

UNIVERSITY OF CAPE COAST

**BANKER-CUSTOMER RELATIONSHIP AND THE OPERATIONS OF
DEPOSIT MOBILISATION AND CREDIT DELIVERY: A CASE STUDY
OF KUMASI CENTRAL MARKET BRANCH OF AGRICULTURAL
DEVELOPMENT BANK**

JOYCE ADWOA BOAFO

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KUMASI CENTRAL MARKET BRANCH OF AGRICULTURAL
DEVELOPMENT BANK

BY

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MANAGEMENT

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DECLARATION

Candidates declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature Date.....

Name: Joyce Adwoa Boafo

Supervisor's declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature Date.....

Name: Prof. I. K. Acheampong

ABSTRACT

This research investigated the customer-banker relationship and the operations of deposit mobilization and credit delivery at the Kumasi Central Market Branch of Agricultural Development Bank (ADB). The study was set out to examine the customer-banker relationship and the operations of the Kumasi Central Market Branch of ADB in respect of deposit mobilization and credit delivery to customers.

The study design was basically descriptive survey and case study type. The population consisted of all the 16 staff members and customers of the branch. The sample for the study was 587 respondents, which was made up of 16 staff and 571 customers. An interview guide and a questionnaire were the instruments used for data collection. In processing and analyzing data, the computer software: the Statistical Product for Service Solutions (SPSS) version 15.0 and Microsoft Excel was employed. Frequency tables, bar graphs and percentages were used for data presentation.

The results showed that about 30 percent of the staff indicated that they were not aware of the bank's policy on customer relationship, deposit mobilisation and credit delivery. However, due to the friendly nature of the staff of the branch, they would continue to do business with the bank. This had impacted positively on the deposit mobilisation and credit delivery of the bank. It was recommended that staff and customers should be educated on the policies of the bank.

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DEDICATION

To my beloved husband, Henry Kwaku Boafo and children, Michael,
Amanda and Irene Boafo.

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ACRONYMS

ADB	-	Agricultural Development Bank
BHC	-	Bank for Housing and Construction
CDH	-	Consolidated Discount House
CDR	-	Credit Deposit Ratio
CRM	-	Customer Relationship Management
CRO	-	Customer Relations Officer
ERP	-	Economic Recovery Programme
FINSAP	-	Financial Sector Adjustment Programme
GCB	-	Ghana Commercial Bank
IDR	-	Investment Deposit Ratio
MBG	-	Merchant Bank Ghana
NGO	-	Non Governmental Organization
NIB	-	National Investment Bank
NLC	-	National Liberation Council
NSCB	-	National Saving and Credit Bank
PNDC	-	Provisional National Defence Council Law
SDC	-	Security Discount Company
SPSS	-	Statistical Product for Service Solutions
TQM	-	Total Quality Management

CHAPTER ONE

INTRODUCTION

Background to the study

The importance of banks in an economy is so crucial that a scholar queried that one should imagine a world without banks. This scholar indicated that one way to answer this question is to imagine, for a moment, a world without banking institutions, and then to ask oneself a few questions (Cadwell, 2006). This discourse is not just an academic exercise; rather it goes beyond an academic debate and concerns nations and economies. According to Cadwell (2006:2), “many former eastern-block nations began facing this question when they began to create financial markets and develop market-oriented banks and other financial institutions”.

In addition to the question asked above, there are other pertinent questions that need to be highlighted and which are: if there were no banks - Where would you go to borrow money?; What would you do with your savings?; Would you be able to borrow (save) as much as you need, when you need it, in a form that would be convenient for you?; What risks might you face as a saver (borrower)? (Marquis, 2001). Some probable answers to the questions posed are given by Corrigan (2000) who showed how banks work. He noted that banks operate by borrowing funds usually by accepting deposits or by borrowing in the money

markets. Besides that the banks borrow from individuals, businesses, financial institutions and governments with surplus funds (savings). The banks then use those deposits and borrowed funds (liabilities of the bank) either to make loans or to purchase securities (assets of the bank). Corrigan further maintained that banks make these loans to businesses, other financial institutions, individuals and governments (that need the funds for investments or other purposes). Consequently, interest rates provide the price signals for borrowers, lenders and banks. Through the process of taking deposits, making loans and responding to interest rate signals, the banking system helps channel funds from savers to borrowers in an efficient manner. Savers range from an individual with a low deposit to a corporation with millions of dollars in temporary savings. Therefore, banks serve a wide array of borrowers, from an individual who takes a small loan for example \$100 on a credit card to a major corporation financing a billion-dollar corporate merger (Corrigan, 2001).

Formal banking and finance was introduced in Ghana during the colonial era. Barclays and Standard Chartered Banks were the banks established by the British Colonial government to transact its economic business. To buttress this point further Sowa (2003) emphasized that for most African countries, the financial system was virtually underdeveloped till independence. After the introduction of money in the colonies principally for the reason of taxation, not much was done to develop the financial system of the colonies. There were only a few expatriate banks, which catered for the needs of the expatriate merchants. Sowa maintained that these banks failed to advance loans to local peasants and

entrepreneurs primarily because they lacked collateral securities required to access such credits. In this wise, credit thus circulated only among the big expatriate commercial houses, which could afford to provide 'good' collateral. Specifically, Sowa (2003:3) indicated that the collateral demanded included life assurance policies, stocks, shares, bills and other financial instruments, which could not be found in the portfolio holding of the natives. Thus, after independence, most African governments initiated plans to indigenise their banking sectors so as to make credit easily accessible to the indigenes.

Prior to independence in 1957, the Ghana Commercial Bank was set up in 1953. Browbridge and Gockel (2000) confirmed that Ghana Commercial Bank (GCB) was set up in 1953 to improve the access to credit of indigenous businesses and farmers. Browbridge & Gockel (2000:5) stated: It was also instructed to extend a branch network into rural areas, so that people in the rural areas would have access to banking facilities, and was heavily involved in lending to agriculture. GCB became the largest bank in Ghana: it had 36% of total bank deposits in the late 1980s.

Subsequently, other indigenous banks (Ghanaian owned banks) were established for various purposes. For instance, the National Investment Bank (NIB) was established in 1963 to provide long term finance for industry; the Agricultural Development Bank (ADB) in 1965 to provide institutional credit to farmers and agribusiness; Bank for Housing and Construction (BHC), in 1974, to provide loans for housing, industrial construction and companies producing building materials. In 1972 the Merchant Bank Ghana (MBG) was set up as a

joint venture between ANZ Grindlays, the government and public sector Financial Institutions, with the former having a 30% stake. Additionally, in 1975 two smaller commercial banks began operations in Ghana and they were the National Savings and Credit Bank (NSCB) - formerly the Post Office Savings Bank - and the Cooperative Bank. These banks were expected to provide consumer loans, credit for small industries and cooperatives but with time they could not and they run into bankruptcy and folded out (Browbridge & Gockel, 2000).

Because of the dynamics of the world economic order and wind of change that blew across the continent of Africa, financial reforms were instituted in the late 1980s as part of the Economic Recovery Programme (ERP). Ghana's financial reforms were embodied in the Financial Sector Adjustment Programme (FINSAP) which was launched in 1988. Sowa (2003) recalled that:

The period 1983-1988 was an era of crisis in the financial system in Ghana. High default rates had rendered most bank assets non-performing, the high rates of inflation had wiped out the capital base of most banks, and the weakened confidence in the financial system had adversely affected bank deposits. These affected the ability of the banks to perform their intermediation function properly. This also affected the recovery effort initiated under the ERP (p.5).

It has been established that the FINSAP was financed with an adjustment credit from the World Bank, with co-financing from Japan and Switzerland. On its part, the Government of Ghana contributed to the reform by converting its

loans to the banks into equity and by paying government guaranteed loans to the state-owned-enterprises (Sowa, 2003).

Basically, the financial reforms in Ghana initiated in 1988 involved institutional restructuring, enhancement of the legal and regulatory framework for banking operations, and liberalization of the interest rates. These specific aspects of the reform were carried out in phases. Thus, there was the FINSAP-1, which covered the period 1988-1991; FINSAP-2 started from 1992-1995; and FINSAP-3 was operationalised in 1995 to complete the cycle (Sowa, 2003).

As a process with the view to bettering a system, FINSAP had three major objectives. The objectives were: (1) to review the legal and regulatory environment and amend the existing Banking Acts and Laws; (2) restructuring the banking sector to make the banks viable and efficient; and (3) revitalize the financial sector by creating new institutions (Sowa, 2003).

To operationalise the FINSAP, specifically the legal and regulatory reforms, the Banking Law (PNDCL 225) was revised in 1989. The innovations in the new law included (i) the tightening of risk exposure limits, (ii) establishment of tighter capital adequacy ratios, (iii) strengthening of accounting standards and making them uniform for all banks, (iv) broadening the scope for audits of the banks, (v) imposition of stringent reporting requirements, and (vi) improvement of on-site and off-site supervision of banks by the Bank of Ghana. A revised Bank of Ghana Law (PNDCL 291) was also enacted in 1992 to give more supervisory powers to the central bank. These two laws together provide the legal and regulatory framework for the banking business in Ghana.

In order to bring more financial institutions under the purview of the Bank of Ghana, a Financial Institutions (Non-Banking) Law (PNDCL 328) was also enacted in 1993. This law covered the activities of discount houses, finance houses, acceptance houses, building societies, leasing and hire-purchase companies, venture capital funding companies, mortgage financing companies, savings and loans companies, and credit unions (Sowa, 2003).

The FINSAP reforms did not only look at the legal and regulatory framework but the management and institutional structures of the banks as well. There were reforms with management and financial restructuring of all existing banks. Some of the specific actions were the introduction of new boards and there were shake-ups in the top management positions of most of the banks as well. Financial restructuring involved was mainly the recapitalization of the banks with equity injection where liquidity was low, and the cleaning up of the balance sheet of non-performing assets (Sowa, 2003).

Highlighting on the institutional restructuring, Sowa (2003) pointed that the institutional restructuring of the financial system involved the establishment of new institutions, mergers and liquidation of banks and divestiture of public sector shareholding in some of the banks. Again, Sowa noted that:

“Under the FINSAP, five new banks and twenty non-bank institutions were established. This was to encourage competition in the financial sector. In 1995, the Social Security Bank merged with the National Savings and Credit Bank. Under the institutional restructuring, the money market was formalized in 1991, creating a

second discount house, the Security Discount Company (SDC) to compete with the Consolidated Discount House (CDH), which was created in 1987. Both were wholly owned by the banks in Ghana and charged with carrying out inter bank operations. These institutions helped optimize the allocation of resources within the banking sector and facilitate proper mobilisation of resources to the needy sector; thus, reducing structural imbalances in the system (p.7)".

It can be seen clearly that the financial sector reforms initiated in 1988 has chalked a lot of success because currently the Ghana owned banks are growing with new ones emerging on the banking industry. Mention can be made of Unibank, a wholly Ghanaian owned bank. Today (2010) there are several banking and non-banking financial institutions which are doing well on the banking scene. Significantly, foreign banks particularly those from Nigeria (Zenith, Intercontinental and Guaranteed Trust banks) and Stanbic Bank of South Africa have taken advantage of the reforms to do business in Ghana.

One of the beneficiary financial institutions of the financial reforms launched in Ghana about two decades ago is the Agricultural Development Bank (ADB). This bank was established eight years after Ghana gained independence from the British Imperial Government. It was set up by an Act of Parliament (Act 286) in 1965 to promote and modernize the agricultural sector through appropriate but profitable financial intermediation. Its original name then was the Agricultural Credit and Co-operative Bank and the establishing Act gave its main

objective as "to provide credit facilities to agriculturists and persons for connected purposes" (Agricultural Development Bank 2008: 1). It assumed its present name in 1970 when a subsequent Act of Parliament (Act 362) amended the earlier legal instrument of the Bank and thereby broadened its functions to make it a fully-fledged banking institution.

The Agricultural Development Bank as one of the oldest banks in Ghana has some guiding principles among which are the 'Vision' and 'Mission' of the Bank. The vision and mission statement is in line with modern corporate organisational culture. According to Agricultural Development Bank (2008:5), the vision of the bank is "achieving the position of being the largest, prudently managed and the most profitable growth-oriented agricultural development bank in Africa" On the other hand the mission of the bank is that "it is committed to building a strong customer-oriented bank, run by knowledgeable and motivated staff, providing profitable financial intermediation and related services for a sustained and diversified agricultural development" (Agricultural Development Bank 2008: 6).

The management of ADB is made up of the Board of Directors which is the highest decision-making body within the Bank. It is appointed by the Government to represent interest areas in the Bank's operations, including the Ministry of Finance and Economic Planning, Ministry of Food and Agriculture, Bank of Ghana and the Ghana Export Promotion Council. The next highest decision body at ADB is the Executive Committee which comprises the Executive Officers of the Bank. Next in line of authority in the bank is the Management

Committee which comprises the Executive Officers and Heads to Departments (agricultural bank 2008). The bank has 59 branches with staff strength of 1,100. Also, it has an estimated number of savers of 23,000 and loan clients of 44,000. Currently, the bank provides small and large-scale agricultural and agro-industrial financing and related export financing for agricultural products to promote agricultural development. It also carries out commercial banking activities to spread the risks (commercial, corporate, international banking and treasury management). The bank offers a range of products and special financing schemes. Since it is an agricultural development bank, 65percent of its loan portfolio is allocated to the agricultural sector.

Statement of the problem

With the introduction of the Financial Sector Adjustment Programme (FINSAP) in 1988 and the subsequent promulgation of laws creating banking and non-banking financial institutions; deposit (savings) mobilisation and credit delivery had become very competitive among the players in the financial industry. Presently in Ghana's economic and financial landscape, officially, there are 23 banks and unspecified number of non-banking financial institutions jostling to catch the attention of citizens who most often need credit lines with or without savings with the institutions. Almost all the financial institutions are giving one or different form of credit facility to corporate bodies, as well as individual salaried workers. These days some banks go from work place to workplace looking for prospective borrowers for presumably heavy financial reserves with very soft

repayment terms. The Public Agenda as cited by myjoyonline.com (2007) published an article on financial institutions chasing workers at the workplaces to borrow money in their care. Specifically, the article states:

Unlike in the past when those who went round offices were selling goods, these days it is common to see neatly dressed men and women wielding briefcases popping into offices with long lists of banking products on offer. Salaried workers have become the new target because their salaries are used as collateral security for the loans. One official from one of the multi-national banks told this reporter that they were compelled to scout for customers because of the trillions of cash sitting in the tills which they have to dispose off, if they are to make returns on them each year. Above all, the duration for processing loan applications has been drastically reduced to about 48 hours in most of the financial institutions.

In spite of the seeming abundance of money to be given out by the financial institutions, an economist remarked that governmental policies have not done much to encourage savings by Ghanaians and that the banks themselves have not done much by way of mobilizing funds. Sowa (2003:8) indicates that in Ghana “after years of controlled interest rates which culminated in a regime of financial repression, interest rates were deregulated and allowed to be influenced by market forces.

Agbodza (2001) states among others that in the face of such keen competition one major aspect of management that will enhance a company’s reputation and increase its profits and therefore needs much attention is the human relationships at the immediate customer and company interface. His main concern

was with the relationship between customers and the employees of the company who have direct links with the former.

Kurtus (2007) also indicates that the basic principles for Total Quality Management (TQM) are to satisfy the customer, satisfy the supplier, and continuously improve the business processes. He then recalled that the first and major TQM principle is to satisfy the customer - the person who pays for the product or service of a business entity. Besides, customers want to get their money's worth from a product or service they purchase.

From another angle, Marfo-Yiadom and Boachie-Mensah (2006:23) state that business organisations or for that matter financial organisations have changed and are changing as a result of the focus on the customer. It is now recognised that meeting customer needs is the foundation of any successful organisation, and that the customer comes first, second and third. Today, both profit and non-profit organisations have customer/client service departments.

According to Hannagan (1998), as cited by Marfo-Yiadom and Boachie-Mensah (2006) customers have, of course, always been important; what has changed is the priority given to them and the urgency with which their needs are considered. It is possible that a company could have the best product or service, and still be unsuccessful. Just because a business has the best product or service, they cannot assume that the customers will come to them. Companies need to figure out the things that customers see as the most important. Things such as friendly service, price, quality, convenient location, selection, and so on could all be things that the customer finds important.

ADB like other financial institutions should have certain customer care policies in place. From the bank's mission statement, the bank has the customer at heart and it aims at meeting the needs of its customers through well trained and motivated staff. However it is not known whether the customer service policy put in place is yielding the desired results.

The issue this researcher is concerned with, has to do with the banker-customer relationship and the operations of deposit mobilisation and credit delivery. This is because, banks as was noted elsewhere in this study accepts deposits and lends them to borrowers at some interest which are part of the income of the banks. Additionally, it is the duty of the banks to encourage the unbanked to start banking which is a great signpost for good and healthy economy.

Objectives of the study

The objective of this study is to examine the banker-customer relationship and the operations of the Kumasi Central Market Branch of the Agricultural Development Bank in respect of deposit mobilisation and credit delivery.

The specific objectives are to:

- Analyse the awareness of both bankers and customers on the bank's policy on banker-customer relationships, deposit mobilisation and credit delivery at the Branch.
- Describe the nature of banker-customer relationship at the Kumasi Central Market Branch of ADB.

- Discuss how bank-customer relationships are maintained at the Kumasi Central Market Branch of ADB.
- Assess the influence of banker-customer relationships on deposit mobilisation and credit delivery at the branch.
- Make recommendations based on the findings of the study.

Research questions

This study is guided by the following research questions:

- What are the views of customers and staff on the Bank's policy on Banker-customer relationships, deposit mobilisation and credit delivery work within the branch?
- What is the nature of banker-customer relationship at the Kumasi Central Market Branch of ADB?
- How is banker-customer relationship maintained at the Kumasi Central Market Branch of ADB?
- How does banker-customer relationship influence deposit mobilisation at the Kumasi Central Market Branch of ADB?
- How does banker-customer relationship influence credit delivery at the Kumasi Central Market Branch of ADB?

Significance of the study

The results of the study would bring to light the banker-customer relationship as it exists at the Kumasi Market Branch of ADB.

The findings would provide branch management with more information on customer relationship that would enrich the branch operations. Lastly, it is hoped that the findings would be useful for further research work and enhance the work of policy makers of the bank.

Scope of the study

This study was restricted to the operations of the Kumasi Central Market Branch of the Agricultural Development Bank. The branch is situated adjacent to the northern portion of the Kumasi Central Market and it has several categories of customers. Because of its strategic location it provided the researcher enough data which helped to answer the questions posed.

Organisation of the study

This study is organised into five chapters. Chapter One is devoted to the background to the study, statement of the problem, objective of the study and research questions. Other sections contained in Chapter One are significance of the study, scope of the study and organisation of the study.

Chapter Two reviews literature related to the study. Chapter Three focuses on methodology, which describes the research design, population, sampling techniques, research instruments, data collection and analysis procedures. Chapter Four deals with results and discussion while Chapter Five presents summary, conclusions and recommendations of the study.

CHAPTER TWO

REVIEW OF LITERATURE

Introduction

This chapter deals with literature related to banker-customer relationship which are associated with the operations of banks in deposit mobilisation and credit delivery. The history of banking, a concept of banker-customer relationship, principle of total quality management as well as some empirical perspectives of banks' deposit mobilisation and credit delivery are reviewed. Since banking uses management principles in their operations, it is pertinent to touch on principles of management that has direct correlation with banker-customer relationship. One of such management principles which have direct effect on the operations of banks is the principle of Total Quality Management (TQM). The literature review is done under main sections and subsections relative to the concept or principle being discussed.

History of banking

It must be stated that banking and finance has rich history dating back to centuries. According to Davies (2002:86), "the invention of banking preceded that of coinage". Again, Davies outlined that banking originated in ancient Mesopotamia where the royal palaces and temples provided secure places for the

safe-keeping of grain and other commodities. Specifically, it was said “Receipts came to be used for transfers not only to the original depositors but also to third parties. Eventually private houses in Mesopotamia also got involved in these banking operations and laws regulating them were included in the code of Hammurabi” (Davies, 2002:87).

Apart from ancient Mesopotamia, Davies (2002) affirmed that in ancient Egypt the centralization of harvests in state warehouses led to the development of a system of banking. There were ‘Written orders’ for the withdrawal of separate lots of grain by owners whose crops had been deposited there for safety and convenience. Soon the written orders became used as general method of payment of debts to other persons including tax gatherers, priests and traders. Even after the introduction of coinage these Egyptian grain banks served to reduce the need for precious metals which tended to be reserved for foreign purchases, particularly in connection with military activities.

The concept of banker-customer relationship

Customer Relationship Management (CRM) has become a globally accepted concept in the managing of businesses. Consequently, CRM can be considered both as an innovation and the result of innovation. CRM systems could appear on the market due to innovation in technology, however on the other hand they also could be considered as an innovation. It was further stated that unlike other technological innovations, CRM has power to help banks quickly and directly improve customer satisfaction and increase retention of significant

customers. Financial institutions started to be interested in CRM systems, due to their need for speed of flow of precise information concerning customers and learning about their customers' individual needs. Nowadays the decreasing loyalty of bank customers, forces banks to put more attention on relationships with them. Banks use CRM system believing that it will help them to identify the point at which customer value balances shareholder value (Urbanowicz, 2008)

Wiegand (2008) indicates that banks almost on each hierarchical level of their structure need to have access to up-to-date, consolidated and accurate image of a client. Especially in conditions of growing amounts of data it is important to be able to share information coming from various channels and afterwards analyze it deeply. If the bank could track customer behaviours, executives can have a better understanding of customer value and predicting their future behaviours. Foss (2008) notes that banks use CRM systems for various purposes, such as increase of sales, creating customer-centric culture and organisation, improving customer relationships, maximizing customer profitability, aligning efforts and resources behind most valuable customer groups and finally having one central and coherent IT system.

The most popular functionalities of CRM system in banks concern marketing, communication with customers, customer service, sales, distribution, financial analysis, risk estimation, channel management. All of these features are integrated in one system and together with analytical processes create full and up-to-date image of customer. The main priorities in CRM systems are: making the customer service uniform in various distribution channels, Real-time customer's

information analysis, Delivering individualised services, which create added value for customer, Building and consolidating customer's loyalty, Providing management information, such as service profitability or Customer Lifetime Cycle. Banks that have introduced CRM system, had to make some difficult changes in their organisation in order to become more customer oriented. Besides, the pure CRM banks try to adopt other innovative tools related with the core CRM. Other functionalities constitute better content management. Moreover some researchers predict that due to rising demand of financial institutions to improve their relations with customers, many new CRM-related innovations will be invented (Foss, 2008; Wiegand, 2008).

The principle of total quality management (TQM) and customer service in the banking industry

According to iSixSigma (2008), total quality management (TQM) is management approaches that originated in the 1950's and has steadily become more popular since the early 1980's. Total Quality therefore is a description of the culture, attitude and organisation of a company that strives to provide customers with products and services that satisfy their needs. The culture requires quality in all aspects of the company's operations, with processes being done right from the first time where defects and waste are eradicated from the company's operations.

Gilbert (1992) indicated that TQM is a method by which management and employees can become involved in the continuous improvement of the production of goods and services. "It is a combination of quality and management tools

aimed at increasing business and reducing losses due to wasteful practices” (p.65). Gilbert gave some of the reputable companies that have implemented the principle of TQM in their operations and they are: Ford Motor Company, Phillips Semiconductor, SGL Carbon, Motorola and Toyota Motor Company. TQM is a management philosophy that seeks to integrate all organisational functions (marketing, finance, design, engineering and production, customer service, etc.) to focus on meeting customer needs and organisational objectives.

Likening the principle of customer care with that of TQM, Agbodza (2001) indicates that the main objectives of customer care are to enhance a company’s reputation and to increase its profits. Besides, customer care is about satisfying all the needs of the customer, by all the employees, in all the departments of a company. Companies which are genuinely concerned about customer care must satisfy all their customers’ expectations, and this means that they must aim not to accommodate mistakes but to prevent them from occurring, and to eliminate them at source. Any fudging of this principle will lead inevitably to failure because sooner or later, competition will get it right and no amount of partial or superficial customer care will hold customers who can obtain a better quality total package elsewhere.

Kurtus (2007) notes that the philosophy of doing business are to satisfy the customer, satisfy the supplier, and continuously improve the business processes. Pamela and Hal (2001) recalled that the first and major TQM principle is to satisfy the customer - the person who pays for the product or service of a

business entity. Besides, customers want to get their money's worth from a product or service they purchase.

Kurtus (2007) indicated that a company that seeks to satisfy the customer by providing them value for what they buy and the quality they expect will get more repeat business, referral business, and reduced complaints and service expenses. Dickie (2006) observed that some top companies not only provide quality products, but they also give extra service to make their customers feel important and valued.

Gatner, Inc (2008) touched on the category of customers a company could have at any point in time. He noted that within a company, a worker provides a product or service to his or her supervisors. If the supervisor has any influence on the wages the worker receives, he can be thought of as an internal customer. Therefore a worker should have the mind-set of satisfying internal customers in order to keep his or her job, get increases in salary or promotion. Often in a company, there is a chain of customers, - each improving a product and passing it along until it is finally sold to the external customer. Each worker must not only seek to satisfy the immediate internal customer, but he or she must look up to the chain to try to satisfy the ultimate customer (that is the external customer).

Microsoft Financial Services (2003) made some observations that over the last decade, banks have undergone several changes such as mergers, acquisitions, and regulatory changes, which have shaped the industry into one that provides more than just the traditional deposit and loan products.

As banks continue to provide an increasing number of financial services and products, they face the challenge of integrating these disparate systems into a coherent, efficient infrastructure, while delivering the highest level of customer service and convenience without exposing their customers to the bank's internal system integration problems (Pamela & Hal, 2001:15).

Microsoft Financial Services (2003) again added that as in many other industries, banks are striving to become increasingly customer-centered in order to survive and grow. Achieving this customer focus requires leveraging existing customer information to gain a deeper insight into the relationship a customer has with the institution, and improving customer service-related processes so they are quick, error-free and convenient for the customer.

The American Bankers Association as cited by Dickie (2006) established that the average cost to acquire a new customer in a bank in the United States is \$3,500. As a consequence of these high costs, retaining and growing the existing customer base becomes increasingly important. This realization according to the American Bankers Association, coupled with mergers, acquisitions, and regulation changes has resulted in the banking industry increasing the number of services it provides to include more than just deposit and withdrawal. Also, the growth in new products and services has required financial institutions to add many new systems to their core product system of customer records - one for each type of account or service. This additional recordkeeping has created a mix of systems that may not interoperate seamlessly. While the business objective of offering new products and services has been to cement relationships and retain

customers, the consequences of the systems' proliferation have often been poorer levels of customer service, resulting in customer frustration and attrition.

AllBusiness.com (2008) proposes ten basic rules on customer service that will help any business entity grow and meet challenges in a competitive business environment. The ten basic rules are that a banking institution should:

- Commit to quality service - Everyone in the company needs to be devoted to creating a positive experience for the customer. Always try to go above and beyond customer expectations.
- Know your products - Convey an articulate and in-depth knowledge of products and services to win customer trust and confidence. Know your company's products, services, and return policies inside and out. Try to anticipate the types of questions that customers will ask.
- Know your customers - Try to learn everything you can about your customers in order to tailor your service approach to their needs and buying habits. Talk to customers about their experience with your company, and listen to their complaints. In this way, you can get to the root of customer dissatisfaction.
- Treat people with courtesy and respect - Remember that every time that you, your employees, and your colleagues make contact with a customer - whether by email, phone, written correspondence, or a face-to-face meeting - the interaction leaves an impression with that customer. Use conciliatory phrases - "Sorry to keep you waiting," "Thanks for your order," "You're welcome," and "It's been a pleasure helping you" - to

demonstrate not only your commitment to customer satisfaction but your dedication to courtesy.

- Never argue with a customer - You know very well that the customer isn't always right. However, it is important that you do not focus on the missteps of a particular situation; instead, concentrate on how to fix it. Research shows that 7 out of 10 customers will do business with a company again if that business resolves a complaint in their favour.
- Don't leave customers in limbo - Repairs, callbacks, and emails need to be handled with a sense of urgency. Customers want immediate resolution, and if you can give it to them, you will probably win their repeat business. Research shows that the instance of repeat business goes up to 95 percent when complaints are resolved on the spot.
- Always provide what you promise - Fail to do this and you'll lose both credibility and customers. If you guarantee a quote within 24 hours, get the quote out in a day or less. If and when you neglect to make good on your promise, apologize to the customer and offer some type of compensation, such as a discount or free delivery. Overall, only make promises that you are confident that you and your business can keep.
- Assume that your customers tell the truth - Even though it may appear that customers lie to manipulate a situation to their advantage, it is to your advantage to give them the benefit of the doubt. The majority of customers don't like to complain; in fact, they'll go out of their way - perhaps all the way to a competitor - to avoid it. If you hear unhappy rumblings from

your customers, take their complaints to heart and do your best to appease their dissatisfaction.

- Focus on making customers - not on sales - Salespeople, especially those who get paid on commission, sometimes focus on the volume instead of on the quality of the sale. Remember that to keep a customer's business is more important than to close a sale. Research shows that it costs six times more to attract a new customer than it does to keep an existing one. Moreover, happy customers are the best and most effective way to find new customers.
- Make it easy to buy - The buying experience in your store, on your Web site, or through your catalog should be as easy as possible. Eliminate unnecessary paperwork and forms, help people to find what they need, explain how products work, and do whatever else you can to facilitate transactions.

The concept of deposit mobilisation

Business Standard (2008) claims that the Reserve Bank of India is drawing lessons from the Northern Rock collapse in the UK and had advised banks in India to avoid excessive dependence on borrowings and instead focus on deposit mobilisation. This set the tone for the purpose of banks to focus on deposit mobilisation which will go a long way to help them survive in the financial market. The central bank of India as stated by Business Standard (2008)

observed that the growth rate in corporate savings may come down in the coming years and there would be limits to which public sector savings would rise.

According to Shih (2009), a country's economy expands and the demand for funds increases, banks at times may find their deposit resources to be insufficient for meeting the growing demand, thereby encouraging them to raise funds by way of borrowings. Hellmann (2008) advised banks to focus on untapped savings and improve their services to attract and retain depositors. He also asked them to widen their deposit base by exploring new opportunities like emphasizing on inclusive growth and financial inclusion. Hellmann again, pointed out that banks faced intense competition from other financial instruments, such as brokerages, asset management companies and mutual funds in accessing deposits.

According to Business Standard (2008), the India central bank suggested that banks should expand their ambit of specialized financial services to extend their outreach to prospective depositors by redesigning and repackaging their products to suit individual need. For this, banks will have to enhance their skill enhancement at all levels. Particularly, public sector banks need to revamp their compensation structure as they face more challenges from both private and foreign banks. Further to this it asked banks to continue its focus on deposits.

Stiglitz (1990) suggested that banks need to review their business strategies regularly to be in a position to combine longer term viable financing with profitability in operations. Again, Stiglitz said that to tap the changing employment and demographic patterns banks need to reorient their role as financial intermediaries and that, banks should focus on mobilizing surplus

resources from a younger age profile of savers. Specifically, she indicated that banks should step up efforts to access rural savings to raise the overall resource mobilisation. When this is done the banks are likely to reap the benefits of low cost large deposit base, which is not available to other financial intermediaries.

Gonzalez-Vega (1994) commented on deposition mobilisation in Agricultural Development Banks (ADB) in developing countries. He observed that the ADBs have been pessimistic about opportunities for successful mobilisation of local deposits. They have assumed, instead, that rural households do not save, do not want to transform some of their assets into bank deposits, and do not react to interest rates and other economic incentives. Bhatt (1994) noted that the few financial institutions that have emphasized savings mobilisation have been successful in their operations.

Corroborating what Bhatt (1994) observed, Robinson (1992) indicated that financial institutions that have actually discovered a high demand for deposit facilities in the rural areas of developing countries have been able to tap additional loan able funds to their advantage. By ignoring deposit mobilisation, Agricultural Development Banks have been truncated, incomplete and vulnerable intermediaries. They must become full intermediaries, by adding deposit facilities as a preferred service to their clientele. Consequently, the most attractive feature of these banks, in the provision of micro financial services, is precisely their comparative advantage in the mobilisation of deposits in the rural areas of developing countries (Gonzalez-Vega, 1994).

The concept of credit delivery

To talk about credit delivery it is pertinent to put it into the right perspective. In this instant the term credit takes centre stage. According to the Alley (1990:722), credit is “the transaction between two parties in which of them (the creditor or lender) supplies money, goods, services or securities in return for a promised future payment by the other party (the debtor or borrower)”. McKinnon (1998) shows that such financial transactions normally include payment of interest to the lender. In this way, the credit may be extended by public or private financial institutions to finance business activities, agricultural operations, consumer expenditures or government projects.

Ogaki, Ostry and Reinhart (1996) affirmed that modern credit is extended through specialized financial institutions of which commercial banks are the oldest and most important. However, in the present day industrial economies, the banks are able to extend and increase the supply of credit by the creation of new deposits for loan customers. During the credit delivery process, the lender (the bank) must judge each loan it makes on the basis of the character of the borrower (his intention to pay), his capacity to repay (based on his potential for earning income) and his collateral (property pledged in case of default on the loan granted). The terms of the credit transactions may be publicly regulated to prevent abuses by customers and bankers as well as to channel credit into particular sector of the economy.

In another development, it is indicated that commercial banks in both developed and developing countries are often reluctant to extend agricultural

credit because of the high risk involved; such loans are usually made only to very large farms. In addition to government credit, cooperative credit systems have been particularly important in less developed countries, where they are often the only source of funds available to small farmers at reasonable rate of interest (Robinson, 2001; Steel & Aryeetey, 1995).

The offering of credit lines to borrowers is characterized by a lot of risks and these risks should be managed such that the creditors (the banks or lending institutions) do not run into financial bankruptcy. Owing to this lending, institutions take some principles into consideration before credit is delivered. These principles are collectively termed ‘managing credit risk’ (Ndebbio, 1995). Credit giving to borrowers form part of the assets of a financial institution and managing credit risk is part and parcel of asset management. In view of this, banks and other financial institutions make successful loans that are paid back in full (and so subject the financial institution to little credit risk) if they are to earn high profits. Stiglitz (1993) gave the varied dimensions to financial risk management by institutions and says that the economic concepts of ‘adverse selection’ and ‘moral hazard’ provide a framework for understanding the principles that financial institutions have to follow to reduce credit risk and make successful loans.

In furthering the discourse on credit risk management, Pentalone and Plat (2004) says that adverse selection in loan markets occurs because bad credit risks (borrowers likely to default on their loans) are the ones who usually line up for loans. For financial institutions to be profitable, they must overcome the adverse

selection and moral hazard problems that make loan defaults more likely. “The attempts of financial institutions to solve these problems help explain a number of principles for managing credit risk: screening and monitoring, collateral and compensating balance requirements and credit rationing” (Pentalone and Plat, 2004: 234).

The credit risk management principles as proffered by Villanueva and Mirakhor (2008) are discussed briefly. It was stated that Screening connotes a situation where adverse selection in loan markets requires that lenders screen out the bad credit risks from the good so that loans are profitable to them. To accomplish effective screening, lenders must collect reliable information from prospective borrowers. Effective screening and information collection together form an important principle of credit risk management.

On monitoring as a credit risk management principle, Mishkin (2007) said once a loan has been made, the borrower has an incentive to engage in risky activities that make it less likely that the loan will be paid off. To reduce this moral hazard, financial institutions must adhere to the principle for managing credit risk which says that a lender should write provisions (restrictive covenants) into loan contracts that restrict borrowers from engaging in risky activities. By monitoring borrowers’ activities to see whether they are complying with the restrictive covenants and by enforcing the covenants if they are not, lenders can make sure that borrowers are not taking on risks at their expense. The need for banks and other financial institutions to engage in screening and monitoring

explain why they spend so much money on auditing and information collecting activities (Robinson, 2001).

Ogaki, Ostry and Reinhart (1996) touched on another important principle in credit delivery and risk management which is collateral and compensating balances. Collateral is property promised to the lender as compensation if the borrower defaults in the loan payment. It helps to lessen the consequences of adverse selection because it reduces the lender's losses. They continued that one particular form of collateral required when a bank makes commercial loans is called compensating balances. In this way, a firm receiving a loan must keep a required minimum amount of funds in a checking account at the bank.

The last principle which is discussed is the issue of credit rationing. On this score, McKinnon (1998) indicated that another way in which financial institutions deal with adverse selection and moral hazard is through credit rationing, that is, refusing to make loans even though borrowers are willing to pay the stated interest rate or even a higher rate.

Credit rationing takes two forms. The first occurs when a lender refuses to make a loan of any amount to a borrower even if the borrower is willing to pay a higher interest rate. The second occurs when a lender is willing to make a loan but restricts the size of the loan to less than the borrower would like (Shaw, 2003: 238).

The relationship between deposit mobilisation and credit delivery

Elsewhere in this study it has been stated that banks accept deposits and give the monies mobilized as loans to companies or individuals interested in borrowing to satisfy their financial concerns. On the strength of this brief background, an article that appeared in the Indian News Online is being used to explain the relationship that exists between deposit mobilisation and credit delivery. The article is presented with slight editing of the original presentation.

In setting the stage for the exposition, the India News Online (2008) reports that after trailing behind for two successive years, growth in deposits of banks has overtaken the additional credit extended by them during the current fiscal year (that is 2008). According to the latest data compiled by the RBI, scheduled commercial banks have managed to attract additional deposits of Rs 253,529 crore during the current fiscal till December 8. This is more than the incremental amount of Rs 202,421 crore that was lent out by them over this period. The recovery in deposit mobilisation is in contrast to 2004-05 and 2005-06, which saw banks disburse much more than the money that had accrued to their coffers.

Moreover, the India News Online (2008) article reveals that with the Indian economy on a roll and the demand for credit on the rise, banks, which, not very long ago, were chided for being extra prudent and parking too much of their funds in government securities, suddenly changed track. The ensuing actions that they took are reflected in the deposit they were able to mobilize and the quantum they gave out. Between 2003-04 and 2005-06, the credit-deposit ratio (CDR) of

banks rose from 55.89 percent to 71.46 percent. It had slumped to a lower figure of 51.66 percent in 1998-99. The last time the ratio had crossed 70 percent was way back in 1976-77.

Simultaneously, the investment-deposit ratio (IDR or the proportion of deposits parked in government and other 'approved' securities) fell from an all-time-high figure of 45.04 percent to 34.02 percent at the end of 2005/06. The best indicator of how banks have dramatically shifted gears over the last couple of years is the fact that in 2003-04, the incremental amount invested by banks in government paper (Rs 130,042 crore) exceeded the sum that was lent out by them during the year (Rs 111,570 crore). In 2005-06, the situation more than reversed itself: while credit increased by Rs 354,868 crore, the outstanding gilt investments actually shrunk by Rs 22,809 crore. These trends have held in the current fiscal year too, with the CDR currently at 72.36 percent, having touched a 20-year-high of 72.43 percent on November 10. The only change is that the growth in bank deposits has caught up with the explosion in credit unleashed since 2004/05. It has, however, come at a cost, as banks have aggressively been wooing depositors. Many of them are offering 8 percent plus interest on deposits of even slightly more than one year (India News Online, 2008).

Background of Agricultural Development Bank

As has been noted earlier, the Agricultural Development Bank was established in 1965 by Act 286 (that time it was called Agricultural Credit and Co-operative Bank). Two years later, NLC Decree 182 was passed to change the

name to Agricultural Development Bank (ADB). Some few years down the line a new law was promulgated to govern the operation of ADB; the Act 362 of 1970. Under Act 362 the functions of the bank was broadened and they are enumerated as follows:

- The provision of credit facilities for the development and modernization of agriculture and allied industries;
- The identification and promotion of agricultural enterprises in Ghana, whether singly or jointly with persons or institutions, both local and foreign;
- The initiation of, or participation in, the conduct of research and training designed to promote agriculture and the mobilisation of financial and human resources to meet the country's development needs in agriculture;
- Investment in processing and transportation of agricultural produce;
- The operation of current, savings and fixed deposit accounts;
- The financing of cottage industries and rural development in general; and
- The management of special funds and loans granted to the Government of Ghana by other governments and international organisations, such as the African Development Bank and the International Development Association.

It is also significant to note that the Banking Law of 1989 (PNDCL 225) was passed as part of the Financial Sector Adjustment Programme to provide a new platform for the banks in Ghana to broaden their traditional roles. ADB consequently underwent a structural change and broadened its scope of operations

prior to the promulgation of PNDCL 225. It included into its operations full scale retail banking.

Finally, as part of the historical development of ADB, the Banking Act of 2004 (Act 673), which abolished the categorization of banks into commercial, merchant and development banking groups and replaced that with a universal banking concept, has given the bank the advantage of widening its scope of operations. ADB now operates a wide range of banking services.

ADB as a big player in the banking industry in Ghana and as a corporate entity evolves strategic plans periodically to guide its operations. Extracts from one of such strategic plans highlighted on the marketing strategies the bank intends using to beat the competitive banking regime. Specifically, the marketing strategies for the years ahead indicate that the bank will prepare documents geared towards customer relationship with bankers. Among the specific customer care strategies is the improvement of customer care through the regular issuing of statement of accounts; giving of special training for front desk staff; the establishment of customer service linkages and training; provision of full Saturday banking operations at some branches and extending the banking hours for the branches; renovation of banking halls to create more space for customers and the provision of many modern technological banking facilities. Indeed, these are measures that are in tune with modern customer service practices worldwide (agricbank.com, 2008).

Again, ADB has specific guidelines for offering credit to different sectors as determined by the board. There are targeted sectors and the kind of credit that

should be given out. For instance, with consumer credit there exist personal loans, auto loans and institutional managed personal loans. With commercial credit, there are loans for construction, services, fuel and power, manufacturing/processing and mortgage financing (agricbank.com, 2008).

Finally, ADB has well laid out strategies for funds mobilisation to keep it afloat on the banking scene. Some of the core points in the funds mobilisation strategies are product development, branch network expansion, marketing, advertising, improved customer service and negotiation of interest rates. It is imperative to note that the bank as part of its funds mobilisation strategies targets government agencies, corporate bodies, individuals, NGOs, churches, market women, fuel stations, distributors, educational institutions, hotels, exporters and farmers (agricbank.com, 2008). The features of the bank in the field of customer care, deposit mobilisation and credit delivery are very explicit and good for corporate governance.

In summary for any organisation to be successful, it is important that management together with employees recognize the need to satisfy the customer. TQM and customer service principles support the fact that the customer is first, second and third.

From the available literature reviewed, banks would only survive and improve their growth rate when they avoid excessive borrowing and focus on deposit mobilisation. To focus on the untapped savings, banks would have to improve their staff – customer relationship to attract and retain depositors.

Banks are able to extend and increase the supply of credit by the creation of new deposits for loan customers. In conclusion, it is worthwhile to note that among ADB's strategic plans to beat the competitive banking regime is the preparations of documents geared towards customer relationship with bankers.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter deals with the methods that were used for the study. The main components of the chapter comprises of the research design, study population, sample and sampling techniques, instruments used for data collection, pilot-testing of instruments, main data collection and data analysis procedures.

Research design

The descriptive survey design was the main research design used for this study. However, the case study method was adopted for this purpose because one branch of the Agricultural Development Bank was studied into some detail relative to how deposit is mobilized and credit is delivered to clients' vis-à-vis the customer-banker relationship in these transactions.

According to Patton (2002), case study is not intended as a study of the entire organisation. Rather it is intended to focus on a particular issue, feature or unit of analysis. In order to understand and examine banker-customer relationship in respect of deposit mobilisation and credit delivery carried on at the Kumasi Central Market Branch of ADB, the method was chosen. This method enabled me to understand the complex real-life activities in which more than one source of

evidence was used. The use of case study to probe an area of interest in depth is particularly appropriate as described by Cornwall and Welbourn (2002:34) that “case studies become particularly useful where one needs to understand some particular problem or situation in great-depth, and where one can identify cases rich in information”.

Yin (1993) noted that researchers in business related subjects sometimes limit case studies to the exploratory use. For example, pilot case study can be used as a basis for formulating questions or hypothesis testing. Descriptive case study is an attempt to describe, like what happen to a product when it is launched. Explanatory research can be useful for example to study processes in companies. In this instant, the case study is being undertaken into specific operations of a bank.

Study population

The target population for the study was the staff and customers of the Kumasi Central Market Branch of ADB. Views and concerns of workers were needed to paint a good picture of the situation prevailing at the branch. In the same manner, customers of all shades were required to give their impressions of the operations of the bank relative to deposit mobilisation and credit delivery. The branch has staff strength of 16 persons and 5491 individual, 47 corporate and 168 group account customers.

Sample and sampling techniques

The sample size for the study was 587 respondents. It was made up of 16 bankers, 549 individual, 5 corporate and 17 group account customer respondents. With the exception of the 16 banker respondents, the remaining components of the sample size represent 10 percent of the respective total populations. The 10 percent proportion that was used in selecting the respondents is justified by what Hopkins (2000) advocated for a mixed study such as this. This came from his 'on the fly' principle of justifying a sample size.

The technique for selecting the banker respondents was the purposive non-probability sampling procedure. Each of the staff there has a role to play in the operations of the bank and none of them was left out in the gathering of data for the study. Elsewhere in the literature review, Agbodza (2001) had stated that every employee of a company was important as far as customer care was concerned.

With the selection of the customer respondents, the accidental sampling method was used for individual account holders. The number that was selected through the accidental sampling process was 549 customers. This category of respondents was interviewed as and when they visited the bank to transact business. The simple random sampling method was used to select the corporate customers and group account holders which allowed for fair representation of customers in the study.

Instruments for data collection

Two research instruments were used to collect data – they were an interview guide for customers and a questionnaire for bankers. The use of interview guide for data collection in research methodology is justified by scholars. Sewell (2004) for instance said interview guide is an aspect of interview and it may be the most widely used format for qualitative interviewing. In this approach, the interviewer had an outline of topics or issues to be covered, but was free to vary the wording and order of the questions to some extent.

The major advantage was that the data was somewhat more systematic and comprehensive than in the informal conversational interview, while the tone of the interview still remained fairly conversational and informal. Like the conversational interview, this type of interview also requires an interviewer who is relatively skilled and experienced, since he or she will need to know when to probe for more in-depth responses or guide the conversation to make sure that all topics on the outline are covered. What Sewell postulates was exactly how the interview was conducted. Some of the items were close-ended whilst others were open-ended requiring probing for clarification to responses.

The banker interview guide had six sections with 48 items made up of 23 close-ended and 25 open-ended questions. Section A corresponded with the biographical data of respondents and the remaining sections match the research questions guiding the study. Few of the close-ended questions demanded ‘Yes’ or ‘No’ answers followed by brief explanations. The close-ended items in the main research sections had responses, which took the form of Strongly Agree, Agree,

Disagree and Strongly Disagree. In this case respondents were supposed to agree or disagree with the statements put up for consideration. The open-ended items were follow up questions to the close-ended items which requested respondents to explain their responses further for clarifications.

The customer interview guide was made up of two sections with 34 questions in all. The 34 questions were made up of 18 close-ended items (with alternative responses from which responses had to choose the one they agreed with) and 16 open-ended items which were follow up questions to seek clarification.

Pre-testing of instruments

Pre-testing of the instruments was done at the Adum Branch of ADB with a sample size of 100 respondents comprising of 25 bankers and 80 customers. The format used for selecting respondents for the main study was applied in this case too. A period of one month was used for this purpose. The process of introduction was the same as in the main data collection.

After the instruments had been retrieved, data was edited, coded and keyed into the Statistical Product for Service Solutions (SPSS) version 15.0 for computer analysis. The pre-test allowed the researcher to determine the reliability and validity of the instruments. The validation process started from scrutinizing the items by colleague students and supervisor for this research. The analysis on the computer allowed for the running of the reliability coefficient using Cronbach Alpha.

The pre-testing in research is basic requirement recommended by authorities. According to Best and Kahn (1996), pilot-testing of research instruments greatly reduces the number of treatment errors and unforeseen problems. Tuckman (1992) gives credence to pre-testing of the instruments and states “it is usually highly desirable to run a pre-test on a questionnaire and to revise it based on the results of the test” (p.199). This is exactly what the researcher did so that instruments could elicit the appropriate information to enable her make informed recommendations to beneficiaries of the study.

Data collection

The main data collection was done by the researcher herself so that the concerns of the respondents could be promptly dealt with. A period of two months was used especially in the case of the customer respondents. Not all customers come to the bank regularly and therefore that demanded a considerable length of time to reach the stipulated number of respondents. On the part of the bankers they are mostly busy and they needed adequate notice to give the vital information required for the study. Data collection after permission had been sought with the branch manager through a face to face interaction.

Data analysis

Data collected was analyzed using the Microsoft Excel and Statistical Product for Service Solutions (SPSS) version 15.0. Features of the (SPSS) that was used included the cross tabulation, descriptive statistics and frequency tables.

Data was put into tables for analysis, calculations and summary. It involved editing, coding, tabulation and calculations of percentage. Data was transformed into tables and bar graphs for presentation and discussion in the subsequent chapters of the study.

Problems encountered in the study

The main problem encountered during this study came from data collection from customers, it was partly because their location was difficult to identify. Besides, the study could have covered more than one branch for possible comparisons but time and finance did not permit this to be done. Time was a difficult resource to manage because the limited time at the investigator's disposal did not allow her to observe the situation critically. There was a need for the investigator to get a considerable length of time to arrive at reasonable conclusions on the situation prevailing in the branch. The academic calendar of the university would not allow the student to stay on the field for too long a time. The problem with financing was that the researcher did not have enough funds to enable her employ research assistants to collect data on her behalf at the other branches within the Kumasi metropolis.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter of the study presents the results and discussion of the study. After the presentation of the results, the discussions follow with the relevant literature support. The presentation is done under two main sections – the first part deals with the profile of the respondents (bankers and customers) and the second part is devoted to responses on banker-customer relationship, deposit mobilisation and credit delivery. It must be noted that at the end of data collection, 13 bankers and 486 customers were captured for the study.

Profile of respondents

Two issues each were discussed in respect of respondents' profile. The two issues picked on bankers were their designation (work schedule at the branch) and number of years they have been working with the bank. The issues on customer profile were the number of years a customer has been doing business with the bank and the type of account they keep with the bank.

A distribution of bankers and the number of years of service at the bank is displayed in Table 1. About 23.1 percent of staff indicated that they have worked with the bank for less than five years. Another 23.1 percent showed that they have

worked with the bank for between five to nine years and the same percentage of staff respondents indicated they have served with the bank 20 years or above. However, 30.7 percent said they have worked with the bank for about 10 to 14 years. The issue here is that all the respondents have served the bank for some number of years and are familiar with the bank’s operations in so far as banker-customer relations, credit delivery and deposit mobilisation are concerned.

Table 1: Years of service with the bank

Years	Frequency	Percentage
Below 5	3	23.1
5 – 9	3	23.1
10 – 14	4	30.7
20 and above	3	23.1
Total	13	100.0

Source: Field Data, 2009

There were nine work schedules within the Kumasi Central Market Branch of the Agricultural Development Bank as shown in Figure 1. The bank has two customer relationship officers who oversee the branch’s customer needs as their primary responsibility. This schedule was singled out for mention because the focus of the study is customer relationship impinging on deposit mobilisation and credit delivery. Therefore, it is seen that if the bank has officers designated as customer relationship officer then it is on course as it pertains elsewhere in the banking sector in Ghana.

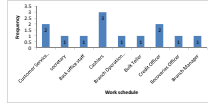


Figure 1: Work schedule of staff at the Kumasi Central Market Branch

Source: Field Data, 2009

Figure 2 shows the number of years respondents have done business with the bank while Figure 3 deals with the type of account kept by a customer or groups of customers.

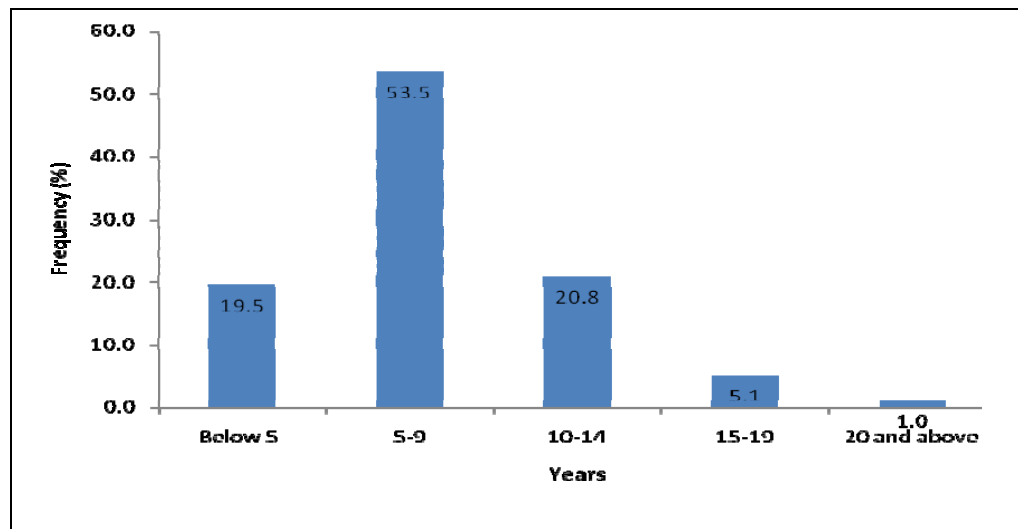


Figure 2: Number of year's customers has done business with the bank

Source: Field Data, 2009

Figure 2 shows that 53.5 percent of the sampled customer respondents have done business with the bank from five to nine years. Again, a cumulative of 25.9 percent had been doing business with ADB for a period ranging from 10 to 19 years. In fact, there is a clear indication that most of the customers have been with the bank for a considerable length of time and should be in a better position to comment on the issue under study authoritatively.

A distribution of the type of account a customer keeps with the bank is shown in Figure 3. There are four main accounts that customers who were captured in this study keep with the bank. Current account holders are in the majority of the bank's customers. About 69 percent of customer respondents indicated they maintain current account with the Kumasi Central Market Branch of ADB. This is closely followed by holders of savings account with 28.8 percent of the customer respondents.

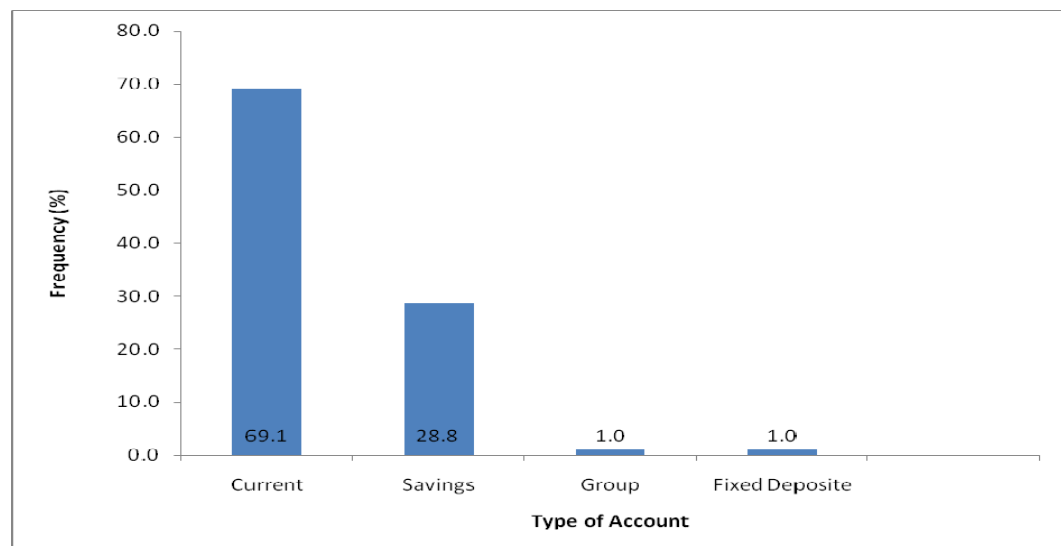


Figure 3: Type of account customers keep with the bank

Source: Field Data, 2009

Agricultural development bank's policies on banker-customer relationship, deposit mobilisation and credit delivery

Responses in this subsection answered research question one which sought to verify whether both staff and customers were aware of the Agricultural Development Bank's policy on banker-customer relationship, deposit mobilisation and credit delivery.

A distribution of the staff familiarity with the bank's policy on banker-customer relationship and the number of years of service at the bank is displayed in Figure 4. About 23.1 percent who had served the bank for 20 years or more indicated that they were not aware of the bank's policy on banker-customer relationship. This seems strange because considering their long years of service they should have had knowledge of the policy but they declined knowledge of it. However, the majority (76.93%) of staff claimed that there is a policy like that. This revelation by the majority lends credence to Snyder's (2006) view that establishing good client-banker relationships is a win-win situation for the customer and for everyone. This means that if the bankers know the policy and work towards it, they would be in a better position to help the branch.

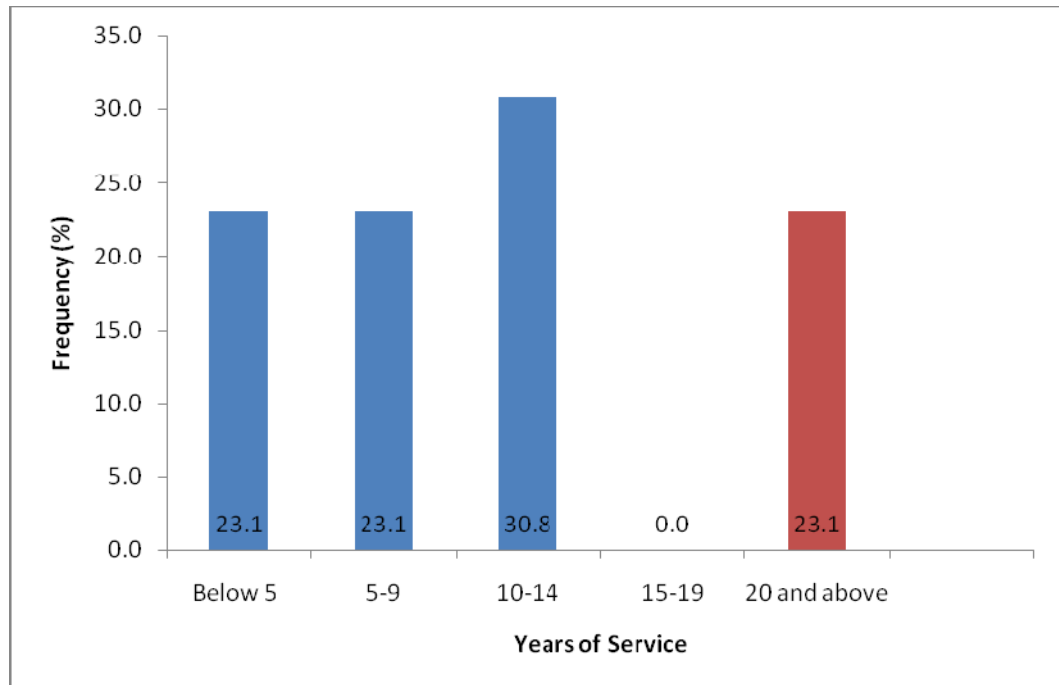


Figure 4: Staff familiarity with the Bank’s Policy on banker-customer relationship according to years of service

Source: Field Data, 2009

The next issue that was dealt with under this subsection was the issue of deposit mobilisation of the bank. A distribution of the knowledge of bank’s policy on deposit mobilisation and the number of years both staff and customers have associated with the branch is displayed in Table 2. All customers who had saved at the branch for 20 years and above did not have any idea of the bank’s policy on deposition mobilisation. Surprisingly, customers who had saved for relatively fewer years with the bank indicated that they were familiar with ADB’s deposit mobilisation policy. Those who answered in the negative indicated that they had not been educated on the policy yet and that they were not aware of any such policy. The majority (69.23%) of the staff respondents agreed there was a policy

like that which is a commendable effort by the bank. However, 30.77 percent of them declined knowledge of it in the operations of the bank.

Table 2: Knowledge of bank’s deposit mobilisation policy by the number of years staff and customers have associated with the branch

Year	Customer		Bankers		Total
	Yes	No	Yes	No	
Below 5	95	0	0	3	98
5-9	94	166	1	1	262
10-14	0	101	4	0	105
15-19	0	25	0	0	25
20 and above	0	5	3	0	8
Total	189	297	8	4	498

Source: Field Data, 2009

Respondents were asked to explain themselves and that those who stated there was a policy on deposit mobilisation explained that staff had been orientated on the policy. They maintained that some of the staff were sent to customers’ doorstep to collect money because of the stiff competition going on within the banking industry. This has led to the operation of mobile cash mobilisation. Lastly, they affirmed that once an individual is employed as a banker, he/she is taught about all the policies of the bank. On the other hand, the respondents who indicated they did not know of the deposit mobilisation policy indicated they had not been orientated on it yet.

All these revelations border on the fact that the bank's rules and regulations are not known to a large number of customers and a few of its staff. However, this finding is not in line with a guideline by the Finnish Banker's Association as cited by Foss (2008) which emphasized that the relationship between a customer and a bank is governed by a number of legislative provisions, guidelines and regulations issued by the supervisory authorities such as the Bank of Ghana. It says when the rules and regulations are published they emphasize the importance of good banking practice and to inform their customers, employees and other interest groups of the code of conduct to be followed.

The last issue dealt with under this subsection is the issue of credit delivery policy of the bank. The responses displayed in Table 3 shows that 66.7 percent of the customer respondents indicated that they were aware of the bank's policy on credit delivery.

Table 3: Knowledge of bank's credit policy and the number of years customers and bankers have associated with the branch

Years	Customers		Bankers		Total
	Yes	No	Yes	No	
Below 5	95	0	3	0	98
5-9	225	31	3	0	256
10-14	0	101	4	0	105
15-20	0	25	0	0	25
20 and above	0	5	0	3	8
Total	324	162	10	3	492

Source: Field Data, 2009

These were all those who had saved with the bank for less than 10 years. On the contrary, about 81 percent of those who answered in the negative had saved with the bank for 10 years and above. Although the majority (76.9%) of the staff respondents were aware of the policy, all the staff respondents who had served for 20 years and above were not aware of the policy.

The views of both staff and customers were sought. Again, they were asked to give explanations to their responses and those who answered in the affirmative indicated that the credit delivery policy talked about the procedures of approving loan facilities for customers.

Besides this, courses are run for staff on credit delivery modalities for them to be abreast with the credit procedures. On the other side of the argument, those who denied knowledge of the credit delivery policy failed to give any explanation. The customers explained that accessing loan facility from ADB is streamlined to make it easier and faster. Also, there are modalities on how a customer can access credit and that a customer is given a time frame to repay the loan.

The nature of banker-customer relationship at the Kumasi Central Market Branch of ADB

Under this section, statements were put up for the respondents to indicate their degree of agreement or disagreement. Consequent to that, the views of both staff and customers are presented in Tables 4 and 5 respectively. For the purposes of discussion, the responses are collapsed into two; that is 'agree' and 'disagree'.

In this sense ‘strongly agree’ (SA) and ‘agree’ (A) become ‘agree’ and ‘strongly disagree’ (SD) and ‘disagree’ (D) become ‘disagree’. This trend will continue in the subsequent discussions of results.

Table 4: Staff responses on the nature of banker-customer relationship at Kumasi Central Market Branch of ADB

Opinion	Agree		Disagree		Total	
	Freq.	%	Freq.	%	Freq.	%
Welcome of fresh customers by customer service office	8	61.5	5	38.5	13	100.0
Customer service officer acts only when customer has grievance	0	0	13	100.0	13	100.0
Branch virtually has no problem since customer service officers take care of concerns	4	30.8	9	69.2	13	100.0
Responsibility of customer service officer to explain bank policies to customers	8	61.5	5	38.5	13	100.0

Source: Field Data, 2009

Table 4 shows 61.5 percent of the staff respondents agreed with the proposition that all fresh customers were welcomed to the banking hall by the customer service officer. Also, all the staff respondents indicated that the customer service officer related well with the customers whether a customer had a

grievance or not. Further, about two thirds of the staff respondents did not agree that the customer service officers took care of all customer problems. Lastly, the majority of staff respondents agreed that the customer service officer explained bank policies to the customers.

A distribution of the nature of the banker-customer relationship by the customer respondents is shown in Table 5. The majority (66.7%) of the customer respondents agreed that a customer service officer of the bank was introduced as one entered the banking hall to assist in the bank procedure and every banker could handle customer grievances without making excuses. These two convergent views from bankers and customers are given credence by AllBusiness.com (2008) that everyone (staff) in the company (bank) needs to be devoted to creating a positive experience for customers. Staff should always try to go above and beyond customers' expectations in so far as banking services are concerned.

Table 5: Customers responses on the nature of banker-customer relationship at Kumasi Central Market Branch of ADB

Opinion	Agree		Disagree		Total	
	Freq.	%	Freq.	%	Freq.	%
Every banker can handle customers' grievances without making excuses	316	65.02	170	34.9	486	100.0
Introduction of client service officer upon entry to assist in bank procedure	324	66.67	162	33.3	486	100.0

Source: Field Data, 2009

However what the one third of both staff and customer respondents indicated carries some weight in so far as banker-customer relations are concerned. This is because the bank would be interested in an objective assessment of situations such that it can make amends to optimize its operations. This means that the branch should adopt proactive measures in dealing with customers' concerns. This revelation is in consonance with Kurtus's (2007) view that the basic principles for the Total Quality Management (TQM) philosophy of doing business are to satisfy the customer, satisfy the supplier and continuously improve the business processes.

Maintenance of banker-customer relations at the bank

This section is adding more impetus to the one that just proceeds it in that, the former talked about the nature of customer relationship whilst this summaries how banker-customer relationship is actualized within the Kumasi Central Market Branch of ADB. Table 6 presents the views of staff respondents on the issue. About 61.5 percent of the staff respondents explained that some of the customers' difficult grievances could only be handled by the branch manager. Also, all the staff respondents agreed that there was a Customer Service Officer at the branch and any other staff member could handle customer complaint other than the customer service officer.

Table 6: Staff responses on the maintenance of banker-customer relationship at Kumasi Central Market Branch of ADB

Opinion	Agree		Disagree		Total	
	Freq.	%	Freq.	%	Freq.	%
There is a Customer Service Officer(s) at the branch	13	100.0	0	0.0	13	100.0
Any other staff member can handle customer complaint other than the Customer Service Officer(s)	13	100.0	0	0.0	13	100.0
Some of difficult grievances are handled by the Branch Manager only	8	61.5	5	38.5	13	100.0

Source: Field Data, 2009

Table 7 presents the views of customer respondents on the maintenance of banker-customer relationship at the Kumasi Central Market Branch of ADB. The majority of the customer respondents believed that every banker could handle customers' complaints without excuses. Almost all the customer respondents indicated that all staff members were friendly and ready to help them. This result confirms Agbodza's (2001) suggestion that customer care is about satisfying the needs of the customer, by all the employees in all the departments of a company.

Table 7: Customers’ responses on the maintenance of banker-customer relationship at Kumasi Central Market Branch of ADB

Opinion	Agree		Disagree		Total	
	Freq.	%	Freq.	%	Freq.	%
Every banker can handle customer grievance without excuses	336	69.1	150	33.9	486	100.0
All staff members are friendly and ready to help customers	454	93.4	32	6.6	486	100.0

Source: Field Data, 2009

Influence of customer relationship on deposit mobilisation at the bank

Deposit mobilisation is one of the key functions of banking. An appreciable mobilisation of funds to a bank is a must do duty, without which, the bank would not be able to survive with time. Therefore this study looked at how banker-customer relationship influence deposit mobilisation. The views of staff on deposit mobilisation is displayed in Table 8. Banker respondents stated among others that, the products include: Farmers Drive, Online Payment Solution, Home Link Account, Investment Account, Foreign Deposit Account, Treasury Bills, Bonds and Demand Deposit Accounts.

All the staff respondents indicated that because of the cordial banker-customer relationship, this branch had improved on its deposit mobilisation. They attributed this to the prompt service delivery, and further mentioned that and a lot

of customers enjoy the services of the branch, hence customers of other branches prefer doing business with this branch. All the responses by staff captured in this study indicated their disagreement with the proposition that due to poor banker-customer relationship, deposit mobilisation is not encouraging at the branch. These observations go to buttress the point made by Bhatt (1994) that few financial institutions that have emphasized savings mobilisation have been successful in their operations.

Table 8: Staff views on deposit mobilisation

Opinion	Agree		Disagree		Total	
	Freq.	%	Freq.	%	Freq.	%
Improved on its deposit mobilization due to cordial relationship	12	92.3	1	7.7	13	100.0
Deposit mobilization not encouraging due to poor relationship	0	0.0	13	100.0	13	100.0
Good relationship impacts on deposit mobilisation	13	100.0	0	0.0	13	100.0
Bank will not survive without deposit mobilisation	13	100.0	0	0.0	13	100.0

Source: Field Data, 2009

Customers' views on deposit mobilisation are shown in Table 9. Most of the respondents agreed that customers desire to save due to the friendly nature of the bank staff (95.8%) and competitive interest rate (90%). This result is consistent with observation by Kurtus (2007) that a company that seeks to satisfy the customer by providing them value for what they buy and the quality they expect would get more repeat business, referral business, and reduced complaints and service expenses.

Table 9: Customers' view on deposit mobilisation

Opinion	Agree		Disagree		Total	
	Freq.	%	Freq.	%	Freq.	%
Customers desire to save due to staff's friendliness	466	95.8	20	4.2	486	100.0
Customers desire to save due to competitive interest rates	437	89.9	49	10.1	486	100.0

Source: Field Data, 2009

Influence of customer relations on credit delivery at the bank

The last pertinent issue to deal with under customer service in banking is the issue of credit delivery. The staff were asked to indicate what credit facilities the bank has on offer to customers. The credit facilities they listed included: Personal Loans to Salaried Workers, Agric Credits, Commercial Loans, Group Scheme Loans, Overdrafts, Construction Loans, ADB Gold Drive (car loans for

corporate customers), Import and Export Credit and Securities and Letters of Credit. From the customer respondents that were captured during data collection, they indicated that they access the personal loans, salary advance loans, overdrafts and group loans mostly. With the other issues picked on this credit delivery, responses from staff and customers are presented in Tables 10 and 11. respectively.

Table 10 shows that all banker respondents indicated that credit delivery is at the core of the bank's operations. Alley (1990) explained that credit delivery is the transaction between two parties in which one of them (the creditor or lender) supplies money, goods, services or securities in return for a promised future payment by the other party (the debtor or borrower).

Table 10: Staff's view on credit delivery

Opinion	Agree		Disagree		Total	
	Freq.	%	Freq.	%	Freq.	%
Credit delivery is a core banking operation	13	100.0	0	0.0	13	100.0
Improved credit delivery	12	92.3	1	7.7	13	100.0
Credit delivery not as anticipated	4	30.7	9	69.3	13	100.0

Source: Field Data, 2009

He explained that the bank gets a lot from interest charged on loans and overdraft; it is through credit delivery that banks obtain interest and commission

to run the industry; lending brings about interest to the bank; and bankers maintained that about 85 percent of the bank’s earnings (profits) comes from credit delivery. About 92.3 percent of the responses from the staff agreed that ‘due to the cordial banker-customer relation at the Central Market Branch of ADB, credit delivery had improved over the years.

A representation of customers’ view on credit delivery is displayed in Table 11. About 92.8 percent of the sampled customers indicated that it was easy to access credit facilities from the bank, especially salaried workers. Another 92 percent of the customer respondents acceded to the proposition that loan applications are processed within the shortest possible time.

Table 11: Customers’ view on credit delivery

Opinion	Agree		Disagree		Total	
	Freq.	%	Freq.	%	Freq.	%
Salary credit easily accessed at branch	451	92.8	35	7.2	486	100.0
Private business loans obtained with simple terms	292	60.0	194	40.0	486	100.0
Loan applications processed within shortest time	447	92.0	39	8.0	486	100.0
Over deduction of loans promptly refunded	437	89.9	49	10.1	486	100.0
Accessing credit facility not encouraging due to unfriendly relationship	49	10.1	437	89.9	486	100.0

Source: Field Data, 2009

All these point to a positive banking environment where credit can be accessed with very little difficulty. All Business (2008) indicates that banks should not leave customers in limbo. They should ensure that customers' wants get immediate resolution and if this is done the banks will probably win their repeat business.

The favorable banker-customer relationship prevailing at the Kumasi Central Market Branch of ADB is encouraging. The table shows that about 90 percent of the customers indicated that when over deduction of loans occur, the bank readily refunds their monies to them without hesitation and this is seen in the light of good banker customer relationship.

Finally, Table 11 shows that 89.9 percent of customer respondents disagreed that they would not want to access any credit from the bank because of the unfriendly nature of the staff. This response is consistent with the earlier responses given by customers. Respondents explained that they would rather access credit because of the staff's friendly posture and an ever preparedness for meeting customer demands. They further said that on the contrary, the staff are friendly, thus, motivating customers to continue doing business with the bank. Staff of the bank who were also respondents to this study concluded this discussion that it would be difficult getting trustworthy credit customers where there is poor banker-customer relationship. Good banker-customer relationship aids in effective credit delivery since the customer feels at ease to request for credit facility; besides, good friendship encourages customers to stay with the branch and also borrow from there when the need arises.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter summarizes the research work done, draws conclusions, makes recommendations and looked at the areas of further research.

Summary

With the introduction of the Financial Sector Adjustment Programme, and the springing up of banks and non-banking financial institutions, deposit mobilisation and credit delivery have become very competitive. In the midst of such keen competition, one major aspect of management that would add to a company's name, and help it survive is the interaction between the staff of the company and its customers.

When customers are satisfied, they would always want to do business with the company. In the banking industry, good customer relationships have a direct and significant effect on the major operations: deposit mobilisation and credit delivery. In view of this, investment in the development of good customer care policies has been of prime concern to many banks. Hence this study set out to examine the banker-customer relationship, and the operations of the Kumasi

Central Market Branch of the Agricultural Development Bank in respect of deposit mobilisation and credit delivery.

The case study method was used for the research. The study population was made up of staff and customers of the Kumasi Central Market Branch of ADB. Purposive sampling technique was used to sample 13 out of 16 staff members, while the accidental sampling method was used to sample 549 individual account holders, and the simple random sampling method for 5 and 17 corporate customers and group account holders respectively.

The main results of the study were as follows:

- On banker-customer relationship and deposit mobilisation policies of the bank, about 70 percent of the banker respondents were familiar with them. 63 percent of the customers were not familiar with the deposit mobilisation policy of the bank.
- About 70 percent of the sampled banker and customer respondents had knowledge of the credit delivery policy and 30 percent did not have any knowledge.
- All customers, were often welcomed to the banking hall by customer service officers;
- Customers concerns were promptly dealt with to ensure that customers were satisfied with the services offered to them by the bank.
- Although the majority of both the customer and the bankers indicated good staff-customer relationship at the bank, about 30 percent of the entire respondents had some reservations.

- Both bankers and customers agreed that the existing cordial relationship enhanced deposit mobilisation and credit delivery.

Conclusions

It was seen that formal banking evolved in Ghana few years before independence. Afterwards, as economic activities boomed, both the government and private concerns developed much interest in banking and several banks were established. One of such banks was the Agricultural Development Bank. It has survived many years of harsh economic downturn. Today, the records indicate that it is a major player in the financial services sector. To survive the keen competition that is going on among banks in the country, several policies have been developed. The emphasis of the study was therefore accurate in the sense that without good staff- customer relationships no business entity can survive in view of the changing demands of the customers in relation to financial service delivery. At the same time, an appreciable level of deposit mobilisation and credit delivery has to be in place because there cannot be a bank without adequate deposits or credits. All the variables involved in this study had been exhaustively catered for in the literature review and data presentation. It must be concluded that everything has pointed to a positive direction for the Kumasi Central Market Branch of ADB which is competing well hence its output is favourable.

Recommendations

The following recommendations are made based on the findings of the study:

- The good works should be continued in the areas of banker-customer relationship to enhance deposit mobilisation and credit delivery.
- Every effort must be made by management of the Kumasi Central Market Branch of ADB to address the concerns raised by the few bankers and customers to maintain the high standards it has chalked over the years.
- Staff and customers should be educated periodically on the policies of the bank.

Areas for further research

Areas suggested for further research are as follows:

- The topic researched into in this study should be replicated in the other branches of the Agricultural Development Bank, and other government banks.
- The relationship between customer services and marketing of banking product at ADB.
- The challenges encountered in deposit mobilisation in the non-banking financial sector
- The viability of agricultural credit delivery by ADB.

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APPENDICES

APPENDIX A

QUESTIONNAIRE FOR BANKERS

Dear Banker, this interview guide is soliciting your views on wide range of issues relating to banker-customer relations in respect of deposit mobilisation and credit delivery. The researcher is a graduate student of the University of Cape Coast and she is urging you to be very frank in your responses to the questions posed. Please feel free to answer the questions as objectively and truthfully as you can. Note also that, responses given would be treated with the utmost confidentiality. Please no names are required.

NB: Please tick with [√] or provide the requisite response(s) as briefly as possible.

Section A: Bio data of respondents

1. The number of years respondent has worked with the Bank (ADB)

Below 5 years	[]
5 – 9 years	[]
10-14 years	[]
15- 19 years	[]
20+ years	[]

2. Banker’s Designation (Work Schedule):

Section B: Awareness of bank policy

3. Are you familiar with the bank’s policy on banker-customer relations

Yes No

4. Give explanation to your response in item (3) above:.....

5. Are you familiar with the bank's policy on Deposit Mobilisation?

Yes No

6. Give explanation to your response in item (5) above:.....

7. Are you conversant with the bank's policy on Credit Delivery?

Yes No

8. Give explanation to your response in item (7) above:.....

Section C: Nature of banker-customer relation at ADB

9 All fresh customers are welcomed to the banking hall by the client services officer: Strongly Agree Agree Disagree Strongly Disagree

10 Briefly explain your response in item whichever way you responded:.....

10 The client services officer acts only when a customer has a grievance: Strongly Agree Agree Disagree Strongly Disagree

11 Briefly explain your response in item:

12 Because the client services officer takes care of clients' concerns, the bank has virtually no problem with clients: Strongly Agree Agree Disagree Strongly Disagree

13 Briefly explain your response in item:

- 14 It is the responsibility of the customer relations officer to explain bank's policies to customers: Strongly Agree [] Agree [] Disagree [] Strongly Disagree []
- 15 Briefly explain your response in item:

Section D: Maintenance of banker-customer relations at ADB

- 16 There is a customer/client service officer(s) at the branch. Agree [] Disagree []
- 17 Explain your response in item whichever way you responded:
- 18 It is sole duty of the client/customer relations officer to handle all clients' grievances. Agree [] Disagree []
- 19 Explain your response in item whichever way you responded:
- 20 Any other staff member can handle customer complaint other than the customer relations officer(s). Agree [] Disagree []
- 21 Explain your response in item whichever way you responded:
- 22 Some of the difficult grievances are handled by the branch manager only. Agree [] Disagree []
- 23 Explain your response in item whichever way you responded:

Section E: Effects of banker-customer relations on deposit mobilisation

- 24 What type of products does your bank have in respect of funds mobilisation? ...

25 Because of the cordial banker-customer relations, this branch of ADB had improved on its deposit mobilisation:

Strongly Agree Agree Disagree Strongly Disagree

26 Briefly explain your response in item:

27 Due to poor banker-customer relations, deposit mobilisation is not encouraging:

Strongly Agree Agree Disagree Strongly Disagree

28 Briefly explain your response in item:

29 Banker-customer relationship as concept in banking has impact on deposit mobilisation: Strongly Agree Agree Disagree Strongly Disagree

30 Briefly explain your response in item:

31 Good banker-customer relation helps in deposit mobilisation:

Strongly Agree Agree Disagree Strongly Disagree

32 Briefly explain your response in item :

33 Without an appreciable deposit mobilisation, the bank will not survive:

Strongly Agree Agree Disagree Strongly Disagree

34 Briefly explain your response in item (:

Section F: Influence of banker-customer relations on credit delivery

35 What credit delivery products does the bank offer to customer?

36 Credit delivery is at the core of the bank's operations:

Strongly Agree Agree Disagree Strongly Disagree

- 37 Briefly explain your response in item :
- 38 Due to the cordial banker-customer relation at this branch of ADB, credit delivery had improved over the years:
Strongly Agree Agree Disagree Strongly Disagree
- 39 Briefly explain your response in item :
- 40 Credit delivery had not been as anticipated partly due to poor banker-customer relation: Strongly Agree Agree Disagree Strongly Disagree
- 41 Briefly explain your response in item :
- 42 Banker-customer relations could serve as good grounds for effective credit delivery: Strongly Agree Agree Disagree Strongly Disagree
- 43 Briefly explain your response in item:

APPENDIX B
CUSTOMER INTERVIEW GUIDE

Dear Customer, this interview guide is soliciting your views on wide range of issues relating to banker-customer relations in respect of deposit mobilisation and credit delivery. The researcher is a graduate student of the University of Cape Coast and she is urging you to be very frank in your responses to the questions posed. Please feel free to answer the questions as objectively and truthfully as you can. Note also that, responses given would be treated with the utmost confidentiality. Please no names are required.

NB: Please tick with [√] or provide the requisite response(s) as briefly as possible.

Section A: Bio data of respondents

1. The number of years respondent has saved with the Bank (ADB)

Below 5 years	[]
5 – 9 years	[]
10-14 years	[]
15- 19 years	[]
20+ years	[]

2. Type of Account Customer(s) keep with the bank:

Section B: Awareness of the bank's policy

3. Do you have any idea of the bank's deposit mobilisation policy?

Yes No

Briefly explain your response whichever way your answered it.

4. What about the credit delivery policy? Yes No

Briefly explain your response whichever way your answered it.

Section C: Nature of banker-customer relation at ADB

5 The bank has a customer relations officer who explains bank procedures all the time: Strongly Agree Agree Disagree Strongly Disagree

6 Briefly explain your response in item :

7 Every banker in the bank can handle your grievance without making excuses:

Strongly Agree Agree Disagree Strongly Disagree

8 Briefly explain your response in item :

9 A client service officer is introduced as you enter the banking hall:

Strongly Agree Agree Disagree Strongly Disagree

10 Briefly explain your response in item :

11 The client officer quickly introduces you to the bank's procedures:

Strongly Agree Agree Disagree Strongly Disagree

Section D: Maintenance of banker-customer relations at ADB

12 Briefly explain your response in item :

13 All the staff members are friendly and ready to offer a helping hand:

Strongly Agree [] Agree [] Disagree [] Strongly Disagree []

14 Briefly explain your response in item :

15 Because of the friendly nature of the staff of the bank, I wish to continue doing business with it.

Strongly Agree [] Agree [] Disagree [] Strongly Disagree []

16 Briefly explain your response in item :

Section E: Effects of banker-customer relations on deposit mobilisation and credit delivery

17 Which of the these credit facilities do you or your group or company assess from the bank?

18 It is easy to access loan (credit) facilities from this bank especially salaried workers: Strongly Agree [] Agree [] Disagree [] Strongly Disagree []

19 Briefly explain your response in item :

20 Loans are also given to private business people with very simple terms:
Strongly Agree [] Agree [] Disagree [] Strongly Disagree []

21 Briefly explain your response in item :

22 Loan applications are processed within the shortest possible time:
Strongly Agree [] Agree [] Disagree [] Strongly Disagree []

23 Briefly explain your response in item :

24 If over deduction of loans occur, the banks promptly refunds it:
Strongly Agree [] Agree [] Disagree [] Strongly Disagree []

25 Briefly explain your response in item :

- 26 I deposit my money at this bank because the interest is good (competitive):
Strongly Agree Agree Disagree Strongly Disagree
- 27 Briefly explain your response in item :
- 28 I do business with the bank because the staff are friendly:
Strongly Agree Agree Disagree Strongly Disagree
- 29 Briefly explain your response in item :
- 30 I do not want to assess any credit from the bank because of the unfriendly
nature of the staff: Strongly Agree Agree Disagree Strongly
Disagree
- 31 Briefly explain your response in item :