Customer Satisfaction in Public Sector Bank (A Study of South Rajasthan)

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Abstract: Customer’s satisfaction is essential and which every organizations should focus on. In any business that does not succeed in satisfying its customers, there is very high tendency that the customers may not patronize the business again. Satisfied customers are likely to be loyal and continue patronizing than dissatisfied customers. If companies have loyal customers, they do not have to spend too much money in acquiring new customers, because the satisfied customers tend to advertise through the word of mouth.

In a win-win situation, business focuses on profit and happy customers and customers try to satisfy their needs. The purpose of this research article is to examine the customer satisfaction among group of customer of SBBJ in Rajasthan. The scope of the study is confined to State Bank of Bikaner and Jaipur, in the branches of the bank in South Rajasthan, which covers customers of the bank. Simple random sampling technique is used to collect data with the help of questionnaire. A total of 70 samples were collected from customers of SBBJ bank of Rajasthan. Data analysis was done by using Coefficient of Correlation and it was found that there is significant correlation between HRM and HRD practices and Customer Satisfaction.

KEY WORDS: banking, customer satisfaction, customer service, service quality.

1. Introduction:
Customer’s satisfaction is essential and which organizations should focus on, in any business that does not succeed in satisfying its customers, there is very high tendency that the customers may not patronize the business again, satisfied customers are likely to be loyal and continue patronizing than dissatisfied customers. If companies have loyal customers, they do not have to spend too much money for new customers, because the satisfied customers tend to advertise through the word of mouth.

All business is build based on relationships, understanding customer relationship management has become a necessity for understanding how to manage businesses in the service competition, When building customer relationship or loyalty it is important to have customer satisfaction Therefore, in order to build customer loyalty or relationships, businesses have to work hard on customer satisfaction.

Customer satisfaction can be associated with the feelings of acceptance, excitement, happiness, relief and delight (Hoyer, Maclnnis, 2001).

2. Importance of customer’s satisfaction
To be successful in business, organizations have to satisfy the needs and wants of the customers. The importance of customer satisfaction, loyalty and retention has always been emphasized by many researchers. The importance of customer satisfaction has a positive effect on organization’s profitability. There is an important connection between customer satisfaction, loyalty and retention. Therefore they are all very important for an organization to be successful.

3. Factors affecting customer satisfaction are:
1. A friendly and comforting atmosphere is a must so that customer can easily put his point and can get solution of any query, or problem related to the bank.
2. Polite and humble behavior of employees, towards the complaints and queries of customers will build up trust and satisfaction of customers for the bank.
3. An employee must have in depth knowledge of all the products and services provided by the bank and
should be well trained through HRD programs so that they can resolve the quires of the customers satisfactorily and can present themselves effectively through their working and communication skills to impress the customers.

4. As it is said, time is money so it is necessary that customers are served timely.

5. If the bank gives good returns on funds and better interest on deposits to its customers in comparison to other banks.

6. Implementation of HRM and HRD practices tries to satisfy the employees regarding all the aspect of their job.

7. If bank employees will be helpful and they will help the customers whenever they need, then the customers will feel satisfied on getting associated with the bank.

8. Bank keeps complete safety of funds of their customers which enhances the goodwill of the bank by which more and more of person become account holders in the bank. This increases the business, deposits, profits, advances etc. of the bank.


4. Customer relationship management

Customer Relationship Management (CRM) is about building a strong relationship between two parties. Not only the classical relationship that exist between consumers and suppliers, a company can build a relationships with its customers, dissatisfied customers, employees, suppliers, distributors, competitors or intermediaries. It is of paramount important for companies to have a relationship because it cost more than six times more to attain new customers than to retain existing ones and it is related to profitability.

5. Measuring customer satisfaction:

Customer feedback is vital to a business. Through feedback, a company learns how satisfied its customers are with its products and services and sometimes about the competitor's products and services.

Measure of customer satisfaction allows a business to:

a) Discover customer satisfaction of how well the business is performing in meeting customer needs.

b) Compare the company's performance relative to competitors.

c) Discover areas for improvement, both in the design and delivery of products and services.

d) Track trends to determine if changes actually result in improvement.

6. Literature review

Dr. Naveen Kumar and Dr. V.K. Gangal (July 2013) in their paper the economic growth of country is on accelerating mode, role of banking industry is also important in this growth. With the expansion of banking services to people excluded from banking services to large corporate searching fund for their activities, makes the importance of banking services. New technologies are being introduced and there is always a fear of economic uncertainties. Fierce competition, more demanding customers and the changing climate have presented an unparalleled set of challenges (Lovelock, 2001) for banks in the country. Therefore, customer satisfaction is the key for many banks to survive in competition.

Vijay Prakash Gupta and P.K. Agarwal (June 2013) found in their research the highest customer satisfaction is demonstrated in the responsiveness area such as willingness to help customer, friendly attitude of staff, followed by the reliability area such as customer guidance, customer support and other hand, the moderate satisfactions are in the tangibles area, such as infrastructure facilities, decor, followed by empathy area such as banks business timing and return on investment.

Ms. Pallavi Gupta, Dr. Chhaya Mangal Mishra and Dr. Tazyn Rahman (August 2014) The banking industry like many other financial service industries is facing a rapidly changing Market, new technologies, economic uncertainties, fierce competition, and especially more Demanding customers and the changing climate has presented an unprecedented set of Challenges. Customer service is one integral part of any facet of banking and it defines future of any banking organization.

7. Objective

1. To know the opinion of customers about services provided by banks.

2. To find the importance of HRM and HRD practices in Customer Satisfaction.

8. Hypothesis

1. There is non-significant correlation between HRM and HRD practices and Customer Satisfaction.
9. Scope of the study

The scope of the study is confined to State Bank of Bikaner and Jaipur, assess the present state of Human Resource Management and Development in the branches of the bank in South Rajasthan, which covers customers of the bank.

10. Research design and methodology

10.1 Data collection method

The present research work is based on an analysis of primary and secondary data both, Primary data was collected from employees, executives and customers of SBBJ and secondary data was collected from periodicals, government reports, annual reports of SBBJ etc.

10.2 Tools of primary data

Questionnaires: Three detailed questionnaires as per specimen attached were designed for executives, employees and customers of SBBJ. Questionnaires were administered personally to the bank employees, executives and bank customers to elicit relevant information.

Personal Interview: Questionnaires were followed by personal discussions with the customers.

10.3 Tools of secondary data

Secondary data related to the topic was collected from periodicals, government reports, annual reports of SBBJ, various websites and research papers, also secondary data was taken from branches of SBBJ in South Rajasthan.

10.4 Sample size

Total 70 customers of SBBJ were selected for the purpose of the study as well as for analysis.

10.5 Tools of analysis

Analysis is done by using Coefficient of Correlation.

11. Research findings regarding customer satisfaction

Table 1. Break-up of respondents on the basis of their opinion regarding computerization of the bank.

<table>
<thead>
<tr>
<th>Response</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service efficiency is increased due to computerization</td>
<td>63</td>
<td>90.00</td>
</tr>
<tr>
<td>It provides 24x7, anywhere, anytime services</td>
<td>63</td>
<td>90.00</td>
</tr>
<tr>
<td>Reduces waiting time</td>
<td>56</td>
<td>80.00</td>
</tr>
<tr>
<td>Less Error work</td>
<td>49</td>
<td>70.00</td>
</tr>
</tbody>
</table>

Table 2. Break-up of respondents on the basis of their opinion regarding e-services of the bank.

<table>
<thead>
<tr>
<th>Response</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM</td>
<td>53</td>
<td>75.71</td>
</tr>
<tr>
<td>Online Banking</td>
<td>5</td>
<td>7.14</td>
</tr>
<tr>
<td>Mobile Banking</td>
<td>1</td>
<td>1.43</td>
</tr>
<tr>
<td>Telephone Banking</td>
<td>1</td>
<td>1.43</td>
</tr>
</tbody>
</table>

Graph 1. Source: sample survey

Table 1. It is a multiple response table that shows the opinion of customers for computerization of bank where 90% were of the opinion that it provided 24 x 7 anywhere, anytime services. Around 80% respondents were of the view that computerization reduced waiting time while 70% found that it gave them an error free work or less error work.
Table 2. Displays percentage of e-services of Bank with which customers were comfortable. It was found that the most comfortable e-service was that of ATM that accounted 75.71%, 7.14% customers were comfortable with online banking. The comfort with mobile banking and telephone banking was 1.43% for both.

Table 3. Satisfaction of customers with various parameters of bank

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Satisfaction Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
</tr>
<tr>
<td>Friendly and courteous manner</td>
<td>27.14</td>
</tr>
<tr>
<td>Knowledge of bank’s products &amp; Services</td>
<td>81.43</td>
</tr>
<tr>
<td>Willingness to listen and respond to your need</td>
<td>25.71</td>
</tr>
<tr>
<td>Fast and efficient service</td>
<td>20.00</td>
</tr>
<tr>
<td>Recognition of you as valued customer</td>
<td>24.29</td>
</tr>
<tr>
<td>Professional and attractive appearance</td>
<td>42.86</td>
</tr>
<tr>
<td>Grievance redresser procedure</td>
<td>14.29</td>
</tr>
<tr>
<td>Safety of funds</td>
<td>74.29</td>
</tr>
<tr>
<td>Good Infrastructure facilities like seating arrangement, AC, water cooler, Washrooms etc.</td>
<td>40.00</td>
</tr>
<tr>
<td>Availability of variety of bank products</td>
<td>88.57</td>
</tr>
</tbody>
</table>

Graph 3. Source: sample survey

Table 3. Shows the distribution of customers respondents for their satisfaction level regarding various parameters of the bank.

Nature of bank employees: The first parameter was the nature of bank employees where customers were asked whether the bank employees behavior in “Friendly and courteous manner” with them then in reply 64.29% were found moderately satisfied with this, nearly 27.14% were highly or very highly satisfied with this and only 8.57% were either less or very less satisfied with the manner in which bank employees behave.

Knowledge of bank’s products and services: Second parameter was “knowledge of bank's products and services” where 81.43% respondents were found highly satisfied with this and 15.71% were moderately satisfied and only 2.86% respondents were found satisfied at very low level.

Willingness to listen and respond to your need: Third parameter was the willingness to listen and respond to your need where maximum no. of respondents were found highly satisfied with this and said that their need are given proper responses and employees listen to them whenever needed, the result was 61.43% in favor of this parameter at moderate level, where 25.71% were highly satisfied and only 12.86 were least satisfied with this.

Fast and efficient service: Fourthly, when respondents were asked about "fast and efficient service" of their bank then largely (45.71%) were found moderately satisfied with this while 20% were highly satisfied and 34.29%. Customer respondents were last satisfied.

Recognition of you as valued customer: As per fifth parameter which was "Recognition of you as valued customer" then in favor of this at moderate level maximum responses were found which were 55.71%, at high level it was 24.29% and at law level satisfaction it was found 20% responses.

Professional and attractive appearance: When customer respondents were asked about Bank employee's "professional and attractive appearance" as per their replies they were found satisfied at moderate level (45.71%) which was maximum and they showed their least satisfaction with 11.43% and at high satisfaction showed with 42.86%.

Grievance redress procedure: with this query customer respondents were found equally satisfied
with moderate and least extent (42.86%) for both, while only 14.29% respondents were found highly satisfied with this facility of their bank.

**Safety of funds:** For "Safety of funds" customer respondents (74.29%) were found highly satisfaction and said that they are tension free for their funds as these are very safe with this bank and they have no complaints regarding this, where respondents at low level satisfaction was 0.00% and 25.71% were stood at moderate level satisfaction.

**Good infrastructure facilities like seating arrangement, AC, water cooler, washrooms etc.:** As per next query "Good infrastructure facilities like seating arrangement, AC, water cooler, washrooms etc." Maximum no. of respondents (54.29%) were found moderately satisfied with all these facilities as they said washrooms are sometimes not clean and looking at no. of customer of this bank few more washrooms should be made, for drinking water sometimes water cooler machine does not work properly and they don't get cold water to drink in summers and when they have to wait for long hours to get services in the bank then it becomes tough. Where average or below average respondents (40%) were highly satisfied with this and only 5.71% were found satisfied at low 5.71% were found satisfied at low level with these facilities of the bank.

**Availability of variety of bank products:** Lastly, when the customer, respondents were asked about "availability of variety of bank products" a very huge amount of respondents (88.57%) were found highly or very highly satisfied with this and it was found that not even single respondents (0.00%) was least satisfied with it where very few of them (11.43%) were found satisfied at moderate level with this advanced facility of the bank.

**Table 4. Break-up of respondents on the basis of their opinion if they would refer their bank to others.**

<table>
<thead>
<tr>
<th>Response</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely</td>
<td>1</td>
<td>1.43</td>
</tr>
<tr>
<td>Yes</td>
<td>40</td>
<td>57.14</td>
</tr>
<tr>
<td>May or may not</td>
<td>28</td>
<td>40.00</td>
</tr>
<tr>
<td>Never</td>
<td>1</td>
<td>1.43</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Graph 4. Source: sample survey

Table 4. Shows the distribution of respondents if they would refer their bank to others. As per the table the maximum of 57.14% of respondents nodded yes while only 1.43% straightway said never. 28 (40%) out of 70 were of the opinion that they may or may not do so while 1.43% said that they definitely will.

**5. Relationship between HRM & HRD Practice and Customer Satisfaction**

<table>
<thead>
<tr>
<th>N</th>
<th>r</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>0.754</td>
<td>***</td>
</tr>
</tbody>
</table>

A Highly Significant Positive Correlation between HRM & HRD Practices and Customer Satisfaction was found \( R = 0.754, P <0.001 \)
“There is non-significant positive correlation between HRM and HRD practices and Customer Satisfaction.”

To prove this Hypothesis Carl Pearson’s Coefficient of correlation was calculated, between HRM and HRD practices followed by the bank and Customer Satisfaction.

Results of this test are given below:

\[ r=0.754; p<0.001 \]

The test result shows that there is a highly significant positive correlation between HRM and HRD practices followed by the bank and Customer Satisfaction.

The scatter diagram also shows upward trend of both the variables. Hence, it can be concluded that HRM and HRD practices are positively correlated with Customer Satisfaction.

Hence: Our null hypothesis that there is non-significant positive correlation between HRM and HRD practices and Customer Satisfaction is rejected and it is concluded that Customer Satisfaction is highly positively correlated with HRM and HRD practices followed by the bank.

12. Customer Satisfaction Findings:

As far as e-banking services are concerned, around 76% customers use ATM services but this much percentage for other e-services like, online banking, mobile banking and telephone banking was not found.

Firstly, Majority of the customers were found highly satisfied with the availability of verity of bank products, employee’s knowledge about bank products and services and safety of their funds.

Secondly, customer of SBBJ were found satisfied at moderate level with professional and attractive appearance, good infrastructure facility like seating arrangement, AC, water cooler etc. and friendly and courteous behavior of the bank employees.

Thirdly, customers were found less satisfied with slow and inefficient services, employee’s willingness to listen and responding to their queries, their recognition as valued customers and grievance handling procedure of the bank.

Maximum no. of customer respondents(around 59%) said that surely they will recommend their bank to others where 40% respondents were found in dilemma that to recommend or not and only 1% respondent said that he/she will not recommend his/her bank to others.

13. Suggestions:

1. More service counters should be arranged, to reduce waiting time of customers and also to prevent disturbance in working of employees.

2. In time Grievance redressed and fast and efficient services should be provided to the customers, also they should be recognized as valued customers, to prevent huge losses which can be occur due to their dissatisfaction with the bank.

3. Customers should also be educated with new techniques adopted by the bank like-net banking, e-banking, and mobile-banking and optimum utilization of ATM and also they should be educated for other banking facilities by which they are least aware. Educating bank customers in this regard will not only reduce the work pressure of bank employee’s but also save the time of both employees as well as customers.

4. New concepts like talent management, customer relationship management, universal banking etc. should be adopted by the public sector banks, so that they can compete with private sector banks, which will not only beneficial for employees but also for its customers, as they will have better and efficient services.

5. Since highly significant correlation is found between HRM, HRD practices of the bank and job satisfaction, customer satisfaction and organizational growth, and also its contribution to economic growth. Hence, more focus should be delivered to HRM and HRD practices, so that all significant factors related to these practices will mechanically be maintained, organized and improved which will in turn be significantly helpful to achieve organizational goals as well as economic growth of the nation.

14. Concluding Statement:

Hence, it can be said that although the customers were satisfied with the availability of various services, products, basic infrastructure facilities of the bank etc. but also they were found least satisfied on the personal ground like their grievance handling, considering them as valued customers, willingness to listen and respond. Hence, these areas should be looked upon by the bank for its success.

Since highly significant correlation is found between HRM, HRD practices of the bank customer satisfaction. Hence, more focus should be delivered
to HRM and HRD practices, so that all significant factors related to these practices will mechanically be maintained, organized and improved which will in turn be significantly helpful to achieve organizational goals as well economic growth of the nation.

Reference:-


