

TQM AS A TOOL FOR ENHANCING CUSTOMER SATISFACTION WITH SPECIAL REFERENCE TO BANKING INDUSTRY

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Abstract

In the past manufacturers could sell all they made. Total quality management (TQM) has been practiced in diverse industries from manufacturing to services. But its importance in the banking sector has attracted only a few researchers. The aim for this research is to study the connection between TQM practices and customer satisfaction in keeping money area. Total Quality Management is the methodology for enhancing business performance through the dedication and association of all representatives to completely fulfilling concurred customer necessities, at the ideal general expenses, through the nonstop change of the products and services, business procedures and individuals included. The concept of Total Quality Management can be communicated as making progress through enchanting the customers. Organizations presently are ending up more responsive, they offer a superior product, and continue enhancing through Total Quality Management (TQM) systems. TQM expands customer satisfaction by boosting quality. It does this by motivating the workforce and improving the way the company operates. The customer is more sophisticated and knowledgeable. If you don't offer good service, customer will buy from a competitor. When corporate customers start improving their own quality, they also expect better performance from their suppliers. The main aim of this study is to find whether implementation of TQM enhances customer satisfaction as well as

production performance and the above study results can be used for a bank industry to achieve quality service.

Keywords: Needs and demands, customer satisfaction, Total Quality Management, Quality System, Production performance.

1. Introduction

These days the organizations are subjected to various monetary, political, mechanical and social changes. Expanding contending battle the presence of new learning and innovation, data and correspondence abilities, always expanding needs and demands of consumers, the new controls and the in like manner, affected the rise of another theory of business organizations. Total quality includes the usage of Total Quality Management (TQM) that is utilized to coordinate business tasks to make products/services with highest quality. Quality has turned into a key component in the survival of organizations in the competitive market (Thiagaragan et al.). Delevering quality products and services prompts accomplishing and keeping up upper hand in the competitive market (Topalović). Consumers request a product that is high quality in product and services at a lower cost. so it is compulsory for an organization to create products as per the necessities and expectations of the customers. For accomplishing this a precise approach is required which generally called as Total Quality Management.

TQ can be seen as a tool to manage business in order to ensure total customer satisfaction at every level (Oakland). TQ as a business philosophy that is based on involvement of stakeholders in order to achieve adequate quality (Stevenson). TQM concept ought to be considered as a consumer based concept. TQM is only making qualities to consumer, ceaseless changes and quality headways, exact estimation of business performance and a general cooperation of HR. TQM is a way that an organization accomplishes hierarchical performance and receiving representative and consumer satisfaction consequently (Mehra et al.). TQM is based on the managers and the work efficientness (Zairi). TQM can be defined as practice of supplier relation, benchmarking, quality measurement and continuous process improvement (Agus and Hassan). The orientation towards customer is the foundation of the TQ system (Goldman). All companies do research on customer needs and demand and then implement TQ system to make their customers satisfied (Weinstein). Customer satisfaction is the relation between expectations and perceived performance of their product/ service and it is achieved through TQM (Oliver). The customer satisfaction is effective in quality management and it has

the most important role while implementing TQM (Eklof and Westlund). In order to increase customer satisfaction, successful implementation and continuous improvements of TQM system is mandatory (Ross). Every company does research to identify the needs and demands of the customer in order to deliver the value products and service to the customer (Weinstein). A business becomes highly effective when the company understands their customer needs (Mehra and Ranganathan). A business must become highly effective when they train their employees with specific skills that when reaching out customer satisfies them (Singla). ISO 9000 aims to establish methods of preventive action in work processes and make best decisions with minimal cost (Santouridis and Trivellas). Customer satisfaction is the relation between expectations and perceived performance of their product/service (Ooi et al.). When there is a positive linkage between TQM and customer satisfaction then there is a improvement of organizational performance (Chien et al.).

The term TQM not just alludes to a quality of a product, but service too. The customer satisfaction is set as a target for an organization for correcting its quality system. The main aim of this study is to find whether implementation of TQM enhances customer satisfaction as well as production performance and the above study results can be used for a bank industry to achieve quality service.

2. Objectives

- To find the impact of TQM in Banking industry.
- To find whether TQM helps in enhancing customer satisfaction.

3. Hypothesis

Null Hypothesis (H₀): TQM does not help in improving customer satisfaction in Banking Industry.

Alternate Hypothesis (H_a): TQM does help in improving customer satisfaction in Banking Industry.

4. Materials and Methods

This research is doctrinal type of study which is purely analytical in nature. Data for this research is collected from various sources. Secondary sources includes books, articles, magazines and research journals.

5. Observation

5.1. Why organizations need TQM

Rivalry is getting harder and worldwide. The quickly developing nations of East Asia frequently create requiring little to no effort. This might be a result of low wage expenses or huge speculation. Therefore, costs in numerous business sectors have fallen. Others will begin to drop. It is simple for an organization to get captured between enhanced Western products and low value products from developing nations. Numerous organizations currently create another model in a fraction of the time it beforehand took. A few products have a significantly shorter life than previously. At one time a building society wouldn't change the style of its bank accounts for quite a long time. Presently it might include or erase accounts starting with one year then onto the next. Change has even occurred in develop open service associations (Kajdan). Among healing centers, nearby government, railroads and schools every establishment is attempting to get leeway over the other are being done another way. Organizations are utilizing various technology and techniques to improve speedier and products.

Enactment is making more noteworthy demands on organizations. Ecological, well being and security laws presently expect organizations to run safe and contamination free organizations. No longer you can basically pour harmful fluids down the deplete. Representatives must be mindful so as to stay away from ecological harm. This requires an inspired and educated workforce. Numerous organizations are smug. They're utilized to customers sending in orders. They are familiar with providing products which have blames in them. In the present focused atmosphere, they will begin to lose customers.

A few organizations think they have no issues. This is particularly valid for restraining infrastructure providers and market pioneers with well known products. Achievement makes organizations self-satisfied. However history demonstrates that the best market pioneers constantly fall the heaviest.

A Popular organization, which lost its hold on the PC showcase, is only one illustration. Numerous organizations are hesitant to change. They feel that the frameworks that have made them effective will keep on working later on. They feel awkward rolling out improvements, or they do not have the vitality.

6. Impact of TQM on customer satisfaction and loyalty

(Anderson and Sullivan) dissected the circumstances and end results of customer satisfaction; they found that the TQM-based product performance had an effect on the customer satisfaction. Service cost and amount, HR, product performance, quality confirmation and so forth., ought to be measured and the above components will impact the customer satisfaction. (Motwani) portrayed a positive association between TQM practices and customer satisfaction performance. TQM is an exhaustive management approach, the inspiration driving satisfying, despite consoling customers. Be that as it may, customer satisfaction is the fundamental motivation behind TQM, and consistent change is basically guarantee that it meets the expectations of the customer. TQM that essentially influence representatives'/customers' satisfaction and loyalty. Also, the inward cross functional correspondence of TQM is imperative among offices, for example, activities, back, advertising, IT, and customer service. TQM program needs to cultivate it effectively. Sort out by process, not by work. This component of TQM tries to diminish the boundaries that exist between various offices, and focuses on getting the product to the customer. TQM program makes persistent change. This decreases squander and enhances customer satisfaction. Both these elements at last prompt more benefit. Total quality management guarantees that representatives comprehend their objective customers a long time before rolling out any improvements in the procedures and frameworks to convey predominant quality products for better customer satisfaction. Infact, affiliations display add up to quality management or some other quality management method to grow their client base and levels of consumer loyalty. Add up to Quality management grows an affiliation's database of unflinching clients who won't not go wherever, in any case. Without clients a business can't exist.

Quality of a product isn't characterized just as far as its toughness, bundling, unwavering quality, opportune conveyance et cetera yet in addition a customer's general involvement with the association. Keep in mind customer dissatisfaction prompts loss of business. In service industry,

representatives need to communicate with the customers sensibly and with most extreme care and polished methodology to expect glad and faithful customers. Outline different criticism shapes for the customers for them to share what they feel about your products and services. The criticisms might be supportive of your association, may not be agreeable to your business. Negative remarks or inputs of the customers ought not be disregarded. As a piece of total quality management, workers ought to sit on a typical stage, conceptualize thoughts and come to solid arrangements which would enhance the frameworks and procedures to in the end conveyance what the customer anticipates. No measure of total quality management would help on the off chance that you overlook your customers.

7. Findings

7.1. Problems in implementing TQM

Wastefulness exists inside each organization. Blunders include cost, and diminish customer satisfaction. In the normal firm, the cost of doing things wrong can be 25 for every penny of turnover. Numerous staff spends a day seven days redressing issues and Doing things twice is an exercise in futility and exertion. As a customer you are encompassed by cases of awful quality. It isn't only that things are well made or gravely made. Other implementation problem includes the task which keeps running after some time and over spending plan, The R&D division whose individuals are constantly obstructive, and the products which are made wrongly, and must be revamped.

7.2. The Four elements of Success

The four basics can be accomplished if the energies of entire workforce are focused on magnificence and to the customer. The four fundamentals are too enormous an assignment for any one individual to accomplish. Characterizing the arrangement is basic, however accomplishing it is less simple. Organizations and masters have grappled with the issue for a considerable length of time. Different Methods for enhancing quality procedures have been attempted. The early endeavors utilized measurable systems on the industrial facility floor.

The Four Essentials

- Reduce absconds

- Improve productivity
- Improve customer
- Innovate

The four fundamentals for effective TQM are mentioned above. The organizations presented management frameworks, for example, ISO 9000. In any case, staff now and then disregarded the new frameworks, and worked the way they generally had.

The latest styles have been benchmarking, organization sourcing and business process re-designing. In any case, these new apparatuses frequently take care of issues in just a single zone of the business, for example, provider quality or brilliance in assembling. So prompts Total Quality Management, or TQM.

Total Quality Management isn't as in vogue as re-designing, nor as solidly characterized as ISO 9000. In any case, it contains every one of the components for the effective organization without bounds. Without TQM, you need to implore that your rivals stay uncouth. Utilize TQM appropriately, and your prosperity is guaranteed. TQM is one of the vaguest business devices at any point developed. There is no TQM book of scriptures, and every one of the numerous quality masters said something else everybody has their own perspective of how TQM ought to be connected.

8. Suggestions

1. Be Customer centered. Whatever you improve the situation quality change, recollect that only customers decide the level of quality. Whatever you do to encourage quality change, preparing representatives, coordinating quality into forms management, only customers decide if your endeavors were advantageous.
2. Do it right first time implies keeping away from re-work. It implies cutting the measure of flawed work, regardless of whether on the shop floor or in the management workplaces.
3. We need to teach and prepare our kin, for an incompetent workforce commits errors. Giving more aptitudes to specialists implies they can complete a more extensive scope of occupations, and improve. It additionally implies teaching staff in the standards of TQM, which is a radical new style of working.
4. Measure the work. Estimations enable the organization to settle on choices in view of realities, not sentiment. They help to keep up models and keep forms inside the concurred resistances.

5. Present group working. Collaboration helps worker resolve. It diminishes strife and infighting. It takes care of issues by hitting them with a more extensive scope of abilities. It pushes specialist and duty downwards and it gives better, more adjusted arrangements.

9. Conclusion:

With every day passing, better products are achieving the market. A few upgrades result from innovation, others from better Total Quality Management logic. Constantly, contenders are looking to pick up favorable position by improving their products in fulfilling the customer. This is the hypothesis of Total Quality Management. Organizations currently are winding up more responsive, they offer a superior product, and continue enhancing through Total Quality Management (TQM) procedures. TQM builds customer satisfaction by boosting quality. It does this by rousing the workforce and enhancing the way the organization works. In the event that organizations don't look to enhance, in fulfilling the customers they get left behind. Little upgrades are simpler to make than goliath ones, particularly for individuals drop down the levels of leadership. Little upgrades in satisfaction regularly deliver shockingly huge advances. Make sure to enhance production forms, as well as management and administrative procedures which advances the customer satisfaction to the most abnormal amount. The concept of TQM is being followed by the Bank industry as TQ not only covers product but services also. And as we can see the Null hypothesis fails as TQM does help in improving customer satisfaction it only in Banking Industry but for any Service industry.

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