Customers Perceptions toward Behavioral Skills of Bank Employees in Indore

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Abstract: The banking sector is an importat contributor to the service economy of the country. With privatisation in the last decade, several Indian private banks and foreign banks are making a mark in the banking scene. Attracting customers from new customer segments, will only help banks in exploring new segments. In this competitive scenario, it has become highly crucial for the banks to lay emphasis on both attracting new customers and retaining the existing customers. Behavioral skills is a critical area of relationship marketing that requires focus from the perspective of marketer. The objective of the study is to analyse the customer's opinion about their bank with respect to the behavioural skills component and how the same is different from the perceptions of the employees. The perceptions of customers and employees have been found to be highly different for the behavioural skills. Both public sector banks and private sector banks have been covered for this study. The study was primarily conducted in Indore city taking a sample size of 200 respondents comprising of customers and employees.

Keywords: banking sector, behavioural skills, perceptions of customers and employees.

I. INTRODUCTION

The process of liberalization and privatization initiated by the government in the year 1991, brought in significant reforms in the banking industry. Prior to this period, conservative economic policies prevailed. In 1991, the Narasimham committee was set up, which worked for the liberalization of banking practices. This brought innovation and technology in the country. Banks no longer are considered to be performing the conventional roles of account opening, account operations, bank passbook or statement updation. Banks have innovated and re-strategized their functioning towards improving the behavioral skills of employees.

II. REVIEW OF LITERATURE

Relational approach in marketing requires emphasis on building relations with the customers. Service Quality is defined as customers' overall impression of the relative inferiority and superiority of the organization and its services (Bitner and Hubbert, 1994). It depends heavily on the quality of the buyer-seller interaction. It depends on both the service deliverer and the quality of delivering. It is reflected not only in the product, but in every activity to ensure total client satisfaction. Behavioral skills is an affective component that motivates the employees to display good behavior with their customers. The customers have expectations with regard to the behaviour of service employees in interaction situations and thus, when they are exceeded, the level of customer satisfaction with the service provider is positively influenced. So, the employees' handling of interactions with customers strongly influenced the level of commitment a customer develops towards a service provider (Thurau, 2004). The behavior of employees in dealing with the queries of customers is an important component. There have been instances in which there are delays in the delivery of service to customers. In such circumstances, an apologetic stance by the employees is an essential component of behavioral skill training. When the customers feel that the employees tried their best to serve them

quickly as well as apologized for the delay, then their reactions to the delay are much less negative (Sarel and Marmorstein, 1998).

According to Heskett (2002), banks must display eagerness in attending to existing customers as it develops apostles for the service firms within the organization, in the customer portfolio and further brings new customers. Effective complaint-resolutions by an organization also results in favorable word-of-mouth publicity (Gilly and Hansen, 1985). Sending off the customers at a pleasant node is as important as a warm welcome (Jain et al., 2007), and it is an important behavioural skill that is required amongst all employees.

The appearance and behaviour of the contact personnel and the nature of the customer-personnel interactions are strong behavioural dimensions (LeBlanc and Nguyen, 1996), that affect the customer. The nature of these interactions are influenced by the kind of language and tone of voice. When employees use rough language in their interactions, they leave negative cues on the customer's minds.

The false claims made by employees regarding faster processing of applications, also comes under behavioral skills. The extant literature suggests trust-related concepts such as trustworthiness, honesty and integrity of employees as key relationship-building practices. More specifically, service providers build trust by keeping their commitments and not over-promising and through clearly clarifying what the service does and does not entail (Claycomb and Martin , 2002).

The pragmatic changes in the Indian financial services scenario can be attributed to this. Several customers dealing with the private banks and private finance companies have complained that most of the times false claims are made by the sales people regarding faster processing of applications. The sales staff is not professionally qualified who work under stiff pressures for achieving targets, and thus make false claims to achieve targets of the company.

Professionalism in sales calls is also a behavioral skill. The service provider's professionalism and commitment to serve customers is reflected through its employees. The employees must consistently maintain the service standards set by the organisation. Customers seek a professional approach from the employees however small be the transactions. Customers' time should be given importance during business hours.

The quality of staff employed by an organisation refers to their technical skills, work competency, mannerisms. Company Image has been described by Grönroos (1990, cited in LeBlanc and Nguyen, 1996) as having the potential of influencing customer perceptions of quality. Thus when customers perceive that the quality of staff is inferior to the company's image, then the total customer experience is negative. The quality of staff employed is the least factor loading attribute of the Behavioural skills.

III. OBJECTIVE OF THE STUDY

The study is aimed at exploring the Behavioral skill orientation of the bank employees. To study the perceptual differences between customers and employees in their orientation towards Behavioral skills, the following hypothesis were developed:

Ho1: There is no significant difference between bank customers and bank employees with respect to perception towards Behavioral skills.

Ho2: There is no significant difference between bank customers and bank employees with respect to perception towards employees lack enthusiasm in attending to old customers and their problems.

Ho3: There is no significant difference between bank customers and bank employees with respect to perception towards employees get irritated when customers ask too many queries.

Ho4: There is no significant difference between bank customers and bank employees with respect to perception towards employees use rough language in their interactions

Ho5: There is no significant difference between bank customers and bank employees with respect to perception towards false claims are made regarding faster processing of applications.

Ho6: There is no significant difference between bank customers and bank employees with respect to perception towards sales calls lack professionalism.

Ho7: There is no significant difference between bank customers and bank employees with respect to perception towards quality of staff does not match with the bank's image.

IV. RESEARCH METHODOLOGY

The Study: This exploratory study is directed towards analyzing the customer's opinion about their bank with respect to the behavioral skill component and how the same is different from the perceptions of employees.

The Sample: The sample constituted of 150 customers and 50 employees of bank, making the total sample to be 200. The sample represented a cross-section of the socio-economic population of Indore.

The Tools for Data Collection: Data was collected through a self developed validated questionnaire. The questionnaire was validated by 30 judges, who were academicians and corporates. Respondents were required to indicate the responses on a 5 – point Likert-type scale where 1 stood for strongly disagree and 5 stood for strongly agree.

The Tools for Data Analysis: To test the hypothesis developed in the study, z-test was applied using SPSS software.

V. RESULT AND DISCUSSION

From table no. 1, it can be seen that the z value of 7.58 is **significant** at 0.05 level with degree of freedom equal to 98. It means there is a significant difference between bank customers and bank employees with respect to perception towards behavioural skills. In this context, the null hypothesis Ho namely, "there will be no significant difference between bank customers and bank employees with respect to perception towards behavioural skills" is rejected. In order to explain the perceptual differences towards behavioral skills, the difference in z values of the architecture of this dimension was studied.

The z value of 5.18 is significant for the first variable namely, "employees lack enthusiasm in attending to old customers and their problems". The null hypothesis Ho2 is rejected. It means there is a significant difference between bank customers and bank employees with respect to the perception towards employee enthusiasm in attending to old customers and their problems. Customers have reported that a few banks aggressively seek new accounts and customers to reach their assigned targets, and in the process lose enthusiasm in attending to problems of the old customers.

The z value of 4.15 is significant for the third variable namely, "employees get irritated when customers ask too many queries". The null hypothesis Ho3 is rejected. It means there is a significant difference between bank customers and bank employees with respect to the perception that employees get irritated when customers ask too many queries. Due to intense competition, the employees work under stress and high pressures. Today's customers are also highly informed and are more demanding, thereby seeking intricate details and quick response to their queries. In such situations, employees get irritated which has a negative experience.

The z value of 5.02 is significant for the fourth variable namely, "employees use rough language in their interactions". The null hypothesis Ho4 is rejected. It means there is a significant difference between bank customers and bank employees with respect to the perception that employees use rough language in their interactions. Inter-employee interactions in an abusive or rough language and even rude interactions with clients, have a negative impact on the other customers who may be passive observers to the communication process. Although the employee mean score is very low, but the customers have given a relatively high score of 2.08.

The z value of 3.92 is significant for the fifth variable namely, "false claims are made regarding faster processing of applications". The null hypothesis Ho5 is rejected. It means there is a significant difference between bank customers and bank employees with respect to the perception that false claims are made regarding faster processing of applications. The mean score of customers is relatively high at 2.80 as compared to the mean score of employees at 1.98. Several customers have reported that the application processing time takes longer time than committed.

The z value of 4.49 is significant for the sixth variable namely, "sales calls lack professionalism". The null hypothesis Ho6 is rejected. It means there is a significant difference between bank customers and bank employees with respect to the perception that sales call lack professionalism. Customers reported that many times the sales calls were made without appointments and at other times late. The sales executives attend their phone calls in the presence of customers and chew tobacco. Such acts are treated as lack of professionalism by the customers.

The z value of 3.44 is significant for the seventh variable namely, "quality of staff does not match with the bank's image". The null hypothesis Ho7 is rejected. It means there is a significant difference between bank customers and bank employees with respect to the perception that quality of staff does not match with the bank's image. The customers have reported that the field staff of the Direct Selling Agents of the banks, lack technical knowledge on different products.

VI. CONCLUSION AND IMPLEMENTATIONS

The results of the study revealed that for banking sector, the perceptions of customers and employees vary significantly towards the Behavioral Skills. The perceptions of customers and employees have been found to be highly different for variables that are employees lack enthusiasm in attending to old customers and their problems, employees use rough language in their interactions, and false claims are made regarding faster processing of applications and quality of staff does not match with the bank's image. There was not a single variable found for which the perception of customers and employees were similar on the area of Behavioral skill.

Employees involuntarily, due to work pressures lose focus on the behavioral skills that require focus on the proper behavior of employees with their customers in different facets of banking transactions. The findings of this study suggest that emplyees must show interest and enthusiasm in resolving complaints and queries of existing customers in order to retain them. Similarly, employees must be trained to be genuine in their sales interactions avoiding false claims. Banks, like any service industry, must focus on behavioral training to employees. Service-oriented approach in behavior is an essential component of behavioral skills. In a stiff competitive environment, it is important that banks strategise their marketing efforts in providing service to their old clients while trying to attract and enter new market segments.

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Table no. 1

z values for comparison between bank customers and bank employees with respect to perception towards Behavioral Skills

Sr. no.	Variable name	z Values	Mean bank _ customer	Mean bank_ employee
1	Enthusiasm	5.18	2.88	1.74
2	Irritated	4.15	2.66	1.82
3	Roughlanguage	5.02	2.08	1.26
4	Falseclaims	3.92	2.80	1.98
5	Salescalls	4.49	2.92	2.02
6	Staffquality	3.44	2.64	1.92
	Behavioural Skills (total)	7.58	15.98	10.74

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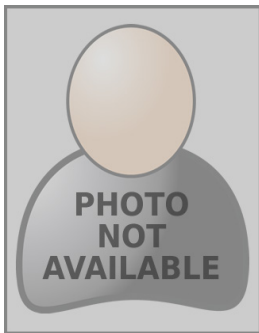
Dr. Prerna Kumar is an Assistant Professor in Management area at International Institute of Professional Studies, Devi Ahilya University Indore since 2009. She was awarded Doctorate in Management in June 2010. Her teaching interests are Customer Relationship Management, Global Marketing, Direct Marketing, Event Marketing, Product Management, Brand Management, Service Marketing. Her research interest's areas are Customer Relationship Management, Customer Experience, Online Marketing, Retail Sector, Financial services sector, Content analysis.