AN INVESTIGATION INTO THE EFFICACY OF CORPORATE GOVERNANCE
AND CUSTOMER SERVICE DELIVERY IN NIGERIAN BANKS:
A CROSS SECTİONAL APPROACH

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ABSTRACT

The paper focused on the impact of corporate governance on customer service
delivery in the banking sector. The population of the study was randomly
drawn from 80 customers of the ‘big eight’; First Bank of Nigeria, United
Bank for Africa, Zenith Bank, Access Bank, Ecobank Nigeria, Guaranty Trust
Bank, Skye Bank and Diamond Bank, in Gwagwalada, Abuja. Analyses of
the key elements of the bank operations revealed that not all the big eight are
inefficient in their customer service delivery, but most of them have
challenges with their network system. It was recommended that the
management of these banks should emphasise the observance of corporate
governance principles in their operation. They should organise seminars,
trainings and conferences so that members of staff would be abreast of these
principles.

JEL Classifications: E5, G21, G24, O16.
Keywords: Corporate Governance, Service Delivery, Banking.

1. INTRODUCTION

Effective service delivery in the banking sector is of utmost importance. It does not
only make the individual bank competitive and attractive to customers, but also leaves the
customers satisfied and their tendency to do more business with the bank is guaranteed. Like
any other banking sector in the globe, service delivery has been an important issue in the
Nigerian banking sector. Effective customer service delivery formed parts of the objectives
of various reforms the sector has experienced over the years. This is because customer
satisfaction is the bedrock of banking.

It is of utmost importance to note that effective customer service delivery has a lot to
do with the extent to which effective corporate governance is put into practice not only in the
banking hall but also in all corporate activities of a bank. In fact, “customer satisfaction is an
important organisational outcome” (Zhang, Lu and Li, 2011:289). It is an organisational
outcome of corporate governance practices. The absence of confidence in any organisation is attributable to opaque management practices with deleterious effects on its performance. The measure of performance in this case is not limited to the financial (turnover and profit) but also customer satisfaction, employee welfare, social corporate responsibility, indeed, the whole gamut of balanced scorecard (Onakoya, Ofoegbu and Fasanya, 2012:156). Good and effective customer service delivery, therefore, is the outcome of corporate governance. The extent to which good corporate governance is observed will determine the extent to which a bank satisfies its customers.

However, in Nigeria poor service delivery has been the bane of the banking industry long before re-capitalisation. While the era of “arm chair, banking” is extinct, that of “tally number and mat” is still with some of the banks after consolidation (Abdullahi, 2013:2). Most of the banks seem not to bother much about introducing innovative ways of servicing their customers. They seem to be comfortable with the level of their service delivery, especially those banks the Central Bank of Nigeria (CBN) has pronounced as ‘healthy’ or ‘too big to fail’ (of recent, the CBN designated eight (8) banks as ”too big to fail”. These banks are First Bank of Nigeria, United Bank for Africa (UBA), Zenith Bank, Access Bank, Ecobank Nigeria, Guaranty Trust Bank, Skye Bank and Diamond Bankn (For details, check Business Day, November 14, 2013).

This study, therefore, is an attempt to analyse how corporate governance impact on customers service delivery of the eight (8) too big to fail banks. The authors seek to know whether or not these banks are conscious of putting into practice good corporate governance practice as it affects their service to their customers.

2. LITERATURE REVIEW

Central to this study are issues bothering on corporate governance, the customer as well as service delivery. Oghojafor et al (2010:244) argues that corporate governance is concerned with the intrinsic nature, purpose, integrity and identity of the institution with a primary focus on the entity’s relevance continuity and judiciary aspect. Governance involves monitoring and overseeing strategic direction, socioeconomic and cultural content externalities and constituencies of the institutions. From this perspective, corporate governance is seen as the inherent characteristic of an organisation through honesty, which can only ensure its relevance and continuity.

According to the CBN (2003:1) corporate governance is about building credibility, ensuring transparency and accountability as well as maintaining an effective channel of information disclosure that would foster good corporate performance. It goes to prove that ensuring corporate governance guarantees openness and transparency, which leads to the growth of corporate entities, be it public or private.

Organisation for Economic Co-operation and Development (OECD) (1999:8) writes that corporate governance is the system by which business are directed and controlled. The corporate governance structures, specifies the distribution of rights and responsibilities among different participants in the corporation such as the board, managers, shareholders and other stakeholders and spell out the rules and procedures for making decisions on corporate affairs by doing this, it also provides the structure through which the company objectives are set and the means of attaining these objectives and monitoring performance. This is an elaborate definition.

This is why the Commonwealth Association for Corporate Governance (CACG) (1999:6) in its principle for corporate governance puts forward that corporate governance involves a set of relationships between the management of a corporation, its board, its shareholders and other relevant stakeholders. It is only part of the larger economic context in which firms operate (and it is) affected by the relationships among participants in the
governance system (OECD, 2004:6). The way and manner in which the relationships among the stakeholders of an organisation, especially banks, are managed therefore, do not only affect the banking sector being an essential part of the economy but also the entire country. Imala (2012:12) argues from the perspective of the customer service delivery and posits that corporate governance involves the manner in which the business and affairs of individual banking institutions are governed by their board of directors and senior management with depositors standing out clearly as the most important stakeholder. This emphasises the central position the customer occupies as the board, the management and even the members of staff carry out their functions in the banking sector and the individual bank.

Oladejo and Yinus (2013:52) in their recent study discovered that customers (especially in Nigeria) of banks today are no longer about the safety of their funds and increase returns on their investments only. Customers demand efficient, fast and convenient services. Customers want a Bank that will offer them services that will meet their particular needs (personalized Banking) and support their Business goals. They are only concerned about the banks who do not only ‘sloganised’ corporate governance, but which will put it into practice. What they actually need is effective service delivery. What then is service and service delivery? Abdullahi (2013:3) in his arguments opines that service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. It is just about satisfaction and meeting a peculiar need of the customer or the clients. Shostack (1977:45) in his analysis brings out the features which make services so different from ‘products’. While the intangibility deals with the fact that what is offered through service cannot be touched, felt or smelled, there is no fixed method to calculate what would be the level of satisfaction or value for money that a client will get in return. Therefore, the intangible features of the service are that:

- Its precise standardisation is not possible;
- There are no ownership transfers;
- A service cannot be patented;
- Production and consumption are inseparable;
- There are no inventories of the service;
- Middlemen roles are different; and
- The consumer is part of the production process so that delivery system must go to the market or the customer must come to the delivery system.

In every industry where service is, therefore, offered customers or clients (as the case may be) demand and deserve effective service delivery, which will not only possess all the features of service but also benefit them at the end of the day. Little wonder that Abdullahi (2013:3) concludes that service delivery in the banking industry, therefore is simply the channel through which a bank sells its various products, either through e-banking or across the counter at a mortar and brick outlet. The “intangibility” is the customer’s expectation that the bank meets by selling a draft to him, honouring his bill of payment on demand, accepting his cash deposit, or affecting a transfer, among others. When this becomes a customer’s experience in the banking hall, it can be argued, or as he/she has a relationship with a bank, customer satisfaction has been achieved; and this has a long term implications in the banking industry and the economy at large.

Consequent upon the above, Drucker (1974:15) argues that the success of a business depends on whether it creates a satisfied customer. And as reported by Zhang, Lu and Li (2011:289) a great deal of marketing research has found positive effects of customer satisfaction. Satisfied customers tend to repurchase more, spread positive words about the focal firm and financial performance. It is suggested that due to the increasing availability of customer service information, not only customers but also job seekers are able to learn more about a firm’s customer service, from which they make inferences about the firm’s
management and corporate cultures. Based on such inferences, job candidates make their employment decisions. They also find that a high level of customer satisfaction helps save investments in advertising and promotion. Empirical evidence suggests that customer dissatisfaction hurts firm performance. This is in line with the argument of Onakoya, Ofoegbu and Fasanya (2012:156) that the situation where the public loses confidence in the financial institutions can result in panic and consequential financial and economic woes to the bank.

Findings from the study conducted by Ngerebo-A and Yellowe (2012:34) using some banks in Rivers State in Nigeria revealed that corporate ethics have a positive relationship with business performance and that ethical behaviour produces good customers’ relation, making customers hopeful of fair and honest (timely) business transaction (services) in a conducive banking atmosphere. These paradoxically promote customers’ confidence and the result is sustained patronage of services. Also the consistency between what is said and what is done, which springs from “ethicism” builds trust in banks and thus eliminates customers drain to another bank.

Onakoya, Ofoegbu and Fasanya (2012:162) observed through their findings of the study of six selected banks listed on the Nigerian Stock Exchange market that corporate governance practices have been on the low side and have impacted negatively on the bank’s performance. The grievous consequence of poor corporate governance was found to have a negative impact on the confidence of the public and the economy at large.

Oladejo and Yinus (2013:67) looks at the customer service delivery in the aspect of mobile banking and the study concluded that there is a significant relationship between mobile banking and service delivery of the Nigeria money deposit banks. The result of the hypothesis tested through the study showed that mobile banking has a positive influence on the performance of Nigeria money deposit banks through service delivery and also influence the level of economic activities.

An examination of Nigerian banks in 2011 by regulatory agencies, the Nigerian Deposit Insurance Corporation (NDIC) and CBN, also showed an abysmal service delivery to customers of Nigerian banks. The NDIC conducted special investigations of 29 petitions and complaints from different bank customers and stakeholders relating to excessive bank charges, irregularities in customers’ accounts, conversion of deposits and arbitrary closure of accounts. The investigations concluded that these banks had “extreme weaknesses in corporate governance” (cited in Udo, 2012:3). The implication of this is the fact that the practice of good corporate governance is elusive in the Nigerian banking industry.

In all these studies and findings, it is important to state that good governance is very central in all of them. It influences the service delivery to customers in all the banks in which the studies were carried out. This impact either positively or negatively on these banks. And as a result, it has had a multiplier effect on the Nigerian economy at large. The studies examined and their findings bring to fore the essential of corporate governance on service delivery and the bank performance.

The gaps discovered in all these studies are (i) none of the studies was dedicated to looking at the eight (8) banks that are ‘too big to fail’ and (ii) none of the studies was conducted to study how these banks perform in terms of service delivery to customers in the Federal Capital Territory (FCT), Abuja. Although Oladejo and Yinus study was carried out in Abuja, it did not focus on service delivery and did not specify the part of the FCT the study was carried out. This study, therefore keys into these gaps to fill it. It seeks to find out how not just all banks, but the ‘big eight’ are faring in terms of customer service delivery, using branches of these eight banks located in Gwagwalada in the FCT, as the case studies.
3. MATERIALS AND METHOD

The hypotheses of the study are:

- $H_01$: Most banks are not efficient in their customer service delivery.
- $H_02$: Network systems of the most banks are not accurately efficient.
- $H_03$: Many Banks staff does not attend to their customers promptly.
- $H_04$: Most customers do experience irregularities in operations with their banks.
- $H_05$: ATM abnormal cash dispensing do not regularly occur in most banks.
- $H_06$: Customers do not get a clear explanation about the interest on banks’ loan.

The broad objective of this study is to examine the impact of corporate governance on customer service delivery. The analysis is conducted on the responses made by the customers of the ‘big eight’ banks. The authors distributed a questionnaire to the customers of First Bank of Nigeria, UBA, Zenith Bank, Access Bank, Ecobank Nigeria, Guaranty Trust Bank, Skye Bank and Diamond Bank randomly selected in the branches of these banks located in Gwagwalada. It is important to note that First Bank of Nigeria and Ecobank Nigeria has two branches each, while UBA, Zenith Bank, Access Bank, Guaranty Trust Bank, Skye Bank and Diamond Bank has one branch each in Gwagwalada.

A structured questionnaire was used as the instrument for the study. The choice of the banks was based on their pedigree and to seek a wider view on the issues raised in the study. The population of the study includes all the bank customers in Gwagwalada. The population sample for the study was randomly drawn from the eight banks. The sampling technique employed in the stratified sampling technique in drawing the sample population. The sample population represented the entire population for the study because they possess the characteristics required for the research study.

A total of 120 questionnaires were administered after which 80 were recovered. In all, 15 pieces of the questionnaire for each of these banks, not minding the fact that two of these banks have two branches each. Information extracted from the administered questionnaires was presented in the form of frequency distribution tables (all the tables are in the appendix), while the analyses and interpretation were carried out through the use of simple percentages. Furthermore, in order to provide empirical support for the research study all the hypotheses formulated was tested using the chi-square statistical method. The choice of this statistical tool was based on the statement of the hypotheses formulated. The SPSS package was used for the computation of the chi-square, while the level of significance was 0.05 probability level.

3.1 DATA PRESENTATION AND ANALYSIS

As stated earlier, the research was carried out in the form of a survey using questionnaires. In order to motivate the respondents to complete the questionnaires, due confidentiality was promised. From the appendix, the result on table 1.1 revealed that issue of banking hall convenience in Gwagwalada, the calculated mean response value of 1.86 showed that the banking halls are not convenient. From the overall response of 80 received, it was found that 17 (21.3%) respondents ticked ‘good’ 35 (43.7%) respondents ticked ‘bad’, while 28 (35.0%) respondents ticked ‘moderate’. Also, from the results in table 1.2, it was observed that the majority of the respondents said that banking product/service in Gwagwalada is desirable, i.e 55 (68.8%) ticked ‘good’. This observation was further confirmed by the calculated mean response value of 2.5. However 10 (12.5%) ticked ‘bad’ while 15 (18.7%) ticked moderate for the banking service.
On the issue of transaction methods and systems, from the results in table 1.3, the calculated mean response value 2.1 shows that the respondents were on the average enjoying the transaction and the service of banks in Gwagwalada. Out of the 80 responses received 35 (43.7%) respondents reported that the banking transaction is good while 15 (18.7%) respondents said that it is bad. However 30 (37.4%) respondents ticked ‘manageable’. From the results in table 1.4 when the respondents were presented the question, ‘how would you rate your bank in this service delivery, bank charges?’ The computed mean response value of 1.84 showed that the respondents have their resentment towards the bank charges. This was supported by 17 (21.3%) respondents ticked ‘good’, while 33 (41.3%) respondents ticked ‘bad’ and 30 (37.4%) indicated ‘manageable’.

When the respondents were presented the question ‘How would you rate your bank in this service delivery, customer care?’ The results showed that a greater number 35 (43.7%) indicated ‘good’ while 15 (18.7%) marked ‘bad’. However 30 (37.4%) respondents indicated ‘manageable’. The calculated mean response value of 2.1 confirmed the degree of the average rating of their customer services. This is in line with the results in table 2.0 on the issue of how would you rate the network system of your bank? The calculated mean response value 2.4 showed that the respondents somehow satisfied with the networking system of these banks. Out of the 80 responses received 45 (56.3%) respondents indicated ‘good’ to the network service of these banks, while 20 (25.0%) respondents indicated bad. However 15 (18.7%) respondents indicated ‘manageable’.

From the results in table 3.0, it was observed that 30 (37.4%) respondents indicated ‘good’ on how they rate the way the members of staff of the bank attend to them while 25 (31.3%) indicated ‘bad’ on how they rate the way the members of staff of the bank attend to them and 25 (31.3%) marked ‘reluctant’ on how they rate the way they were attended to. The calculated mean response value of 2.1 also confirmed the degree of the way customers were attended to by the members of staff of these banks.

However, from the results in table 4.0 it was observed that minority of the respondents i.e. 10 (12.4%) respondents indicated ‘irregularities in a customer’s account with their bank’s experience’. However 45 (56.3%) ticked ‘delayed conversion of deposit’ while 25 (31.3%) respondents marked ‘delayed in statement of account’. The computed mean response value of 1.8 also confirmed that banks’ customers have some ugly experience operating with their banks. This is confirmed by the result shown in table 5.0 that more than half of the bank customers 50 (62.5%) had experienced Automated Teller Machine (ATM) abnormal cash dispensing 5 (6.2%) respondents had not experienced ATM abnormal cash dispensing and 25 (31.3%) at times had experienced ATM abnormal cash dispensing. The overall mean response value of 2.3 confirmed the degree of ATM abnormal cash dispensing experienced by the bank customers. From the results in table 6.0 when the respondents were presented the question, ‘Do you have any problem with explanation of loan interest with your bank?’ The computed mean response value of 2.2 confirmed that the respondents do. This was supported by 39 (48.8%) respondents who ticked ‘frequently occur’; while 19 (23.8%) respondents marked ‘rarely occur’ and 22 (27.4) indicated that it ‘sometimes occurs’.

4. DISCUSSIONS

The hypotheses were tested with the aid of Chi-Square distribution at 0.05 levels of significance (i.e. at 95% confidence interval limit). The computation involved the use SPSS package. From the table 7.0, the test chi-square is 8.43 at 2df and 0.05 levels of significance. This shows that the null hypothesis is rejected. This therefore implies that not most, banks are inefficient in their customer service delivery; the inefficiency in service delivery may be attributed to some of these banks but not all. Testing hypothesis two, the chi-square test
statistics in table 8.0 result are statistically insignificant at 0.05 levels. That is, the test statistic does not fall in the critical region with chi-square value of 0.70, thus the null hypothesis is accepted. This therefore implies that most banks network systems are not accurately efficient. This may be as a result of technical issues which need to be improved upon.

From table 9.0 (testing hypothesis three), the value of the chi-square is 10.83 at 2df and 0.05 levels of significance are greater than the critical value of the test statistic. Thus the null hypothesis is rejected. This implies that most members of staff of these banks do attend to their customers promptly. Hypothesis four is also tested as reflected in table 10.0. The chi-square test statistic value equal to 1.53 at 2df and 0.05 levels of significance with lesser than the critical value of the test statistic. Thus the null hypothesis is accepted. It can be concluded that most bank customers do experience irregularities in operating with their banks.

Hypothesis 5 is tested through table 11.0. The result from the table indicates that chi-square test statistical value of 10.83 at 2df and 0.05 significance falls in the critical region. That is, the result is statistically significant. Thus, the null hypothesis is rejected. Therefore, from the result, it means that ATM(s) of most banks do not abnormally dispense cash. The result in table 12.0 showed that chi-square test value equal to 6.1 is greater than the critical chi-square value at 2df and 0.05 levels of significance. This result shows that the null hypothesis is rejected. Testing hypothesis six thus implies that banks give a clear explanation to customers on loan interest before the transaction. That is, customers have an understanding of the interest of the loan, however, there may be a miscalculation on the part of the customer of various banks.

4. DISCUSSIONS

This research has concentrated on the corporate governance and customer service delivery, an analysis of some selected banks in Gwagwalada, Abuja. The finding that has to do with the efficiency in the way most of the banks deliver service to their customers shows that the null hypothesis was rejected. This is because the efficiency in customers’ service delivery has a significant effect on the performance of the selected banks in Gwagwalada. Considerable research in marketing and management has examined customer satisfaction with service experiences.

Pamela and Lwakama’s (2010) research inform that a satisfied customer is one whose expectations are met, or exceeded, who experienced good service, delivery, who felt they were treated equitably, and who thinks that he/she got good value for money. The key drivers of customer satisfaction (and future intention) are core service delivery (the promise), relational service quality (how the service is delivered, staff attitude/professionalism) and perceived value for money, (the difference between perceived benefits and costs). It should be noted that beautiful, functional banks with superior customer service win customer loyalty. A survey carried out on bank customers found that 48 percent of customers indicated that customer service was the primary factor in choosing to stay with an organization. Therefore, a bank garners a great competitive benefit when it optimizes customer service; banks who create this sort of positive customer experience have earned a tremendous competitive advantage. Superior customer service spurs customer loyalty in banking (Customer Service in banking, 2011).

Analysis from table 8.0 revealed that the network systems of the most banks are not accurately efficient, as revealed by the findings. And this could be a major bridge to increase bank turnover, as no frustrated customer will like to continue with such financial organisation. Beckett, Hewer and Howcroft (2000) state that the emergence of new forms of technology has created a highly competitive market conditions for bank providers. However,
the changed market conditions demand that banks understand better their consumers’ needs.

Research has shown that banking customers make decisions about adopting online banking based on reports that friends and relatives provide them (Kennickel and Kwast, 1997). This source of influence on decisions to adopt online banking can be viewed as network externalities: the larger the size of the network (that is the number of customers who have adopted online banking), the larger the effects of the network on the adoption decision. It can therefore be said that the introduction of new products and technologies given that consumer decisions are affected by network externalities has received some attention. According to Balachandher (2001), customers are interested in quality, they desire good and effective service delivery and they want flexibility so that the specific product or service is obtained, and they covet value by not wanting to pay a price that exceeds the value received from the product. Therefore, banks, in particular, need to rebuild a customer focused banking with new improved processes, modern technology, a competitive range of delivery channels and services focusing on the best customers.

The study has revealed that most of the staff of banks does not attend to their customers promptly. The study does not neglect the fact that pressure on members of staff of these banks make them behave irrational, but this is not sufficient to say all of them do not attend to their customer promptly. Meeting the needs and the requirements of the stakeholders will not only ensure the survival of the organisation but also allow it to flourish. Customers are presumed to be one of the most important stakeholders in any organisation because without them, organisations are not likely to succeed. All of the processes in an organization revolve around the customer.

Customers must be identified and understood (Brink and Berndt, 2008:87). The customer is the organization’s source of profit and will provide growth for the firm (Dias, Unpublished). Sometimes there are many customers, for example, a bank has depositors and borrowers; each group has different needs, but the bank must satisfy both to stay in business (Cannie and Caplin, 1991:58). Organizations that strive towards satisfying customers should be a customer-centric organization. Service management is based on a customer-centered organization that makes the customer’s needs and expectations the central focus of the business (Brink and Berndt 2008:87). Also, analysis from table 10.0 revealed that most customers do experience irregularities in operations with their banks. The customer may pick on this act and decided to change his/her financial institution which can result to pull out of large some amount of money from such bank.

Table 11.0 revealed that the study on ATM abnormal cash dispensing do regularly occur in most banks is significant. Today to satisfy customer urgent needs, banks have decided to create easy ways of banking, one of which is the use of ATM. This does not mean that the machine is absolutely perfect there may be technical challenges which they tend to provide a solution. ATM, according to Idowu (2005), is the genesis and bedrock of electronic banking. It has been a common feature in the United Kingdom, France and Japan banking system, but Nigeria never had the experience until Societe Generale Bank blazed the trail in November 1990, popularly referred to as “cashpoint 24” at their Broad Street and Apapa Branches. He contends that ATM is basically a cash dispenser, but this is not all, it has a uniqueness of 24/7 service facility, that is, the machine unattended to i.e. “Stand alone” or “wall mounted” (outside or inside the banking hall) allows you to transact limited business without referring to any bank staff except in case of problem and difficulty round the clock. The importance of e-banking in the 21st century cannot be over emphasized because its introduction has given business opportunity to attain greater productivity and profitability since trading and transactions would be carried out through communication network which makes it faster even as distance would no longer be a barrier to effective transaction (Fagbuyi, 2003).
Finally, the study significantly reveals that customers do get a clear explanation about the interest on banks’ loan them secure. This further explains that bank staff tried to give a clear explanation on kind of loan and their interest before the customer will be advised to proceed with the transaction. It is pertinent for customers to note that banks give out loan to make turnover not for friendship or sympathy purposes. Lending is the principal business activity for most commercial banks. The loan portfolio is typically the largest asset and the predominate source of revenue. As such, it is one of the greatest sources of risk to a bank’s safety and soundness. The level of interest risk attributed to the bank’s lending activities depends on the composition of its loan portfolio and the degree to which the terms of its loans (e.g., Maturity, rate structure, and embedded options) expose the bank’s revenue stream to changes in rates (Comptroller’s Handbook, 1998: 9). Therefore, banks are not handling with levity the source from which they generate income.

5. CONCLUSION AND RECOMMENDATIONS

The study has focused on the impact of corporate governance on customer service delivery as it concerns the banking sector, especially the ‘big eight’ in Gwagwalada, FCT, Abuja. It can be concluded, therefore, that not all the banks among the big eight are inefficient in their customer service delivery. However, most of these banks have challenges with their network system. In addition, most of the members of staff of these banks do attend to their customers promptly. Be that as it may, the customers of these banks do experience irregularities in operating with their banks. The ATMs of most of these banks do not abnormally dispense cash. If customer experience abnormal cash dispenses, most of the faults reside with the customer. Also, these banks give clear explanations to customers about loan interest before transaction.

In the final analysis, it is arguably correct to state that while corporate governance impacts positively on the way banks in Gwagwalada delivers customer service, improper application of corporate governance impact customer service delivery of these banks negatively in some aspects. It is consequent upon this that the following recommendations are put forward:

- Management of various banks should emphasise the observance of corporate governance principles in their operation. Seminars, trainings and conferences should be organised to make staff of these banks abreast of these principles.

- Technical issues revolving around networks of banks in Nigeria should be resolved. Most of these banks should either change the current software they are using or update it to international standard and best practices so as to prevent customer being frustrated in the banking hall as this would help the banks keep their customer base as well.

- Staff of these banks should be adequately motivated. Although it is unheard of that banks own staff salary, there is a need to improve staff salary. The current low salary prevalent in the Nigerian banking sector does not augur well for effective customer service delivery by staff of banks.

- Banks should make sure they correct all irregularities associated with the customers’ account, especially those that have to do with conversion of deposit. This could be solved effectively by improved network service and motivated employee.

- Customers, especially the illiterate, should be educated on how to use the ATMs. This would prevent abnormal cash dispense at ATMs and other related problems that customers do experience as they use the machine.
• Banks should make sure that customers have a clear understanding of the interest on the loan applied for before the transaction is made. This would prevent any eventual miscalculation on the part of the customers of the banks.

REFERENCES


## APPENDICES

### Appendix 1: How would you rate your bank in each of these service deliveries?

#### Appendix 1.1 Distribution of Response on Banking Hall

<table>
<thead>
<tr>
<th>Question</th>
<th>Good</th>
<th>Bad</th>
<th>Manageable</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Convenience at Banking hall</td>
<td>17 (21.3)</td>
<td>35 (43.7)</td>
<td>28 (35.0)</td>
<td>80</td>
<td>1.86</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>51</td>
<td>70</td>
<td>28</td>
<td>149</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire administered, Dec., 2013. (Column 1 frequency and percentage)

#### Appendix 1.2 Distribution of Response on Product/Service

<table>
<thead>
<tr>
<th>Question</th>
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<th>Bad</th>
<th>Manageable</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii. Product/Service Offering</td>
<td>55 (68.8)</td>
<td>10 (12.5)</td>
<td>15 (18.7)</td>
<td>80</td>
<td>2.5</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>165</td>
<td>20</td>
<td>15</td>
<td>200</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire administered, Dec., 2013 (Column 1 frequency and 2 percentage)

#### Appendix 1.3 Distribution of Response on Transaction

<table>
<thead>
<tr>
<th>Question</th>
<th>Good</th>
<th>Bad</th>
<th>Manageable</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>iii. Transaction Methods and Systems</td>
<td>35 (43.7)</td>
<td>15 (18.7)</td>
<td>30 (37.4)</td>
<td>80</td>
<td>2.1</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>105</td>
<td>30</td>
<td>30</td>
<td>165</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire administered, Dec., 2013 (Column 1 frequency and 2 percentage)

#### Appendix 1.4 Distribution of Response on Bank Charges

<table>
<thead>
<tr>
<th>Question</th>
<th>Good</th>
<th>Bad</th>
<th>Manageable</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>iv. Bank Charges</td>
<td>17 (21.3)</td>
<td>33 (41.3)</td>
<td>30 (37.4)</td>
<td>80</td>
<td>1.84</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>51</td>
<td>66</td>
<td>30</td>
<td>147</td>
<td></td>
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</tbody>
</table>

Source: Questionnaire administered, Dec., 2013. (Column 1 frequency and 2 percentage)

#### Appendix 1.5 Distribution of Response on Customer Care

<table>
<thead>
<tr>
<th>Question</th>
<th>Good</th>
<th>Bad</th>
<th>Manageable</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>v. Customer Care</td>
<td>35 (43.7)</td>
<td>15 (18.7)</td>
<td>30 (37.4)</td>
<td>80</td>
<td>2.1</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>105</td>
<td>30</td>
<td>30</td>
<td>165</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire administered, Dec., 2013. (Column 1 frequency and 2 percentage)

#### Appendix 2 Distribution of Response on Bank Networking

<table>
<thead>
<tr>
<th>Question</th>
<th>Effective</th>
<th>Non-Effective</th>
<th>Nominal</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. How would you rate the network system of your bank?</td>
<td>45 (56.3)</td>
<td>20 (25.0)</td>
<td>15 (18.7)</td>
<td>80</td>
<td>2.4</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>135</td>
<td>40</td>
<td>15</td>
<td>190</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire administered, Dec., 2013. (Column 1 frequency and 2 percentage)
Appendix 3 Distribution of Response on Staff Attendance

<table>
<thead>
<tr>
<th>Question Prompt</th>
<th>Attendance</th>
<th>Not Prompt</th>
<th>Reluctant</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. How would you rate the way the staffs of the bank attend to you?</td>
<td>30 (37.4)</td>
<td>25 (31.3)</td>
<td>25 (31.3)</td>
<td>80</td>
<td>2.1</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>90</td>
<td>50</td>
<td>25</td>
<td>165</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire administered, Dec., 2013. (Column 1 frequency and 2percentage)

Appendix 4 Distribution of Response Customer’s Experience in the Bank

<table>
<thead>
<tr>
<th>Question</th>
<th>Irregularities in Customers’ Accounts</th>
<th>Delayed Conversion of Deposits</th>
<th>Delayed in Account Statement</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Which of these do you regularly experience in your bank?</td>
<td>10 (12.4)</td>
<td>45 (56.3)</td>
<td>25 (31.3)</td>
<td>80</td>
<td>1.8</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>30</td>
<td>90</td>
<td>25</td>
<td>145</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire administered, Dec., 2013. (Column 1 frequency and 2percentage)

Appendix 5 Distribution of Response on ATM Abnormal Cash Dispensing

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>A time</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Have you ever experienced abnormal ATM (Automated Teller Machine) abnormal cash dispensing problem or other abnormal ATM-related problem?</td>
<td>50 (62.5)</td>
<td>5 (6.2)</td>
<td>25 (31.3)</td>
<td>80</td>
<td>2.3</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>150</td>
<td>10</td>
<td>25</td>
<td>185</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire administered, Dec., 2013. (Column 1 frequency and 2percentage)

Appendix 6 Distribution of Response on Bank Loan Interest Explanation

<table>
<thead>
<tr>
<th>Question</th>
<th>Frequently occur</th>
<th>Rarely occur</th>
<th>Sometimes occur</th>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Do you have any problem with explanation on loan interest with your bank?</td>
<td>39 (48.8)</td>
<td>19 (23.8)</td>
<td>22 (27.4)</td>
<td>80</td>
<td>2.2</td>
</tr>
<tr>
<td>Weighted Response</td>
<td>117</td>
<td>38</td>
<td>22</td>
<td>177</td>
<td></td>
</tr>
</tbody>
</table>

Source: Questionnaire administered, Dec., 2013. (Column 1 frequency and 2percentage)

H₀₁: Most banks are not efficient in their customer’s service delivery.

Appendix 7 Chi-square Test Result on Banks Efficient in Customer’s Service Delivery

<table>
<thead>
<tr>
<th>Response</th>
<th>Number (N)</th>
<th>Mean (X)</th>
<th>Standard deviation (SD)</th>
<th>Df</th>
<th>Observed (N)</th>
<th>Expected (N)</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>80</td>
<td>1.9</td>
<td>0.72</td>
<td>2</td>
<td>17</td>
<td>26.7</td>
<td>-1.7</td>
</tr>
<tr>
<td>Bad</td>
<td>80</td>
<td>1.9</td>
<td>0.72</td>
<td>2</td>
<td>38</td>
<td>26.7</td>
<td>11.3</td>
</tr>
<tr>
<td>OK</td>
<td>80</td>
<td>1.9</td>
<td>0.72</td>
<td>2</td>
<td>25</td>
<td>26.7</td>
<td>-9.7</td>
</tr>
</tbody>
</table>

121
**H₀₂: Network systems of most banks are not accurately efficient**

Appendix 8: Chi-square Test Result on Banks Network systems Accuracy

<table>
<thead>
<tr>
<th>Response</th>
<th>Number (N)</th>
<th>Mean (X)</th>
<th>Standard deviation (SD)</th>
<th>Df</th>
<th>Observed (N)</th>
<th>Expected (N)</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective</td>
<td>80</td>
<td>1.93</td>
<td>0.82</td>
<td>2</td>
<td>24</td>
<td>26.7</td>
<td>-2.7</td>
</tr>
<tr>
<td>Non Effective</td>
<td>80</td>
<td>1.93</td>
<td>0.82</td>
<td>2</td>
<td>26</td>
<td>26.7</td>
<td>-7</td>
</tr>
<tr>
<td>Nominal</td>
<td>80</td>
<td>1.93</td>
<td>0.82</td>
<td>2</td>
<td>30</td>
<td>26.7</td>
<td>3.3</td>
</tr>
</tbody>
</table>

**H₀₃: Many Banks staffs do not attend to their customers promptly**

Appendix 9: Chi-square Test Result on Prompt Attend ant of banks Staff to Customers

<table>
<thead>
<tr>
<th>Response</th>
<th>Number (N)</th>
<th>Mean (X)</th>
<th>Standard deviation (SD)</th>
<th>Df</th>
<th>Observed (N)</th>
<th>Expected (N)</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prompt Attendance</td>
<td>80</td>
<td>2.14</td>
<td>0.71</td>
<td>2</td>
<td>26</td>
<td>26.7</td>
<td>-7</td>
</tr>
<tr>
<td>Not Prompt</td>
<td>80</td>
<td>2.14</td>
<td>0.71</td>
<td>2</td>
<td>39</td>
<td>26.7</td>
<td>12.7</td>
</tr>
<tr>
<td>Reluctant</td>
<td>80</td>
<td>2.14</td>
<td>0.71</td>
<td>2</td>
<td>15</td>
<td>26.7</td>
<td>-11.7</td>
</tr>
</tbody>
</table>

**H₀₄: Most customers do experience irregularities in operations with their banks.**

Appendix 10. Chi-square Test Result on Customers Operation Irregularities with Banks

<table>
<thead>
<tr>
<th>Response</th>
<th>Number (N)</th>
<th>Mean (X)</th>
<th>Standard deviation (SD)</th>
<th>Df</th>
<th>Observed (N)</th>
<th>Expected (N)</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irregularities in Customers’ Account</td>
<td>80</td>
<td>2.11</td>
<td>0.81</td>
<td>2</td>
<td>31</td>
<td>26.7</td>
<td>4.3</td>
</tr>
<tr>
<td>Delayed Conversion of Deposit</td>
<td>80</td>
<td>2.11</td>
<td>0.81</td>
<td>2</td>
<td>22</td>
<td>26.7</td>
<td>-4.7</td>
</tr>
<tr>
<td>Delayed in Account Statement</td>
<td>80</td>
<td>2.11</td>
<td>0.81</td>
<td>2</td>
<td>22</td>
<td>26.7</td>
<td>-4.7</td>
</tr>
</tbody>
</table>

**H₀₅: ATM abnormal cash dispensing do regularly occur in most banks.**

Appendix 11: Chi-square Test Result on ATM Abnormal Cash Dispensing

<table>
<thead>
<tr>
<th>Response</th>
<th>Number (N)</th>
<th>Mean (X)</th>
<th>Standard deviation (SD)</th>
<th>Df</th>
<th>Observed (N)</th>
<th>Expected (N)</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>80</td>
<td>1.86</td>
<td>0.71</td>
<td>2</td>
<td>15</td>
<td>26.7</td>
<td>-11.7</td>
</tr>
<tr>
<td>No</td>
<td>80</td>
<td>1.86</td>
<td>0.71</td>
<td>2</td>
<td>39</td>
<td>26.7</td>
<td>12.3</td>
</tr>
<tr>
<td>A time</td>
<td>80</td>
<td>1.86</td>
<td>0.71</td>
<td>2</td>
<td>26</td>
<td>26.7</td>
<td>-0.7</td>
</tr>
</tbody>
</table>
H0e: Customers do not get clear explanation about the interest on banks' loan.

Appendix 12: Chi-square Test Result on ATM Abnormal Cash Dispensing

<table>
<thead>
<tr>
<th>Response</th>
<th>Number (N)</th>
<th>Mean -(X)</th>
<th>Standard deviation (SD)</th>
<th>df</th>
<th>Observed (N)</th>
<th>Expected (N)</th>
<th>Residual</th>
<th>Chi-square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequently occur</td>
<td>36</td>
<td>2.13</td>
<td>0.88</td>
<td>2</td>
<td>26.7</td>
<td></td>
<td>9.3</td>
<td></td>
</tr>
<tr>
<td>Rarely occur</td>
<td>80</td>
<td>2.13</td>
<td>0.88</td>
<td></td>
<td>2.13</td>
<td>26.7</td>
<td>-8.7</td>
<td>6.1</td>
</tr>
<tr>
<td>Sometime</td>
<td>26</td>
<td>2.13</td>
<td>0.88</td>
<td></td>
<td>26.7</td>
<td></td>
<td>-7</td>
<td></td>
</tr>
</tbody>
</table>