PROMOTING STAKEHOLDER CONFIDENCE IN THE ZIMBABWE'S BANKING SECTOR

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Abstract
The purpose of this study is to examine the ways of promoting stakeholder confidence in the Zimbabwe's banking sector. To achieve this objective some research questions were raised and related literature was reviewed. The data needed for this study was gathered using a well-structured questionnaire that was designed on a five point Likert scale which was availed for the research participants for completion. The research data was analyzed using multiple regression model in SPSS version 20. Findings revealed that digitalization, bank culture, information quality and customer satisfaction are some of the important factors that determine the confidence of the public in a banking sector. It was concluded that to promote public confidence in the banking sector, Zimbabwean banks and their regulator need to pay attention to and manage factors that can promote public trust in the banking sector such as service reliability, digitalization and managing the public's risk perceptions about banking institutions.
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1. INTRODUCTION

Creating high confidence in a banking sector of any country is an important factor that can ensure successful banking operations as well as high quality cooperation between the banks and its customers (Jureviciene and Skvarciany, 2013). A banking system is a business that is built upon confidence and bank risk managers must not underestimate the risk that is caused if confidence is lost (Ingves, 2014). Ingves (2014) also points out that in Russia the banking system's regulatory frameworks are inadequate in protecting the sector against the risk caused by decline in public confidence. Chernykh, Davydov and Shvonen (2019) conducted a research on financial stability and public confidence in banks in Russia and concluded that it is not feasible to enhance public trust in a banking system without improving the

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financial stability of the entire banking sector. Panda (2021) points out that it is important for governments to maintain public confidence in banks and India prides itself on this by having a high savings rate which stands at 28.35% which is way above the global average.

Musarurwa (2016) reported that in Zimbabwe the banking sector has been affected by currency changes and hyperinflation and banking stakeholders suffered loss of value which worked to weaken confidence in the banking system. A low stakeholder confidence can cause a decline in domestic savings mobilization which is a critical role of banks in an economy and fall in savings will make companies rely on external borrowing which can be expensive (Musarurwa, 2016).

Kunofiwa (2018) urged Zimbabwean authorities to formulate and implement some policies that grow the economy while ensuring that depositors get better interest rates on their money, attract foreign direct investment inflow and increase savings mobilization in-order to promote the development of the banking sector. Lack of confidence and trust in banking system is the major reason why most Zimbabweans stash cash in homes, avoid banking the money and this can be partly blamed on the prevailing shortages of cash which plagued the nation since 2016 (Chinamasa, 2016). The cash shortage in Zimbabwe is more attributed to the inefficient circulation of money arising from lack of trust and confidence, if the central bank injects local bank notes or United States Dollars into the economy the money is withdrawn and never re-deposited (Chinamasa, 2018). Further-Africa (2022) states that the major cause of the problems in Zimbabwe is policy inconsistency as well as knee jerk reactions for instance policy makers makes announcement for banks to stop lending at midnight and cause a public panic.

Having high public confidence in a banking system is very important for any economy and this paper is centred on ascertaining measures that can be implemented to promote public confidence in Zimbabwean banks. Low public confidence causes the banking public to keep cash at home and for some companies to deal exclusively in cash to avoid the banking system. The public generally believes that banks are robbing them of their money through exorbitant interest rates and bank charges which deduct money from individual accounts on monthly basis or per every transaction. The main objectives of the research are:

- To outline the importance of stakeholder confidence in the banking sector.
- To evaluate the drivers of low stakeholder confidence in the banking sector.
- To suggest policy measures that can be implemented in-order to restore public confidence in the banking sector.

Through these objectives the researcher intends to identify the root cause of low stakeholder confidence, the impact and policy strategies that banks and the regulator can implement to promote

stakeholders' trust in the system. The study focuses on commercial banks in Zimbabwe since they are the ones that deal with a significant number of banking public and corporates.

2. LITERATURE REVIEW

2.1 Definition of stakeholder confidence

Several authors have attempted to explain what public or stakeholder confidence entails. Munoangira and Kaja (2016) define stakeholder confidence as the faith of the public in its decision makers (regulatory authorities and the Government) and the policies they set. Donovan (2018) cited in Mwatetsera, Sandada, Chuchu and Maziriri (2022) stipulates that public confidence is faith upheld by the public in the decisions made and rules established by the regulatory authorities. The Institute of Bankers in Zimbabwe (IOBZ, 2011,1) defines confidence as "the trust, belief, faith and ability to accept, without proof, the word or representation of another, for example, for a bank customer, confidence is the faith, belief and trust that his or her money is safe and will be there when he needs it". Confidence is the interaction between psychological and economic expressions of the human behaviour (Jureviciene and Skvarrciany, 2014).

Consumer confidence entails that financial institutions and those who lead them should be trustworthy, because, firstly, depositors invest money with banks with the faith and trust that it will be safe and available when they need it (IOBZ, 2011). Secondly, in order to trust the financial markets, stakeholders need to trust the various players within those markets. Thirdly, the intermediation role of these players in the financial market is critical to the efficient allocation of capital, a critical function for economic development. Finally, money is trust; stakeholders take it on the faith, belief and confidence that it is worth its face value (IOBZ, 2011). This view is supported by Bjørnskov (2021) who analysed stakeholder confidence in relation to long term interest rates, social trust and sovereign credit ratings in the financial sector. The definitions above also show that stakeholder confidence in the banking sector and financial institutions are mainly impacted by government regulations (Diepstraten and Van der Cruijsen, 2019). Certain principles should guide banks' operations to gain stakeholder confidence. Studies have revealed that financial institutions have a 30% better chance of achieving their desired objectives if stakeholders are confident than having a good reputation (Knott and McGoldrick, 2016).

2.2 The importance of stakeholder confidence

Stakeholder confidence in the banking sector is considered to be a crucial factor which ensures the successful operations and development of the institution. Research has established that confidence breeds loyalty (Industrial Psychology Consultants, 2017). Clients who have confidence in a bank

continue to save their funds with that bank. In addition, they are inclined to exonerate any negative experience with the bank and perceive it as an exception if they have confidence in the bank (Hurley, 2014; Järvinen and Myllymäki, 2016). Noko (2016) asserts that confident customers may also recommend the bank services to other potential customers; this assists the bank to tap into new customer bases and attract consumers outside of their normal marketing reach. Researchers have identified a number of drivers of low stakeholder confidence in the banking sector.

2.3 Drivers of low stakeholder confidence in the banking sector

Low stakeholder confidence emanates from various sources such as insufficient bank regulation and oversight, poor deposit protection, poor quality of information, customer dissatisfaction, perceived risk, poor bank reputation, location and convenience, lack digitalization and bad service culture.

Insufficient bank regulation has been cited as a cause for low customer confidence. There is need for financial regulation to reign in excessive risk taking by banks (Hickson and Turner, 2009). Proper regulation allows the sector to be resilient against any uncertainties. Where banks are not properly regulated, customers fear the advent of another financial crisis; hence they lack confidence in the sector (Basel Committee on Bank Supervision, 2010). Customers will have confidence in a bank that offers them *deposit protection* in the event of a bank crisis or failure. Deposit protection reduces financial uncertainty and builds confidence in the financial sector (Demirguc-Kunt, Karacaovali and Leaven, 2005).

Skvarrciany and Iljins (2015) cited *good quality and reliability of information* as a driver of customer confidence. Aurier and N'Goala, (2012) state that lack of transparency in information dissemination to various stakeholders is a determinant of low customer confidence and lack of trust in the sector. In a study carried out on Luthinian banks, Jasienė and Staroselskaja (2010) claim that the sources of confidence in banks include the bank's property, income, the quality and reliability of information provided. Thus the quality of information provided by banks has a huge influence on stakeholders' confidence.

In another study, *customer dissatisfaction* was identified as a perception of poor service quality, which in turn negatively affects customer confidence (Malaquias and Hwang, 2016; Chiou and Shen, 2014). Service quality is the extent to which organisations understand their customers and delivers their service to fulfil customers' needs (Afsar, Rehman, Qureshi, and Shahjehan, 2010). Žvirelienė and Bičiūnienė (2008) claim that satisfaction is one of the factors that strengthen the mutual trust between a bank and its customers. Customer satisfaction also emanates from the *customer experience* with the bank (Aisyah, 2018); the customers' experience with bank employees, loans, accounts, investments, pensions and other financial services determines their level of trust and confidence.

A number of researchers have identified that there is direct relationship between *risk perception* and customer confidence. Hudson (2004) states that perceived risk is an essential condition in the conceptualisation of customer confidence. Bank clients expect risk to be lesser if they are to have confidence in the bank; hence it is important to emphasize bank risk management, which is an extension of risk perception (Anouze, Alamro, and Awwad, 2019). Bank clients, who understand the concept of risk, need to be sure that the risk will be managed, and will diminish the possibility of an unfavourable situation, and a client will have minimal losses in case such a situation arises (Jureviciene and Skvarrciany, 2014; Ibragimova, 2012).

The bad *reputation and poor image* of a financial institution is also identified as a source of low customer confidence. Research claims that there is a direct relationship between the image and reputation of banks and customers' confidence (Amin, 2013; Afsar et al, 2010). A bank's reputation is a major factor that could increase or decrease the level of customers' trust and confidence (Debab and Yateem 2012; Gul 2014). Consequently, it is stated that commercial bank's characteristics, such as image and reputation, affect the level of consumers' trust in traditional banking (Anouze et al, 2019). Good customer relations also enhance the company's image and customer satisfaction, which increase customer confidence (Bătrâncea, 2020; Dehghanpouri, Soltani, and Rostamzadeh, 2020). High quality customer service makes customers happy and thus improves the image of the organization, in return increasing customer confidence (Fungáčová, Hasan, and Weill, 2019; Lin, Osman and Wang, 2018).

Organisations are run based on *culture;* this is a unique way in which the business carries out its operations and customer interactions (Tien, 2021). Poor organisational culture affects bank relationships and service quality negatively thus resulting in low customer confidence. *Bank relationships* play a critical role in establishing customer confidence (Mwatetsera et al, 2022). Other factors that affect customer confidence include a *strategic and convenient location* (Ramanathan et al., 2017). A close location makes transaction costs low and makes customers feel more comfortable. Customers are more comfortable and better appreciate a bank which is in their local vicinity. Additionally, the institution may be involved in socially responsible activities in the community and this increases customer trust (Bătrâncea, 2020).

Stakeholder loyalty and trust cannot be separated from *digitalization* in this era of information technology advances. (Mwatsetera et al, 2022; Zouari and Abdelhedi, 2021). Digital banking services are important to customer service as they enhance customer satisfaction and customer loyalty (Moraru and Duhnea, 2018; Cobelli and Chiarini, 2021). Through digitalization, banks can improve ease of access of their products to consumers and they can also implement personalized banking strategies

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which bring customer satisfaction and confidence in the bank (Hausman, 2022). Banks that are lagging behind in technological advancements are prone to lack of customer confidence.

3. METHODOLOGY

To effectively assess the level of stakeholder confidence in the banking sector, the research adopted descriptive and explanatory designs. Descriptive design is suitable for both qualitative and quantitative data, while explanatory design attempts to explain the relationship between the stakeholder confidence and its drivers. The study used five point Likert scale questionnaires to collect data from the respondents who included commercial banks employees and customers. The questionnaire was suitable for a descriptive analysis and also aided the study in collecting all the relevant data at once. Data was analysed using SPSS version 20 and presented in extract tables and Excel.

3.1 Model specification

In order to capture the effects of different variables on stakeholder confidence in the Zimbabwean financial system, the study utilised the multiple regression model.

Model regression equation

$$SC = \beta_0 + \beta_1 DP + \beta_2 CS + B_3 RP + B_4 IQ + \beta_5 CIR + \beta_6 BC + \beta_7 SL + \beta_8 DIG + \mu$$

Where

SC= Stakeholder Confidence

DP=Deposit Protection

CS=Customer Satisfaction

RP – Risk Perception

IQ=Information Quality

CIR=Corporate Image and Reputation

BC=Bank Culture

SL=Strategic Location

DIG=Digitalisation

β = the constant vector

μ = represents all variables that explain stakeholder confidence that are not included in the model.

3.2 Operationalization of variables

The variables in the study were justified and measured as follows. Stakeholder confidence referred to the faith of the public in the banking system (Munoangira and Kaja, 2016) and a quantitative measure of

confidence can be noticed through the level of deposits being made and number of persons using the banking services (Kibirango, 1999).

Bank regulation refers to the rules set by the central bank to protect customers, prevent crime, mitigate bank failures and make an oversight over the entire financial system. (BCBS, 2010). Deposit protection refers to consumer safety in the event of a crisis and is measured by insurance coverage and time lag in deposit reimbursement (Demirguc-Kunt et al 2005).

Customer satisfaction refers to customer experience confirmation measured by increased deposits (Christ-Brendemühl and Schaarschmidt, 2020). Risk perception refers to customer perceptions of bank risk and is measured by the risk management practices implemented by the bank (Hudson, 2004).

Corporate image and reputation plays an important role in growth, survival of any bank as well as influencing perceived attractiveness for private investments (Amaka, 2012).

Bank culture refers to the practices within the bank. The banking sector economic crisis of 2008 prompted the call for some fundamental change in banks' professional norms and the concept of risk culture started to be emphasized in standard setting by the regulators (Kunz and Heitz, 2021).

Digitalization involves interactive communication measured by improve ease of access of bank products and services through the adoption of mobile and internet banking (Zouari and Abdelhedi, 2021).

4. DATA PRESENTATION AND ANALYSIS

4.1 Customer duration with bank

The information on customers' loyalty to the bank is presented in figure 4.1 below.

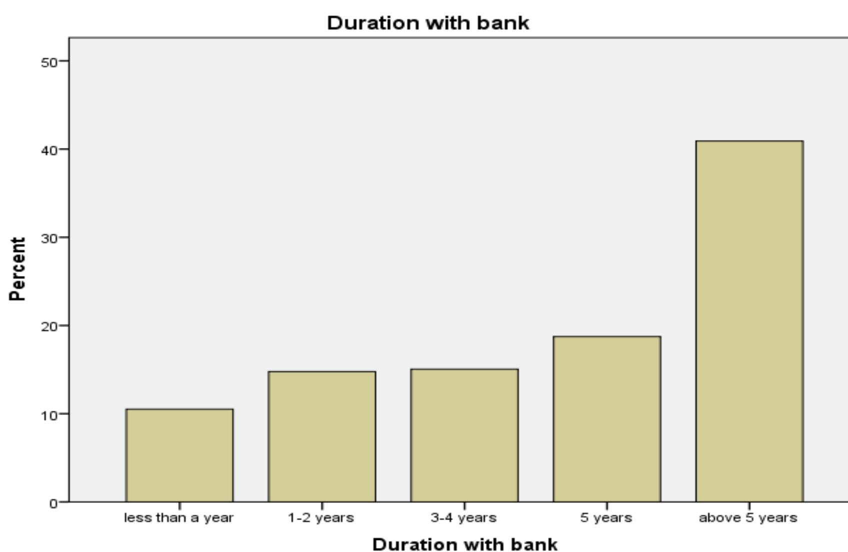

FIGURE 1. CUSTOMER LOYALTY TO THE BANK

Source: Primary data

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The majority of the customers (41%) are loyal to their banks with majority having held accounts with the institution for over 5 years while 10% of the respondents had less than a year with their banking institution. This implies that the majority of respondents were seasoned bank customers, and the bank had only obtained a few customers in the past year

4.2 Factors considered in choosing a bank

The study also sought to determine the reasons why respondents choose certain banks and maintain bank accounts with their preferred institution.

TABLE 1. REASONS FOR CHOOSING A BANK OR MAINTAINING A BANK ACCOUNT

Reason for opening account		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Saving	59	16.8	16.8	16.8
	Employer Requirements	91	25.9	25.9	42.6
	Pension funds/NSSA	45	12.8	12.8	55.4
	Loan access	122	34.7	34.7	90.1
	Statutory Requirement	35	9.9	9.9	100.0
	Total	352	100.0	100.0	

The above table shows that some of the reasons for choosing a bank and maintaining a bank account which includes the service charges, convenient banking facilities, employer requirements, interest rates and loan access. 35% of the respondents indicated that they had opened accounts to requirement by their employers, while 26% opened accounts their accounts due to the need for convenient banking facilities, 17% considered the bank's service charges, 13% opened accounts where there are favorable interest rates and 10% opened accounts to get access to loan facilities. The indication of above findings in regards to reason why stakeholder choose banks or maintain bank accounts shows low levels of confidence in the banking system. Significant percentage of 35% open accounts because they do not have option because the employer required it and they consider a bank if the banking facilities are convenient or easily accessible. The issue of how much banks charge for their service is a key factor which determine whether customer are to open an account or maintain it while accessibility to loans or interest rates which have 13% and 10% are the low ranking factors to consider if clients want to maintain or open bank accounts.

4.3 Multiple regression model

The study employed the multiple regression analysis to find out the relationship between the dependant and independent variables.

TABLE 2. MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.991[a]	.981	.981	.38843

a. Predictors: (Constant), Digitalisation, Information Quality, Corporate Image and Reputation, Deposit Protection, Risk Perception, Customer Satisfaction, Strategic Location, Bank Culture

Source: SPSS Output (2023)

Table 2 above shows the regression model summary findings that were estimated to show the changes in the R-squared variations between the independent variables (digitalization, information quality, corporate image and reputation, deposit protection, risk perception, customer satisfaction, strategic location and bank culture) and the dependent variable, stakeholder confidence. The multiple correlation coefficient (R value) is a quality measure of the prediction of dependent variable and the R Square of 0.981 shows a good level of prediction. The coefficient of determination in this analysis is R Square value of 0.981 which shows the proportion of variance in the dependent variable that is explained by the independent variables in this study. The independent variables therefore explains 98.1% of the variability of the dependent variable under study. The adjusted R Square of 0.98 implies that the independent variables account for 98% variations in stakeholder confidence.

TABLE 3. ANOVA OF THE VARIABLES

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2699.691	8	337.461	2236.605	.000[b]
	Residual	51.752	343	.151		
	Total	2751.443	351			

a. Dependent Variable: Stakeholder Confidence

b. Predictors: (Constant), Digitalization, Information Quality, Corporate Image and Reputation, Deposit Protection, Risk perception Customer Satisfaction, Strategic Location, Bank Culture

Source: SPSS Output (2023)

Table 3 above for ANOVA shows an assessment of the statistical significance of the test and the model reached statistical significance because Sig. = 0.000 implies that $p<0.0005$.

TABLE 4. EVALUATING THE INDEPENDENT VARIABLES

This step reveals the variables in the model contributed in the prediction of the research's dependent variable. This information is found in the column labeled Beta in standardized coefficients below.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.712	.149		-4.785	.000
	Information Quality	.093	.036	.062	2.600	.002
	Deposit Protection	.162	.019	.123	8.636	.000
	Customer Satisfaction	-.006	.010	-.008	-.620	.001
	Risk Perception	1.120	.026	.686	42.748	.000
	Corporate Image and Reputation	-.101	.020	-.089	-5.133	.000
	Bank Culture	-.211	.045	-.161	-4.630	.000
	Strategic Location	.289	.031	.285	9.356	.000
	Digitalization	.310	.021	.261	14.840	.000

a. Dependent Variable: Stakeholder Confidence

The standardized coefficients in Table 4 contains values of the different research variables converted to a same scale and is used for comparison purposes only. In this analysis contribution by each independent variable is revealed by beta values, considering the highest and ignoring negative signs. In this analysis the highest contributions are from risk perception (.686), strategic location (.285), digitalization (.261), bank culture (.161) and deposit protection (.123). This implies that these variables made the strongest unique contribution toward explaining the dependent variable. The values for information quality (.062), customer satisfaction (.008) and corporate image and reputation (.089) reveals that they made less contribution towards explaining the dependent variable.

In Table 4 above the focus is on Sig column to identify variables making statistically significant or insignificant contribution to the equation. The Sig values are below .05 which indicates that risk perception (.000), strategic location (.000), digitalization (.000), bank culture (.000), deposit protection

(.000), information quality (.010), customer satisfaction (.001) and corporate image and reputation (000) made unique significant contribution towards the prediction of stakeholder confidence. In this case it means all the variables made some unique and some statistically significant contributions towards the prediction of stakeholder confidence in the banking system.

4.3.1 Estimated regression model

$$SC = \beta_0 + \beta_1 DP + \beta_2 CS + B_3 RP + B_4 IQ + \beta_5 CIR + \beta_6 BC + \beta_7 SL + \beta_8 DIG + \mu$$

From table 4.4 above a regression equation has been constructed by using the unstandardized coefficient values under the column listed **B** and the equation for this final model of significant variables is:

$$SC = -0.712 + 0.162DP - 0.006CS + 1.120RP + 0.093IQ - 0.101CIR - 0.211BC + 0.289SL + 0.310DIG$$

4.3.2 Interpretation of results

Risk perception

Risk perception has a beta of .686 which is the highest value towards explaining stakeholder confidence in Zimbabwe banking system. The value is further supported by the low p value of .000. This shows that the higher the risk perception that clients hold about a banking system the higher the chance of lower stakeholder confidence. Ball (2020) supports that risk averse clients consider the possibility of losing their money as the most important factor before placing their money in the bank. The challenge in our economy is that the country have experience of unexpected shift in monetary policy which caused loss to bank clients and now people cannot fully trust the system.

Strategic location

This came up as the second most important predictor of stakeholder confidence with beta of .285 and p value of .000. The reveals that accessibility of banking facility have significant effect on promoting stakeholder confidence in the banking system. This indicates that an increase in accessibility of banking facilities and services have a direct positive effect on public's confidence in a banking sector.

Bank culture

Bank culture have a p value of .000 and a beta of .161 which indicates that it is an important factor in explaining stakeholder confidence in the banking sector. This indicates that a culture of transparency, efficiency effective communication and accountability will make the banking sector to be more trusted by stakeholders (Adrian, Shabsigh and Khan, 2020).

Deposit protection

The model showed the effect of deposit protection to be making statistically significant contribution by revealing a beta of .123 which is further contemplated by a p value of .000. The findings depicts a positive relationship between deposit protection and stakeholders' confidence in the banking sector. Deposit protection is key in maintaining the trust of the public and financial stability of the banking sector. Turner (2012) showed that very strong, supervision and prudential regulation of banks are key in enhancing public trust.

Digitalization

Digitalization is the fourth independent variable that was considered by the research model and it showed a beta of .261 and was supported to be a significant factor in defining stakeholder confidence by having a p value of .000. Provision of personalized offers, improving efficiency and enhancement of customer experience in Zimbabwe's banking sector increase customers' level of confidence in the system. This is because digitalized banking system enables banks to formulate financial services and offer them according to clients' requirements without assumptions or guesswork (Shah, 2022).

4.4 Other factors that influence stakeholder confidence

Information quality p value .010, customer satisfaction p value .001 and corporate image and reputation p value .000 were tested by the model and proved to be statistically significant despite having produced lower Beta values in the analysis.

Poor information quality will have significant impact on performance of a bank (Ramos-Lima, Macada and Koufterous, 2007). Banks in Zimbabwe are spending a lot of money in solving the information quality problem and developing quality information services or products for their stakeholders in order to build strong relationship and customer's confidence. Where the information availed to customer is of high quality the customers are highly likely to have confidence in the banking system in the country.

Customer satisfaction showed statistically significant contribution with a beta value of .008. This means that if the services that Zimbabwe banks offer satisfies customer needs and meet the expectations in terms of quality or reliability the bank customers can have their confidence in the banking system. Accessibility, responsiveness and tangibility have a significant effect on customer satisfaction and without delivering a satisfactory service banks cannot create stakeholder confidence (Wang, Masukujjaman, Alam, Ahmad, Lin and Ho, 2023).

Corporate image and reputation research variable proved to be statistically significant with beta value of .089 and p value of .000. This implies that the brand of a bank and people's perceptions about it have a positive impact on whether stakeholders can have confidence in the banking system.

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

The research evaluated factors that promote stakeholder confidence in the Zimbabwean banking sector. In order to ascertain this the researchers made an evaluation of factors that influence the confidence of stakeholders in the banking industry. The research adopted a descriptive and explanatory design to explain the relationship between stakeholder confidence and its drivers and used a multiple regression model to analyze the factors that have impact on stakeholders' confidence in the Zimbabwean banking sector. The data gathered through questionnaires from the respondents was analyzed in SPSS and indicated information quality, digitalization, corporate image and reputation, strategic location, bank culture, deposit protection and risk perception significantly affect the confidence of the public in banking sector.

5.1 Conclusions

The banks in Zimbabwe have strategic ambition of instilling public confidence in the banking sector. The findings of this research reveals that it is of paramount importance that banks and their regulator need to deal with factors that can promote public trust in the banking sector such as service reliability, digitalization and managing clients' risk perception about keeping their money in the banks. Where the public do not trust a banking system or have negative risk perceptions they can trust keeping their money for themselves than trusting safe keeping by banking sector that they are skeptical about.

The researchers made the conclusion that public's confidence in a banking sector is dependents on key factors like deposit protection, digitalization and quality of information amongst other factors analyzed by the regression model. Where there is no effective deposit protection policies, the public can have a negative attitude or perception of riskiness about the banking sector because history of the Zimbabwean banking system reminds them of losing their investments or money and failing to retrieve it from the bank accounts. The currency changes experienced in the country in its history have seen stakeholders losing wealth in the currency changeover processes from Zimbabwean Dollar to multi-currencies in 2009 and shift from dollarization to Zimbabwean Dollar in 2019 and as such the public is skeptical about future occurrences, risk averse and they prefer to keep cash in hand than assets in a bank.

The results therefore indicate that shortcomings of the elements analyzed in regression model will cause stakeholders' confidence to decline. The policy inconsistencies that affect the banking sector,

bank's image, reputation or historical concerns about banking institutions are very key in revitalizing the public's confidence in the country's banking sector.

Macroeconomic instability in elements such as currency depreciation through inflation, abnormal interest rates that reach a highest rate of 200% in 2022 and unfavorable exchange rates exorbitant bank charges are key elements that diminish confidence and the public believes that banks are existing to rob their money.

5.2 Recommendations

There are various strategies that can be adopted to promote stakeholders' confidence in Zimbabwe's banking sector. Banks as custodian of public stakeholders' funds need to enhance transparency and have efficiency in their service delivery and should not allow the public to feel as if some policy changes from the regulators are making the situation to get out of hand since this makes the public to become nervous.

Banks may need to improve their communications with the public because an unhealthy communication will ruin confidence levels and relationships. Most banks in Zimbabwe are understaffed and they will be overwhelmed with clients such that they end up with poor customer service. It is therefore imperative that banks have some effective communication plans for stakeholder management and provide satisfactory customer care experience so that the public can put their trust in them. Banks may need to be honest when dealing with risk and must disclose unknown risk before they happen.

The researchers further recommends that banks should initiate campaigns on educating of the public about the products they offer and how the client's money will be safeguarded so as to lure money which is circulating in Zimbabwe's informal sector into formal sector. This can help to reduce the majority of Zimbabwe's money which is circulating outside the formal markets because that's where people trust to be safer than in a bank.

Banks in Zimbabwe charge exorbitant bank charges per transaction, monthly charges, balance enquiry charges, short message (SMS) charges amongst other miscellaneous charges and if there was an option to deal with cash only numerous stakeholder will shun the banking system because of costs. It is recommended that the central bank should regulate the issue of charges in the entire banking system because in Zimbabwe bank clients feel shortchanged when banks take unjustified amounts as charges from their bank balances.

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