

SERVICE QUALITY MANAGEMENT: A COMPARATIVE STUDY ON PERCEPTION OF MANAGERIAL AND NON-MANAGERIAL STAFF OF BANKS

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Abstract

In present competitive scenario service quality management (SQM) is the prime concern of banks. The present paper is the outcome of an empirical research conducted with the objective to study service quality management initiatives in the public sector banks (PSBs) of Odisha, a state of India. In 21st century delivering superior service quality has become the prerequisite for the success of Indian banks due to liberalization and globalization. The banks are now have to be of world class in standard for survival, committed to excellence in customers, shareholders and employees satisfaction, and to play a leading role in the expanding and diversifying financial sector by reaching the bottom line. Now 'Quality' is a buzz word in the marketers' dictionary. Poor quality places a firm at a relatively competitive disadvantage position. Thus the purpose of the present research is to compare the perceptions both managerial and non managerial staff on SQM of banks.

Keywords: *SQM, perception, Managerial, non managerial staff.*

Introduction

For every banks service quality management (SQM) is the need of hour. In 21st century banking industry has given birth to such a type of customers who look for the banks that best meet their expectations. Few barriers restrict switching between banks, so customers may easily change from one to another. Thus SQM is the prime concern of Indian banks as they are struggling for profits and survival due to liberalization, globalization, RBI's norms and Govt. policies. Due to this massive change in banking industry satisfying and retaining customers

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by delivering superior service quality has become the prerequisite for the success of banks. The goal of SQM implies customer expectations are to be understood concerning quality and a proactive plan need to be designed in order to achieve this goal. The origin of service quality objectives is revealed by the customer's needs, this is why the scientific basis of SQM has to be customer oriented.

Review of Literature

Wilkinson et al. (1996) conducted a research on quality initiatives of 96 financial service companies in the UK in 1994. They found that an emerging and complex trend of quality initiatives was appearing in the industry and the content and success of those initiatives were mixed. Among various quality initiatives, most successful were business process re-engineering (BPR), customer care and total quality management (TQM). According to the perception of majority of the respondents their quality initiatives were either 'very successful' (12%) or 'reasonably successful' (60%).

Knights and McCabe (1996) conducted a research to study the gap between management actions and quality initiatives of some banks and insurance companies during 1993-96. During the study they observed management does not provide adequate time staff for offering better customer service. There are also inconsistencies between management actions and service quality initiatives. Thus management should focus on those inconsistencies for effective implementation of the quality initiatives.

Athanassopoulos (1997) conducted a survey on perception of bank management and customers regarding their service quality of Greece banks. They found that there was a gap between the perception of customers and service providers of banks regarding the bank service quality. Bank managers were under the impression that the service quality they were providing was much better than what the customers perceived. Furthermore they found that private banks were providing better services to business customers than to individuals while public banks providing same levels of service quality to both customer groups.

Li et al. (2001) conducted a survey on quality management initiatives in Hong Kong's banking industry between 1997 and 2000. They found that while UK institutions focus more on meeting customer needs and wants, HK banks tend to devote more effort to meeting service standards and providing prompt services. In terms of difficulties while HK banks have more difficulties with employee resistance to change, UK institutions reported more difficulties with measuring quality. The result shows that customer-centric, process-oriented management approach was the essence of the TQM concept. Quality management programs require long-term commitment and total involvement. Therefore, they recommended that both HK and UK banks should continue their quality awareness training and quality management workshops.

Montes et al. (2003) conducted a survey on quality management in banking services.

The aim of the study was to determine the working environment that bank employees perceive is related to their affective responses and their perception about the banks' service quality. The research has performed over 80 bank branches through a mailed questionnaire method. Five sections of questions based on perceptions of the employee, assessment of the service orientation of the Branch, obstacle service quality available to the customers, work motivation, job satisfaction and commitment were included to assess employee's perceptions and attitude. All the statements were measured using a scale developed by Hrebiniak & Alutto (1972). Customer perception about service quality was also measured by using a scale proposed Teas (1993). They found that customer satisfaction relate to employees and customer's subsequent behaviour. Furthermore customers' perception, attitude and intentions are largely affected by employees experience and attitudes resulting from there service to customers. The study suggests that service organization should be concerned about the climate in which employee behaviour also influence on assessment of service quality of the banks.

Research Gap and Objectives

From the review of related literature it has been concluded that very few studies had been conducted in India on the topic of service quality management of particular bank and comparative study of public and private banks regarding service quality management while at global level a number of studies had been conducted on the same topic. So there is a major gap in between International and Indian Scenario. Thus here the purpose is to study the perceptual differences between managerial and non managerial staff towards service quality management of PSBs in Odisha.

Scope and Methodology

This study is based on a survey conducted in selected public sector banks operating in Odisha. The study includes five leading PSBs of Odisha those are; Bank of India(BOI), State Bank of India (SBI), United Commercial Bank(UCI), Punjab National Bank (PNB) and United Bank of India (UBI). For the purpose of this study, five leading banks are purposively selected as they have large number of branches in Odisha. Structured questionnaire has been used for collection of data comprising close-ended questions. The questionnaire consists of two sections: Section 1 includes questions for understanding the demographic backgrounds of the sample respondents. Section 2 consists of 28 questions. Out of 28, the first fifteen questions are on SERVQUAL and rest thirteen questions were adopted from persuraman et al. (1988). The sample size for the study was 200 managerial staff. With lot of persuasion and follow up only 128 filled in the questionnaires were received and considered for the present study. In order to accomplish the objectives the data are processed through SPSS (statistical package for social sciences) and analysis was made by drawing cross-tables, calculating percentage, and by applying ANOVA test were used to analyse the data.

Results and Discussion

It is observed from the Table- 1 that out of 128 samples of bankers, 96 are male and 32 are female. According to the data bank staff belonging to the category of above 50 years constitute the majority of sample (53.13%). The proportion of middle age managers (40-50yrs) is the lowest (6.25%) in the sample. In terms of marital status married bank staff is 65.62% whereas single bank staff is 34.38% in the sample. In terms of education, bank staff having general degree constitutes the majority of sample (65.62%) while 34.38% are having professional degree. According to the data out of the total sample, 25.00% sample are from BOI, 23.44 sample are from SBI, 14.84% are from UCO, 19.53% from PNB and 19.53% bank staff are from UBI.

Table 1 : Profile of Bank employees

Parameters		Frequency	Percentage(%)
Gender	Male	96	75.00
	Female	32	25.00
Age	Below 30 yrs	36	28.13
	30 – 40 yrs	16	12.50
	40 – 50 yrs	8	6.25
	Above 50 yrs	68	53.13
Marital Status	Married	84	65.62
	Single	44	34.38
Education	Professional	44	34.38
	General	84	65.62
Position	Managerial	84	65.62
	Non-managerial	44	34.38
Bank	BOI	32	25.00
	SBI	30	23.44
	UCO	19	14.84
	PNB	22	17.19
	UBI	25	19.53
Branch	Urban	45	35.16
	Semi-Urban	48	37.50
	Rural	35	27.34
Total		128	100

Source: Field Survey

Table-2 reveals perceptual difference between managerial and non-managerial staff about the quality of services offered by the bank. Hence a comparative study has been done by ranking of 15 statements on the basis of managers' and staff's perception measured in a 7-point scale where "1 = very poor, 2 = poor, 3 = slightly poor, 4 = average, 5 = slightly good, 6 = good, and 7 = very good". According to the perception both managers and staffs, 'Location of the

bank' occupies the first rank and 'Bank's grievance redressal system' occupies the second rank in service quality. However in managers' perception 'quality of the ATM services' occupies third rank in quality of services offered by the bank, in staff's perception 'employees' knowledge in solving the customer queries' occupies third rank. Similarly in managers perception 'internet banking facility' occupies fourth rank in service quality, but in staffs perception, 'cooperation among employees in saving the customers' occupies fourth rank. But according to both 'debits and credit card service' occupies seventh rank in quality of services offered by the banks and 'courtesy level of the bank employees towards customers' occupies ninth rank. In service quality of bank according to managers' perception 'employees' knowledge in solving the customer queries' hold the last rank, while in staff's perception 'working hour of the bank' holds the last rank in the order. Thus it is observed from the Table- 2 that out of 15 dimensions, only in four dimensions the perception of managers and staff are same but in rest eleven dimensions their perceptions are different.

Table 2 : Perceptual Differences between Managerial & Non-managerial staff on service quality of banks

Sl. No.	Statement	Perceptions of Bank managers		Perceptions of Non-managerial staff	
		Mean	Rank	Mean	Rank
1	Courtesy level of the bank employees towards customers	5.02	9	5.59	9
2	Cooperation among employees in serving the customers	4.93	11	5.7	4
3	Working hours of the bank	4.8	13	4.75	15
4	Employees' knowledge in solving the customer queries	4.51	15	5.77	3
5	Speed of attending to the customers	5.07	8	5.7	5
6	Transaction time taken for Cash deposit	4.76	14	5.5	10
7	Transaction time taken for Cash withdrawal	4.85	12	5.48	11
8	Promptness in keeping the customers informed of interest rates and service charges	4.98	10	5.27	12
9	Bank's grievance redressal system	5.7	2	5.98	2
10	Location of the bank	5.89	1	6.2	1
11	Quality of the ATM services	5.63	3	5.66	6
12	Debit & credit card services	5.24	7	5.64	7
13	Internet banking facility	5.55	4	5.2	13
14	Mobile banking facility	5.32	5	5.14	14
15	Availability of ECS facilities	5.31	6	5.61	8

Source: Field Survey

Table- 3 depicts the perceptual difference between managerial and non-managerial staff about the service quality management of the bank. Here a comparative study has been done by ranking of 13 statements of service quality management on the basis of managers' and staff's perception measured in a 7-point 7-point scale where "1 = very poor, 2 = poor, 3 = slightly

Table 3 : Perceptual Differences between Managerial & Non-managerial staff on service quality management of banks

Sl. No.	Statement	Perceptions of Bank managers		Perceptions of Non-managerial staff	
		Mean	Rank	Mean	Rank
1	Upper level managers' concern for the employees	3.94	7	4.16	7
2	Employees' cooperation with each others in the organization	5.38	1	5.41	1
3	Employees' personal involvement and commitment	5.08	2	5.36	2
4	Frequency and quality of downward communication with employees	4.11	6	4.52	4
5	Constructive feedback given to employees	4.42	4	4.57	3
6	Product knowledge of employees	3.58	11	4.39	5
7	Product –specific training for employees	3.79	8	3.36	13
8	Training in communication skill for employees	3.65	9	4.14	8
9	Input by operations people in advertising plan	3.5	13	3.52	12
10	Input by operations people in advertising execution	3.65	10	4.05	10
11	Employees' awareness of external communications to customers before they occur	3.57	12	4.09	9
12	Communication between sales and operations people	4.32	5	3.93	11
13	Similarity of procedures across departments and branches	4.65	3	4.34	6

Source: Field Survey

poor, 4 = average, 5 = slightly good, 6 = good, and 7 = very good". According to both managers and staff, the dimension, 'employees' cooperation with each others in the organization' occupies first rank and 'employees' personal involvement and commitment' occupies second rank in service quality management. In these two dimensions the perception of both managers and staff are is good as the mean is above 5. In managers' opinion, 'similarly of procedures across departments and branches' occupies third rank, but in staff's opinion the dimension 'constructive feedback given to employees' occupies third rank. Similarly in managers perception 'communication between sales and operations people' occupies fifth rank in service quality management but in non-managerial staffs perception 'Product knowledge of employees' occupies fifth rank. But according to both managers and staff, the dimension 'upper level managers' concern for employees' occupies seventh rank and 'input by operations people in advertising plan' occupies tenth rank as they perceive these least important for service quality management. As per staff's perception 'product-specific training for employees' holds the last rank in the order in service quality management. It is observed from the Table- 3 that out of 13 dimensions only in four dimensions the perception of managers and staff are same but in rest nine dimensions their perceptions are not matching with each other.

Table- 4 depicts ANOVA of service quality management across demographic profile of employees. Bank-wise the opinions of employees for the parameter, 'availability of ECS facilities' differ significantly at 5% level of significance and in all other cases the opinion vary at

Table 4 : ANOVA of Service Quality Management across Demographic Profile

Sl. No	Parameter	Bank		Age		Education		Branch		Position	
		F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
1	Courtesy level of the bank employees towards customers	20.815*	0	2.48	0.064	3.155	0.078	0.683	0.507	3.561	0.06
2	Cooperation among employees in serving the customers	30.658*	0	2.485	0.064	1.406	0.238	1.284	0.281	7.005*	0.01
3	Working hours of the bank	0.952	0.437	3.438*	0.019	7.942*	0.006	0.532	0.589	0.017	0.9
4	Employees' knowledge in solving the customer queries	13.92**	0	4.186**	0.007	0.793	0.375	0.867	0.423	28.25	0
5	Speed of attending to the customers	13.319*	0	2.26	0.085	1.68	0.197	1.566	0.213	6.792*	0.01
6	"Transaction time" taken for Cash deposit	43.864*	0	3.221*	0.025	2.948	0.088	0.45	0.638	4.785*	0.03
7	"Transaction time" taken for Cash withdrawal	35.077*	0	3.847*	0.011	5.832*	0.017	0.619	0.54	4.038*	0.05
8	Promptness in keeping the customers informed of interest rates and service charges	8.408**	0	1.499	0.218	0.03	0.864	0.393	0.676	0.918	0.34
9	Bank's grievance redressal system	9.043**	0	2.177	0.094	4.903*	0.029	1.155	0.318	1.443	0.23
10	Location of the bank	5.678**	0	1.474	0.225	0	1	1.472	0.233	3.297	0.07
11	Quality of the ATM services	5.21**	0.001	0.489	0.691	0.127	0.722	0.214	0.808	0.016	0.9
12	Debit & credit card services	7.722	0	0.879	0.454	0.48	0.49	0.028	0.972	2.56	0.11
13	Internet banking facility	1.353	0.254	2.421	0.069	0.068	0.794	0.362	0.697	1.741	0.19
14	Mobile banking facility	1.455	0.22	1.343	0.264	0.301	0.584	0.868	0.422	0.595	0.44
15	Availability of ECS facilities	3.283*	0.014	1.734	0.163	0.004	0.947	3.188	0.045	2.581	0.11
16	Upper level managers' concern for the employees	3.572**	0.009	2.255	0.085	7.399*	0.007	0.656	0.52	0.43	0.51
17	Employees' cooperation with each others in the organization	3.582**	0.008	0.358	0.783	1.218	0.272	0.301	0.741	0.014	0.91
18	Employees' personal involvement and commitment	6.511**	0	0.845	0.472	4.545*	0.035	0.739	0.48	1.695	0.2
19	Frequency and quality of downward communication with employees	11.52**	0	0.956	0.416	0.316	0.575	0.142	0.868	1.731	0.19
20	Constructive feedback given to employees	24.621*	0	2.075	0.107	0.554	0.458	1.447	0.239	0.161	0.69
21	Product knowledge of employees	14.42**	0	0.609	0.61	0.207	0.65	0.136	0.873	7.548*	0.01
22	Product-specific training for employees	17.687*	0	2.193	0.092	0.091	0.764	4.096	0.019	1.414	0.24
23	Training in communication skill for employees	8.09**	0	0.06	0.981	0.934	0.336	0.219	0.804	2.466	0.12
24	Input by operations people in advertising plan	4.867**	0.001	0.344	0.793	2.147	0.145	0.801	0.451	0.007	0.94
25	Input by operations people in advertising execution	2.038	0.093	0.656	0.581	1.674	0.198	1.353	0.262	2.82	0.1
26	Employees' awareness of external communications to customers before they occur	19.695*	0	0.23	0.875	0.402	0.527	2.361	0.099	3.479	0.06
27	Communication between sales and operations people	4.743**	0.001	1.809	0.149	0.724	0.396	0.819	0.443	2.052	0.15
28	Similarity of procedures	33.252*	0	4.59**	0.004	3.335	0.07	1.072	0.346	0.885	0.35

Source: Field Survey, Note: **significant at 01 level, * significant at 05 level

1% level of significance. But only regarding five parameters i.e.- ‘debit and credit card services’, ‘internet banking facility’, ‘mobile banking facility’ and ‘input by operations people in advertising execution’ in which the opinions of employees belonging to different bank do not vary significantly. It implies that employees of different public sector banks under study have different opinions regarding the dimensions of service quality and its management in banks under study.

It is observed from the Table- 4 that age-wise the opinions of employees do not vary significantly in the twenty-three parameters. Out of twenty-eight only in five parameters the opinions vary significantly. Regarding the parameters like –‘working hours of the banks’, ‘transaction time taken for cash deposit’ and ‘transaction time take for cash withdrawal’ the opinions of employees belonging to different banks vary at 1% level of significance. In rest two parameters – ‘employees are knowledgeable in solving the customer queries’ and ‘similarly of procedure across departments and branches’ the opinions of the employees vary at 5% level of significance. Similarly while analyzing education-wise the opinions of employees vary significantly only in five parameters. The opinions of employees vary at 1% level of significance i.e. - in ‘working hours of the bank’ and ‘upper level managers’ concern for the employees’. But regarding rest two parameters i.e. - ‘transaction time taken for cash withdrawal’ and ‘banks grievances redressal system’ their opinions vary at 5% level of significance. For all other parameters there is no significant difference between the opinions of employees belonging to different educational back-grounds. It is clear for the Table- 4 that branch-wise the opinions of employees do not vary significantly. Similarly while analyzing the opinions of bank employees belonging to different positions it is found that in parameters like, ‘cooperation among employees in serving the customers’, ‘speed of attending to the customers’, ‘transaction time taken for cash deposit’ and ‘product knowledge of employees’ vary at 1% level of significance. But the difference in opinion is significant at 5% level only in one parameter i.e. – ‘transaction time taken for cash withdrawal’. For all other parameters there is no significant difference between the opinions of employees of different position.

Findings :

The study results gave an overview of perceptual differences between managerial and non managerial staff towards SQM of sample PSBs of odisha. The major findings are as follows:

- i. Firstly, the perceptions of both managerial and non-managerial staff are same concerning location of banks and grievance redressal system that they are meeting customer expectation in these dimensions.
- ii. Secondly, the perceptions of both managerial and non managerial staff are not matching in all cases like mobile banking facilities and ATM services are of good quality according to the managers where non-managerial staffs are not satisfied with their quality.
- iii. Thirdly, in the opinions of both manager and staff employee involvement and their cooperation with each other are good in managing service quality.

- iv. Last but not least there is a difference in their perception regarding product knowledge of employee. Managers' opinion revealed that employee should have more product knowledge and also need periodical training where-as employee feel they have good knowledge but banks are not regularly organizing product specific training.

Suggestions

In the light research findings, the following points can be taken care of by the PSBs for their better SQM :

- i. Firstly, to improve service quality of the banks dimensions like employee knowledge for solving customer queries, working hour, transaction time for both case deposit and withdrawal should be given more importance.
- ii. Secondly, quality of ebanking services should also be given more importance.
- iii. Thirdly, employees training for better product specific knowledge and communication skills should be organized periodically for the better SQM.
- iv. Last but not least there should be regular interaction and coordination between marketing and operating people for better SQM.

Conclusion

While concluding it can be said that both managerial and non managerial staff has realized that SQM is the need of the hour. In few years Indian banking parlance has totally changed, for which banks will need to be able to formulate strategies for effectively responding to these forces in a strategic manner. So banks should not only give importance on customer orientation of employee, customer satisfaction survey, but also need to focus more on customer care training methods, product-specific training, communication skill training and communication between sales and operation people.

Limitations of the Study:

The scope of the present study is confined to the managerial and non-managerial staff of selected branches of five public sector banks i.e. BOI, SBI, UBI, PNB and UBI operating in Odisha. So, the findings of the study need to be inferred with great caution while making any kind of generalization.

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