CHAPTER – 8

DISCUSSION OF RESULTS

8.1 INTRODUCTION

In the preceding three chapters, the results of twenty-five hypotheses are given. The study has utilised various methods including the t-test, Discriminant analysis, and ANOVA for conducting the statistical analysis. This chapter analyses the findings of the study based on the test results obtained and furnished in the previous chapters.

8.2 ANALYSIS OF DESCRIPTIVES

In the study, sample data from three different populations were captured and analysed. Management commitment towards providing customer service, employee commitment towards customer service and customer perception about service quality were analysed using these data. The target was on the Indian banking sector. The results of descriptive analysis indicated that the overall management commitment was 3.06 in a five point Likert scale. This score shows that the management commitment is only moderate in Indian banking sector. One of the variables of management commitment is “Human Resource Management” and its score is 3.11 and the other variable is “Quality Management” and its score is 3.01. This result indicates that at present managers in banking sector give more thrust to Human Resource than Quality management. Quality management, which is considered an important intervention in developed countries for improving customer satisfaction, should be implemented in India not only in manufacturing industries but also in service sectors like banks. This study shows that the level of Quality Management is just average and needs to be improved so as to enhance the overall satisfaction of the customers. In evaluating employee commitment three variables were used. The overall employee commitment was found to be 3.27, which is better than management commitment.
But, still this score is not very high. This shows that the level of employee commitment in providing quality service to customers is also to be improved in this sector to increase the level of customer satisfaction. Studies proved that the level of management commitment and employee commitment have influenced the customer perceived service quality. In this study, “Involvement and motivation”, “Quality of service commitment” and “Quality of information” were utilised to measure the level of employee commitment. Among these three variables, the level of Quality of service commitment was found to be 3.49 which is better than the other two scores. Involvement and motivation was found to be just 3.27 and the level of Quality of Information was found to be 3.04. All these three variables have scored less than 4.00, which is considered very low in 5 Point Scale. The instruments developed in the study can be utilised at frequent intervals to measure and monitor the progress of quality improvement.

The third instrument, which is specially designed for this study is the instrument similar to 'SERQUAL' to measure the customer perceived service quality. The overall score for the Indian Banking sector was found to be 3.21. This score is again a moderate one.

In the present study, the variables “Job knowledge” and “Customer satisfaction” have scored 3.34 and 3.31 respectively, which are statistically same. Whereas, staff attitude and systems and procedures have scored 3.09 and 3.10, which are also statistically same, but the levels are just average. Responsiveness has scored 3.20. Overall, the scores for all the five variables are found to be moderate. It suggests that banks need to take necessary steps to satisfy their unsatisfied customers in India.
8.3 ANALYSIS OF MANAGEMENT COMMITMENT

If the management is really committed to customer service and makes it a priority, consistently showing that customer service is important, then customer service will prevail and produce satisfaction (Reynierse and Harker, 1993). In order to analyse the level of commitment prevailing in Indian banking sectors at the managerial level, eight hypotheses (H1-H8) were developed and tested. The results of one-way ANOVA conducted to test the extent of difference in management commitment (H1) among Government Banks, Nationalised Banks, Private Banks, Cooperative Banks and Foreign Banks show that there was a significant difference in management commitment among the various types of banks. The finding of the statistical analysis represents that the respondents perceived evaluation of management commitment is likely to be high in foreign banks. Among the two management commitment variables, ‘Human Resource Management’ dominates in evaluating management commitment. This result supports the indication that commitment to quality in the service sectors is typically a people intensive activity. A similar study conducted by Bonnie Feigenbaum (1996) illustrated that the customer response would be more favourable to a service unit that has a high commitment to quality culture. In this study, Foreign Banks demonstrate that their managers have high commitment towards quality culture. This shows that other Indian banks, which are lacking in management commitment, should learn the practices that are followed in Foreign banks to enable them to improve their commitment level.

While predicting management commitment (H2) using multiple discriminant analysis, the study result reveals that both ‘Quality management’ and ‘Human Resource Management’ are strong enough to predict the management commitment. However, the variable ‘Human Resource Management’ has emerged as the most important variable. This result corroborates the result obtained in ANOVA. Hence it is concluded that the human aspects should be given the
An analysis of discriminate classification function had shown that 67% of the cases matched with the original classification. However the coefficient of the variation shows that the respondents from the classified banks had clear distinction in evaluating the management commitment in these banks.

The result of one-way ANOVA (H3) indicates that the age is not a factor in determining the management commitment in Indian banking sector. However, when the commitment level for the each variable, viz. Human resource management and Quality management was evaluated, the “Quality management level was showing significant difference among the classified age groups of the managers, at 95% confidence limits. The result indicates that managers below 35 years show significant difference in quality management commitment. This may be due to the fact the managers at this age may show greater concern towards quality. This age group is just below the middle age group and people at this age will normally have aspirations for good prospects and try to earn good name in the office and as well as in the society. Typically, in India at this age people try to transform their ideas into realities. This would have made this difference possible in this study.

The commitment level among the various groups formed on the length of the service of managers (H4) is found to be at par. This result reveals that irrespective of the length of experience, the commitment level does not vary significantly. Even though the middle age grouped managers show significant difference for quality management commitment, the classification based on the experience does not show significant difference. This may appear quite contrary. Possible explanation to this contradiction is that the difference noticed in the age group is only at 95% confidence limit and that too only in one variable. When the overall commitment level was tested, it was found that there was no significant difference even in the age group classification. So, the difference noticed in the age group for “Quality management” does not prevail when the classification was made on the length of service of managers.
When the commitment level was tested, among the various educational background (H5) of managers, the result showed that the commitment of managers in these banks was found to be at the same level. In Indian Banking System, if one wants to become a manager, he/she should be a graduate. In exceptional cases, people with less than graduation become managers. In this study, eleven managers, who are non-graduates participated in the survey. This amounts only 8.9% of the total managers participated in the study. This being a small percentage, their impact on the commitment level would not have made significant difference in the commitment level.

When the commitment level was evaluated between male managers and female managers (H6), the result revealed that sex is not a factor in determining the management commitment. In India, sex discrimination has been curbed and women are found blossoming in almost all the fields. This result is a welcome measure. This also indicates that men and women have the same type of thinking. This shows that while evaluating management commitment in Indian banking sectors, sex need not be considered and it does not matter for this type of evaluations. It is interesting to note that the study had revealed that the commitment level of managers from ISO certified banks and from non-ISO certified banks was also not significantly different (H7). The result suggests that in Chennai based banks, ISO 9000 quality certification did not make sufficient impact. Studies reveal that manufacturing industries made significant improvements over the ISO 9000 certification. Banks, being service organisation, which are certified by the ISO 9000 quality system did not create the necessary impact on the managers. This result indicates that a further study is warranted after full scale implementation of ISO 9000 quality systems in Indian Banking Sector. However, training on quality showed the significant difference in the management commitment (H8). It shows that the training as a HRD intervention has made the required impact on the perception levels of the managers irrespective of the bank whether it is ISO certified or not.
8.4 ANALYSIS OF EMPLOYEE COMMITMENT

The Human Resource processes and procedures established for customer contact employees in service organisations have unintentional consequences, and they cannot be hidden from the customer. The attitude of employees directly impacts on the level of customer satisfaction. In this study, a sample of employees from various banks has been selected and their perception regarding their quality commitment was obtained.

The data collected was analysed using the various statistical tools and the results are discussed here. The result of employee commitment analysis indicated that the commitment of employees in five different banks is significantly different (H9). Employees from foreign banks showed greater commitment for quality service. It is also seen that the employees from cooperative banks showed the least commitment towards quality service. The analysis further revealed that the variables, ‘involvement and motivation’ and ‘quality of information’ levels were found to be very high and distinct in foreign banks. This shows that the employees in foreign banks showed greater concern towards satisfying their customers. It also shows that Private Bank employees’ commitment is somewhat similar to Foreign Bank employees’ commitments. Nationalised Banks, Government Banks and Cooperative Banks showed similar type of commitments. These three banks in India are more or less of similar type. Foreign banks and private banks are showing similar commitment. This has clearly established that commitment in government and its related banks is lesser when compared to private management banks in India. While predicting employee commitment (H10) using multiple discriminant (step wise) analysis it is seen that ‘Quality of Information’ has emerged as the strongest predictor of employee commitment. Involvement and motivation has emerged as the second best predictor of employee commitment. Finally, the variable ‘Quality of Service Commitment’ has emerged as the third important variable in predicting the employee commitment.
This shows that the banks which are seriously thinking to improve the commitment level, especially the government and its related banks, should concentrate on improving the levels of these variables to improve the overall level of employee commitment in their banks. Even though all the variables of employee commitment has shown significant difference in these five banks, the classification analysis had shown that only 57% of cases match with the original cases. However, the co-efficient variation has proved that the distinction among these banks still exists as the variation is found to be high among these banks.

The result of one-way ANOVA on different age groups (H11) indicates that there is no significant difference noticed among the groups. It indicates that the age is not a factor in determining the commitment level of employees in the Indian banking sector. It is noticed here that in our study both 'Management commitment’ and ‘Employee commitment’ do not show significant difference when age is considered as a factor. It shows that irrespective of the level, whether manager or employee, age does not determine the difference in the levels of quality commitment. But, in the case of employees, when they were divided into various groups based on their length of service, it was noticed that significant difference in commitment level in employees was noticed (H12). The result indicated that employees with more or less 15 years of experience showed greater concern for quality. It is also seen that as the experience increases, the level of commitment also increases. It is interesting to note that the commitment level has started decreasing after 20 years of experience. This may be due to the fact that more experienced people who are about to retire are least bothered about quality and may be complacent in delivering quality service. This may also be due to frustration, since they are not having any more chance to become managers in the banks. This result further indicates that human aspects have to be given consideration to motivate employees who have put in more years of service. Further, the result of one way ANOVA conducted on qualification group does not show significant difference in employee commitment (H13).
It shows that qualification is not a factor in determining the level of quality commitment of employees in these banks. Here again the results matched with the management commitment. Hence, it is concluded that the educational qualification does not form an important factor for determining the quality commitment. The result of t-test conducted on employee commitment between male and female (H14) revealed that there is no significant difference in quality commitment between them. This result also matches with the management commitment. This further strengthens the viewpoint that in India sex is not a factor in determining either management commitment or employee commitment. This result can encourage recruiting authorities to induct any sex without discrimination in the banks for any level of appointment.

The result of t-test conducted on the employee commitment between ISO certified banks and non-certified banks have revealed that (H15) only in ‘Employee quality service commitment’, significant difference was noticed. Involvement and motivation was found to be higher but not significantly higher in Non ISO certified banks. It is also seen that the management commitment level was also not high in ISO certified banks. This result highlights that the importance of quality initiative like ISO 9000 is yet to create any impact on the commitment levels of staff (Management and Employees). It is seen that the training given to employees on quality has also not made any significant impact (H16) on employee’s commitment, whereas in management commitment, it is established that training do create sufficient impact. This shows that employees are not very serious about the training given to them. Hence, it is suggested that the banks in India should take quality of service as a challenge and as a serious concern service and steps should be taken to train all the employees on quality concept. Hitherto, this aspect is not seriously looked at in India.
8.5 ANALYSIS OF CUSTOMER PERCEIVED SERVICE QUALITY

The result of the factor analysis identified five dimensions of customer perceived service quality. They are Customer satisfaction, Job knowledge, Responsiveness, Staff attitude and Systems and procedures. It is interesting to note that the study conducted by Parasuraman A, Zeithaml, V A, Berry and Leonard (1988) also identified five dimensions namely, Reliability, Responsiveness, Assurance, Empathy and Tangibles. They named the instrument as "SERVQUAL" and this instrument has been widely used for measuring the service gap. This study, specific to Indian Banking sector, has identified more or less the same type of five dimensions to evaluate the banking sectors' service quality.

A study conducted by Walter and Yen Ping Cheung (1999), in Australian Banking Industry, has identified eleven dimensions for ensuring the customer service quality in banking sectors. They are Commitment, Attractiveness, Responsiveness, Flexibility, Competence, Communication, Availability, Security, Reliability, Functionability and Integrity. Similarity is found in Parasuraman (1988) study and the present study.

In another study conducted by G. Steward Doss (1999) in India used ten dimensions for service quality. They are Tangibility, Accessibility, Competence, Communication, Assurance, Reliability, Responsiveness, Empathy, Systems and procedure and Understanding of customers. These dimensions are having more common elements used by Walter and Yen Ping, Cheung (1999) Responsiveness and Systems and procedures are common elements in the present study. Responsiveness is found in all the studies. From these discussions, the importance of the dimension “Responsiveness” in the context of service quality studies can be understood.
Using the five dimensions identified in this study, customer perception in various banks was collected and evaluated. An attempt was made in this study to find out whether any significant difference exist in customer perceived service quality among the five types of Banks. Result of one-way ANOVA (H17) revealed that there exists significant difference in customer perceived service quality among these bank customers. The result suggests that foreign bank customers enjoyed greater satisfaction in respect of quality service they received. The result also suggests that the customers of cooperative banks perceived the lowest level of service quality. This may be due to the low level of motivation which is prevailing in Indian Co-operative banks due to too much interference of local politics. In a similar study using "SERVQUAL" conducted by Yogeshwari Phatak and Naseem Abidi (1999) in Indian banking sector they have brought out that the private sector banks are performing well in the direction of providing better service to its customers. They have also highlighted that public sector banks need to improve significantly if they are to compete with private sector banks. In the study, they have also proved that the least performing private sector bank is better than most performing public sector banks. While predicting customer perceived service quality, (H18) systems and procedures and staff attitude are strongly discriminating the five banks. Among these two variables, ‘Systems and procedure’ has emerged as the most important factor for determining the customer perceived service quality. The statistical significance of the discriminant functions proved that the results did come from a population, which had difference between the five groups. An analysis of classification matrix confirmed that the discriminating power of the classification function is only 53%. However, 100% cases correctly matched with the foreign bank groups. Even though the matching was not very high for other types of banks, the result of coefficient of variation has proved that the population did come certainly from the five different populations.
The analysis of age group (H19) of customers has proved that age is not a factor in determining the customer perceived service quality. This study has proved beyond doubt that either Management commitment or Employee commitment or Customer perceived service quality, the age of the respondents is not at all a factor. The perception does not vary with the age. Hence it is recommended that age need not be considered for such type of analysis conducted in Indian banking service.

The result of one-way ANOVA conducted on the income group (H20) of customers has also proved that there is no significant difference in customer perceived service quality among the various income-groups of customers. It suggests that perception of customer about service remains same among lower income group, middle-income group and higher income group of customers. Similar to commitment to quality analysis, customer perception also evaluated among the different qualification groups (H21). The result of the analysis reveals that qualification is also not a factor in determining the customer perceived service quality. It shows that the level of educational qualification of customers does not matter much in evaluating the service quality.

In evaluating the customer perceived service quality among customers, various factors are analysed to understand the different nature of customer perception. One such analysis was duration of account the customer hold in the bank. The result of statistical analysis (H22) shows that there is no significant difference among these groups for any of the variables under study. This result indicates that the loyalty of customers does not make a significant difference in perception of service quality. Another factor, which was studied was the social status (H23). The statistical result indicated that among the five dimensions of service quality, the variable "system and procedures" was found significantly different among the various social groups. This result indicates that the people who are in their own business have perceived the lowest level of system and procedure in these banks.
The result further indicates that all the salaried class of people perceived the same level of system and procedure in these banks. It shows that the expectation of the salaried group and non-salaried group is different. Banks should take note of this difference in expectations and modify the system and procedure in order to satisfy all the customers. However, the other variable did not significantly vary among these banks. Hence, it is suggested that the existing system and procedures need improvement in Indian banking sectors.

Another test on types of account was conducted to find out the difference in perception about service quality. The result indicates that the type of account (H24) is not an important factor to determine the service quality. The result suggests that irrespective of the types of account the customer is holding, the perceived service quality remains the same. It indicates that the types of account need not be considered in evaluating the customer perceived service quality. Finally this study conducted an analysis on the customer perceived service quality between the male and female customers (H25). Two sample t-test was employed for this purpose. The result of the analysis indicates that there is no significant difference was found among these two groups for Job-knowledge, Responsiveness and Staff attitude. However, the result further indicates that customer satisfaction and Systems and Procedure of the bank are found to be significantly different among males and females. Female customers are found to be more satisfied than male customers with the Systems and Procedures available in the banks and they are also satisfied with the performance of the bank. This shows that female customers' expectation is lesser than that of male customers. The response of customer contact employees has to be improved in order to improve the overall satisfaction of the bank customers. The results discussed in this chapter, thus highlights important aspects of banking sectors to improve the customer perceived service quality. Based on this analysis, the study has highlighted very important results, which are to be considered by the various banks in India. The conclusions drawn based on this analysis are discussed in the next Chapter.