DIFFERENCE IN PERCEPTION OF OVERALL SERVICE QUALITY PERCEPTIONS BETWEEN BANK OFFICIALS AND CUSTOMER OF PRIVATE SECTOR BANKS

<table>
<thead>
<tr>
<th>Banks</th>
<th>Difference in Mean Scores between Bank Officials and Customers</th>
<th>t-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI</td>
<td>1.88</td>
<td>15.48*</td>
</tr>
<tr>
<td>HDFC</td>
<td>4.80</td>
<td>6.80*</td>
</tr>
<tr>
<td>TMB</td>
<td>27.90</td>
<td>10.90*</td>
</tr>
<tr>
<td>KVB</td>
<td>17.61</td>
<td>18.81*</td>
</tr>
</tbody>
</table>

* Significant P < 0.05

It is inferred from Table 6.12 that the differences in perception of Service quality between bank officials and customers are statistically significant at 5 percent level in all four selected bank under study. It infers that perceptions in Service quality differ between bank officers and customers.

CHAPTER VII

SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS

7.1 INTRODUCTION
The Indian banking system is transforming itself into a more commercial and customer-oriented banking system, a clear departure from the time it was expected to play only social and developmental role. The bank plays a positive role in the service sector maintaining the economic stability which has been growing at a very rapid rate. Banks in India, especially private sector banks have to considerably enhance their services in order to meet the demands and challenges of the changing business and banking environment. The need of the hour is to develop awareness about service quality, upgrade the service quality. Such a scenario will make the banks more market oriented and customer friendly.

Being a service industry, banks necessarily have to rely on building good customer relationships. Communication is a key issue involved in building customer relationship. But the real issue that needs the managements’ attention is a grad transformation in the attitude to see things from the customer’s point of view and thereby improving quality services. No doubt the attitude of the employees is also important. Hence the present study is an attempt to analyze the Service Quality and Service Quality Management in relation to the bank officials and customers of four private sector banks namely ICICI, HDFC, TMB and KVB in Madurai region. The specific objectives of the study are:
1. To ascertain the relevant dimensions of service quality in the selected private sector banks.

2. To analyse and compare the perceptions of the customers regarding the service quality of selected banks.

3. To examine the relationship between demographic variables and levels of perception and to analyse the service quality gap.

4. To measure and compare the service quality perceptions of bank officials.

5. To examine the correlation between the service quality perceptions of bank officials and their behaviour variables such as work motivations, job satisfaction and organisational commitment.

6. To make comparison of service quality perceptions of bank officials and customers.

For the purpose of analysis, 300 bank officials and 300 bank customers 75 each from four banks were selected randomly for primary data collection. The personal interview method was adopted to collect primary data from 600
respondents with a well designed pre-tested schedule. The survey was carried out from October 2012 to July 2013. The reference period of study was 2012-2013.

In the foregoing chapters, demographic variables of the customers, level of perceptions of service quality dimensions, the relationship between demographic variables and levels of perception, service quality gap, profile of bank officials and their perceptions of service quality dimensions, the relationship between the dimensions of service quality and behaviour variables namely motivation, job satisfaction and organisational commitment, comparative analysis of the perceptions of SQ dimensions of banks officials and customers were discussed.

The present chapter summarises the major findings of the study along with conclusion and suggestions.

7.2 SUMMARY OF FINDINGS

Chapter III, analyses the perceptions of customers towards total quality management. The analysis of demographic characteristics, perception of
customers towards service quality in banks, levels of perception, association between demographic characteristics and levels of perceptions and service quality gap were highlighted. For this Likert type scaling technique, chi-square and service quality gap model have been used.

The analysis of demographic characteristics revealed that majority of the customers (61.20 per cent) belong to the age group of 30 to 50 years in all four selected private sector banks. Nearly one third of customers have been found to be female.

Mostly all are educated. Nearly thirty seven per cent of the customers have college-level and technical qualifications. Thirty to fifty six percent have in secondary education.

The main occupation of the respondents is Government employment, followed by own business. The student community forms nearly eleven per cent of the respondents.
Majority of the customers (57.60 per cent) have the family size ranging from 3 to 5 members followed by 5 and above (22.80 per cent). Hindu religion formed nearly 59 per cent followed by Christianity (30 per cent).

Community-wise analysis revealed that nearly 63 per cent belong to backward/most backward classes followed by forward community (27.20 per cent) about sixty-six per cent of total sample customers have nuclear family followed by joint family.

About 31 per cent of the customers have monthly income of Rs. 15000 and above followed by the income range of Rs. 10000-15000.

Regarding the perception of customer towards service quality, the service quality has been classified into four dimensions namely, tangibility, reliability, responsiveness, assurance and empathy. Twenty elements of service quality dimensions have been identified for the analysis. The service quality has been measured by using Likert-type scale technique on a seven point scale.
The element-wise analysis of tangibility shows the element ‘neatness’ ranked first by customers of HDFC, and KVB. The elements, ‘up-to-date equipment’ and ‘communication material’ were ranked first by customers of TMB and ICICI. Consistency in perception was found in the element ‘neatness’.

In the case of reliability, ‘keeping records correctly’ was ranked first by customers of banks namely KVB, TMB, HDFC and ICICI. Consistency in perception was found in ‘keeping records’.

The element under responsiveness namely ‘telling customers exactly when service will be performed’ was given top priority by the customers in TMB, KVB and ICICI, whereas in the case of HDFC, the element under responsiveness namely ‘employees who are always willing to help’ was ranked first. Among the elements ‘telling customers when service will be performed’ was observed to be consistent.

Under assurance, the element, ‘feeling safe in transacting with the banks’ was ranked first by customers of the banks namely ICICI, HDFC, KVB, and TMB.
Among the elements, feeling safe in transaction with banks was consistent in the perceptions of customers.

In the case of empathy, the element ‘individual attention’ was ranked first by the customers of TMB and KVB, whereas in the case of HDFC and ICICI, the element ‘convenient operating hours’ was ranked first by its customers. The consistency in perceptions was found in ‘individual attention given’ by the banks TMB and KVB whereas in KVB and ICICI, consistency in perception was found in convenient operating hours.

Overall, service quality in banks revealed that the ICICI stood first among the perceptions of customers regarding total quality management followed by KVB.

In order to classify the perception level of customers into three categories namely high, medium and low levels, the description statistics namely arithmetic mean and standard deviation have been used.
Out of 300 customers, 68 (22.67 per cent), 91 (47 per cent) and 91 (30.33 per cent) fall under the category of high, medium and low level perceptions.

The chi-square results revealed that the demographic variables namely age, sex education and occupation have influenced the level of perceptions in all four private sector banks, but monthly income of the customers is associated with levels of perceptions for ICICI and HDFC.

The analysis of service quality gap has been measured by using the expected and perceived service quality provided by the four private sector banks. The results revealed that the gap was found high in reliability and responsiveness in the ICICI, whereas in TMB and KVB, the gap was found in reliability and responsiveness respectively.

In Chapter V an attempt has been made to analyse the perception of bank officials towards total quality management. The analysis of this chapter has been classified as ‘profile of the bank officials’, ‘their service quality perception’ and ‘relationship between working climate and perception of TQM’.
The analysis of profile variables revealed that a majority of bank officials (46.00 per cent) belong to the age group of 40-50 years. It is followed by 50 years and above (21.67 per cent). Among the sample respondents, nearly 29.00 per cent of the bank official are female.

Among the bank officials, nearly 40 per cent are post graduates followed by graduates (36.33 per cent). Nearly 59 per cent of the officials have more than 15 years of experience. About 46 per cent of the total sample has family size of 3 to 5 members. The Hindu constituted (62.00 per cent) followed by Christian (27.33 per cent).

The backward/most backward community formed 57.33 per cent of the total sample under study. It is followed by forward class. Majority of the sample respondents (65.67 per cent) have nuclear family. Nearly fifty per cent earnings are ranging between Rs. 20000 and 30000 followed by Rs. 30000 and above constituted 27.66 per cent.
Regarding the perceptions of service quality and its dimensions namely tangibility, reliability, responsiveness, assurance and empathy, the element under tangibility ‘neatness’ was ranked first by the bank officials of all the selected private sector banks. The consistency in perception among the bank officials was found high in ‘neatness’.

The element under reliability, ‘keeping records’ was given a high priority by the bank officials of HDFC and KVB, whereas in the case of TMBs and ICICI, the element ‘sincere in solving the problems’ was ranked first. Consistency was found in perceptions among bank employees in the elements ‘keeping records correctly’ and ‘sincere in solving problems’ by respective banks.

The perceptions of elements under the dimension of responsiveness, ‘telling customers exactly when service will be performed’ was ranked first and ‘consistent’ among perceptions of officials of KVB. The element, ‘employees who are always willing to help’ was ranked first and consistent among the officials working in TMB and HDFC. Whereas in the ICICI, the element ‘employees providing prompt service to customers’ was ranked first and consistent in perception among bank officials.
In the case of dimension namely assurance, the element ‘feeling safe in transacting with banks’ was ranked first and consistent in perceptions among officials of ICICI, HDFC, TMB and KVB.

In the case of empathy, the element ‘bank which has your best interests’ was given high priority and consistent in perceptions among officials of ICICI, TMB and KVB.

The element ‘convenient operating hours’ was ranked first and consistent among officials of HDFC.

In overall service quality, the perceptions of officials was found high in ICICI followed by HDFC.

In order to examine the relationship between service quality perceptions and their behaviour variables such as work motivation, job satisfaction and work commitment, zero order correlation coefficient was computed separately for each bank under study.
The analysis of service quality perception and work motivation revealed that all four service quality dimensions in TQM are significantly correlated with work motivation.

Regarding the relationship between service quality perceptions and job satisfaction, total quality management including all five service quality dimension are positively correlated with job satisfaction.

The results of correlation between service quality perception and organisational commitment revealed that the tangibility, reliability and total quality management are found to be correlated with work commitment in the organisations.

In Chapter VI, an attempt has been made to analyse and compare the total quality management perception between bank officials and customers. Rank analysis, rank correlation coefficients and t-test were used to examine the difference in perceptions.
Regarding the dimension of service quality, tangibility, the perceptions between officials and customers have perfect agreement in all the four banks under study. But the difference in perception level was significantly different between official and customers.

In the service quality dimensions reliability, the perfect agreement in perception was observed in all four banks. The significant difference in perception was found in TMB and KVB. There is no significant difference in perception level between officials and customers in HDFC and ICICI.

In the case of responsiveness, there is a positive relation between the perceptions of bank officials and customers among the selected banks. The significant difference was observed only in TMB and KVB.

The dimension of service quality namely assurance, a significant and positive relationship were observed among the selected banks between officials and customers.
In the case of dimension, empathy, there is a significant positive relationship in perceptions between bank officials and customers. The differences in perceptions were found to be significant in all the four banks under study.

A significant difference in total quality management in perception level among the selected banks was found between bank officials and customers.

7.3 CONCLUSION

To sum up, the results of the study lead to the conclusion that in the overall service quality, ICICI was ranked first followed by HDFC. This honour was conferred by customers and bank officials. Total quality management was found to be significantly correlated with behaviour variables such as work motivation, job satisfaction and organisational commitment of bank officials. About the perceptions of different dimensions of total quality management, both bank officials and customers had positive agreement. But they differed in the level of perceptions of total quality management dimensions of the selected banks. Further it is observed, that there is no consistent perceptions among customers in up-to-date equipment and physical facilities under tangibility dimension. It may
be concluded that the banks should invest on tangibles particularly computer-based banking, internet and internet-based services, tele-banking, anywhere and anytime banking and the like besides providing physical facilities and communication material. This will help in delivering quick and accurate services to customers as well as reducing the work load of bank officials and thereby improving the total quality in banking services in the study area.

Total Quality Management in Banking Service offer elements of surprise, satisfaction and delight to all customers. Total Quality Management should concern both management and the employees. Service operations should not waste the customers’ valuable time. The choice between “speed” or “Smiles” remains an issue in service redesign. But the real challenge is how to make banking service fast and friendly. The customers except courtesy, a welcome smile, a friendly treatment and quick disposal of business work. Bending work is to be given priority. “Smile” should never marginalise “speed”.

7.4 SUGGESTIONS FOR IMPROVING QUALITY SERVICES

- The service industry is set to dominate the Indian Banking economy, and its contribution will grow to over 70 per cent of the GDP, as it has been
witnessed in the USA and European countries. This means, higher opportunities for work force in service and better customer-service standards in all areas.

- Bank will continue to dominate the service industry and the same will require strong service strategy, better technologies and better people.
- Investment in people and their development is critical for the success of services marketing.
- A mixture of high technology and high touch service will exists in the service market. At any point of time, we will have a few customers who need to be handled and taken care of, while the rest can be managed through indirect service modes, e.g. IVRs (Interactive Voice Responses). Physical banks will coexist with ATMs, net banking and shopping will continue despite home delivery.
- The service strategy/ process should be flexible to acquire, serve and retain the customers, keeping in mind the diversity of customers.
- In the long run, it’s in the way a company services its customers that makes the difference. Customer delight does not have any boundary, and every day a new way of delighting the customers can be developed to make the marketing services an exciting field.
• The use of technology should be based on the readiness of the customers and employees to be willing to give and take.

• It’s not what we have to offer, but what and how the market will accept the same is the key to the success of technology.

• Lastly, success in services marketing can be achieved only through an integrated operation of the entire organisation and customers, guided by a strong service strategy. Every function should understand and anticipate customers’ expectations, and work together to deliver, by using the latest technology.
7.5 SCOPE FOR FURTHER RESEARCH

The following are the areas of further research in service qualities of banks.

(i) Service quality perceptions – A comparative analysis of public and private sector banks.

(ii) Total Quality Management (TQM) in Banking sector

(iii) Marketing strategy and service quality management

(iv) Service quality of bank services – Expectations and perceptions of bank customers and

(v) Service quality perspective and satisfaction in private banking.

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