

**TOTAL QUALITY MANAGEMENT PRACTICES ADOPTED IN THE BANKING
SECTOR IN UGANDA**

PATIENCE NAKABIITO

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**UGANDA CHRISTIAN
UNIVERSITY**

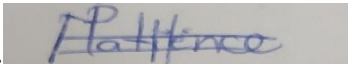
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DECLARATION

I Patience Nakabiito do declare that this dissertation titled: “Total Quality Management Practices Adopted in The Banking Sector in Uganda” is my original work and has not been published and /or submitted for any award in any other university, as I strive to uphold the university values of integrity and diligence.

Patience Nakabiito

Signature

... 

Date: 22nd September, 2023..

APPROVAL

This research dissertation titled: “Total Quality Management Practices Adopted in the Banking Sector in Uganda” has been prepared under my supervision and it is ready for presentation.

Dan Ayebale (PhD)

A handwritten signature in blue ink, appearing to read 'Dan Ayebale', written in a cursive style.

Signature.....

Date 22nd September 2023

ACKNOWLEDGEMENT

I would like to express my deepest gratitude to all those who have supported and guided me throughout the journey of conducting this research on Total Quality Management (TQM) practices in the banking sector of Uganda.

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ABSTRACT

The banking sector plays a pivotal role in the economic growth and stability of a country. In the pursuit of enhancing service quality and operational efficiency, many banks globally have turned to Total Quality Management (TQM) practices. The study topic was the total quality management practices adopted in the banking sector in Uganda. The study was guided by three research objectives which are: (i) To establish how continuous branding influences performance of the banking sector in Uganda. (ii) To examine the effect of employee involvement in the performance of the banking sector in Uganda. (iii) To assess the effect of top management commitment on the performance of the banking sector in Uganda. The study adopted a desk-based research design, utilizing a qualitative research approach. The study focused on two banks which included finance trust bank, and post bank Uganda. These banks were purposively selected. Data utilized was drawn from secondary sources which included dissertations, journal articles, and websites on google. On objective one, the study findings revealed that continuous branding positively affected the banking sector as it contributed to Brand Recognition, increase in trust and credibility, Effective Marketing and Communication which all contributed to an increase in the number of clients. On objective two, the study findings revealed that continuous improvement Enhanced Efficiency, caused client satisfaction, created better customer experience, enabled Innovation and Adaptability which all contributed to the growth of the bank. On objective three, the study findings revealed that, top management commitment enables Employee Engagement, creates a good organizational culture, offers strategic Direction and Vision to the banking sector. The study recommends that a study of a similar nature be undertaken utilizing a pragmatic approach to research so that the results can be used for comparative analysis. The said study should have a wider sample of banks ranging from tier three to tier four.

Keywords: total, quality, management and practices

1. INTRODUCTION

1.1 Background of the study

Globally, total quality management has become very important in management in the 21st century. This is because of the competition which calls for modern management approaches that call for improvement in both service and product management globally.

According to Ali (2017), businesses are paying more attention to the efficient implementation of quality management that results in a sustainable profit as well as how it affects their public image as they become more aware of changes in the competitive environment. The adoption and revitalization of overall quality management in the banking sector are now hampered by several issues and difficulties (Dale, 2002).

Over the past two decades, total quality management has attracted a great deal of attention from researchers and practitioners. According to practitioners, Al-Hawari (2006) & Keogh (2001) service quality can improve a firm's success. However, professionals often use the terms "customer satisfaction" and "service quality" interchangeably (LeBlanc & Nguyen,1998) are a few studies that have explored the relationship between the concepts of service quality and customer satisfaction. According to the research by Raza, Jawaid, and Hassan (Citation 2015), customer satisfaction in Pakistan's traditional banking sector is positively correlated with service quality. To comprehend the dimensions of service quality and customer satisfaction better, a significant quantity of research has been conducted in a variety of service industries (Chumpitaz & Paparoidamis,2004).

In Uganda, the banking sector witnessed increased competition with the new entrants of international banks which necessitated the need for the adoption of total quality management (Clarke,2009).

1.2 Statement of the problem

Total quality management is said to improve performance in the banking sector and banks are well known for introducing total quality management (Talib and Qureshi,2012). It is not however automatic that total quality management improves performance, and the effect of different total quality management can vary. However, although some scholars like Osinde et al. (2020), and Adam Mugume (2010), have written about Uganda's banking sector and its performance, limited studies is available to provide findings on the effect of total quality management practices on client satisfaction in Uganda's banking sector.

1.3 General Objectives of the Study

The general objective of the study is to examine the adoption and effect of the total quality management practices on the client satisfaction in the Banking sector in Uganda.

1.4 Specific Objectives

The specific objectives of this paper are to;

- i. To establish how continuous branding influences the performance of the banking sector in Uganda.
- ii. To examine the effect of employee involvement in the performance of the banking sector in Uganda.
- iii. To assess the effect of top management commitment on the performance of the banking sector in Uganda.

1.5 Research Questions

- i. What is the effect of continuous branding on the performance of the banking sector in Uganda?
- ii. What is the effect of employee involvement on the performance of the banking sector in Uganda?
- iii. What is the effect of top management commitment on the performance of the banking sector in Uganda?

1.6 Scope of the Study

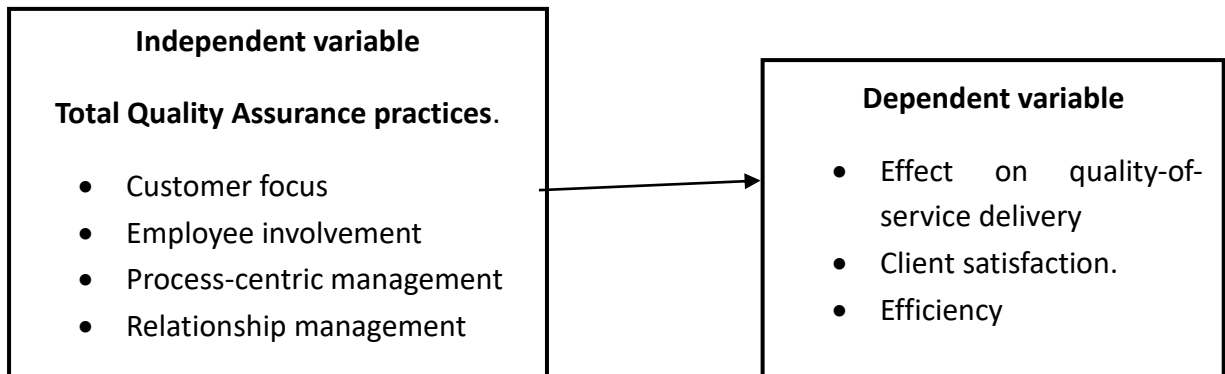
This paper focuses on the adoption, implementation, and the effect of Total Quality Management (TQM) practices in Uganda's banking sector on customer satisfaction. This paper will be limited to a geographical scope of banks that implement total quality management practices in Uganda.

1.7 Significance of the Study

The study can be helpful to managers in the banking sector in developing strategies and effective policies on how to improve the working of the existing total quality management practices. This study will also be beneficial to the researcher as it will improve his or her knowledge about total quality management in Uganda. The gaps in the study can be a basis for further research by academicians in the same area of determining the total quality management practices in the banking sector. The findings of this research are hoped to be

helpful and useful to banking stakeholders to drive growth and stability in the sector, underlining the transformative power of TQM principles.

1.8 Conceptual Framework



The independent variable is the total quality assurance practices. The study looks at the kind of causal relationship the independent variable has with the dependent variable which is the effect that total quality assurance has on the banking sector. Under the banking sector, we look at client satisfaction and attitudes.

2. LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature from various studies that demonstrate the improvement of the impact of total quality management practices on customer satisfaction in the banking sector in Uganda. A theoretical framework is presented to demonstrate the assumptions that the study is based on. This review sets the stage for our empirical investigation into Total Quality Management adoption and its implication in the Ugandan banking sector.

2.2 Theoretical review

There are several theoretical perspectives for understanding how total quality management practices impact customer satisfaction in Uganda. Previous studies have utilized the knowledge-based theory and some others have utilized Deming 14 points, and the Servqual model. In this paper, the Deming 14 points will be utilized to understand the different total quality management such as continuous training, and employee involvement are linked which are linked to banking sector performance. The 14 Deming points, in the context of the banking sector in Uganda, focus on providing a framework for banks to align their operations with customer needs, improve internally, and empower employees to contribute to quality enhancement (Deming, 1986).

According to the SERVQUAL model, total quality management is seen as a tool for performance improvement. it focuses on measuring service quality by assessing customer perceptions and expectations across five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. This model is particularly relevant to the banking sector, where customer experiences play a crucial role. Applying the SERVQUAL framework enables Ugandan banks to identify gaps in service delivery, enhance customer interactions, and tailor services to meet customer preferences (Parasuraman, 1988).

The SERVQUAL model, lean thinking, and Kaizen philosophy among other theories are attached to this study. Simplilearn, 2023 defines lean thinking as a business philosophy that can be applied to any and every type of business or organization pushing results for more growth and success. Lean thinking focuses on eliminating waste and optimizing processes to enhance value delivery to customers (Hashim, 2010). Further understanding of the framework dictates the identification of non-value-added activities and encourages banks to

prioritize resources where they have the most impact. Lean thinking principles are value, value stream, flow, pull, and perfection.

The Kaizen theory on the other hand differs. Under this theory, Imai, 1986 states Kaizen promotes continuous improvement through small, incremental changes. It is upon these that the banking sector in Uganda can embrace Kaizen principles to foster a culture of innovation and efficiency, enabling them to adapt to changing customer needs and market dynamics. This study however ignores the use of this theory due to the simen of its existing inconsistencies for, example, it has a sole pace of change, lack of innovation, and overemphasis on operational efficiency, Researchers have argued that firms need to eliminate all waste to zero rate of defect, learning and adaptation are ongoing and employee participation than investing in non-add value activities (Miller, 1996).

A comprehensively conducted reading drove this research document into the Deming 14 points. A theory according to (Deming, 1986) details the steps that must be taken to transform a company's quality culture. It is a theory that means it is insufficient to simply solve problems that arise. A culture of continuous improvement must be established and maintained with the overall goal of achieving customer satisfaction.

organization.

2.3 The Effect of Continuous Branding on the Performance of the Banking Sector

Continuous branding, also known as consistent branding, has a significant impact on the performance of the banking sector. It refers to the practice of maintaining a consistent and cohesive brand identity across all touchpoints and interactions with customers and stakeholders over time. The effects of continuous branding on the banking sector's performance can be observed in several key areas:

Brand Recognition and Recall: Continuous branding ensures that the bank's visual elements, such as logo, colors, and design, remain consistent across all communication channels and materials (Babakus et al,2003). This consistency enhances brand recognition and recall, making it easier for customers to identify and remember the bank's offerings.

Trust and Credibility: According to Bukhari et al. (2022), Consistent branding conveys a sense of professionalism and reliability. When customers encounter a consistent brand experience across various interactions, it builds trust and credibility, which are essential in the banking sector where security and reliability are paramount.

Customer Loyalty: A strong and consistent brand presence fosters an emotional connection with customers. When customers identify with a bank's values, messaging, and brand promise, they are more likely to develop a sense of loyalty and stay committed to the bank's services.

Differentiation in a Competitive Market: According to Sanzo et al (2012), the banking sector is highly competitive, and continuous branding helps banks stand out from the competition. A well-defined and consistently executed brand identity helps create a unique and memorable impression in customers' minds.

Enhanced Customer Experience: Continuous branding ensures that the customer experience remains consistent across all touchpoints, from in-branch interactions to online platforms. This consistency provides customers with a seamless and cohesive experience, regardless of how they choose to engage with the bank (Sanzo et al,2012).

Effective Marketing and Communication: A research by Majid et al. (2019), Consistent branding simplifies marketing efforts. When the branding elements are uniform, it becomes easier to create cohesive marketing campaigns that effectively communicate the bank's message and offerings.

Employee Alignment: Continuous branding aligns employees with the bank's values, vision, and goals (Appiah et al.,2020). Employees who understand and embrace the brand identity are better equipped to represent the bank and provide a consistent customer experience.

Brand Equity and Perceived Value: Over time, consistent branding contributes to the development of brand equity – the intangible value associated with the brand. Strong brand equity leads to a higher perceived value of the bank's services, allowing for potential premium pricing (Civelek and Etermel, 2019).

Long-Term Sustainability: According to Appiah et al. (2020), a well-established and consistent brand identity contributes to the long-term sustainability of the bank. It helps the bank maintain relevance and adapt to changing market conditions while maintaining a strong connection with customers.

Investor Confidence: Consistent branding can also positively influence investor perception. A well-recognized and trusted brand enhances the bank's overall reputation, potentially attracting more investment interest (Pham et al,2016).

In conclusion, continuous branding has a multi-faceted impact on the performance of the banking sector. It plays a vital role in building trust, enhancing customer loyalty, and creating

a competitive advantage in a crowded market. By maintaining a cohesive and consistent brand identity, banks can foster lasting relationships with customers, stakeholders, and the broader market, contributing to their overall success and growth.

2.4 The Effect of Continuous Improvement on the Performance of the Banking Sector

Continuous improvement plays a significant role in enhancing the performance of the banking sector. It involves ongoing efforts to refine processes, systems, and practices to achieve better efficiency, effectiveness, and customer satisfaction. The effects of continuous improvement on the banking sector's performance can be observed in several ways:

Enhanced Efficiency: Continuous improvement focuses on identifying and eliminating inefficiencies, bottlenecks, and unnecessary processes (Wang et al,2012). This leads to streamlined operations, reduced waste of resources, and optimized workflows, all of which contribute to improved efficiency within the banking sector. This can lead to faster transaction processing, quicker customer service, and smoother internal operations.

Better Customer Experience: With continuous improvement initiatives in place, banks can better understand customer needs and expectations (Al-Wesha,2013). By constantly seeking feedback and making incremental changes, banks can offer tailored products and services that meet customer demands more effectively. This results in improved customer satisfaction and loyalty.

Reduced Errors and Risks: Continuous improvement involves a rigorous examination of processes and procedures to identify potential sources of errors and risks (Islam et al 2012). By consistently addressing these issues, banks can minimize the occurrence of errors, enhance data security, and reduce the risk of fraud or compliance violations.

Innovation and Adaptability: According to Khatak et al. (2020), a culture of continuous improvement encourages innovation and adaptation to changing market conditions. As the banking landscape evolves with technological advancements and shifting customer preferences, banks that embrace continuous improvement are better positioned to develop and implement innovative solutions that cater to these changes.

Employee Engagement and Empowerment: Continuous improvement initiatives often involve employees at all levels of the organization. By allowing employees to suggest and implement improvements, banks can foster a culture of engagement and empowerment (Al-wesha,2013). This can lead to higher morale, increased job satisfaction, and a more collaborative work environment.

Cost Savings: Identifying and eliminating inefficiencies and wasteful practices can lead to significant cost savings for banks (Hirzel et al,2013). This can result from reduced operational overhead, better resource allocation, and optimized use of technology.

Regulatory Compliance: The banking sector is subject to numerous regulations and compliance requirements. Continuous improvement efforts can help banks stay up-to-date with regulatory changes and ensure that their processes and practices are in line with the latest requirements, reducing the risk of penalties and legal issues.

Long-Term Sustainability: According to Hirzel et al (2013), Continuous improvement fosters a culture of learning and adaptability within the banking sector. This, in turn, contributes to the long-term sustainability of banks by enabling them to evolve and remain relevant in a dynamic and competitive environment.

In conclusion, continuous improvement positively impacts the performance of the banking sector by promoting efficiency, customer satisfaction, risk mitigation, innovation, and employee engagement. It enables banks to evolve with changing times, enhance their offerings, and stay competitive in an ever-evolving financial landscape

2.5 The Effect of Top Management Commitment on the Performance of the Banking Sector

Top management commitment has a profound effect on the performance of the banking sector. The commitment and engagement of senior leadership in a bank play a crucial role in shaping the organizational culture, strategy implementation, employee morale, and overall success of the institution. Here are some key effects of top management commitment on the performance of the banking sector:

Strategic Direction and Vision: According to Tzempelicos (2015), top management sets the strategic direction and vision for the bank. Their commitment to these strategic goals provides a clear roadmap for the entire organization. When top management is aligned and committed to a unified vision, it creates a sense of purpose that guides all activities within the bank.

Organizational Culture: The behavior and attitudes of top management influence organizational culture. When senior leaders exhibit a commitment to values such as integrity, transparency, and customer focus, these values tend to permeate the entire organization (I. Williams Jr,2014 et al 2014). A positive and values-driven culture can enhance employee satisfaction and customer experiences.

Employee Engagement: Top management commitment fosters a culture of employee engagement. When employees see that senior leaders are invested in the bank's success, they are more likely to feel motivated, valued, and committed to their work (Kiziloglu,2019). This can lead to higher productivity, lower turnover, and improved teamwork.

Resource Allocation: Senior management plays a critical role in resource allocation. Their commitment to key initiatives, whether related to technology upgrades, training programs, or customer service enhancements, influences the allocation of budget and resources toward these initiatives (Amstrong,2009).

Change Management: In a rapidly evolving banking sector, change is inevitable. Top management commitment to change initiatives, whether technological, regulatory, or strategic, is essential for successful implementation (Amstrong,2009). Their support helps overcome resistance and provides a strong foundation for effective change management.

Risk Management and Compliance: According to Campanella et al (2017), top management commitment to risk management and compliance is vital in the banking sector. Their dedication to adhering to regulations, maintaining ethical standards, and managing risks effectively sets the tone for the rest of the organization and ensures the bank's long-term stability.

Innovation and Adaptation: A commitment to innovation and adaptation is crucial in a dynamic banking landscape. When top management emphasizes the importance of staying updated with technological advancements and customer preferences, it encourages a culture of innovation and readiness for change (Campanella et al.,2017). He emphasizes that innovation can't take place in the bank unless the top management supports the venture.

Stakeholder Confidence: The commitment of top management to the bank's mission and values enhances stakeholder confidence. This includes customers, investors, regulators, and the broader community (Amstrong,2009). A strong commitment signals stability and trustworthiness.

Crisis Management: Research conducted by Appiah et al (2015), found that organizations easily managed crises if the top management was committed. During times of crisis, top management commitment is vital. Their clear communication, decision-making, and ability to lead by example can help the bank navigate through challenges, maintain stakeholder trust, and emerge stronger.

Overall Performance: According to Amstrong (2009), top management commitment directly impacts the overall performance of the bank. Their guidance, support, and leadership influence the bank's financial results, customer satisfaction, market reputation, and long-term growth prospects.

In conclusion, top management commitment has a far-reaching effect on the performance of the banking sector. It shapes the organizational culture, strategy execution, employee engagement, and various other facets that contribute to the bank's success. When senior leaders are committed, aligned, and proactive, they create a foundation for sustainable growth and positive outcomes across the entire organization.

3. METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used employed to conduct the study. The specific things presented include the research design, study area, data collection methods, data analysis, and ethical considerations.

3.2 Research Design

The research approach shall be qualitative design to offer a comprehensive understanding of the total quality management practices adopted in the banking sector in Uganda. The research design selected for this study is a secondary/ desk-based research design. In addition to that, a qualitative design was chosen because it is suit able for investigating the total quality management (TQM) practices in the banking sector and allows for a comprehensive exploration of the subject matter. The chosen design provides a structured framework for data collection and analysis. Here, Total Quality Assurance practices are the independent variable while the effect on service quality delivery, and customer satisfaction making them the dependent variables.

The study will be conducted in various banks operating within Uganda under the Financial Institution Act, 2016 by the Bank of Uganda. This approach will provide a representative sample of the banking sector in Uganda, enhancing the generalizability of the study's findings.

3.3 Sampling

A purposive sampling technique will be employed in this qualitative study to select banks where information is available on the Total Quality Management (TQM) practices in the banking sector in Uganda. These banks include Finance Trust Bank and Post Bank. The firms were chosen because they are the Financial Institution Act, 2016 of Uganda and the compliance body highlighted them as top-quality implementors.

3.4 Source of Information

The source of information were secondary sources of information. According to Cresswell (2009), desk-based research, also known as secondary research, involves gathering and

analyzing existing information from various sources such as books, articles, reports and online databases.

3.5 Data type

In this study, secondary data will be collected from books, articles, reports, and online databases and websites of the firms included in the study to provide context, historical perspective, and relevant industry benchmarks for total quality management practices in the Ugandan banking sector. Selection criteria: The study shall consider articles that are within the range of ten years. That is to say, articles that are within the acceptable range of ten years which is acceptable in research. So far, the study has identified 15 articles that are relevant to the study. More articles are being searched for using different search engines like Google Scholar, Zee Library, and other internet sources.

3.6 Data collection method

The method of data collection was semi-structured interviews. Specifically to cover a range of topics related to total quality management practices, including implementation strategies, challenges faced, benefits observed, and suggestions for improvement.

3.7 Data analysis

The interview data will be transcribed and analyzed through data organization and evaluation thus creating themes and patterns which shall involve categorizing information/data depending on the objectives which are set out to be addressed to understand the study and provision of credibility of information collected.

3.8 Ethical consideration

Informed consent. Before participation, all respondents will be provided with clear information about the research purpose, procedures, and their rights. Informed consent will be obtained from each participant, ensuring their willingness to contribute. Furthermore, with confidentiality all collected data will be treated with strict confidentiality. Participant identities will be anonymized, and data will only be accessible to the research team. Lastly, the research will be conducted with utmost integrity, adhering to ethical guidelines and standards. Findings will be reported accurately and without bias.

4. PRESENTATION AND DISCUSSION OF FINDINGS

4.1 Introduction

The evidence for this paper is based on two banks in Uganda: finance trust bank and Post bank. In this section a brief description of these banks is presented starting with the background of finance trust bank.

Finance trust bank was founded in 1984 as Uganda Women's Finance Trust Limited (Finance trust bank website,2023). The objective was to provide financial services to low-income people in Uganda, especially women. Sixty percent of the bank's customers are women. Subsequently, the institution rebranded to Uganda Finance Trust Limited, a tier three financial institution, recognized as a microfinance deposit-taking institution under the supervision of the Bank of Uganda. On 11 November 2013, the Bank of Uganda granted the bank a full commercial banking license. The institution then rebranded to its current name.

According to Muhereza (2022), finance trust bank has over 500,000 savers and the number of borrowers stands at 29000, with a network of 34 branches in Uganda as of 31 December 2021. According to finance trust bank website (2022), The bank's total customer deposits were UGX:183.4 billion (US\$51.8 million). At that time, the bank's total assets were valued at UGX:393.9 billion (approx. US\$111.3 million), with shareholders' equity of UGX:61.2 billion (approx. US\$17.29 million).

4.2 The Effect of Continuous Branding on the Performance of the Banking Sector

The study found that continuous branding had a positive effect on the working of Postbank Uganda with the study findings indicating that the bank had recorded a 19% profit in 2022. The bank reported a net profit of UGX. 15.1 billion, a solid year-over-year growth of 19.3% up from the UGX. 12.2 billion net profit posted in 2021. The bank's total income also increased from UGX. 144.5 billion in 2021 to UGX. 159.2 billion in 2022. (<https://www.independent.co.ug/postbank-records-shs15-1bn-profit-after-tax/>)

Likewise Finance Trust Bank's branding has had a positive impact on the functioning of the bank. The continuous branding of the mortgage loans according to the bank website

increased the client level with more clients having been registered to take the mortgage to build houses for themselves. This significantly contributed to the bank's profits which increased from 40 billion to 58.5 billion. The profits are partly as a result of the continuous branding which increased the client base leading to more clients taking loans for themselves. (<https://www.housingfinance.co.ug/about-us/financial-statements/>)

The above study findings agree with Zhang (2015), who argues that continuous branding has an effect on the behavior of clients in the banking sector. Good branding can ensure that the clients in the banking sector have a preference for a given bank and its service which attracts more clients both in the short and long run thereby increasing the customer base for the bank. This can lead to an increase in profits in the bank keeping other factors constant.

4.3 The Effect of Employee Involvement on the Performance of the Banking Sector

According to the website of Postbank Uganda (2023), the bank employs 701 people in its different departments. The study found that post bank involves its employees in the day to day running of its activities and its partly the reason for the growth of the bank. Postbank's total assets grew significantly by 21.3% from UGX. 745 billion in 2021 to UGX. 946. 6 billion in 2022. The growth is as a result of enhanced efficiency which attracts more customers to the bank.

Likewise Finance Trust Bank employees over 500 staff members, and as a result of employee involvement in the bank's activities, the bank has continued to grow. The bank's asset base grew by 22% to Shs 1.11 trillion up from Shs912.2bn recorded in 2019. This now places the bank over the 1 trillion (<https://www.housingfinance.co.ug/housing-finance-bank-assets>).

The above finding is supported by Maha Ahmed (2015), who argues that employee involvement enhances job performance as deduced from the results of the correlation analysis of a study which he conducted in the Egyptian banking sector. The study is titled, "The Impact of Employee Engagement on Job Performance and Organizational Commitment in the Egyptian Banking Sector ". The study concluded that there was a strong, positive and significant relationship between employee involvement and job performance. The bank's asset base grew by 22% to Shs 1.11 trillion up from Shs912. 2bn recorded in 2019. (<https://www.financetrustbank.co.ug>)

The study found that employees at Postbank felt more engaged and empowered by the bank to carry out their duties which enabled them to perform well as a result of increased morale to work, but also to work as a team. This can be seen from the evidence from banks' website. Postbank has an overall rating of 3.1 out of 5, based on over 189 reviews left anonymously by employees. 45% of employees would recommend working at Postbank to a friend and 45% have a positive outlook for the business. (<https://www.glassdoor.com/Reviews/Postbank-Reviews-E37863.htm>)

The above study finding is supported by Al-wesha (2013), who argues that Continuous improvement initiatives often involve employees at all levels of the organization. By giving employees the opportunity to suggest and implement improvements, banks can foster a culture of engagement and empowerment. This can lead to higher morale, increased job satisfaction, and a more collaborative work environment.

The study found that employee involvement encouraged Innovation and Adaptability. According to post bank Uganda management, "One of the biggest investments and innovations we've launched at Postbank is our digital self-service zones. These are areas within our branches where customers can carry out most of our main banking transactions themselves without having to be registered for online banking". The above innovation enables the bank to compete in the ever-changing global landscape.

The study also found that Postbank had launched another innovation in line with customer communication as seen below. Postbank has once again strengthened its position as an innovation leader in the sector by successfully implementing the most efficient and modern customer relationship solution. The introduction of the Salesforce platform is a strategic step, which enables the bank to optimize its relations with clients by reaching a new level service that guarantees maximum customer satisfaction. The move has helped Postbank to turn into the first bank institution in Uganda with a high-tech solution of this class.

(<https://next-consult.ro/postbank-launches-an-innovative-customer-communication-service/>)

The above findings are supported by Khatak et al (2020), who argues that a culture of continuous improvement encourages innovation and adaptation to changing market

conditions. As the banking landscape evolves with technological advancements and shifting customer preferences, banks that embrace continuous improvement are better positioned to develop and implement innovative solutions that cater to these changes.

4.4 The Effect of Top Management Commitment on the Performance of the Banking Sector.

According to the annual report from Post bank Uganda of 2022, the top management commitment was key on the performance of the bank. Partly because of top management commitment, the bank was able to grow. Postbank's total assets grew significantly by 21.3% from UGX. 745 billion in 2021 to UGX. 946. 6 billion in 2022, which is almost 1 trillion. The top management was able to make the necessary strategic decisions that enabled the bank to move forward. Initially the bank had some managerial issues which manifested by the sacking of the then managing director and others which had negatively affected the brand and reputation of the bank. These had been accused of causing the bank a loss of over 5billion Uganda shillings. (<https://www.postbank.co.ug/wp-content/uploads/2022/08/2021-AnnuaReport.pdf>).

The study found that the growth of Finance Trust Bank is also attributed to the top management who are praised for offering strategic leadership and vision to the bank. Finance Trust Bank registered profit before tax curve going up by 61.9 percent to about Shs 13.6 billion from about Shs 8.4bln raised in 2020. The bank, during the period under review, realized a 21 percent growth in total assets of about Shs 394bln from about Shs 325bln in 2020. Net profit rose 57 percent to about Shs9.16billion from about Shs5.8 billion in 2020. (<https://thecooperator.news/finance-trust-bank-sees-gross-profit-rise-of-61-9-percent-in-2021/>)

The above findings are in agreement with the findings of Tzempelicos (2015), who argues that top management sets the strategic direction and vision for the bank. Their commitment to these strategic goals provides a clear roadmap for the entire organization. When top management is aligned and committed to a unified vision, it creates a sense of purpose that guides all activities within the bank.

The study found that top management was responsible for creating and fostering good organizational culture. This is seen on the bank's website which emphasizes the role of top management a category where the executive director falls. The bank's vision and mission also emphasize the organizational culture. The vision of Postbank Uganda is to be a market leader in advancing financial inclusion, and the mission is, " We are a nationwide Financial Institution offering affordable Services in a sustainable manner for social economic development". The employees in post bank are made to understand the bank's vision and mission with the aim of fostering an organizational culture.

The above observation is also seen to offer strategic direction and vision to post bank since the vision and mission of the bank is implemented and supervised by the top management. The top management also takes decisions to see to it that external experts undertake monitoring and evaluation to ensure that the bank's vision and mission is being realized. This is backed by the various audit reports that have been undertaken by external auditors on the bank's accounts and performance. For example, one of the audit reports which can be accessed on the website shows that the bank recorded a 19% increase in net profit for the year ended December 31st, 2022. It also reported a net profit of UGX. 15.1 billion, a solid year-over-year growth of 19.3% up from the UGX. 12.2 billion net profit posted in 2021. <https://www.postbank.co.ug/wp-content/uploads/2022/04/2021-AUDITED-FINANCIALS.pdf>

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The research focused on the total quality management practices adopted in the banking sector in Uganda. In this study, secondary data was utilized and it was drawn from the previous bank reports and websites of the two banks that were sampled for the study, magazines and articles were also reviewed for data.

On objective one, the study findings revealed that continuous branding positively affected the banking sector as it contributed to Brand Recognition, increase in trust and credibility, Effective Marketing and Communication which all contributed to an increase in the number of clients. On objective one, I conclude that the continuous branding positively influences the performance in the banking sector.

On objective two, the study findings revealed that continuous improvement Enhanced Efficiency, created better customer experience, enabled Innovation and Employee engagement and empowerment, client satisfaction, innovation and adaptability which all contributed to the growth of the bank. On objective two, I conclude that employee involvement contributes positively to the performance of the banking sector.

On objective three, the study findings revealed that, top management commitment emerged pivotal factor in the successful implementation of total quality management practices. The leadership's unwavering dedication to quality initiatives sets the tone for the entire organization. Employee engagement, creates On objective three, I conclude that top management commitment contributes positively to the performance of the banking sector.

5.2 Recommendations

In order to increase continuous improvement in the banking sector in Uganda, the study recommends the establishment of dedicated teams for constant assessment of processes, products, and services. In addition, invest in technology and data analytics to streamline the process of identifying and addressing inefficiencies.

To enhance employee involvement practice, there is need to create platforms that encourage employee input and a tive involovement in decision making process and establish recognition and reward systems to motivate and acknowledge employees for their quality

contributions. The banking sector in Uganda should uphold their core values to its workforce so as to create a cohesive positive work culture and encourage employees to form an emotional connection to the organization.

In addition, the study recommends that top management in the banks should take responsibility for the active encouragement in the implementation of the total quality management adopted practices on performance. They should allocate more resources towards quality improvement and they should ensure that they set quality goals and distribute them throughout the organization. Foster regular communication channels to ensure alignment between top leadership and the broader team

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“TOTAL QUALITY MANAGEMENT PRACTICES ADOPTED IN THE BANKING SECTOR IN UGANDA”

We shall be grateful if you could render assistance to him/her in collecting the necessary data for his/her dissertation

The Uganda Christian University School of Business thanks you in advance

.....
Mukisa Simon Peter
Research coordinator