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## **COLLEGE OF NATURAL SCIENCE SCHOOL OF INFORMATION SYSTEM**

### **FACTORS AFFECTING INTERNAL E-BANKING SERVICES QUALITY: CASE STUDY IN COMMERCIAL BANK OF ETHIOPIA**

**This thesis is submitted to the school of graduate studies of Addis Ababa University in partial fulfillment of the requirements for the degree of Master of Science in an Information System.**

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**June, 2019**

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June 2019

Addis Ababa-Ethiopia

**Declaration of Originality**

I certify that this thesis entitled “Exploring factors affecting internal e-banking services quality: case study in commercial bank of Ethiopia” has not been already submitted for any degree and is not currently being submitted for any other degree.

I certify that to the best of my knowledge any help received in preparing this work, and all sources used, have been acknowledged in this thesis.

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**Approval of Board Examiners**

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Examiner	Signature	Date
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Examiner	Signature	Date

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## List of Acronyms

1. ATM – Automatic Teller Machine
2. CBE -Commercial Bank of Ethiopia
3. COBIT- Control Objectives for Information and Related Technologies
4. CORE- Centralized Online Real-time Exchange
5. E-Banking - Electronic Banking
6. INTSERVQUAL – Internal Service Quality
7. ISO -International Organization for Standardization
8. IT - Information Technology
9. ITIL -Information Technology Infrastructure Library
10. ITSM- Information Technology Service Management
11. POS – Point of Sale
12. SERVQUAL - Service Quality
13. SMS - Single Message
14. SPOC - Single Point of Contact
15. SLA – Service Level Agreement
16. OLA – Operational Level Agreement

## Abstract

*Internal Service Quality has become very imperative to a company as a whole. Earlier studies show that much concern have been shown for investigation of external e-banking service quality and a number of propositions are forwarded by researchers to understand and explain the relationship on the factors that influence external customer satisfaction. However, less attention has been given to understanding and explaining the factors that contribute to the internal e-banking services quality. Hence this research is undertaken to fill this gap. Therefore, this study intended to explore the major factors available in CBEs internal e-banking services which hinder the effective application of internal E-banking service quality.*

*The study utilized a single exploratory case study method; the input data are collected through interview, observation and document analysis. For the primary data fifteen participants, selected by purposive sampling were interviewed. To analyse the collected data open coding, axial coding and selective coding techniques of the ground theory analysis method is used. Finally, finding is validated by expert judgment and cross-checking existing work.*

*The finding of the study identified determining factor for internal e-banking services quality such us; product implementation process, management commitment, technological capability, communication, strategic factors, teamwork and team composition, vendor management and knowledge gap.*

*The identified factors for internal E-banking services quality would, therefore, be an important step towards improvements in the internal E-banking services quality in the selected case company. Hence, the finding provides first-time insights and will help management to better understand factors for improving and delivering quality service.*

**Key words:** Internal Service Quality, E-banking.



## CHAPTER ONE

### INTRODUCTION

This thesis documents an exploratory study into the identification factors that affect the quality of internal E-banking services in Ethiopian context particularly for the selected case company. It was carried out from the perspectives of employees of E-banking services. This Chapter introduces and provides an overview of the thesis along with the organization of the study.

#### **1.1. Background of the Research**

Information Technology (IT) is being used extensively in almost every field of life including banking sector. Different organizations are making major investments in IT for attaining the future benefits and competitive advantage.

In order for the service providers to sustain and improve their business, they have to guarantee the stable quality of their IT services. IT services are complex because they are delivered via a combination of many components e.g. hardware, operating system software, application software, and telecommunication network devices. Continual updating is required to exploit the facilities of new technologies (Hertog, 2000). Changes to any of these components can affect the viability and quality of the IT service provided. Most organizations experience this phenomenon including the banking industry.

The banking sector has incorporated the use of technology to serve its clients' faster and also to do more with less. Emerging technologies have changed the banking industry from paper and branch based banks to digitized and networked banking services (Karehka, 2012). Due to this advent of technology and automation most banking sector has experienced a rapid transformation. The advancement in technology and introduction of information technology played a significant role in improving the services quality in the banking industry.

Hence, many organizations search for ways to compete more effectively in today's ever growing markets, managers are giving more attention to internal IT services, which are any types of services being provided and received within an organization. Centralized Online Real-time

Exchange (CORE) banking services and Electronic banking services are just few major ones. CORE banking is a service provided by a group of networked bank branches where customers may access their bank account and perform basic transactions from any of the member branch offices. While E-banking system is a multifunctional software and hardware that enables bank customers to complete and submit to the bank for execution documents for payment and other documents, monitor the status of their accounts, and receive a wide range of relevant financial information without directing the bank. This study focused on one of this service type called E-banking and tries to explore the factors that affect the internal quality of these services.

Banks adopted electronic channels to deliver services to customers because online channels considered as low cost channels also it provides anywhere and anytime banking. According to (Corbitt, 2003).banks are trying to offer their customers not just anytime banking but anywhere-anytime banking through appropriate application of developments in the information technology area.

Banking sectors in most developing countries have pioneered the e-banking services and have been actively involved in its continuous improvement (Mackay & Crompton, 1990). Banks are strategically using advancements in E-Banking services for retaining and attracting clients, and therefore making large investments in implementing the latest E-Banking strategies to maintain and enhance their competitive advantage. Consequently, organizations need to emphasize the quality of E-banking services offered to both internal and external customers. Such organizations are sharp enough to predict the changing needs of their customers, to concentrate on their organizational capability to offer high-quality services, and to see the quality of internal service as a tool to gain competitive advantage (Mackay & Crompton, 1990).

While e-banking services that are provided to customers are measured /evaluated as external services, the services that are employed internally enacted by the employees and other resources such as IT are considered as internal services. Practitioners are very much concerned and pay attention to both internal and external e-banking services. While service quality checks are often done externally, it is important to conduct them internally as well.

However, Earlier studies show that much concern have been shown for investigation of external e-banking service quality and a number of propositions are forwarded by researchers to understand and explain the relationship between the factors that influence external customer satisfaction. While such studies provided valuable knowledge to both practitioners and researchers, limited attention has been given to understanding and explaining the factors that contribute to the internal e-banking services. This research is initiated in line with this argument.

Therefore this study intended to identify the major factors available in CBEs internal e-banking services which hinder the effective application of internal E-banking service quality.

The study is beneficial for identifying the problems related to delivering of E-banking service, which will be useful to banks to fine tune their operation. It will be useful to managers to device strategies that will enhance use of these services in banking business. Besides to researcher knowledge, there is very little information availed on this issue by previous attempts. Hence this research is undertaken to fill the knowledge gap.

## **1.2. Statement of the Problem**

Nowadays, quality becomes something that has always attracted the attention of managers and leaders in organizations. Organizations seek to improve their performance through increasing the quality of their services. However, the concept of quality is one of the major challenges in organizations, particularly in service organizations (Chang H. , 2012).

Extensive research has been conducted on the conceptualization of service quality. As far as the knowledge of the researcher is concerned, lots of literatures are reviewed and majority of them have focused on building relationship with external customers in terms of identifying and satisfying their needs and requirements. The responses extracted are based on the awareness of the external customers on the usage of services. For instance, there are some researchers conducted on customer satisfaction to measure the efficiency of e-banking (Worku, Tilahun, & Tafa, 2016) .The results of the studies in general agreed that e-banking in Ethiopia is still at early stage and needs improvement.

During the literature review, it is identified that other researchers have carried out their research and give suggestions based on Parasuraman Zeithml model (SERVQUAL). For instance: (Nupur, 2010) conducted a study focusing on E-Banking services quality and customers' satisfaction in Bangladesh. The main objective of the study was to measure customer satisfaction on electronic banking service delivery. He adopted SERVQUAL method to collect necessary data. The findings of the research indicated that, the measured variables; reliability, empathy, responsiveness, assurance and tangibles have relationship with electronic banking customer service. However, he investigates e-banking services quality from external customer's perspective and measures by the level of their satisfaction .Whereas the present study seeks to investigate internal e-banking services quality from the organization perspective.

Furthermore, another researcher (Nochai, 2013), studied a research focusing on the “Impact of online Banking Service on Customer Satisfaction” in Thailand. The aim of the study is to evaluate the impact of online banking on customer satisfaction. The variables measured by the study consists of safety, reliability, transaction efficiency, customer support, service security, ease of use, performance and service content. Regression model is used to analyze the collected data. The finding of the research indicated that, the first six variables tend to have impact on customer satisfaction while, the last variable failed to prove the hypothesis. Again this research was conducted on external customers beside that it's done using quantitative research method using already existing variables in addition to that the identified factors are from their view point of external customers on external e-banking services quality. While the present study aims to explore internal services quality factors by using exploratory quantitative research method and ground theory is used to analyze the collected data.

However, internal services quality has received very little attention from the firms. The existing dimension of services quality is typically investigated in terms of the viewpoint of external customers, which reflects the perceived external services quality. Less attention has been devoted to the internal linkages between divisions and departments within an organization. Due to this fact relatively few studies have focused on what factors influence internal service quality or the internal process how employees perceive the way quality of service provided by co-workers affects their own service.

During the past decade, the quality of internal services was not considered as one of the major factors of measurement. Instead, for public organizations that operate in a bureaucratic environment, conformity to rules and procedures is often considered more important (Chang H. , 2012). Even though, it is not difficult to understand that poor internal service quality could lead to reduced efficiency and effectiveness which in turn lead to the undesirable outcome of lower performance and higher costs.

According (Stauss., 1995) Internal service quality points to services provided by distinctive organizational units or the people working in these departments to other units or employees within the organization. External service quality is strongly contingent to internal service; employees receiving highly quality of internal service would strive to provide quality external service. The level of internal customer service quality has an essential impact on the service value provided to the external customer (Bouranta, Chitiris, & Paravantis, 2009).

In the context of internal service quality, several researchers have also applied SERVQUAL. For example (Kumar & Frost, 2001) developed a conceptual model they called INTSERVQUAL, based on the SERVQUAL scale proposed by (A Parasuraman, Valarie A. Zeithalm and Leonard L. Berry, 1994). The study was conducted in a major international airline for measuring expectations and perceptions of internal customers. According to, the authors, the two scales exhibited adequate validity as separate measures of front-line staff (customer-contact personnel) expectations of support services and their perceptions of the support staff's performance. The results indicated that the scales can be successfully used to assess the magnitude of the gap between front-line staff perceptions and expectations. However, prior research suggests that service quality tends to be context-bounded and service type dependent (Jun,1999; Saravanan & Rao, 2007) as cited by (Shaohan M. &., 2010) , since most of the existing measures of service quality, including the SERVQUAL instrument, were originally developed for assessing external customer service quality, it is somewhat questionable whether those measures are adequate to evaluate internal customer service quality .Therefore in present study the researcher is uncertain to use the existing factor which originally identified for external services quality rather the researcher choose to explore new factors for internal services quality particularly of e-banking services.

Furthermore, according to (Gronroos, 2009) given that several earlier studies have been done in the field of services study, there is high probability of getting different result for different companies or for different services type within the same company and he states that this domain area is still hot and open for the research. Therefore the researcher is interested to identify the factors that affect internal e-banking services quality. To be aware about dimensions and the issues needing improvements, the company must know first what things influence to the judgment of the service quality. Each customer (both internal and external) experiences the same service differently which causes challenges in measuring service quality and afterwards in improving it. Generally, service quality perception is influenced by various petty components, which can be any tangible or intangible characteristics

According to (Assegid, 2017) the conducted empirical research with the objective of evaluating commercial banks employees' perception of service quality. Deeper investigations on findings reveal that service quality dimensions associated with the performance of customer contact employees are the source of the problem. However, this research investigates service quality dimensions associated only from the perspective of frontline employee's performance other variables are not included in this study. Hence, the researcher has found this as a potential gap, and the researcher believed exploring other factors and simultaneous implementation of those factors make a significant impact on internal e-banking services quality.

In addition to the above gap found in previous works, the other motivation for the desire to explore internal factors that affect the quality of internal services is the assessment report result which conducted by (Tech Mahindra, 2017) on commercial bank of Ethiopia IT services process maturity level. The key objective of this work was to provide comprehensive summary of CBE IT maturity level based on the well-known standards like ISO20000 and provide rating the readiness of CBE to achieve ISO 20000. Which helps CBE management and core service team to take the necessary decision. The study has identified that current maturity level of CBE IT services process as of July 2017 the overall maturity level was 1.46 out of five, according ISO20000 standard this IT services process maturity level should be increase to minimum of 3 or more. Which indicates CBE lacks the Internal IT services process management. Therefore

this result motivates the researcher to explore what internal services factors cause this low maturity level.

Therefore, in light of all the above discussion and identified gaps this research is needed in order to explore major factors to the implementation of internal E-banking services quality within these specific banking services named E-banking services in context of case company, CBE.

### **1.3. Research Questions**

In order to address the above research gaps the study formulated the below research questions which helps to guide as a lens for the research process and finding through time of data collection and analysis.

1. What are the factors that affect the internal E-banking services quality?
2. What should be done to achieve the highest internal E-banking services quality?

### **1.4. Objective of the Study**

#### **1.4.1. General Objective of the Study**

The primary objective of this study is to explore factors that affect the internal e-banking service quality.

#### **1.4.2. Specific Objective of the Study**

On the way to achieve primary aim of the study there are some specific objectives the researcher going to address such as:

- To understand the current CBEs practice regarding internal services quality
- To conduct qualitative inductive exploration on the what factors affect the internal e-banking services quality
- To validate the explored factors that affects the quality of internal e-banking services using expert judgment.
- To give recommendation on what should be done to improve the quality of internal service quality.

### **1.5. Significance of the Study**

The results of this study is significant because the findings of this study offer additional insights into the current internal E-banking service quality situation and its implications for overall external E-banking service quality. Furthermore, the understanding the internal factors explored in this study may help to identify the best option to improve internal quality services and expected to help the management to better understand factors for improving and delivering this service. It will also be valuable to all banking industries of the country to increase their awareness and understanding of the possible gaps in internal e-banking service quality and its benefit. Also this research can be used as reference for other study in the domain area.

### **1.6. Scope of the Study**

The scope of this study is to explore the factors affecting the quality of internal e- banking services within the case company CBE. Specifically the case unit is the department of card payment switch. The reason why this research only focused on the card based payment services is due to its a higher usage and a majority of customer complain comes from this services type and the reason that CBE is chosen as a case company is that it's the one of the big state owned commercial bank which pioneer this banking services and still have the highest market share in the country. And due to the fact that this services is many administered centrally the researcher decided to collect input data from this central department only.

### **1.7. Organization of the Thesis**

The study is organized into five chapters. The first chapter deals with the overview of the paper and it contains some background, problem statement, objectives. The second chapter is literature review which presents theoretical concepts and definition and also empirical works related to the subject area. The third chapter is methodology which discusses the approach, research design and procedures along with their justification. The fourth deals with analysis of data collected from the organizations under the study. The final chapter presents the discussion of major findings and conclusions with suggested recommendations.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2. Overview

Literature review is one of the most important components in the research process, this chapter helps us to understand concepts, theories, and current knowledge or previous work in the chosen research area and helps the researcher to come up with a clear research gap.

#### 2.1. Key Concepts and Definitions

##### 2.1.1. Service

Firstly, there is no general agreement on definition for services, but there are some characteristics that come out again and again in literature.

According to ITIL-V3 Service defined as “as means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks.” Whereas value is the level to which a service meets a customer’s expectations. Often measured by how much the customer is willing to pay for the service, rather than the cost to the service provider of providing the service. Value is defined by the customer not the service provider. An affordable mix of features needs to be on offer for the customer want a service.

#### Service Classification

**Core Service:** Deliver the basic outcomes required by one or more customers. These service represents the value the customer wants and will pay for. They are what attracts the customer in the first place. Customers must be satisfied with the core service Eg. E-banking Service.

**Enabling Service:** Needs to be in place for the core service to be delivered. The customers may not even know the enabling service exists, but it is essential. The customers will not see enabling services as being a service that they use. They are the basic factors that make sure that the core service can be delivered Eg. Network management service

**Enhancing Service:** None-essential services that are added to the core service to excite the customer. There is a danger that customer see them as part of the core service. Service providers need to make sure they review regularly and update them if necessary E.g. SMS notification

Another definition (Valerie A. Zeithaml, Mary Jo Bitner and Dwayne Gremler, 2013) defines “services are deeds, processes, and performances provided or coproduced by one entity or person for another entity or person.” (Gronroos, 2009 ) also introduces an alternative definition by expressing a service is “a process consisting of a series of more or less intangible activities”. He continues that “ services is normally but not necessarily, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems.”

### 2.1.2. Characteristics of services

Services have own characteristics, which differ clearly from the characteristics for goods. (Figure 1) shows four characteristics of services. Services are intangible, heterogeneous, produced and consumed simultaneously and Perishable (Zeithaml, V, A. & Bitner, M, J, Wilson A , 2009)

- **Intangible:** meaning they cannot be seen, touched or felt, because they are no objectives. Services
- **Heterogeneous:** meaning that service delivery and customer satisfaction depend on employee and customer actions. Service delivery means the process when the service is delivered from the company to the customer.
- **Produced and consumed simultaneously:**, services are *produced and consumed simultaneously*. As last characteristic, services are described as
- **Perishable** meaning that services cannot be saved, stored, resold, or returned.

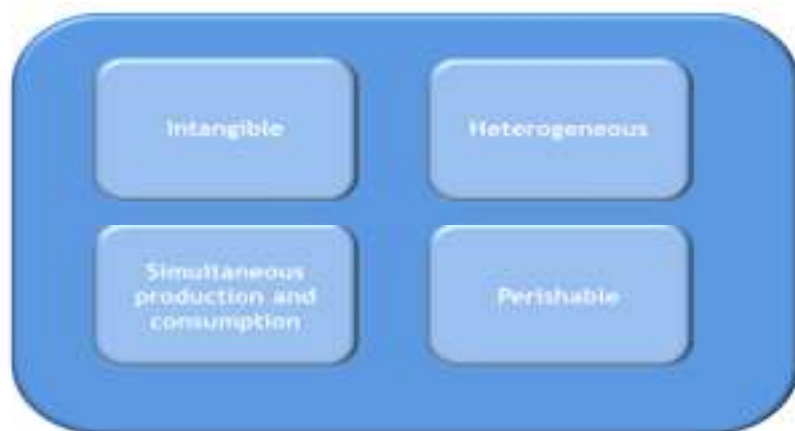


Figure 1: Characteristics of services

Besides the four characteristics of services, the expression '*services are process's*' is strongly agreed by different authors in literature. They place all the other characteristics intangibility, heterogeneity, perishability, simultaneous production and consumption, co-production by the customer, and services being non-transportable under the concept of services are processes. (Gronroos, 2009 ) Names three basic characteristics of services. Firstly, the services are processes, which consist of functions or a series of functions. Gronroos believes it is the most important characteristic for services. The processes take advantage of several resources such as people and systems. Secondly, services are at some extent produced and consumed simultaneously. Thirdly, the customer participates in producing the service together with the service provider. The two latter characteristics are a result of the process feature which shows the importance in understanding the process characteristic of services.

As revealed from the above literatures, different authors value the process nature of services. Certainly, the time when service is produced, consumed and delivered it happens in a process. The process includes many interfaces between the customer and the service provider. More or less, services are complicated, which is why service quality should not be underestimated. Basically, the complexity of services derives from the fact that service "consist of processes, where the delivery and consumption cannot totally be separated and where the customer is actively taking part in the process" (Gronroos, 2009 ).

### **2.1.3. Definitions of service quality**

The term 'Service Quality' is an association of two different words; 'service' and 'quality. Service means "a process of activity that one party can offer to another that is essentially intangible and does not result in the ownership of anything (Wisniewski, 2001)

Quality has come to be recognized as a strategic tool for attaining operational efficiency and better performance of business. Quality is defined in (ISO 9000:2000) as the degree to which a set of inherent characteristics fulfills requirements. Degree means that quality can be used with adjectives such as poor, good and excellent. Inherent is defined as existing in something, especially permanent characteristics. Characteristics can be quantitative or qualitative. Requirement is a need or expectation that is stated; generally implied by the organization, its

customers both internal and external and other interested parties. Quality is delivered when you achieve the minimum requirement of a specified performance.

Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001) .

For this study the researcher takes that are commonly used definition of service quality as the extent to which a service meets customers' needs . In other word, the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman, Zeithaml, & Berry, 1985)

According to (Gronroos, 2009 ), service quality is defined as a discrepancy between the service quality that is delivered by the organization and the service performance that employees expect. Conceptually, service quality is defined as global judgment or attitude relating to the overall excellence or superiority of the service.

Lehtinen (1982) identified three dimensions of service quality: physical, corporate and interactive quality. Physical quality involves the buildings and equipment that are used in service delivery. Corporate quality is an image of a company that delivers a service. Interactive quality is an interaction between contact personnel and customers, as well as between a customer and other customers.

Therefore, service quality is a product of the effort that every member of the organization invests in satisfying customers. In its broadest sense service quality is defined as superiority or excellence as perceived by the customer.

#### **2.1.4. Internal Service Quality**

According to (Stauss., 1995) Internal service quality is defined as the quality of service delivered by different departments or the people working in these departments, to other departments or to workers within the organization .In other words, Internal service quality points

to services provided by distinctive organizational units or the people working in these departments to other units or employees within the organization.

External service quality is strongly contingent to internal service; employees receiving highly quality of internal service would strive to provide quality external service. The level of internal service quality has an essential impact on the service value provided to the external customer (Bouranta, Chitiris, & Paravantis, 2009).

OGC ( 2007) defines internal services as “a services delivered to departments or business units in the same organization as the service provider. Internal services usually support internal activity. Internal services need to be linked to external services before their value can be understood.”

Additionally, (Heskett, 1994)explains internal service quality influences the engagement of all employees. Internal service quality is defined as the quality of the services frontline employees are receiving from the rest of the organization. Measure internal service quality to achieve high levels of employee engagement and customer satisfaction and loyalty.

(Heskett, 1994) Also argues that high-performance service companies aim to provide quality service to important groups of employees as well as customers. He proposes the concept of a service-profit chain in which he believes that internal services quality drives employee satisfaction, employee satisfaction drives loyalty and productivity, loyalty and productivity drive value, and eventually value drives customer satisfaction. The Service Profit Chain establishes relationships between profitability, customer loyalty and employee satisfaction, loyalty and productivity. Profit and growth are stimulated primarily by customer loyalty. Loyalty is a direct result of customer satisfaction. Satisfaction is largely influenced by the value of services provided to customers. Value is created by satisfied, loyal and productive employees. Employee satisfaction results primarily from high quality support services and policies that enable employees to deliver results to customers. This is demonstrated in the below diagram.

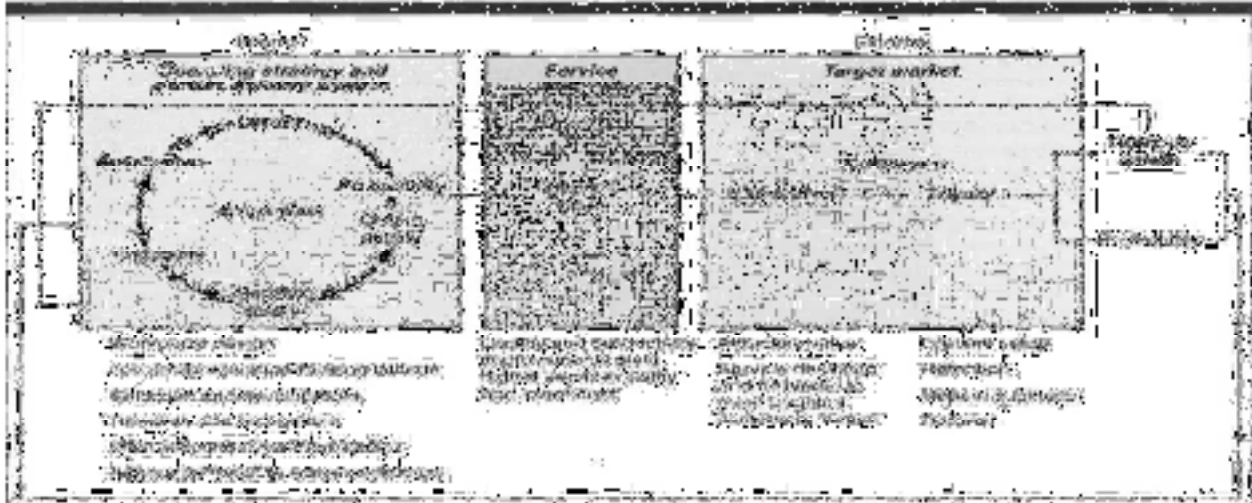


Figure 2: Services-profit chain (Heskett. 1994)

The chain begins with internal service quality, which is really about the work environment, the attitudes employees have toward one another, and how they serve their "internal customers." i.e., fellow employees. Internal quality is measured by the feelings that employees have toward their jobs, colleagues, and companies. (Heskett, 1994)

Furthermore, (Andronikidis, 2008) also reveal that when the quality of internal services is increased, employees improve their general performance and are more cooperative. This helps the organization to achieve both external service quality and external customer satisfaction. From another perspective, research suggests that problems in internal services undermine an organization's ability to improve the level of service provided to its external customers.

### Internal and External Customer

It has been said that organizations have two types of employees: those who serve the customer directly, and those who serve the employees directly serving the customers. Internal service quality is measured by the feelings that employees have towards their overall jobs, services process, colleagues and companies. It points to the ability and authority of service workers to achieve results for customers. Internal quality is also characterized by the attitudes that people serve each other inside the organization (David, 1988).

(Cilliers, 1990) Gave their definition of internal customer as any people or group within the organization receive products and services from other people or groups within the organization. The customer contact staffs are usually the last internal customers which working at the end of the service process.

As Internal customers can be defined as individuals of other departments within an organization that an internal supplier serves. In this sense, an organization can be conceptualized as a chain of individual units that are linked together to satisfy external customers. Thus, the collaboration between work units, as internal customers and as internal suppliers, ultimately impacts on the company's ability to meet or exceed external customers' needs and expectations (Bhonsle, 2005). Some researchers have argued that internal customers are equally important as external customers and that successful internal customer service may result in more efficient internal exchanges between various organizational members and departments, lower waste and costs, and improved external customer service quality.

### **Internal and External Services**

Internal Services Are services delivered to departments or business units in the same organization as the service provider. Internal services usually support internal activity. Internal services need to be linked to external services before their value can be understood External Services: Are delivered to external customers who could be an individual or another organization (OGC,2011).

Internal customer service can be viewed as 'a two-way exchange process between individuals in different functional departments of a firm, in which the provider (the internal supplier) is charged with responding to his/her internal customer' (Marshall G. B., 1998) .

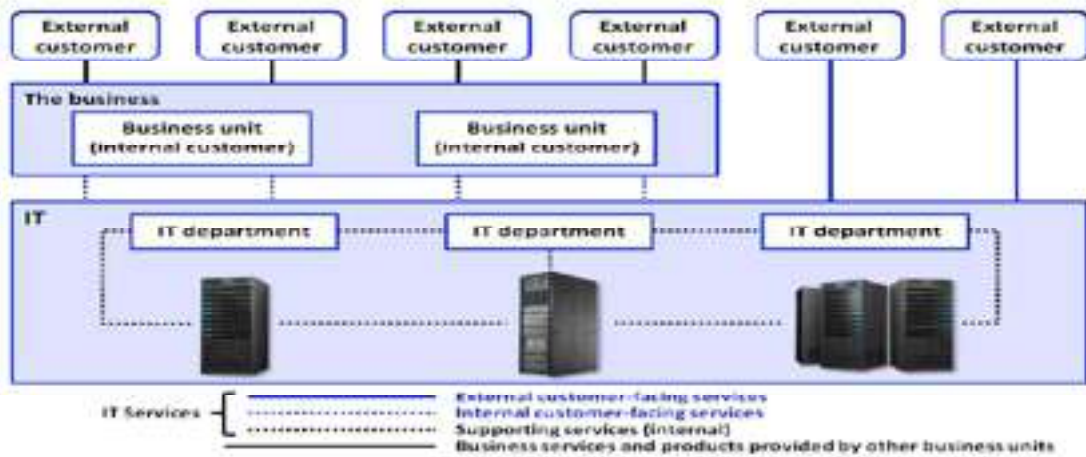


Figure 3: Internal and External customer (OGC,2011)

### 2.1.5. Internal Service Management

Service Management is a “set of specialized organizational capabilities for providing value to customers in the form of services Processes, methods, functions & roles, activities for service provider to use” (ITIL V3) ( OGC 2011).

Information Technology Service Management (ITSM) refers to all the activities, policies, and processes that organizations use for deploying, managing, and improving IT service delivery. Organizations generally use a pre-defined framework of best practices and standard processes to provide a disciplined approach to ITSM implementation. The most famous ITSM framework is the Information Technology Infrastructure Library (ITIL). ITIL was first introduced in the 1980s through the United Kingdom’s Central Computer and Telecommunications Agency (CCTA), but it is now owned, managed, updated, and certified by AXELOS. However, ITIL isn’t the only framework around which you can organize ITSM. There are others frameworks as documented in the 2017 Forbes Insights survey on The State of Information Technology Service Management (ITSM). With its surveying of 261 senior executives from around the world, this report can serve as a reasonable proxy for the worldwide state of ITSM.

Regarding who’s using which ITSM frameworks and processes, the Forbes Insights survey issued the following chart, listing the most prevalent frameworks and processes that the surveyed organizations are using to support ITSM strategies:

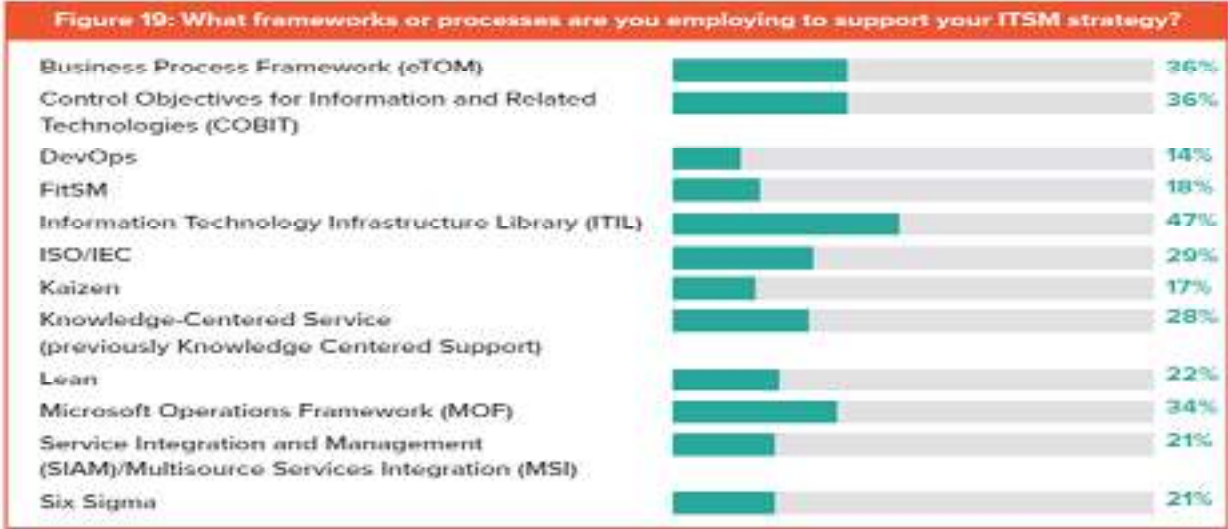


Figure 4: The most prevalent frameworks and processes

There are several ITSM frameworks, like ITIL, that offer best practices on what to do as you implement ITSM – such as Microsoft Operations Framework (MOF); Control Objectives for Information and Related Technologies (COBIT); and Business Process Framework (eTom). Inside ITSM, there are also standards for quality management (such as ISO 9000) and information security management (ISO/IEC) that must be met to become certified and remain in compliance. And, there are software development and delivery best practices – such as DevOps. With organizations having many different subsidiaries, divisions, and locations worldwide, it’s easy to see how a business could incorporate several different frameworks, processes, and standards into their ITSM platforms to meet different needs.

The most popular frameworks and processes Picking our way through Forbes Insights chart, these are the ITSM frameworks and processes most used by the surveyed companies:

- 47% of sites use Information Technology Infrastructure Library (ITIL) for ITSM, which focuses on aligning IT services with the needs of business

- 36% are using Control Objectives for Information and Related Technologies (COBIT), which started in the financial audit community, but has since expanded to add management standards
- 36% are using Business Process Framework (eTom), which is commonly used by telecom service providers in the telecommunications industry
- 34% use Microsoft Operations Framework (MOF), which provides another framework for managing the IT life cycle.

The other frameworks, processes, and standards all have their users, but these were the big four that Forbes Insights respondents mentioned the most.

### 2.1.6. Measurement and Dimensions of Internal services quality

In the past decades, numerous studies have attempted to discover the global or standard dimensions of service quality that are considered important by external customers (Parasuraman et al., 1985, 1994; Sasser et al., 1978). Among them, (Parasuraman, Zeithaml, & Berry, 1985) work has been regarded as most prominent. This study uncovered, through a series of focus group sessions, 10 dimensions of service quality that are generic and relevant to services in general: tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding the customer and access. Later, these 10 dimensions were condensed into five by using factor analysis: tangibles, reliability, responsibility, assurance and .Based on these five dimensions, (A Parasuraman, Valarie A. Zeithalm and Leonard L. Berry, 1994) developed a global measurement for service quality, namely, SERVQUAL. Since then, the SERVQUAL measurement has been applied to measure the external service quality in various service industries by many researchers.

For example (Shaohan M. &., 2010) used SERVQUAL in order to ascertain any actual or perceived gaps between customer expectations and perceptions of the service offered and to point out how management of service improvement can become more logical and integrated with respect to the prioritized service quality dimensions and their affections on increasing/decreasing service quality gaps.

1. **Tangibles.** Physical facilities, equipment and appearance of personnel.
2. **Reliability.** Ability to perform the promised service dependably and accurately.

3. **Responsiveness.** Willingness to help customers and provide prompt service.
4. **Assurance** (including competence, courtesy, credibility and security). Knowledge and courtesy of employees and their ability to inspire trust and confidence.
5. **Empathy** (including access, communication, understanding the customer). Caring and individualized

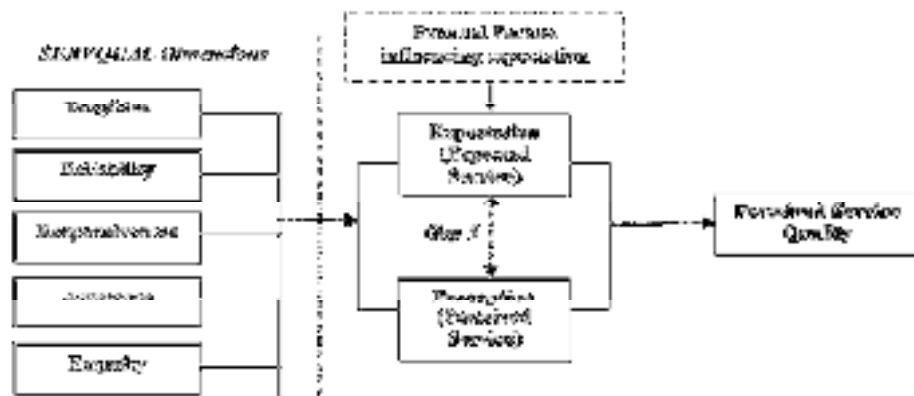


Figure 5: SERVQUAL (Shaohan M. &, 2010)

In the context of internal service quality, several researchers have also applied SERVQUAL. For example, (Frost and Kumar ,2001) employed SERVQUAL to measure internal service quality in a major international airline and claimed that the measurement instrument could be successfully used to assess internal customer service quality. However, prior research suggests that service quality tends to be context-bounded and service-type-dependent ( Jun et al., 1999; Saravanan & Rao, 2007; Van Dyke et al., 1997). Moreover, since most of the existing measures of service quality, including the SERVQUAL instrument, were originally developed for assessing external customer service quality, it is somewhat questionable whether those measures are adequate to evaluate internal customer service quality (Marshall G. B., 1998). Apparently, internal customers share many characteristics with external customers, yet they also have their own unique aspects. For example, (Marshall G. B., 1998) have differentiated internal customers from external ones as follows: most internal customers, unlike external customers who consume both goods and services, are

customers of services alone; internal customers typically have little or no choice about their supplier while external ones can make their own choices. Similarly, (Cilliers, 1990) argue that the internal customer is frequently committed to or a ‘captive’ of the internal supplier.

Another researcher (Gronroos, 2009 )also presented another famous service quality model. He defined two types of service quality: technical and functional. Technical quality is what a customer is receiving from a service. He adds that the customer is interested not only in the result of service process, but also in a process itself. Thus, functional quality is a manner in which the service is delivered, or how a customer receives technical quality. In addition, there is *image quality*, i.e. corporate image (for example, an image of a local office, how the customers perceive the service provider). Both technical and functional quality aspects contribute to image quality. Based on these, (Gronroos, 2009 )presents the following model in figure 6.

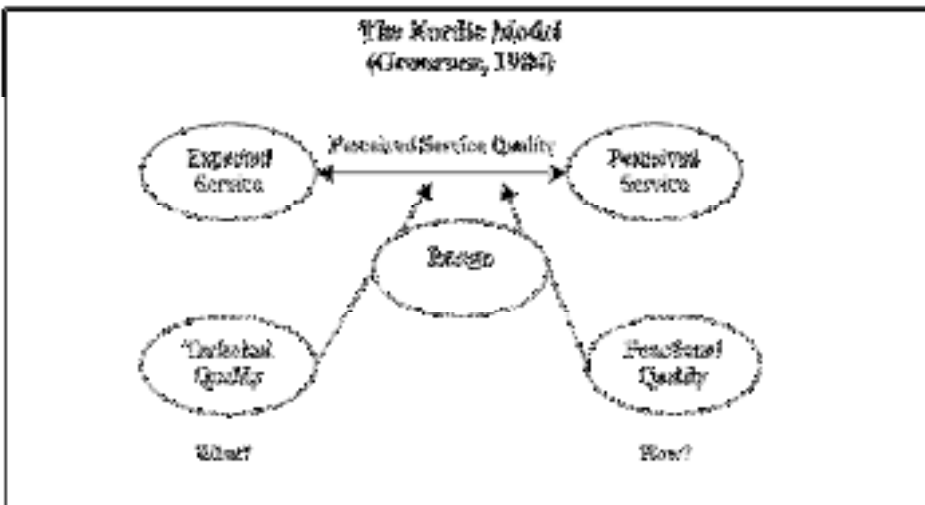


Figure 6: Gronroos Model

### 2.1.7. Electronic Banking Service

In this era of information technology, customers are also quite concerned about the e-service quality provided by the respective banks. They have started maximizing and minimizing the transactions from the concerned banks based on e-service quality provided by them. One of the most significant implications of technological advances in the banking sector is the possibility of delivering banking services through electronic channels (e-channels). E-channels provide alternatives for faster delivery of banking services to a wider scope of

customers. Nowadays, e-channels have gained increasing popularity in delivering banking services. And banks shifting their focus to e-service quality in place of traditional service quality in their complete transaction process .Hence electronic banking has become an important tool for all banks to survive in the competitive Banking Industry. The term electronic banking refers to “the use of computers and telecommunications to enable banking transactions to be done by computer or other channels instead of human interaction” (Okoro, 2014)

(Al-Sadi, 2012) ) also defined electronic banking as the adoption of electronic means in the delivery of banking products and services. Such products and services the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services.

According to (Avinandan Mukherjee and Neeru Malhotra, 2006), e-banking service quality is “the extent to which a banks facilitates efficient and effective shopping, purchasing and delivery of products and services”. This definition involves a complete service experience by customer during all the stages of the E banking process. Another definition is “consumers’ overall judgment and evaluation of the excellence and quality of e- banking service offerings in the virtual marketplace”.

From the above definitions so far, it can be understood that electronic banking is the delivery of banking products and services to the customers and general public electronically through the use of electronic banking instruments or products like Automated Teller Machine (ATM), Mobile.

In our context the majority of demand which CBEs customer experience is on card based transaction meaning Transactions with payment cards which are performed through terminal devices ATM and POS, installed onboard. Due to this fact the researcher focus is limited to this service types only.

A payment card is a type of a payment instrument on which information is electronically recorded and used repeatedly for identification of the authorized users of payment services and for remote access to a payment account. The payment card gives possibility for withdrawing cash through terminal devices ATM (cash teller machines) and POS /POS in a bank/, payments

of services and commodities through ATM and POS /POS at merchants/, transfers between accounts through ATM as well as other references. Transactions with payment cards are performed through terminal devices ATM and POS, installed in abroad.

Terminal devices ATM and POS serve for a remote access through a card to the funds on the account to which the card is issued. ATM /a cash teller machine/ is a machine which allows withdrawal and/or deposit of cash, payments for services, transfer of funds between payment accounts, performance of reference services as well as other payment and non-payment operations. The POS terminal is a device where payment cards or prepaid cards are used to pay for the purchase of goods and services or to obtain cash.

## **2.2. Related Works (Empirical review)**

In this section the researcher tries to present some previous work done on research problem which is mainly on internal services quality and e-banking services quality as well.

(Shaohan M. J., 2010) conducted empirical study and identifies six key internal service quality dimensions as perceived by the purchasing department's internal customers: customer intimacy, team-based continuous improvement, communication, reliability/competence, requisition process and tangibles. However the identified dimensions are specific to companies purchasing departments and the author suggested that this factors are not generic and it might not work for other organization, future research should pay more attention to the newly developed factors and the key determinants of internal service quality might be different for other department.

This paper proposed a conceptual model for measuring e-service quality (e-SQ) in Indian banking industry. The author of this paper identified few studies have been done on e-service quality within banking especially in India, Plus literature indicates the lack of dimensions for measurement of e-service quality. Therefore he used various dimensions for e-SQ based on the field of their study and identified different dimensions for the same field. From his result he conclude that, the dimensions of the common measures are subject to change based on researchers study. Furthermore it has been indicated that e-service quality dimensions tend to be dependent on various industries and different service types within the same industry. Finally he

recommended that further works can be on specific company and services type as well. Therefore, from this point the present study is found to be needed and researcher might get different result which is specific to e-banking services type

(Nupur, 2010) conducted a study focusing on E-Banking services quality and Customers' Satisfaction in Bangladesh. The main objective of the study was to measure customer satisfaction on electronic banking service delivery. He adopted SERVQUAL method to collect necessary data. The findings of the research indicated that, the measured variables; reliability, empathy, responsiveness, assurance and tangibles have relationship with electronic banking customer service. However, he investigates e-banking services quality from external customer's perspective and measures by the level of their satisfaction. Whereas this paper seeks to investigate internal e-banking services quality from the organization perspective.

Agboola (2006) conducted a research aiming to study electronic payment systems in Nigeria. The findings indicated that, payments are now being automated and absolute volumes of cash transactions have declined. The result of the study revealed that E-banking is capable of broadening the customer relationship, retain customer's loyalty and enable banks to expand their market share. The result also indicated improvement will be entertained if the problems such as, ineffectiveness of telecommunications services, epileptic supply of power, high cost, fear of fraudulent practices and lack of facilities necessary for their operation were solved.

Wondwossen and Tsegai (2005); studied on the challenges and opportunities of e-payments in Ethiopia. The aim of the study was studying of e-payment practices in developing countries. This study identified that, lack of customers trust in the initiatives, unavailability of payment laws and regulations, especially for e-payment, lack of skilled manpower and frequent power disruption are the challenges that are faced by banks. However in this paper the identified problems are more of externalized by the banks, plus in recent years the law regarding with e-payment is formulated by national bank of Ethiopia. In present study the researcher will explore factors which are internal to the bank that affect the process of internal e-banking service quality.

Furthermore another researcher (Nochai, 2013) studied a research focusing on the “Impact of online Banking Service on Customer Satisfaction” in Thailand. The aim of the study is to evaluate the impact of online banking on customer satisfaction. The variables measured by the study consist of safety reliability, transaction efficiency, customer support, service security, ease of use, performance and service content. Regression model was used to analyze the collected data. The finding of the research indicated that, the first six variables tend to have impact on customer satisfaction while, the last variable failed to prove the hypothesis. Again this research is conducted on external customer beside that it’s done using quantitative research method using already existing variables .while the present study aims to explore new factors by using exploratory quantitative research method and ground theory is used to analyze the collected data using ground theory.

(Assegid, 2017) Conducted empirical research with the objective of evaluating Addis Ababa commercial banks employees' perception of service quality. Deeper investigations on findings reveal that service quality dimensions associated with the performance of customer contact employees are the source of the gap. This research was initiated to provide further understanding of the problem from the perspective of employees’ perception of service quality. As a result, workload, competence, service orientation, standard service behavior, and service role flexibility are identified as the main factors that potentially influence employee’s perception of service quality. However this research investigates service quality dimensions associated with the performance of customer contact or frontline employees only other variables are not included in this study

As it’s already discussed in previous section numerous studies have attempted to discover the global or standard dimensions of service quality that are considered important by external customers (A Parasuraman, Valarie A. Zeithalm and Leonard L. Berry, 1994) (work has been regarded as most prominent. Since then, the SERVQUAL measurement has been applied to measure the external service quality in various service industries by many researchers.

In the context of internal service quality, several researchers have also applied SERVQUAL. For example: (Kumar & Frost, 2001) developed a conceptual model they called INTSERVQUAL,

based on the SERVQUAL scale proposed by (Parasuraman, Zeithaml, & Berry, 1985)The study was conducted in a major international airline for measuring expectations and perceptions of internal customers. According to the authors, the two scales exhibited adequate validity as separate measures of front-line staff expectations of support services and their perceptions of the support staff's performance. The results indicated that the scales can be successfully used to assess the magnitude of the gap between front-line staff perceptions and expectations.

However, prior research suggests that service quality tends to be context-bounded and service-type-dependent (Jun, 1999; Saravanan & Rao, 2007; Van Dyke ,1997) as cited by (Shaohan M. &, 2010). Moreover, since most of the existing measures of service quality, including the SERVQUAL instrument, were originally developed for assessing external customer service quality, it is somewhat questionable whether those measures are adequate to evaluate internal customer service quality (Marshall C. &, 1989).

Furthermore, regarding internal service quality dimensions and overall service quality, prior research in external customer service quality suggests that not all service quality dimensions have equal impacts on all quality perceptions. The same logic can be applied to internal customer service quality. Thus, it is important to identify, among a variety of internal service quality dimensions, which dimensions are more crucial than others in enhancing the level of overall internal service quality as perceived by internal customers, and to measure to what extent they should be. By addressing these important questions, internal suppliers can understand what service areas they should concentrate on to effectively improve their internal service (Oliva et al., 1992). Researchers have carried out their research and given suggestions based on Parasuraman Zenithal model, which is a traditional one. Banking has undergone many innovations due to technology upgradation. Furthermore, it's identified that a combination of the dimensions can create delighted, rather than just satisfied customers. With the advance of technology, enhancement of knowledge and broader exposure to the internet may lead to many more dimensions to measure service quality.

Table 1: Summary of related work (Empirical review)

Author	Method	Finding	Limitations/future work
Minjoon Juna and Shaohan Cai(2010)	Survey	Examine the relationships between internal service quality and its dimensions, and internal customer satisfaction	<ol style="list-style-type: none"> <li>1. Due to the sample data and its specific to purchasing department it lacks generalization.</li> <li>2. This work can be extended with are generic data and that relevant to any type of organisation.</li> <li>3. Future research should pay more attention to the newly developed factors this study suggested that the key determinants of internal service quality might be different.</li> </ol>
Kidanemariam Assegid (2014)	Descriptive and analytical	Service quality dimensions associated with the performance of customer contact employees are the source of the gap.	This paper investigates internal services quality from the perspective of frontline employee's performance only. Other dimension are not included
Nupur (2010)	SERVQUAL	The measured variables; reliability, empathy, responsiveness, assurance and tangibles have relationship with electronic banking customer service.	This paper measures e-banking services quality from external customer satisfaction perspective only.
Frost and Kumar (2001)	Quantitative using SERVQUAL	Developed a conceptual model they called INTSERVQUAL	Instrument used were originally developed for assessing external customer service quality, therefore it is somewhat questionable
	focus group discussion	A Conceptual Framework on Review of E-Service Quality in Banking Industry	<ol style="list-style-type: none"> <li>1. Researchers identified different dimensions for the same field. Therefore, the dimensions of the common measures are subject to change based on researchers study.</li> <li>2. It has been indicated that e-service quality dimensions tend to be dependent on various industries and different service types within the same industry.</li> </ol>
Aruna (2018)	SERVEQUAL & E-QUAL	Identify the service quality dimension of E-banking services and to check their reliability and validity	<ol style="list-style-type: none"> <li>1. The responses extracted are based on the awareness of the external customers only.</li> <li>2. Researcher recommended so With the advance of technology may lead to many more dimensions to measure service quality.</li> </ol>

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3. Overview**

In this chapter, the research approach, research design, methodology and techniques selection with their justification will be discussed. It covers the research paradigm, research approach research methodology, sampling, data collection methods, data source, data analysis and validity and reliability.

##### **3.1. Research paradigm**

The choice of the research paradigm is one of the most fundamental questions when conducting a study. According to (Guba, 1990) paradigms can be characterized through their: ontology, epistemology and methodology. These characteristics create a holistic view of how we view knowledge: how we see ourselves in relation to this knowledge and the methodological strategies we use to discover it.

(Bhattacharjee, 2012) Classified Research paradigm into two categories: positivist and interpretive, depending on their goal in scientific research. As this study research questions are concerned on exploring factors that affect the internal E-banking services quality from the perspective of participants it is clear that the researcher is not interested in testing hypotheses instead it is in search of a deeper understanding of the phenomenon from the perspectives of the subjects involved. Due to this fact the researcher implement interpretive case study research approach.

##### **3.2. Research Approach**

Saunders (2007) stated that researchers can follow a deductive or inductive approach. In deductive research, first develops a hypothesis and then designs the research in such a way that he or she tests a theory. While In inductive research, the researcher first collects the data and then from the data analysis develops a theory. In this study the researcher aims to collect the data

on the subject area to be investigated from the perspective of the participants and develops theory as a result of the data analysis. Therefore, the researcher found inductive approach is best fit for developing the theory inductively from the collected data.

### **3.3. Qualitative Research Methodology and its justification**

Depending on the research questions and the type of the data, one can follow qualitative approach, quantitative or mixed approach. Quantitative and qualitative methods refers to the type of data being collected quantitative data involve numeric scores, metrics, and so on, while qualitative data includes interviews, observations, and so forth (Bhattacharjee, 2012)

Given the emphasis of this study is on the exploring factors affecting quality of internal e-banking services the researcher followed a qualitative method as the research methodology. in addition to that prior to conducting this research, the researcher did not know which determinant of internal services quality that exist in past studies would be applicable to internal e-banking services quality of the chosen organization context, More importantly, the researcher not know what factors could be considered as factors by different groups of participant specifically in the case company. Therefore it's imperative to conduct this thesis using qualitative research methodology.

From the above review of literature most scholars close to the subject have employed a quantitative method and mostly by utilizing SERVQUAL . However the present study aim is not only to adopt existing dimensions rather wants to explore factors that actually exist in the case company that may or may not exist in previous using exploratory qualitative case study approach

### **3.4. Case study approach and its justification**

According to (Bhattacharjee, 2012).Case study research is an in-depth investigation of a problem in one or more real life settings (case sites) over an extended period of time. Most case research studies tend to be interpretive in nature.

Case study method enables a researcher to closely examine the data within a specific context. In most cases, a case study method selects a small geographical area or a very limited number of individuals as the subjects of study. Case studies, in their true essence, explore and investigate contemporary real-life phenomenon through detailed contextual analysis of a limited number of events or conditions, and their relationships (Yin R. , 2003)

There are several categories of case study notes three categories, namely exploratory, descriptive and explanatory case studies. Exploratory case studies set to explore any phenomenon in the data which serves as a point of interest to the researcher. Hence, given that this research is conducted on a single case company also the researcher aim is to explore phenomenon within this specific context. Among, all three case study category outlined by (Yin R. , 2003) the researcher implement the exploratory case study which enable the researcher to explore factors by first asking general questions are meant to open up the door for further exploration.

### **3.5. The Research Design**

Research design is a comprehensive plan for data collection in a given research. It is a “blueprint” for a research aimed at answering specific research questions or testing specific hypotheses.

#### **3.5.1. The Research Data Source Data Collection Process**

In this study both primary and secondary data is collected. Main sources for secondary data were articles journals, books and websites, company’s internal documentation and company’s portal. Whereas the main source for primary data were mainly participants and the researcher.

Qualitative research Data can be collected using a variety of known techniques. The most frequently used techniques are is interview, observation and documentation (document analysis).

In this thesis in order to get further insight into the phenomenon of interest the , i.e to get the deep understanding current CBE's internal e-banking services process and to explore new factors which are specific to the chosen company context .the researcher employed all three data collection techniques .

### **3.5.2. Interview**

According to (Turner, 2010), interviews provide in-depth information regarding participants' experiences and notion of a particular topic. Researcher used interview to have knowledge on the current situation of the organization towards internal services quality and asked their perception to the internal services quality.

#### **3.5.2.1. Interview process**

Since the primary mode of data collection in case research is interviews, an interview protocol should be designed to guide the interview process. Questions may be open-ended (unstructured) or closed-ended (structured) or a combination of both (Bhattacharjee, 2012).

The decision on the interview design must be rooted in the research goals (Brenner, Brown & Canter 1985). The main goals of this research is to explore factors that affect the quality of internal e-banking services specifically in the selected case company. In order to fulfilled the overall aims of the study semi structured interview approach are adopted.. Due to its flexibility and allow the researcher to understand the perspective of the interviewees, it gives the researcher the chance to refocus the questions, or prompt for more information, if something interesting or novel emerges.

### **3.5.3. Observation**

According to (Marshall, 2006) observation can be defined as a systematic viewing of a specific phenomenon in its proper setting or the specific purpose of gathering data for a particular study. As (Kumar & Frost, 2001) noted there are two types of observation. They are participant observation and non-participant observation. Participant observation takes place when the

observers are participating in activity of the people being observed in the same manner as its member with or without their knowing that they are being observed. Whereas, non-participant observation takes place when the researcher does not get involved in the activities of the group but observes the activity of the respondents passively. In this study the researcher is participant observer.

#### **3.5.4. Document Analysis**

In addition to the above data collection instrument the researcher get more insights from document review, which provides a basis for extensive and detailed discussion of the research problem. The document review includes procedure, reports, organization policy, rule and regulations and websites.

#### **3.5.5. Qualitative Data Analysis**

Qualitative analysis is heavily dependent on the researcher's analytic and integrative skills and personal knowledge of the context where the data is collected (Bhattacharjee, 2012).The emphasis in qualitative analysis is "sense making" or understanding a phenomenon, rather than predicting or explaining. A creative and investigative mindset is needed for qualitative analysis, based on an ethically enlightened and participant in context attitude, and a set of analytic strategies.

Depending on the nature of the study, the researcher adopted one of qualitative analyzing techniques/ strategy called grounded theory. It's an inductive technique of interpreting recorded data about a current phenomenon .The technique was developed by (Glaser & Strauss, 1967) and further refined by (Juliet Corbin and Anselm Strauss , 1990) to illustrate specific coding techniques which is a process of classifying and categorizing text data segments in to a set of codes (concepts), categories (constructs), and relationships. The interpretations are "grounded in" (or based on) collected data. Grounded theory has two unique characteristics: constant comparative analysis and theoretical sampling .

Constant comparative analysis entails an iterative process of concurrent data collection and analysis. In order to obtain accuracy of evidence in the conceptual category and to establish the generality of a fact (Glaser & Strauss, 1967). To analyze the data the researcher does not

wait until data are completely collected instead, data collection and analysis occur simultaneously so that the analyzed data guides subsequent data collection.

Theoretical sampling is “the process of collecting data for comparative analysis” (Glaser & Strauss, 1967), which means insight from initial data collection and analysis leads to subsequent data collection and analysis. It involves “recruiting participants with differing experiences of the phenomenon so as to explore multiple dimensions of the social processes under study” . They describe three coding techniques for analyzing text data: open, axial, and selective.

- **Open coding** is a process aimed at identifying concepts or key ideas that are hidden within textual data, which are potentially related to the phenomenon of interest. The researcher examines the transcribed interview data line by line to identify discrete events, incidents, ideas, actions, perceptions, and interactions of relevance that are coded as concepts. While coding, it is important to identify the recognizable characteristics of each concept, so that similar concepts can be grouped together later. This coding technique is called “open” because the researcher is open to and actively seeking new concepts relevant to the phenomenon of interest. Next, similar concepts are grouped into higher order categories. While concepts may be context-specific, categories tend to be broad and generalizable, and ultimately evolve into constructs in a grounded theory.
- **Axial coding:** it’s the second phase of grounded theory where the categories and subcategories are assembled into causal relationships that can tentatively explain the phenomenon of interest. Although distinct from open coding, axial coding can be performed simultaneously with open coding.
- **Selective coding:** is the third and final phase of grounded theory is selective coding, which involves identifying a central category or a core variable and systematically and logically relating this central category to other categories. The central category can evolve from existing categories or can be a higher order category that subsumes previously coded categories.

At the same time, the coder must watch out for other categories that may emerge from the new data that may be related to the phenomenon of interest (open coding), which may lead to further refinement of the initial theory. Hence, open, axial, and selective coding may proceed simultaneously. Coding of new data and theory refinement continues until theoretical saturation is reached, i.e., when additional data does not yield any marginal change in the core categories or the relationships.

In order to say that your research is based in grounded theory researcher must follow the explicit, sequential guidelines as shown in the below image. Employing just one or two methods does not make the study “grounded.”

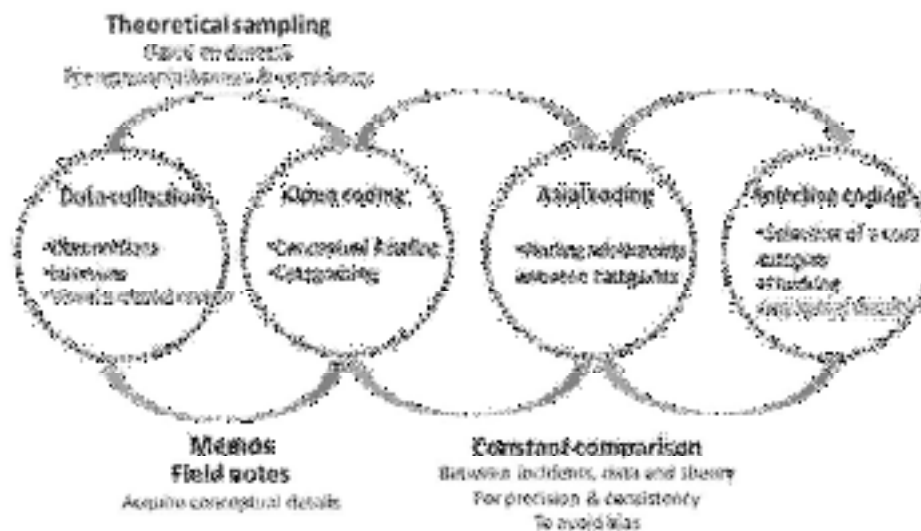


Figure 7: Data analysis procedure of grounded theory method

### Transcript

From the techniques used for analyzing text data the researcher first transcribed the participant interview into Microsoft Word database or write the transcript as the way presented by the respondent. This is a very important part of the grounded theory method because, it helps to ensure that the theory is “grounded in” (or based on) observed empirical data. Which means on the evidence collected from the participants and the researchers suspend any pre-existing theoretical expectations or biases before data analysis, and let the data dictate the formulation of the theory. Hence throughout the process of analysis, the researcher maintains this document for the theory development. This means for coding, writing definitions of categories and justifying labels

chosen for them, tracing their emergent relationships with one another, and keeping a record of the progressive integration of higher- and lower-level categories .therefore the researcher go through to each participant s transcript line by line and look for codes, once this written transcript is ready then the next steps of ground theory building process begins.

### **3.6. Validity in Qualitative Research**

Trustworthiness / Validity is believed to be more important in qualitative research such as this case study research. Trustworthiness, as defined by (Guba, 1990) means credibility (evidence of persistent observation, and results based on triangulation and members' checks) and transferability (with thick description that leaves others to decide on the transferability into other similar situations).

#### **3.6.1. Triangulation**

Triangulation is the act of bringing more than one source of data to bear on a single point. The purpose of triangulation is to greatly strengthen the study's usefulness for other settings (Marshall C. &, 1989) (Yin, 2011) says that it is important that multiple sources are used to collect information with a view to corroborating the same fact or phenomenon. Also highlights the use of triangulation to address the potential problem of construct validity. Describes triangulation as a process of using multiple perceptions to clarify meaning, verifying the repeatability of an observation or interpretation.

In this research data triangulation was done by collecting data from different sources, from those different groups working at different levels who have an in-depth understanding of the issue under discussion. Data collected from each case were compared with each other to look for corroboration or discrepancies.

#### **3.6.2. Expert Judgement**

Member checks could be achieved by using the Delphi technique. This requires knowledgeable and expert participants individually responding to questions, the Delphi technique was applied in this research where the researcher, after collecting and collating views from all the participants, approached vocal participants and presented to them a preliminary finding on the emerging

patterns. The researcher then processes the contributions, looking for central and extreme tendencies, and their rationales. The results are then fed back to the participants. The participants are then asked to resubmit their views, assisted by the input provided by the researcher. This process continues until the researcher sees that a consensus has been formed .

## CHAPTER FOUR

### DATA ANALYSIS AND FINDING

#### 4. Overview

The previous chapter described the methodology by which this research was conducted and the data collected. This chapter documents and analyses data collected in interviews, observation and document analysis on the internal factors to the quality of e-banking services in the case of selected company. This chapter organization includes, background of the participants, brief description of the case, and analysis of the collected data in relation to the research questions.

##### 4.1. Background of Participants (Profiles of Participants)

As the aim of this research is to explore the internal factors to the quality of e-banking service, the participants are those who play the main role in this services delivery process and also considered representative accordingly. Participants are of different background, each with different years of experience at different positions in the company. It is believed that the participants represent the majority of the e-banking service in their field of expertise, years of experience and job qualification.

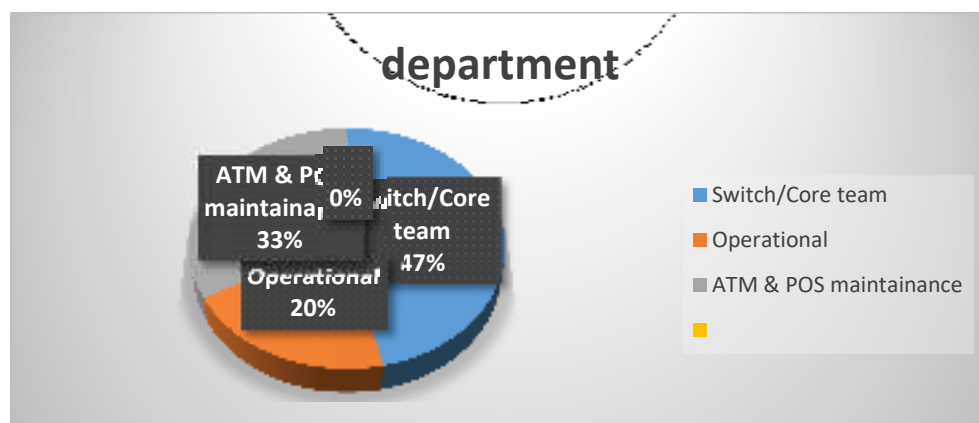


Figure 8: participant composition

As seen in figure 8 the majority of the selected interviewees are from technical IT department making up 80% of the partakers of the research, which includes both the switch/core and ATM/POS maintenance team members, allowing the information gathered to have more than substantial amount of IT perspective which is also reflected in figure 9.

Table 2: participant group code and description

Code	Description	Group
TM	Top manager Role in the company	TOP managers (TM*)
MTM		Technical
MOM	Middle operational manager	Operational
STO	Senior technical officer	Technical
JTO	Junior technical officer	Technical
OO	Operational officer	Operational

#### 4.2. Brief Description of The Cases and Case Company

CBE is the pioneer in introducing E-banking to the country; it is the first bank in Ethiopia to introduce ATM service for local users. Currently CBE has more than 20 million account holders and Active ATM card holders reached more than 5.2 million and As of December 31<sup>st</sup> 2018, 2361 ATM machine and 12,057 POS machines were available. The company comprised of more than 33,000 employees has nearly 100 dedicated to the task of e-banking. Automated teller machines (ATM) is an electronic telecommunications device that enables customers of financial institutions to perform financial transactions, such as cash withdrawals, bill payments, For-ex, fund transfer, mobile top up, Balance inquiry, etc. With the ATM card offered at this company, the external customer can bank 24 hours a day and 7 days a week. These ATMs are installed at convenient places, including branches, hotels, malls and other public places. Point of Sale Terminal (POS) is a computerized telecommunications device that provides the customers with access to financial transactions in a public space. Using POS, card holders or external customers can get the following services cash advance, various payments, fund transfer, mobile top up, bill payment.

Most CBE cards are visa branded debit card which are issued to facilitate the exchange of funds without paper or hard copy. This visa debit cards are either domestic or international. The domestic card is valid only in Ethiopia while the international card is used to make international transactions.

The overall benefits of the being a user of the visa cards is being allowed to make financial transactions, including withdrawal of money without the help of a human clerk, being able to access finances 24 hours a day and 7 days a week there is also no need to carry cash to purchase goods or services. It is not necessary to go to the bank every It is not necessary to go to the bank every time a customer need to withdraw money, they can access their accounts at any of the bank's ATM installed in various public places.. It is also statistically safe from theft and lose of money as opposed to carrying money around.

With the consideration that CBE is the number one bank in Ethiopia with around 60% of the market being dominated by it, the numbers mentioned for the resources dedicated to e-banking such as no of ATM's, POS devices and card holders are not as impressive, even the number of card holders in relation to the number of account holders is an indication that there is still much work to be done in the field of e-banking. There is a gap on the quality of services delivered to both internal and external customers & the company has entertained its fair share of customer complaints regarding the overall service provided.

### **4.3. Overview of interview presentation**

Based on the answers put forwarded by each participants, along with the already existing knowledge had by the researcher. Through the years of experience as a technical IT professional in the case company, the researcher was able to assess the current situation in the E-banking services delivery process, the level of current internal services quality and the factors that affect the internal quality of e banking services. Furthermore, the literatures reviewed when conducting this research were also a dominant factor of information as well.

During the data collection process the semi-structured interviews were begun with two questions designed to open an exploration that would generate substantive theory based on CBE's E-

banking employee's perception to the internal services quality. Therefore the data presentation is organized based on the two questions accordingly.

1. What is the current practice of the internal e-banking services in CBE?
2. What are the factors that affect internal E-banking services quality process?

The first question regarding practice of internal services quality was supplemented with sub Questions asking how they define the term internal services quality, and what experiences /perception they have on the current CBE's E-banking services quality. The respondents had strong opinions that there is a clear gap on internal e-banking services process quality and they were eager to discuss their insights about the importance of internal services quality, also reflect what experiences they would like to see more widely distributed in the organization.

The second question was intended to discover what factors or components of the internal services delivery process are seen as essential, or even critical, to the quality of internal e-banking services.

#### **4.4. Data Presentations**

This section details the evolution of the research theory as it unfolded from the collected data during the process of interviewing, note taking, coding, and generating substantive theory and themes. Therefore, the subsequent data presentation are guided by the research questions mentioned above. Along with result interpretation and selected finding obtained from participant.

##### **4.4.1. Current Internal E-Banking Services Quality Trend in CBE**

At the beginning of each interview all participants were asked to provide their understanding and attitude regarding the current CBE's trend in internal e-banking services quality delivery process, practices available in assuring the quality of internal E-banking service.

Participant response revealed that E-banking has become the backbone for baking business, it brings various benefits for CBE and for the customers as well. The growth of E-banking has

greatly helped CBE in controlling their overheads and operating cost .the rise of E-banking has made the bank more competitive and it also led an improvement of the banks performance, and better customer services and satisfaction.

Furthermore, Respondents confirmed that Currently CBE is working hard to keep up with latest technologies and to comply with international card baking standards by implementing new world class E-banking technologies and get certified by international payment systems standards respectively. For example CBE implement new world class payment switch (Base24-EPS and CMM products), also work with international payment network like VISA, MasterCard and CUP , implement latest card personalization machine which have a capability of producing cards, and also have ATM monitoring tool.

This led the bank to get acceptance, competitive advantage and compliance to national international standards.

As participants reflection about the current internal service process practice in CBE, its determined that even though CBE have implemented different latest IT service product and also recruit committed managers and employees who have engage in those IT services delivery process, but still CBE lacks effective and efficient internal IT services management process . Participants mentioned that they are not working in a structured manner meaning, there is no well-organized best practice implemented in CBE, which in return affects the quality of internal services delivered to the internal units and the overall quality of e-banking services. The participant recommends that the bank must shift its focus to the quality of internal services, which will definitely bring the quality of external services quality. The evidence used to prove these concepts from participants during the interview are presented below. As one of the TOP manager [TM\*] who work as a project manager on the new payment switch replacement project mentioned that:

*“ in the near future CBE have a vision to create cashless society to achieve this target E-banking plays the main role , in other word it’s the one critical driving factor, to do so CBE is working hard to move forward and achieve its mission by implementing new world class product, working with international standards, introducing and encouraging*

*its customers to use this modern way of payment channel over the traditional one . In addition to this since the services is at early stage the current CBE's main target is not get profit instead ,it's in order to change the tradition by providing an alternative payment channels like Point of sale (POS) for free unlike other country and encourage cardholders with some incentives to use new banking system over the traditional one .But I have also noticed that while working on the bigger target CBE gives less attention on the internal process management practices I believed that to achieve that higher mission all the internal components must work in coordination and structured manner .”*

Another participant (MTM) also put forward his perception on the current practice of the bank as follows:

*“more or less we have all necessary advanced e-banking products as an example you can take the new switch and the core banking that system CBE have implemented which are world class product also we can take our card personalization machine ,in addition to that there are a lots of latest middleware products and latest platforms , the DR site , latest ATM terminals. And the like. However having those latest technology only doesn't guarantee the quality of services delivery process there needs to be proper management of those available IT services products”*

Furthermore Interviewee [TM2] reflect his perspective on service quality particularly about internal service quality and the interviewee gave an in-depth insight. He mentioned that along with the available technology there are also other dimensions to be considered such as there are internal and external factors that are involves in E-banking service delivery process like partners or different stakeholders and government regulatory bodies.

*“Services quality determined by customer satisfaction, when I say customer is am not only referring external customers but there are also internal customers who serve the external customer. However the current strategic decision that CBE implements are focus on the external stakeholder's requirement and compliances like national bank and other international standards.”[TM\*]*

*“ However Services quality can't only be measured by the external customers but must it includes all participants in a services delivery process, for examples the government bodies, compliance and regulatory bodies and internal and external audits, internal organizational units(which contains frontline employees , back offices workers ,dependent departments etc.) this whole bodies have their own requirements or dimensions to measure the delivered quality of services .so if one services meets this all their requirement then we can say the we are delivering quality services. Therefore, meeting all this customers requirement is a bit difficult unless we work in coordination.”*  
[TM]

Again the other participant who is currently work as an operational manger in E-banking system define in internal services quality in his term:

*“Internal services quality is a key to external services quality and I think internal service quality is quality of internal process to deliver external services .Internal services quality can be achieved if internal teams are working in coordination within a team and between a team to deliver excellent service to other team.”*[OM]

*“...quality is a holistic process which is not achieved by an individual or a single component. To assure a quality of services first we have to identify the component that are directly or indirectly involved to this services to achieve this common goal each component must coordinate and become in sync otherwise we can't deliver a quality of services . So we have to see each component one by one. I think to rich at the maximum level of internal service quality banks employee and management must be aware of that and be capable to meet the requirement of depended component to do so there is a work to be done at the strategic level ”* [TM\*]

#### **4.4.2. Factors of internal E-banking services quality**

Given the above discussion on the current trend, the Respondent feedback indicates that more or less they have common understanding about the current trend, internal services quality and its importance. Which is there is ongoing processes to provide quality e-banking service .However; all argued that there is still a clear gap on the internal services quality in CBE E-banking services.

Each participant identified different core issues as a factor in delivering quality services, which discussed later in detail in the following section. Despite all those effort that CBE have made on E-banking service, respondent also reflect some of the difficulties /challenges that still persist on the e-banking service delivery process that are internal to the organization .during the discussion most of the respondent agreed that having latest technology by itself doesn't guarantee the quality of service delivered consequently there are other determinant factors should be considered accordingly.

As already discussed on the previous chapter (methodology section) the study followed the ground theory approach in order to explore the factors and construct the concepts accordingly. Which have three consecutive phases such as open coding, axial coding and selective coding.

##### **4.4.2.1. Open Coding (Conceptual Labelling)**

Once the interview transcript is ready by using Microsoft word database the researcher have made a close examination of each transcripts which involves comparing and contrasting of concepts and had begun identification of indicators.

According to (Corbin, J., & Strauss, A., 2008) open coding is the first phase of ground theory data analysis technique which is a process of collecting indicators that is, words, phrases, statements from the data, or observations . Open coding involves close examination of the data, breaking it down into parts, making comparisons, and questioning. During first phase of analysis the researcher formulate the following list of codes or indicators as mentioned by the respondent or as a representation of participants' statement or paragraph.

<ul style="list-style-type: none"> <li>• Work flow</li> <li>• Job description</li> <li>• Policy and procedure</li> <li>• Job satisfaction</li> <li>• Reward and motivation</li> <li>• Poor product implementation</li> <li>• Cost</li> <li>• Time</li> <li>• Lack of cooperation (coordination)</li> <li>• Lack of managerial skills</li> <li>• IT Governance</li> <li>• Clear job responsibility</li> <li>• Consistent knowledge tracking system</li> <li>• Fire fighting</li> <li>• Maintenance</li> <li>• Lack of proactive measures</li> <li>• Multi _disciplinary</li> <li>• Automation</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Resistance to change</li> <li>• Lack of knowledge</li> <li>• SDT</li> <li>• SLA</li> <li>• OLA</li> <li>• experience</li> <li>• Organizational structure</li> <li>• International standard</li> <li>• Strategy</li> <li>• Employee empowerment</li> <li>• Recognition</li> <li>• Infrastructure readiness</li> <li>• keeping up with technology</li> <li>• having the right people in the right positions</li> <li>• Job classification</li> <li>• System monitoring</li> <li>• Team member composition</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of stable network</li> <li>• Power interruption</li> <li>• Fear of responsibility</li> <li>• Product Requirement specifications</li> <li>• Requirements for venders</li> <li>• Bench marking</li> <li>• Extensive UAT</li> <li>• Stakeholder involvement</li> <li>• Product Maturity and stability</li> <li>• Verdure dependency</li> <li>• Poor communication</li> <li>• HR management</li> <li>• Innovation</li> <li>• Proper documentation</li> <li>• Team organization</li> <li>• Skill</li> <li>• Lack of venture instant support</li> <li>• Quality monitoring</li> </ul>
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Table 3: List of initial codes formulated during open coding phase

The purpose of identifying the concepts was to use them to generate categories. The above list appeared to need much work in both grouping concepts and in breaking down concepts to allow the data to generate set of categories and be capable of containing the most important or most distributed indicators.

(Corbin, J., & Strauss, A., 2008) also explained that open coding of indicators and concepts is analytic, and that process is supplemented by comparing and contrasting, which facilitates the

possibility of re-grouping indicators and concepts into more beneficial concepts and, ultimately, categories. A concept is analytic if it is abstract enough to be analysed into properties or characteristics, it is sensitizing if it produces a picture that facilitates an understanding accessible through personal experience.

In the following sections, the researcher will provide narration for the first phase of coding for each of the concepts, examining and analysing the indicators initially clustered with each concept.

Thus the from the above list of codes the study come up with 8 main “core” category which contain sub initial concepts based on their concept similarity. The researcher will show the evolution these nine concepts in detail in the next section.

#### **4.4.2.2. Axial Coding (Identification of Core Category)**

According (Corbin, J., & Strauss, A., 2008) coding process with the inclusion of axial coding as “increasingly dense conceptualization” in which linkages of categories will “eventually” lead to identification of the “core” category.

Axial coding involves identifying a final set of categories and relationships among them. In the case of this research process, axial coding was evolved through analysis and identification of codes with concepts as possible categories, the clustering of concepts, and the identification of relationships among concepts all while searching for a set of unifying categories. Categorization Involves an inductive building up from the data and identifying indicators and concepts and grouping them into categories that are of greater abstraction.

As the researcher worked through axial coding, nine categories are emerged from the process which contain sub factors based on their concept similarity and relationships. The researcher will show the evolution these nine concepts in detail. As (Marshall, C., & Rossman, G. B., 1999) have said that process is impossible to describe or narrate with 100% accuracy since the axial coding phase actually overlapped the open coding phase. Nonetheless, I have included evidence from the interview transcript to strengthen the ideas that bring the core concept during the axial coding process. The nine core categories that derived from the above list of concepts or indicators are.

- Poor product implementation process
- Technological capability
- Management commitment
- Strategic factors (Organizational capability)
- Knowledge gap
- Lack of communication
- Poor team organization
- Vendor or supplier management

The process of analysing concepts confirmed many of the identified indicators and led to new properties as well. And another reading of the transcripts added to the list of properties and indicators. This set of concepts was characterized by some overlap that demonstrated the need for analysis and re-grouping into categories. In the following sections the study provided step by step narration for the first phase of coding for each of the nine concepts, examining and analysing the indicators initially clustered with each concept.

**Poor product implementation process (project management)**

Table 4: Form codes to concept- (product implementation process)

Initial coding (indicator)	Core Categories
Lack of benchmarking Requirement gathering and specification Infrastructure readiness Stakeholder involvement Lack of proper planning (budget ) Proper training and knowledge transfer Multi-disciplinary Resistance to change	product implementation process (project management)

project implementations can fail for a number of reasons ranging from unrealistic expectations, poor methodology, poor requirements, inadequate resources, poor project management,

untrained teams, unrealistic budgets, poor communication and more. With such a long list of factors that can lead to failure, the chances of project implementation success seems low. Those chances can be improved by adopting best practices. These will help establish a clear understanding of expectations among all the stakeholders. When Project Managers plan implementations, they often do not adequately anticipate failure despite the risks associated with any project. Rather, they plan for the best case scenarios driven by the budget, deliverables, sponsor expectations and deadlines. And despite their best efforts at project management, failure rates remain high. There should be no barriers either between the business & development team or with third-party vendors. All stakeholder interests should be aligned with the common goal of project success.

Most respondents reflect that there were major gaps during the implementation and transition of e-banking payment product. all the factors mention as initial code to the concepts Poor product implementation process (services design ) are list of factors that raised by the respondents in relation factors to effective the product implementation, some evidence from the respondent are attached here with :

This study confirmed that training and competencies of involved stakeholders in E-banking switch implementations project was critical for successfulness of the implementation. This factor was discussed by all of the interviewees. Participants has discussed this factor as follows:

[STO1] point out that training is one of the process that should be considered during IT product implementation. The familiarization or training to the team about the product or service which going to be implemented must be an integral part of product implementation process. He believed that:

*” ...extensive training will improve the way a service is delivered. It’s one of supporting factor that is required for the successful implementation of quality service. ”*

In the conversations with participants most of them questioned the effectiveness of the activity performed regarding infrastructure readiness before the product implementation has started .they

believed that this cause a problem on the effective implementation and later on to the quality of delivered external services and internal services as well.

*“... I believe currently minimal activity is performed regarding infrastructure readiness before the product implementation is started, as the product specification requires. plus there must be pre-defined threshold that trigger an alert before some incident has happened, in current practice we noticed the problem after it had an impact on the operation, for example sometimes our application encounter serious incident like due to limited storage problem and performance which is caused by lack of automated monitoring tool”[STO2]*

*“...before we implement one product we have to have clear platform requirement and infrastructure readiness, in CBE when we try to implement standard products we fail in the infrastructure readiness and platform compatibility. So to avoid such gaps from the very beginning we should check each and every platforms compatibility and their performance”*

As the respondents' feedback indicated, lack of stakeholders' involvement were one of the key problem during the implementation, which also inherited to the internal service quality after the handover to the operation.

*“each stakeholders must be involved in every steps of product implementation , from the product identification to testing otherwise we can't meet end to end requirement and achieve the services quality , in CBE sometimes some internal stakeholders doesn't even know new product is about to implement . IT Project by its nature it's multi-disciplinary, the project team must involve members from different background. This lack of stakeholder involvement cause new requirements to be forwarded after the implementation which incurs additional cost and time and also compromise the quality delivered to internal units.” [MTM, OM]*

*“While the implementation and even after that there was continuous requirement improvement and every time there is new customer demand and requirement. To entertain this requirement there was time and cost constraint due to their customization cost that is missed during to the project plan this again affect the internal quality”*

The another indicator identified by the interview participant is benchmark which is considered by both managers and technical respondent.

*“Having standard product technology doesn’t prove there is quality services the bank should see benchmarks to crosscheck what experience other companies have with the same product. And the drawback when it’s come our organizational culture.”*

Based on the above respondent’s reflection on the factors the researcher grouped them under one concept called Poor product implementation process (project management).

### **Technological capability**

Table 5: Form codes to concept- (Technological Capability)

Initial coding	Concepts
Lack of stable network Power interruption Lack of the right Resource specification Keeping up with latest technology Availability Centralized System Monitoring Multiple platform Automation	<b>Technological capability</b>

Technological capability includes sophisticated and integrated tools provided by management to employees to free them from routine tasks so that they can devote more time to customers .Technological capability may also produce positive affective responses by employee because information technology has the potential to streamline processes, make procedures more accurate and efficient and reduce the risk of human error (Dabholkar, 2000)

Most interviewees made it clear that there is technological capability or related issues which originally occurred due to the infrastructure available in CBE or the nature of the technological product which they are using to deliver the e-banking services. Respondent believed some factors are something external to CBE such as the power interruption and stable network. But they also reflect that it can be managed by CBE to minimize the impact to acceptable level. Whereas the rest technological problems are completely internal to bank which is caused by poor IT product management and integrity problem.

Almost all participants indicated lack of integration and automation tools, and shortage of budget for training on the technological product are observed as important factors. The current technological capability of the bank, which in turn causes a potential impact on internal quality of e-banking services.

For example, one of the participants mentioned that having multiple platforms as a factor to internal e-banking services quality. In fact, having many technological platforms is not a problem but failing to manage their integrity is a real problem to quality services delivery. At the time of failure, reaching each interface owner and investigating the root cause quickly is not as such easy. Hence, they forward their recommendation that having a centralized monitoring system is a must.

*“One of the factors in Internal E-banking services delivery process is having many platforms. To fully deliver the e-banking services it needs to interface lots of platforms which might be internal or external interfaces. For example, so when we implement e-banking system there was a difficulty of interfacing with many dependent platforms like core banking HSM, card production, internal modules, ET-switch, different international card schemes etc. Failing to interface any of them highly impacts the services quality”*

*“CBE have lots of platforms that interface each other, normally having multiple platform by itself have its own factors, on top of that lack of centralized monitoring tool is another headache, currently CBE is used independent monitoring tool for each specific system”*

The operational manager identified automation as one factor that currently impact the quality of internal e-banking service .

*“ considering all the available technology ,there are still some internal operational works which done are manually, as I have explained before the bank focus is on the quality of final output not on quality internal process .so it’s better to have some automation tools that helps us to do our jobs easily and effectively like such as automated case tracking system , reporting and monitoring tools are the vital to enhance the internal quality ” [OM]*

*“the other technological /technical problem I have noticed is not knowing the exact requirement of the technological product in terms of different resources like processor , storage , server even man power and their prerequisite skills . there requirement specification was poor ,in my opinion before one product is purchased or implemented is there need to be expensive requirement gathering and also performances test must be done before every products work live “[STO]*

*“As a bank there is infrastructure problems there is many down times due to network interruptions, power and database connection .due to this problem we cannot get/ deliver prompt the internal services support at the time of failure.[TO]*

### **Management Commitment**

Initial coding	Concepts
Employees motivation Recognition Top management direction and decision making Communication Empowerment Training Lack of clear Job description	<b>management commitment</b>

Table 6: Form codes to concept- (Management commitment)

A closer look at the above indicators that grouped to that lack of top management commitment 'core' category such as lack of motivation and recognition , lack of knowledge and expertise, lack of communication and cooperation, lack of empowerment , and lack of effective top management decision making skill and give the right direction . These factors were expressed by the interviewees in different terminologies but with similar concepts.

Most respondent participating in this research identified lack of clear job descriptions an essential factor in efficient delivery services to other organizational unit or inter team. They pointed out that there might be a document which contains such job description at the organizational level but its practicality is questionable. It should be revised and effectiveness should be monitored accordingly. They also reflect that following the world best practice will help the bank to come up with better employee management.

*“There is no clear procedure we have communicated that shows tasks and their responsible team. Which kind of tasks should be assigned to technical team which are not? In our company I have observed that there are some employees who take collective responsibility.”*

*“often b/c of no clearly defined responsibilities some jobs are left un done or some issues unaddressed .the internal staff is not well informed and trained outside of the people who are responsible for that specific task(technical staff) other employees who's job are related to the system are not well informed which makes them expect every little thing from the technical team even the things that are not technical. as the result the technical team is forced to support them and even do their jobs”*

*“there is no clear job description and responsibility within a team a lot of jobs are done with few people the rest are may be ideal or having a few routine tasks which can't even compare to those hard working staffs this situation also have a great impact on the services quality . As a big state owed organization such high risk responsibilities can't be left for individuals there must be strong team building clear job description.”*

Therefore from the above evidence presented there is lack of clearly defines roles and responsibilities ,in other word lack of enforcement of those contracts points to the gaps in the organization and can surly considered as a factor to internal services quality.

For instance, [TO] explained the problem in terms of lack of continuous follow up and communication, [STO] explained the problem in terms of lack of adequate resources utilization, and [STO2] stated the problem in relation to work load resulted from not assigning the right number and competent employees. This showed that although the problem was stated in different terms, the concepts explicitly indicate the lack of top management support and commitment.

For example Most interview participant acknowledged that Communication was important and probably critical within the quality service context, it's almost addressed by all interviewees. they felt that the key issue around Communication had been dealt with and included in the parent factor of Management Commitment.

The respondent statement about the gap in top management support for successful internal services quality quoted as follows:

*“There is management issue they must be capable enough to guide as to on how can we use our maximum effort to utilize our capability and the resource available as well I don't believe we are using the available product efficiently.” [STO]*

*“in CBE there is enough technology and skilled staff but they are not motivated to exert their maximum potentials. There is no motivational action like recognition and reward when there is well done or great performance .plus there staff didn't get extensive training to improve their skills .” [STO2]*

*“in the bank specifically in our team there is less strict management ,there is a communication ,guidance and motivation gap In my assumption managers must know each and every tasks that we are assigned and they must give as a direction on they must*

*have good decision making skills ,and I expect recognition and appreciation when am performing great and lecture me when there bad performance on my assignment ”*

Similarly one of senior technical It officer has addressed the importance of top management support for employees’ motivation and effectiveness as follows:

*“I think I can do better, but there is lack of recognition and appreciation on the work we have done from the upper management, this discourages employee from constantly delivering quality services.”*

*“Without fulfilling the basic need of the employee and keeping up the moral of the staff, how can the expected staff performance achieved ”*

**Strategic factors (Organizational capability)**

Table 7: Form codes to concept- (Organizational Capability)

Initial coding	Concepts
<ul style="list-style-type: none"> <li>✓ Organizational structure</li> <li>✓ Organizational risk appetite</li> <li>✓ Organizational culture</li> <li>✓ Immature IT governance</li> </ul>	<p><b>Strategic factors Organizational capability</b></p>

From the respondents feedback forwarded to Company culture and organizational structures were all interrelated and it’s much better to be provided under strategic factors group. Respondent have common agreement about the importance of internal service quality in an organization. And the points the bank lack at strategic level But they use different terminology to reflect the same idea so those factors labeled to under initial coding of Strategic factors (Organizational capability) category are almost circling the practices or the organizational strategy towards the current internal services quality.

Organizational capabilities defined as a high-level organizational processes that include the Capabilities to develop repetitive activity standards, also called routines. Capacities are developed through the complex interaction of material and non-physical resources that takes long time (Gusberti Tomoe D. Hamanaka & Claudia Viegas , Echeveste Márcia E. S , 2013).

(Kelchner, 2019) An organizational capability is a company's ability to manage resources effectively to gain an advantage over competitors. The company's organizational capabilities must focus on the business's ability to meet customer demand. In addition, organizational capabilities must be unique to the organization to prevent replication by competitors. Organizational capabilities are anything a company does well that improves business and differentiates the business in the market. Developing and cultivating organizational capabilities can help small business owners gain an advantage in a competitive environment by focusing on the areas where they excel.

*“Due to Organizations risk appetite alike private banks CBE give priority to national policy and procedure compliance .Private banks since they are profit oriented banks their business focus on customer attraction and satisfaction sometime they might not work on the procedure to satisfy their loyal customer . This also have high impact on the internal quality as a whole.”*

*“CBE lacks the effective It governance strategy towards defining IT policies and monitoring the effectiveness of defined policies”*

*“In fact CBE is about to implement new organizational structure. But the former structure lacks lots of things, inter team organization is very poor, from the new structure I expect well organized team building and very strong quality assurance and monitoring team” [OM]*

*“...in CBE there is no continuous quality assurance or monitoring the main focus of the bank is on the national policy and procedure not on the continuous improvement ...in fact there is quality assurance and strategy department but I don't think they are doing*

*their best no one comes and checks the quality of our jobs and our performance unless there is unexpected or major incidents happens , there less practices on preventive mechanism or early maintenance to avoid such failures and improve the level of services delivery “[TO]*

**Knowledge gap**

Table 8: Form codes to concept- (Knowledge Gap)

Initial coding(indicators)	Concepts (categories )
<ul style="list-style-type: none"> <li>✓ Learning and training</li> <li>✓ Inconsistent knowledge management</li> <li>✓ Experience/ expertise</li> <li>✓ Knowledge sharing across the team</li> <li>✓ Employee empowerment</li> </ul>	<p><b>Knowledge gap</b></p>

During the interview most respondents reflect that the emphasis was always on following procedures and rules. Most of the time management always expects every jobs to get done and find it at the table in regardless of how .Most of respondent believed that there is a need of Training and Learning to equip internal staff with the skills necessary for their jobs. In particular, it is necessary to learn how to understand and think like customers so that their needs and demands could be met more Satisfactorily.

Similarly, lack of knowledge and expertise was explained in different phrases with similar concepts or ideas.

One of participant explained the concept of training and gave her insight about its importance like “training is a process that would ensure delivered products or projects achieved or continued to achieve the intended purposes and were used in the intended way”.

Moreover one of the top manager who work on the product implantation also mentioned that “Training is important for the long term benefit of an organization when it came to the delivery of quality service which can contribute to the success of long term quality service delivery.”

As one of technical team member explained, he believed that” *IT technical team members are the ones who have to deliver the service. Implying they are the key persons to judge what the best quality service is offered to internal users. Therefore it is necessary for those employees*

*to be empowered to deliver quality services. it could lead to employees taking initiative which would be instrumental in delivering quality service.”*

*“The Product that we are implementing is lacks maturity and stability. Because of the lack of knowledge on application we need more training. “*

*“...in CBE there is no consistent knowledge management system and incident tracking system every time when an incident occurred the assigned person tries to solve in his /her own way . the reoccurrence of the same problem is also managed in the same way . But if there is a proper management of this knowledge it would be easy to track incidents easily and also helps to investigate the root cause for the problems happen frequently”*

### **Lack of Communication**

Table 9: Form codes to concept- (Lack of communication)

Initial coding	Concepts
<ul style="list-style-type: none"> <li>✓ (SPOC) single point of contact</li> <li>✓ NO defined SLA and OLA between internal Teams</li> <li>✓ End to end (alerting )regarding new release</li> <li>✓ Informal work flow</li> <li>✓ Lack of cooperation or integrity</li> <li>✓ Lack of SDT(services delivery time)</li> <li>✓ Clear requirement and expectation</li> </ul>	<p><b>Lack of Communication</b></p>

According to (Sengupta, 2000) The role of communication has important implications theoretically and managerially in the services industry. Communication quality is operationally defined as the degree to which the content of the communication is received and understood by the other party in the relationship.

During the interview almost all the participants made it clear that Communication is a key concept of many more abstract factors mentioned in the above table. So it’s considered activities such as lobbying, getting support on incidents, informal flow of tasks, services delivery, having

proper SDT, SLA, OLA and integrity are all part of communication. Hence, It would unwise to not consider communication as a standalone factor or as core category.

Communication meant both two-way vertical communication between manager and subordinates, and two-way horizontal between line managers and between team members. One of the respondent mentioned that :

*“There must be formal way of communication which must be based up on procedures. In our team there is gap on a communication practices like in what way should we ask any service request from other team. The current practice is purely informal this have a great impact which affect the quality of services delivery process” [OM].*

Also he believed that Communication could be used to establish correct understanding of the Needs of the internal customers.

[STO3] also state that Communication was a critical factor as she said *“it is critical to ensuring requirements and expectations are clearly known, without good communication, it would be hard to achieve internal service quality currently in CBE.”*

*“Communication between teams are not framed or structured based up on SLA or OLA, there is no OLA between CBE IT, district and business team.”*

*“There is understanding and communication gap to easily communicate and solve every little issues with our internal teams like operation team and business team. They know their subject very well and they expect us to understand the case as of their understanding, the same thing is happening in reverse their IT/technical Knowledge is very limited so that they can't understand our concerns”[TO1]*

*“ ..in the current practices minimal attention is given to the operation team, end to end communication must be in place for example ,when there is new change , or incident occurred on the product there is no proper ways of notification to all internal teams ,we*

*just noticed after it affects our operation. Sometimes it creates misunderstanding and dissatisfaction on quality of services delivered ”[OO]*

### **Verdure or supplier management**

*Table 10: Form codes to concept- (Vendor or supplier Management )*

Initial coding (indicators)	Concepts
<ul style="list-style-type: none"> <li>✓ Culture difference</li> <li>✓ Communication</li> <li>✓ Excellent Requirements specification</li> <li>✓ Lack of proper knowledge transfer</li> <li>✓ Lack of instant verdure support</li> </ul> <p>Vendor dependency</p>	<p><b>Verdure or supplier management</b></p>

According to Gartner’s definition, vendor management is *“a discipline that enables organizations to control costs, drive service excellence and mitigate risks to gain increased value from their vendors throughout the deal life cycle.”*

Excellent vendor management allows organization to build a successful and stronger relationship with suppliers or service providers. These partnerships will not only strengthen both businesses, but also allow to focus on building and delivering products and services at the optimal level of quality and add value to your clients .And avoid deal and delivery failure.

The operation manager pointed out that important to have all of the requirements laid out on the table for our vendors at the start of the project. Unclear or incomplete requirements are one of the biggest issues managers face during vendor management.

[OM] *“We were not providing a full set of requirements that provide a clear understanding of what needs to be done, what the final product should be, to our vendors. There was happened due to misunderstanding between business requirement and actual technical implementation, which incurs additional cost for customization and customer dis satisfaction as well”*

Again the above idea is strongly supported by the project manager [TM\*] we have to know to what extent the verdure engagement will continue, to what extent are we dependent on the suppliers did they give us enough and on time support, and make sure our requirements are clearly understood by them also their feasibility as well.

*“We have limited knowledge on the product we have used let alone the improvement, we need proper training on the operational level knowledge on every platform . So we are highly dependent on the vender support .with the current knowledge we can’t maintain even the current quality.”[STO2]*

**Lack of team work**

Table 11: Form codes to concept- (Poor Team Organization and Teamwork)

Initial coding (indicator)	Concepts (categories )
Having the right people in the right position Capability composition(multi-disciplinary) Experience lack of coordination	Team organization and team work

A team is defined as a group of people with a common, collective goal. This goal aspect is very critical in the team. Teamwork is a fundamental element of internal quality because a team not individuals that produce products and provide services. This consequently makes peak performance and continual improvements.

One of Respondent mentioned delivering service quality relies on people. Therefore he believed that *“Teamwork is critical factor to ensuring everyone in the team was working together in a coordinated manner to achieve this common goal.”[STO1]*

He observed that there is a problem of team work, by explaining that the majority of service delivery was handled by individuals in a team member and therefore it have a great impact on

quality of services delivered, he believed that tasks had to be delivered by teams with multiple skills and therefore Teamwork is important factor in the delivery of quality e-banking services.

*“There is lack of coordination and collaboration between consolidation team while working on development and resolution when there is new release or deployment. There is lack of end to end coordination and notification .plus no structure available to manage such changes. In fact there is document procedure but there is lack of proper enforcement “[TO1]*

One of senior IT officer pointed out that *“no internal quality service could be delivered without good teamwork as many IT projects were multi-disciplinary. This required close cooperation between team members and extensive refinement to deliver quality work.”*

**Data Analysis summary**

All the above three phase of ground theory analysis result is summarized and presented in the below table.

Table 12: Summary of Ground theory Evolution

Initial Open coding	Axial coding
<ul style="list-style-type: none"> <li>✓ Lack of benchmarking</li> <li>✓ Extensive UAT</li> <li>✓ Infrastructure readiness(capacity )</li> <li>✓ Stakeholders involvement</li> <li>✓ Requirement gathering and specification</li> <li>✓ Product maturity and stability</li> <li>✓ Lack of proper planning (budget )</li> <li>✓ Proper training and knowledge transfer</li> <li>✓ Multi-disciplinary</li> <li>✓ Resistance to change</li> </ul>	<ul style="list-style-type: none"> <li>• Product implementation process</li> </ul>

<ul style="list-style-type: none"> <li>✓ No centralized operational support (SPOC)</li> <li>✓ NO defined SLA and OLA between internal Teams</li> <li>✓ End to end (alerting )regarding new release</li> <li>✓ Informal work flow</li> <li>✓ Lack of cooperation or integrity</li> <li>✓ Lack of SDT(services delivery time)</li> <li>✓ Clear requirement and expectation</li> </ul>	<ul style="list-style-type: none"> <li>• Communication</li> </ul>
<ul style="list-style-type: none"> <li>✓ Organizational structure</li> <li>✓ organizational risk appetite</li> <li>✓ organizational culture</li> <li>✓ Quality monitoring and assurance</li> <li>✓ Immature IT governance</li> <li>✓ Lack of proactive problem management(fire fighting)</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic factor (Organizational capability)</li> </ul>
<ul style="list-style-type: none"> <li>✓ Lack of stable network</li> <li>✓ Power interruption</li> <li>✓ Lack of the right Resource specification</li> <li>✓ Keeping up with latest technology</li> <li>✓ Availability</li> <li>✓ Centralized System Monitoring</li> <li>✓ Multiple platform</li> <li>✓ Automation</li> </ul>	<ul style="list-style-type: none"> <li>• Technological capability</li> </ul>
<ul style="list-style-type: none"> <li>✓ Learning and unlearn training</li> <li>✓ Resistance to change</li> <li>✓ Inconsistent knowledge management</li> <li>✓ Experience</li> <li>✓ Knowledge sharing across the team</li> <li>✓ Employee empowerment</li> <li>✓ Proper knowledge transfer from vendors</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge gap</li> </ul>
<ul style="list-style-type: none"> <li>✓ Employee motivation &amp; Recognition</li> <li>✓ HR management (internal marketing)</li> </ul>	<ul style="list-style-type: none"> <li>• Management commitment</li> </ul>

<ul style="list-style-type: none"> <li>✓ Empowerment</li> <li>✓ Training</li> <li>✓ Communication</li> <li>✓ Empowerment or training</li> <li>✓ No Defined roles and Job responsibility</li> <li>✓ Job break down/ Job classification</li> <li>✓ Collective responsibly</li> </ul>	
<ul style="list-style-type: none"> <li>✓ Experience/skill</li> <li>✓ Individualism</li> <li>✓ Multi-disciplinary</li> <li>✓ Having the right people in the right position</li> <li>✓ composition(multi-disciplinary)</li> <li>✓ lack of coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Teamwork &amp; Team composition</li> </ul>
<ul style="list-style-type: none"> <li>✓ Excellent Requirements specification</li> <li>✓ Lack of proper knowledge transfer</li> <li>✓ Lack of instant verdure support</li> <li>✓ Vendor dependency</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor Management</li> </ul>

## CHAPTER FIVE

### DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

In this chapter discussion of results, conclusion based on the basic questions of the study, and some reasonable recommendations were made. The discussions were made by relating the explored factors with the theoretical literatures done previously to provide an empirical evidence of the study result.

#### 5.1. Discussion

The discussion is presented in a way to the answer the research question mentioned before. This section presents the overall discussion of factors affecting internal e-banking service quality and relating the results with the theoretical literature.

##### ➤ **What is the Current practices in Internal E-banking services delivery process?**

The research finding revealed that the bank has lots of ongoing practices that are done in order to improve the quality of e-banking service quality .However; the practices are not framed by the best practice, which causes the problems on the current quality of service delivery process between the organizational units of the selected company. As can be observed on the above summary of the ground theory analysis result table (Table 13), the factors that were identified and discussed by most of the interviewees also confirmed the by result some of the researches reviewed on the internal services quality. These factors are lack of top management commitment, knowledge gap, poor product implementation process, lack of communication, organizational capability, technological capability and poor team organization and teamwork, and vendor management. This implied that these factors are predominant to internal services quality implementation processes. In other words, these factors are major factors to the implementation of Internal E-banking services quality in the context of our country particularly for the case company. Each factors can be further elaborated below and detail preposition for each factors will be presented.

➤ **What are the Factors that affect the quality of E-banking services?**

**Product Implementation process**

The result of this study revealed that product implementation process is identified as main factor that affect the current quality of internal e-banking services in different way. As mentioned by the participants this category contains such a long list of indicator that can lead to this core factor.. As the above analysis result implied inadequate planning, poor requirement specification, lack of stakeholder involvement and minimal attention given to the infrastructure readiness are among the initial factors that led to this poor product implementation process as a core factor .This in turn highly affect the current quality of internal service quality which incurs more load on the internal customers and impact their satisfaction .This result also supported by Managers they often do not adequately anticipate. Rather, they plan for the best case scenarios driven by the budget, deliverables, sponsor expectations and deadlines. And despite their best efforts at project management, failure rates remain high. (Sunil, 2014) Also states that the stakeholder involvement stakeholder interests should be aligned with the common goal of project success in that case there should be no barriers either between the business & development team or with third-party vendors. (Sunil ,2014) product implementations can fail for a number of reasons ranging from unrealistic expectations, poor methodology, poor requirements, inadequate resources, poor project management, untrained teams, unrealistic budgets, poor communication and more. With such a long list of factors that can lead to failure, the chances of project implementation success seems low. Those chances can be improved by adopting best practices. These will help establish a clear understanding of expectations among all the stakeholders Considering both the above discussion and related empirical work evidence and result it's clear that poor product implementation process was the main determinant factor to the current internal services quality. Organization must give it an attention in order to have improved internal service quality. Therefore to emphasize its importance the below preposition is provided by the researcher.

**P1:** Successful product implementation is the base for the internal e-banking service quality .

## **Management commitment**

“*Management commitment*” is the one among the explored factors in this study. In addition to the justifications given by the interviewees about its importance the criticality of top management commitment had been justified by different researchers mentioning some basic issues. Many authors have further developed the concept of internal marketing which highly encourage top management commitment. Their belief is that, management of the company should treat their employees as customer. The high loyalty is based on the high satisfaction with the working environment which can also lead to high quality performance. Management should make a great job and build a good relationship with their employees, because only by doing so, the management can then expect for an excellent level of services which will be delivered finally to the external customers.

Supportive management characterizes management concerns and support for employee work and represents the degree to which they create a facilitative climate of support, trust and helpfulness (Hartline, 2000). As employee perceive greater support and authority from management, their effort will increase as well as their sense of obligation to reciprocate. for example, supportive management environment builds organizational commitment and job satisfaction and enhances employee performance.

(Janet, 2018) Identified three indicators of management commitment to services quality in a study of retail banks. These are training, empowerment and rewards/recognition .The presence of training program sends a strong signal to employees regarding top management’s commitment to service quality .It has a direct impact on employee job satisfaction because of its role in developing skills to handle service failures effectively. Other studies have also demonstrated that employees are more committed to organizations that invest more in training programs (Babakus, 2003). Rewards are not only important in incentivizing employees to deliver high quality services, they are also important in motivating them when dealing with customer complaints (Ugur Yavas, 2003). Therefore considering the participants justification given in the previous section along with the other researcher support the researcher strongly believed that the

“management commitment” is among the factors the organization should focus in order to improve the internal services quality. The researcher proposition is forwarded as follow

**P2:** management commitment is among the factors the organization should focus in order to improve the internal services quality.

### **Technological capability**

The finding of this paper indicates that technological capability is considered as a one of the factor to internal e-banking services quality. As it has a strong involvement in service delivery process it should be improved and monitored periodically. The nature of a long term commitment of the technological capability creation and accumulation requires a huge considerable effort from a company to realize the effects of technological capability have on performance measures in every aspect while gaining competitive advantages and sustaining commercial success.

In previous work many researchers state that technological capabilities is fundamental for organizations competitive advantage. The analysis of technological capability has been considered important, and can be understood as a comprehensive set of an organization’s characteristics, which facilitate and support its technological innovation strategies (Pavitt., 1993); (Lall S. , 1992). It can be understood as the skills and knowledge needed to use or operate existing technologies or production systems, or the ability to change or innovate technologies and production systems.

According to (Robert A. Burgelman and Andrew S. Grove, 2004), technological capabilities are fundamental for companies to acquire competitive advantage because it involves application and integration of existing technologies. (Chen, I.J. and Paulraj, A., 2004) Suggest that technologies and technological capabilities require careful analysis because they can present both advantages (such as improving product quality and reducing costs) and disadvantages (such as cost of investment for operation and need for large volume production).

Therefore the below proposition made by the researcher implies technological capability is among the factors affecting the internal e-banking service quality that the bank needs to do more work to improve the quality of internal e-banking and the overall internal IT services

**P3:** Technological capabilities is fundamental factor to improve the quality of internal e-banking services delivery process.

### **Lack of Communication**

The result of the study indicate that communication is one of the key factors in the process of implementing internal e-banking services quality .As the its observed in the evidence found from this research result it's clear that in CBE communications within different departments and between departments among employees are not that effective and lack of communication is the major factor to internal services quality. End to end communication is a must to be able to deliver quality internal services .The researchers also argue that Internal Communication plays a very important role in the internal service delivery. In order to minimize service failures and remove obstacles, internal customers should be more active in the action of internal communication. It also offers a possibility for improvement. Since only the internal customers know exactly what they really need, they should communicate their needs and expectation to their internal service suppliers in a formal procedure .Also it must be documented clearly and distributed all internal service suppliers to be signed as SLA and OLA between inter departments keep this document as a ground from communication. It is important for the internal customer and internal service provider to know each other and to understand each other's responsibility and expectations. One the other hand, such proper and effective internal communication system can avoid the situation that the internal service provider overfills the requirements of their internal customer. As the result, internal service process will be more effective and result quality of internal service. (Chang H. , 2012) States that internal communication should be implemented among the right internal customers and the related internal service supplier, all or at least part of the real internal customers and suppliers involved in the internal service chain should participate in the discussion of plans, process, and problem solutions and so on. Furthermore, internal communication has the function of knowledge and experience exchange, it is a very important part of internal service process. The knowledge, experiences and company philosophy are mainly

spread between different departments through this internal communication. It makes significant sense for the new employees involved in the internal service chain. The new member will join in the process and understand the philosophy through different types of internal communication.

**P4:** communication is a significant factor to improve the internal e-banking services quality.

### **Knowledge gap**

The result of the study implies that knowledge gap exist between the team and within the team involved in e-banking service delivery process is decisive factor to the internal quality of the services. Lack of training and proper incident tracking system are the major indicators for the factor. Employees' knowledge, expertise, and skills determine the level of performance and, in turn, lead to delivery of excellent internal e-banking service quality and service quality.

**P5:** knowledge gap exist between the team and within the team involved e-banking service delivery process is decisive factor to the internal quality of the services

### **Teamwork & Team composition**

This study revealed that team composition and teamwork is among the key factors affecting internal e-banking services quality. This factor has a potential impact on organizations' internal services quality. Furthermore researcher strongly believed that teamwork is a fundamental element of internal e-banking service quality because it is organizations not individuals that produce products and provide quality services. This consequently helps to makes peak performance and continual improvements on the quality of internal services delivery process to internal units. Consequently choosing team members wisely or having diverse team composition is equally important. It involves strategy for selecting team members .Teams should be composed of those people who are most likely to able to satisfy the team's mission efficiently and effectively. Cooperating together on tasks reduces workloads for all employees by enabling them to share responsibilities or ideas. Teamwork also reduces the work pressure on every employee, which allows to be thorough in the completion of the assigned roles effectively therefore such kind of environment will give a chance to deliver internal quality services.

**P6:** Teamwork and team composition has potential impact on organizations' internal services quality.

### **Vendor Management**

Justifications made in previous section indicated that effective vendor management has important role for internal services quality. Consequently, the evidence from participant's perception revealed they are highly dependent on their vendors, this in turn reduces the efficiency of the internal e-banking services quality delivery to internal customers and external customers as well. Good vendor management allows organization to build a successful and stronger relationship with suppliers or service providers. These partnerships will not only strengthen both businesses, but also allow to focus on building and delivering products and services at the optimal level of quality and add value to clients .and avoid deal and delivery failure.

**P7:** Effective vendor management has important role for internal services quality, high vendor dependency reduce the efficiency of the both internal e-banking services quality.

### **Strategic management (Organizational capability)**

The present study result revealed that organizational capabilities is considered as one of explored factors to the e-banking internal services quality by the interviewees , again its highly supported by the researchers in the services area. The firms need organizational capabilities which they have or which they will need to develop in order to overcome the competition they face today and in the future. Organizational capabilities have vital consequences on business performance to acquire sustainable competitive advantage.

Increasingly, executives are discovering that competitiveness is derived from within the organization, from how the organization manages its people and processes (Lake, 1991). In order to compete successfully in an industry, managers in organizations need to learn about the emerging best practices and implement them in their units. An essential part of this process is the development of organizational capabilities by its managers. The development of capabilities to be flexible rests on the mandate of top management, helps firms manage environmental

uncertainty, and tends to enhance firm performance which directly related to from internal services quality

In the light of previous studies, companies that developed their organizational capabilities may sustain their competitive advantage. Previous empirical findings demonstrated that organizational capabilities have positive effects on firm performance ( ( Vickery, S.K., C. Droge and R.E. Markland, 1993); (Peter T. Ward ,G. Keong Leong and Kenneth K. Boyer, 1994); (Anna, 2002); (Christoph, 2003)).

**P8:** Improved Organizational capabilities have vital consequences on internal e-banking service and to acquire sustainable competitive advantage from it .

From the above finding discussion the researcher formulate theoretical model in order to show the significance of the above prepositions on the quality of internal service quality .

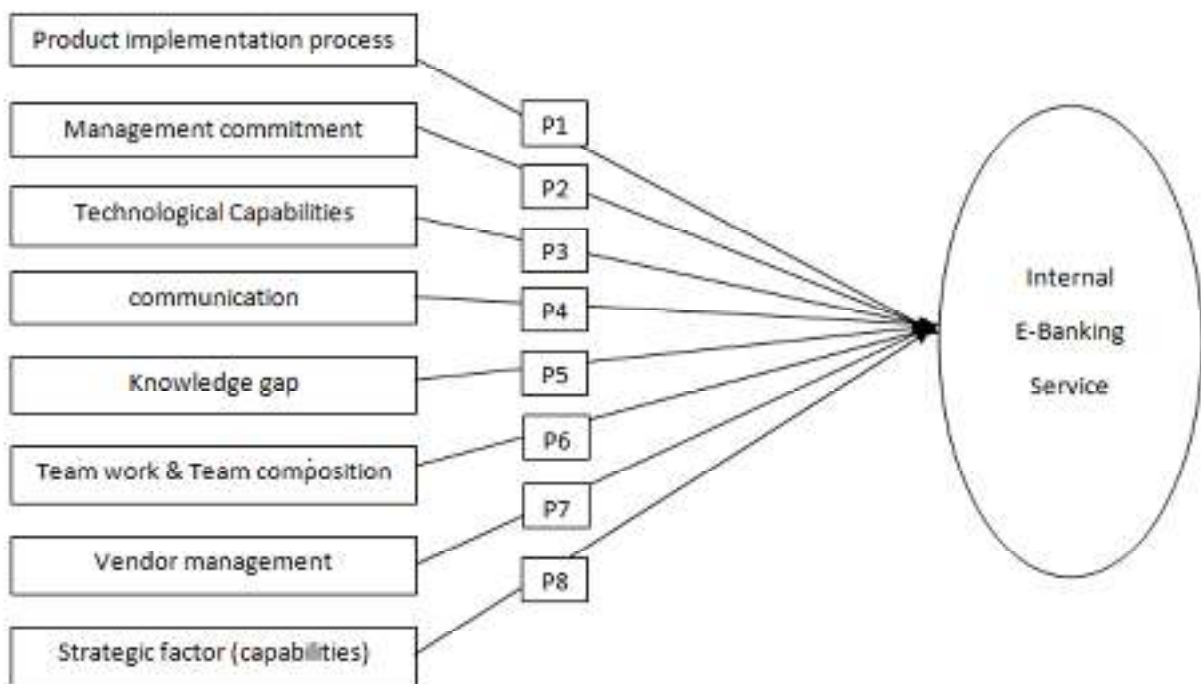


Figure 9: theoretical model of the study

## 5.2. Conclusion

The present study has focused mainly on exploring the factors affecting the quality of internal services quality. Through extensive review of literature in the area of internal services quality and e-banking service quality this study enabled to identify gaps in the existing work. The data was analysed using ground theory analysis based on the data collected through the semi-structured interview. As a result, variety of significant factors were explored such as product implementation process, strategic factors (organizations capability), management commitment, technological capability, teamwork and team composition, communication, vendor management and knowledge gap. Identified factors are presented to experts for validation purpose. Finally, the results of the study are discussed briefly and proposition are provided for each factors such as: -

- **P1:** Successful product implementation is the base for the internal e-banking service quality.
- **P2:** Management commitment is among the factors that an organization should focus in order to improve the internal services quality.
- **P3:** Technological capabilities are fundamental factor to improve the quality of internal e-banking services delivery process.
- **P4:** Effective communication within a department and between departments is considered as a vital tool to improve the internal services quality.
- **P5:** Knowledge gap exists between the team and within the team involved e-banking service delivery process is decisive factor to the internal quality of the services.
- **P6:** Teamwork and team composition has potential impact on organizations' internal services quality.
- **P7:** Effective vendor management has important role for internal services quality, high vendor dependency reduce the efficiency of the both internal e-banking services quality.

- **P8:** Improved Organizational capabilities have vital consequences on internal e-banking service and to acquire sustainable competitive advantage from it

In general, the findings of this study offer additional insights into the current internal E-banking service quality situation and its implications for overall external E-banking service quality. Furthermore, understanding the internal factors explored in this study may help to identify the best option to improve internal quality services. It will also be valuable to all banking industries of the country to increase their awareness and understanding of the possible gaps in internal e-banking service quality and its benefit.

### **5.3. Limitation**

Every research is restricted by a number of constraints the present research is no exception. There are some limitations in this study. One of the major limitation is in the sampled data, which were collected from one organization. Furthermore In terms of the research methodology the study uses single case study approach which is deep investigation of the phenomenon particularly for the selected company .hence the result is not generic and may not be applicable for other industry and services type.

### **5.4. Recommendation**

Internal services quality is an important issue in today's banking industry, because it has a great impact on the whole banking service, at the same time it's difficult and need a lot of efforts to be implemented and practiced in an organization. Based on the above conclusion, discussion, the researcher recommends the following points:

- Since internal services quality has a wide range of benefits to deliver high quality e-banking service to the external customer and also helps to improve the overall e-banking service quality .Therefore, Banks should pay attention to internal service quality and employees' requirement.
- For successful implementation of internal services quality, infrastructure or technological capability is a major prerequisite. Therefore, the government should support banking sector by investing on ICT infrastructure development. Consequently the bank should invest on internal IT services management by adopting best practices available to manage their internal IT services quality.

## 5.5. Future Work

The study has not been entirely conclusive and has led to many questions related to internal service quality practices in organizations including financial sectors. Further studies are therefore required to both extend this research and help improve the internal service quality practices in Ethiopia. Therefore, in conclusion to this study some future work recommendations are presented below:

- Since service quality is context dependent, the factors explored in this study may not work for other context .Therefore future research can be conducted to include other services types in banking industry or this research can be done on other different organization.
- The factors explored in study can be tested by other researcher by using quantitative method.

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