

Quality Management and Customer Satisfaction in the Financial Services Sector

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Abstract

This study addressed the effect of quality management on customer satisfaction with financial services in a developing economy. It explored the influences of SERVQUAL dimensions (reliability, responsiveness, empathy, assurance and tangibility) and TQM practices (customer orientation, continuous improvement, management involvement, employee empowerment) on customer satisfaction towards financial services. The study adopted a cross-sectional research design. Using a structured questionnaire, primary data were obtained from 457 bank customers. From the results of the multiple regression analysis, it was found that SERVQUAL dimensions (reliability, responsiveness, empathy and tangibility) and TQM practices (customer orientation, continuous improvement, management involvement, employee empowerment) had significant positive effects on customer satisfaction towards financial services. Whereas, one SERVQUAL dimension (assurance) was negatively and non-significantly related with customer satisfaction in this regard. Therefore, we recommended the following: financial service providers should prioritize the delivery of high-quality services consistently by ensuring that services are reliable, responsive to customers' needs, secure, and delivered by competent and well-behaved service personnel supported by state-of-the-art technological systems and infrastructure; and the practice of TQM should holistically be integrated into every layer of organizational structure of financial service providers to ensure that customers are exposed to remarkable service quality at every point of service encounter. Similarly, it is suggested that further studies explore how other quality management systems like Six Sigma could affect customer satisfaction and/or the marketing of financial services

in both developing and developed countries to reinforce the generalizability of current research findings and generate new empirical insights.

Keywords: Customer Satisfaction, Financial Services, Quality Management, SERVQUAL, TQM

INTRODUCTION

The financial services industry is a critical sector of the economy (Etimet *al.*, 2023; Ibrahim& Alagidede, 2018). It comprises a wide range of businesses, including banking, insurance, investment, and accounting services. Rapidly changing technological trends, fierce competition, and ever-changing legal regulations pervade the industry. Currently, the continuous and rising customers' needs, intensive, aggressive and sustained competition in the financial sector are becoming a thing of worry to the players in the industry. The bank and non-bank financial institutions are on their toes to remain relevant in the market place, satisfy customers, maximize profit and market their services effectively. Marketing of financial services is fast becoming complex. This is because the firms in this sector provide virtually the same services to consumers in the same marketplace, and the fluctuations in policies by the government in the financial sector.

To ensure the survival of these firms in this competitive environment, the effectiveness of marketing performance and customers' satisfaction needs to be improved; therefore, these service providers must imbibe the quality management concept in their operations. Quality management is an on-going increase in the quality of a firm's services and processes at all times and levels.

In the 21st century, bank and non-bank financial institutions must adopt quality management (service quality dimensions-SQD and total quality management-TQM) to market their services better, faster and more timely (BFT). Service quality dimensions are measures used to assess how well a product (service) meets or surpasses customer expectations. These dimensions include – reliability, responsiveness, assurance, empathy and tangibility. On the other hand, TQM is an intervention activity to optimize organizational performance through management involvement, continuous improvement, and employee empowerment. This is particularly important as customers in the 21st century are developing increased sophistication with respect to how they choose products and their assessment of services they consume. Also, marketing of financial services in this millennium is becoming complex because banks and non-bank financial institutions provide virtually the same services to customers in the same market place, with continuous and rising needs of customers, and stiff competition. Most previous studies focused on marketing of financial services through a marketing mix (such as Ernest, 2012; Oke, 2012, and Wright, 2001). However, the focus of this study

was to examine the effect of quality management practices on customer satisfaction in the financial services sector in the 21st century. In this effort, the following research objectives were pursued:

1. To ascertain the effect of service quality dimensions on customer satisfaction in the financial services sector.
2. To determine the effect of total quality management practices on customer satisfaction in the financial services sector.

LITERATURE REVIEW

Financial services

Financial services constitute a wide variety of offerings and services that financial organizations provide to their customers in order to assist them in proper management of their funds, and other valuable assets (Chang *et al.*, 2020). These services are designed to help individuals and organizations make informed decisions about their finances and investments. The financial services industry is made up of a multitude of sectors, including banking, insurance, investment, and wealth management. Each sector provides its unique services and functions, catering to the specific needs and preferences of the client. The banking sector is the backbone of the financial services industry (Soetan *et al.*, 2021). It provides savings and checking accounts, loans, and credit cards. These services are essential to facilitate day-to-day financial transactions and provide access to credit for large purchases, such as homes or cars. In recent years, the financial services sector in Nigeria has undergone significant changes, with commercial banks being at the forefront of this transformation (Ene *et al.*, 2019). Financial services in the country have become more accessible and efficient, thanks to advancements in technology, and competition among banks has intensified, leading to a more customer-centric approach. However, the level of customer satisfaction with the services provided by these banks remains a substantial challenge. To measure customer satisfaction, commercial banks in Nigeria use various methods, such as surveys and feedback mechanisms, to monitor customer feedback and identify areas where improvement is needed. However, despite these efforts, customer satisfaction levels remain relatively low (Adeyemi, 2021; Moses-Ashike, 2022).

By definition, customer satisfaction entails the degree of a customer's contentment with an organization's product, service or experience (Joudeh & Dandis, 2018). The first key to customer satisfaction, according to Nguyen *et al.* (2020), is the delivery of consistently high-quality services. However, customer satisfaction is relatively low in the Nigerian banking industry due to the issue of high charges and hidden fees imposed on customers by banks (Etim *et al.*, 2023). These charges are often not transparent, making it difficult for customers to understand the full cost of banking services. Customers often feel that

these charges are excessive and unfair, leading to dissatisfaction with the services received. Another factor that affects customer satisfaction with commercial banks in Nigeria is the quality of customer service (Olannye *et al.*, 2017). Customers expect to have prompt and efficient service when dealing with financial institutions, but this is often not the case. Long queues, delays in processing transactions, and unresponsive customer service representatives are common complaints from customers, leading to frustration and dissatisfaction. Furthermore, Etim *et al.* (2023) submitted that the lack of access to financial services in rural areas is also a significant challenge. Many Nigerians still lack access to basic financial services, limiting their ability to participate fully in the economy. Without access to financial services, many people are unable to engage in economic activities such as saving, borrowing, or investing, leading to exclusion and inequality.

Total quality management

Total quality management (TQM) is an orientation that seeks to create an organizational culture characterized by greater customer satisfaction through ongoing improvement in which all staff members take an active part (Abbas, 2020). It emphasizes the importance of quality in an organization's operations since it is an all-encompassing managerial orientation that focuses on the continuous improvement of all aspects of an organization's delivery of goods and services. According to Alzoubiet *al.* (2019), TQM can be implemented in any industry, including financial services to maximize efficiency, improve customer satisfaction, and increase profitability. In the financial service sector, TQM includes several key principles (Honarpour *et al.*, 2018). First, it emphasizes the importance of customer satisfaction. Financial services companies must focus on service provision marked by the highest standards of quality capable of meeting customers' requirements to achieve this. Second, total quality management requires a commitment to continuous improvement. Financial services organizations should regularly review their processes, procedures, and systems to identify areas for improvement and implement changes that can increase efficiency and reduce waste. Third, TQM involves a focus on employee empowerment. Employees should be trained and empowered to identify and address problems in the service delivery process (Heyns & Boikanyo, 2019). In the context of this study, the following parameters of TQM were considered: management involvement, continuous improvement, customer orientation and employee empowerment. Management involvement is the commitment of the management of financial institutions in setting organizational goals, objectives and facilitating quality programmes for effective and efficient performance. According to Pekovic *et al.* (2016), efficient operations can only be realized when there is sufficient involvement in core managerial processes by top management personnel. Even though the contributions of employees are crucial to organizational success, leadership of the organization, in terms of goal setting, tasks allocation, and implementation of strategies, is best carried out by

management personnel. Another dimension of TQM is continuous quality improvement, which entails the reduction or elimination of errors and constant changes in service features and quality of financial services (Mehralian *et al.*, 2017). For a service organization to thrive and succeed over competitors, it must be at the forefront of continuous service quality improvement through innovations that make services more customer-friendly, easier to use, responsive, reliable and credible. Also, customer orientation is another key dimension of TQM. This entails that customers should be at the front and center of organizational marketing activities in a way that these activities are tailored towards the ultimate satisfaction of customers' needs on a consistent basis (Ziggers & Henseler, 2016). When customers are at the core of marketing operations, financial service providers can better identify how best to deliver services capable of realizing customer satisfaction and retention. This is why customer orientation is a fundamental component of TQM. Similarly, another dimension of TQM is employee empowerment, which is the ability of employees to make decisions, not necessarily waiting for directives from headquarters for decision-making. According to AlKahtani *et al.* (2021), for a TQM system to operate successfully and consistently, there is need for employees to be trained, oriented and empowered with the authority and tools to make decisions that best serve the interests of customers rather than a bureaucratic system that requires top-down authorization at all times. To better manage a system of TQM, these dimensions have to function in tandem with each other to ensure consistent delivery of high-quality services capable of delivering remarkable service experiences to customers. Thus, effective quality management may increase an organization's capacity to satisfy customers' needs.

H₁: Total quality management significantly affects customer satisfaction in the financial services sector.

Service quality dimensions

Service quality dimensions are measures used to assess how well a product meets or surpasses customer expectation (Fidaet *al.*, 2020). They refer to how customers perceive the quality of services provided by a firm. Service quality has several dimensions, each of which is important for ensuring customer satisfaction and loyalty. Service quality dimensions can vary depending on the industry, the type of service, and other factors that impact customer expectations. This study's dimensions were reliability, responsiveness, assurance, empathy and tangibility. Reliability refers to how well a financial service provider delivers what it promises. Customers expect their services to be provided consistently and reliably, and they want to feel confident that their needs will be met. Reliability is particularly important in the financial service industry, where errors or delays can have serious consequences (Hammoudet *al.*, 2018). As a matter of fact, the level of reliability of a financial service company is a key factor that customers consider

in choosing which company to trust with their money and other valuables (Lolia & Elvis, 2022). As such, customers tend to choose the services of financial service companies that have a brand reputation for reliability – accuracy, credibility, integrity and dependability. Another SERVQUAL dimension considered is responsiveness, which entails how quickly and effectively a financial service provider responds to customer needs and requests (Moghavvemi *et al.*, 2018). When customers face service issues, they want their problems to be resolved quickly and efficiently. This is particularly true in industries like financial services, where customers expect quick and reliable service delivery. Particularly considering the nature of banking services, which are an increasingly important necessity, customers expect providers to deliver needed services with little or no delays (Sari *et al.*, 2018). Most times, financial transactions are time-sensitive and they are required to resolve pressing challenges; hence the responsive delivery of services to customers enables providers to improve customers' perceptions of their brands. Assurance is another important dimension of financial service quality. This refers to how well a financial service provider demonstrates their expertise and professionalism to customers (Supriyanto *et al.*, 2021). Customers want to feel confident that they are receiving high-quality services from someone who is knowledgeable and experienced. Given the potential dangers of fraud, cyber insecurity and other forms of cyber-crimes, financial service companies are faced with the challenges of providing credible assurances to customers that their funds, and other valuables are secured. Furthermore, service empathy is another dimension of financial service quality. This refers to how well a service provider understands and responds to the needs and concerns of their customers (Hammoud *et al.*, 2018). Customers want to feel valued and heard, and they want to feel like their service providers understand their unique needs and preferences. In addition, tangibility is also an important dimension of financial service quality. This entails the degree to which the physical environment, equipment, and materials affect customer experiences (Fida *et al.*, 2020). Customers are sensitive to cues such as cleanliness, layout, and decor, as well as the quality of equipment and materials used in service delivery. Similarly, tangible materials and infrastructure are essential to the ability of financial service companies to deliver services to customers in a rapidly digitized financial environment. As such, if these facilities are not in place, the overall quality of services delivered by financial service companies may be undermined, hence inhibiting customer retention (Sari *et al.*, 2018). Thus, service providers that prioritize the delivery of high-quality services can create a positive impression and enhance customer satisfaction.

H₂: Service quality dimensions have a significant effect on customer satisfaction in the financial services sector.

Theoretical framework

This study resonates with the core competency theory developed by Hamel and Prahalad (1990). The core competency theory is a theoretical framework that espouses the notion that business organizations can achieve sustainable competitive advantages by intentionally identifying, developing and managing their areas of competencies (or core competencies), which are unique and possesses marketing value. According to Hamel and Prahalad (1990), the basic premise of the theory is that "a business organization must define, cultivate, and exploit its core competencies in order to succeed against the competition". The concept of core competency, as enshrined in this theory entails "a harmonized combination of multiple resources and skills that distinguish a firm in the marketplace and therefore are the foundation of companies' competitiveness" (Hamel & Prahalad, 1990). In that sense, the theorists believed that core competencies fulfill three basic criteria, namely: "provides potential access to a wide variety of markets; makes a significant contribution to the perceived customer benefits of the end product; and should be difficult to imitate by competitors". Basically, the premise of this theory propagates the proposition that a firm's competitiveness and overall marketing performance depend on its ability to identify, cultivate, harness, develop and manage its core competencies across all market segments that it serves (Kawshala, 2017). In the context of this study, the relevance of the core competency theory lies in its basic premise, which implies that financial service providers can better improve customer satisfaction and overall competitiveness by identifying, harnessing, developing and managing their core competencies through efficient quality management strategies. The theory implies that using total quality management and service quality dimensions, financial service providers can make certain that their offerings are designed and delivered in a way capable of meeting the needs of customers, hence improving customer satisfaction.

Empirical review and conceptual model

Amin *et al.* (2018) carried out a study to determine the effect of service quality on customer satisfaction towards e-banking in selected Nigerian commercial banks. The study obtained data from 398 customers of commercial banks in Nigeria using a structured questionnaire. From the results of the descriptive statistical analysis conducted, it was revealed that service quality had a significant relationship with customer satisfaction towards e-banking services in Nigeria. The limitation of this study however is that it unilaterally centers on service quality with no emphasis on total quality management and its effect on customer satisfaction in developing countries' banks. Another study by Aremu *et al.* (2018) explored the influence of quality service delivery on customer satisfaction in Nigeria's banking industry. The study used a structured questionnaire to obtain primary data from 250 bank customers in Nigeria. From the results of the multiple regression analysis conducted, it was revealed that service quality (reliability, responsiveness and tangibility) had a significant positive relationship with customer satisfaction in the Nigerian banking industry. However, the limitation of the

study is that it was restricted to service quality, with no emphasis on total quality management and its effect on customer satisfaction in developing countries' banks.

Narteh (2018) designed a study to explore the impact of quality service delivery on customer satisfaction in Ghanaian commercial banks. The study used a research questionnaire survey to obtain primary data from 560 bank customers in Ghana. The results of the structural equation modeling analysis revealed that service quality (empathy, tangibility, assurance, and reliability) significantly positively impacted customer satisfaction in Ghanaian commercial banks. The limitation of the study is that it was restricted to service quality as the sole independent variable with no emphasis on total quality management and its impact on customer satisfaction in banks. Another study by Dawit and Adem (2018) centered on determining the influence of service quality on customer satisfaction in Ethiopian deposit money banks. The study used a structured questionnaire to obtain primary data from 375 private deposit money banks in Ethiopia. From the results of the multiple regression analysis conducted, it was revealed that service quality (reliability, empathy, responsiveness and tangibles) had a significant positive influence on customer satisfaction in Ethiopian deposit money banks. However, its limitation is that the study was restricted to service quality as the sole independent variable with no emphasis on total quality management and its influence on bank customer satisfaction in developing countries.

Furthermore, Jimoh *et al.* (2019) examined how total quality management practices influenced the performance of construction businesses in Nigeria. The study used a structured questionnaire survey to obtain primary data from 155 personnel of construction companies in Nigeria. From the results of the structural equation modeling analysis conducted to test the hypotheses, it was revealed that total quality management had a significant positive effect on the performance of construction businesses in Nigeria. However, the limitation of the study is that it centered on TQM and organizational performance with no reference to the influence of TQM on bank customer satisfaction in developing countries. Similarly, Zaid *et al.* (2020) examined how TQM affected perceived service quality, patient satisfaction and behavioural intention in Palestine. Using a structured questionnaire survey, the study obtained primary data from 210 hospital patients in Palestine. The results of the structural equation modeling test of hypotheses revealed that TQM had a significant positive influence on perceived service quality, which also significantly impacted patient satisfaction, and behavioural intention towards hospitals in Palestine. However, the limitation of the study is that it was restricted to hospital organizations in Palestine, with no reference to the banking sector of developing countries.

The connection between service quality and customer satisfaction in the banking sector has been thoroughly investigated by researchers, according to a review of the available

empirical studies. This has led to the scholarly position that, to a large extent, service quality enhances customer satisfaction in the banking sectors of developing economies. However, current research has severely overlooked the relationship between TQM and customer satisfaction in the banking sector of developing economies. Despite the growing importance of TQM in the service industry, surprisingly, there appears to be insufficient empirical evidence to demonstrate how TQM practices influence customer satisfaction in the banking sectors of developing countries. To that end, this study explored how quality management efforts (such as service quality and TQM) could be applied to effectively enhance customer satisfaction in the financial services sector. Consequently, the conceptual model in FIG. 1 has been designed to visually portray the hypothesized relationship between quality management and customer satisfaction in the context of financial services in developing economies.

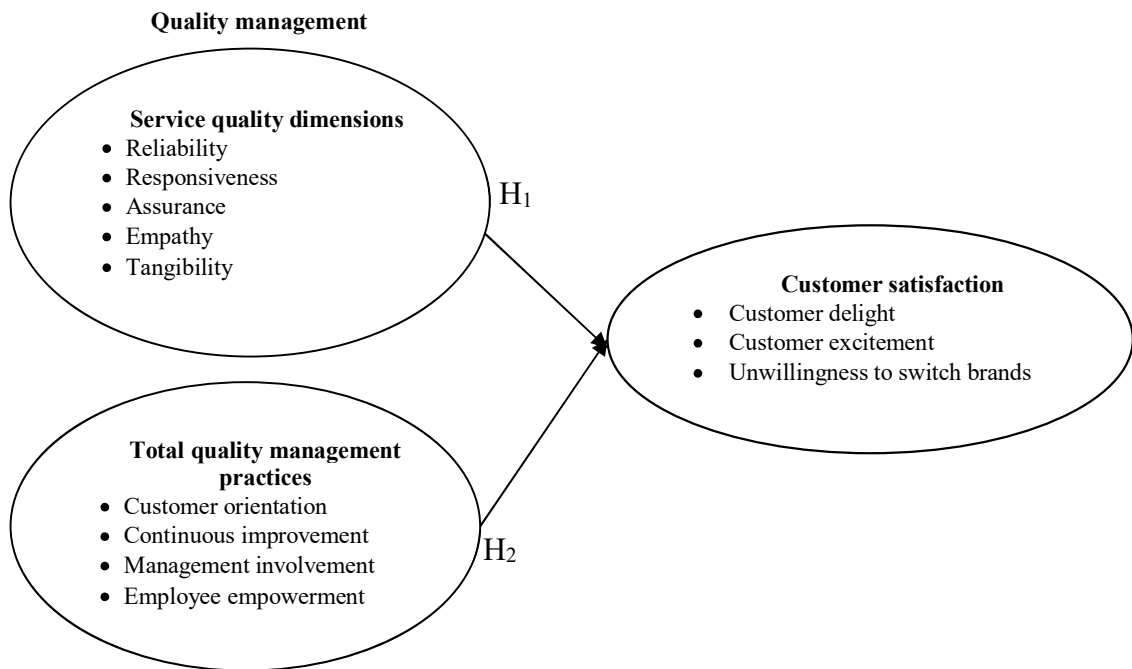


FIG. 1: Conceptual model of the study

Source: Parameters of service quality adapted from Aremuet *al.* (2018); Dawit and Adem (2018). Parameters of TQM adapted from Heyns and Boikanyo (2019). Parameters of customer satisfaction adapted from Ilyaset *al.* (2021).

METHODOLOGY

The research design used in the study was a cross-sectional survey. Using the Topman sample size estimation technique, a sample size of 457 customers of deposit money banks in Nigeriawas used for the study. This study employed a self-administered questionnaire consisting of close-ended statements, where respondents were required to tick the options applicable to them in response to the questionnaire statements. Convenience sampling technique was adopted to locate and include the respondents in the questionnaire survey. The questionnaire comprised two sections: Section A obtained respondents' demographic information like gender, age and occupation, while Section B contained statements drawn from the variables of the study. The items used to measure service quality were adapted from Aremu *et al.* (2018); Dawit and Adem (2018). The items used to measure TQM were adapted from Heyns and Boikanyo (2019). While the items used to measure customer satisfaction were adapted from Ilyas *et al.* (2021). The instrument's measurement scale was a 5-Point Likert scale. The variables of the study were adapted from existing studies, as seen in FIG. 1. Statements 1-5 measured customer orientation; statements 6-10 measured continuous improvement; statements 11-15 measured management involvement; statements 16-20 measured employee empowerment; statements 21-25 measured reliability; statements 26-30 measured responsiveness; statements 31-35 measured assurance; statements 36-40 measured empathy; statements 41-45 measured tangibles; while statements 46-48 measured customer satisfaction. Prior to questionnaire administration, the instrument was subjected to reliability testing using the Cronbach's alpha method. As part of a pilot survey, the study randomly administered 50 copies of the questionnaire to customers of deposit money banks, who were deliberately excluded from the actual survey. These respondents were excluded intently from the actual survey, because they had prior knowledge of the questionnaire statements, and their inclusion might have introduced respondents' biases in the actual survey. Out of the 50 respondents surveyed, 32 respondents were female, while 18 respondents were male. The results of the test (shown in Table 1) revealed that all questionnaire scales generated reliability alpha coefficients not less than 0.7. Hence, the data obtained were descriptively analyzed while hypotheses testing were done using multiple regression method.

Table 1: Test of reliability

SN	Variables	No. of items	Reliability coefficients
1	Customer orientation	5	.786
2	Continuous improvement	5	.878
3	Management involvement	5	.799

4	Employee empowerment	5	.881
5	Reliability	5	.734
6	Responsiveness	5	.750
7	Assurance	5	.801
8	Empathy	5	.834
9	Tangibility	5	.786
10	Customer satisfaction	3	.719
		48	

Source: Authors’ analysis on SPSS (2023)

RESULTS AND DISCUSSION

This unit analyzes the data obtained from the questionnaire survey conducted on customers of deposit money banks. The data are analyzed and interpreted using simple percentages and frequencies (descriptive statistics). Subsequently, the hypotheses developed for the study are subjected to statistical testing using multiple linear regression.

Table 2: Respondents’ demographic information

Demography	Frequency	Percentage
Gender		
Male	247	54.0
Female	210	46.0
Total	457	100.0
Age		
18-29 years	217	47.5
30-49 years	158	34.6
50 years or above	82	17.9
Total	457	100.0
Occupation		
Student	128	28.0
Civil servant	145	31.7
Self-employed	184	40.3

Demography	Frequency	Percentage
Total	457	100.0

Source: Authors' analysis on SPSS (2023)

The data presented in Table 2 shows that out of the 457 respondents surveyed, the majority of them (247 or 54.0 percent) were male, while the rest (210 or 46.0 percent) were female. On respondents' age, the data shows that majority of the respondents (217 or 47.5 percent) were between the ages of 18-29 years. Also, the data shows that regarding respondents' occupation, majority of the respondents (184 or 40.3 percent) were self-employed, 145 or 31.7 percent of them were civil servants, while 128 or 28.0 percent of them were students.

Table 3: Results of descriptive analysis of research variables

S/N	Items	N	Mean	SD	Remark
TQM Practices					
Customer orientation					
1	Customers' input	457	4.652	1.515	Strongly agree
2	Customers' opinions/complaints	457	3.515	1.871	Agree
3	Bank-customer relationship	457	4.651	1.661	Strongly agree
4	Customer involvement	457	3.652	1.671	Agree
5	Customer attention	457	3.982	1.981	Agree
Continuous improvement					
6	Continuous improvement policies	457	3.982	1.871	Agree
7	Performance appraisal schemes	457	3.666	1.832	Agree
8	Innovative research schemes	457	4.981	1.671	Strongly agree
9	Improvement programmes	457	3.982	1.887	Agree
10	Continuous service innovations	457	4.721	1.651	Strongly agree
Management involvement					
11	Teamwork	457	4.111	1.986	Agree
12	Employee motivation	457	3.871	1.986	Agree
13	Employee feedback	457	3.812	1.629	Agree
14	Unity of purpose	457	4.081	1.663	Agree
15	Corporate values orientation	457	3.982	1.871	Agree
Employee empowerment					
16	Decision-making privileges	457	3.991	1.872	Agree
17	Management-staff meetings	457	4.091	1.801	Agree
18	Employee respect	457	3.882	1.888	Agree
19	Work environment	457	4.811	1.931	Strongly agree

S/N	Items	N	Mean	SD	Remark
20	Employee training	457	3.871	1.650	Agree
SERVQUAL dimensions					
Reliability					
21	Consistent services	457	3.991	1.872	Agree
22	Accurate services	457	4.091	1.801	Agree
23	Dependable services	457	3.882	1.888	Agree
24	Available services	457	4.102	1.953	Agree
25	Error-free services	457	3.871	1.650	Agree
Responsiveness					
26	Prompt service delivery	457	3.991	1.872	Agree
27	Short waiting time	457	4.091	1.801	Agree
28	Employees' willingness to assist	457	3.882	1.888	Agree
29	Employee availability	457	4.111	1.761	Agree
30	Regular customer updates	457	3.871	1.650	Agree
Assurance					
31	Secure banking services	457	1.991	1.071	Disagree
32	Customers' privacy protection	457	4.091	1.801	Agree
33	Convenient location of bank facilities	457	3.882	1.888	Agree
34	Customer confidence in service delivery	457	2.010	1.103	Disagree
35	Knowledgeable service personnel	457	4.871	1.650	Strongly agree
Empathy					
36	Employees' willing to assist customers	457	3.991	1.872	Agree
37	Employees' interest in customers	457	4.091	1.801	Agree
38	Employee courtesy	457	3.882	1.888	Agree
39	Employees' care for customers	457	3.951	1.592	Agree
40	Individualized customer treatment	457	3.871	1.650	Agree
Tangibility					
41	State-of-the-art equipment	457	3.991	1.872	Agree
42	Effective bank facilities	457	4.091	1.801	Agree
43	In-bank service effectiveness	457	3.882	1.888	Agree
44	Self-service banking technologies	457	4.172	1.694	Agree
45	Attractive physical bank facilities	457	3.871	1.650	Agree
Customer satisfaction					
46	Customer delight	457	3.991	1.872	Agree
47	Customer excitement	457	4.091	1.801	Agree
48	Unwillingness to switch brands	457	3.882	1.888	Agree

Source: Authors' analysis on SPSS (2023)

Table 3 presents the descriptive analysis of TQM practices, SERVQUAL dimensions and customer satisfaction. As a decision rule, mean values between 4.5 – 5.0 = Strongly Agree; 3.5 – 4.4 = Agree; 2.5 – 3.4 = Undecided; 1.5 – 2.4 = Disagree; while 1.0 – 1.4 = Strongly Disagree. The results show that all the proxies of customer orientation were accepted at a maximum evaluation point of 5.00 and a minimum of 1.00. The mean values were 4.652, 3.515, 4.651, 3.652, and 3.982 respectively for customers' input, customers' opinions/complaints, bank-customer relationship, customer involvement and customer attention. The results show that all the proxies of continuous improvement were accepted at a maximum evaluation point of 5.00 and a minimum of 3.00. The mean values were 3.982, 3.666, 4.981, 3.982 and 4.721 respectively for continuous improvement policies, performance appraisal schemes, innovative research schemes, improvement programmes and continuous service innovations. With respect to management involvement, the results show that all its proxies were accepted at a maximum evaluation point of 5.00 and a minimum of 3.00. The mean values were 4.111, 3.871, 3.812, 4.081 and 3.982 respectively for teamwork, employee motivation, employee feedback, unity of purpose, and corporate values orientation. The results also show that all the proxies of employee empowerment were accepted at a maximum evaluation point of 5.00 and a minimum of 3.00. The mean values were 3.991, 4.091, 3.882, 4.811 and 3.871 respectively for decision-making privileges, management-staff meetings, employee respect, work environment and employee training.

Furthermore, the results in Table 3 show that all the proxies of reliability were accepted at a maximum evaluation point of 5.00 and a minimum of 3.00. The mean values were 3.991, 4.091, 3.882, 4.102 and 3.871 for consistent, accurate, dependable, available, and error-free services. Similarly, regarding responsiveness, the results show that all its proxies were accepted at a maximum evaluation point of 5.00 and a minimum of 3.00. The mean values were 3.991, 4.091, 3.882, 4.111 and 3.871 respectively for prompt service delivery, short waiting time, employees' willingness to assist, employee availability and regular customer updates. Also, for assurance, the results show that two of its proxies (secure banking services and customer confidence in service delivery) were rejected because their mean values (1.991 and 2.010) were below the minimum evaluation point of 3.00. The other three proxies (customers' privacy protection, convenient location of bank facilities and knowledgeable service personnel) were accepted because their mean values (4.091, 3.882 and 4.871 respectively) were above the minimum evaluation point of 3.00. In addition, the results show that all the proxies of empathy were accepted at a maximum evaluation point of 5.00 and a minimum of 3.00. The mean values were 3.991, 4.091, 3.882, 3.951 and 3.871 respectively for employees' willingness to assist customers, employees' interest in customers, employee courtesy, employees' care for customers and individualized customer treatment. With respect to

tangibility, the results show that all its proxies were accepted at a maximum evaluation point of 5.00 and a minimum of 3.00. The mean values were 3.991, 4.091, 3.882, 4.172 and 3.871 respectively for state-of-the art equipment, effective bank facilities, in-bank service effectiveness, self-service banking technologies and attractive physical bank facilities. Finally, the results show that all the proxies of customer satisfaction were accepted at a maximum evaluation point of 5.00 and a minimum of 3.00. The mean values were 3.991, 4.091 and 3.882 respectively for customer delight, customer excitement and unwillingness to switch brands.

Model estimation and hypotheses testing

Only the null hypotheses were tested for hypotheses testing, and the decision rule was to reject the null hypotheses for the alternative hypotheses, if the p-value is less than the error margin of 0.05.

Hypothesis 1: Service quality dimensions have no significant effect on customer satisfaction in the financial services sector.

Hypothesis 2: Total quality management practices have no significant effect on customer satisfaction in the financial services sector.

Test statistic: Multiple linear regression

Table 4: Model summary of the effect of quality management on customer satisfaction in the financial services sector

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.946 ^a	.894	.892	.28456

a. Predictors: (Constant), Customer orientation, continuous improvement, management involvement, employee empowerment, reliability, responsiveness, assurance, empathy and tangibility

Source: Authors’ analysis on SPSS (2023)

Table 5:ANOVA^a of the effect of quality management on customer satisfaction in the financial services sector

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	305.248	9	33.916	418.868	.000 ^b

Residual	36.194	447	.081
Total	341.443	456	

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Customer orientation, continuous improvement, management involvement, employee empowerment, reliability, responsiveness, assurance, empathy and tangibility

Source: Authors' analysis on SPSS (2023)

Table 6: Coefficients^aof the effect of quality management on customer satisfaction in the financial services sector

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.204	.200		11.020	.000		
Customer orientation	.403	.041	.244	9.740	.000	.378	2.647
Continuous improvement	.417	.040	.499	10.354	.000	.582	1.801
Management involvement	.132	.028	.116	4.642	.000	.380	2.634
Employee empowerment	.170	.029	.316	5.793	.000	.596	1.678
Reliability	.285	.036	.145	7.894	.000	.702	1.425
Responsiveness	.296	.051	.242	5.829	.000	.138	2.248
Assurance	.044	.036	-.029	-1.242	.215	.434	2.303
Empathy	.288	.044	.208	6.541	.000	.234	1.282
Tangibility	.309	.042	.283	7.276	.000	.157	2.390

a. Dependent Variable: Customer satisfaction

Source: Authors' analysis on SPSS (2023)

The results on Tables 4, 5 and 6 demonstrate the effects of quality management on customer satisfaction in the financial services sector. The correlation coefficient ($R = 0.946$) in Table 4 reveals that the relationship between quality management and customer satisfaction towards financial services is 94.6 percent. This indicates a very high degree of relationship between the variables in the context of the study. The coefficient of determination ($R^2 = 0.894$) indicates that quality management accounts for up to 89.4 percent of the variation in customer satisfaction in the financial services sector. This

implies that if other factors remain unchanged, quality management will affect customer satisfaction in the financial services sector by up to 89.4 percent. Given that $F=418.868$ and $p=0.000$ as shown in Table 5, it indicates that the effect of quality management on customer satisfaction in the financial services sector is statistically significant. Furthermore, the collinearity statistics presented in Table 6 indicate that the variables were devoid of multicollinearity because the tolerance values generated exceeded 0.1 and the Variance Inflation Factors (VIF) generated were not greater than 5. This entails that the multicollinearity condition of regression analysis has been met under this circumstance (Ringle *et al.*, 2015).

Also, from the standardized coefficients column in Table 6, it has been revealed that with a beta coefficient of 0.499 or 49.9 percent, continuous improvement had the highest contribution to the regression model. Employee empowerment is the second-highest contributor to the model, with a beta coefficient of 0.316 or 31.6 percent. The third-highest contributor to the model is tangibility, with a beta coefficient of 0.283 or 28.3 percent. The table also shows that the fourth-highest contributor to the model is customer orientation, with a beta coefficient of 0.244 or 24.4 percent, while the fifth-highest contributor to the model is responsiveness, with a beta coefficient of 0.242 or 24.2 percent. Assurance negatively contributed to the regression model with a beta coefficient of -0.029 or -2.9 percent. In addition, Table 6 also shows that the p-values of eight of the nine variables tested were less than the error margin of 0.05 with positive t-test values, while the p-value of assurance (0.215) exceeded the error margin of 0.05. This implies that the service quality dimension 'assurance' had no significant effect on customer satisfaction towards financial services in a developing country. Hence, both null hypotheses one and two were rejected for the corresponding alternative hypotheses, leading to the conclusion that service quality dimensions (reliability, responsiveness, empathy and tangibility) and TQM practices (customer orientation, continuous improvement, management involvement, employee empowerment) had significant positive effects on customer satisfaction in the financial services sector.

The finding from the test of hypothesis one is in line with the study of Amin *et al.* (2018), which revealed that service quality had a significant relationship with customer satisfaction towards e-banking services in Nigeria. It is also corroborated by the study of Aremu *et al.* (2018), which revealed that service quality (reliability, responsiveness and tangibility) had a significant positive relationship with customer satisfaction in the Nigerian banking industry. Also, the findings backed by the study of Narteh (2018) revealed that service quality (empathy, tangibility, and reliability) significantly positively impacted customer satisfaction in Ghanaian commercial banks. Similarly, the finding from the test of hypothesis two generates new insights into the relationship between TQM practices and customer satisfaction in the context of financial services in developing economies. So far, there has been no empirical study to buttress this new insight due to

the absence of research attention on the subject. Therefore, this finding generates substantive empirical evidence confirming that TQM practices can improve customer satisfaction towards financial services in the context of developing countries. This finding adds to existing empirical evidence which confirms a positive relationship between TQM practices and organizational performance (Jimoh *et al.*, 2019; Zaid *et al.*, 2020).

CONCLUSION AND PRACTICAL IMPLICATIONS

Against the backdrop of insufficient empirical evidence and financial service inconsistencies, this study was designed to explore the effects of quality management on customer satisfaction in the financial services sector. It was specifically centered on determining the influences of SERVQUAL dimensions (reliability, responsiveness, empathy, assurance and tangibility) and TQM practices (customer orientation, continuous improvement, management involvement, employee empowerment) on customer satisfaction towards financial services. From a structured questionnaire survey, we obtained primary data from customers of commercial banks. With the aid of descriptive and inferential statistics, the data were analyzed, interpreted and hypotheses testing was executed. The study's findings revealed that SERVQUAL dimensions (reliability, responsiveness, empathy and tangibility) and TQM practices (customer orientation, continuous improvement, management involvement, employee empowerment) had significant positive effects on customer satisfaction towards financial services. Whereas, one SERVQUAL dimension (assurance) was negatively and non-significantly related with customer satisfaction in this regard. From the findings of the study, it can be concluded that to a large extent, quality management dimensions (service quality and TQM) significantly positively influence customer satisfaction in the financial services sector.

Considering the findings of the study, we have suggested certain practical recommendations for possible implementation by financial service providers in developing economies. Financial service providers should prioritize the delivery of high-quality services on a consistent basis by ensuring that services are reliable, responsive to customers' needs, secure, and delivered by competent, and well-behaved service personnel supported by state-of-the-art technological systems and infrastructure. By consistently delivering high-quality services to customers, financial service providers can ensure that the changing dynamics of customers' needs for financial services are adequately met. This will significantly discourage the possibilities of brand-switching incidents and reinforce customer retention. Also, the practice of TQM should holistically be integrated into every layer of organizational structure of financial service providers to ensure that customers are exposed to remarkable service quality at every point of service encounter. This can be realized by factoring in customers' needs in the service delivery

process, empowering employees to independently provide services to customers, and implement robust technological infrastructure that guards against service disruptions and failures. Through such an integrated and functional system of TQM, errors and disruptions in service delivery capable of resulting in service failures and customer conflict can proactively be identified and eliminated before they adversely affect the service delivery process (servuction).

RESEARCH LIMITATIONS

This study is limited in scope to developing countries, particularly Nigeria; hence it does not capture the realities of the subject of the study as it applies in the developed climes. The study is also restricted to customers of financial services with no particular emphasis on service providers themselves in the sampling frame. As such, the evidence generated in the findings does not particularly explain the role of quality management in the marketing of financial services. Finally, the study is constrained to two quality management dimensions (service quality and TQM); as such, it does not explain the influences of other quality management dimensions (like Six Sigma) on customer satisfaction in the context of financial services. Future researchers may want to explore how other quality management systems like Six Sigma could affect customer satisfaction and/or financial services marketing in developing and developed countries. This will reinforce the generalizability of current research findings and add new empirical insights to existing studies on quality management and marketing of financial services.

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