

ROLE OF POSITION HELD ON SERVICE QUALITY

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Abstract

Customers not only look for a high-quality product and access to great services, they want to be treated well. No matter what industry they are in, customers expect great service, but in the banking industry, it is especially important. This is because customers want to feel supported and as if their transactions facility is really there to help them reach their goals. Hence, banks should make sure that their business is using technology in a way that helps, not hinders, the customer experience.

Key words: salary, designation, opinion level, service quality, Bank employees

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INTRODUCTION

The Banking sector in India has experienced a rapid transformation. With the entry of private players into retail banking and with multi-nationals focusing on the individual consumer in a big way, the banking system underwent a phenomenal change. Technology played a key role in providing this multi-service platform. The entry of private players combined with new RBI guidelines forced nationalized banks to redefine their core banking strategy. And technology was central to this change. Today banks have to look much beyond just providing a multi-channel service platform for its customers. There are other pressing issues that banks need to address in order to chalk-out a roadmap for the future.

IMPORTANCE OF THE STUDY

Banking is essentially a service oriented industry and no service is deemed complete unless it is accompanied by satisfaction of the people who avail the service. Customer satisfaction and customer protection are the hallmarks of banking service. Regulators and supervisors across the financial world have built policy edifices on strong foundations of consumer protection and customer service. In this context, it is indeed a commendable initiative on the part of the bank to train the employee to focus on customer service and reward exemplary service rendered by employees. The bank will reach even greater heights in customer service while simultaneously enhancing the skills of personnel in this area. Attributes of customer service have changed over the years. Customers are more aware, there is a predominance of masses seeking tangible action to ensure that their rights as customers are upheld. More importantly, customers are becoming increasingly aware of Banking Ombudsman schemes, legal channels of redressal, consumer courts etc. The same has also been made possible on account of leaps that information technology has taken over the last one decade with information on the above channels being available widely. Banking penetration through use of technology and the increase in number of non face –to –face transactions adds a different dimension to the customer care paradigm.

REVIEW OF LITERATURE

P.V. Anantha Bhaskar¹ opined that receiving customer complaints listening to the grievances patiently and solving problems are important areas of customer service.

V.K. Gupta² stated that as a part of managing customer relationship, banks have to provide greater value to the customer through enhanced customisation in products, services and establishing an internal mechanism in the bank to recognise customer's right to get speedy, timely and satisfactory redress of grievances.

K. Santi Swarup³ stated that for delivering quality service, it is imperative to have customer orientation as a culture in the bank. Customer orientation builds long term relationship resulting in customer satisfaction and cash flows to the banks.

K.V. Bhaskara Rao⁴ has suggested initiatives to reorient banks outlook towards customer service. They are:

1. Pursuit of total quality management at operational units.
2. Multiple platforms for redressal of grievances.
3. Continued training for the staff focusing on customer service.

STATEMENT OF THE PROBLEM

Customer retention is one of the main priorities for banks today. With the entry of new players and multiple channels, customers have become more discerning and less 'loyal' to banks. Given the various options, it is now possible to open a new account within minutes. Or for that matter shift accounts within a couple of hours. This makes it imperative that banks provide best levels of service to ensure customer satisfaction. The customer is interested in how he/she can benefit from the bank and its products. That's why it becomes necessary for a bank to differentiate its products from the others. Some of the ways in which differentiation can be introduced are through specialization, new products, and increasing the added value. While banks have to ensure product superiority and operational excellence, the biggest challenge today is to establish customer intimacy without which the other two are meaningless.

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OBJECTIVES OF THE STUDY

➤ To know whether salary and designation of bank employees have a role in the determination of rendering service to their customers

SCOPE OF THE STUDY

This study covers the customer services rendered by State Bank of India in Madurai city. As the study is an empirical study to identify the attitude of the customers towards the services rendered by the banker, the study has been focused towards customers who are the recipient of services and bank employees who are the agencies of delivery of services. As such, it has been projected from the point of view of bank employees and from the point of view of bank customers. It is analysed with reference to customers and employees attitude. The State Bank of India in Madurai city consists of 13 branches. The study was undertaken on the customers and Bank employees of 13 branches only.

METHODOLOGY

The present study is an empirical one based on survey method. Data were collected from both primary and secondary sources. The primary data were collected from banks' customers and bank employees by means of interview schedule and questionnaire.

SAMPLING DESIGN

The study aims at analysing the attitude of customers of State Bank of India and its employees in Madurai city branches with regard its services. Hence two groups of respondents are selected for the study based on sampling method.

The customers of State Bank of India in Madurai city branches are large in number and hence a comprehensive list of customers could not be prepared. Moreover, the list of customers of each

branch could be obtained only from the bank managers. They should not reveal the names of customers due to their obligations to maintain the confidentiality of customers' accounts as per sec.13 of Banking Company (Acquisition and Transfer of undertakings) Act, 1970. Therefore, a sample of 50 customers from each branch was selected by applying a non-probability random sampling method. Equal importance is given to all branches irrespective of size, volume of business and so on. In total 650 customers consist of sample customers.

Likewise 242 bank employees were supplied with the questionnaire in 13 branches of State Bank of India in Madurai city. But only 240 respondents filled in the questionnaire. Out of this 240 respondents, 60 respondents were bank officials (Bank Managers and Officers). All of them have responded. The remaining were clerical which amounting to 60 per cent of the clerical staff selected on proportionate random sampling method. Indeed, the questionnaires were given through branch managers of the said 13 branches to the clerical staff and they got back researcher the questionnaire filled in by the clerical staff of the respective branches.

Geographical Area of the Study

The study covers the whole area of Madurai city only where the branches of the State Bank of India are situated. They are Amman Sannadhi Branch, Arasaradi Branch, Commercial Tax Complex, Madurai Agricultural Development Bank Branch, Madurai city Branch, Pasumalai Branch, Personal Banking Branch, Tallakulam Branch, Vinayaganagar Branch, West Tower Branch, Railway Station Branch and Madurai Main Branch.

Analysis of the Study

State Bank of India has different types of bank employees. To have a better understanding about them, different factors of general nature like Age, gender, martial status, occupation, Educational level and income have been studied.

These factors influence very much the bank employees and enable them to render better service. It is necessary to identify those bank employees from the angle of different variables- salary and designation

I Profile of Bank Employees TABLE 1

<i>Sl.No.</i>	<i>Gender</i>	<i>No.of.Employees</i>	<i>Percentage</i>
1.	Male	180	75
2.	Female	60	25
	Total	240	100
<i>Sl.No</i>	<i>Age (in years)</i>	<i>No. of .Employees</i>	<i>Percentage</i>
1.	Below 30	4	2
2.	30 – 40	20	8
3.	40 – 50	88	37
4.	Above 50	128	53
	Total	240	100
<i>Sl. No.</i>	<i>Educational Qualification</i>	<i>No. of. Employees</i>	<i>Percentage</i>
1.	Up to School level	28	12
2.	Undergraduate	172	72
3	Post-Graduate	40	16
4.	Others	-	
	Total	240	100
<i>Sl. No.</i>	<i>Martial Status</i>	<i>No. of. Employees</i>	<i>Percentage</i>
1.	Married	208	87
2.	Unmarried	32	13
	Total	240	100
<i>Sl.No.</i>	<i>Salary per month</i>	<i>No. of. Employees</i>	<i>Percentage</i>
1.	Below Rs.10,000	4	2
2.	Rs.10,000 – Rs.15,000	20	8
3.	Rs.15,000 – Rs.20,000	52	22
4.	Above Rs.20,000	164	68
	Total	240	100
<i>Sl. No.</i>	<i>Designation</i>	<i>No. of. Employees</i>	<i>Percentage</i>
1.	Managers and Officers	62	26
2.	Clerks	178	74
	Total	240	100

Source: Primary Data

II Hypotheses Testing

Salary and Opinion Level of Bank Employees

Salary has been identified as one of the factors influencing the level of opinion of bank employees. An attempt has been made by the researcher to analyse whether the salary of the respondents has an impact on the services offered. For this purpose the following Table 2 has been prepared.

TABLE 2

Salary and Opinion Level of Bank Employees

Sl. No.	Salary Per Month	Opinion Level			Total
		Low	Medium	High	
1.	Below Rs.15000	8 (33%)	12 (50%)	4 (17%)	24 (100%)
2.	Rs.15000 - Rs.20,000	5 (10%)	42 (80%)	5 (10%)	52 (100%)
3.	Above Rs.20,000	21 (14%)	112 (68%)	31 (18%)	164 (100%)
	Total	34	166	40	240 (100)

Source: Primary Data

Table 2 shows that of the bank employees surveyed, 80 per cent of them who have medium level of opinion belong to the salary group Rs.15000-Rs.20000.

Null Hypothesis

There is no significant relationship between salary and opinion level of Bank employees.

Table 3 shows the working of chi-square test.

TABLE 3

Chi-square Test for Salary and Opinion Level of Bank Employees

Cell	O	E	O-E	(O-E) ²	(O-E) ² /E
R1C1	8	3.4	4.6	21.16	6.224
R1C2	12	16.6	-4.6	21.16	1.275
R1C3	4	4.	0	0	0

R2C1	5	7.3667	-2.37	5.6011	0.76
R2C2	42	35.967	6.033	36.401	1.012
R2C3	5	8.667	-3.67	13.444	1.551
R3C1	21	23.233	-2.23	4.9878	0.215
R3C2	112	113.43	-1.43	2.0544	0.018
R3C3	31	27.333	3.667	13.444	0.492
Total					11.55

$$\begin{aligned} \text{Degrees of Freedom} = df &= (c-1)(r-1) \\ &= (3-1)(3-1) \\ &= 2 \times 2 \\ &= 4 \end{aligned}$$

$$\text{Calculated Value of } \chi^2 = 11.55$$

$$\text{Table Value of } \chi^2_{0.05} = 9.491$$

Since the calculated value 11.55 is more than the table value at five per cent level of significance, the null hypothesis is rejected. Hence there is a significant relationship between salary and opinion level of the respondents.

Designation and Opinion Level of Bank Employees

An attempt is made by the researcher to analyse whether the designation of the bank employees has influence on the opinion of the services offered and for this purpose Table 4 has been constructed.

TABLE 4

Designation and Opinion Level of Bank Employees

Sl. No.	Designation	Opinion Level			Total
		Low	Medium	High	
1.	Branch Manager	18 (29%)	36 (58%)	8 (13%)	62 (100)
2.	Clerks	16 (9%)	130 (73%)	32 (18%)	178 (100)
	Total	34	166	40	240 (100)

Source: Primary Data

Table 4 shows that majority of those who have among the medium level of opinion, majority of them is clerks (73%).

Null Hypothesis

There is no significant relationship between the designation and opinion level of bank employees.

Table 5 shows the workings of chi-square test.

TABLE 5

Chi-square Test for Designation and Opinion Level of Bank Employees

<i>Cell</i>	<i>O</i>	<i>E</i>	<i>O-E</i>	$(O-E)^2$	$(O-E)^2/E$
R1C1	18	8.783	9.2167	84.95	9.671
R1C2	36	42.880	-6.8833	47.38	1.105
R1C3	8	10.330	-2.3333	5.444	0.527
R2C1	16	25.220	-9.2167	84.95	3.369
R2C2	130	123.100	6.8833	47.38	0.385
R2C3	32	29.670	2.3333	5.444	0.184
Total					15.240

$$\begin{aligned} \text{Degrees of Freedom} = df &= (c-1)(r-1) \\ &= (3-1)(2-1) \\ &= 2 \end{aligned}$$

$$\text{Calculated Value of } \chi^2 = 15.240$$

$$\text{Table Value of } \chi^2_{0.05} = 5.991$$

Since the calculated value 15.240 is more than the table value the null hypothesis is rejected. Hence, it can be concluded that there is a significant relationship between designation and opinion level of bank employees.

Suggestion

Banks have been playing a vital role in Indian economic activities. Banking is moving from local to global. Every type of customer has his own focus, standing and expectations. It is natural that as their expectations are different, so are their complaints. A branch manager or a public relations officer alone cannot render the desired customer service. Every employee is to be

involved. He/she is directly connected with customers. Computers do not run business. It is not a coincidence that the most successful organizations, where excellence comes naturally, have top quality people. Customer service in State Bank of India should be personal and professional.

Conclusion

Customers vary in their expectations and attitudes and belong to wide socio-economic and cultural backgrounds. The gap between the expectations of customers and their fulfillment is the root cause of grievances which affects the image of the bank. To overcome this situation, there should be an effective monitoring mechanism and constant vigil over the services provided to customers. Since they have a wide choice of services and multiplicity of products they are more conscious of convenience and cost, safety and speed, respect and quality, courtesy and elegance. State Bank of India has to be very careful in responding to the needs of their customers in an intensely competitive and rapidly changing environment.

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