.7188. Respondents also disagreed that total quality management does not result in empowerment of employees and does not lead to effective and efficient customer focus as shown by a mean of 4.0312 in each case, does not result in provision of proper leadership that instills confidence to your customer as shown by a mean of 4.0938. The study further revealed that respondents varied greatly in their responses as shown by large standard deviation in most of the cases.

4.3.1 How Business Process Improvement methods help improve efficiency and effectiveness in the banks daily operations

The respondents were of the view that BPI methods helped improve customer services, improve customer satisfaction, lead to good time management, lead to adoption of new technologies that improved that banks competitive edge and lead to channel migrations in the banks.

The respondents were also of the view that BPI methods lead to better time management, quality improvement, improved morale among the employees and savings on operational costs. Other issues that were noted were the elimination of errors in the bank's operations such as account openings, knowledge of issues affecting the banks employees and the selection of methods to solve those problems leading to an increase of efficiency and effectiveness.

4.3.2 Impact of the improvement of internal operational processes on the end customers

The majority of the respondents indicated that the improvement of internal operational processes will impact on the end customers positively in terms of faster turnaround times in account opening, loans that lead to satisfied customers. They were also of the view that it lead to better coordination of internal operations and improved rate of production and quality of production. This leads to better products and services being delivered to customers.

4.3.3 Evaluation of customer perception and satisfaction enhancement after the improvement initiatives

The respondents indicated that the customers gave their feedback on the improvement initiatives through, customer satisfaction surveys, feedback forms in the banking halls, customer service repositories, recommendation of the banks services to friends, call backs, customer care department reports and the reduction of complains in the customer care section.

A good indication of positive feedback was noted as the uptake of more bank products by the customers, referrals to friends and a reduction in complains.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following discussions, conclusion and recommendations were made. The responses were based on the objectives of the study. The researcher had intended to establish to assess the level of management involvement in process improvement in the Kenyan banking sector.

5.2 Summary of Findings

The study found out that a majority of the respondents indicated that they attended departmental meeting which were attended by departmental heads as shown by 56.3% and 50.0% of the respondents respectively. This shows that departmental managers were actively participating in the decision making in the banks. The study also found out that middle level management participated in cheque clearance, loan processing, account opening and cash operations while top level management are involved in credit risk assessment and treasury operations. This shows that middle to top level management were involved in the day to day running of the banks.

The study also found out that the respondents periodically engaged in problem identification. It also revealed that this feedback was given our periodically to the respondents. The study also found out that the majority of the banks had departmental service charters in place. The study also found out that the respondents rated the management involvement to a medium extent in cheque clearance, medium highly in account opening, loan processing, postings, EFTs and credit risk assessment while they rated very highly the management involvement in treasury operations and cash operations.

On the awareness of BPI methodologies the study found out that a majority of the respondents were aware of six sigma, lean production, TQm and BPR methodologies. The study also sought to find out the views of the respondents on lean production initiatives. The study revealed that lean production initiatives lead to appropriate processing steps, reduces over production/processing and reduces operational wastes. The study also sought out to find out if six sigma initiatives leads to clear definition, improvement, and control of problems, facilitates measurement of the problem and leads to proper analysis, improvement and control of the of the problem. The study revealed that six sigma initiatives leads to clear definition, improvement, and

control of problems, facilitates measurement of the problem and leads to proper analysis, improvement and control of the of the problem

The study also revealed that business process reengineering leads to BPR leads Results in Customer – focused operations to surpass customer needs, Improves process flow scheduling to improve on customer service rate and Leads to Just In Time ordering and customer service. On total quality management the study revealed that total quality management results in empowerment of employees, results in provision of proper leadership that instills confidence to customers and leads to effective and efficient customer focus.

5.3 Conclusion

Management involvement in process improvement is majorly from the middle level and partly from the top level management. The banks have extensively adopted business process improvement methodologies in their operations. The banks participate in problem identification periodically as part of their business process improvement initiatives and that management was involved in problem identification. Lean production, six sigma, business process reengineering and total quality management initiatives improved all aspects of operations in the banks.

5.4 Recommendations

The study recommends that banks should adopt BPI methodologies to a greater extent to improve their efficiency as shown by the research. They should focus on strategies that benefit the banks in reducing over production/processing and operational wastes, those that lead to clear definition, improvement, and control of problems, those that facilitate measurement of the problem and leads to proper analysis, improvement and control of the of the problem. The top management should also engage a participatory approach geared towards problem identification, solution and feedback communication on the actions taken.

5.5 Study limitations

Some respondents feared that the information obtained might be used against them; this scared away some respondents from filling the questionnaires. This fear was overcome by first seeking permission from each bank's top management to meet the respondents and to tell them the intentions of the study. The management ultimately convinced respondents that there will be confidentiality to the information being provided therefore reducing the fear.

The other limitation was the confidentiality of organizational information. There was unwillingness of informants to give out information and fill questionnaires. Use of letters of introduction from Nairobi University to introduce the researcher to the organization was used to let them learn that it was purely for academic purposes.

5.6 Areas for further research

The review of BPI methodologies indicated that the understanding of BPI adoption in the service sector lags behind the manufacturing area, and practice. Relatively little empirical research is evident in the academic literature, and hence this areas appears to be in an early stage of development. There is a challenge for both researcher and practitioner to further explore the existing phenomenon of BPI methodology, pertinent to applications and approaches adopted in the other services sectors.

The study results have shown that top management involvement in Business process improvement initiatives is to a lesser extent than middle level management, therefore an examination of top level management impact on process improvement should be explored to cover the research gap.

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TO WHOM IT MAY CONCERN

The bearer of this letter WENJE OTIENO COLLINS

Registration No. D61/71295/2008

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

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JUSTINE MAGUTU
ASSISTANT REGISTRAR
MBA OFFICE, AMBANK HOUSE

APPENDIX II: LIST OF COMMERCIAL BANKS IN KENYA

1. Africa Banking Corporation Ltd.
2. Bank of Africa Kenya Ltd.
3. Bank of Baroda (K) Ltd.
4. Bank of India
5. Barclays Bank of Kenya Ltd.
6. CFC Stanbic Bank Ltd.
7. Charterhouse Bank Ltd.-UNDER STATUTORY MANAGEMENT
8. Chase Bank (K) Ltd.
9. Citibank N.A Kenya
10. Commercial Bank of Africa Ltd.
11. Consolidated Bank of Kenya Ltd.
12. Cooperative Bank of Kenya Ltd.
13. Credit Bank Ltd.
14. Development Bank of Kenya Ltd.
15. Diamond Trust Bank Ltd.
16. Dubai Bank Kenya Ltd.
17. Ecobank Ltd.
18. Equatorial Commercial Bank Ltd.
19. Equity Bank Ltd.
20. Family Bank Limited
21. Fidelity Commercial Bank Limited
22. Fina Bank Ltd.
23. First Community Bank Limited
24. Giro Commercial Bank Ltd.
25. Guardian Bank Ltd.
26. Gulf African Bank Limited
27. Habib Bank Ltd.
28. Habib Bank AG Zurich
29. I&M Bank Ltd.
30. Imperial Bank Kenya Ltd.

31. Jamii Bora Bank Limited
32. Kenya Commercial Bank Ltd.
33. K-Rep Bank Ltd.
34. Middle East Bank (K) Ltd.
35. National Bank of Kenya Ltd.
36. NIC Bank Ltd.
37. Oriental Commercial Bank Ltd.
38. Paramount Universal Bank Ltd.
39. Prime Bank (K) Ltd.
40. Standard Chartered Bank Kenya Ltd.
41. Trans National Bank Kenya Ltd.
42. UBA Kenya Bank Ltd.
43. Victoria Commercial Bank Ltd.
44. Housing Finance

Appendix I: Research Questionnaire

Research Topic: *Management involvement in process improvement - a survey of the Kenyan banking sector*

This research study is being undertaken in partial fulfillment of the requirements for the award of the degree of Master of Business Administration in Operations Management at the department of management science, University of Nairobi.

INSTRUCTIONS

- Kindly spare a few minutes to complete the questionnaire below
- Please tick or answer the questions correctly

PART I: GENERAL INFORMATION

Kindly answer all the questions either by ticking in the boxes or writing in the spaces provided.

1. Name of the bank

(Optional).....

2. Department -----

3. Where do you fall in the following categories of employees?

Senior level Management Middle level management Lower level Management

Other (specify).....

4. How long have you worked for this bank?

a. 0-3 year 4-7 years 8 years and above

**PART II: INFORMATION ON MANAGEMENT INVOLVEMENT IN PROCESS
IMPROVEMENT.**

5. a. How many times per month do you attend departmental meetings?
1-2 3-4 5-6 7 and more Never
- b. How often does your line manager attend these meetings?
1-2 3-4 5-6 7 and more Never
6. a. Who participates in problem identification on the following processes?
(Lower Management 1; Middle level management 2; Top Management 3; Other
(specify).....)
- i. Cheque Clearance.....
 - ii. Loan processing.....
 - iii. Account opening.....
 - iv. Cash operations.....
 - v. Credit risk.....
 - vi. Treasury operations.....
- b. How frequently do you engage in the action **a.** above?
Periodically; Rarely Occasionally; Always
- c. How regularly are the above identified problems resolved?
Periodically; Rarely Occasionally; Always; Don't know
- d. Do you have a departmental service charter?
Yes No
7. a. How regularly is the feedback given on actions taken to resolve a problem?
Periodically; Rarely Occasionally; Always; Don't know

8. In a scale of 1-5, where 1 is very low and 5 is very high, how would you rate the management involvement in process improvement in the following processes in your bank? (Please write the rating in the space provided)
- a. Cheque clearance.....
 - b. Account opening
 - c. Loan processing
 - d. Postings
 - e. EFTs
 - f. Treasury operations.....
 - g. Credit risk
 - h. Cash operations

PART III: THE EXTENT OF USE OF BUSINESS PROCESS IMPROVEMENT (BPI) METHODOLOGIES IN THE BANKING SECTOR.

Note: Meaning of terms used below:

Six sigma is a BPI methodology that seeks to identify and eliminate causes of errors, defects or failures in business processes to achieve breakthrough improvements in quality, process performance, productivity and customer satisfaction.

Lean Production provides a way to re-specify value, line up value creating actions in the best sequence, ensure that such activities are conducted without interruption, thereby all activities can be performed more effectively.

Total Quality Management (TQM) is about management of leadership, people and teamwork, and process improvement, aiming to satisfy the customers

Business Process Reengineering (BPR) is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed.

9. Are you aware of the following business process improvement methodologies (Yes or No?)

- a. Six sigma
- b. Lean production
- c. TQM
- d. BPR

10. Based on your opinion, please specify by ticking appropriately against your view on BPI initiatives below towards the following outcomes:

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Lean production					
Reduces operational wastes	①	②	③	④	⑤
Does not reduce operational wastes	①	②	③	④	⑤
Reduces over production/processing	①	②	③	④	⑤
Does not reduce over production/processing	①	②	③	④	⑤
Leads to appropriate processing steps	①	②	③	④	⑤
Does not lead to appropriate processing steps	①	②	③	④	⑤
11. Six Sigma					
Leads to clear definition, improvement, and control of problems.	①	②	③	④	⑤
Does not lead to clear definition, improvement, and control of problems	①	②	③	④	⑤
Facilitates measurement of the problem	①	②	③	④	⑤
Does not facilitate measurement of the problem	①	②	③	④	⑤
Leads to proper analysis, improvement and control of the of the problem	①	②	③	④	⑤
Does not lead to proper analysis, improvement and control of the problem	①	②	③	④	⑤

12. Business Process Reengineering					
Results in Customer – focused operations to surpass customer needs	①	②	③	④	⑤
Does not result in Customer- focused operations to surpass customer needs	①	②	③	④	⑤
Improves process flow scheduling to improve on customer service rate	①	②	③	④	⑤
Does not improve process flow scheduling to improve on customer service rate	①	②	③	④	⑤
Leads to Just In Time ordering and customer service	①	②	③	④	⑤
Does not lead to JIT ordering and customer service	①	②	③	④	⑤
13. Total Quality Management					
Results in provision of proper leadership that instills confidence to your customer.	①	②	③	④	⑤
Does not result in provision of proper leadership that instills confidence to your customer	①	②	③	④	⑤
Results in empowerment of employees	①	②	③	④	⑤
Does not result in empowerment of employees	①	②	③	④	⑤
Leads to effective and efficient Customer focus	①	②	③	④	⑤
Does not lead to effective and efficient customer focus	①	②	③	④	⑤

14. How does Business Process Improvement (BPI) methods help improve efficiency and effectiveness of your daily operational processes? Please specify the reasons and examples.

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15. Do you think the improvement of your internal operations processes will impact the end customers? Please specify reasons and examples.

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16. How do you evaluate whether customer perception and satisfaction is enhanced after the improvement initiatives?

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With Thanks