

IMPACT OF PUBLIC COMPLIANCE ON THE PERFORMANCE OF COMMERCIAL BANKS IN NIGERIA

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ABSTRACT

The paper examined the impact of public compliance on the performance of commercial banks in Nigeria with particular reference to Guarantee Trust bank Plc and Access bank Plc. The data were gathered from sample of Guarantee trust bank and Access Bank Plc's annual reports and accounts for (12) twelve years (2006-2017). The researcher examined the effect of the dependent variable (customer's compliance to bank rules) on the independent variable which includes; net profit margin (NPM), Profit after tax (PAT) and Earnings per share (EPS) of Nigerian banks. The study made use of multiple regression method. E-view 9.0 software package as tool for data analysis. The result of the analysis shows that the dependent variable has significant effect on the independent variables. Based on the findings of this study, the researcher recommends that Commercial Bank management should ensure that they maintain good bank customer relationship with every of their customers in other to enhance its performance as well as productivity.

KEYWORDS: Public Compliance, Performance, Commercial Banks, Nigeria

1.1 INTRODUCTION

In the present managing an account framework, magnificence in customer service is the most essential instrument for maintained business development. Customer grumblings are a piece of the business life of any corporate substance. This is all the more so for banks since they are benefit associations. As an administration association, customer administration and fulfillment ought to be the prime worry of any bank. The bank trusts that giving brief and effective administration is fundamental to draw in new customers, as well as to hold existing ones. Be that as it may, banks limit cases of customer protests and grievances through appropriate administration conveyance and audit component and to guarantee incite change

of customer protestations and grievances. The survey instrument should help in recognizing inadequacies in item highlights and administration conveyance Kotler (2003).

Anyanwaokoro, (2008) opined that in the administration of bank benefit, one noteworthy issue Bank Managers must fight with is the assurance of financing costs on credits and propels and other premium charges. Financing costs on credits are regularly consulted between a bank and its customer inside administrative imperatives. As a result of the critical part that assurance of financing costs play on bank salary, let us quickly talk about the elements that bank directors must consider before choosing the rate important to be charged on their Loans and Advances. Customer disappointment can destroy the name and picture of a bank.

With a specific end goal to make the bank's instrument more important and compelling, an organized framework should be constructed. Such framework would guarantee that the change is simply and reasonable. The rules ought to be influenced accessible at all branches for the data everything being equal, to guarantee better customer to administration and general mindfulness in the bank. Customer objection emerges due to:

1. The attitudinal angles those arrangements with customers
2. Inadequacy of the capacities/plan made accessible to customers or whole guidelines of administrations expected and real administrations rendered.

The customer has the privilege to enlist his protestations on the off chance that he isn't happy with the administration gave by the bank. He can give his objections in composing, orally or by phone. On the off chance that the customer's dissension isn't settled inside a given time or in the event that he isn't happy with the arrangement gave by the bank, he can approach 'managing an account Ombudsman' with his protests or other legitimate roads for grievances change. Thusly, bank approach on grievance review is as per the following:

1. Customers are to be dealt with decently consistently.
2. Complaints ought to be raised by customers with cordiality and on time.
3. Customers ought to be completely educated of roads to heighten their dissensions/grievances inside the association and their rights to elective cures, on the off chance that they are not completely happy with the reaction of the bank to their grumblings.
4. Bank to treat all grumblings productively and decently as they can harm the bank's notoriety and business if dealt with something else.
5. The bank representatives must work in compliance with common decency and

without partiality to the premiums of the customer.

Where an industry is much focused, a comprehension of the necessities of the customers and different partners is an essential factor for progress, development or efficiency factor. This has required the move from item centeredness to customer centeredness in promoting hovers as well as in business for the most part. Subsequently, firms don't really discover separation in their physical items however in administrations, for example, auspicious conveyance, exact data, better prepared faculty and speedier determination of dissensions, which are equipped for building great notoriety and prevalent execution. This clarifies why Kotler (2003) stated that conveying predominant administrations has turned out to be a standout amongst the most essential approaches to increase prevalent productivity. This recommends the need to contemplate the determinants of administration quality in the Nigerian managing an account segment to survey the connection between customer consistence and monetary execution in the division.

Banks overall give homogenous administrations to their customers and, therefore, they can rapidly coordinate aggressive imaginativeness of contenders and pioneers. Be that as it may, customers still can see contrasts in the nature of administrations banks render. This assumes benefit quality perpetually assumes a noteworthy part in achieving customer faithfulness or potentially fulfillment (Al-Msallam 2015) and money related execution. Money related execution in the keeping money industry and, without a doubt business when all is said in done, can't be overemphasized since it is the backbone of any business wander. Also, to a vast degree it is being utilized as a measure of health of a business wander. In this regard, banks try to create notoriety for prevalent execution, particularly in speedier and better reaction to enquiries, on-time conveyance and snappier determination of grievances. Albeit numerous banks in Nigeria have interests in benefit quality projects that are gone for giving prevalent administrations, consumer loyalty level comes up short. This is confirm by the fall in Customer Satisfaction Index (CSI) rating of best Nigerian banks (6.35% of GTB, 4.64% of Zenith bank and 3.39% of Access bank in 2010 (KPMG Survey, 2010:57). This means the coveted change in the administrations gave by the banks even with developing worldwide economy isn't being figured it out. This might be confirm by apparently expanding grievances about lethargy of bank staff, nonattendance of required kindness expected of 10 specialist organizations, impoliteness of work force, long hold up times and incorrect data which constitute components of administration quality. It is evident that customers who get

poor medications will see the organization in awful light and this can affect contrarily on its money related execution, particularly for extensive record holders.

The situation where benefit quality is defaced by occurrences of customer dissensions, poor treatment of grumblings, changing starting with one bank then onto the next by customers and conclusion of records makes incredible worry to researchers and specialists alike on the grounds that they are a sign of poor administration conveyance. The discoveries of Cuffe (2008) which demonstrated that not every single Nigerian bank utilize quality activities, yet on the normal they pronounce tremendous benefits yearly leaves numerous inquiries unanswered in the psyches of specialists and understudies about the tasks of the Nigerian keeping money industry. The major problem borders on whether there is any relationship between public compliance and performance in the Nigerian banking industry.

1.2 STATEMENT OF PROBLEM

The problems that led to this this research work include the following;

Previous studies have shown that poor customer's compliance to ATM rules influences the performance Nigerian commercial banks to a greater extent.

Poor information communication technology (ICT) adoption by various banks has significantly affected the financial performance of Nigerian commercial banks.

Other studies have shown that various bank customers do not comply with banking rules and regulations instead they indulge in fraudulent practices which have adverse effect on the performance of the banks.

This study examined the impact of public compliance on the performance of commercial banks in Nigeria with particular reference to Guarantee Trust bank Plc and Access bank Plc.

1.3 OBJECTIVES OF THE STUDY

The aim of this research work is to examine the impact of public compliance on the performance of commercial banks in Nigeria with particular reference to Guarantee Trust bank Plc and Access bank Plc. The specific objectives of this research work include the following;

1. To evaluate the effect of customers compliance to bank rules on the net profit margin of Nigerian banks.
2. To examine the effect of customers compliance to bank rules on the profit after tax of Nigerian banks.
3. To examine the effect of customers compliance to bank rules on the earnings per share of

Nigerian banks.

1.4 RESEARCH QUESTIONS

1. To what extent does customer's compliance to bank rules affect net profit margin of Nigerian banks?
2. What are the effects of customer compliance to bank rules on the profit after tax of Nigerian banks?
3. What are the effects of customer compliance to bank rules on the earnings per share of Nigerian banks?

1.5 STATEMENT OF HYPOTHESES

- i. Customer's compliance to bank rules does not have significant effect on net profit margin of Nigerian banks.
- ii. Customers compliance to bank rules does not have significant effect on the profit after tax of Nigerian banks
- iii. Customer's compliance to bank rules does not have significant effect on the earnings per share of Nigerian banks.

REVIEW OF RELATED LITERATURE

2.1 CONCEPTUAL FRAME WORK

2.1.1 PUBLIC COMPLAINTS AGAINST COMMERCIAL BANKS

Orji, (2009) is of the view that institutions that are meant to offer services to the public are always exposed to commendation and condemnation from those whose interest they represented. The relevance of such criticisms on the performance of the firms is that these institutions are made to understand their areas of strengths and weaknesses. Having known their lapses and strong points, the management of such enterprises would be in a better position to appraise their policies with a view to making them more people oriented, effective and dynamic.

Financial institutions are not left out of these constructive and objective criticisms by the public because they are service oriented business enterprises whose performances are evaluated through the quality of services as well as their method of delivery by those who no interested in their operations. Some of the complaints made against the Nigerian banks will be examined in this topic.

Orji, (2009) opined that these are financial institutions established by law to perform some functions which include; Deposit acceptance, Agency, services, Bailment, Executorships function, Fund lending and Transfer etc. Since the Commercial Banks provide their services

to the public, there is some dissatisfaction on the part of their clients.

2.1.2 NET PROFIT MARGIN

Net Profit Margin is the level of income left after the sum total of what costs have been deducted from deals. The estimation uncovers the measure of benefit that a business can separate from its aggregate deals. The net deals some portion of the condition is gross deals short all business findings, for example, deals remittances. The recipe is:

$$(\text{Net benefits} \div \text{Net Sales}) \times 100 = \text{Net Profit Margin}$$

Net Profit Margin is the proportion of net benefits to incomes for an organization or business portion. Ordinarily communicated as a rate, net revenues indicate the amount of every amount gathered by an organization as income converts into benefit. The condition to ascertain net overall revenue is: net edge = net benefit/income.

Net margins fluctuate from organization to organization, and certain extents can be normal in specific ventures, as comparative business requirements exist in each unmistakable industry. Low net revenues don't really compare to low benefits.

2.1.3 PROFIT AFTER TAX

Profit after tax is the net sum earned by a business after all tax collection related costs have been deducted. The Profit after Profit is frequently a superior appraisal of what a business is truly acquiring and consequently can use in its tasks than its aggregate incomes.

Profit after Tax (PAT) is the net profit earned by the organization in the wake of deducting all costs like premium, deterioration and tax. PAT can be completely held by an organization to be utilized as a part of the business. Profits, if pronounced, are paid to the investors from this buildup.

It Net profit after Tax (NPAT) is an organization's potential money profit if its capitalization were unleveraged – that is, whether it had no obligation. NPAT is every now and again utilized as a part of economic value added (EVA) counts. NPAT is a more exact take a gander at working proficiency for utilized organizations, and it does exclude the duty reserve funds numerous organizations get on account of existing obligation.

Experts take a gander at a wide range of measures of execution while surveying an organization as a venture. The most generally utilized measures of execution are deals and net salary development. Deals give a best line measure of execution; however they don't address working effectiveness. Net wage incorporates working costs, yet in addition incorporates impose investment funds from obligation. Networking benefit after duty is a half

breed figuring that enables investigators to analyze organization execution without the impact of use. Along these lines, it is a more precise measure of unadulterated working effectiveness.

2.1.4 EARNINGS PER SHARE

As per Alexander and Britton (1998) income per share "speaks to the measure of benefit the organization has earned amid the year for every normal offer. Ikpe (2008) clarified income per share scientifically as net benefit after expense separated by number of regular offers remarkable (Net benefit after duty) No of ord. shares remarkable.

He noticed that the estimation of a firm depends to a substantial degree on its income and furthermore profit paid. So we can comprehend income per share as net benefit accessible in the wake of paying related expenses by the business and which are then shared (separated) to the quantity of normal offers possessed by shares holders. It is the thing that every normal or common investor gets out of the aggregate net profit (less expense) of the business inside the predetermined year.

2.1.5 RETAINED EARNINGS

Held profit allude to the level of net income not paid out as profits, but rather held by the organization to be reinvested in its center business, or to pay obligation. It is recorded under investors' value on the asset report. The equation computes held profit by adding net wage to, or subtracting any net misfortunes from, starting held income, and subtracting any profits paid to investors.

Held Earnings (RE) = Beginning RE + Net Income - Dividends, otherwise called the "maintenance proportion" or "held overflow."

Much of the time, organizations hold income keeping in mind the end goal to put them into zones where the organization can make development openings, for example, purchasing new apparatus or spending the cash on more innovative work. Should a net misfortune be more noteworthy than starting held profit, the held income can end up negative, making a deficiency. The held income general record account is balanced each time a diary section is made to an income or cost account.

Held income is accounted for toward the finish of a bookkeeping period as the amassed measure of an organization's earlier profit, net of profits. They can demonstrate a positive profit collection or can turn negative and have a shortfall if a present period's net misfortune surpasses the period's starting held income. Despite the fact that progressions in held profit amid each bookkeeping period are not expressly revealed, they can be surmised by looking at

the measures of starting and completion held income of the period. An expansion or diminishing in amassed held profit amid a bookkeeping period is the immediate aftereffect of the measures of net wage or misfortune and profit payouts for that period.

The held profit of a company is the collected net pay of the enterprise that is held by the partnership at a specific purpose of time, for example, toward the finish of the detailing time frame. Toward the finish of that period, the net wage (or net misfortune) by then is exchanged from the Profit and Loss Account to the held income account. On the off chance that the adjust of the held profit account is negative it might be called amassed misfortunes, held misfortunes or collected shortage, or comparative phrasing.

2.2 THEORETICAL FRAMEWORK

The theories used in this seminar paper are pecking Theory and agency theory as the two theories has direct link to public compliance and financial performance of commercial banks.

2.2.1 PECKING ORDER THEORY

The pecking request hypothesis by places that organizations incline toward inside fund. They adjust their profit payout proportions to their venture openings, while endeavoring to stay away from sudden changes in profits. Where there is change in benefit and venture openings, the inside produced money streams could be more prominent than or not as much as capital consumption. On the off chance that it is more, the firm will pay off its obligation or put resources into here and now attractive securities. In the event that it is less, the firm draws down its money adjust or auctions its transient attractive securities.

Be that as it may, if the firm should turn to outer financing it begins with obligation, at that point potentially half breed securities, for example, convertible bonds, and afterward value if all else fails. The pecking request hypothesis accept that obligation proportions change when there is an irregularity of inside income, net of profits and genuine venture openings. Consequently very productive firms with restricted speculation openings attempt to keep up a low obligation proportion while firms whose venture openings surpass inside created stores are headed to keep up a high obligation proportion.

2.2.2 AGENCY THEORY

Existing experimental proof demonstrates that numerous organizations paid profits notwithstanding their office cost while different firms progressively utilize share repurchases to appropriate money to investors. (Dittmar et al, 2003; Allen and Michealy, 2002; and so on). Endeavors have additionally been made to analyze the part of corporate administration

on payout approach outline from the point of view of pre-duty. It was suggested that a pre-duty understanding of the part of administration in the plan of payout arrangement and the profits repurchases exchange off can be utilized to test the impact of outside and interior corporate administration on the rate and level of general money disseminations. These additionally incorporate profits, repurchases, arrangement of payout and payout approach compose.

Easterbrook (2004) recommends that profits diminish the organization expenses of free income and limit problematic administrative conduct. The free income hypothesis can be reached out to shape expectations about profits and administration. Since great administration constrains the potential for problematic administrative conduct, the organization costs and the money dissemination required to relieve them are lower. Ideal payout strategy configuration went for amplifying firm esteem would hence anticipate a negative connection between administration quality and the lever of payout.

Harford et al (2004) and Dittmer and Mahti-Smith (2005) watched that a positive relationship exist amongst administration and the level of money possessions driven by snappier dispersal of overabundance trade holds out the nearness of entrenchment. Despite the fact that profit is a re-appeared to react to low venture openings, proprietorship structure, and CEO pay, there is an absence of experimental confirmation on the part of administration in the assurance of the sort and structure of corporate payout.

Inspecting contrast in investor rights insurance around the globe, La Porta (2000) find that profits are bring down in nations with weaker speculator assurance. Predictable with it, money possessions of firms are diminishing in the level of the financial specialist assurance (Dittmar et al, 2003; Allen and Michealy, 2002; and Baker et al, 2002) give nitty gritty reviews of existing work on payout arrangement.

Jensen (2006) utilized organization expectations of the free stream hypothesis to legitimize the nearness of profits and, all the more for the most part, corporate payout. Be that as it may, the free income hypothesis does not clarify the utilization of various types of corporate payout and the selection of repurchases over profits since any type of conveyance of abundance money to investors would address the office issue.

In the meantime, Flexibility and unpredictable nature of repurchases makes them less compelling at settling the administrator investor organization strife. Subsequently, nonappearance of a solid checking structure worsens the organization struggle and increment

interest for profit pre-duty. Profits are utilized as a section or as sole segment of the payout strategy rather than an independent repurchase approach.

2.3 PREVIOUS STUDIES

The quantity of studies has been directed with respect to effect of open consistence on the execution of business banks. In that capacity, we have audited some of them. Goyal and Thakur (2008) infers that open area banks that have no imposing business model licenses are to be given to new open part banks and remote banks. Nonetheless, when people in general division banks understood that legislature was no longer there for them, they began contriving different methodologies for survival and development. In the present examination, the analyst has taken 3 open and private segment banks.

The present investigation depends on essential information and in addition auxiliary information. The optional information were gathered from specialized books, articles, past investigations, advisory group reports, IBI notices, RBI releases, staff preparing school of the SBI and from information identifying with banks. The essential information identified with state of mind of clients towards saving money administrations were gathered with the assistance of poll. The test for open division banks and also private part banks will be in the region of individuals, innovation and rivalry. They should persistently design new items and administration in the light of visualized changes.

Kamakodi (2007) looks at how computerization has affected the managing an account propensities and inclination of Indian clients, and which factors impact these inclinations. Changing of home, compensation and non-availability of innovation based administrations were given as the three fundamental purposes behind evolving bank.

Uppal and Kaur (2007) think about clients' consciousness of different e-channels utilized by banks and propose a few measures for making e-keeping money benefits more viable, which could add to change of Indian banks. The paper presumed that a large portion of the clients of e-banks are fulfilled from the distinctive e-channels and their administrations, yet the real impediment to acknowledge e-channels is the absence of mindfulness about these e-channels and particularly their operational part. The paper recommends a few measures to make e-saving money benefits more powerful later on, which will be in charge of the change of Indian banks.

Mishra and Jain (2007) contemplated different measurements of consumer loyalty in nationalized and private area banks. The investigation infers that fulfillment of customers is a

significant resource for present day associations, giving unmatched focused edge, which helps in building a long haul relationship. The best way to deal with client maintenance is to convey an abnormal state of consumer loyalty that outcome in solid client dependability. The two-arrange factor examination is to touch base at the measurements of consumer loyalty. The examination broke down ten elements and five measurements of consumer loyalty for both nationalized and private segment bank.

Jain and Jain (2006) demonstrate that the Indian keeping money industry has experienced radical changes because of progression and globalization measures embraced since 1991. There has been an awesome surge in retail keeping money. The examination in light of reactions got from 200 clients of HDFC bank, ICICI bank and some other private and nationalized banks in Varanasi recognized the different kinds of administrations offered by banks, the level of fulfillment about various sorts of administrations, assumptions regarding these administrations and the level of division among the administrations advertised.

Singh (2006) examines client administration in banks. All things considered, the administration intends to focus on the client with a view to pick up client knowledge and offer some incentive included items and administrations. Innovation has empowered the banks to achieve clients in any piece of the world whenever with tweaked items, in this manner moving towards the idea of consumer loyalty. Administration must endeavor to convey positive experience (appropriate administration conveyance) to every client; and all things considered, this might be utilitarian, enthusiastic or situational for long haul clients and business administration in the banks.

Bhaskar (2004) broke down that when great administration is reached out to a client, a steadfast client will fill in as an envoy to the bank and encourage development of business. Client benefit is the base for business development due to the firm rivalry predominant in the managing an account industry. The survival of managing an account business is reliant on client benefit. To close, the managing an account industry is dynamic in India, because of innovative insurgency. Banks need to use this chance to end up solid associations giving basic administration.

Besides, Hasanbanu (2004) called attention to that country clients don't have any thought in the matter of how much time is required for a bank administrations. The rustic clients don't know about the reason accessibility of advance and how they can be profited, since they don't have the foggiest idea about the entire standards and directions and systems of the banks, and

all things considered, brokers save them for themselves and don't discover enthusiasm for instructing the clients. The investigation depends on optional and essential information. The auxiliary information were gathered from specialized books, articles, past investigations, board of trustees reports, IBI announcements, RBI notices, staff preparing school of the state bank of India and information identifying with banks, while the essential information identified with clients managing an account administrations were gathered with the assistance of surveys. In any case, the examination depended on an inspecting technique.

In any case, Singh (2004) broke down the level of client benefits, and clarified that clients' fulfillment is dictated by branch area and plan, assortment of administrations, rates and changes, frameworks and strategies, appointment and decentralization, automation and computerization, aggressive effectiveness, objection review and vitally, staff aptitudes, state of mind and reactions. An example of 100 clients' contributors is taken and the reactions are gathered through a pre-tested organized survey that was investigated and exhibited as a table. The ongoing review shows that a customer's satisfaction of is an invaluable asset for the modern organization. To reduce the complaints, bank should improve service because the survival of banking business is dependent on customer service.

METHODOLOGY

3.1 RESEARCH DESIGN

The research is on the impact of public compliance on the performance of commercial banks in Nigeria with particular reference to Guarantee Trust bank Plc and Access bank Plc. The research adopted the ex post facto research design. This is appropriate because ex post facto determines the cause-effect relationship among variables or the effect of one variable on another. The research made use of secondary data from annual reports and accounts of brewery firms in Nigeria for the period 2007 to 2017. The research makes use of multiple regression method.

3.2 AREA OF STUDY

The geographical area covered by the study is the whole country Nigeria. The commercial banks that are quoted on the Nigerian stock exchange as at 2017.

3.3 SOURCES OF DATA

The study made use of secondary data from annual financial statements covering 2007-2017 of commercial banks in Nigeria, Journals of accounting and other related disciplines, textbooks and Internet websites.

3.4 POPULATION

In this study the population is made up of twenty two (22) commercial banks in Nigeria as at 2017.

3.5 SAMPLE SIZE

The sample of two (2) commercial banks, Guarantee trust bank and Access bank Plc, were selected based on accessibility of their annual reports and accounts in the Nigerian Stock Exchange.

3.6 MODEL SPECIFICATION

In order to determine the impact of public compliance on the performance of commercial banks in Nigeria a multiple regression model will be formed and it is specified as follows:

$$CCTBR = \beta_0 + \beta_1NPM_{t-1} + \beta_2PAT_{t-1} + \beta_3RE_{t-1} + ut \dots$$

Where:	FINPEF	=	Financial performance
	CCTBR	=	Customer compliance to bank rules
	NPM	=	Net Profit Margin
	PAT	=	Profit After tax
	RE	=	Retained Earnings
	β_0	=	Constant (Coefficient) to be estimated
	t	=	Current Period/Time
	ut	=	Error term
	$\beta_1-\beta_4$	=	Parameter of the independent variables to be estimated.

3.7 METHOD OF DATA ANALYSIS

The statistical tools for analysis in this study are

1. The descriptive statistics analysis.
2. Multiple regression analysis.

Descriptive Statistics explains the characteristics of research variables. It reveals the mean, median, standard deviation and other frequency distribution indices including maximum and minimum values of the time series data. We have multiple regression analysis when there are more than one independent variables affecting the dependent variable. Regression analysis, in essence provides a procedure for determining the regression line which is defined as the best straight line or linear approximation of the effect of independent variable on dependent variable.

4.1 DATA ANALYSIS

Table 4.1

Dependent Variable: CCTBR

Method: Least Squares

Date: 06/24/18 Time: 09:56

Sample: 2007 2017

Included observations: 22

Variable	Coefficient	Std. Error	t-Statistic	Prob.
NPM	0.385698	0.436900	0.882806	0.4113
PAT	-0.652740	0.572170	-1.140816	0.2974
EPS	-0.419609	0.549815	-0.763183	0.3743
C	5.681278	5.522682	1.028717	0.3433
R-squared	0.227428	Mean dependent var		0.568824
Adjusted R-squared	0.758858	S.D. dependent var		0.147584
S.E. of regression	0.158875	Akaike info criterion		-0.552229
Sum squared resid	0.151447	Schwarz criterion		-0.431195
Log likelihood	6.761143	Hannan-Quinn criter.		-0.685003
F-statistic	0.588756	Durbin-Watson stat		1.574329
Prob(F-statistic)	0.644472			

SOURCE: Eview output version 9.0

Table 4.1 indicates that any change in net profit margin will decrease Customer compliance to bank rules by -0.652740 while change in profit after tax will result in a decrease of -0.419609 in Customer compliance to bank rules. However, any change in earning per share will increase Customer loyalty by 0.385698. In summary, Customer compliance to bank rules is influenced profit after tax and earnings per share adversely while net profit margin it influenced positively by Customer compliance to bank rules. The extent of effect Customer compliance to bank rules on PAT and EPS are negative and insignificant, while the extent of the Customer compliance to bank rules to Net profit margin is positive and significant.

INTERPRETATION OF REGRESSION COEFFICIENT RESULT

Table 4.1, indicates that an increase in net profit margin, profit after tax and earnings per share of Nigerian commercial banks will decrease Customer compliance to bank rules by 0.158875. This implies that Customer compliance to bank rules is affected by net profit margin, profit after tax and earnings per share of Nigerian commercial banks.

INTERPRETATION OF DURBIN WATSON- STATISTIC

The Durbin-Watson statistic is 1.574329 which is not up to 2. In this case, the Durbin Watson statistic is closer to 2 than 0 which indicates the absence of autocorrelation in the series. The result indicates the absence of positive serial correlation in the time series data extracted from the annual report and accounts of Nigerian commercial banks.

COEFFICIENT OF DETERMINATION (R^2)

The Adjusted R-squared is 0.758875. The adjusted R^2 reveals that only about 76% of the variations in Customer compliance to bank rules could be explained by net profit margin, profit after tax and earnings per share of Nigerian commercial banks while about 24% could be explained by other factors capable of influencing Customer compliance to bank rules of Nigerian commercial banks as well as the error term and the unexplained variables.

TEST OF HYPOTHESES

Test of Hypothesis One

Hypothesis one seeks to evaluate the effect of customer's compliance to bank rules on the return on asset of Nigerian banks.

Statement of Hypothesis

Customer's compliance to bank rules does not have on the return on asset of Nigerian banks.

Decision

The decision criterion is to accept H_0 if the probability of the t-Statistics > 0.05 , otherwise reject. The probability of the t-Statistics of $0.4113 > 0.05$, therefore, we accept the alternative hypothesis while rejecting the null hypothesis to conclude that customers compliance to bank rules has significant effect on the net profit margin of Nigerian banks.

Test of Hypothesis two

Hypothesis two seeks to evaluate the effect of customer's compliance to bank rules on the profit after tax of Nigerian banks.

Statement of Hypothesis

Customer's compliance to bank rules does not have any effect on the profit after tax of Nigerian banks

Statement of Decision criteria

Accept H_0 if the probability of the t-Statistics > 0.05 otherwise reject.

Decision

The decision criterion is to accept H_0 if the probability of the t-Statistics > 0.05 , otherwise

reject. The probability of the t-Statistics of $0.2974 > 0.05$, therefore, we reject the null hypothesis while accepting the alternative hypothesis to conclude that customers compliance to bank rules has significant effect on the profit after tax of Nigerian banks.

Test of Hypothesis three

Hypothesis three seeks to examine the effect of customer's compliance to bank rules on the earnings per share of Nigerian banks.

Statement of Hypothesis

Customer's compliance to bank rules does not have significant effect on the earnings per share of Nigerian banks.

Decision

The decision criterion is to accept H_0 if the probability of the t-Statistics > 0.05 , otherwise reject. The probability of the t-Statistics of $0.3743 > 0.05$, therefore, we reject the null hypothesis while accepting the alternative hypothesis to conclude that customers compliance to bank rules has significant effect on the earnings per share of Nigerian banks.

SUMMARY OF FINDINGS

Finding from the test of hypotheses shows that customer's compliance to bank rules has significant effect on net profit margin of Nigerian banks. This finding validates the findings of Nazir, Nawaz, Anwar and Ahmed (2010) which observed that customer loyalty has positive impact on the profitability of banks.

The result of hypothesis two shows that customers compliance to bank rules has significant effect on profit after tax of Nigerian banks, this is in line with the studies of Okafor (2011) on relationship between bank customer compliance and profit after tax of quoted firms, which shows that bank customer compliance has positive impact on PAT.

The result of hypothesis three indicates that customer's compliance to bank rules has significant effect on the earnings per share of Nigerian banks, this is in line with the study of Mirza and Azfa (2010) on effect of customer loyalty on earnings of quoted firms. Their result shows that customer loyalties are significant with dividend payment while equity responds positively to dividend payment.

5.2 CONCLUSION

The research work concludes that the maximum complaints are in the commercial banks and are continuously increasing, and as such, they adversely affected customers' satisfaction and performance. The complaints and all the activities performed by banks are in deposit, credit

cards and housing loans. It is necessary to mitigate these complaints to make the customer satisfied. Each and every bank should establish a customer care centre to solve the complaints of the customers. Commercial banks are taking the lead in making customers happy. Moreover, Nigerian banks are still not taking the initiative in solving the complaints of their customers. Consequently, if the Nigerian Commercial banks will not improve themselves to mitigate the complaints of the bank customers, their survival will become difficult in the competitive era. However, the Nigerian Government should instruct all the commercial banks to solve the complaints of the customers at the earliest.

5.3 RECOMMENDATIONS

Based on the findings of this project work, the researcher made the following recommendation;

1. Commercial Bank management should ensure that they maintain good bank customer relationship with every of their customers in other to enhance its performance as well as productivity.
2. Bank management should see it as a point of duty to make sure that the automated teller machines in their various branches are properly working and should be able to serve for 24 hours nonstop.
3. Management of banks should adopt information communication technology in other to enhance it customer service delivery having known that it has significant impact financial performance.

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