CHAPTER - 9

CONCLUSIONS

This chapter is divided into four parts containing 1) Summary of findings, 2) Contribution of the study, 3) Limitations of the study, 4) Recommendation for future research.

9.1 SUMMARY OF FINDINGS

Offering high quality service is a strategy often used by service firms looking to increase and maintain their customer base, but it should be approached with cautious deliberation. The present study has highlighted the areas in which nationalised banks, Government banks and Co-operative banks need to improve to survive the competition posed by the new entrants, particularly the foreign banks and private banks.

The purpose of this study is to empirically investigate the critical factors relevant to management commitment, employee commitment and customer perceived service quality by utilising a survey questionnaire in Indian banking sectors.

To conduct survey, three questionnaires, one each for management commitment, employee commitment and customer perceived service quality, was designed after an exhaustive literature review and validated using quality experts. A preliminary survey was performed to collect data about the opinions of Bank Managers, Bank employees and customers. Based on the results of the preliminary survey and literature review, two factors for management commitment, three factors for employee commitment and five factors for customer perceived service quality were identified.
Factor analysis using kaizen normalisation with rotation was utilised to identify the underlying dimensions for management commitment, employee commitment and customer perceived service quality. Test re-test method was employed to ensure the reliability of each variable. Twenty-five hypotheses were developed for conducting the analysis.

The results of the statistical analysis indicate that Management commitment, employee commitment and customer perceived service quality are all found to be significantly different among Government Banks, Nationalised Banks, Private Banks, Co-operative Banks and Foreign banks. Management commitment levels in Government banks, Nationalised Banks and Co-operative banks are found to be below average. Employee commitment level is found to be below average for co-operative banks and moderate for Government banks and nationalised banks. Both Management and employee commitments are found to be very high in foreign banks. Similarly the customer perceived service quality is found below average in Government banks, Nationalised Banks and Co-operative banks. Here again the service quality level is found to be very high in foreign banks.

The discriminant analysis indicates that ‘Human resource management’ from management commitment ‘Quality Information’ from employee commitment and ‘System and procedure’ from customer perceived Service quality are the most discriminating variables for the respective groups. However both ‘Human resource management’ and ‘Quality Management’ of Management commitment, all the three variables of ‘Employee commitment’, ‘System and procedure’ and ‘Staff attitude’ of customer perceived service quality are found to be discriminating the five types of banks significantly.
The result of one-way ANOVA on ‘Management commitment’ indicates that age, length of service and educational qualifications of managers, are not factors for determining the management commitment level. The result of T-test indicates that sex and ISO 9000 certification are not factors for consideration, but training on quality does have significant impact on the management commitment.

The result of the one-way ANOVA on employee commitment indicates that age and educational qualification of employees are not found as factors for determining the commitment level, but the length of service does have an impact on the employee commitment. It is seen that employees with about 15 years of experience have more commitment. The result of t-test on Employee commitment indicates that sex and training on quality are seen as not very important in evaluating employee commitment. An important finding of this study is that ISO certification has made no impact on ‘Quality of Service Commitment’ on employees.

The result of one-way ANOVA on customer perceived service quality indicates that age, income, duration of account and type of account are found not factors for evaluating customer perceived service quality. However, among various social groups “Own business” group perceived the lowest level of “Systems and procedure” in these banks. It is also seen that expectations of salaried and non-salaried group are different. The result of t-test on customer perceived service quality indicate that sex is not a factor, but there exists a significant difference in “Responsiveness” i.e. the male customers expect the bank staff to be more responsive than female customers. Thus, the study has highlighted many issues related to service quality.
9.2 CONTRIBUTIONS OF THE STUDY

The research attempt of this study has contributed in many ways to the literature on service quality management. Three instruments were designed and validated psychometrically, one each for management commitment, employee commitment and customer perceived service quality. These instruments can be used to measure and monitor the levels of commitment and customer satisfaction by the interested bank.

This is probably the first attempt, in Indian banking sector to investigate the management commitment and employee commitment in this service sector. The result has clearly indicated that the foreign banks and to some extent private banks have over taken the Nationalised and Government banks. The study brought out the areas needing improvements in Nationalised and Government banks to compete and keep pace with Foreign Banks.

The study has highlighted the important factors for management commitment, employee commitment and customer perceived service quality in Indian Banking sector. The study also brought out that certain factors like age, educational qualification, length of service, sex etc., are not so important in evaluating Staff commitment (Management and Employee) and customer perceived service quality.

9.3 LIMITATIONS OF THE STUDY

There are some limitations to overcome the validity and reliability threats, which are clearly related. The instruments used in the study are developed specifically for this research purpose. Every care has been taken to ensure the validity and reliability of the instruments. However, the threat of reliability, which has close relation with the time of data collection cannot be ruled out. Researchers, who are interested to use this instrument for this purpose, can conduct a fresh reliability analysis, which may help in overcoming this problem.
External validity, which represents the ability to generalise a particular finding across different measures, returns and populations, is another limitation. The study concentrated on Chennai based banks and generalised the results. This is another limitation of this study.

Another limitation is the choice of variables. Even though literature has many instruments containing standard variables for measuring the service quality, this study has developed a new set of dimensions based on the requirements of Indian Banking sector. This may pose a limitation to the researchers who are interested to conduct a similar study on other areas of service sector.

9.4 RECOMMENDATIONS FOR FUTURE RESEARCH

This study investigated the management commitment, employee commitment and customer perceived service quality. For future research several research areas can be delivered from this study. One of the most promising research topics is to investigate empirically the relationship between management commitment and employee commitment in Indian Banking Sector. The researcher can establish the relationship between these two commitments and explain how management commitment can act as a role model for employee commitment, thus maximising customer satisfaction.

The present study is restricted to Chennai areas only. In future, banks can be selected region wise and the result can be compared and generalised for the Indian banking sectors.
In this study, the perception of the customers has been studied. The researchers can collect the objective measures of bank performances and this can be correlated with the customers’ satisfaction. In addition, the loyalty of employees can also be studied with the customers’ perception about service quality.

Cross-cultural difference across countries can be studied selecting banks from other countries. This may throw light on improving competitiveness globally.