Effect of strategic cost management approach on key indices of performance of Tose'e Ta'avon bank, Case study: Zanjan province

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ABSTRACT: In today's world, life of many industries depends on their ability in increasing precision of cost management system, which concentrates on decreasing cost or, in more general worlds, actual cost items as an important component of elements on survival triangle in the whole production process and value chain. In this regard, banking profession has unique characteristics compared with other economic activities. This characteristic is revealed considering both parties of balance sheet of a bank. According to their fundamental activity which is accepting deposits and making loans, banks are obliged to present services of both sides of balance sheet elements. In other words, a bank constantly tries to design and apply novel instruments for both sources (left-side of balance sheet) and consumption (right-side of balance sheet). Such a characteristic requires spending high costs and needs strong management power. Combination of spending high costs and achieving proper level if profiting leads banks to consider the necessity of designing and applying instruments and techniques for cost management more than before. Accordingly, managers of pioneer banks have paid more attention to their management in recent years through changing approaches and controlling costs. In this study, attempts were made to investigate effect of strategic cost management approach on key indices of performance of Tose'e Ta'avon bank, branches in Zanjan province as a case study. Statistical population of this study included managers and employees of this bank. Methods and instruments for analyzing the test data were mean via structural equations. The results showed that quality, price and performance as strategic cost management instruments affect key indices of bank including information and technology, customer-orientation and managing resources and consumption.

Keywords: strategic cost management, key indices of performance, Tose'e Ta'avon Bank, structural equations

INTRODUCTION

Cost management as a strategy for recognizing changes in production and sale conditions and their effects on structure of cost and provision of costs related information. Application of cost management along with continual improvement is one of the critical factors of organization at present. At present, life of many organizations is dependent on increase of accuracy, quality and power of competition. This problem depends on cost management and reduction of unnecessary expenses and increase of goods value along value chain. Banking and financial services are important parts of services industry. Many modifying, structural and technological changes have been made in the world banking industry into a more integrated banking environment (Rahnamaye Roodposhti, 2008). Banks are using rapid technology and expanding across borders in order to fulfill their needs by presenting various advantages and competitive services and renewing their service structure. In these actions, nature of banking services and communication of customers has been changed. Very competitive and rapidly changing environment in which banks are forced to act leads them to change their attitude toward customer satisfaction and optimize quality

of services. Banks of our country especially governmental banks face different challenges and opportunities in financial and accounting fields. Some categories such as financial analysis patterns, financial reporting, accounting procedures, management accounting techniques, cost price of services and costing system resulting from it etc are only the examples of hundreds of fields which should be researched, studied and applied in the area of banking.

1-1-Theoretical Framework

Changes of business environment such as globalization (production technology, the use of information technology –global commerce and e-commerce), increase of competition, customer focus and social, political and cultural conditions caused management to be different in variable new environment with management methods in the previous static environment. The emergence of new thought as strategic management is one of the specifications of this period which requires design and application of production and marketing management completely different from the past and these factors increase strategic focus on cost management (Rahnamaye Roodposhti and Jalili, 2007).

Cost price is one of the important dimensions in competition. Creation of balance between this component and other dimensions of competition i.e. quality and time requires application of management in it. Cost management (cost price) is one of the most important dimensions. Cost management means set of actions which manager performs to fulfill satisfaction of customers along with control and continual reduction of costs by applying instruments. Cost management instruments include 1- activity-based costing, 2- target costing, 3- Kaizen Costing, 4- quality costing (Rahnamaye Roodposhti and Jalili, 2007).

Effective strategic management is regarded critical for achieving success of commercial unit or organization. In addition, innovations in the field of technology and resulting changes in commercial processes have added to sensitivity and dynamicity of cost management more than ever due to growth of global growth. Under the present condition, managers should think competitively. This is exactly what the strategy requests them.

Now, considering growing increase of importance of strategic aspects in management, role of cost management has been changed from simple and traditional instruments for product costing and operational control into a more expansive duty role, emphasis on strategy –strategic cost management. For this reason, strategic cost management means preparation of cost information for facilitating the main duty of management, strategic management. Duty of strategic cost management system is to prepare strategic information including financial and nonfinancial information (Eshaghi, 2008). In the past, the primary focus of commercial units is on criteria of strategic success many of which are regarded nonfinancial such as market share, quality of product, customer satisfaction and growth of opportunities. Financial criteria show effect of execution of policies and procedures of commercial unit on the current financial status and consequently rturn of current shareholders. On the contrary, it measures nonfinancial factors of current and potential competitive status of commercial unit at least from three additional perspectives of (1) customer, (2) local commercial processes and (3) training and innovation (i.e. human resources). Other additional perspectives include effect of social factors and society, relations with government, ethical or professional behavior of management in addition to the mentioned cases (Eshaghi, 2008). Set of these financial and nonfinancial factors is called Critical Success Factors (CSFs). Based on concept of competitive advantage presented by (M Porter ,1980), (Professor Sheleng ,1992) presented Shang's strategic cost management model. This model includes a series of analytical methods which can form an insight from strategic management (PakMaram etal., 2010). These analytical methods include strategic value chain analysis; strategic position analysis and strategic cost driver analysis have close logical relationship with each other. First, company should analyze source of cost and find structure of cost price of the product strategically. Second, the company should analyze strategic position according to its products, industry and market and specify if company should select low cost strategy or apply production diversification strategy. Therefore, company should select a suitable approach for alignment with competitive strategy. Third, the company should analyze cost driver after determining competitive strategy to find what factors lead to change of cost and seek to find strategic approach of cost reduction to be aligned with special competitive strategy (PakMaram etal., 2010).

Since cost price is one of the important dimensions in competition and creation of balance between this component and other dimensions of competition i.e. quality and time requires application of management on it. Goal of research is to determine effect of cost strategic management approach on key indices of bank and promote level of key indices of performance of Tose'e Ta'avon Bank to optimum level of costs. Questions of this research include:

1- What are key indices of performance of Zanjan Province Tose'e Ta'avon Bank?
2- What is the effect of bank costs on key indices of performance of Zanjan Province Tose'e Ta'avon Bank?
3- What is the cost strategic management approach considering key indices of performance of bank?

2-Literature Review

(Hussain and Gunasekaran, 2006) studied role of management accounting techniques in banks of Japan. Results of their research show that management accounting techniques such as ABM play important role in measurement of the performance of Japanese banks and nonfinancial performance criteria are less important than financial performance criteria. ABM plays important role as a useful method in understanding the nature of costs and reducing them and as a result in better decision making. Two banks of the studied banks have utilized this technique (Hussain and Gunasekaran, 2002).

(Brook and Short ,1979) studied relationship between interest rate of 60 banks and focus in local banking of each country. Evidence of this paper showed that more focus led to higher interest rates but small relative coefficients of focus variables show that large changes in focus of bank reduce interest rates a little.

(Young and Jang ,2006) studied long-term profitability in Taiwanese banks and concluded that bank services were the most important factor of profitability and gaining benefit for the studied bank branches. Employees of banks have been regarded as the most important and essential factor for access to increase of profitability and gaining benefit (Yong and Jung, 2006), (Valarie ,1998) in a paper entitled communication and control of high quality services provision processes introduced dimensions of services quality as reliability, responsibility, competency , access, humility , communication with customer , credit , security , customer's understanding and tangible aspects (Valarie et al., 1998).

Finings of research by (Khashee and Ranakhasti, 2006) indicate that profit management, customers' satisfaction, communication with suppliers of materials and parts are critical for durability and survival of company. Cost management is a suitable alternative to development of resources of automotive companies (Khashei Varnakhasti , 2006). A research entitled factors affecting profitability of commercial banks was conducted by Bagheri in 2006 to answer this question that if profitability of bank is more affected by internal controllable factors of manager or affected by external factors. Results of this research show that cost efficient management is one of the significant distributors for high profitability of bank. In addition, controlled assets and commitments management also have significant effect on profitability. Among external factors, economic growth has positive effect on profitability of bank and inflation rate with a low significance level has a reverse effect on profitability (Bagheri, 2006). Main goal of study by (Nazemi and Seyedi,2012) was to calculate cost price of services of Mehr Bank in the sample branches. Study of cost price of this branch specified that most values of bank costs related to short-term deposits interest. This trend is also observed in level of personnel and administrative costs. In this research, results obtained from attribution of bank costs to the granted facilities and income interest rate obtained from bank contracts facilities were compared in the selected branches and it was shown that there was statistically significant difference between two above rates and bank facilities are the final product in bank system. In other words, deposit absorption aims to grant facilities. This primary information indicates that rates of the granted facilities are statistically not based on the real cost price at present (Nazemi and Seyedi, 2012). This issue highlights necessity for use of costing method to conclude contracts of facilities grant and prevent any loss. These results are in line with study by Rahnamaye Roodposhti et al., 2009).

The research entitled factors affecting loyalty of customers was conducted based on model of fast response organization by Hamidi Zadeh and Ghamkhari in 2009. Fast response organizations model is studied and tested based on six competitive dimensions of price, quality, time, services, flexibility and reliability. Therefore, loyalty level of customers in Shahrvand Chain Stores has been analyzed considering importance of goods distribution in society and creation of chain stores for correcting distribution system. Results indicate that each one of the six dimensions of fast response organizations model is effective on loyalty of customers of Shahrvand Company and the effect of dimensions of the mentioned model on loyalty of customers is different (Hamidi Zadeh and Ghamkhari , 2009).

A research entitled target costing (a targeted approach to costs management) was conducted by Fatemeh Eshaghi in 2008 and target costing process, role of purchase participation and management supply in the process and factors affecting the process have been elaborated and it has been compared with traditional system, its application in industries of Iran and advantages and disadvantages of application of this system (Eshaghi, 2008).

The research entitled model of factors affecting quality of bank services was conducted by Hosseini and Ghaderi in 2010 to answer this question what the most important indices and factors are affective on quality of bank services based on target of provision of services suitable for and satisfactory to customers. In this regard, 50 indices were obtained as the most important indices effective on quality of bank services after distributing two stages of the questionnaire and the obtained results. Factor analysis method was used for analyzing information and reducing variables n the final questionnaire and its distribution. Results obtained from factor analysis showed that about 65% of total variance of variables is justified by 9 factors and about 35% of the remaining variance is explained by another variable which has not been measured. As a result, 9 factors were identified as the most important factors affecting quality of bank services which include: 1- behavior of employees, 2- competency and skill of employees, 3- innovation

in bank services, 4- interest and facilities, 5- responsibility and provision of bank services, 6-physical facilities of bank, 7- reliability, 8- variety of services, 9- simplicity of services (Hosseini and Ghaderi, 2010).

3-Conceptual Model and Hypotheses of Research

To conduct scientific and systematic researches, a scientific and theoretical framework is required which is so called conceptual model. Considering that the model presented by (Hiso,2002) includes all studied variables of this research, therefore, the mentioned model was used for conducting this research which is given in Figure 1. As it is observed, three perspectives are considered from dimensions of strategic management including quality, price and function.

Figure 1. Conceptual Model
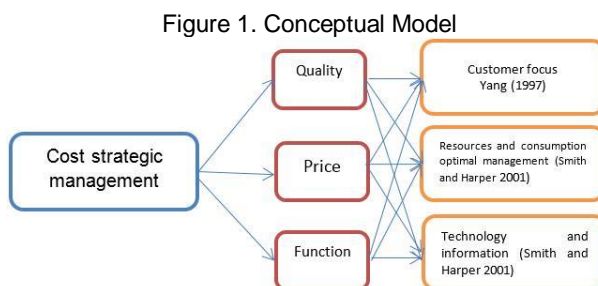
3-1- Research Method

The present research can be regarded as a part of applied researches in terms of goal. In terms of the extent of researcher on variables of the research, it is of non-experimental type (Saeiarasi, 2008).

3-2-Research Hypotheses

In order to achieve goal of the research, the research hypotheses are as follows:

1- Factor of quality of cost strategic management approach is effective on customer focus of Tose'e Ta'avon Bank.
2- Factor of quality of cost strategic management approach is effective on information technology of Tose'e Ta'avon Bank.
3- Factor of quality of cost strategic management approach is effective on resources and consumption optimum management of Tose'e Ta'avon Bank.
4- Factor of price of cost strategic management approach is effective on customer focus of Tose'e Ta'avon Bank.
5- Factor of price of cost strategic management approach is effective on information technology of Tose'e Ta'avon Bank.
6- Factor of price of cost strategic management approach is effective on resources and consumption optimum management of Tose'e Ta'avon Bank.
7- Factor of function of cost strategic management approach is effective on customer focus of Tose'e Ta'avon Bank.
8- Factor of function of cost strategic management approach is effective on information technology of Tose'e Ta'avon Bank.
9- Factor of function of cost strategic management approach is effective on resources and consumption optimum management of Tose'e Ta'avon Bank.

Since the present research seeks to find effect of cost strategic management approach on key indices of performance of bank, therefore, statistical population of the present research includes all managers, deputies and experts of Zanjan Province Tose'e Ta'avon Bank whose number is 420. Time domain of this research is February 2013 to May 2013.

3-3-Information Collection Method

To collect information, the following methods were used:
Library studies: to collect information in the field of theoretical fundamentals and review of literature, library references, papers, required books and global information systems were used.

Field researches: to collect data and information to b analyzed, questionnaire was used. Questionnaire is one of the common research instruments and direct method for acquiring research data. Questionnaire is a set of questions

which respondents answer by observing them which form required data of researcher. Through questions of questionnaire, one can study knowledge, attitude and mental attitude of person (Sarmad et al., 2009).

This questionnaire is standard and contains 42 questions and nonparametric statistical methods have been used for analyzing data. In this research, inferential statistics and structural equations modeling method have been applied using two SPSS16 and AMOSE software for data and designing research model.

3-4- Validity and Reliability

Although the used questionnaire in this research has been written based on standard questionnaire, the expert views of professors of university were used to determine validity of the questionnaire due to its naturalization. Necessary corrections were made to improve appearance and content of the questionnaire (HafezNia, 2004). For the present research, Cronbach's alpha was calculated using SPSS16 software. For this purpose, an initial sample including 50 questionnaires was pretested to the statistical population and then reliability coefficients were calculated with Cronbach's alpha method using data obtained from these questionnaires and with help of SPSS software which was equal to 0.729 for total questions and considering that the minimum reliability coefficient required for research questionnaires was 0.7 based on view of (Nannelli,1978), it was observed that the obtained Cronbach's alpha coefficient was higher than this value (Azar and Momeni,2006). The full results relating to calculation of Cronbach's alpha coefficient are given in the following Table.

Table 1. Results of Cronbach's Alpha

Name of Variable	Number of Questions	Cronbach's Alpha
Quality	14	0.711
Price	14	0.751
Function	14	0.838
Total	42	0.729

3-5-Data Analysis Method

In this research, nonparametric statistical methods have been used for analyzing data. In this research, inferential statistics and structural equations modeling method have been applied for data and designing research model. For this purpose, two SPSS16 and AMOSE software has been used (Kalantari, 2009). Structural equation modeling is a multivariate and powerful technique of multivariate regression family or general linear model expansion which allows researchers to test a set of regression equations concurrently. Structural equation modeling is a comprehensive statistical approach for testing the hypotheses about the observed and latent relations which is called covariance structural analysis, causal modeling and also LISREL. But the dominant term is structural equation modeling or SEM (Kalantari, 2009).

3-6-Research Data

Considering results included in the above Table (3), it is clear that all final latent variables (dimensions) have relatively low correlations. Therefore, one can conclude the presence of quantitative strengthening property and synergy between dimensions of factors of quality, price and time.

Table 2. Research Measurement Model Fitting Indices

Index	Desirable limit
Chi square divided by degree of freedom	.832
Normalized fitting index (NFI)	.818
Increasing Fitness Index (IFI)	.835
Comparative Fitness Index (CFI)	.827
Root Mean Square Error of Approximation(RMSEA)	.085

These outputs have several indices which indicate information for making decision about scientific effect of the research model which has been obtained using review of literature using data collected through the questionnaire and analysis through structural equation model and the measured model. Based on the obtained results which you see in Table 2, we first fit the model generally which indicates goodness of fit of the model considering that chi square is significant because when chi square value is between 2 and 3, the model is regarded good and its value here is equal to 2.832 and also other indices have obtained desirable value. For more explanation, it can be mentioned that another index which is absolute for fitting is goodness of fit index (GFI) which should have value close to 1 which has a value close to 1 here which is regarded desirable. One of the comparative indices is comparative fit index which will be regarded suitable if it is close to 1 because it is in the model based on correlation between the present variables so that high values of correlation between them indicate comparative fit index (CFI) and in the research model, the

obtained value of 0.827 is desirable. If Root Mean Square Error of Approximation (RMSEA) is below 0.05, it will be regarded suitable which is equal to 0.85 in the model and this indicates its fit. Considering the obtained indices, it can be concluded that the model has desirable fit.

4-Results of Hypotheses Test

In this section, results obtained from research hypotheses test are first repesented in Table 4 and recommendations and conclusion are given after explaining concept of confirmation or non-confirmation of each hypothesis and comparing them with results of other researches.

Table 3. Results of Hypotheses Test

Hypotheses		Estimate	S.E.	C.R.	Label
Hypothese1	Oq	12.044	.145	82.790	par_17
Hypothese2	Fq	13.740	.171	80.145	par_16
Hypothese3	mq	14.432	.110	131.584	par_18
Hypothese4	Op	12.294	.125	98.466	par_20
Hypothese5	Fp	18.867	.131	143.997	par_19
Hypothese6	mp	11.864	.116	102.547	par_21
Hypothese7	Ot	10.334	.118	87.927	par_23
Hypothese8	Ft	10.600	.117	90.410	par_22
Hypothese9	mt	17.990	.208	86.461	par_24

First hypothesis: Factor of quality of cost strategic management approach is effective on customer focus of Tose'e Ta'avon Bank.

This hypothesis with t-test is equal to 82.790 in significance level of below 0.001 with impact factor of 12.044 and it can be said that null hypothesis that factor of quality of cost strategic management approach is not effective on customer focus of Tose'e Ta'avon Bank is rejected and hypothesis of the researcher is confirmed.

Second hypothesis: Factor of quality of cost strategic management approach is effective on information technology of Tose'e Ta'avon Bank.

This hypothesis with t-test is equal to 80.145 in significance level of below 0.001 with impact factor of 13.740 and it can be said that null hypothesis that factor of quality of cost strategic management approach is not effective on information technology of Tose'e Ta'avon Bank is rejected and hypothesis of the researcher is confirmed.

Third hypothesis: Factor of quality of cost strategic management approach is effective on resources and consumption optimum management of Tose'e Ta'avon Bank.

This hypothesis with t-test is equal to 131.584 in significance level of below 0.001 with impact factor of 14.432 and it can be said that null hypothesis that factor of quality of cost strategic management approach is not effective on resources and consumption optimum management of Tose'e Ta'avon Bank is rejected and hypothesis of the researcher is confirmed.

Fourth hypothesis: Factor of price of cost strategic management approach is effective on customer focus of Tose'e Ta'avon Bank.

This hypothesis with t-test is equal to 98.466 in significance level of below 0.001 with impact factor of 12.294 and it can be said that null hypothesis that factor of price of cost strategic management approach is not effective on customer focus of Tose'e Ta'avon Bank is rejected and hypothesis of the researcher is confirmed.

Fifth hypothesis: Factor of price of cost strategic management approach is effective on information technology of Tosee Taavon Bank.

This hypothesis with t-test is equal to 143.997 in significance level of below 0.001 with impact factor of 18.867 and it can be said that null hypothesis that factor of price of cost strategic management approach is not effective on information technology of Tosee Taavon Bank is rejected and hypothesis of the researcher is confirmed.

Sixth hypothesis: Factor of price of cost strategic management approach is effective on resources and consumption optimum management of Tose'e Ta'avon Bank.

This hypothesis with t-test is equal to 102.547 in significance level of below 0.001 with impact factor of 18.867 and it can be said that null hypothesis that factor of price of cost strategic management approach is not effective on resources and consumption optimum management of Tose'e Ta'avon Bank is rejected and hypothesis of the researcher is confirmed.

Seventh hypothesis: Factor of function of cost strategic management approach is effective on customer focus of Tose'e Ta'avon Bank.

This hypothesis with t-test is equal to 87.927 in significance level of below 0.001 with impact factor of 10.334 and it can be said that null hypothesis that factor of function of cost strategic management approach is not effective on customer focus of Tose'e Ta'avon Bank is rejected and hypothesis of the researcher is confirmed.

Eighth hypothesis: Factor of function of cost strategic management approach is effective on information technology of Tose'e Ta'avon Bank.

This hypothesis with t-test is equal to 90.410 in significance level of below 0.001 with impact factor of 10.600 and it can be said that null hypothesis that factor of function of cost strategic management approach is not effective on information technology of Tose'e Ta'avon Bank is rejected and hypothesis of the researcher is confirmed.

Ninth hypothesis: Factor of function of cost strategic management approach is effective on resources and consumption optimum management of Tose'e Ta'avon Bank.

This hypothesis with t-test is equal to 86.410 in significance level of below 0.001 with impact factor of 17.990 and it can be said that null hypothesis that factor of function of cost strategic management approach is not effective on resources and consumption optimum management of Tose'e Ta'avon Bank is rejected and hypothesis of the researcher is confirmed. The estimated effect of factors of information technology (I), customer focus (V) and resources and consumptions management (L) on cost strategic management is shown in Table (5).

Table 5. Effect of Each One of Indices

	Key indices	Impact factor
Cost strategic management approach	Information technology	0.74
	Customer focus	0.91
	Resources and consumptions management	0.58

4-1-Discussion about Results of Research Indices
4-1-1- Physical Evidence Index:
Special attention is paid to anything tangible which is related to services supplier such as physical environment and decoration in the field of services. Therefore, considering that external and internal specification of branches is effective on climate perceived by customers, one can find effect of this factor on increase of bank services quality.

4-1-2-Responsiveness
Considering that most of the bank services are provided by manpower, quality of service provision and conduct and performance of the service provider are generalized to quality of the bank, therefore, employees, behavior, abilities, competencies and skills and their performance are the most important factors which are effective on increase of quality of bank services and performance of bank, employees and type of services which they provide show desirable image of services quality and absorption of customers. Variety of bank services was one of the other factors which play very important role in improvement of bank services quality because the main goal of banks is to fulfill variable financial needs of customers (Eshaghi, 2008).

Today, many banks provide different bank services such as all types of facilities, types of interest and payments, types of credits, investment services, financial consultation services etc in the developed countries. Hence, diversification of services can be effective in fulfillment of growing needs of customers and increase of quality of bank services. Results also indicate that wonderful development of information and communication technology and application of information technology and information networks have affected banking industry as well. Speed of informatics industry development causes major changes in money and resources transfer systems in the field of banking and presented new concepts as e-money and e-transfer. On the other hand, banks should create their services continually and actively in order to attend a suitable competitive environment.

4-1-3-Reliability
In order to increase trust of customers in financial institutes, one of the main components of success of this agency is competition and many of these institutes have regarded important issue of trust as the keystone of their advertisement activities. Therefore, creation of trust and assuring customers and inspiring sense of trust at time of their utilizing bank services can be effective on quality of bank services (Eshaghi, 2008).

4-1-4-Commission and Price Services Indices
Results indicate that with increase of competition in provision of services to customers, banks have to reduce cost price (Hafeznia, 2004). One of the most important methods which have been considered in this regard is change of real cost of providing bank services such as facilities, credits and commission services for bank. The granted facilities and commission services can be regarded as products of an economic agency and these services are regarded as a comparative advantage for banks. Interest and facilities are of the main variables of bank activities. Because change of bank interest rates is effective on factors such as volume of deposit, composition of all kinds of deposit, investment etc and all of these factors are effective on composition of resources and consumptions of bank.

Services Speed and Waiting Time Index:

Results indicate that organizations should respect for people and time allocated to them and adjust their plans so that they minimize average time spent by customers for fulfilling their needs which have affected wonderful development of information technology of banking industry and promoted speed of provision and receipt of services.

Table 6. shows the Conformity of Results with Research History

Previous research results	Similar researches	actors identified in this research
Price, time, quality, services, flexibility, reliability are effective on loyalty of Shahrvand's customers	Hamidi Zadeh and Ghamkhari (2009)	Price, quality and time are effective on customer focus.
Positive relationship between e-banking and quality.	Shahroodi (2010)	Price, quality and time are effective on information technology.
Behavior of employees, competency and skill, innovation in services, physical facilities of bank, reliability, variety of services, and simplicity of services are effective on quality.	Hosseini and Ghaderi (2010)	Physical facilities, assurance and responsiveness are the factors effective on increase of quality and effect of key indices of performance
Bank services are factor of profitability and employees of bank are the most important factor for profitability	Yang and Jang (2006)	Bank services and employees increase quality and effect on key indices of performance of bank
Cost efficient management is an important factor of profitability in banks	Bagheri (2006)	Effect of cost strategic management on key indices of performance of bank
Management accounting techniques as useful method play role in understanding costs and reducing them and as a result better decision making.	Brook Short (1979)	Effect of cost strategic management on key indices of performance of bank

Table 6: Previous research results

5-Discussion of research findings

Any scientific research is conducted based on specified goal that is the researcher's goal of research is either fundamental which leads to expansion of knowledge field or applied which means problem solving by promoting quality or quantity level. For this reason, researcher should announce his theory considering each one of the goals and based on results of research.

5-1-Physical Evidence Index:

considering that location of branches of Zanjan Tose'e Ta'avon Bank is not suitable and the number of branches of this bank is limited, Tose'e Ta'avon Bank should determine the best location for branch of bank and increase the number of branches in large cities and consider suitable internal and external design for a governmental bank.

5-2-Responsiveness and Assurance:

the bank should make methods of e-banking services compatible with the technology of the world in order to satisfy customers, pay more attention to new services such as bank SMS, POS, ATM, telephone bank). There are major weaknesses in the field of ATM and POS which should be removed as soon as possible. Tose'e Ta'avon Bank should increase productivity of its labor force and improve good conduct of the bank's employees to customers and proper individual characteristics of employees by paying attention to its manpower through necessary training to the employees, employing desired manpower using special employment conditions, using motivational factors such as increase of salary and wage. It reduces stresses and waste of time through necessary training to the employees in the field of bank services especially e-banking services and shall pay facilities when granting facilities considering competence of customer and guarantor to reduce cost of outstanding claims and non- return of resources.

Services commission and price: Tose'e Ta'avon Bank faces a series of limitations like other governmental banks and even private banks. All banks supervised by Bank Markazi are obliged to observe law, regulations and policies. Senior managers of the bank are recommended to make use of this field by considering the minimum and maximum enacted rates and increase interest rate payable to deposits.

Services Speed and Waiting Time: the managers are recommended to try to reduce waiting time of receiving facilities, increase speed of providing services to customers, improve e-banking services and increase specialized skills of employees , increase the number of branches and counters.

Other researchers are recommended to conduct other researches in the field of other services considering that this research has been conducted in the field of bank services.

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