CHAPTER 7

CONCLUSION

7.1 RESEARCH FINDINGS

The study critically examines TQM implementation issues in Banking and Financial Institutions from the perspective of management, employees and customers. To predict the statistical significance of the independent variables on the dependent variable, this study has utilized various methods, including simple linear regression, multiple regression analysis and stepwise regression analysis. All the eight critical success factors were found to be significant in predicting TQM success. The positive relationships between the independent variables and TQM dimensions and the extent of TQM implementation and its success in banks and financial institutions were studied.

The findings of the simple linear regression analysis reveal that the respondent’s perceived evaluation of TQM level is likely to highly associate with the TQM success. Multiple regression result shows that all the eight critical success factors used in the study are predictors of TQM success. Also the stepwise regression has identified four critical success factors pertinent to TQM success 1) Continuous Improvement, 2) Policy and Strategy, 3) Organizational Structure and 4) customer focus. The results of t-test indicate that the respondent’s perceptual differences between the high TQM success and low TQM success group on all eight critical success factors are significant to TQM success.
The study has brought out that the ISO certification has not created sufficient impact on the TQM levels. ISO certification did not create any impact on the TQM variables namely, Continuous Improvement, Human Resources, Policy and Strategy, Tangibles and Top Management Commitment. However ISO certification has created impact on the variables Customer Focus, Organizational Structure and Systems and Processes. It is found that the ISO certification has not discriminated significantly the TQM variables. This result has been confirmed in the discriminant analysis. The result has brought to the light that the financial institutions in India should focus more on ISO certification for effective implementation of TQM in their institutions. In another result, it is found that the nature of business has not created any impact on the TQM level. It means that irrespective of the nature of business, the level of TQM in the financial institutions remains statistically same. Same way, the perception of under graduates did not significantly differ from the post graduates. Hence it is concluded that the qualification is also not a determining factor in perceiving the level of TQM.

One-way ANOVA was employed to determine the effect of age group on the perception of the TQM level. It is found that there was no significant effect of age group on TQM levels. Thus, it is concluded that age is not a determining factor for perceiving the level of TQM in the financial institutions. Another ANOVA analysis has brought out that Continuous Improvement, Systems and Processes and tangibles were significantly differentiated by the income group of employees. Tukey’s post-hoc test has confirmed that the perception differs significantly between low income and high income groups. High income group perceived higher level of TQM, than the low income group. However, Continuous Improvement, Customer Focus, Human Resources, Organizational Structure, Policy and Strategy were found not significant between different income groups. In another ANOVA, it is
found that there is no effect of positions held by the respondents on the TQM variables. Hence, it is concluded that irrespective of the positions held by the respondents, the TQM level perceived by them remains statistically same.

Respondents belonging to foreign banks perceived the higher level of TQM in their institutions than private sector institutions. It shows that the level of TQM is perceived to be low in private sector institutions. Private sector respondents perceived lower level of TQM in the institutions compared to the public sector institution.

A multivariate analysis was carried out to investigate the interaction effect between location and size of the institutions and also between type and size of the institutions. The factorial ANOVA used for this purpose has brought out that there is no significant interaction effect either between location and size or between type and size.

7.2 CONTRIBUTION OF THE STUDY

This study has contributed to the literature on the management and implementation of TQM in several ways. There have been many publications concerning the TQM implementation, but so far, there was no empirical study conducted generalizing the banking and non-banking activities. There are several studies concentrating only on the banking sector ignoring the non-banking sector which are playing a major role in extending finance for investments. This study has clearly established the relationship between the quality management practices in the financial institutions of India and quality management performance. This study has also identified the predictors of TQM to the whole financial sectors in India.
Through this empirical study eight critical success factors of TQM for finance sector have been identified. The TQM critical success factors identified for promoting quality performance are 1) Continuous Improvement 2) Policy and Strategy 3) Organizational Structure 4) Customer Focus 5) Human Resources 6) Systems and processes 7) Tangibles, and 8) Top Management Commitment.

There are numerous TQM implementation models available in the literature. However, there is no single model developed empirically suitable for both banking and non-banking financial institutions in India. This study has developed a TQM model based on the variables identified through the perception of both banks and financial institutions. Therefore, this TQM model can be used for both banking and non-banking financial institutions in India for successful implementation of TQM.

In addition, this study has developed a reliable and valid instrument for self-assessment by the institutions for measuring the progress of TQM, which will help in implementing TQM successfully. Using the instrument, institutions can measure the level of TQM periodically. By this procedure, practitioners can have an evaluation on the current extent of TQM implementation in their respective institutions. Variables scoring less can be taken up for improvement. Thus, the progress of TQM implementation can be monitored using this instrument.

This study has brought out the effect of age, education, position and income of the respondents on the level of TQM in the financial institutions. It has also brought out the effect of location, type and size of the institutions on the level of TQM in the financial institutions. These findings can help the practitioners for better understanding of the implication of location, type and size, ultimately it can help the successful implementation of TQM.
7.3 PRACTICAL IMPLICATIONS

- The study has brought out the research instrument which forms guidelines for TQM implementation in banks and financial institutions.

- The study has developed a holistic TQM model which can be used by Top Management of the Banks and Financial institutions to measure the quality of services offered by them and the resulting customer satisfaction.

- In the present context of competitive environment it is recommended that this newly designed TQM model should serve as a guiding principle for banks and financial institutions to achieve success in their operations and customer satisfaction.

- The survey instrument designed in this study can be administered to the banks and financial institutions on a periodical basis, as an integral part of the continuous improvement system.

- The instrument developed can be used nation-wide as well as internationally to measure the level of TQM implementation in Banks and Financial institutions.

- Even though the study has been conducted in Tamilnadu, the results can be interpreted in Indian context due to frequent transfer involved in the staff of banks and financial institutions in India.
7.4 LIMITATIONS OF THE RESEARCH WORK

- Although this study attempts to reasonably infer the causal relationship from the treatment to dependent variable, the ambiguity about the direction of causal influences are still regarded as potential threat to internal validity.

- External validity, which represents the ability to generalize particular findings across different measures, settings and populations, is another limitation.

- This study is limited to the banks and financial institutions situated in Tamilnadu.

- The data collection has been restricted to one geographical area in India, i.e., Tamilnadu only, in view of operational constraints.

- The questionnaire is potentially biased and the research method employed for the study also has its limitations.

- In view of the nature and composition of the sample undertaken in this study, it may not be possible to exactly relate the findings emerging from the data to the institutions not covered by the criteria applied in selecting them.

- The rating scales used for data analysis may not meet all the assumptions. However, the research questions are formulated in such a way that the major concern is that of obtaining the perceptions of respondents employed in the institutions.

- Data on both dependent and independent variables were collected at one point of time. Therefore, the findings will represent a snapshot approach.
7.5 SCOPE FOR FUTURE RESEARCH

The study can be extended to institutions situated in states other than Tamilnadu and also by making cross-country comparison between various countries and can be duplicated in other economies particularly in developed economies. Then, a comprehensive picture of the importance of the various aspects of TQM across different cultures and multiple service settings would emerge.

The globalized competitive world has forced the institutions to try several newer methods for their survival. The explicit and implicit relationship between these numerous concepts and the TQM may be brought out through a structured approach.

This model can be tailored to suit the requirements of the individual institutions, if any, and their departments. This study can also guide the researchers who intend to pursue research in this field of study.