Chapter VI

Conclusions and Recommendations
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CONCLUSIONS AND RECOMMENDATIONS

The rapid transformation in the banking industry over the last decade has made the industry stronger, cleaner, transparent, efficient, faster, disciplined and a lot more competitive. But what we have achieved so far may be only a prelude to the greater things to come. www.enzenglobal.com

Banking Industry continues to change in order to meet the challenges posed by emerging technologies and business processes, new financial instruments, the growing scale and scope of financial institutions, and changing regulatory frameworks. In order to be successful in the changing scenario, the banks must understand how its various business components, some of which can be quite sophisticated and complex, dynamically interact. An effective OC process can help to meet many of these challenges.

6.1 CONCLUSION

In this research, an effort has been made to draw attention towards the various Organizational Change Levers in the banks under study. The analysis reveals how the banks can make the whole change process smooth and more effective in order to gain the satisfaction from employees and customers.

The objectives of the study were:

1. To study and understand the Change Levers (various types of the Organizational Changes) in the Banks under study.

2. To study the Employee’s perception regarding the following in the Banks under study:
   - What were the forces / pressures that have led to these changes,
   - What methods have been used to implement & manage these changes in the banks,
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- What were the reasons for resistance to these changes (if any),
- What steps were taken to remove resistance to change,
- What has been the impact of these changes on the banks?

3. To study the impact of these changes on Employee’s Job Satisfaction working in the Banks under study and whether the employees in both the banks under study experience significantly different levels of job satisfaction.

4. To study the impact of these changes on Customer’s Satisfaction in the Banks under study.

5. To suggest measures to cope with and manage the Changes brought about in the Banks under study more effectively.

Based on the above written objectives, the following hypotheses were formulated:

H1: Education & Training, Involvement & Participation of employees are used as a means to implement and manage Organizational Change effectively in the Banks.

H2: There is an increase in employee's Job Satisfaction post Organizational Change initiatives in the Banks under study.

H3: There is an increase in customer’s Satisfaction post Organizational Change initiatives in the Banks under study.

H4: Technology is the most important Organizational Change Lever in the Banks under study.

The present study focused on the two public sector banks of India and the study was done in and around Chandigarh. The two selected banks were:

1. State Bank of India
2. Punjab National Bank
In all, 297 employees from all the levels of management hierarchy were interviewed. Both primary and secondary sources were used to collect the data. In order to find out the perception of employees and the customers with regard to their satisfaction level towards the various changes in their banks, two separate questionnaires were prepared, one for the employees and the other for the customers.

Along with the two questionnaires prepared by the researcher, a standardized Job Diagnostic Survey (JDS) developed by Hackman & Oldham was used in order to measure the level of Job satisfaction among the various employees of both the banks.

In the present research, the reliability of Organizational Change Levers, Job Satisfaction, and Customer’s satisfaction questionnaire was determined by using Cronbach’s Coefficient alpha. To test the Content Validity of the Organizational Change Levers and Customer’s satisfaction questionnaire developed for the study, an extensive interaction with the eminent experts and practitioners was undertaken. As standardized questionnaires were used for the purpose of collecting data relating to Job Satisfaction, the respective authors have already performed validity testing. To analyze the data collected from the two selected banks, SPSS package was used. The data analysis was done by using the tools like Mean, frequency, Analysis of Variance (ANOVA) to determine whether differences in the responses of the employees at all the levels of both the banks on various dimensions. To make the data more presentable and comprehensible, extensive use of charts & graphs has been done.

The present study brings out the fact that Organizational Changes provide an essential springboard for enhancing satisfaction of employees as well as customers in the Banking industry. An attempt was made in this study to identify those organizational changes which have taken place in these public sector banks.

Over all, a positive response was observed in case of these Organizational Changes by the employees and the customers.
In the present research, Organizational Change Levers were studied in detail; the various aspects relating to forces behind these changes, methods used to implement these changes, causes of resistance and steps taken by the banks to overcome resistance to change and finally, the impact of these change initiatives on the employee’s job satisfaction and customer’s satisfaction. Suggestions were also sought from the employees and customers of the banks under study to make the change process more meaningful and effective.

It is inferred that the most important Organizational Change Lever in which the maximum number of changes were sought was Technology in both the banks. Regarding the least important Organizational Change Lever, we draw the conclusion that in SBI it was “Cost” and in PNB it was “Managing People”. Therefore, these two levers should also be given same equal importance. This is felt because; all the change efforts revolve around people. All the other Organizational Change Levers can be managed, but until the people support the new systems, structure, etc., problems are bound to crop up. The people should be managed with great patience, persistence, expediently and respectfully.

Hence, we can infer that the importance of Organizational Change Levers in both the banks under study is perceived more or less similar by their employees. Through an Analysis of Variance (ANOVA), it is inferred that no significant difference was found in the responses given by senior level and the middle level employees of both the banks under study. However, junior level employees of both the banks differed significantly in their response regarding Strategy and Structure as the Organizational Change Levers.

An attempt has been made in the present study to find out the reasons behind these changes. It was found that Overcoming fierce competition prevalent in the market was the main cause of these changes. The banks faced competition from the new private sector and foreign banks in the market. In order to survive and gain more customers, it became pertinent for them to adapt to these changes. On the other hand, SBI employees perceived that the least significant cause behind these changes was increasing the effectiveness of the bank and PNB
employees perceived it to be cost cut. Analysis of Variance (ANOVA) further showed significant difference in these responses.

The study clearly brings out the fact that in order to implement these changes, Education & Training was provided to the employees as perceived by all the employees at all levels in both the banks under study. It is also inferred that the employees were allowed to participate and were involved in the change process. However, the perception of the employees shows that there was least encouragement of risk taking and support by the management in both the banks.

Analysis of Variance (ANOVA) further showed that no significant difference was found in these responses.

In the present research, an attempt was further made to find out the causes of resistance to change in these Organizational Change Levers. It was inferred that the main reason of resistance was perceived to be culture and strategy of the bank and also lack of time and resources. Therefore, it may be concluded that steps may be taken by the management to make the culture a more flexible one and sufficient time be given to the employees to adapt to these changes.

The perception of employees of the two banks made us conclude that attitude of the employees was such that they resisted the changes in "Quality" as an Organizational Change Lever. Therefore, it is recommended that before going in for the Business Process Re-engineering or Total Quality Management in the banks, the management must have the backing of the staff affected by it, so that staff morale is maintained and the changes can be smoothly and successfully implemented. Apart from providing the Education & Training, basis of the change should be communicated to them in order to change their mindset about the various changes. The benefits of the quality related changes should also be made understandable to them by giving them certain incentive and rewards.

It has been derived from our study, that the main cause of the resistance to the cost related changes was attitude of the employees. It could be due to the fact that the employees of both the banks may be apprehensive about their losing the
job as the step taken by the banks to towards bringing about the cost related changes was the “Reducing labor costs through Voluntary Retirement schemes”. Therefore, the management of the banks is recommended to change the attitude of the employees by proper communication of the change process and removing their apprehensions, if any, towards the Voluntary Retirement Schemes.

An attempt was also made to study the perception of the employees as to the steps taken by the management to overcome resistance to change initiatives. It was observed that Education & Training was largely given to the employees to overcome their feeling of saying no to change. The employees however felt that Incentives and Rewards given to them were inadequate. Junior level employees also mentioned that sometimes coercion was used upon them.

Any organizational change is undertaken in order to survive in the competitive environment and also to increase the efficiency of the organization. Comparison was made with regard to perception of employees of both the banks under study as to the impact of these changes. The impact of the technological changes was quite naturally the enhanced speed of the transactions, with which customers were quite satisfied. However, employees of SBI were a disillusioned lot and PNB employees were also not very happy with these changes. The reason for this attributed to inadequate training & less time provided to adapt to these changes. As far as other Organizational Change Levers are concerned, it is again inferred that the largest impact was on the customers, who were highly satisfied by the changes.

In the present study, suggestions were sought from employees to cope up and manage change in the banks. It is inferred that, employees of both the banks under study felt the need of adequate training for the technological changes in their banks. As far as the marketing changes were concerned, again consistency was observed in the responses of the employees and they felt the need of a better branch ambience. A need for continuous efforts for services and product improvement was felt as far as quality related changes were concerned. Adequate time span and timely training was expected by the employees with
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regard to the change in Cost and Strategy as an Organizational Change Lever. On the other hand, for the change in Structure of the bank, employees of SBI wanted timely training and employees of PNB felt that the attitude of the employees was required to be changed to make the change process a success. The employees of both the banks differed in their opinion with regard to managing people as an Organizational Change Lever. Employees of SBI again felt the need of timely training and employees of PNB again wanted a change in attitude of employees.

The present study also measures the level of job satisfaction of employees before and after the change initiatives. Employees were asked to fill up a JDS questionnaire. It was inferred that employees of both the banks were quite a happy lot after the changes. They seemed to be satisfied by the change in the bank; as the mean scores after the changes were found to be higher than their mean scores before the changes. Significant difference was also found in these mean scores. By performing Analysis of Variance (ANOVA), significant differences were observed in the satisfaction level of the employees in both the banks before and after the changes. The situation after the changes was observed to be much better than before.

Level wise comparison of employee’s perception of both the banks was done. It was observed that before the changes, senior level employees of SBI showed a higher mean score than their PNB counterparts. The mean score however registered a decrease after the change initiatives. However, this difference was not found to be significant.

The middle level employees of both the banks also showed an increase in their job satisfaction level after the changes. After applying ANOVA, no significant difference was found in the responses of both the banks, before and after the change initiatives.

The junior level employees of SBI showed a higher mean score after the changes than their PNB counterparts, and ANOVA showed this difference to be significant.
Any organizational change in the bank is deemed to be successful if it makes both the employees and the customers a satisfied lot. Keeping this in view, perception of customers of the two banks under study was also sought with regard to the change factors. In order to study the impact of these changes on Customer’s satisfaction, a meaningful grouping of services provided by the banks was done. Five factors were thus identified. These factors are named as: Tangibles; Reliability; Responsive; Courtesy and Competitive. (See Appendix) This analysis was done with regard to the employment status of the customers. These were grouped into Service, unemployed, business and retired groups.

We make a clear observation that customer’s satisfaction level enhanced after the changes in all the factors and all the groups, except for a few. These were:

"Responsive" with regard to Unemployed customers of SBI;

"Tangibles, Reliability and Responsiveness" with regard to retired customers of PNB; and "Reliability" with regard to Businessmen customers of both SBI and PNB. However, no significant difference was found in the decline of the satisfaction level. Also, as the mean scores pertaining to these were on the higher side of the Likert Scale, the banks do not have to worry much.

It is inferred that overall, the whole change process was a success as it led to increase in the satisfaction level of both the employees and the customers.

6.2 HYPOTHESIS TESTING

We infer the following results in relation to the various hypotheses developed for the study:

H1: It was expected that Education & Training, Involvement & Participation of employees are used as a means to implement and manage Organizational Change effectively in the Banks. The hypothesis is supported by the results that the mean scores pertaining to these methods lies on the higher side of Likert scale. Further, an analysis of
variance (ANOVA) revealed that no significant difference was found in the perception of the employees in both the banks under study.

H2: It was expected that there is an increase in employee’s Job Satisfaction post Organizational Change initiatives in the Banks under study. The hypothesis is supported by the fact that after the change initiatives, the job satisfaction score for all the levels of management in both the banks has shown an upward trend. The level of job satisfaction post the change initiatives is seen to be highest in Senior level employees of PNB and lowest in Junior level employees again of PNB. Through an Analysis of variance of Job Satisfaction level in the banks under study, the research reiterated that the level of job satisfaction has increased after the change initiatives.

H3: It was expected that there is an increase in customer’s Satisfaction post Organizational Change initiatives in the Banks under study. The hypothesis is supported by the fact that the mean score of the customers of both the banks shows an uptrend, after the change initiatives. The level of customer’s satisfaction is seen to be higher in SBI and lower in PNB.

H4: It was expected that Technology is the most important Organizational Change Lever in the Banks under study. The hypothesis is supported by the fact that the mean scores pertaining to “Technology” as an Organizational Change Lever are seen to be the highest in comparison to the other Organizational Change Levers.

6.3 SUGGESTIONS AND RECOMMENDATIONS

A successful Bank will have to first meet and address several challenges that the industry currently faces. It will have to be nimble and agile enough to respond to a market that is seeing growth driven primarily by new products and services.
6.3.1 Recommendations for making Organizational Change Process a Success

In the light of the suggestions given by the employees in our selected banks and the related survey of literature on organizational change in the banks, certain recommendations are being outlined. Appropriate actions are required to be initiated at both the central and the branch level in order to smooth line the change process and make the various changes a success in their banks in context of all the Organizational Change Levers:

1. Flexible Culture & Strategy of the Bank: Culture encompasses the feelings, underlying beliefs, values, and assumptions about an organization which are exhibited through the experiences and the behavior patterns of the employees. It implies, “the way things are done”. It includes the way individuals communicate, behavior and attitude of the leaders, and responses of the management to various situations, etc.

Although we understand that the Culture is enduring, it is difficult to develop or reshape it. But as can be analyzed from our study, the main cause of resistance among the employees to accept the change process was the culture and the strategy of the bank, therefore, fundamental cultural change becomes necessary for the banks. It should be made flexible enough which can embrace any change in future, which is good for the bank as a whole. This cultural change comes through changing the way things are done in an organization so that, over the time, people will change as well. Cultural changes can be brought only after the people’s actions have been successfully altered.

As Poole, Peter P. (1998) views, that when change is needed in an organization it is likely the culture or identity of the organization will be targeted for change.

2. Sufficient Time & Resources: The employees should be given sufficient time to make their mind to adapt to the changes, as the saying goes: “Slow and steady wins the race” and nothing should be done to simply attain the targets in the limited time period. During the study, we observed the perception of employees as that “Technology” was an Organizational
Change Lever in which maximum number of changes had been noticed. It is therefore quite obvious that sufficient time is required to make the bank digest these changes and also appropriate resources are required to make these changes a success. For this purpose, training programme, seminars can be conducted. Workshops may also be organized to enable the employees to handle the computers in a systematic manner. Manuals should also be distributed for further reference while practically working on computers.

Change should therefore not be drastic or quick. It takes time for patience and motivation. Also, the employees of the banks should be provided with education & training on a large scale to adapt to these changes in order to enable them to handle the various equipments.

3. Incentives & Rewards: The bank staff should be given the adequate incentives in order to adapt to these changes. An incentive is any factor that provides a motive for a particular course of action, or counts as a reason for preferring one choice to the alternatives. It may be financial (remunerative) or non-financial (moral). A financial incentive includes some form of material reward; especially money in exchange for acting in a particular way. The non-financial incentive exists where a particular choice is widely regarded as the right thing to do, or as particularly admirable, or where the failure to act in a certain way is condemned as indecent. Both the kinds of incentives may be used to make the employees accept the change happily.

The management should realize that the bank is built on the efforts of the men and women who have dedicated years of service to its success. These individuals are the heart and soul of the bank. This can also positively reflect the bank's image.

An award of recognition given to an employee goes a long way in making an employee more satisfied and contended and the employees experience the
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honor and distinction of an award that cannot be purchased in a store, but can only be earned through achievement in the organization they are working for.

4. Facilitation & Support: The bank staff should be given adequate facilitation & Support for the change process. They should be given any help at the time when required.

5. Participation & Involvement of employees: The Younger staff should not feel powerless and shut out of the policy process but in fact be allowed to participate in the decision making process. It should be kept in mind that change is revolting when it is done to us, at the same time; it is exciting when it is done by us.

6. Changing the Attitude of the employees: As we have observed from our study, the attitude of the employees toward organizational change has emerged as one of the most pervasive factors in individual resistance to processes of change. This resistance to change ultimately leads to the failure in such change processes. Since each individual is different, their perceptions and reasons for resisting are also different. As a result, the management should try to remove resistance to change, by understanding the unique circumstances within each individual that is causing their particular resistance. Change in the attitude of employees is strongly recommended because of its relative importance. It brings a new shape to the people’s feelings and perceptions, and also their behavior as regards the whole change process. It helps the employees to understand the changing scenario of the environment, to understand each new point into a set of beliefs that transmit value and guide behavior. During the change process, if employees of the bank embrace the change believing it to be in their benefit, then they can rapidly adjust to the new system of work. In contrast, negative attitudes towards change may have the opposite effect, decreasing the probability of adjustment to the proposed changes.
7. **Education & Training:** It should be understood that the introduction of new technology in the banks affects the employees, in two ways, as: In the day to day transactions, the level of skills required for the performance of routine transactions actually falls, although the degree of attention and concentration required becomes high. In contrast, in the area of customer services, the necessary range and level of skills required increases. Understanding this point, steps should be taken by the management to give the staff proper education and training so as to give better customer service.

8. **Sensitive towards needs of various stakeholders:** It is recommended that the management should be more sensitive towards needs of the various stakeholders and recognize the fact that the banks have to tackle the forces of resistance with great resilience in order to survive or maybe even to take change in their stride. Thus, the banks nowadays have to “find the way” or “plot a route” for themselves in a situation of regular and high instability of the environment because it cannot be predicted “what” change may occur “when” in the environment and also, as the number of external forces to change: 1) globalization and liberalization, 2) New Technology, 3) fierce competition in the market, 4) Emergence of private sector banks, are all beyond the grasp of the management. Therefore management of the banks will have to take appropriate steps to make it through the change phase.

9. **Seek co-operation from employees:** Apart form the management taking these steps, the staff of the banks should also be communicated the fact that some of the pressures are beyond the reach of the management, therefore, their co-operation should be sought. They should be made to realize that instead of blaming the management for not controlling the situation, there should be proper understanding in the true spirit to chalk out a way by the cooperation of both the parties: the management and the staff, to withstand this period of confusion. The staff should be taken into
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confidence and communicated regularly about the pressures bearing on the bank.

10. Cordial relationship between management and staff should be sought in order to counter the negative effects of change, which comprise of resistance and also, a mutual adjustment should be there in the bank as a whole.

11. Branch’s specific strategies should be made. This is important, because each branch has its own limitations and advantages in the terms of the location, area of the branch, customer base and customer strength, staff strength, etc.

12. During the interview process, it was felt that some of the employees complained about eye strain, headache due to working on systems all the time during the office hours. Therefore, it is recommended that there should be health training sessions and the Employee should be made aware of the health hazards. The information on the health and safety aspects of working with computers should be widely distributed.

13. Continuity in Change. Changes should be made only where they add value to the organization, and should be implemented in ways that minimize disruptions to operations and in services to clients, maintain continuity of approach, and preserve institutional memory.

14. In the context of the changes in “Strategy” as an Organizational Change Lever we gathered that the various change included the diversification of the boundaries of the two banks under study and also increasing the customer base, which was opposed by the employees due to either the lack of skills or the lack of time and resources. Therefore it is recommended that the employees should be given the requisite training & Education and ample time to remove these resistances. This can be attributed to the fact that for the different changes in the “Managing People” as the organizational change levers, different methods were
adopted by the management to remove the resistance, if any. When we
asked the senior level employees for details, they explained that the
employees were involved in the employee – centered practices such as
celebration of birthdays, they were given the education & training for the
various customer services and sometimes, even the coercion had also to
be used for the practices such as change in performance appraisal
systems, and the recruitment of specialists and experts in the different
departments which was often resisted by the Ex, for the fear of losing the
jobs. Therefore, it can be recommended that in order to succeed in the
change process, different strategies need to be adopted in different
situations.

15. Effective Leadership: Sometimes, during the study, it was felt there being
too many changes occurring so quickly, that were sometimes going in all
the directions instead of following one path, with the least of the
guidelines, and even the management losing over its holdover the
changes that it has initiated. Therefore, the focus should be on one
change at one time. Piling numerous changes up all at once can become
too overwhelming, even for the most flexible employees. If there are many
changes going on in the bank, there is a probability of a failure.

Leaders should set organizational values and performance expectations with
input from customers, community, management and employees. In order to get
input from customers, employees, and various other stakeholders, Systematic
processes such as employee focus groups, employee survey, customer
contacts, and the customer survey should be done. Leaders should establish
and reinforce an environment for empowerment and innovation within the bank
and they should build a sense of urgency for change in the staff by making the
staff to understand the positive side of the change process in their bank.

We, therefore, conclude that all banking organizations need an effective
organizational change management system. In order to facilitate a smooth
transition from the old to the new, organizations must be competent in effective
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change management. The process of change management consists of getting of those involved and affected to accept the introduced changes as well as manage any resistance to them. Objectives should be set across the banking organization, instilling an enterprise-wide culture, and ensuring that key activities are being monitored regularly. Senior management must be involved in the whole organizational change process since they are the ones who decide the changes that have to be actually made in the whole bank. In addition, it is important for organizations to make sure they do not ignore or accidentally overlook the middle level employees & junior level employees. Management must also seriously take into account and consider the myriad of problems that may result if they are not responsive to issues of resistance in the workplace.

After viewing the analysis in the research, it is concluded that the employees of both the banks have perceived that there has been enhanced employee’s satisfaction as an impact of the various strategic changes. In order to further increase it, it is recommended that the bank management must take certain steps to further improve the employee’s job satisfaction in their respective banks. It is so because the impact of the various changes should affect all the stakeholders of the bank, be it the internal customers, or the outside customers. If the employees of the bank are not satisfied with their jobs that can lead to their non-performance of the activities as is desired out of them, and may ultimately lead to the customer dissatisfaction. Thus, the employees of the two banks should be motivated to embrace these changes with a positive attitude. It is also recommended that the changes should be made in the strategies of the bank, but not at the cost of the employees. For e.g. being a strategy of the bank, the customer base should be increased, but at the same time, there should be adequate increase in the number of the employees in the bank so that the existing employees are not overburdened with the work.

By addressing the issue of job satisfaction, the bank management, as an employer can increase its bottom line while at the same time an increase in the staff morale and productivity can be noticed. We recommend the banks to take the following steps to increase the Job Satisfaction amongst the staff:

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Satisfy the basic needs of the employee, which can be done by increasing salaries and can be a quick way to increase job satisfaction.

Make the job meaningful to the employees. The more meaningful the job is, the more satisfied the employee will be.

Allow employees to have input or provide feedback, what they want or need to make their specific job more meaningful.

Decent perks. This includes a jogging club, or other recreation activity which may increase the probability of healthy employee

Flexi time, telecommuting, and time off during the day to take care of personal business can be very helpful as employees can then attend to their families.

Celebrations and recognition on a regular basis. Monthly celebrations for birthdays or quarterly recognition for quality of work or attendance seem to work well.

Become creative, flexible and actively support the healthy habits among employees in order to save money, increase productivity and decrease employee's turnover without a major increase in expenditures.

6.3.2 A proposed Organizational Change Model

After having an extensive review of management literature, having interviews with employees of the banks under study and the various other people in the banking and financial institutions, we suggest that in order to have a successful change process in the banks, the banks need to achieve the following things:

- Strong leadership, a Vision, and a Change Team.
- Determination and Commitment to attain the targets;
- Understanding of the current culture, when and where the resistance will come from; and
- The courage to deal with the expected resistance

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Based on the model by Tim Jones's (2002) ongoing cycle process of organizational change, we present a model for the banking industry in particular.

Keeping in view that the Banks are continuously changing and on the path of innovation and change, we recommend certain points in order to make this change more effective and efficient. This is an "ongoing cycle" which has to be dealt with continuously. This Organizational change model seeks to attain the objective of building commitment amongst the employees, incorporating a level of objectivity into the organizational change process, developing foundations for future working. This model encompasses the following steps:

1. **Evaluating the current scenario:** The banks as a first step towards the change process need to evaluate the current scenario, the operations being performed currently in the bank, the products and services which are being currently provided to the various stakeholders, steps being taken by the bank to retain and attract new customers, the current payment system in the bank, the marketing strategies being carried out in the bank, the present structural hierarchy, the recruitment, promotion and transfer policies etc, and then, identifying the various opportunities and benefits that the bank gets from them. The management must therefore, first build an understanding of the organization's current culture. This can be done by collecting information on the types of behaviors being practiced. In other words, they have to understand their own leadership style, the organization's culture and where it is now.

The bank needs to have an answer to the following questions: "Where are we now?". For this information needs to be gathered in the following areas:

1. Bank itself: What is the current situation in the Bank?
2. Competitors: What are other similar banks/ banking institutions doing,
3. Customers: Who are the present internal and external customers of the bank and what are their needs and expectations?
This process will reinforce the identified needs and a need for the change process is thereby created. A SWOT analysis may be done to identify the critical success factors of the change process.

Also, an extensive review of the various stakeholders also needs to be made, wherein, the banks should identify the needs of various stakeholders of the bank; these are the individuals who are affected by the success or failure of the change program of the bank or may also help or hinder the successful change program of the banks. These may be:

- Bank’s senior management that includes Directors, General Managers, Chief Managers, etc.
- Departmental/ Functional heads and their staff,
- Customers i.e. those who are the recipients of the bank’s product/services. These may be the internal or the external customers.

Other external stakeholders from the community, including:

- Commercial Banks: The other multiple numbers of competing banks which may be public sector banks, private banks, foreign banks, etc.
- Associations representing the interests of the customers and employees such as Unions, Consumer forums.

Preferably, all key stakeholders should be involved in the planning process at some level. The involvement is required because of intellectual energy of the employees and their support.

2. **Focusing**– In the next stage, we recommend that the bank tries to identify the target situation, what it seeks to obtain as an end result and where it perceives itself to be in the future. In short, identifying the future state and also judging the success. An “investigation into the gaps” may be done which reveals where the bank falls short of vision. In order to fill these gaps, a strategic plan may be designed in order to prioritize the
steps which are to be taken for the change process. The management should make clear in mind whether to lay more of emphasis on the customer, or the employees, or on both, what is to be achieved: high productivity or high profits, to have additional products and services or not in addition to the existing ones. All this should be done by involving the whole bank staff, although the specifics may vary according to the scope of the plan.

3. **Designing** – This step then encompasses the defining, and refining, the changes that need to be made. A need assessment has to be done of the bank, its competitors and the customers. Management is required to decide upon a course of action. The procedures and rules are required to be set for implementing the change.

The change program should be defined in the terms of its:

- Purpose
- Mission and vision
- Goals and objectives to be achieved
- The new products and services to be added
- Finally, the resources that need to be allocated for the various changes that are required to be made.

Develop a business plan that includes

- Organizational structure and leadership
- Financial plan
- Implementation Plan
- Evaluation Plan
- Marketing Plan

4. **Implementation** - Any change initiative depends for its success on Implementation. As the next step, we recommend the bank to finally
launch the changes in various phases on a pilot basis. It can be first done on a small scale, i.e. one or two branches, and then across the whole bank rather than the whole bank altogether. The logic being pre-testing its suitability in the banking industry. The benefits of implementing the changes on a small scale in the earlier phase being 1) use of considerably less amount of resources, 2) Requirement of providing education & training to lesser number of employees, 3) Less amount of risk involved in case of any failure in the new changes, 4) Less risk of employees getting de-motivated, in case of failure if any, of the change process.

After the plan for the change process is made, steps must be taken to implement it. The changes in the following areas should be sought:

- Leadership
- Organizational structure
- Managing People - orientation, training
- Physical resources - space, environment,
- Financial resources - budgeting, accounting, billing
- Information resources – Records maintenance, data collection system

During any Organizational change process, the banks should try to incorporate the following points:

- Keep all the stakeholders informed about the change process through proper communication.
- Establishing a common understanding amongst the staff.
- Inclusion of well defined measurement tools in the process of Organizational change.

5. **Appraisal** – Finally, the appraisal and evaluation of the change process should be done in order to find out the success and failure of the changes. It's important to know what progress has been made? It is important to
check what went well, and what didn't. The appraisal should be done in the context of the targets kept in mind before starting the change process. This is done in order to review the change process, of its shortcomings and strengths. There should be comparison of the targets to know whether the news is good or bad. In case of the bad news, i.e. the targets set for the change process are not achieved, the bank should be able to foresee this and respond in this phase, the management has to keep measuring progress, seek feedback, and continue to adjust and improve. After implementing the change program, a regular appraisal is to be done. The following steps need to be taken:

- Revise the change plan regularly to increase its persistence.
- Developing quality improvement efforts to improve the services on a continuous basis.
- Having a weekly or monthly newsletter depicting reports of performance of the banks.
- Having a regular updation of the bank's website.
- Present quarterly reports to leadership
- Track financial data

This appraisal includes tracking results and is important to ensure that progress brings business results and is visible and celebrated throughout the organization.
Fig. 6.1: Model of Organizational Change

From the above model we understand that the banks need to continuously evaluate the current scenario, understand its weaknesses, visualize a new situation, taking steps to attain that new situation and finally appraising it.

We may conclude that no plan is ever a.) perfect or b.) complete. Initial planning will likely take several months. The advantage of developing this model of organizational change in the banks is that the participants can easily evaluate many approaches to common issues and make the whole change process more effective and successful.
Therefore, we conclude that no single approach can lead to a perfect organizational change. Instead, every Industry, be it the banking, hospitality, education, etc, needs its own model of change in accordance to its needs and policies. In order to succeed, the management of the banks should not blame organizational resistance but the actual reasons which may be the inadequate communications, lack of skills and resources, untimely decisions, and inconsistent decisions with leaders not following through should be looked upon and steps be taken to work upon them.

We would also like to add that while it's important to familiarize and adjust to change, the employees should not get so comfortable that they start believing that things will not change again. They should definitely adjust, but at the same time understand that nothing lasts forever, and this too may give way to more change in the future.

6.3.3 Recommendations towards improving Customer's satisfaction

To meet the customer's need, you do not change your customers, you have to change yourself!

Bala Shanmugam observes that the customers are so much accustomed to the traditional ways of conducting transactions, that it is not easy to make them accept the changes in the banks, specifically, the multimedia banking. However, it may also be not wrong to say that this banking trend would be a major component of the delivery channel in a few years as the younger generation who are considered to be more technology savvy and old customers are learning to get used to the Internet banking.

Our study on the Customer's satisfaction banks under study has focused primarily on how far were the customers satisfied with the changes in the banks and what were the customer's expectations with regards to the various points asked in the study. In this study, we analyzed and compared the customer's perception of the changes in the Organizational Change Levers in the two banks under study for evaluating the difference between customers' perceptions before
and after the organizational changes in the two banks. In order to measure the customer’s satisfaction of the banks under study, detailed customer opinion questionnaire was formed and used in order to measure different kinds of satisfaction, such as satisfaction with service, products.

It was noticed that while a large percentage of customers seemed to be more satisfied after the various changes in the banks under study, however, there were still some areas which need to be improved. Banks therefore, should place customer’s satisfaction on top of their priorities not only to forge stronger ties with their customers but also to gain an edge in the highly competitive industry.

**Following recommendations are made for improving Customer Satisfaction:**

1. The employees should have a proficiency in analyzing, and reporting customer feedback. And the easily implemented customer feedback to collect, analyze, and report on is complaints. The customer interactions not only help the banks to remove the complaints of the customers but also enable the bank to collect additional (non-complaint) opinions and attitudes about their product or service offering. Therefore, the banks should have cost-effective product and service satisfaction surveys.

2. As there is a wide variety of customers, each one having his/ her own needs, requirements and expectations from the banks, the bank needs to take steps to give the services so as to suit each customer’s requirements. The banks should interview people who are likely to be affected by the change, determine their needs, wants. Their opinions and support maybe sought to make the change process effective. If the customers are involved and allowed to participate in the change process as the employees, they shall then merrily accept the changes.

3. Care should be taken to ensure that data collection is not too burdensome for seriously ill patients (in terms of time, source of administration, etc.).
Patient and family data can be collected using many different methods, including:

- Interviewer-administered questionnaire
- Self-administered customer survey and
- Telephonic interview.

4. In order to deliver high levels of customer’s satisfaction, the banks must identify, measure, and manage the internal elements that produce it like the services provided by the human resource, infrastructure, etc., in order to determine which actions are to be taken to make the customer more satisfied.

5. In order to improve services of the bank, it is imperative that apart from the customers, the employees should also be contacted regularly and their service experiences should be assessed. Like the external customer, an internal customer too considers categories of service attributes, such as reliability and responsiveness, in judging the quality of the service. If the bank management has the knowledge of the internal service quality dimensions, it can then judge the performance of the employees on each dimension and the weakness can be identified in order to make improvements.

6. The banks should become more outward-looking, client focused, and collaborative development partner.

It is further recommended, that in order to compete more efficiently and effectively in the marketplace, it is high time that the banks become customer friendly and must be sensitive to meeting customers' expectations. The banks should adopt the customer friendly techniques and then introduce new innovative products & services. Regarding the various technological changes (which have been perceived by the employees) that have been introduced in the two banks under study, steps should be taken to make available the instructions and personnel assistance on how to use these e-banking services like internet,
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ATM machines, Debit and the Credit cards, etc. The following points should be taken into consideration:

1. **Minimum Waiting Time**: In order to gain customer's satisfaction, the waiting time should be minimized. As a customer in the bank under study told us that they had to sometimes simply hang around for getting even a small payment. He explained that the ATM's installed were of a great help and wanted more number of such ATM's in order to gain full customer's satisfaction.

2. **Specialized Staff**: Different staff should be there for the different activities so that the customers have no problem in getting their work done. For eg, for highly complex services like loan, a great deal of personal customer interaction and an expertise in this field is required who can immediately explain to the customers about all the formalities & documents required at first instance, instead his making several visits to the bank for this purpose. On the other hand, when more routine functions are involved, such as opening an account, a lower level of service involvement is required. Therefore, the bank should take steps to match the level of work and the bank employee in order to make the customer and the employee fully satisfied at their angle.

3. **Customer Training**: The employees should be given customer training by the way of education & training, seminars, practical training to how to transact with the different types of customers. Even mock customer interaction may be used as a method to impart the customer training to the employees.

As employee while being interviewed said that the retired Army man generally want everything to be systematic as in the army and when they find even a small gap, they become discontented. Therefore, the employees should be well trained to serve different types of customers.
4. **Tailor - made products& Services:** As the requirements of all the customers are different, a single product/ service should not be made binding upon them, but these products should be made according to their need and suitability if the existing customers are to be refrained from going to another bank or even attracting new customers.

5. **Customer Education:** In the present scenario, when the banks are offering new services on a new technological platform, it may not be acceptable to all the customers to change themselves. Therefore, the customers should be given proper training as regard how to use the various electronic cards such as ATM cards, debit/credit cards, cheque clearing etc. An employee explained that before these organizational changes in the bank, the employees used to physically accept the cheques meant for the clearing purpose from the customers and hand over to them the counterfoils. Now, there were different drop boxes for local and outstation cheques, wherein the cheques had to be dropped and no counterfoils were required to be signed by the employees. However, the customers still insisted for the same. Therefore, the customers now, need to be fully trained by the employees regarding the bank’s new rules and policies. At the same time the employees can also not become too flexible and are desired to know how to handle different situations.

6. **New product/service and promotional trials.** Before the product/ service is actually used in the bank, there should first be a trial whether that is acceptable to the employees as well as the customers or not. If given a nod, then only should it be further used in all the branches.

7. **Providing Quality Service:** Banks have the responsibility of providing quality internet banking services as the customers are quality conscious. Designing a comprehensive and advanced technological multimedia banking framework is also a vital aspect for banks to consider due to the elements of competition. They must also remember customers will choose banks that provide easiest and fastest services with the right quality.
Having much been presented on the multimedia banking sector, its total takeover of traditional bricks and mortar banking may not be possible. It is vital for banks to maintain both types of banking system not because as mentioned earlier it not possible to conduct transactions entirely on electronic mode. (Bala Shanmugam)

8. **Branch Ambience:** Suitable branch ambience should be created in the bank, focusing on the customer’s satisfaction, which encompasses the basic facilities that a customer expects from the bank, like drinking water, adequate space, proper furniture to sit. If the banks have these facilities, and such a branch ambience, and the customers made satisfied, then, the bank management can easily cope up and manage the marketing changes in their bank.

On the basis of interviews conducted by the researcher in the banks under study, we suggest one more set of suggestions of the service, which, the customers of the banks under study expected their bank to provide:

- Attractive and likable infrastructure facilities and latest equipment,
- Accurate record should be maintained by the branches
- Pleasing personality of the employees with a pleasant working environment.
- Sympathetic attitude of the employees who are ever ready to hear their grievances & solve their problems.
- Customers should be told about the time that shall be taken for providing a particular service to them the employees should provide the services in the specified time.
- Willingly helpful staff who do not seem to be doing a favor to the customers while doing their jobs.
- Trustworthy and reliable employees.
- Individual & personal attention to be given to each customer.
The employees are expected to understand the interests and needs of the customers.

Create a Friendly Trust-Worthy atmosphere:

If the banks are able to gain trust from the customers, the customers tend to become more satisfied and long-standing relationships can be achieved with them and therefore, customers can be retained.

It is further recommended that the bank should take steps for improving the competitive loan rates and the interest rates, and the quick clearing services. It was seen, that as the service group had the limited funds at their disposal, therefore, they expected little or no time for the clearing of their cheques. Although the bank boasts of the internet facilities and the electronic fund transfer many customers still used the option of the physical cheques as the internet is not accessible to all the customers of the service group.

6.3.4 Customer’s satisfaction Model

In order to gain the customer’s satisfaction, the banks need to understand the factors that increase customer’s satisfaction and then, also focus on these drivers to attain and maintain the desired level of customer’s satisfaction. It was felt during the study that high employee’s satisfaction significantly increases the customer’s satisfaction, which makes the employees work more willingly and therefore increase profits. High employee’s satisfaction leads to an enthusiasm in one’s work, which directly impacts the experience of the customer. It was also felt that an increased customer’s satisfaction makes the customer more loyal and the customer expresses more loyalty toward the organization, its products or services, which directly increases the profitability of the organization. If the customers of a bank are satisfied, they will share their feelings with other people which implies the publicity of banks through the word- of mouth On the other side, a dissatisfied customer shall also share his experience.
Motivated Employee $\rightarrow$ Satisfied Employee $\rightarrow$ Loyal Employee $\rightarrow$ Efficient Service $\rightarrow$ Satisfied Customer $\rightarrow$ Loyal Customer $\rightarrow$ Increased Profitability $\rightarrow$ Motivated Employee.

Fig. 6.2: Customer’s satisfaction Model

6.3.5 Summing Up

The findings of this study provide initial direction in determining the optimum service quality attributes pertaining to e-banking services. The largest discrepancies between what were expected by the customers and what were delivered by the bank were found in the availability of the instructions and personnel assistance on how to use the e-banking services and the functionality of the ATM machines. This is alarming because human interactions occur so seldom and when they occur they do so in critical situations. If these high-touch interactions of the high-tech service process fail, there are fewer opportunities to recover the mistake. Indeed, based on the nature of the relationship with customers, banking services involve a continuous flow of interactions between the customer and the service provider. Thus, bank managers should invest resources to enhance overall service quality. Management and employees should strive to find out what customers expect (in terms procedure handling,
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efficiency, accessibility and updated information about products and services) when designing strategies to enhance overall service quality. This implies an extensive and continuous training program a bank needs to carry out for its employees.

6.4 LIMITATIONS OF THE STUDY

Some of the limitations of the present study are being delineated below which have affected the present study. But for these limitations, the study would have been more fruitful and effective.

1. The study suffers from regional bias since it covers only two public sector banks in and around Chandigarh in view of time and resource constraint. Thus, the findings may not be representative of the general job satisfaction level of the employees and customers in the country as a whole.

2. Though after a lot of persuasion, the employees agreed to co-operate, there are chances of a biased opinion from the employees in the light of job satisfaction being a sensitive issue. On the other hand, the opinion of the customers might not be accurate in the light of the paucity of time on the part of the customers and also their being insensitive towards the issue of organizational change in the banks.

3. Some of the respondents might have provided inaccurate information to conceal their identity.

4. Since the study was conducted in a bank setting it may not be capable of being generalized in other organizational settings. However, by employing these constructs, and replicating this study in other organizations, researchers would be able to find the various Organizational Change Levers and find out their impact on employee’s job satisfaction and also produce more generic results.
With these limitations, the study can be looked upon as only an exploratory attempt to have an insight into the employee’s job satisfaction and customer’s satisfaction. Nevertheless, the study has great significance for the banking sector as it provided valuable information on the Organizational Change in the existing banking scenario. The study also highlights how the organizational changes in the banks affect the employee’s job satisfaction and customer’s satisfaction. Also, the quantitative data itself with graphical presentations and tables etc unearth some interesting trends in the employee's job satisfaction and customer's satisfaction. This will be of a great value to the researchers and practitioners in the management development field for taking steps to increase employee’s job satisfaction and customer’s satisfaction in the banks.

6.5 SCOPE FOR FURTHER RESEARCH

While conducting the present study, some aspects could not be dealt with, due to the constraints of time and cost. Also, through this research work, certain findings provide inputs on the basis of which the following areas can be identified for future research:

1. The present study examines the various organizational changes and the organizational change levers and their impact on the employee’s job satisfaction and customer’s satisfaction in the two public sector banks in and around Chandigarh. A comparative study including more banks may be undertaken. The study can be administered on the other banks on a repeated, regular basis and used for further improvement purposes. The surveys should be conducted on a regular basis in order to:
   - have the intra-bank comparisons;
   - find out how the improvements in the services provided by the banks have affected the perception of the customers;
   - Know the customer’s expectations from the bank;
   - Determine the effectiveness of service development and improvement initiatives in targeted dimensions.

2. The various organizational change levers may be studied independently to understand their individual impact on the employee’s job satisfaction and customer’s satisfaction.