"Determinants of Ghanaian Bank Service Quality in a Universal Banking Dispensation"

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DETERMINANTS OF GHANAIAN BANK SERVICE QUALITY IN A UNIVERSAL BANKING DISPENSATION

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Abstract

Service delight is now the ethos of several progressive companies over the world. With this increasing emphasis on service delight and service quality, the banking industry in Ghana is becoming increasingly competitive and the natural dilemma. This paper sought to investigate service quality perception of three top banks in Ghana: Barclays bank, Standard Chartered bank and Ghana Commercial Bank. The purpose of the study is to compare service quality across these three banks and to determine the most important factors contributing to service quality. The study reveals that all the banks selected differ on the service quality dimensions. BBGL provides better services in terms of the level of service quality provided to client than the listed (GCB and SCB) banks. The study also reveals that the locally owned bank (GCB) provides social services rather than the multinational banks. Interestingly, the study reveals that clients expectation on all the service dimension have not been met by the Ghanaian banks. The study revealed that all the service quality dimensions contributed significantly to the prediction of service quality in Ghana with human element of service quality being highly predictive of perceived service quality. Tangibility is the least predictive of perceived service quality. The findings show that there is room for service quality improvement in Ghana's banking industry. Recommendations were provided in the main text.

Key words: Determinants, Service Quality, Universal Banking, Marketing, Ghana.
JEL classification: L84, M39.

1. Introduction

In the service industry, successful companies need more than just a competitive advantage in customer service. They need to have unwavering loyalty from their customers. The key to providing superior service is to understand and respond to customer expectations. This is because customers compare perceptions to expectations when judging the quality of a firm's service offering (Parasuraman et al., 1988).

The banking industry (which is part of the global service industry) not only plays a leading role within the financial system in a country but also has an important socio-economic function. Banks facilitate economic development and it is the objective of the government to build an efficient, effective and a stable banking industry in Ghana that will support both the needs of the real economy and the socio-economic objectives of the country. The banking industry provides short term as well as long term funds for investment. Banks provide liquidity on demand to depositors through the current account and extend credit as well as liquidity to their borrowers through lines of credit (Kashyap et al., 1999).

The financial services sector seems to be undergoing changes worldwide. These changes have arisen as a result of economic deregulation, government policies, globalization and information communication technology. The consequence of these factors of change is intense competition in the financial service industry. In order to remain competitive, financial institutions are providing an increasingly assorted bouquet of financial services.

1.1. Overview of Banking in Ghana

In Ghana, the banking sector has traditionally been segmented into merchant, commercial (retail) and development banks. While merchant banks have been restricted to corporate clients, the commercial and development banks have traditionally had customers across the entire financial market segments. It is against this backdrop and the need to create a level playing field for all banks that the idea of Universal Banking (Bank of Ghana, 2004) was adopted. The aim is to allow all banks that comply with the prescribed capital requirements, the freedom to engage in permissible banking business without restrictions and thereby eliminate the compartmentalization. Hinson (2004) has noted that "before the passage of the Universal Banking Law, banking was conducted along such narrow scopes as commercial, developmental or merchant banking. With the passage of the Universal Banking Law however, all types of banking can be conducted under a single corporate banking entity and this greatly reorganizes the competitive scopes of several banking products in Ghana". He further noted that banks in Ghana have been thrust "firmly into the competitive arena in terms of customers and products" and also that banks throughout Ghana are also "seeking unique ways of differentiating their offering".

The banking system in Ghana consists of a national network of licensed and statutory financial institutions engaged in the business of banking under the banking laws of Ghana. Bank of Ghana is the central bank and it regulates the activities of all the banks. The banking sector over the last decade has seen appreciable growth and improvements in performance as a result of reforms instituted by governments before this period. Some of the reforms implemented include the Financial Sector Adjustment Programme (FINSAP II and I), Non-Performing Assets Recovery Trust (NPART) and the Foreign Exchange Bureau legislation. A new Banking Law was also promulgated. The Bank of Ghana was strengthened to enhance its capacity to play its regulatory role. These reforms have:

a) strengthened the banks in terms of their capital base and managerial competence;
b) enhanced supervisory capabilities of Bank of Ghana;
c) improved the quality of assets being held by banks;
d) increased profitability of the banks.

From independence to 1983, there were twelve (12) banks. These banks were Standard Chartered Bank (SCB), Barclays Bank of Ghana Limited (BBG), Ghana Commercial Bank (GCB), Bank for Housing and Construction (BHC), Agriculture Development Bank (ADB), Bank of Credit and Commerce (BCC), Merchants Bank of Ghana Limited (MBG), Social Security Bank (SSB), National Investment Bank, Ghana Corporative Bank (Co-op), Cal Merchant Bank (CAL) and Ecobank (ECO). Over the last decade (1993-2003) and beyond eleven (11) new banks have been incorporated namely: Prudential Bank Ltd (PBL), Metropolitan Allied Bank (METRO), First Atlantic Merchant Bank (FAMB), The Trust Bank (TTB), International Commercial Bank (ICB), Stanbic Bank, Amalgamated Bank (AMALBANK), HFC Bank, Unibank, Prestige Bank and Standard Trust Bank.

Some significant events have occurred during this period such as mergers (SG-SSB, and National Savings and Credit Bank), liquidation (BHC, Co-op), privatization of state owned banks and change of ownership (GCB, SSB, NIB). Competition in the banking sector has escalated over the period. Commercial and development banks have gone beyond their limit and have ventured into international trade financing, commerce and corporate lending, treasury services payment financing, syndication, etc., which used to be the preserve of merchant banks.

One area that has seen fierce competition in the banking industry is the area of product development. New products such as international funds transfer, school fees loan, negotiable certificate of deposit, car loans, consumer/hire purchase loan, travelers' cheque, etc. have been developed. Another development that has occurred over the last decade is computerization and networking of branches. Some of the banks have a nationwide network whilst others have reached an advanced stage of networking all their branches. Banks operations and information processing have vastly increased.

Automated teller machines (ATMs) have become common, giving clients the freedom to transact business at their own convenience. Also home banking, for example telephone banking, SMS banking, etc. have been introduced. The banks have pursued consistent programmes of sponsorship, promotion, advertisement of services and products in the print and electronic media, etc. The banking sector landscape can be said to be evolving, competitive and promising in terms of savings mobilization, development financing and service delivery.

1.2. The Universal Banking Law and Its Ramifications

Universal Banking (UB) has been in existence for a very long time in several countries. Countries such as France, Germany were the pioneers of what has become known as Universal Banking (Gockel, 2003)

Some of the definitions of universal banking are as follows:

- ♦ Banking that includes investment services in addition to services related to savings and loans (investopedia.com)
- ♦ Banks offering entire arrays of banking services (Rich and Walter, 1993)
- ♦ A one-stop supplier of all financial products and activities like deposits, short term and long term loans, insurance and investment banking, etc.
- ♦ A corporate structure where large banks operate extensive network of branches, providing many different services, hold several claims on firms (including equity and debt), and participate directly in the corporate governance of firms that rely on banks for funding or as insurance underwriters (Addison, 2003).

Although universal banking is practiced in several countries, there are basically three forms: in-house, separate subsidiaries or holding company. In Germany, investment and commercial banking are allowed in-house but separate subsidiaries are required for certain other activities. In the UK, the banks are allowed to conduct a wide range of financial activities through separate subsidiaries. The United States has adopted the holding company model and it requires separate capitalized subsidiaries (Bokhari, 2004). From the fore-gone exposition, the concept of universal banking is clear. However, the scope and implementation are different from one country to another. By taking cognizance of the laws and regulations governing banking, the Ghanaian model of universal banking focuses on money markets activities. Therefore capital market activity and insurance business are excluded from universal banking in the country.

The definition of universal banking in the Ghanaian context is:

The businesses of accepting deposits and other repayable funds from the public, lending, investments in financial securities and money transmission services, the issuance and administration of means of payment, including credit cards, travellers' cheques and bank drafts; the issuance of guarantees and commitments trading for own account or for account of customers in money market instruments, foreign exchange or transferable securities, provision of advice on capital structure, acquisitions and mergers; portfolio management and advice; safe custody of valuables; electronic banking and any other services that the Bank of Ghana may determine.

A legal requirement for a bank to be issued with a universal banking license is a minimum paid up capital of seventy billion cedis. Existing banks can satisfy this requirement through paid up capital, reserves and retained earnings. Therefore, banks with net worth of or in excess of seventy billion cedis are eligible to apply for a universal banking license. Merchant banks namely Ecobank, Merchant Bank Ghana Ltd and CAL Bank have fulfilled the Bank of Ghana requirement and have been issued with a UB license. Also, two development banks namely ADB and NIB have satisfied the requirement. Although commercial banks have been practicing universal banking, legally only GCB, BBG, SCB, and SG-SSB are qualified.

Accordingly, universal banking has relaxed restrictions and provided equal market opportunities for banks and maintained fair competition. As a result, all banks can operate merchant, retail and development banking. The benefit of this policy (law) is that a bank will determine the area it wants to focus on based on its competence and competitive advantage. With the passage of the Universal Banking Law however, all types of banking can be conducted under a single corporate banking entity and this greatly reorganizes the competitive scopes of several banking products in

Ghana. The years of reform and deregulation have brought the banking sector firmly into the competitive arena in terms of customers and products. Banks have seen unprecedented upheaval. A mutual fund product from a Non-Bank Financial Institution for example would compete with a mutual fund product from a traditional bank. A traditional brokerage firm would have to compete for Initial Public Offering (IPO) business with the several subsidiaries that exist under traditional banking umbrella brands. In the light of all these interesting developments in Ghana's banking industry therefore, it becomes necessary to ask what role quality service plays in this new banking paradigm. Banks throughout the country are constantly seeking unique ways of differentiating their offering. The willingness and ability of managers in Banks to respond to changes in the service economy will determine whether their own organizations survive and prosper. With so many changes occurring in the Ghanaian banking sector, including an expansion and intensification of competition and increasing customer sensitivity, the issue of service quality has gained considerable currency.

2. Literature Review

Delivering quality service to customers is a must for success and survival in today's competitive banking environment (Samli and Frohlich, 1992). Among others, provision of high quality services enhances customer retention rates, helps attract new customers through word of mouth advertising, increases productivity, leads to higher market shares, lowers staff turnover and operating costs, and improves employee morale, financial performance and profitability.

The importance of quality to business outcomes is now well established in the academic literature. It has been demonstrated that higher quality results in higher stock prices, higher corporate performance, and higher market value of the firm. In the customer satisfaction/service quality arena, aggregate market studies have shown that higher customer satisfaction leads to better financial returns (Hallowell, 1996). The mechanisms by which this happens are clear. Quality improvement programs produce specific improvement efforts that produce positive outcomes by either reducing costs or increasing revenues. The way in which service improvement efforts yield increased revenues is usually held to be a chain of effects (Zeithaml *et al.*, 1996).

Customer satisfaction is another important aspect for service organizations and is highly related with service quality (Bolton and Drew, 1991 and Spreng & MacKoy, 1996). Today's customers face a growing range of choice in the products and services they can buy. They are making their choice on the basis of their perception of quality, service and value. Companies need to understand the determinants of customer value and satisfaction. Customer-delivered value is the difference between total customer value and total customer cost. Customers will normally choose the offer that maximizes the delivered value.

Increased customer satisfaction leads to behavioral outcomes such as commitment, intent to stay (customer retention), creation of a mutually rewarding relationship (bond) between the service provider and the user, increased customer tolerance for service failures and positive word-of-mouth advertising about the organization (Gounaris *et al.*, 2003; Reichheld, 1996; Newman, 2001). Only customer-centered companies that can deliver superior value to their target customers will win or survive in the market. Those companies will be adept at developing customers, not just developing products. They will be skillful in marketing engineering, not just product engineering.

Service quality has been linked with customer satisfaction within the banking industry (Avkiran, 1994; Le Blanc and Nguyen, 1988; Blanchard and Galloway, 1994). Banks now know that delivering quality service to customers is essential for success and survival in today's global and competitive banking environment (Lewis and Pescetto, 1996; Wang *et al.*, 2003). Research has shown that satisfying customers is not enough to retain them because even satisfied customers 'defect' at a high rate in many industries (Schneider and Bowen, 1999). Today's customers face a growing range of choices in the products and services they can buy. Most customers have difficulty understanding the complex nature of financial service products hence they most often focus on brand names and these brand names are built on quality service. Service quality issues have long been neglected in developing economies when compared to information available about developed economies like the USA and Europe (Firoz and Maghrabi, 1994) and this also applies to the banking industry (Angur et al., 1999). Ghana, being a developing economy and its banking sector with a wide geographical reach catering for the needs of quite a huge clientele, offers an excellent scope for research on the issue of quality in banking.

A lot of studies on service quality have however focussed on developed and newly industrialized economies and there is presently a dearth of bank service quality research emanating from West Africa and Ghana in particular. The present study will therefore add value to the topic of bank service quality, especially in a developing economy like Ghana, from the perspective of the customers.

3. Methodology

An adaptation of the SERVQUAL model was used for this study. The original SERVQUAL model measures service quality along the lines of empathy, reliability, responsiveness, tangibility and assurance. A contextual pre survey analysis conducted to validate the data instrument based on the original SERVQUAL model revealed that the more appropriate set of service quality variables to use to determine service quality in Ghana's banking industry should be

- the Core banking Service offered (in terms of the banking product being purchased by the consumer);
- the Human Element that characterizes the service delivery;
- Systemization (referring to the level of IT sophistications and how this impacts service delivery);
- Tangibles (referring to elements of physical evidence of the service encounter);
- Social Responsibility.

3.1. The choice of the three banks

The objective of the study is to compare service quality across three top-performing banks (Barclays, Standard Chartered and Ghana Commercial Bank) and to determine the most important factors contributing to service quality. According to the 2004 Ghana Banking Survey conducted by PriceWaterHouse Coopers on behalf of the Ghana Association Bankers, Ghana Commercial Bank (GCB), Barclays Bank of Ghana Limited (BBGL), and Standard Chartered Bank (SCB) were the top three banks in Ghana when ranked by total operating assets, share of industry deposits, net advances, profit margins and representations from their profit and loss statements (Ghana Banking Survey, 2004). The banks were therefore chosen because they represent the top line for Ghanaian banks and they are also comprised of multinational banks (Barclays Bank of Ghana Limited and Standard Chartered Bank) and Ghana's leading indigenous bank (Ghana Commercial Bank) giving a good local and multinational representation. The selection of the banks also gives representation on listed banks (GCB and SCB) and unlisted bank (BBGL).

The population for the study was individual retail customers of all the three selected Banks in the Greater Accra Region. Personal interviews, based on a questionnaire, were conducted by trained personnel in order to increase the validity and reliability of the responses. The interviewers approached the respondents and explained them the survey in detail (including its purpose, the meaning of the items and what was expected of the respondent). The respondents were asked to give their expectations and perceptions of the level of service quality delivered by the banks on a five-point Likert type scale (ranging from 1="strongly disagree" to 5="strongly agree"). The sample consisted of 250 individual customers of three commercial retail banks: Ghana Commercial Bank Ltd. (GCB), Barclays Bank Ghana Ltd. (BBGL) and Standard Chartered Bank (SCB). Although the sample is clearly a convenience one, the interviews were conducted at different locations and on different days, as well as at uniformly distributed time intervals, in order to reduce location, date, and time related response bias.

The questionnaire used in this study is comprised of three parts: the first part contains questions about personal profiles of the respondents including gender, age, and the branch of the bank where they do business. Part B includes expectations (E) and perceptions (P) of respondents according to five dimensions. Expectations, perceptions and gap scores for each item are given individually for each bank customers. P (perceptions)-E (expectations) were used to find gap scores because service quality depends on a products perceived performance in delivery value relative to buyers' expectations. Expectations, perceptions and gap scores for each item are given individually for Ghanaian bank customers. P (perceptions)-E (expectations) were used to find gap scores because service quality depends on a products perceived performance in delivery value relative to buyers' expectations. Thus, based on the expectancy-disconfirmation paradigm, if E > P, the customer is dissatisfied and if E < P the customer is satisfied (Parasuraman et al., 1991a).

The questionnaire mainly includes the scale designed to measure the perceived service quality in the banking sector. This scale evaluates both:

- the respondent's expectations regarding what a bank ideally has to offer, and
- his perception of what his own bank actually offers.

This double measure has to be done successively for each item. Five-point Likert scales (1) = strongly disagree to (5) = strongly agree, were used to measure expectations and perceptions. Note that expectations and perceptions scores were not collected in two separate sections (which was the case with SERVQUAL), but rather simultaneously for each item. This eliminates the possibility of the respondents forgetting the perception score assigned to an item when arriving at the expectations section (Lewis and Mitchell, 1990).

The data collected for the purpose of this study have been presented using tables, analyzed with the use of percentages and bar charts with the aim of trying to convey meaning to the data. Various levels of statistical analysis were used including combinations of non-parametric and second order statistical tests to establish the rigour of the data analysis.

4. Presentation and Discussion of Results

Table 1

Perceived Service Quality and its Dimensions

	PSQ	CS	HE	S	T	SR
Perceived Service Quality (PSQ)		.60*	.94*	.81*	.53*	.69*
Core Service (CS)			.50*	.42*	.34*	.07*
Human Element (HE)				.69*	.33*	.51*
Systemization (S)					.50*	.89*
Tangibles (T)						.17
Social Responsibility (SR)						

** Correlation is significant at the 0.01 level.

The Pearson's product moment correlation was used to explore the relationship between the service quality dimensions and overall perceived quality as perceived by clients in the Banking industry, as well as the inter-correlations among the service quality dimensions. The results, as presented in Table 1 above, showed that each of the service quality dimensions had a strong, positive correlation with overall perceived service quality. The correlation coefficients for the relationships between perceived service quality and the service quality dimensions ranged between .53 (tangibles) to .94 (human element). This is an indication that each of the service quality dimensions had a significant influence on overall perceived service quality. The results further revealed strong positive inter-correlations among the service quality dimensions with the exception of core service and social responsibility. Thus, social responsibility and tangibles did not correlate significantly. The inter-correlation coefficients ranged from a low of .17 to a high of .89. Even though the results indicated a very high correlation between each of the service quality dimensions and overall perceived service quality, the researcher was interested in finding out how each of the service quality dimensions contributed to the prediction of clients' perception of service quality in the banking sector. A regression analysis was performed and the results are presented in Table 2 below.

Table 2

Standard Multiple Regression Analysis

Dimensions	Standardized Coefficients	P
Core Service	.17	<.01
Human Element	.56	<.01
Systemization	.18	<.01
Tangibles	.16	<.01
Social Responsibility	.23	<.01

Results from the regression analysis revealed that all the service quality dimensions contributed significantly to the prediction of perceived service quality, but some were more predictive than others. All the coefficients were significant at .01. The results therefore support the research propositions. Among all the service quality dimensions, human element of service quality was found to be highly predictive of perceived service quality (standard coefficient = .56). This was followed by social responsibility with a standardized coefficient of .23. Systemization was followed with a standard coefficient of .18, followed by core service. Tangible was the least predictive of perceived service quality (.16). This is not to say that tangibles did not influence perceived service quality. As it was noted earlier, all the service quality dimensions predicted perceived service quality, but some were more predictive of perceived service quality than others. This is reflected in the standard coefficient values presented in Table 2 above.

The researchers were also interested in finding out whether there was any gap between clients' perceptions and expectations. The repeated measure t-test was used for analyzing respondents' scores on the expectations and perceptions measures. The researchers seek to compare two different responses from one sample group. Secondly, the dependent variable considered in this study was captured on a Likert scale with a five-point response range. The repeated measure t-test was used because it could allow comparisons among the variables under each condition. For instance, perception of tangibles was compared to expectation of tangibles under each condition.

Table 3

Means and repeated measure t-test scores on service quality with regards to expectation and perception for core service

Core service	Mean	N	Std. Deviation	df	t_{obs}	P
Perception	15.963	220	3.696	219	11.699	<.001
Expectation	19.472	220	3.110			

The repeated measure t-test results revealed a significant mean gap between perception of clients and their expectation on the core service measure. The mean score of clients on their perception for core service was 15.96 and their expectation for the core service facet of the service quality scale was 19.47. It can be realised that the mean difference (gap) is -3.51. Thus, expectation of clients is far lower than what should exist in the actual banking sector [t (df = 219) = 11.699, P <.001]. In other words what clients expect is lower than what they perceive to be getting from their service providers. In fact the difference between expectation and perception (-3.51) was statistically significant meaning that when it comes to core services clients expectations are not being met.

Table 4

Means, standard deviation and repeated measure t-test showing clients expectations on human element of the service quality scale are met

Human element	Mean	N	Std. Deviation	df	t_{obs}	P
Perception	54.96	220	12.103	219	11.895	<.001
Expectation	69.98	220	11.676			

To ascertain whether clients' expectations are met on the human element dimension of service quality, the repeated measure t-test was used. The results showed a significant gap between the mean scores for clients' expectations (69.98) and their perception (54.96) on the human element indicator of the service quality scale [t (df = 219) =11.895, P<.001]. This means that when it comes to human element, expectations of clients far exceed what exists in the financial sector. The gap (-15.02) between what exists in the financial sector and what clients expect is statistically significant. That is with regards to human element of service delivery, clients perceive the financial institutions not to be doing enough. Thus the financial institutions can do better than what exists now.

Table 5

Means and repeated measure t-test results on how perception measures of systematisation influence clients' expectation

Systematization	Mean	N	Std. Deviation	df	t_{obs}	P
Perception	16.619	220	3.919	219	15.293	<.001
Expectation	21.727	220	3.183			

The mean score on the systematization of service delivery, as it exists in the financial sector was 16.619 but the mean for what clients expect on the same service quality dimension was 21.727. The repeated measure t-test showed a significant difference in how clients perceive systematisation of service delivery in the financial institutions and what actually exists for them. It can be realised that a negative gap was recorded (-5.108), an indication that clients' expectations are not being met when it comes to the systematisation of service delivery in the financial sector [t (df = 219) = 15.293, P <.001]. Thus the mean score for client's expectation was significantly greater than their mean score on the expectation measure.

Table 6

Means and repeated measure t-test showing the extent to which perception on Tangibles differs from expectation on tangibles

Tangibles	Mean	N	Std. Deviation	df	t_{obs}	P
Perception	18.000	220	3.434	219	8.703	<.001
Expectation	20.527	220	3.471			

The mean score on clients' expectation with regards to the tangibles of service is higher than what clients receive in the financial institutions. The mean difference in the tangible scores for clients was -2.527. The repeated measure t-test also revealed a significant difference between what clients expect and what they actually get in the financial sector [(df = 219) = 8.703, P<.001]. This means that clients' expectations on tangibles are not met. This is because there is a negative difference in the mean scores. It must, however, be mentioned that among all the service quality dimensions, tangibles of service were the closest to meeting clients' expectation. The gap was only -2.527

Table 7

Means and independent samples t-test showing the extent to which client perception and expectation on Social Responsibility are met

Social Responsibility	Mean	N	Std. Deviation	df	t_{obs}	P
Perception	22.418	220	5.080	219	12.764	<. 001
Expectation	28.691	220	4.677			

The repeated measure t-test indicated that there is a significant difference in the mean scores of clients' expectations and perceptions on the social responsibility measure [(df = 219) = 12.764, P<.001]. The mean score on social responsibility which client perceive from the banking institutions is 22.418 but what they expect is 28.691 indicating a negative difference of -6.273. It can thus be concluded that client expectations on social responsibility are not being met by the banking sector.

Table 8

Descriptive Statistics for One Way ANOVA

Institutions	N	Mean	Std Dev
GCB	142	124.01	22.376
SCB	54	139.07	15.898
BBGL	40	125.50	19.927

Table 8 above reveals that SCB had the highest mean score among the banks on the service quality measure. The differences in means and standard deviations were subjected to a one-way analysis of variance. The results are presented below.

Table 9

Summary of One-way ANOVA results of scores on measures of service quality

Source of Variance	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9108.731	2	4554.366	10.772	<.01
Within Groups	98515.676	233	422.814		
Total	107624.407	235			

The study is interested in finding out whether all the three banks selected have the same level of service quality. We used one way analysis of variance to determine this. The results showed a statistically significant difference at an alpha level of .01, which means that all the banks are not the same on service quality. SCB has the highest quality score (Mean=139.07), while BBGL has the lowest service quality score (Mean=125.5). SCB is labeled as the highest service bank and BBGL is labeled as the lowest service bank. The post hoc analysis showed that GCB and BBGL did not differ significantly on the service quality measure. However, BBGL was high on service quality than both GCB and BBGL.

Table 10

Descriptive Statistics for MANOVA

Dimensions	Banks	Mean	Std. Dev	N
Core service or service product	GCB (Bank) 1	15.04	3.44	142
	SCB (Bank) 2	16.96	4.36	54
	BBGL (Bank) 3	17.50	2.04	40
	Total	15.90	3.63	236

Table 10 (continuous)

Dimensions	Banks	Mean	Std. Dev	N
Human element of service delivery	GCB	52.41	12.90	142
	SCB	61.30	8.08	54
	BBGL	54.80	10.33	40
	Total	54.85	12.06	236
Systematization of service delivery: non-human element	GCB	15.85	4.28	142
	SCB	19.07	2.35	54
	BBGL	15.70	3.65	40
	Total	16.56	4.03	236
Tangibles of service (service space)	GCB	16.99	3.39	142
	SCB	19.78	2.57	54
	BBGL	18.90	3.09	40
	Total	17.95	3.38	236
Social responsibility	GCB	23.73	4.06	142
	SCB	21.96	5.10	54
	BBGL	18.60	5.75	40
	Total	22.46	4.98	236

The differences in means and standard deviations, representing respondents score on the service quality dimensions, were subjected to a one-way analysis of variance. The results are presented below.

Table 11

Summary of MANOVA results

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Banks	Core service or service product	267.887	2	133.943	11.014	.01
	Human element of service delivery	3090.539	2	1545.270	11.580	.01
	Systematization of service delivery: non-human element	443.474	2	221.737	15.237	.01
	Tangibles of service	348.485	2	174.242	17.328	.01
	Social responsibility	839.219	2	419.610	19.603	.01
Error	Core service or service product	2833.672	233	12.162		
	Human element of service delivery	31091.969	233	133.442		
	Systematization of service delivery: non-human element	3390.695	233	14.552		
	Tangibles of service	2342.905	233	10.055		
	Social responsibility	4987.357	233	21.405		
Total	Core service or service product	3101.559	235			
	Human element of service delivery	34182.508	235			
	Systematization of service delivery: non-human element	3834.169	235			
	Tangibles of service	2691.390	235			
	Social responsibility	5826.576	235			

A one-way between-groups multivariate analysis of variance was performed to investigate differences in perceived service quality among the three banks considered for this study. Five service quality dimensions were used: Core service or service product, Human element of service delivery, Systematization of service delivery: non-human element, Tangibles of service and Social responsibility. Preliminary assumption testing was conducted to check for normality, linearity, univariate and multivariate outliers, homogeneity of variance-covariance matrices, and multicollinearity, with no serious violations noted. The Wilks Lamba test, the most widely used test of significance for MANOVA, produced a p-value of .001; and thus concludes that all the three banks selected differ on the service quality dimensions. To determine which service quality dimension is different across banks, a post-hoc test was utilized.

Post Hoc Analysis

Results from the post hoc analysis indicate that BBGL (mean=17.50) scored significantly higher than all the other banks on core service. SCB (16.96) was also high on core service than GCB (15.04). With regards to the human element of service delivery dimension, SCB scored significantly higher than GCB and BBGL. BBGL was also higher on this dimension than GCB. GCB and BBGL did not differ significantly on the systematization of service delivery dimension. On the other hand, SCB was significantly higher on the systematization of service delivery measure than GCB and BBGL. Similarly, SCB was higher on tangibles of service than GCB and BBGL. BBGL was, however, higher on the tangibles of service measure than GCB. GCB was also significantly higher than SCB and BBGL on the social responsibility measure of service quality. SCB scored significantly higher than BBGL on the social responsibility measure.

5. Results Implication and Conclusion

The study reveals that all the banks selected differ on the service quality dimensions. BBGL provides better services in terms of the level of service quality provided to client than the listed (GCB and SCB) banks. The study also reveals that the locally owned bank (GCB) provides social services than the multinational banks. Interestingly, the study reveals that clients expectations on all the service dimension have not been met by the Ghanaian banks.

The study revealed that all the service quality dimensions contributed significantly to the prediction of service quality in Ghana. Among all the service quality dimensions, human element of service quality was found to be highly predictive of perceived service quality with standard coefficient of .56. This was followed by social responsibility with a standardized coefficient of .23. Tangibility was the least predictive of perceived service quality. The findings show that there is room for service quality improvement in Ghana's banking industry. To achieve excellence, there is the need to develop and implement an industry wide service improvement programme. This must meet a number of objectives including: defining the banking businesses in a customer focused way; defining the management behaviour needed to support customer focus; considering how to motivate staff to take part in the programme and maintain their commitment; and identifying how the success of the programme will be measured.

The only real aim of any business is to win, satisfy, and hence retain, its customer base. Management of insurance companies should make it a point to increase their service management knowledge. Astute service management usually has increased sales and profits as by-products. Producing a service improvement mission and strategy is a management role. It should take inputs and advice from all levels of staff, but the final decisions on positioning and broad strategy are the responsibility of management. Every other step in the continuum should involve both staff and managers. The best way is to involve every member of the organisation. Only by involving staff at every level can the company get a real view of what can be done and the best way to do it. This will enhance internal communication and increase motivation. These gains in themselves will improve service quality and that service standards must be based on customer requirements.

The authors conclude this study by saying that in as much as measuring service quality is important, service managers should endeavour not only to measure service quality but to take steps to manage and improve service quality. Additionally, managers must also find and manage factors which may be related to service quality and which ultimately affect customer satisfaction. This may lead to service managers spending relatively more on increasing customer satisfaction so, in turn increasing customer's intention to purchase the service. This is particularly important because of the widely acknowledged belief that it is more cost effective to retain an existing customer than to attract a new one.

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