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TOTAL QUALITY MANAGEMENT AND EMPLOYEE PERFORMANCE IN SELECTED COMMERCIAL BANKS IN ENUGU STATE, NIGERIA.

Nma Okechukwu Okoroji
Department of cooperative Economics and Management,
Nnamdi Azikiwe University, Awka, Nigeria

ABSTRACT

The study identified poor quality planning for its products and services, weak quality control, and lack of technical knowhow, inadequate quality improvement and assurance, poor and obsolete technology usage, political instability, decaying infrastructure, corruption and enabling environment through tax exemptions. In view of these, the research sought to determine the extent of relationship between Quality Improvement and Customer Loyalty in commercial banks in Enugu State, Nigeria. The study was anchored on Chain Reaction Theory proposed in 1881 by Edward Dewing, Survey Research design was employed in the study and the population of the study was 3825 and sample size of 362 while Pearson's Product Moment Correlation Coefficient was used in testing the hypotheses. The findings revealed that there was a significant positive relationship between Quality Improvement and Customer Loyalty in commercial banks in Enugu State, Nigeria. The study concluded that there is a strong positive nexus between Quality Improvement and Customer Loyalty in commercial banks in Enugu State, Nigeria. The study recommended that since it has been proven that quality improvement increases loyalty among its customers, the management should ensure that they invest in modern technology and adequately train its staff to enhance the quality of services dispensed.

Keywords: Total Quality Management, Employee Performance, Commercial Banks, Chain Reaction Theory.

INTRODUCTION

In a competitive market, the clamor for quality is emerging as the most critical factor for companies to survive in the ever-expanding global market as the need for quality has become one of the most important drivers of today's fierce competition (Almansour, 2012). Another significant reason quality has gained such notable prominence in recent times is because organizations have gained an understanding of the implications of poor quality. Quality affects all aspects of an organization and has serious cost implications. The most obvious is when poor quality causes customer dissatisfaction and consequently lack of patronage.

Another reason adduced to the emphasis on quality asides competition is because of the phenomena of globalization. As trade barriers are collapsing worldwide and firms are competing for markets that were previously controlled by monopolists, the issue of satisfying the customer has become a focus and companies must seek various forms to offer the customer better products and services at best prices. Companies which cannot do this wind up eventually (Alamutu, Hotepo, Oyeobu and Nwatulegwu, 2012).

The attempt to offer products and services at cheaper prices has made the concept of quality imperative as a survival strategy for organizations operating in the 21stcentury. The nature of the market currently is characterized by ever stiffened competition and ever-changing customer expectations and demand, an organization must come up with unique competitive strategies and produce goods and services that continuously meet and exceed these demand and expectations (Salaheldin, 2009).

Along with quality, cost, delivery, and flexibility, customer focus is another priority to adapt fitting operation strategies proactively in changing environments (Nair & Boulton, 2008). In modern business success, it is unanimously accepted that customer satisfaction is of utmost concern and consequently, companies must always place customer needs first. This has resulted in the creation of value. Therefore, with the concept of value, customer value has become a source of sustainable competitiveness (Wanderi, Mberia and Oduor, 2015).

Increasing demand for better quality by customers have caused a lot of organizations to realize that they will have to provide premium products or quality services in order to successfully compete. Thus, gaining market competitiveness through efficient organizational performance has become the primary vehicle behind the marketing of quality products and services (Hassan, Hassan, Shaukat and Nawaz, 2013).

Total Quality Management is a business management strategy aimed at embedding awareness of quality in all organizational processes. A lot of scholars note that it has been widely used in manufacturing, education, hospitals, call centers, government, and service industries, as well as science programmes amongst others. It is a management approach for an organization, centered on quality, based on the participation of all its members and aimed at long-term success through customer satisfaction and benefits to all members of the organization and to the society (Fapohunda, 2012). It involves making constant effort to identify what the customer wants all the time and determining how to provide these needs, desires and wants normally change over time, in relation to changes which may occur in the key aspects of the environment such as social, political, economic and technological changes.

Total Quality Management is a culture that talks about the continuous improvement of product and service quality to satisfy the customer needs and enhance productivity through continuous learning and adaptation to changes in consumer demand and product or operational methods (Nwadukwe & Court, 2013). It requires that an organisation maintains a high standard in all aspects of its business by ensuring that things are done rightly, the first time and those defects through leakages and wastage are eliminated from operations. Total Quality Management involves a lot more than shifting the responsibility of detection of problem from the customer to the producer. It requires a comprehensive approach that must first be identified and then implemented if the rewards are to be realized. Total Quality Management is a critical element that determines the rate of success of the banking sector. In most highly industrialized countries of the world such as the United States of America, Japan, and the European Union, the implementation of total quality management has become a standard practice and a preferred approach for improving quality (Krasachol, Willey, & Tannock, 1998). In more recently industrialized countries, such as Libya, many concepts of TQM have only recently emerged in a regularized and coherent form (Hokoma, Khan, & Hussain, 2010). Since 1970 Japanese organizations possessed competitiveness advantages and quickly entered into western markets due to the realization of quality management.

Financial institutions are the backbone of any economic system in a nation and a pillar involved in channeling funds from those having surplus to those having its shortage (Luckett,1994). In Nigeria, Modern banking began in 1982 when the African Banking Corporation (ABC) based in South Africa opened a branch in Lagos. ABC was acquired subsequently by British Bank for West Africa (BBWA) and as a result, changed its name to Standard Bank in 1894 and then to First Bank of Nigeria in 1894. According to Nwankwo (1991), other early comers included the Anglo-African Bank established in 1891, which later became Bank of Nigeria in 1905 and the Colonial Bank in 1916. The Colonial Bank was acquired by Barclays Bank (now Union Bank Plc) in 1925. As at 1928, the British Bank for West Africa and Barclays Bank were only banks operating in Nigeria.

Commercial banks in Nigeria plays an important role in serving the general public and in ensuring sustainable growth in the country. Traditionally, commercial banks serve as the safe house for the public. They also facilitate monetary transactions in the economy, extends credit facilities to potential investors for the promotion of economic activity, and as thus, the commercial banking system serves as an important channel that links both savers and investors in the economy. Furthermore, as part of their of asset portfolio, the commercial banking does propel economic growth through its investment function. Commercial banks invest its excess deposit on real investment such as real estate, partnering with private individuals in real production of goods, procuring and leasing of equipment etc. It is significant to note that bank investments expanded astronomically after the recapitalization done by Professor Charles Soludo in 2004 and investment in real asset rose has continued to increase over the years till date.

Commercial banks also act as an important link in the transmission of government's economic policies, particularly through the monetary policy to the rest of the economy and its job creation status cannot be overemphasized. Monetary policy, which is an economic program adopted by the government to manage its money supply, the availability of credit, and interest rates, works mostly through the commercial banking system by manipulating commercial banks' reserves, through monetary policy instruments.

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The immeasurable role played by commercial banks as a vital input in the socio-economic and welfare development of any nation cannot be overestimated. In spite of the fact commercial banks are noted as one of the engines of economic growth, employment and wealth creators and a threshold for sustainable development, the subsector seems to be facing more challenges than any other subsector in Nigeria at the moment because competition has become so high in all fronts that banks only survive by making a difference. (Nwosu, Awurum and Okoli, 2015).

However, researchers have noted that although total quality management should result in a radical change in the culture and the way of work in commercial banks, it sometimes does not due to some factors that include poor quality planning for its products and services, weak quality control, and lack of technical knowhow, inadequate quality improvement and assurance, poor and obsolete technology usage, political instability, decaying infrastructure, corruption and enabling environment through tax exemptions. There have also been other challenges facing the commercial banking sector in Nigeria and they include the rise in non-performing loans, banking fraud cases, global financial meltdown that has affected the local banking rates to a great extent, increase in legislative attempts to cap Banks' lending rates and also increasing competition from other financial players such as Microfinance institutions and mobile phone lending applications (Onyango, 2016).

While the rule of the game in today's business world through continuous improvement of processes, systems and skills, many banks do not have a keen sense of urgency required to reinvent the needs of the current business model. Quality improvement and assurance are still not viewed by many commercial banks as a way of survival but as optional extras. Even on occasions where a good number of commercial banks attempt improvement efforts, they merely focus on catching up to competitors instead of focusing on those activities that will create new advantages for their goal. They make quality improvement efforts only as a benchmark to bridge the competitive edge enjoyed by banks.

Therefore, the study investigated the linkage between Total Quality Management and Employee Performance in selected commercial banks in Enugu State, Nigeria. Specific, the study determined the extent of relationship between Quality Improvement and Customer Loyalty in commercial banks in Enugu State, Nigeria.

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REVIEW OF RELATED LITERATURE

Quality management (QM) according to Aluko (2004) is a business philosophy that comprises the belief that management process must focus on integrating the idea of customer-driven quality through an organization. In the view of this scholar, it means that all organizational activities initiated by the management of entities should make customer satisfaction a priority by ensuring they provide quality products and services. This is to ensure the attainment of competitive edge in the market place.

Quality Management underscores the continuous improvement of product quality and service delivery. Quality Management is a disciplined approach to keep the attention and actions of organizational members on task towards providing greater customer satisfaction. This stresses that all efforts of employees and management of organizations must have the customer in focus. Quality Management is composite word which integrates the team "quality" and "management" (Hinton and Schaeffer, 1999).

Dale (1999) defines Quality Management as a management approach of an organization which is centered on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction, and benefits to all members of the organization and to society. In Quality Management thinking, management is seen as providing impetus and the prime mover for making total quality the guiding principles of the organization. In view of the postulates of the total quality management philosophy, the nitty-gritty of Quality Management is customer satisfaction, continuous improvement of quality and productivity.

Ross (1995) sees Quality Management as perceived quality with respect to all functions of the enterprise. It is a system's approach that considers every interaction among the elements of the organization. Quality management is a proactive and prevention-based approach that focuses on organizational members and processes with customer driven leadership (Arora, 2006).

Quality Management is a philosophy that has a cutting edge over the traditional reactive approach of quality control because it brings about quality improvement by focusing on the processes, employee involvement, customer satisfaction, leadership and continuous quality improvement.

In view of the perspectives of scholars on quality management, implementation of total quality management in Nigerian requires conscious and concerted effort of the leadership and all employees in consideration of the constituents of quality management as highlighted by quality gurus.

Quality Improvement

Focuses on long term goal seeking to achieve quality break through that move the firm to a new level of performance. The International Standard Organization (2009) defines quality improvement as the actions taken throughout the organization to increase the effectiveness of activities and processes to provide added benefits to both the organization and its customers. In simple terms, quality improvement is anything which causes a beneficial change in quality performance.

There are two basic ways of bringing about improvement in quality performance. One is by better control and the other by raising standards. We don't have suitable words to define these two concepts. Doing better what you already do is improvement but so is doing something new. Juran (1999) uses the term control for maintaining standards and the term breakthrough for achieving new standards. Imai uses the term Improvement when change is gradual and Innovation when it is radical. Hammer (2002) uses the term reengineering for the radical changes. All beneficial change results in improvement whether gradual or radical so we really

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need a word which means gradual change or incremental change. The Japanese have the word Kaizen but there is no English equivalent that I know of other than the word improvement.

Quality improvement (for better control) is a process for changing standards. It is not a process for maintaining or creating new standards. Standards are changed through a process of selection, analysis, corrective action on the standard or process, education and training. The standards which emerge from this process are an improvement from those used previously.

A typical quality improvement might be to increase the achieved reliability of a range of products from 1 failure every 1000 hours to meet the specified target of 1 every 5000 hours. Another might be to reduce service call-out response time from an average of 38 hours to the maximum of 36 hours specified. Another might be simply to correct the weaknesses in the registered quality system so that it will pass re-assessment.

Quality improvement (raising standards or Innovation), is a process for creating new standards. It is not a process for maintaining or improving existing standards. Standards are created through a process which starts at a feasibility stage and progresses through research and development to result in a new standard proven for repeatable applications. Such standards result from innovations in technology, marketing and management.

A typical quality improvement might be to redesign a range of products to increase the achieved reliability from 1 failure every 5000 hours to 1 failure every 10,000 hours. Another example might be to improve the efficiency of the service organization so as to reduce the guaranteed call-out time from the specified 36 hours to 24 hours. A further example might be to design and install a quality system which complies with ISO 9001.

The transition between where quality improvement stops and quality control begins is where the level has been set and the mechanisms are in place to keep quality on or above the set level. In simple terms if quality improvement reduces quality costs from 25% of turnover to 10% of turnover, the objective of quality control is to prevent the quality costs rising above 10% of turnover.

Improving quality by raising standards can be accomplished by the following steps:

- Determine the objective to be achieved. e.g. new markets, products or technologies or new levels of organizational efficiency or managerial effectiveness, new national standards or government legislation. These provide the reasons for needing change.

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- Determine the policies needed for improvement. i.e. the broad guidelines to enable management to cause or stimulate the improvement.
- Conduct a feasibility study. This should discover whether accomplishment of the objective is feasible and propose several strategies or conceptual solutions for consideration. If feasible, approval to proceed should be secured.
- Produce plans for the improvement which specifies the means by which the objective will be achieved.
- Organize the resources to implement the plan.
- Carry out research, analysis and design to define a possible solution and credible alternatives.
- Model and develop the best solution and carry out tests to prove it fulfills the objective.
- Identify and overcome any resistance to the change in standards.
- Implement the change i.e. putting new products into production and new services into operation.
- Put in place the controls to hold the new level of performance.

This improvement process will require controls to keep improvement projects on course towards their objectives. The controls applied should be designed in the manner described previously.

Customer Satisfaction

Customer satisfaction is seen as a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals (Farris, Neil, Pfeifer & Reibstein 2010). It is seen as a key performance indicator within business and is often part of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy (Gitman and McDaniel, 2005).

Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers' expectations. Furthermore, when these

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ratings dip, they warn of problems that can affect sales and profitability.... These metrics quantify an important dynamic. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective (Farris, Neil, Pfeifer & Reibstein, 2010)

Firms need reliable and representative measures of satisfaction to effectively manage customer satisfaction. In researching satisfaction, firms generally ask customers whether their product or service has met or exceeded expectations. Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying. For this reason, a luxury resort, for example, might receive a lower satisfaction rating than a budget motel—even though its facilities and service would be deemed superior in 'absolute' terms (Farris, Neil, Pfeifer & Reibstein 2010).

The importance of customer satisfaction diminishes when a firm has increased bargaining power. For example, cell phone plan providers, such Globacom and Airtel, participate in an industry that is an oligopoly, where only a few suppliers of a certain product or service exist. As such, many cell phone plan contracts have a lot of fine print with provisions that they would never get away if there were, say, 100 cell phone plan providers, because customer satisfaction would be far too low, and customers would easily have the option of leaving for a better contract offer.

According to Fornell (1992) a key motivation for the growing emphasis on customer satisfaction is that high customer satisfaction lead to a stronger competitive position resulting in higher market share and profit.

Deng (2009) posits that the ability of a service provider to create a high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers. The service a brand offer and the price it charges actually determine the level of satisfaction among its customer than any other measure (Turel and Serenko, 2006).

According to Eklof and Westlund (2002) using the European Customer Satisfaction Index (ECSI) customer satisfaction is caused by some factors such as perceived quality (PQ), perceived value (PV), expectation of customers and image of a firm.

Customer Loyalty

Oliver (1997) opines that customer loyalty can be said to have occurred if people choose to use a particular shop or buy one particular product, rather than use other shops or buy products made by other companies. Customers exhibit customer loyalty when they consistently purchase a certain product or brand over an extended period of time. As an example, many customers stick to a certain travel operator due to the positive experiences they have had with their products and services.

Customer loyalty is the key objective of customer relationship management and describes the loyalty which is established between a customer and companies, persons, products or brands. The individual market segments should be targeted in terms of developing customer loyalty.

Four different reasons why loyalty should be promoted according to Lovelock and Wirtz, 2011) are:

i. **Psychological:** Customers might also develop a sense of loyalty to a certain person working for a company. People can build up a good relationship with a bank advisor they have known for several years and who has always fulfilled their expectations. The fact that people develop a sense of loyalty can be described as a psychological reason to stick to a specific product.

ii. **Economic**: In business-to-business markets, it might also be possible that customer loyalty results from the fact that switching to another company would lead to the company facing economic disadvantages. In this case, loyalty is based on economic grounds.

iii. **Technical/ functional**: Furthermore, it might be possible that a company adjusted and adapted its technical procedures to a particular supplier and a change would cause immense technical problems, thus, technical or functional reasons are the grounds for customer loyalty.

iv. **Contractual:** A contractual reason for loyalty exists if a customer is bound to the company for a certain period of time due to a contractual agreement and for legal reasons.

Loyalty is an old-fashioned word traditionally used to describe fidelity and enthusiastic devotion to a country, a cause, or an individual. It has also been used in a business context, to describe a customer’s willingness to continue patronizing a firm over the long term, preferably on an exclusive basis, and recommending the firm’s products to friends and associates (Lovelock and Wirtz 2011).

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Customer loyalty is widely seen as a key determinant of a firm's profitability. We can differentiate between behavioural and attitudinal loyalty, also referred to as share-of-wallet and share-of-heart respectively. Behavioural loyalty refers to customers buying exclusively or mostly only one brand, whereas attitudinal loyalty is all about having an emotional attachment to a brand, liking it more than others, and even loving it. These two types of loyalty are independent, for example, one can give a 100 percent share-of-wallet to a bus company that passes one's home to work, but would still be deeply unhappy with that organization's service and be ready to switch as soon as a viable alternative is on offer.

True loyalty requires both share-of-wallet and share-of-heart so that customers continue buying even when situational factors may make repeat purchase difficult, such as stock outage or alternative providers trying to persuade customers to switch using promotional offers.

However, attitudinal loyalty in itself is not a guarantee of profitability and firms need to be efficient in translating these attitudes and loyalty intentions into actual loyalty behaviours.

This includes:

- increased share-of-wallet such as encouraging a customer to buy more from a brand, and less from its competitors which results in selling more units to a customer;
- up-selling to higher level products, meaning selling more expensive, higher value products, which results in the higher revenue from the customer for a constant number of products sold;
- cross-selling of products the customers currently does not buy, this means in addition to the products a customer already buys, a company sells different products to that customer;
- referrals such as customer gives positive word-of-mouth and recommendations to buy the firm's products to friends and associates that lead to sales.

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For example, many Apple customers show absolute loyalty to Apple and even dislike competing products. Apple fans identify with its trendy brand and love its integrated and smart solutions, sleek design and excellent product quality. These customers seem to increasingly live in an "Apple-world", where they tightly integrate the use of several Apple products such as their MacBook, iPod, iPhone and iPad). They frequently download and buy software, apps, songs and eBooks from Apple's Store and iTunes.

These customers have a deeply held commitment to re-buy and re-patronize Apple products and services consistently in the future, against all odds and at all costs despite strong marketing efforts of competitors (Oliver, 1997).

Challenges of Implementing Quality Management

Researchers have been addressing the question "What makes quality management work"? Since most would agree that the philosophy and principles of quality management are sound but instances of failed quality management initiatives have led researchers to direct their attention to problems associated with its implementation. Consequently, several major research themes concerned with the successful implementation of quality management have emerged. There have been many studies that have focused on the obstacles to quality management (Ngai & Cheng, 1997). Several researchers have focused more directly on the obstacles that hinder the ability of organizations to make a successful transformation to quality management or quality management.

Glover (1993) argues that quality management failures follow one of three patterns: conceptual weakness, design flaws, or ineffective implementation. Recognizing that quality management requires a true organizational transformation, Glover explains conceptual weakness as failures occurring because organizations make only superficial attempts at change.

Design flaws occur when quality management systems are not designed to fit the cultural circumstances of the organization. The most common reason for failure include ineffective implementation which results when quality management becomes so much extra work instead of a new way of doing things Glover (1993).

Glover also argues that without a change in management evaluation and reward policy, quality management cannot be taken seriously. He advocates managers will need to know that their evaluations and subsequent pay increases and bonuses, are dependent on having high levels of quality, satisfied staff and consumers, and successful quality management implementation in their respective areas of responsibility in a study of companies that won the Australia Quality Award, Abraham, (1999) found the key factor in achieving a successful change to a quality culture was management support. They state managers must be clearly perceived to support the change through communication, resource allocation, and recognition/reward.

Criticism of Quality Management

In this section, some criticisms of quality management are discussed in order to give a more complete picture of the concept. There are many different ways to estimate the possible benefits of quality management, and different studies have shown different results.

One reason for the different results is that opinion differs about what quality management really is and the different definitions of quality management Boaden (1997). The different opinions concerning what quality management is lead to different opinions about what quality management should result in.

Eskildson (1994) also states on the basis of Survey results, that many organizations do not succeed in their quality management efforts. The two main reasons are argued here to be vague definitions of quality management and inappropriate implementation.

Harari (1997) claims that quality management programmes are ineffective and gave ten reasons why quality management does not work. He states that, after putting together all the independent research conducted by consulting firms, the conclusion is that only about one-fifth, or at best one-third, of the quality management programmes in the United States and Europe have achieved significant or even tangible improvements in quality, productivity, competitiveness or financial results.

Pyzdek (1999) summarizes the criticisms of quality management that have been revealed over the years and adds a few criticisms of his own. In summary, Pyzdek (1999) believes quality management that professionals constantly need to seek to improve the knowledge of quality and the methods for attaining it.

Moreover, van der Wiele (2000) evaluate whether quality management is a fad, fashion or fit. A fit of quality management into normal management practice mean that the original fad will have affected the normal way of working within the whole organization and not just a small part, such as would be the case in the adoption of a mere fashion. The fieldwork from van der Wiele (2000) shows that a change to a fit of quality management to normal management will only occur when there is a strong internal motivation and emotional involvement to implement quality management.

Hackman & Wagerman (1995) give two reasons why organizational change programmes including quality management can go wrong. First, the changes may be so ambitious and involve such fundamental alterations of the social system that, for all their potential merit, the organization cannot accommodate to them. Second, the changes may be more like window-dressing than real changes, as in a programme that exhorts people to alter their behaviour but requires managers to do little other than issue the exhortation.

Knights and McCabe (1997) state that management often does not understand the flaws/problematic and underlying philosophy of quality management. Consequently they continue to adopt inconsistent approaches, such as attempting to control cost and employees whiles espousing the importance of the customer and the needs of trust-based culture.

Theoretical Framework

This study anchors on Chain Reaction Theory proposed in 1881 by Edward Deming. Edward Deming first envisioned quality management as an organization wide activity rather than a technical task for inspectors or a special quality assurance group. He identified quality as a management responsibility, observing that managers must create the systems and processes that generate quality (Ijeh, 2015).

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A quality product combines a good design with effective production methods only by meeting both these conditions could a firm assure quality. Deming stressed that the top management has higher responsibility for quality improvement the senior or middle level management.

Deming advocated a never ending cycle, of product design, manufacture, test and sales followed by market survey and then redesign and so forth. He claimed that higher quality, leads to higher productivity, which in turn leads to long term competitive strength.

This is called Deming's 'Chain Reaction Theory." This theory states that 'improvements in quality lead to lower costs because they result in less rework, forward mistakes fewer delays and snags, and better quality and lower prices, a firm can achieve a higher market share and this stay in business, providing more and more jobs.

The Deming Chain Reaction

Improve Quality of Product and Service

↓

Cost decrease because of less rework, fewer mistakes, fewer delays and snags, better use of time and materials

↓

Productivity Improves

↓

Capture the market with better quality and lower price

↓

Stay in business

↓

Provide jobs and more jobs

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Source: *Emeaghalu, 2015*

Deming used his 14 points for the management to emphasize the critical role of managers in Quality Management. He saw managers rather than workers on equipments as the real obstacles to Quality Management. In his opinion 85% of quality problems could be traced to the management while workers are responsible for the repairing 15%. This theory has relevant to this work in the sense the chain reaction lets you reward workers as the company prospers, instead of seeking to prosper on the backs of workers. Reducing costs as the result of process improvement is effective management. Reducing costs based on a spreadsheet sent down by executives and then hoping that the cuts don't damage the value provide to the customer too much is a recipe for disaster.

This theory states that 'improvements in quality lead to lower costs because they result in less rework, forward mistakes fewer delays and snags, and better quality and lower prices, a firm can achieve a higher market share and this stay in business, providing more and more jobs.

Gap in Knowledge

All the studies reviewed seem to focus more on organizational performance, profitability and organizational goal as the independent variable. To the best of our knowledge, works that have adequate empirical investigation on quality management and employee performance in commercial banks in Enugu State are very sparse.

This study stands to validate or nullify the findings of previous researchers or the problem identified using the most current information available in the selected sector. This study therefore intends to fill the gap in the literature by showing a positive relationship between the dependent and independent variables.

METHODS

Research Design

The study adopted survey research design. Survey design is one in which a group of people or items is studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group. It specifies how such data will be collected and analyzed. This method will be chosen for data collection, because it enables the researcher to solicit for information that might not be available on the pages of the text book.

Population of the Study

The population of the study constitutes the entire commercial banks and its junior and senior staff in Enugu State, Nigeria. Five (5) banks were selected and had been in operation since early 1990s. The banks are Zenith Bank, First Bank, United Bank of Africa, Union Bank and Eco Bank.

Table 3.1: List of Commercial Banks operating in Enugu State, Nigeria

S/N	Commercial Banks	POPULATION
1	First Bank	**8**53
2.	Guarantee Trust Bank	230
3.	Heritage Bank	43
4.	Keystone Bank	39
5.	Polaris Bank	31
6.	Stanbic Bank	109
7.	Sterling Bank	111
8.	United Bank of Africa	778
9.	Unity Bank	89
10.	Union Bank	621
11.	WEMA Bank	87
12.	Zenith Bank	876
13.	Access Bank	425
14.	Diamond Bank	461
15.	Fidelity Bank	191
16.	Eco Bank	697
17.	Skye Bank	93
18.	First City Monument Bank	96

Sources: *Field Survey, 2019*.

Table 3.1 shows a list of 18 commercial banks operating in Enugu State and their overall staff strength. Five (5) out of the list were picked using probabilistic sampling based on their large geographical coverage, staff strength and market share. The five commercial banks selected have more geographical coverage than the other commercial banks in Enugu State, Nigeria. The selected ones are Zenith Bank, First Bank, United Bank of Africa, Union Bank and Eco Bank.

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Table 3.2: Table of Selected Commercial Banks in Enugu State, Nigeria

S/N	Commercial Banks	Population
1.	Zenith Bank	876
2.	First Bank	853
3.	United Bank of Africa	778
4.	Union Bank	621
5.	Eco Bank	697
TOTAL		**3825**

Source: Field Survey (2019)

Table 3.2 above shows a list of five selected commercial banks in Enugu State, Nigeria. The five were picked using probabilistic sampling technique. The researcher used Taro Yamanne's formula with 95% confidence level to the 3825 population to determine the sample size from the population.

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Method of Data Collection

Data for the study was collected from primary sources. The primary data was generated through the use of structured questionnaire to elicit required information. Copies of structured questionnaire were administered and the participants were placed on objective response for each statement on a likert scale. A 5 point Likert scaled questionnaire was used in collecting relevant data for the study; it was arranged ranging from Strongly Agree (5), Agree (4), Strongly Disagree (3) Disagree (2) to Undecided (1).

Validity of Instrument

The researcher used a combination of Face Validity and Content Validity. These have addressed whether or not the conceptual variables are adequately measured both on the content and at surface.

The face and content of the validity were ensured by giving out copies of questionnaire to statisticians and experts in research in the department of Business Administration. They reviewed the contents items of the questionnaire for clarity of words, contents coverage, relevance and effectiveness in measuring the problem under study and also reviewed the appropriateness of the language expressions and instructions to respondents.

Face validity was geared towards language simplification, structure and face appeal of the questionnaire while content validity made sure that the questionnaire offered coverage. Copies of the questionnaire were sent to different expert validators for their inputs.

The construct validity was carried out by subjecting the instrument to factor analysis with the use of SPSS version 20 by giving out the item of questionnaire to 362 employees of the selected commercial banks in Enugu State, Nigeria to ensure accuracy of the sampling adequacy, the result is as shown below.

Reliability of the Instrument

Reliability is the use of consistency of information over time. Cronbach alpha is widely used as a measure of reliability. Therefore, the reliability of the questionnaire was determined using Cronbach's Alpha coefficient using SPSS to measure how internally consistent the instrument is, that is, it measures how closely related a set of items are as a group. The instrument was tested using cronbach alpha at 0.05% level of significance.

Method of Data Analysis

The data gathered from the survey was analyzed using Statistical Package for Social Science (SPSS) version 20. Descriptive statistics was used for mean and correlation coefficient analysis was used to test the hypothesis. This will be in a bid to establish the nature of relationship that exists between the dependent and independent variables. The level of significance used was 5 percent interval reliability. The test of hypothesis was addressed through the application of Pearson Product – Moment Correlation. A 5-point Likert scale assigned numerical values of Strongly Agree (5), Agree (4), Undecided (3), Disagree (2) and Strongly Disagree (1) was used.

$$\text{Mean } [\chi] = \frac{5+4+3+2+1}{5} = 3.0$$

Decision Rule

A cut point of 3.0 was adopted as the criterion mean. This implies that any mean score that is 3.0 and above was considered as Agreed/Acceptable while mean score below 3.0 were considered as Disagreed/ Unacceptable

DATA PRESENTATION AND ANALYSES

Research Question

Table 4.3: Responses on the extent of relationship between Quality Improvement and Customer Loyalty in commercial banks in Enugu State, Nigeria.

S/N	Questionnaire Items	SA	A	UD	D	SD	N	Mean X	Std. Dev.	Remark
		5	4	3	2	1				
	Quality Improvement (Total Quality Management)									
1.	This bank is always looking for better ways to satisfy our customers.	128	169	41	36	18	362	**4.22**	1.398	**Accepted**
2.	We are not satisfied with the present standard of quality we have achieved.	111	114	58	48	32	362	**3.62**	1.166	**Accepted**
3.	Workers in this organization are rewarded for suggestions of better quality	118	124	69	38	13	362	**3.82**	1.360	**Accepted**
4.	This organization is always improving on the existing products and processes.	139	123	35	35	30	362	**3.85**	.877	
	Customer Loyalty (Org. Performance)									
5.	Our customers constantly subscribe to our products/ services over an extended period of time.	118	124	45	52	23	362	**3.72**	.933	**Accepted**
6.	Our customers have stuck to our products/services.	104	139	52	35	32	362	**3.67**	1.170	**Accepted**
7.	Our customers not only	129	109	42	46	36	362	**3.67**	.802	**Accepted**

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	stay with us, they introduce new customers to us.									

Source: Field Survey, 2019

Table 4.1 shows that respondents from the five selected commercial banks in Enugu State, Nigeria agreed with the items concerning Quality Improvement on Customer Loyalty in commercial banks in Enugu State, Nigeria as shown by the mean in each of the questions which is higher than the decision rule criteria of 3.0. It can be concluded that all the respondents agreed that there is a significant relationship between Quality Improvement on Customer Loyalty in commercial banks in Enugu State, Nigeria.

Hypothesis

H_{A1}: There is a significant positive relationship between Quality Improvement and Customer Loyalty in commercial banks in Enugu State, Nigeria

Table 4.8: Correlation Analysis for Hypothesis Three

Correlation

		QUAIMPR	CUSLOY
	Pearson Correlation	1	.871**
QUALIMPR	Sig. (2-tailed)		.000
	N	362	362
	Pearson Correlation	.871**	1
CUSLOY	Sig. (2-tailed)	.000	
	N	362	362

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****. Correlation is significant at the 0.01 level (2-tailed).**
Source: SPSS Ver. 20

Keys:

QUALIMPR = Quality Improvement

CUSLOY = Customer Loyalty

Decision: the computed r (0.871) is greater than the critical (0.862) value for two - tailed test at 0.05 level of significance, the null hypothesis is rejected and alternate hypothesis is accepted which implies that there is a significant relationship between Quality Improvement on Customer Loyalty in commercial banks in Enugu State, Nigeria.

CHAPTER FIVE

DISCUSSION OF FINDINGS, SUMMARY OF FINDINGS, CONLUSIONS AND RECOMMENDATIONS

Discussion of Findings

Hi: There is a significant positive relationship between Quality Improvement and Customer Loyalty in commercial banks in Enugu State, Nigeria

The table 4.3.1 represents the result of the influence of Quality Improvement on Customer Loyalty in commercial banks in Enugu State, Nigeria. An examination of the result presented above reveals facts regarding quality improvement and customer loyalty. The researcher found that the respondents from the five selected commercial banks in Enugu State, Nigeria agreed with most of the items concerning quality improvement and customer loyalty as shown by their mean of 4.22, 3.62, 3.82, 3.85, 3.72, 3.67 and 3.67 respectively as the respondents who agreed had a mean above the cutoff point which was 3.0 and those who disagreed had a mean below the cutoff point. This is in agreement with the findings of M. Waqas, Mahmood and Shahab (2011) whose study pointed out that TQM implemented at the first three levels i.e. quality control, quality assurance and continuous improvement in selected firms directly affect business performance in these manufacturing firms. Also, Wanderi, Mberia and Oduor (2015) collaborated the findings of this study by recommending that construction companies as well as

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other the power distribution companies who are implementing TQM take strategic measures in ensuring top management participation and commitment to quality improvement initiatives.

Summary of Finding

The study found that there was a significant positive relationship between Quality Improvement and Customer Loyalty in Commercial Banks in Enugu State, Nigeria.

Conclusion

There is a strong positive nexus between Quality Improvement and Customer Loyalty in Commercial Banks in Enugu State, Nigeria as made evident by the result of the correlation analysis carried out in this research. The implication of this is that as the quantum of service delivery improves in the bank, customer loyalty and patronage in that bank improves consequently.

Recommendation

Sequel to the conclusion above, the researcher recommended that since it has been proven that quality improvement increases loyalty among its customers, the management should ensure that they invest in modern technology and adequately train its staff to enhance the quality of services dispensed.

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