ASSESSING THE LEVEL OF CUSTOMER CARE SERVICE IN HOUSING FINANCE
BANK LIMITED, MBALE BRANCH

BY
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A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF MASTERS IN BUSINESS
ADMINISTRATION

DECEMBER 2013
DECLARATION

I, Amwine Alex, declare that this study is my original work and has to the best of my knowledge, never been submitted for the award of a degree or any other award in a University or other institutions of higher learning.

Signature ............................................

Amwine Alex

Date .................................................
**APPROVAL**

This is to certify that this study has been carried out under my supervision and has been submitted with my approval as partial fulfillment for the award of the master’s degree of business administration of Makerere University.

Signature…………………………………………………………

**Dr. SENDYONA CHARLES**

**Supervisor**

Date ……………………………………………………………
DEDICATION

This work is dedicated to my family for their generous contribution towards the whole course.
ACKNOWLEDGMENT

The production of this work has been a result of many hands. In particular, I wish to thank my supervisor Dr. SEMDYONA CHARLES for his efforts he put in, to ensure that this work is completed. He read and reviewed my work and ably directed me with love and encouragement. I am indeed grateful to you.

I would like to deeply thank all my lecturers at Makerere University. These have adequately guided and equipped me with both theoretical and practical skills. Thank you so much for your dedicated and inspiring work.

I would also like to acknowledge the contribution of the course participants, from whom I enjoyed fruitful discussions on challenging topics.

Special thanks go to all respondents that I came into contact during this study. Your generosity in accepting to participate in the study is acknowledged and highly appreciated.

I wish to acknowledge the enormous assistance offered to me by the secretarial services people who typed the work. Your dedication has greatly contributed to the production of this work.

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TABLE OF CONTENTS

DECLARATION .............................................................................................................. i
APPROVAL ................................................................................................................... ii
DEDICATION .................................................................................................................. iii
ACKNOWLEDGMENT ................................................................................................... iv
LIST OF TABLES LIST OF FIGURES ABSTRACT ......................................................... viii
LIST OF FIGURES ABSTRACT ..................................................................................... ix
ABSTRACT .................................................................................................................... x

CHAPTER ONE: INTRODUCTION ............................................................................... 1
1.1. Background to the study ....................................................................................... 1
1.2. Statement of the problem .................................................................................... 3
1.3. Purpose of the study ........................................................................................... 3
1.4. Objectives of the study ...................................................................................... 3
1.5. Research questions ............................................................................................ 4
1.6. Scope of the study ............................................................................................. 4
1.7. Significance of the study ................................................................................... 4
1.8. Limitations of the study .................................................................................... 4

CHAPTER TWO: LITERATURE REVIEW .................................................................... 6
2.0 Introduction ........................................................................................................... 6
2.1 Nature of customer care service in the banking sector ...................................... 6
2.2. Customer service quality perception in banks ............................................... 9
2.3. Factors that affect service quality in the banking sector ................................. 12
2.4 Synthesis of literature and emerging gaps ....................................................... 14
CHAPTER THREE: METHODOLOGY ................................................................. 17

3.1 Introduction..................................................................................................................... 17

3.2 Research design ............................................................................................................ 17

3.3 Study Population ......................................................................................................... 18

3.4 Study Population and sample size determination ....................................................... 18

3.5 Data Collection Methods .......................................................................................... 18

3.6 Data Collection Instruments ..................................................................................... 19

3.6.1 Self-administered Questionnaire ........................................................................... 19

3.6.2 Interviews schedule ............................................................................................... 19

3.6.3 Reviewing documents .......................................................................................... 19

3.7 Validity and Reliability Tests ..................................................................................... 20

3.8 Data analysis ............................................................................................................... 20

3.9 Chapter Summary ....................................................................................................... 21

CHAPTER FOUR: PRESENTATION AND DISCUSSION OF FINDINGS ......................... 22

4.0 Introduction .................................................................................................................. 22

4.1 Response Rates ........................................................................................................... 22

4.2 Background Information ........................................................................................... 23

4.3 Objective one: Nature of customer care services in the banking sector .................. 26

4.4 Objective Two: Customers service quality perception .............................................. 30

4.5 Objective Three: factors affecting effective customer care service delivery .......... 34
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS........38

5.0 Introduction.........................................................................................................................38

5.1 Summary.............................................................................................................................38

5.1.1 Nature of customer care services in the banking sector .............................................38

5.1.2 Customers service quality perception ..........................................................................38

5.1.3 Factors affecting effective customer care service delivery.........................................39

5.2 Conclusions.........................................................................................................................39

5.3 Recommendations.............................................................................................................40

5.4 Areas of further research ..................................................................................................42

REFERENCES................................................................................................................................43

APPENDICES................................................................................................................................46

APPENDIX I: QUESTIONNAIRE FOR STAFF...........................................................................46

APPENDIX II: QUESTIONNAIRE FOR HFB CLIENTS ..............................................................50
LIST OF TABLES

Table 1: Population and sample size determination ................................................................. 18

Table 2 below presents summary statistics for response rates to the study. ......................... 22

Table 2: Findings about nature of customer care services ..................................................... 26

Table 3: Findings about Customer service quality perception ............................................... 30

Table 4: Findings about factors affecting effective customer care service delivery .............. 34
LIST OF FIGURES

Figure 1: Gender of respondents ........................................................................................................ 23
Figure 2: Age range of respondents .................................................................................................... 24
Figure 3: Level of education of respondents ...................................................................................... 24
Figure 4: Tenure with housing finance bank ...................................................................................... 25
ABSTRACT

The study examined the level of customer care service in housing finance bank limited Mbale branch. The purpose of the study was to establish the level of customer care service provided by housing finance bank limited. The objectives of the study were to examine the nature of customer care service, to examine the level of service quality perception by clients and to establish the factors affecting service delivery at housing finance bank. Using a cross-sectional case study design, data was collected from a sample of 46 respondents by the help of self-administered questionnaires and interviews guide. The findings of the study indicate that Housing finance bank has the willingness to provide help and prompt service to its customers and that client’s access the bank services with a lot of ease. Staff members are very experienced and skillful in handling the clients while at the bank though the waiting time to provide service to our customers is very excessive and not convenient for most of the HFB clients. The bank has got a set of rules and guidelines that have to follow to ensure good customer care service however, training is lacking among employees to keep their skills up to date. It was concluded the bank has done its best to ensure that they serve the public to the best of their expectation but the general lack of training and development programs among the employees has really affected their level of performance. It was recommended that that there should be frequent investigation and monitoring of customers' perceptions, which should substantial and continuous, Managers should be aware of the importance and role of training in improving customer service in banks, Employees should be confident about how to perform their jobs, as role conflict and ambiguity can make their confidence decline therefore, managers should find ways averting such trend.
CHAPTER ONE

INTRODUCTION

1.1. Background to the study

During the past decade, the financial sector in Uganda has undergone major changes mainly through the financial sector structural adjustment programme as part of the economic recovery programme. Moreover, globalization, mergers and acquisitions, and the emergence of new technologies have contributed dramatically to stiffer competition and pressures on profitability. In such a competitive marketplace, attracting profitable customers is a priority of all the financial institutions’ managers especially banks. Banks are profit-seeking institutions that must provide acceptable returns to shareholders (Agyapong, & Darfor 2011).

According to Fornell,(1992) ; Levesque & McDaugall (1996) Customer’s satisfaction holds the potential for increasing an organization’s customer base, increasing the use of more volatile customer mix and increasing the organization’s reputation. To achieve customer satisfaction which is key and crucial to the survival of the organization, attention needs to be focused on the lifestyle and needs of the customer. Indeed, customer service is the provision of services to customers, before, during and after a purchase. Zeithaml & Bitner (2003) defined customer service as a series of activities designed to enhance the level of customer’s satisfaction where that product or service has met customer’s expectation.

Customer service varies by product, industry and customer. It however, assume important dimension in service delivery and sales of product. This is because service firms such as banks have to retain their customers and win new ones if they are to remain in the market. Nevertheless, it is a requirement for corporation survival, profitability and growth if that service organization wants to hold its own in competition Oyeniyi & Abiodun (2008). Uganda’s banking
industry for one has witnessed significant rise in competition in recent years due to large deregulation policy of government and the advent of many credit and finance companies turning into banks.

Another complex dimension to the competitive trend in Uganda’s banking industry is the ease and rate at which products and services are duplicated in the industry. This trend fosters a scenario of continuous fight for customers share and, an increasing need to build loyal customers through effective customer’s service activities. Mendzela (1999), Reicheld and Kenny (1990) put forward that loyal customers of service organizations tend to stay longer with the preferred providers and generate favourable word-of-mouth effect that may further benefit the preferred provider. Further, Gan et al. (2006) indicate that retaining a customer becomes a priority for most enterprises and there are compelling arguments for managers to carefully consider the factor that might increase customer’s retention rate. In any case, the cost of creating a new customer has been estimated to be five times the cost of retaining an existing customer, (Reichheld 1996).

Housing finance bank Limited (HFBL) which was incorporated as a private limited company under the companies Act in December 1967 as Housing finance company (HFC) limited is carrying on the business of a non-banking financial institution (credit institution) in Uganda with focus on providing mortgage finance for the construction of residential houses and also to accept deposits from the public. To date, the company is the leading mortgage financial institution in Uganda. In November 2007, the company acquired a license for Bank of Uganda to operate as a commercial bank. The company status was thus changed from a private limited company to a public limited liability and its name changed from Housing Finance Company of Uganda Limited to Housing Finance Bank limited, with National Social Security Fund (NSSF), National Housing Construction Company (NHCC) limited, and the Government of Uganda as its current
shareholders with authorized and paid up capital of UGX 61,000,000,000 (Sixty One billion Uganda shillings). This research therefore seeks to find out the importance of customer care service in the banking industry, evidence from housing finance bank Limited.

1.2. Statement of the problem
Housing finance bank limited has put in place easier banking services in an effort to attract as many customers and it offers electronic banking, ATMs, promoting accuracy and flexibility. Despite all the above, the apparent decline in customer satisfaction in HFB being observed by the increasing number of customer complaints as evidenced in the Economist Intelligence Unit, Country Report (2012). Approximate 22,874 complaints were registered in 2010 and 34,647 in 2012 resulting from of poor quality services like break down of ATM machines, delays in responding customers concerns and delays in loan processing and approval. This has not only affected the reputation of the bank but has also negatively impacted on its profitability as well as its customer base since many of its customers have switched to other banks.

1.3. Purpose of the study
The purpose of the study was to establish the level of customer care service provided by housing finance bank limited Mbale branch.

1.4. Objectives of the study
i. To examine the nature of customer care service in housing finance bank limited.

ii. To examine the level of service quality perception by clients housing finance bank.

iii. To establish the factors affecting service delivery at housing finance bank.
1.5 Research questions

i. What is the nature of customer care service in housing finance bank limited?

ii. What is the level of service quality perception by clients of housing finance bank?

iii. What are the factors that affect effective service delivery at housing finance bank?

1.6. Scope of the study

The study was carried out in housing finance bank limited-Mbale branch. The content scope focused on the different dimensions or constructs of good customer care service, client’s attitude and attitude towards the services rendered and to find out factors that service delivery at HFBL. This study limited itself to customer care service dimensions. These include responsiveness, empathy, understanding, communication, intangibles, competence, tangibles, reliability, courtesy, credibility, security and access. Geographically, the study will be carried out at housing finance bank limited-Mbale branch.

1.7. Significance of the study

The study will improve on the researcher’s academic knowledge and skill in the research field. The study will provide up to date information for practitioners and students in the retail banking industry for further research.

1.8. Limitations of the study

The researcher encountered a problem of non responses from some respondents as most of them were likely to fear release confidential information. However, he employed good interpersonal skills and sensitize the respondents on the purpose of this study. This enabled him acquire information from the respondents necessary for this study. The time within which this study was
expected to be completed was not enough and this was serious problem because the researcher was working with other people such as the supervisor and the respondents who had different programs. However, the researcher sacrificed and had to forego all his leisure activities and concentrate on the study to the end.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction
This chapter presents the literature review. It is divided into three sections according to the objectives of the study. The first section review literature related to dimensions of customer care services. The second section review literature related to customer attitude towards, the third level of shows level of customer satisfaction arising from the services received in the banking sector.

2.1 Nature of customer care service in the banking sector
Classification of service quality has been addressed by a number of scholars. Lehtinen (1982), identified three (3) dimensions of physical quality, corporate quality and interactive quality, while Granoos (1988) identified five key determinants of quality service as; professionalism and skills, reputation and credibility, behavior and attributes, accessibility and flexibility, and reliability and trust worthiness. In their revised version, Perasuraman (1985) identified the following determinants; reliability, responsiveness, accessibility, competence, credibility, courtesy, communication, security, the other determinants include customer perception, consistence of service delivery, human elements of service quality, tangibles of service.

Responsiveness is the willingness to provide help and prompt service to customer (Parasuraman et al, 1999). Responsiveness concerns the willingness or readiness of employees to provide a service in such a away as; mailing a transaction slip immediately, speed on mortgage conformation, updating accounts promptly (Francis, 1996). Responsiveness has been shown to an important factor Aukiran (1994), suggested that efforts to increase speed of processing information and a customer is likely to a positive effect on customer satisfaction in retail
banking. Balunywa, (1995) emphasizes that when a customer has a need, meet it, be easy accessible available to customer.

Reliability is referred to the processes, procedures and systems that would make service delivery a seamless experience (Sarashchandar et al 2002). It highlighted whether the service delivery process wads standardized, streamlined and simplified, so customers could receive the service without any problem. The structured aspects of service delivery processes have not ever been adequately studied (Sarashchandar et al, 2002). In literature there were few marketing scholars who have tried to focus on the importance of the structural content of service delivery in service quality evaluation. This structural content of the service delivery process is considered important in service quality evaluation (Dauaher & Mattson, 1998).

Tangibility of services tangibles refer to physical facets of service facility equipment, machinery signage, communication material (Bahia & Nantel, Parasuraman et al, 1985). It included the physical evidence of service except the personal appearance of staff which was included in human element dimension, employees and customers are usually influenced by the tangible facets of service in physiological, psychological, emotional and cognitive ways (Bitner, 1992). The intangible aspects of the staff customer interface have a considerable influence both negative and positive in the service quality (Johnston, 1995). Tangibles are associated with the impact on the customer’s inferences about what service should be like and therefore will influence the evaluation of service quality (Parasuraman et al, 1993). Customer’s perception of tangibles was generally considered important in the case of the banks than others.
Francis (1996) defined competence as the possession of the required skill and knowledge performs a service. It involves research capacity, knowledge and skills of operational support staff. Competence is the skill, expertise and professionalism with which the services are executed. According to Robert (1997), competence includes the carrying out of correct procedures, correct execution of customer instruction, degree of product and service knowledge exhibited by contact staff, rendering of sound advice and the general ability to do a good job.

Robert (1997) described communication as the ability a service to communicate with a customer in the away he/ she will understand. It includes the clarity, completeness, and accuracy of both verbal and written information to customer and the ability to listen and understand the customer. According to Ntayi, (1999), Communication means keeping customer informed in the language they can understand and listen to them. It may mean the company going that extra mile to adjust its language for different customers, availability of inquiries desk, informing of account changes, and clarity of staff answers and ease of understanding letters are great consideration to effective communication (Galloway, 1994). In Uganda retail banking, banks like Stanbic bank, Bank of Africa, Centenary and DFCU installed ATMs with Luganda instruction; they all have front desks for inquiries and issue bank statement at end of the month to update customers about their monthly transaction.

Balunywa (1995) highlights that credibility mean trust, assurance, integrity and security. Say what you mean and mean what say. This is more important in retail banking, an instruction that handles the payment system keeps customer’s money. Credibility involves trustworthiness, believability and honesty. It’s about having the customers best interests at heart, contributing to credibility is a company name, reputation and privacy discussions (Francis 1996).
Francis (1996) asserted that access is to do with approachability and ease to contact, it may mean the service is easily accessible by telephone; waiting time to receive service is not excessive and convenient hours of operation and convenient location of service facility. According to Galloway (1994), getting right person on phone, appearance of branch, ease of getting to branch, queues at cash machines and staff available to help are issued to look out for. Robert (1997) considers accessibility to be approachability to the service location, including the ease of find one’s way around the service environment and clarity of route. In the case of contact staff with means both the staff and customer ratio and amount of time each staff member has available to spend with each customer for service goods, accessibility includes both quality and range to product like account types available to the customer.

Jabnouns (2003) said that all aspects of the staff / customer interaction in service delivery the importance of the human element informing customer’s perception of service quality has been identified by marketing scholars. Employees have an important effect on customer service because customers are educated than ever before (Movawad & Weiner 1996) Further frontline employees play a vital role in representing the firm interaction with outside parties and influencing the recognition, attitude and evaluation formed by customers (Schneider and Bowen 1996) thus frontline employees were considered to be a main driver of customer satisfaction and favorable success perception. Finally four out of five service quality dimensions were about human elements, reliability, empathy and assurance (Sarashchandar et al, 2002); Murkata, 2002)

2.2. Customer service quality perception in banks
Zeithaml, Bitner & Gremler (2003) define perceptions as the assessment and evaluation that a consumer makes about the superiority of a service implying that customer perceptions are based on the evaluation and judgment made on the quality or the actual performance in comparison to
the perceived service. Furthermore, it can be all too easy to put aside customer perceptions of a service on operational service quality, and there should be a match between service quality and the quality of the service as perceived by the customer (Johnston & Clark, 2005).

Other scholars have defined customer expectations as what customers believe should happen (Boulding et al., 1993; Johnston & Clark, 2005), what customers hope for (Zeithaml, Berry & Parasuraman, 1993), what customers wish for (Edvardsson, Thomasson & John, 1994), what customers expect from an excellent service provider (Zeithaml, Parasuraman & Berry, 1990), and what customers predict product and service performance to be like in the future (Liljander & Tore, 1995).

In considering formalizing customer perceptions, there are two relevant cases. Firstly, the case of the presence of customer knowledge and experience about the service provided. In such a case, experience becomes vital when the customer judges the service (O’Neill & Palmer, 2003). Experience is the subjective human process that involves reactions and feelings which are felt by the customer while the service is being perceived (Chen & Chen, 2009). Furthermore, customer perception is not stable and it may change due to a number of factors, such as culture, time, customer taste and external communication of the organization (Zeithaml, Bitner & Gremler, 2009). However, there are four primary factors that form customers’ perceptions. These factors are service encounters which are related to customers verbal and nonverbal behaviour, evidence of service which is related to the attributes that help customers to determine their perceptions on the actual service performance such as employees, process, and physical evidence (Kangis & Voukelatos, 1997), image which is related to the image held in the memory of the customer about the service provider (various studies of service organizations have found that service quality is the single most important determinant of image) thus image has an influence on
customers’ buying behaviour and is therefore able to affect the customers’ perception of quality received (Gronroos, 1990; Kasper, Helsdingen & de Vries jr, 1999) and which is related to the price that a customer must pay to get the service (Zeithaml & Bitner, 1996).

Palmer (2008) mentions that price decisions affect customers’ expectations and their perceptions of service quality, as well as the service organization’s ability to deliver the quality of services. Additionally, Palmer has identified the significant influence the price factor has on customer perceptions by saying that when all other factors are equal, the potential customer can take the price as a basis for judging service quality.

Customer perceptions will vary based on many factors, including competition, the impact of promotion, previous experiences, corporate brand and product, and changing customer tastes with time (Zeithaml, 1988).

Customer perceptions have been widely used in investigating the level of quality of service provided by service organizations for example some researchers and scholars in empirical studies have only used customer perceptions as a basis for identifying service quality level rather than using differences between customer expectations and perceptions (Bahia & Nantel, 2000; Sureshandar, Rajendran & Anantharaman, 2003; Jbnoun & Al-Tamimi, 2003; Glaveli et al., 2006). In this regard, Jbnoun & Al-Tamimi (2003) argue that using perceptions as the single basis makes the task of measuring service quality easier.

Other researchers have used the differences between perceptions and expectations (expectations-perceptions gap analysis) as the basis to identify service quality level (Parasuraman, Zeithaml & Berry 1988; Cronin & Taylor, 1992; Babakus & Boller, 1992; Blanchard & Galloway, 1994; Kangis & Vonkelatos, 1997; Bhat, 2005; Chen & Chen, 2009; Guo, Duff & Hair, 2008).
Gronroos, (1990) said that expectations can be based on image word of mouth, past experience, market communication, traditional marketing mix and customer pre-attitudes and customer needs (Edvardsson, Thomasson & John, 1994). In many cases, customers’ expected needs can be transformed to must be needs which can be a motive for service or goods providers to carry out continuous improvement (Lim, Tang & Jackson, 1999). However, customers” expectations can be adapted to particular services or products leading to customers not changing their providers or suppliers (Leventhal, 2008). When customers get new information about other providers or suppliers, they will weigh up the cost of moving to the new provider versus staying with the adapted provider (Gilbert, Lumpkin & Dant, 1992).

2.3. Factors that affect service quality in the banking sector

Roger (2003) points out some of the factors that hinder effective service deliver in most of the financial institutions to offer proper customer service care can be attributed to the high costs that are incurred in training staff to ensure that they equip them with the necessary skills that can enable them to properly handle clients with some level of professionalism, unpredictability of demand resulting in delays to meet customers’ orders and the problem of maintain service levels by managers.

According to the study that was carried out by Mullins (2008), he says that first impressions by the staff are very important because they determine the decision of the customer to enjoy the facilities. If the customer enters the banking hall, what he sees may actually make him to decide whether to stay or move on especially as regards the banking staffs. potential customer if received in a friendly, courteous and effective manner by the customer care agent or any other staff will be compelled to visit the company premises again. A person may make a decision to
transact or not with the bank if he/she enters the banking hall due to the first impression, have them welcomed with a smile and probably receive him with a friendly attitude.

Poon (2003) points out that, selecting and having the right employees, training them on the job and empowering plus rewarding them in any situation will motivate them to act responsibly in any situation therefore, with happy, motivated and satisfied employees; good customer care can be achieved. However, in most cases employees are not motivated and thus there morale to work is always too low as some of them may not be happy the way they are paid yet they handle large sums of money so in order to ensure that employees especially those in the financial sector perform to their best, there should be some level of motivation, either financial or non financial like giving the some off and bonuses in addition to their monthly pays. It is also for management to carry out performance appraisals to reward the hard working staff in order to stifle effort and morale among the lazy ones with anticipation that if they also work hard, there is a reward for that. Promotions based on good performance is such a good strategy that can equally boost morale in the banking and other sectors be it private or public enterprise.

Rogers (1993) suggest that training of the staff can facilitate the staff to grow in competence, commitment and empowering to reinforce culture and over vision. He spells out components of customer care training package to include: definition of services and the staff attributes verbal and non verbal behavior, effective telephone techniques plus customers. He cites an example of the world’s leading tourist facilities; Disneyland visitors care programme which require all staff including the road sweepers to spend ten days in an induction programme that focuses on making visitors feel special.
Boella (1992) remarks that customer care has become fashionable and many organizations have decided, it is something they should do. Boella says that the problem however, is that customer care is a complex issue. Boella however suggests that the management should always develop ways and means of setting quality standards and monitoring customer’s perceptions of the product quantity or quality. Boella (1992) for instance says that in case of school needs, the solution to cold food may not be customer care training but an investment in equipment.

2.4 Synthesis of literature and emerging gaps


Study findings have found out that there is a consumer expectation – management perception gap. This gap is the result of the difference between consumer expectations and management perceptions, which in turn leads to customer assessments of service quality being affected. An organizations management may not have accurate perceptions of what exact expectations consumers have and they may be unaware of the important service aspects which customers look for. This gap is caused by a lack of proper market/customer focus, an unwillingness of management to tackle customers” problems, and a lack of communication between management levels.
Study findings also indicated that there is a service quality gap. This gap is the result of the difference between management perceptions of consumer expectations and the organization’s service quality specifications which in turn affects service quality from the consumer’s point of view. More precisely, management may be unable to translate customer expectations into service quality specifications. Obviously, this means that the existence of this gap is based on aspects related to service design.

It was also found out that there is a service delivery gap. This gap is the result of the difference between service quality specifications and actual service delivery which influences service quality from the consumer’s point of view. Guidelines for service delivery do not ultimately guarantee high-quality service delivery. The reasons behind this gap include insufficient support for front line staff (who are responsible for service delivery) and process problems.

Results obtained from the field indicated that there is a perceived service gap. This gap is the result of the difference between service quality as perceived by consumers and expected service which depends on the nature of the gaps associated with marketing, design and service.

Within service literature it is argued that there is a strong correlation between service quality and customer satisfaction (Cronin & Taylor, 1992; Taylor & Baker, 1994; Zeithaml & Bitner, 1996). More precisely, some researchers and academics have mentioned that customer satisfaction is an antecedent of service quality (Parasuraman, Zeithaml & Berry, 1994; Parasuraman & Berry, 1991; Bitner, 1990; Carman, 1990). Alternatively, other researchers indicate that service quality is an antecedent of customer satisfaction (Bolton & Drew, 1991; Anderson & Sullivan, 1993; Cronin & Taylor, 1992) and that service quality is not equivalent to satisfaction (Oliver, 1980). However, empirical studies carried out by Fisk, Brown & Bitner (1993) support the view that
service quality dimensions are important in determining customer satisfaction. For example, a study by Levesque and McDongall (1996) shows that the performance of a service provider in relation to the core dimensions of service quality is a vital driver for customer satisfaction. Other researchers have focused on this link, suggesting that enhanced service quality impacts positively on customer satisfaction (Bitner, Booms & Mohr, 1994; Anderson, Fornell & Lehmann, 1994).

Most surveys quoted in the literature were very generalist and sought to address the subject on a global or national scale. This study on the contrary sought to establish findings on this subject in the context of a single bank to achieve exhaustiveness. The researcher felt that whereas the findings in the literature were true, perhaps they did not actually relate to hosing finance bank limited Mbale branch in particular
CHAPTER THREE
METHODOLOGY

3.1 Introduction
The purpose of the study was to establish the level of customer care service provided by housing finance bank limited. Responses obtained from the study were be able to provide answers to the following questions:

➢ What is the nature of customer care service in housing finance bank limited?
➢ What is the level of service quality perception by clients of housing finance bank?
➢ What are the factors that affect effective service delivery at housing finance bank?

This chapter talks about the research design to be used, study population and sample size, sampling design and procedure, data collection methods and analysis.

3.2 Research design
A cross-sectional survey design was used in assessing the level of customer care service delivery in the banking sector. A cross-sectional survey collects data to make inferences about a population of interest at one point in time (Sekaran, 2003). This design was chosen because of the impossibility of collecting data from the entire population of interest given the time limit imposed by the CoBAMS for completing the course. In addition, a mixture of quantitative and qualitative approaches will be used in collecting and analyzing data. In the former, data was collected using self-administered questionnaires and analyzed using numbers, while in the latter, data was generated through interviews and focus group discussions and analyzed using words. Using a mixture of approaches overcomes the limitations or weaknesses accruing to a particular approach and it also increases the validity of the results.
3.3 Study Population
This comprised of the entire management and clients of Housing Finance Bank-Mbale branch.

The interviews were carried for top management (3), the questionnaire were distributed to other staff members (11), other stakeholders (6) and clients (34).

3.4 Study Population and sample size determination

Table 1: Population and sample size determination

<table>
<thead>
<tr>
<th>Category</th>
<th>Study population</th>
<th>Sample size</th>
<th>Sampling technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>3</td>
<td>3</td>
<td>Purposive sampling</td>
</tr>
<tr>
<td>Other staff members</td>
<td>11</td>
<td>10</td>
<td>Random sampling</td>
</tr>
<tr>
<td>Other stakeholders</td>
<td>6</td>
<td>6</td>
<td>Random sampling</td>
</tr>
<tr>
<td>Clients</td>
<td>34</td>
<td>31</td>
<td>Stratified sampling</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>50</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: HFB Management Records, 2013

3.5 Data Collection Methods
These included questionnaire, conduction of face to face interviews with key informants and documentary review regarding the level of customer care service. Data was collected with the aid of a Questionnaire comprising of both structured and unstructured questions because they are instrumental in obtaining detailed information from samples detected. Interviews were conducted from the bank manager and other stakeholders. This enabled the researcher obtain more elaborative, accurate information in depth data through further probing which could not be possible in the Questionnaire. Two research assistants were employed to distribute the Questionnaire and ensure that they are collected.
3.6. Data Collection Instruments
Both primary and secondary data was collected. These studies commenced by reviewing bank documents thus helping to establish the employment trends which gave a basis for the selection of the appropriate sample. Primary data involved the use of the following instruments.

3.6.1. Self-administered Questionnaire
These questionnaires were filled by the banking staff and some of its clients who were selected to participate in the study. The questionnaires comprised of both structured and unstructured questions. This however gave the respondents freedom to elicit some information in detail due to the open–ended nature of some of the items it consists. It also accommodates a wide range of close–ended questions giving a more latitude to cover all areas of interest as far as desired data is concerned, (Clough and Nut brown 2002)

3.6.2. Interviews schedule
Interviews were conducted to branch manager and other managers. According to Trochim (1996) interview schedules are used in case the respondents are literate enough to read and write. These instruments permit both the use of close and open–ended questions and allow respondents to answer the questions. They are suitable to be used if answers cannot be predetermined answers can be selected that fit their own opinions and support it with reasons (Trochim, 1996).

3.6.3 Reviewing documents
The banks records and reports were explored by the researcher in order to establish how the situation is like at the bank. These documents helped to give the vivid picture of the situation under investigation as this helped to select the study participants.
3.7 Validity and Reliability Tests

Validity

Validity refers to the truthfulness of findings or the extent to which the instrument is relevant in measuring what it is supposed to measure (Amin, 2005). To ensure the content validity of the study instrument, the research instruments were studied by an experienced lecturer (the supervisor) to check and clarify the appropriateness of the questions. After his comments and discussion with the researcher, the tools were adjusted accordingly then tested by a sample of respondents. The sampled respondents constituted of understandable questions for easy interpretation by the respondents for them provide the desired information.

Reliability

Reliability is the degree to which a research instrument is consistent with what it measures Litwin, (1995). The reliability of the research instrument was done through the pre-testing method where samples of 10 questionnaires were given out to selected respondents. The responses on the different questionnaires were analyzed to find out whether they raise consistent information. This exercise was repeated after a week on the same group of respondents and the responses compared to establish if the responses related to those given earlier.

3.8 Data analysis

Data obtained from close-ended responses was analyzed using statistical package for social scientists (SPSS). Description statistics including frequency distribution was used to describe the statistics of the sample. This method is preferred because it is modern, faster and simplifies the analyzing of data. This involved transforming the options to each item in the administered instruments in to codes. The codes that were used were “1” “2” “3” “4” and “5” where 1 represented strongly Agree, 2 Agree, 3 Undecided, 4 Disagree and 5 strongly disagree.
respectively. Data analysis from questionnaires was done by categorizing responses into frequency counts and percentages. Quantitative data results were presented in form of tables to enhance proper understanding of data.

3.9 Chapter Summary

This chapter provided a conclusive justification for the adoption of a cross-sectional survey design in assessing the level of customer care service delivery in the banking sector. Moreover, it highlighted the benefits of using questionnaires as a tool of data collection which was deemed the most suitable method for collecting the present research data. The format and the structure of the instrument used is based on the work of Bahia and Nantel (2000), and consists of 31 items distributed across six service quality dimensions which are effectiveness and assurance, access, price, tangibles, service portfolio and reliability. Methods of research statistical analysis were also presented in this chapter. The suitability of the research design, data collection methods and appropriateness of the study population provided an assurance to the researcher that the study findings will be able to provide answers to the research questions.
CHAPTER FOUR

PRESENTATION AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents, analyzes and interprets the results. It is divided into five sections. The first section presents the response rate; the second section presents analysis and interprets the results about the background information. The third section presents, analyzes and interprets the results about dimensions of customer care services, the fourth section presents, analyzes and interprets the results about dimensions of customer care services while the fifth presents, analyzes and interprets the results about factors affecting effective customer care service delivery.

4.1 Response Rates

Table 2 below presents summary statistics for response rates to the study.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Target Sample</th>
<th>Actual Response</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>3</td>
<td>3</td>
<td>100.0%</td>
</tr>
<tr>
<td>Other staff members</td>
<td>10</td>
<td>8</td>
<td>80.0%</td>
</tr>
<tr>
<td>Other stakeholders</td>
<td>6</td>
<td>5</td>
<td>83.3%</td>
</tr>
<tr>
<td>Clients</td>
<td>31</td>
<td>30</td>
<td>96.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>46</strong></td>
<td><strong>92.0%</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data
As indicated in table 2, out of 50 respondents targeted for the study only 46 were able to complete the questionnaires giving a response rate of 92%. This therefore suggested that the results were substantial and were representative of the survey population. According to Amin, (2005) a response rate of 40% is representative enough and accepted from a survey.

4.2. Background Information
Respondents were asked about their gender, age, level of education and tenure with their organization. Findings are presented in Figures 1 to 4 followed with an analysis and interpretation.

**Figure 1: Gender of respondents**

![Gender of respondents chart]

*Source: Primary data*

Findings in Figure 1 show that most respondents (61%) were male compared to the female respondents (39%). This implies that there are more male staff members at housing finance bank compared to the female staff members.
Findings in Figure 2 show that a large proportion of respondents (37%) were in the age range of 30-39 years compared to the respondents in the age range of less than 30 years (24%), 40-49 years (22%) and over 50 years (17%), respectively. This implies that there is large proportion of staff members at housing finance bank are in the age range of 30-39 years.

Findings in Figure 3 show that a large proportion of respondents (52%) had a 1st degree level of education compared to the respondents with a diploma level of education (33%) and with a
secondary level of education (17%), respectively. This implies that there is large proportion of staff members at housing finance bank are in the age range of 30-39 years.

**Figure 4: Tenure with housing finance bank**

![Tenure with housing finance bank](image)

*Source: Primary data*

Findings in Figure 4 show that a large proportion of respondents (48%) had served housing finance bank for a period of 6-10 years compared to the respondents who had served for a period of 2-5 years (26%), above 10 years (17%) and less than 2 years (9%), respectively. This implies that there is large proportion of staff members at housing finance bank are in the age range of 6-10 years.
4.3 Objective one: Nature of customer care services in the banking sector

Table 2: Findings about nature of customer care services

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>My bank has the willingness to provide help and prompt service to its customers</td>
<td>3 (7%)</td>
<td>5 (11%)</td>
<td>4 (9%)</td>
<td>25 (53%)</td>
<td>9 (20%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>Our clients access the bank services with a lot of ease</td>
<td>1 (2.0%)</td>
<td>1 (2.0%)</td>
<td>0 (0%)</td>
<td>20 (43%)</td>
<td>24 (53%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>My bank provides free drinks, photocopying and other for its clients apart from extending loans</td>
<td>20 (43.4%)</td>
<td>11 (24%)</td>
<td>5 (10.9%)</td>
<td>6 (13%)</td>
<td>4 (8.7%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>All staff members of this bank are very experienced and skillful in handling the clients while at the bank.</td>
<td>4 (9%)</td>
<td>5 (11%)</td>
<td>7 (15%)</td>
<td>13 (28%)</td>
<td>17 (37%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>The bank staff is ready to speak to its clients in a friendly and understandable way that ensures understandability.</td>
<td>6 (13%)</td>
<td>1 (2%)</td>
<td>8 (17%)</td>
<td>10 (22%)</td>
<td>21 (46%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>Most of our staff members are very trustworthy and thus cannot cheat our clients</td>
<td>7 (15%)</td>
<td>2 (4%)</td>
<td>9 (20%)</td>
<td>18 (39%)</td>
<td>10 (22%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>The waiting time to provide service to our customers is not excessive and convenient for them</td>
<td>28 (60.9%)</td>
<td>8 (17.3%)</td>
<td>3 (6.6%)</td>
<td>5 (10.9%)</td>
<td>2 (4.3%)</td>
<td>46 (100%)</td>
</tr>
</tbody>
</table>

Source: Primary data
Study findings from the table above indicate that 73.4% of the respondents agreed that HFB has the willingness to provide help and prompt service to its customers implying that it works hard to ensure that it meets the customer needs hence corresponding with the study findings of Parasuraman et al, (1999) who said that Responsiveness concerns the willingness or readiness of employees to provide a service in such a away as; mailing a transaction slip immediately, speed on mortgage conformation, updating accounts promptly. In a similar report Francis, (1996) noted that an effort to increase speed of processing information may have a positive effect on customer satisfaction in retail banking.

A vast majority constituting 96.6% of the respondents agreed that it is very easy to access the HFB services implying that the bank has done a lot to ensure that a customer can transact using means like the internet, ATM without necessarily requiring the customer to visit the bank hence corresponding with the findings of Francis (1996) asserted that access is to do with approachability and ease to contact, it may mean the service is easily accessible by telephone; waiting time to receive service is not excessive and convenient hours of operation and convenient location of service facility According to Galloway (1994), getting right person on phone, appearance of branch, ease of getting to branch, queues at cash machines and staff available to help are issued to look out for. Robert (1997) considers accessibility to be approachability to the service location, including the ease of find one’s way around the service environment and clarity of route. In the case of contact staff with means both the staff and customer ratio and amount of time each staff member has available to spend with each customer for service goods, accessibility includes both quality and range to product like account types available to the customer.
A great fraction of respondents constituting 65.2% agreed that HFB staff members are very experienced and skillful in handling the clients while at the bank corresponding with the findings of O’Neill & Palmer, (2003), Chen & Chen, (2009) who argued and said that the presence of customer knowledge and experience about the service provided is very relevant in ensuring good customer service. In such a case, experience becomes vital when the customer judges the service. However, experience is the subjective human process that involves reactions and feelings which are felt by the customer while the service is being perceived.

About 67.3% of the respondents disagreed that HFB bank provides free drinks, photocopying and other to its clients implying that customers have to meet costs which would otherwise make the process convenient if such services like photocopying, free telephone could be provided to them while in the banking hall. Bruber (2001) noted that such facilities provide an incentive to the customers and is a sign of good customer care hence it is better if a service industry is to attract members of the public to transact with them put in place such facilities at no cost to them.

About 63.7% of the respondents agreed that the bank staff in HFB is always ready to speak to its clients in a friendly and understandable way that ensures understandability implying that there is a higher level of commitment by management to ensure that some of the customer complaints are dressed hence corresponding with the study findings of Jabnouns (2003), Movawad & Weiner (1996) who identified all aspects of the staff / customer interaction in service delivery and the importance of the human element in forming customer’s perception of service quality. Employees have an important effect on customer service because today, customers are educated than ever before. Further frontline employees play a vital role in representing the firm interaction with outside parties and influencing the recognition, attitude and evaluation formed by customers.
(Schneider and Bowen 1996) thus frontline employees were considered to be a main driver of customer satisfaction and favorable success perception.

A vast majority (78.2%) of the respondents disagreed with the statement that the waiting time to provide the required service to HFB customers is not excessive and convenient for them implying that there could be some delays which may be attributed to insufficient staff to address customer needs hence corresponding with the study findings of Mayamba (2010) who noted that the banking staff in LDCs is characterized by a lot of inefficiency which result into causing delays in the banking halls.

More than half 58.6% of the respondents agreed that most of staff members are very trustworthy and thus cannot cheat our clients implying that customers have some level of trust as not many of such complaints were reported during the study. Balunywa (1995) highlighted that credibility means trust, assurance, integrity and security. This is more important in retail banking, an instruction that handles the payment system keeps customer’s money. Credibility involves trustworthiness, believability and honesty. It’s about having the customers best interests at heart, contributing to credibility is a company name, reputation and privacy discussions.
4.4 Objective Two: Customers service quality perception

Table 3: Findings about Customer service quality perception

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have switched from other banks to HFB because of high class services rendered to me</td>
<td>4 (9%)</td>
<td>24 (51%)</td>
<td>3 (7%)</td>
<td>5 (11%)</td>
<td>10 (22%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>Our clients grade us as being the number one bank that has the best banking facilities in the land</td>
<td>1 (2.1%)</td>
<td>5 (10.9%)</td>
<td>11 (24%)</td>
<td>20 (43.4%)</td>
<td>9 (19.6%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>Customers prefer to be advised by our staff before making any transaction</td>
<td>1 (2%)</td>
<td>20 (43%)</td>
<td>2 (4%)</td>
<td>9 (20%)</td>
<td>14 (31%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>Our clients think that this is the only bank where they think there savings are secure and safe.</td>
<td>12 (26.1%)</td>
<td>18 (39.2%)</td>
<td>7 (15.2%)</td>
<td>7 (15.2%)</td>
<td>2 (4.3%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>The products and services offered by this bank cannot be found elsewhere in any other bank</td>
<td>13 (28.2%)</td>
<td>17 (37%)</td>
<td>6 (13%)</td>
<td>3 (6.6%)</td>
<td>7 (15.2%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>Our clients are always contented with the services they receive whenever they transact with us.</td>
<td>1 (2%)</td>
<td>29 (63%)</td>
<td>4 (9%)</td>
<td>8 (17%)</td>
<td>4 (9%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>We have not received any complaint as regards to the quality of the services rendered to our clients</td>
<td>4 (9%)</td>
<td>17 (37%)</td>
<td>4 (9%)</td>
<td>18 (39%)</td>
<td>3 (7%)</td>
<td>46 (101%)</td>
</tr>
<tr>
<td>Our bank has a very good reputation among members of the public</td>
<td>11 (24%)</td>
<td>18 (39%)</td>
<td>11 (24%)</td>
<td>4 (9%)</td>
<td>2 (4%)</td>
<td>46 (100%)</td>
</tr>
</tbody>
</table>

Source: Secondary data

More than half (60.8%) of the respondents agreed with the assertion that the reasons as to why they had to switch to HFB was because of the good services that are rendered to them implying
that due to the high level of competition, it has forced many banks to improve on the level of services that are rendered to public in order to have a competitive edge over her competitors hence corresponding with the findings of Zeithaml, Bitner & Gremler (2003) who noted that perceptions entails the assessment and evaluation that a consumer makes about the superiority of a service in relation to the other service providers.

65.2% of the respondents disagreed with the assertion that the products and services offered by this bank cannot be found elsewhere in any other bank implying that the bank has lost some of its customers to other banks due to the stiff competition in form of innovations and invention as one of the respondents had to say:

“initially I had opened up an account with housing finance bank but I ceased to use it simply because of their ATM machines, they are very few so one has to travel for long distances from to Mbale town yet in most of the times I go deep in the village, so this forced me to close that account and open up another one with another bank”

The above quantitative and qualitative findings are in line with the study carried out by Koch (2006) who noted that financial institutions have done a lot of innovations in an effort to offer the best possible services to the public. Recent trends incorporate technological advances with development of cash management accounts, including the use of ATM, home banking via computer and the internet and shared national and international electronic transfer systems however some institutions have found themselves in a situation where the said technology has failed to deliver the expected service, many of such machines like ATM machines have turned out to be very inefficient characterized by retaining customers cards for un known reasons.
Majority of the respondents constituting 63% agreed that HFB is graded as being the number one bank that has the best banking facilities in the land hence corresponding with the findings of Gronroos, (1990) who said that customer expectations can be based on image word of mouth, past experience, market communication, traditional marketing mix and customer pre-attitudes and customer needs (Edvardsson, Thomasson & John, 1994). In many cases, customers’ expected needs can be transformed to must be needs which can be a motive for service or goods providers to carry out continuous improvement (Lim, Tang & Jackson, 1999). However, customers’ expectations can be adapted to particular services or products leading to customers not changing their providers or suppliers (Leventhal, 2008). When customers get new information about other providers or suppliers, they will weigh up the cost of moving to the new provider versus staying with the adapted provider (Gilbert, Lumpkin & Dant, 1992).

Majority of the respondents disagreed with the assertion that the interest rates that are charged by HFB are very favorable compared to other banks in the country as it mostly deals with corporates hence corresponding with the study findings of Palmer (2008) who mentions that price decisions affect customers’ expectations and their perceptions of service quality, as well as the service organization’s ability to deliver the quality of services. Additionally, Palmer has identified the significant influence the price factor has on customer perceptions by saying that when all other factors are equal, the potential customer can take the price as a basis for judging service quality.

About 63% of the respondents disagreed that HFB has a very good reputation among members of the public implying that some of the services provided do not satisfactorily meet the financial needs of their customers hence corresponding with the findings of Jun et al. (1999) studied the service quality of delivering loan products. They found out that substantial differences existed between bankers and customers groups in the perceived importance of service quality.
dimensions. Blanched and Galloway (1994) used the SERVQUAL technique in examining quality in retail banking. Palmer (2008) continues to say that price decisions affect customers’ expectations and their perceptions of service quality, as well as the service organization’s ability to deliver the quality of services. Additionally, Palmer has identified the significant influence the price factor has on customer perceptions by saying that when all other factors are equal, the potential customer can take the price as a basis for judging service quality.
4.5 Objective Three: factors affecting effective customer care service delivery

Table 4: Findings about factors affecting effective customer care service delivery

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>We all go through serious training to ensure that we give the best customer care service to our clients.</td>
<td>19 (41%)</td>
<td>6 (13%)</td>
<td>2 (4%)</td>
<td>15 (33%)</td>
<td>4 (9%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>We are all aware of the banks vision and mission statement and work towards achieving it.</td>
<td>21 (45.7%)</td>
<td>8 (17.3%)</td>
<td>4 (8.7%)</td>
<td>9 (19.6)</td>
<td>4 (8.7%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>We are always motivated by the bank and this encourages me to work harder</td>
<td>19 (42%)</td>
<td>8 (17%)</td>
<td>2 (4%)</td>
<td>11 (24%)</td>
<td>6 (13%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>Employees that exhibit and practice excellent customer care service are promoted and appraised.</td>
<td>5 (11%)</td>
<td>5 (11%)</td>
<td>8 (17%)</td>
<td>22 (48%)</td>
<td>6 (13%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>My company is good at monitoring customer's perceptions with particular emphasis on the quality of service rendered</td>
<td>20 (44%)</td>
<td>12 (26%)</td>
<td>2 (4%)</td>
<td>6 (13%)</td>
<td>6 (13%)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>My bank has a set of rules and guidelines that have to followed to ensure good customer care service delivery.</td>
<td>7 (15.2%)</td>
<td>6 (13%)</td>
<td>8 (17.4%)</td>
<td>7 (15.2%)</td>
<td>6 (13.1)</td>
<td>46 (100%)</td>
</tr>
<tr>
<td>My bank has all the necessary facilities and equipment’s that are required for good customer care service.</td>
<td>12 (26%)</td>
<td>21 (45%)</td>
<td>3 (7%)</td>
<td>4 (9%)</td>
<td>6 (13%)</td>
<td>46 (100%)</td>
</tr>
</tbody>
</table>

Source: Secondary data
Findings from the table above show that more than half (54.3%) disagreed with the assertion that they go through rigorous training to ensure that they give the best customer care service to their clients implying that some of the employees lack the necessary skills that are required due to lack of training and the development programmes hence corresponding with the study findings of Roger (2003) who pointed out that some of the factors that hinder effective service deliver in most of the financial institutions to offer proper customer service care can be attributed to the high costs that are incurred in training staff to ensure that they equip them with the necessary skills that can enable them to properly handle clients with some level of professionalism, unpredictability of demand resulting in delays to meet customers’ orders and the problem of maintain service levels by managers.

Study findings indicate majority (63%) of HFB are not aware of the bank’s vision and mission statement and hence their performance is not in any way aligned to its fulfillment as one of the respondents had this to say:

“I was sent from head office to come and work in this branch two months ago and to that effect I have no idea about what this bank stands for but what I know for sure is that I have to ensure that I do my best to have customer needs and complaints addressed in a faster and friendly manner”

A relatively big fraction (58.7%) of the employees disagreed with the assertion that they are well motivated by the bank and this therefore does not encourage them to put extra effort while serving their clients where some of them are not served properly hence corresponding with the study findings of Poon (2003) who noted that in most cases employees are not motivated and thus their morale to work is always too low as some of them may not be happy the way they are paid.
yet they handle large sums of money so in order to ensure that employees especially those in the financial sector perform to their best, there should be some level of motivation, either financial or non-financial like giving the some off and bonuses in addition to their monthly pays. It is also for management to carry out performance appraisals to reward the hard working staff in order to stifle effort and morale among the lazy ones with anticipation that if they also work hard, there is a reward for that. Promotions based on good performance is such a good strategy that can equally boost morale in the banking and other sectors be it private or public enterprise.

About 69.5% of the respondents disagreed that HFB is good at monitoring customer’s perceptions with particular emphasis on the quality of service rendered implying that the bank minds less about the interests of its staff yet they are expected to display first class customer care service something may be practically impossible. To that effect, Boella (2002) in his study suggested that management should always develop ways and means of setting quality standards and monitoring customer’s perceptions of the product quantity or quality.

A vast majority of the respondents (71.7%) disagreed with the statement that HFB bank has all the necessary facilities and equipment’s that are required for good customer care service as one respondent has this to say:

“it true that some of the equipment’s like telephone line are available but many of them are out order, keep breaking when speaking to the customers and at times the line may break before the customers information needs are fully addressed, the suggestion box is there but it just on rare occasions that they open it.”

The quantitative and qualitative findings indicate that there is a problem to do with the equipment’s that are used by the customer care staff implying that though some of the
equipment’s need in an effective customer service are available they could either be dilapidated or are not enough. Boella (2002) noted that such facilities which play an important role in the delivery of the much needed service to the customers have to be put in place.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction
The study examined the level of customer care service provided by housing finance bank. This chapter presents the summary, discussion conclusions and recommendations arising out of the study findings.

5.1 Summary

5.1.1 Nature of customer care services in the banking sector
Study findings indicate that HFB has the willingness to provide help and prompt service to its customers and that client’s access the bank services with a lot of ease. The study findings have also indicated that all staff members of this bank are very experienced and skillful in handling the clients while at the bank. It was also established that HFB staff is ready to speak to its clients in a friendly and understandable way that ensures understandability. However some of the respondents disagreed that HFB provides free drinks, photocopying and other for its clients apart from extending loans. It was also found out that the waiting time to provide service to our customers is very excessive and not convenient for most of the HFB clients.

5.1.2 Customers service quality perception
Study findings indicate that respondents could not agree with the statement that customers have switched from other banks to HFB because of high class services rendered to them though the reverse is true. It was also established that some of the customers that are royal to the bank have gone ahead to grade HFB as being the number one bank that has the best banking facilities in the land. The field responses obtained indicated that Customers prefer to be advised by the bank staff before making any transaction with them. It was however found out that HFB clients do not think that this is the only bank where there savings are secure and safe. Some of the respondents
disagreed that the products and services offered by this bank cannot be found elsewhere in any other bank. Study findings also indicated that clients are always not contented with the services they receive whenever they transact with HFB. Study findings also indicated that respondents disagreed with the statement that HFB has not received any complaint as regards to the quality of the services rendered to our clients

5.1.3 Factors affecting effective customer care service delivery
Study findings indicate that employees that exhibit and practice excellent customer care service are promoted and appraised. Findings have also indicated that HFB has a set of rules and guidelines that have to followed to ensure good customer care service delivery. However, it was found out that not all employees go through serious training to ensure that they give the best customer care service to their clients. Study findings also indicated that not all employees are aware of the banks vision and mission statement and work towards achieving it. Study findings indicate that employees are not motivated by the bank and this does not encourage them to work harder for the best results. Study findings further indicated that HFB is not is good at monitoring customer’s perceptions with particular emphasis on the quality of service rendered. It was also established that the bank does not have all the necessary facilities and equipment’s that are required for good customer care service.

5.2 Conclusions
Housing finance bank has the willingness to provide help and prompt service to its customers and that client’s access the bank services with a lot of ease. Staff members are very experienced and skillful in handling the clients while at the bank. Staff at HFB in most cases are ready to speak to its clients in a friendly and understandable way that ensures understandability though HFB does not provide free drinks, photocopying and other for its clients apart from extending
loans. Also the waiting time to provide service to our customers is very excessive and not convenient for most of the HFB clients.

It can also be deduced some royal customers have gone ahead to grade HFB as being the number one bank that has the best banking facilities in the land, customers prefer to be advised by the bank staff before making any transaction for them to make informed decisions though a large section of clients do not think that this is the only bank where there savings are secure and safe as some could get such similar services in other banks. A handful of clients are not contented with the services they receive whenever they transact with HFB and that the bank receives a lot of complaints with particular regards to the quality of the services rendered to them.

It can also be concluded that employees that exhibit and practice excellent customer care service are promoted and appraised. Like any other organization, HFB has a set of rules and guidelines that have to follow to ensure good customer care service delivery though training is lacking among employees to keep their skills up to date. Some of the employees are not fully informed of the mission and vision of the bank and thus have no strong will to work towards its attainment. The level of motivation is too low apart from the take home salary this actually demotivates them and greatly affects their level of performance.

5.3 **Recommendations**

- It can be argued that good service quality raises customer perceptions and as a result if the bank fails to manage customer perceptions, service quality levels may decrease therefore, there should be frequent investigation and monitoring of customers' perceptions which should substantial and continuous.
There is great need for housing finance bank to train its employees in the area of customer care service in order to improve performance in public relations relevancy for the survival of a business. Such effort will make the employees that are concerned with customer care more courteous, welcoming and friendly.

The bank should ensure that its customers are treated well (good customer care service). This is an extremely important point. Customers value good service and personal relationships and indeed a good service can do a lot to promote bank business and profitability. In this regard when a customer comes to the bank, he/she expects quick efficient service including reasonable bank charges, the right information, advice, courtesy from bank staff, quick clearance and, of course, some demand of personal service. These are some of the things that help to create customer satisfaction.

Ensuring service interaction is well-developed. It is recognized that customer satisfaction is the result of service quality which is driven in large part by customer perceptions and expectations of an organization’s service interaction with its customers. This clearly suggests that service interaction is pivotal in the opinions of customers about organization which in turn leads to the issue of the need for service interaction to be developed.

Numerous themes should be employed in the processes of improving service quality so as to deliver better business performance. More importantly, a vital factor in achieving excellent service quality is the ease of doing business between an organization and its customers. It has been found in the research of Stading and Altay (2007) that improved business performance with customers is the result of customers easily being able to deal with an organization.
• Managers should be aware of the importance and role of training in improving customer service in banks.

• Employees should be confident about how to perform their jobs, as role conflict and ambiguity can make their confidence decline therefore, managers should find ways to prevent this from happening.

5.4 Areas of further research

The current study focused on customer care service delivery in the banking sector particularly housing finance bank, there is need to conduct a study on the level of customer care service over a cross section of public organizations including healthcare, hotels, education, and transportation in order to test the possible generalizations of this study.

It is also necessary to carry out another study on other variables which influence effective service delivery in the service sector like management style, level of motivation as these equally have a direct bearing on the level of service delivery.
REFERENCES


Makerere Business Journal Publications


Managing Service Quality, Vol. 18 No. 3, pp. 212-24


APPENDICES

APPENDIX I: QUESTIONNAIRE FOR STAFF

Dear respondent, I am Alex Amwine a student at Makerere University undertaking a study “assessing the level of customer care service in the banking sector”. The study is in partial fulfillment of the requirements for the award of a master’s degree of business administration of Makerere University.

You have been identified as one of the people who can provide important information. I kindly request you to answer the questions sincerely and accurately. The information will only be used for academic purposes and it will be treated with maximum confidentiality. Thank you for your kind cooperation.

Yours faithfully,

Alex Amwine
SECTION A: BACKGROUND INFORMATION

Tick or circle appropriately

**Bio Data**

1. What is your Gender? [ ] [ ]

2. Position Held

   Banking officer [ ]

   Loan officer [ ]

   Sales manager [ ]

   Front desk officer [ ]

   Others (specify) [ ]

3. Highest Level of Education

   a. PHD [ ] b. Masters [ ] c. Degree [ ] d. Diploma [ ]

4. How long have you worked with Housing Finance Bank?

   a. Less than a Year [ ]

   b. 1-3 Years [ ]

   c. 4-6 Years [ ]

   d. over 7 Years [ ]
In the subsequent sections use the scale provided to tick or circle a number that describes your opinion. 1 strongly disagree, 2.disagree, 3.not sure 4.agree 5. Strongly agree

**Section B: Nature of customer care services**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>My bank has the willingness to provide help and prompt service to its customers</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Our clients access the bank services with a lot of ease</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>My bank provides free drinks, photocopying and other for its clients</td>
<td>5</td>
<td>4</td>
<td>3</td>
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<td>1</td>
</tr>
<tr>
<td>10</td>
<td>All staff members of this bank are very experienced and skillful in handling the clients while at the bank.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>The bank staff is ready to speak to its clients in a friendly and understandable way that ensures understandability.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Most of our staff members are very trust worthy and thus cannot cheat our clients</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>The waiting time to provide service to our customers is not excessive and convenient for them</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>14</td>
<td>Our staff freely interact with the customers in an amicable manner</td>
<td>5</td>
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**Section C: Customer service quality perception**

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<tr>
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<th>Description</th>
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</thead>
<tbody>
<tr>
<td>15</td>
<td>I have switched from other banks to HFB because of high class services rendered to me</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>16</td>
<td>Our clients grade us as being the number one bank that has the best banking facilities in the land.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>17</td>
<td>Customers prefer to be advised by our staff before making any transaction</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>18</td>
<td>Our clients think that this is the only bank where they think there savings are secure and safe.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>19</td>
<td>The products and services offered by this bank cannot be found elsewhere in any other bank</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
Our clients are always contented with the services they receive whenever they transact with us.

We have not received any complaint as regards to the quality of the services rendered to our clients.

Our bank has a very good reputation among members of the public.

| Section D: factors affecting effective customer care service delivery |
|----------------------------------------------------------|---|---|---|---|---|
| The bank facilities give a lot of convenience to our customers | 5 | 4 | 3 | 2 | 1 |
| We all go through serious training to ensure that we give the best customer care service to our clients. | 5 | 4 | 3 | 2 | 1 |
| We are all aware of the banks vision and mission statement and word towards achieving it. | 5 | 4 | 3 | 2 | 1 |
| We are always motivated by the bank and this encourages me to work harder | 5 | 4 | 3 | 2 | 1 |
| Employees that exhibit and practice excellent customer care service are promoted and appraised. | 5 | 4 | 3 | 2 | 1 |
| My company is good at monitoring customer’s perceptions with particular emphasis on the quality of service rendered | 5 | 4 | 3 | 2 | 1 |
| My bank has a set of rules and guidelines that have to followed to ensure good customer care service delivery. | 5 | 4 | 3 | 2 | 1 |
| My bank has all the necessary facilities and equipments that are required for good customer care service. | 5 | 4 | 3 | 2 | 1 |
APPENDIX II: QUESTIONNAIRE FOR HFB CLIENTS

Dear respondent, I am Ale Amwine, a student at Makerere University undertaking a study on “assessing the level of customer care service in the banking sector”. The study is in partial fulfillment of the requirements for the award of a master’s degree of business administration of Makerere University.

You have been identified as one of the people who can provide important information. I kindly request you to answer the questions sincerely and accurately. The information will only be used for academic purposes and it will be treated with maximum confidentiality. Thank you for your kind cooperation.

Yours faithfully,

ALEX AMWINE
SECTION A: BACKGROUND INFORMATION

Tick or circle appropriately

1. What is your Gender?
   (a) Male
   (b) Female

2. How many years have you spent with HFB?
   (a) >1 year
   (b) 3-5 years
   (c) 6-9 years
   (d) 10 years & above

3. At what is your level of education?
   (a) None
   (b) Primary
   (c) Secondary
   (d) Degree

4. What is your marital status?
   (a) Single
   (b) Married
   (c) Divorced
   (d) Widowed
In the subsequent sections use the scale provided to tick or circle a number that describes your opinion. 1 strongly disagree, 2.disagree, 3.not sure 4.agree 5. strongly agree

Section B: Dimensions of customer care services

<p>| | | | | | |</p>
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<tbody>
<tr>
<td>5</td>
<td>The bank provides help and prompt service to me whenever I go to carry out my business with it</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>I always access housing finance bank with a lot of ease</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>The bank provides us with free drinks, photocopying and other services</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>I am handled well by the employees of your bank whenever visit it.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>The bank staff speaks to me in a friendly and understandable way that ensures understandability.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>The staff at my are bank trust worthy and I trust them so much</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>11</td>
<td>The time spent in the banking is too short ad good for me</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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<tr>
<td>12</td>
<td>The bank staff freely interact with me in an amicable manner</td>
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Section C: Customer service quality perception

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</thead>
<tbody>
<tr>
<td>13</td>
<td>I switched from my former bank due to high class services here</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>14</td>
<td>My bank that has the best banking facilities in the land.</td>
<td>5</td>
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<tr>
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<td>I prefer to always be advised by the bank staff before carrying out any transaction.</td>
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<tr>
<td>17</td>
<td>Bank products and services offered by my bank cannot be found elsewhere in any other bank</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>18</td>
<td>I am always contented with the services that I receive whenever I transact with housing finance bank</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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</tr>
<tr>
<td>19</td>
<td>I have never complained to my bankers as regards to the quality of the services rendered to me</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>20</td>
<td>My bank has a very good reputation among members of the public</td>
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**Section D: factors hindering effective customer care service delivery**

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<tbody>
<tr>
<td>21</td>
<td>The bank facilities in my bank give a lot of convenience</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>22</td>
<td>Customer care service staff give me first class care because they were trained</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>23</td>
<td>My bank has me as the boss it is to attain growth and expansion</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>24</td>
<td>The bank staff work hard because they are motivated by the bank</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>25</td>
<td>Hard working employees of my bank are always given promotions and keep on changing offices</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>26</td>
<td>I am always given coupons to fill as regard to the level of satisfaction with particular regard to the services it renders to me</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>27</td>
<td>My bank has a set of rules and regulations that every employee has to abide with to make sure that I am happy with the services</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>28</td>
<td>My bank has been able to open up many other branches</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>29</td>
<td>I frequency go to my bank to transact with them because they care</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>My bank has all the necessary facilities and equipments that are required for good customer care service.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>