CULTURAL TYPOLOGY, SERVICE QUALITY AND FIRM COMPETITIVENESS

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ABSTRACT

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This study provides an insight into the actions required of Deposit Money Banks in attaining competitiveness during a time of severe economic and financial crisis. Competitiveness and its dimensions have engendered a lot of discussions in recent times. Premised on the modified dimensions of service quality, the study examined the interaction between service quality and firm competitiveness employing cultural as a moderating variable. The survey research design was utilized. The questionnaire was administered among 900 deposit money banks customers in Nigeria, and the Structural Equation Model (SEM) was employed in the analysis of data. The results established that cultural significantly influences service quality and firm competitiveness. It was also revealed that service quality is a significant driver of firm competitiveness. Automated service is the most significant dimension of service quality driving firms' competitiveness. The result also shows that cultural differences in terms of individualism, collectivism and power distance are determinants of perception in firms' competitiveness. The gap analysis between service expectations and perceptions indicated that customers' expectations are significantly lower than their perception, signalling that there are a lot of service improvements efforts needed to enhance the quality of services offered by the banks in achieving competitiveness. The study provides evidence that banks need to channel their resources and quality efforts to the most significant dimensions which will bring about achieving competitiveness.

Keywords: Culture; service quality; firm competitiveness

1. INTRODUCTION

In today's complex and dynamic business environment, firms strive to achieve competitiveness by constantly identifying gaps in the business terrains. Service quality has been identified as a strategic firm resource which could create a niche for firms and help them achieve their stated goals. Service quality and its effect has been extensively looked at in the literature. Several authors have established that how the service quality dimensions interact and lead to customers satisfaction and loyalty (Ariyo, 2019; Arega, 2017; Okorafor, 2010; Udechukwu, 2010) while others see it as a determinant of positive behaviour, price sensitivity, firms reputation and customers relationship (Zeng et al., 2011; Bell et al., 2005; Brady and Robertson, 2001; Ladhari, 2009). The dimensions of service quality dimensions of tangibility, empathy, assurance, responsiveness and reliability as proposed by Zeithaml et al. (1990) could be a bit problematic in influencing positive firm performance since the impacts of the dimensions vary from one industry to another (Sun and Pang, 2017).

Furrer et al. (2000) are of the opinion that the perception of quality service is likely to differ across cultural contexts and they suggest that evaluating how culture influences service quality could enhance the firm competitiveness. Tsoukatos (2011) also indicates that service quality measurements and cultural typology conceptualization need to be re-evaluated, as Hofstede (2001) is outdated in the face of current social dynamics. However, Okpako (2020) stated that these measures are significant in measuring individual culture; however, their significance diverse across cultures.

Competitiveness is pivotal in achieving business long term objectives and increasing performance, and sustaining such edge in banks is of utmost importance as it results in an increase in deposits and helps banks in performing its intermediation function. According to Goyit (2015), the quest for increased service quality in the Nigerian banking sector is hinged on the fact that Nigerian banks in recent times are moved to providing services and their customers seeking that service to meet their needs results in the service encounter. Service quality is a result of expectation and performance, which are a function of behavioural perception on the part of the customers towards services rendered. Tsoukatos and Rand (2007) are of the opinion that there is a need for deposit money banks to be more responsive in creating a positive and memorable customers experience through thoughtful customers' research as it relates to the local environment and culture; this has the capacity to improve their sustainability.

Various researchers have looked into how culture and service quality influences customers satisfaction (Mattila, 1999; Tsoukatos and Rand, 2007; Testa, 2004) and according to these researchers, culture is a key driver of customers behaviour through the optimizing and allocation of quality resources. However, there has been dart of studies on the banking sector, particularly with respects to Deposit Money Banks (DMBs) in Nigeria. Cultural dimensions that influence competitiveness with service quality have not been adequately addressed in the existing service quality and delivery literature in Nigeria. Consequently, practising service managers have limited resources available to help in formulating methods and strategies designed to ensure competitiveness when culture emerges as a factor during service delivery.

Hence, this study evaluates how culture and service quality influences firm's competitiveness in the banking sector. The study also addresses how the dimensions of culture and service quality interact with competitiveness. This is pivotal in establishing the most significant dimension of culture and service quality to be considered in achieving competitiveness in a resource-constrained environment such as Nigeria.

2. RESEARCH HYPOTHESES AND THEORYTICAL FRAMEWORK

Research hypothesis

This research aims to test the following hypotheses:

H_{01} : Cultural Dimensions significantly affect Service Quality in DMBs in Nigeria

H_{02} : Cultural Dimensions significantly affect firms' competitiveness in DMBs in Nigeria.

H_{03} : Service quality significantly affects competitiveness in DMBs in Nigeria.

Culture and cultural dimensions

Apart from the general conception of culture as a general way of life of people, it could be at times complex to define and conceptualize. According to Kroeber and Kluckhohn (1985), there are over one hundred and sixty (160) definitions of the term culture. Portaankorva (2017) posits that culture influences people's values and belief system, and this also reflects in their actions, activities, attitude, norms and customs. In the opinion of De Mooij (2011), culture is a function of the ambience in which an individual grows and live in, and it defines what people consider to be important in life and how they should live. Culture is a societal inherent value system which influences the total way people act, behave, live and interact with others. Uusitalo (2009) states that culture has the capacity to influence the material aspects of the people in areas such as arts, as well as buildings and technology. According to Cannadine (2013), culture influences behaviour, religion, class, nation, race, gender and civilization. Reisinger and Turner (2002) are of the opinion that it is practically impossible to separate the behaviour of the people from their culture, and this affects the perception of the people. Culture helps the people to define the way they perceive circumstances, thereby making them act in divergent manners. Hofstede (2001) views culture as the unique attitude, perception and behaviours of a defined group which distinguish their actions from others even when they co-exist in the same environment. Ueltschy et al. (2007) posit that culture is complicated yet it is one of the most effective media which service industry participants and actors need to comprehensively evaluate in order to deliver unique services which conform to the needs of the customers.

Hofstede (2001) stated that there are five dimensions of culture; these are, long-term vs short-term orientation, individualism vs collectivism, masculinity vs femininity, power distance and uncertainty avoidance, which are fundamental areas of customers behaviour and are pivotal cultural issues in the societies.

This view is supported by the studies of Portaankorva (2017), De Mooij (2011) and Jandt (2016). These cultural dimensions help people to observe and understand cultural differences.

Service quality measurement

Goyit (2015) believes that service quality is a critical and a fundamental force in achieving competitiveness, and for creating and sustaining a lasting relationship with customers. This is premised on the service quality as a significant driver of customer satisfaction. Parasuraman et al. (1985) conceptualize service quality as customers' perception as it relates to comparing between service expectations and service performance and that until a customer judges a service as meeting or exceeding a certain perceived level of expectations, quality is not determined, while in the view of Donthu and Yoo (1998), service expectation influences a given level of service quality perceptions across dimensions. Various authors have established different models of service quality in determining the measures of service quality. Parasuraman et al. (1985) postulated the SERVQUAL model, while Cronin and Taylor (1992) established the SERVPER model of service quality. This study will be adapting the integrated SERVQUAL developed in the study of Worimegbe (2020). The purpose of modifying the integrated SERVQUAL model is to accommodate the current banking dynamics, which explicitly has brought into the fore, the use of technology and automation of service in carrying out financial activities. The integrated and SERVQUAL dimensions are tangibility, assurance, responsiveness, reliability, empathy and automated service. Service quality enhances the capacity of a firm to offer its customers a positive customer experience in the process of the service encounter. However, Aremu et al. (2013) caution that knowledge about the quality of service is insufficient in understanding the concept of service quality. Worimegbe (2020) opines that service quality starts from the point at which the customer becomes interested in the firm's offering, involves the during purchase encounter by the customers and ends at the state after the delivery of the service or product to the customer. Customers' expectation provides the basis for assessing service quality because high quality is achieved when the performance of the service exceeds the customers' expectations.

Process measures of competitiveness

Esterhuizen (2006) posits that the process measures of competitiveness are qualitative in nature, and they either seek to access how competitive potentials are converted into competitive performance or measure the management process. The process measures of competitiveness employ the management processes within the firm and how much the firm relates to its subsidiaries (Buckley et al., 1988). The measures include a commitment to foreign business, management relations, ownership advantage, product champion and marketing aptitude. Porter (2008) opines that the process measures consist of determining the needs of the market and delivering such needs based on how well the firm performs. Kotter (2014) sees these measures as the firm being effective and efficient.

However, Buckley et al. (1988) argue that the process measures of competitiveness cannot stand alone but hinged on the performance measures of competitiveness. They also established that it is difficult to quantify and compare management processes in a multifaceted, dynamic business environment. In this study, the potential measures of competitiveness were adopted. The potential measures are robust in nature and show the true nature of competitiveness (Frohberg and Hartmann, 1997). The specific measures adopted in this study are customers' satisfaction, technological advancement, innovativeness and price, which are potential measures of competitiveness. According to Nguyen and Mutum (2012), competitiveness is created by gaining a technological advantage, customers' satisfaction, innovation and price. These indicators are pivotal in determining how competitive a firm is (Mantymaa, 2013). Frohberg and Hartmann (1997) assert that the potential measures of competitiveness result in the possibility of having a sound analysis. Blandinières et al. (2017) argue that as a result of market dynamics, the potential measures provide a dynamic perspective on competitiveness and take into cognizance the capacity of the firm potential for future competitiveness and the ability of the firm to adapt to the evolving market environment.

Culture, service quality and competitiveness: the nexus

Furrer et al. (2000) conclude that the customers' cultural characteristics influence expectations and that perceptions of service performance should be viewed through the eyes of culture. Portaankorva (2017) posits that firms must know the differences in culture when offering and delivering services to customers. This enables the service provider to achieve the highest level of positive customer encounter, thereby inducing customers' satisfaction. Cultural background influences the way of living of people, and this creates values which lead to the perception of satisfaction in customers. However, Reisinger and Turner (2002) argue that finding the right and most efficient way of satisfying customers which could lead to firm performance is complex. This is so because it could be difficult for service providers to ascertain the cultural groups each customer belongs to and the values that are most significant in such culture. Winsted (1997) did a study on service assessment by consumers in developed countries and concludes that cultural differences could

influence service quality and further stated that service quality is an essential strategy in firm performance. Worimegbe et al. (2018) argue that service quality is a significant driver of firms performance, although such performance was measure in terms of efficiency and customers satisfaction. The extent to which culture drives firm competitiveness is missing in the existing literature. The knowledge of how culture interacts with service quality is vital to how firms can achieve competitiveness. This study seeks to address that gap.

Theoretical review

This study is anchored on the Disconfirmation of Expectations Theory. This is premised on the interest of the researchers in understanding the process of satisfaction judgments. Different reviews (Oliver, 1980; Westbrook and Reilly, 1983; Cohen and Goldberg, 1970; and Cardozo, 1965) reveal that consumers form satisfaction judgments through a perception driven evaluation of how well the service provided meets their needs. The theory presumes that the more the increase in the performance of service as perceived by customers, the more the capacity of the firm to produce more of such services and this will lead to better performance in the long run. In investigating the competitiveness of Nigerian deposit money bank, the adoption of this theory is premised on the idea that if services provided by the banks take into consideration the culture of the people, there is a tendency for an increase in firms' performance. This performance could either bring about innovation, competitive prices, use of better technology and increased customers' satisfaction. Disconfirmation theory helps the researchers in comparing perceived service performance with expectations and performance. Sheth (2001) reveals service quality could lead to lower-cost when customers become more satisfied with the use of firm services and that customer satisfaction also opens up feedback in the communication channel between the customers and the firm. This is very pivotal for innovation to take place. Firms interface with satisfied customers, thereby allowing for research and development to be more profound. This makes the customer an input in the research and development stage.

This theory also supports the SERVQUAL model, which has been employed in explaining service quality. The inferred approach in the disconfirmation expectancy theory is premised on the computation of the differences between expectations of service delivery and an assessment of its performance. This study, therefore, solicits separate information from customers as it relates to expectations and perceived performance. The differences between the score serve as the new variable for service quality definition. This theory is also crucial in explaining that outperforming competitors is not all about strategies, but understanding what could influence the behaviour of the customers in having the most positive perception about a firm service offering and delivery.

Conceptual framework

In line with the research objectives, Figure 1 show the conceptual framework of the research and indicates the direction of the hypotheses.
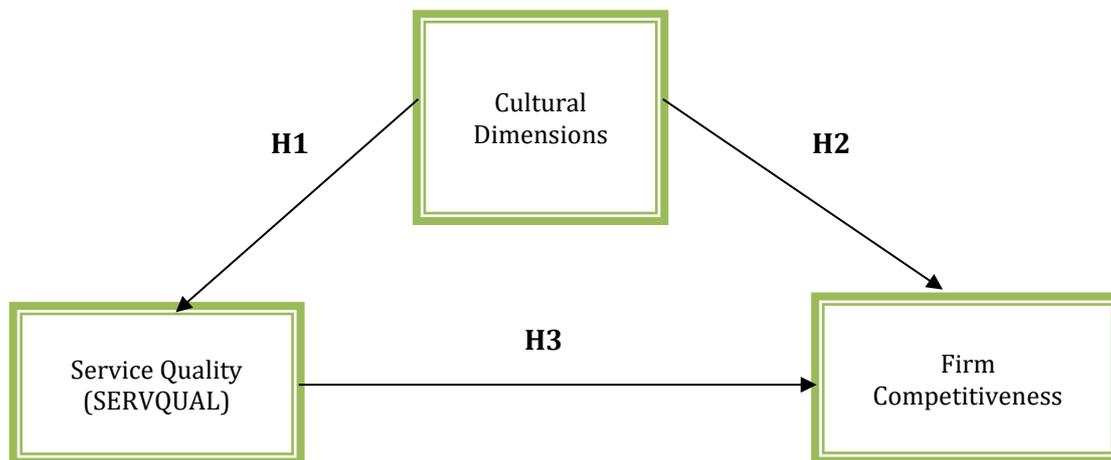

Figure 1: Conceptual Framework

3. METHODOLOGY

In this study, survey design method was adopted. The Hofstede Cultural model was used in measuring culture (long-term vs short-term orientation, individualism vs collectivism, masculinity vs femininity, power

distance and uncertainty avoidance). The primary source of data was used in collecting data from 21 DMBs retail customers above 18 years in Nigeria. The total numbers of retail customers in DMBs are approximately 27.2 million. However, Hair et al. (2010) suggest that, where there is a large population, a sampling framework which will precisely estimate and capture the opinion of the populace should be utilized. Thus, due to the suggestions by Hair et al. (2010) and constraints of the research setting, the target sample size was purposively set at 900 (n=900). The researchers administered a well-structured questionnaire. Deposit money banks (DMBs) were grouped into three categories based on their operations and the capacity of their activities as established by the Central Bank of Nigeria (2011). The questionnaires were distributed to National Banks (9 DMBs), Regional Banks (2 DMBs) and International Banks (10 DMBs).

The questionnaire comprises three sections labelled A, B, and C. Section A requires customers to evaluate cultural dimensions. Section B contains information on SERVQUAL, and Section C contains questions pertaining to Competitiveness. A test-retest method was adopted for the pilot study. The research instrument was administered twice on these respondents within an interval of two weeks, and the results of the first and second pilot studies were correlated. The pilot study was conducted to check the reliability of the research instrument and to correct any possible error in the design. In view of this, some errors were observed in the wordings of the instrument. Suggestions gotten from the pilot study guided the researchers to further improve on the research instrument before the final administration to the 900 respondents. There was no significant difference between the first and second test for all of the items that were related to culture, service quality and competitiveness, and this shows that the sample was representative of the population. 815 completed questionnaires were received, and this gives a response rate of 87.5%, which is considered acceptable.

Table 1 indicates the measurements of variables used in the study as established in the existing literature.

Table 1: Latent and Observed Variables in the Study

Latent variable	Observed variable	Scholars
Culture	Individualism vs collectivism Power distance Gender Long-term vs short-term orientation Uncertainty avoidance	Okpako (2020), Hofstede (2001)
Service Quality	Tangibility Reliability Responsiveness Empathy Assurance Automated Services	Ariyo (2019), Cronin and Taylor (1992), Worimegbe (2020) and authors modification
Competitiveness	Customers satisfaction Technological advancement Innovativeness and price	(Frohberg and Hartmann, 1997)

Data analysis
The researchers conducted the confirmatory factor analysis (CFA), the normality test and multivariate analysis. The Structural Equation Model was utilized in understanding the interaction among the explanatory, control and dependent variable.

Table 2: Normality Analysis

		Recommended value	Culture	SERQUAL	Competitiveness
Normality	*Skewness*	-3 to 3	-0.390 to -0.921	-2.014 to-1.226	-1.201 to 0.993
	Kurtosis	-10 to 10	1.131 to 1.430	1.13 to -0.272	1.95 to - .063
Multicollinearity	*Tolerance*	> 0.10	0.324 to 0.670	0.317 to 0.583	0.317 to 0.658
	VIF	< 10	1.714 to 3.151	1.19 to 3.01	1.52 to 3.25
Collinearity statistics	*Correlation between variables*	< 0.90	0.393 to 0.736	0.459 to .800	0.413 to 0.753
Independence of residual	*Cook's distance for residual*	< 1.0	0.437	0.109	0.153

Based on Kline (2011) suggestions, cultural dimensions, SERVQUAL and competitiveness dimensions, kurtosis and skewness were considered satisfactory within the established criteria for normality. That is 10 to 10 for kurtosis and -3 to 3 for skewness. Table 2 also shows the correlations between the variables. In order

to ascertain for any undue influence on the results of the model the Cook Distance was used, and the value shows that there is no presence of undue influence on the model.

Reliability analysis:

Table 3: Reliability Statistics

	Cultural dimensions	SERVQUAL	Competitiveness
Test-retest			
First test	0.865	0.93	0.921
Second Test	0.871	0.928	0.934
Correlations between forms	0.764	0.782	0.735
Strictly parallel model	0.84	0.865	0.89
Cronbach reliability	0.845	0.862	0.894
No of items	28	28	13
Rank	3	2	1

Table 3 shows the details on the scale for cultural dimensions, integrated SERVQUAL and competitiveness measurement. The test-retest reliability method employed and the resulting scores were correlated. The result shows high consistency. The correlation results reveal 0.764 in cultural dimension, 0.782 in integrated SERVQUAL and 0.735 in Competitiveness. This is consistent with the criteria established by Malhotra and Dash (2011) who argue that a Cronbach alpha coefficient of 0.60 is sufficient and a good internal consistency for the measures of service quality. The Cronbach alpha values in this study were >.70. Hence, the measures of culture, service quality and competitiveness are reliable in measuring culture, service quality and competitiveness in DMBs.

Tests of good fit

Table 4: Goodness-of-Fit Statistics (Measurement Model)

Goodness-of-fit model index	Recommended value*	Cultural dimensions	SERVQUAL	Competitiveness
Chisquare/degree of freedom**	≤5.00	2.754	2.661	3.12
GFI	≥.90	0.89	0.88	0.90
AGFI	≥.80	0.86	0.91	0.89
NFI	≥.90	0.92	0.91	0.91
TLI/NNFI	≥.90	0.94	0.933	0.912
CFI/RNI	≥.90	0.911	0.934	0.95
RMSEA	≤.08	0.08	0.06	0.06
Standardized RMR	≤.08	0.04	0.05	0.08

* Criteria established by Hair et al. (2010)

** Chi-square/degree of freedom value of < 5.00 recommended by Ullman (2007)

Table 4 reveals that goodness of fit indices indicates that the latent variables are acceptable. That is, cultural dimensions, SERVQUAL and competitiveness measures fall within the recommended values and fit indices.

4. RESULT ANALYSIS

Table 5: Descriptive Statistics

Cultural dimensions	International banks mean	National banks mean	Regional banks mean	Combined F between groups	Sig.*p*
Power distance	2.223	3.154	3.141	8.622	0.000
Individualism/collectivism	3.61	3.101	3.261	9.391	0.001
Gender	3.451	3.321	3.43	8.976	0.016
Uncertainty avoidance	3.211	3.228	2.112	9.656	0.000
Short/long term orientation	3.548	3.432	2.320	12.452	0.023

Table 5 shows the comparative means for each of the dimensions of culture on the three groups of DMBs in Nigeria. The means of the DMBs are significantly different for the dimensions of culture. ANOVA results reveal that these differences are significant. The national banks (Mean=3.154) have the highest means in terms

of power distance, whereas the international banks (Mean=3.61) are more culture-centric in terms of individualism/collectivism. The result also reveals that international banks (Mean=3.451) are more sensitive to gender (Masculinity/Femininity) than the other two banks. National banks (Mean=3.228) are more prone to uncertainty avoidance in terms of culture. The result corroborates the findings of Tsoukatos and Rand (2007) that culture affects the activities of service firms.

Table 6: Correlation Coefficients

	Power distance	Individualism	Gender	Uncertainty avoidance	Orientation
Tangibility	0.362	-0.423	.129	0.313	-.445
Reliability	-0.232	-0.411	0.623	-0.323	0.152
Responsiveness	-.435	0.331	-0.481	-0.541	-0.321
Empathy	0.509	-0.457	-0.448	-0.631	-0.145
Assurance	0.345	0.511	0.318	0.426	0.133
Automated Services	0.566	0.663	0.733	0.591	0.822

The result in Table 6 shows that only orientation (β=-0.445 p=0.000) and individualism (β=-0.416 p= 0.001) and are negatively correlated to tangibility. This implication of this is that as these two variables increase, tangibility reduces in service quality. In term of reliability, the correlation coefficient shows that there is a relationship between the dimensions of culture and reliability, although power distance (β=-0.232, p=0.016), individualism (β=-0.411 p=0.001) and uncertainty avoidance (-β=0.323 p=0.000) are inversely correlated. That is, as these dimensions increase, reliability reduces. The result also reveals that all the dimensions of culture have a negative correlation with responsiveness except individualism (β=0.331, p= 0.005). That is, an increase in individualism leads to an increase in responsiveness. The analysis of empathy (β=0.509, p=0.000) indicates that only power distance is positively correlated while other dimensions are negatively correlated. The hypothesis on assurance shows that all the elements of culture correlated to assurance are positively correlated. This means these dimensions increase assurance increases. Interestingly the automated service dimension of the integrated SERQUAL shows the highest correlated value across all dimensions of cultures. It can be inferred from these that banks should consider the culture of the people while automating their services.

Table 7: H_{01}: Cultural Dimensions Significantly Affect Service Quality in DMBs in Nigeria

	Service quality				
Variable	**B**	**SE**	**B**	**tc=**	*P*
Cultural dimensions	0.979	0.007	0.986	21.227	*0.000*
Adjusted R²		0.971			
F		186.532** (p=0.000)			

The result in Table 7 shows the direction of effect and the relationship between culture and service quality. The unstandardized beta (B=0.979) reveals that for every 1 unit increase in the combined dimensions of culture, service quality increases by 0.979 units. The Beta value (β=0.986) shows that there is a positive relationship between culture and the dimensions of service quality. That is, as the dimensions of culture increase, service quality increases. The coefficient of determination (R^2=0.971) shows cultural dimensions cause a 97.1% variation in service quality. The standard error (SE=0.007) shows that the model is a good fit by revealing how cultural dimensions predict service quality since the value falls between the accepted estimates. This also indicates that cultural dimensions are a driver of service quality. The F-stat (F=186.532**, p=0.000) reveals that cultural dimensions are significant and reliable in explaining service quality in deposit money bank. The analysis indicates that cultural dimensions are significant predictors of service quality. The analysis confirms the culture significantly influences service quality.

The path analysis in Figure 2 reveals the interaction between the measures of cultures and the observed constructs of service quality. Gender (β=0.923) is the most significant measurement of culture affecting service quality. This shows that the masculinity of the people affects the perception of expectation and performance by customers more than other dimensions of culture Reliability (β=0.963), which is a measure of service quality is the most significant dimension affected by culture. That is, the delivery of services through consistent reliability is appreciated more by the culture of the people.

Path analysis showing the interaction between culture and service quality can be demonstrated as follows:
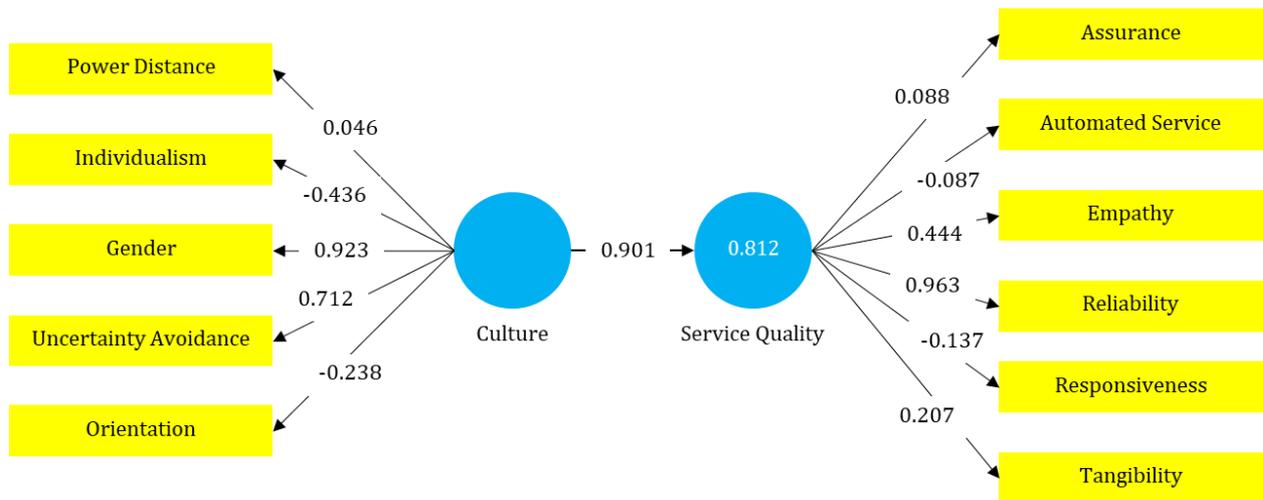

Figure 2: Culture and Service Quality

Table 8: H_{02}: Cultural Dimensions Significantly Affects Firms' Competitiveness in DMBs in Nigeria

	Competitiveness				
Variable	**B**	**SE**	**B**	**tc=**	***P***
Cultural Dimensions	0.974	0.004	0.975	21.227	*0.000*
R²		0.951			
F		46.321** (p=0.000)			

The analysis in Table 8 reveals the effect and relationship of culture on competitiveness. The unstandardized beta (B=0.601) reveals that for every 1 unit increase in the combined dimensions of culture, competitiveness increases by 0.974 units. The Beta value (β=0.975) shows that there is a positive and linear relationship between culture and competitiveness. That is, as the more culture increases, the more its impact on firm competitiveness increases. The coefficient of determination (R2=0.951) shows cultural dimensions explain a 95.1% variation in competitiveness. The standard error (SE=0.004) ascertain that the model is a good fit by revealing how cultural dimensions predicts competitiveness since the value falls between the accepted estimates. This also indicates that cultural dimensions are a driver of a firm's competitiveness. The F-stat (F=46.321**, p=0.000) that cultural dimensions are significant and reliable in explaining competitiveness in deposit money bank. The analysis indicates that cultural dimensions are significant predictors of competitiveness. Therefore, the study confirms the existence of causality between culture and firm competitiveness.

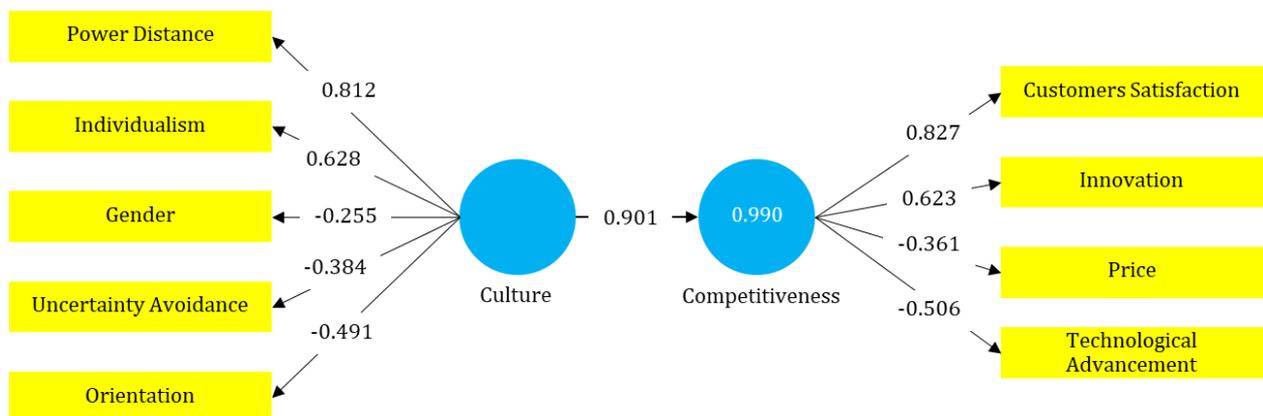Path analysis of the interaction between culture and competitiveness is shown in Figure 3.

Figure 3: Culture and Competitiveness

The path analysis in Figure 3 shows that in explaining competitiveness, power distance (β=0.812) is the most significant construct of cultural dimension and customers satisfaction (β=0.827) is the most significant measure of culture when explained by cultural dimensions. This implies that banks should take into cognizance the risk-taking aspect of the culture of the people as this will have a significant effect in satisfying their customers

Table 9: H_{03}: Service Quality Significantly Affects Competitiveness in DMBs in Nigeria

	Competitiveness				
Variable	**B**	**SE**	**β**	**tc=**	**P**
Service Quality	0.533	0.016	0.518	32.275	**0.000**
R²		0.268			
F		87.846** (p=0.000)			

Table 9 reveals the significance of relationship and effect (β=0.518) of service quality on competitiveness. The coefficient of determination (R²=0.268) reveals that 26.8% variation in competitiveness is explained by service quality. The standard error (SE=0.016) shows that the model is a good fit by revealing how service quality predicts competitiveness since the value falls between the accepted estimates. This also indicates that service quality is a driver of a firm's competitiveness. The unstandardized coefficient (B=0.533) shows that for every unity increase service quality, competitiveness increases by 0.943units. The t-value (t-value=32.275, p=0.000) indicates that service quality significantly affects competitiveness. The result shows that service quality significantly affects a firm's competitiveness in deposit money banks.

Path analysis of the interactions between service quality and firm competitiveness is shown in Figure 4.
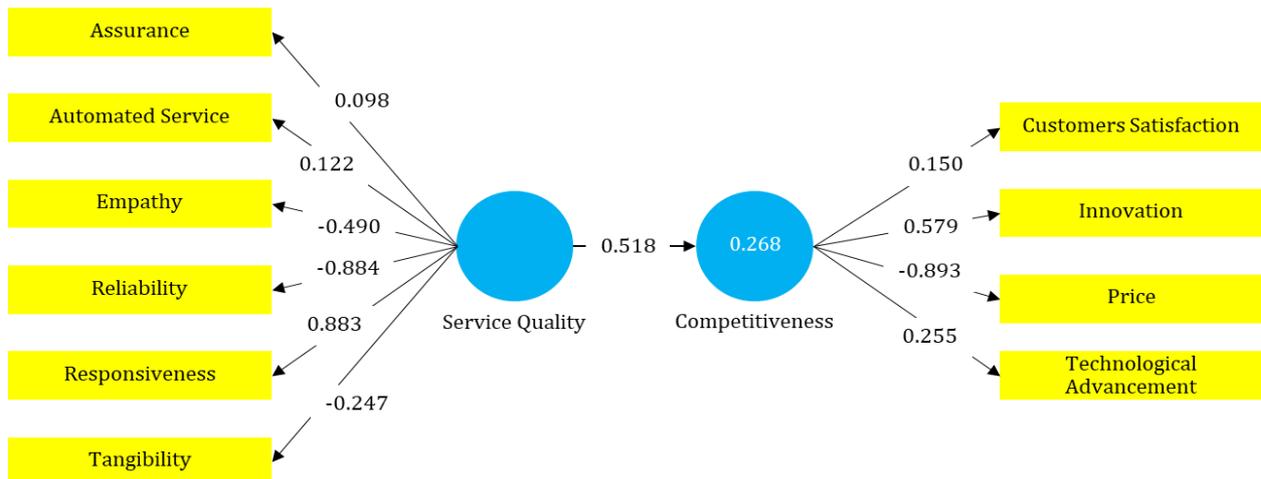

Figure 4: Service Quality and Firm Competitiveness

The results in Figure 4 indicates the interaction between the service quality measures (automated service, empathy, reliability, responsiveness, and tangibility) and the elements of competitiveness (customers' satisfaction, innovation, price and technological advancement). The results indicate that service quality is a significant driver of firm competitiveness.

Discussion of findings

Hypothesis one reveals that culture is important in explaining the degree of service quality in deposit money banks. The dimensions of culture explain the level of variation in service quality. Automated service is revealed as the most significant observed measure of service quality affected by culture. The implication of this is that as banking operations are being automated, the culture of the people should be recognized. That is, the culture of the environment should be added to the service delivery process using all the technology and automation platforms. The result also indicates that service quality should not be ignored in the customers' encounter process. The findings support the suggestions of Ueltschy et al. (2007) who postulate that culture is complicated yet it is one of the most effective media which service industry participants and actors need to comprehensively evaluate in order deliver unique services which conform to the needs of the customers.

The analysis of Hypothesis two reveals the interaction between culture and firm competitiveness. It can be inferred that the culture of the firms' environment is pivotal in driving its competitiveness. The path analysis reveals that the uncertainty avoidance dimension of culture is the most significant driver of

competitiveness while the price is the most significant dimension of competitiveness affected by culture. The implication of this is that the price is more sensitive to the risk-taking nature of the environment. Therefore banks should look at the culture of the people while setting competitive prices. This corroborates the findings of Tsoukatos and Rand (2007), who explain that culture affects the activities of service firms.

The analysis of Hypothesis three shows how service quality drives competitiveness of the banking industry. A reliable service is the most important strategy to drive competitive prices. Service quality is crucial to driving performance. Banks can set competitive prices through the provision and delivery of reliable services. The result supports the position of Worimegbe et al. (2018) who established that service quality is a significant strategy and factor in attaining a positive performance in the firm.

5. CONCLUSION AND RECOMMENDATION

The study provides empirical evidence that the culture of the environment in which banks exists is a significant factor in the service quality process. The causality between culture and service quality suggests that there is a need for banks to include culture as part of its strategies in achieving a more efficient service management system. All the measures of culture are significant in explaining service quality, while uncertainty avoidance measure of culture is very important in the automation process of service quality. Therefore, banks should pay more attention to culture as a strategy in allocating quality efforts and resources in the service creation and delivery process. In achieving competitiveness, it is important for banks to segment their market based on cultural characteristics. This will enhance the quality of services provided and foster the creation of new products tailored to meet the individual culture of customers. Banks should also consider the cultural segmentation of their markets in other to sustain their competitiveness. The interaction among culture, service quality and competitiveness suggest that the norms and values of the customers can be measured in what they believe a competitive price is and how satisfied the customers are. The dimensions of technology and innovation of competitiveness reveal the extent to which the culture contributes to banks competitiveness. The study provides evidence that banks need to channel quality resources and efforts to the most pivotal dimensions which will bring about the greatest impact on firms' competitiveness. Deposit money should include the culture of the external environment as part of its strategy in achieving competitiveness.

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