

**TOTAL QUALITY MANAGEMENT AND ITS IMPACT
ON BANKS AND WORKERS PERFORMANCE: A STUDY
IN MYSORE DISTRICT**

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Abstract

TQM plays a crucial role in the today's competitive environment. Competition is not only associated with few sectors, each and every field of business sector facing this rivalry environment and among them bank is one. Banks play a key role in the economic development of a country because they are the financial intermediaries who involved in transfer of funds within and outside the country. Banking sector is getting more competitive every day. Qualities, speed, efficiency, innovation are the main points on which quality programs are designed. All banks have engaged in basic banking activities but it is the way of delivery of services that distinguishes one bank from the other. The Expectations of customers and need for banking services are changing. Present day customer has become more educated and demand new products, better delivery channels and more reliable as well as responsive services. Improvement in service standard in other industries also raises the expectation of banking customers. It needs to deal with generation of more demanding customers. Banks have to satisfy their customers by providing higher quality services to improve competitiveness. This study is about the challenges to implement the TQM in banks and customers opinion about the quality management in different banks. The study also covers the basic concept of Total Quality Management, process of Quality Management System and workers' perception towards quality management in Banks in Mysore.

Keywords: TQM, Banking Sector, Customers.

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Introduction

Total Quality Management is an approach which ensures the quality and can be in regard to products customer satisfaction and employee's satisfaction. The concept was developed by an American W. Edwards Deming and it is also called as "Deming's concept of TQM."

In simple, Total Quality Management (TQM) means,

Total = Quality involves all the activities of the Bank or Company.

Quality = Conformance to Requirements or Meeting Customer Requirements.

Management = Managing the quality.

TQM = A process for managing quality; which is to be a continuous way of life and a philosophy of perpetual improvement in everything we do. While defining the term "Quality" it has been noticed that everything was focused on consideration of customers. TQM is a management philosophy where every individual in an organization is motivated to work towards a common vision, in an ideal environment, continuously improving their performance, resulting in better business opportunities. The definition by Michael J. Stahl – "TQM provides market and sector leadership by the establishment of processes and systems which promote excellence, prevents errors and waste, without duplication and ensures that every aspect of the organization is aligned to the needs of both the external and internal customer".

Literature Review

The modern approach of TQM is being practiced in the banking industries to lead a successful path in order to overcome from the challenges in globalization as well as the continuous growth progress in their day-to-day operations by fulfilling the 100% customers' satisfaction. It is having four aspects namely continuous improvement, customer focus, prevention and universal responsibility **Dr. R. Krishna Kumar, (September, 2011).**

Many researchers conducted studies on various TQM dimensions it seems that no research work has collectively taken all these dimensions into consideration in the service sector. Some of the dimensions of TQM can be applied both in manufacturing and the service sector. Customers' are important aspect of bank and loyal customers' adds value to profitability of banks. TQM

improve performance of bank by lowering costs, increasing revenues, delighting customers, and empowering employees. Customer satisfaction is important for banking industry and implementation of TQM in banking industry helps improving customer satisfaction **Durgesh Pattnayak and Dr. K. Maddulety(2011)**

In the other research study conducted by **Hummayoun Naeem, and et.al (November, 2008)** examined that in the competitive age the survival of a business is mainly depending on the quality associated with the product. Similarly in order to succeed in commercial banking there is a need to develop an organizational culture based on Quality Management approach where everybody is involved in quality enhancement processes and the bank management is keen and fully committed to the satisfaction of both internal and external customers.

Statement of Problem

The total quality management is a systematic way of managing any organization in order to meet the needs of the customer consistently and to achieve continuous improvement in each and every organization of banking activities. The banks are facing many problems relating to the workers participation and involvement. Implementation of TQM system in banks requires extensive training for employees and this leads to high cost of implementation. Many of the workers are resisting changing from the existing methods of management. That may have impact of both negative and positive way. Therefore there is a need to know impact of TQM on banks and workers.

Objectives of the study

1. To know positive and negative opinion from the workers regarding their performance.
2. To find the reasons for problem associated with the workers participation and involvement in banks.
3. To know the different types of procedures in order to reduce the high cost of expenditure for TQM.
4. To check the progress TQM implementation in the organization.
5. To ascertain the reasons for employees rejection to change the existing method of management.
6. To suggest suitable measures based on findings of the study.

Methodology

Data is collected from primary and secondary sources as it is required to meet the objectives of the study. Primary data is collected through personal interviews and structured questionnaire. The secondary data is collected from various sources like Newspaper, Annual Reports, Bank Websites, Magazines, Books, articles, Journals and E-source etc.

Scope of the study

The Study helps to know impact and growth of Banks which have adopted TQM in Bank with the involvement of personnel in TQM practices. The geographical location for the study is restricted to selected banks in Mysore district (Karnataka state, India) only.

Analysis and Interpretation

Table 1: Respondents Profile

	Variables	No. of Respondents	Percentage
Gender	Male	98	65
	Female	52	35
Age Group	18-25	36	24
	26-30	18	12
	31-40	51	34
	Above 40	45	30
Education	Under Graduation	24	16
	Graduation	60	40
	Post Graduation	33	22
	Other	33	22

Table 2: Respondents opinion about TQM in Banks

TQM Practice necessary	No. of Respondents	Percentage
Yes	144	96
No	6	04
Total	150	100

Table 3: Respondents rating about TQM

TQM Practices like to prefer	No. of Respondents	Percentage
Customer focus	42	28
Continuous improvement	28	19
Team work and involvement	24	16
Top management commitment and Recognition	12	8
Training and development to workers	16	11
Communication in bank	17	12
Measurement and feedback	11	06
Others	00	00
Total	150	100

Table 4: Respondents opinion about TQM practices

Activities	No. of Respondents	Percentage
Training and Development	18	12
Continuous Improvement	33	22
Team work and involvement	18	12
All of the above	81	54
Total	150	100

Quality maintained is to the advantage of all customers of the banks but from the study this claim was not true. The results show that it is purely on request by customers. The Banks functioning in Mysore is having good image in the minds of customers. Majority of the customers (96%) are attracted by good service, good security and they opined that TQM Practices is an essential one in the Banks. The study reveals that 46% of the respondents agreed to carry out off-the Job Training Technique benefits to develop knowledge and which helps to innovate and improve the skills of the workers. The bankers fails to communicate effectively regarding the team approach of Total Quality Management, workers may fearful which leads to employee resistance and this Workers are resist to change and it will result in lower employee morale and productivity of banking business.

Recommendation

1. The bank must have a customer relationship management policy with its customers after providing services to its customers.
2. There is a need for motivating the workers participation and involvement through top management guidance and commitment.
3. The management should effectively communicate the team approach of Total Quality Management, required changes in mindset and methods for performing their jobs to the worker.
4. Workers know their participation and involvement in TQM is essential for its success. Morale and productivity makes workers become empowered through participation on quality improvement teams.
5. Management should concentrate towards workers and understanding their grievances and should provide job satisfaction by considering their need.
6. It should give more importance to modern updated technology demands of the society.
7. Bank should consider the present competition and requirements and paln according to the workers needs.
8. There should be safety, security and satisfaction of the workers.

Conclusion

In the competitive age survival of a business is depending upon the quality associated with the product. In order to succeed in commercial banking there is a need to develop an organizational culture based on quality management approach wherein everybody is involved in quality enhancement processes and the bank management is keen and fully committed to the satisfaction of both internal and external customers. In order to ensure a successful implementation of TQM in the banks, there should be a need to motivate employees to improve the level of services provided by them. Also, there is a need for appointment of qualified and competent managers who will successfully contribute to the management of the bank together with giving enough training and education to employees so that they understand specific quality policy and TQM strategy.

Monitoring the customer satisfaction and taking the feedback frequently may further improve the performance of the banking sector. And also there is a need of top-management commitment towards TQM and giving full support for its successful implementation. The modern approach of TQM should be practiced in the banking industries which lead to success path to overcome the globalization challenges as well as their continuous growth progress in their day-to-day operation by fulfilling the customers' needs. TQM performance can be improved by a bank by lowering costs, increasing revenues, delighting customers, and empowering employees also customer satisfaction is important for banking industry the implementation of TQM in banking industry helps improving customer satisfaction. So using TQM banks can be benefited by satisfying consumers.

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