

The Impact of TQM on Banking Service Performance

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Abstract: The last decades there was concern that TQM has been less effective resulting from two external factors increasing the demands of good quality services from the customers, and the global market competitive pressure in addition to the internal factors to associated with TQM and has helped in the renovation and rising of TQM in rational leadership, factual management, continues improvements, and employee partnership. This paper investigates the impact of Total Quality Management (TQM) awfully on Banking Performance. Total Quality Management (TQM) was analyzed in this paper using the terms ; management commitment through leadership, Quality control, inspection, employee training, customer focus, benchmarking as the basis for enhancing product quality. TQM is usually measured through Corporate Social responsibility, Cost Reduction, and Employee Satisfaction. Analysis of TQM results on only employment training and empowerment it has a significant impact on financial performance and corporate social responsibility; leadership commitment, quality control and inspection have a significant impact on cost reduction.

Key words: Customer Retention, Employees performance, JIT, Management, Service Quality, TQM, Training Modules

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I. Introduction

During the last few decades, organizations all over the world have been trying to cope with a rapidly changing business environment in which management have to be more and more astute in finding ways to sustain or gain competitive advantage. To withstand new global challenges, most businesses have adopted new philosophies such as Concurrent Engineering, Lean Production, Just-In Time (JIT) strategies, Total Quality Management (TQM), Business Process Re-engineering (BPR) and others, to become more effective in the way they conduct business. The main driver behind these philosophies is the optimization of the organization's performance both internally and externally within its respective market targets.

Quality development ideas have identified several critical principles for successful TQM practices which among others include: top management commitment, customer focus, supplier relationship, benchmarking, quality oriented training, employee focus, zero-defects, process improvement and quality measurement (Saraphet al, 1989). Top level managers drive their teams with TQM objectives, innovative values, goals and vision to satisfy customer expectations and also to have keen eye on employee satisfaction that is; improve an organization's performance path (Ahireet al., 1996).

TQM refers to management tools used to enhance quality improvements in business organizations. TQM is one of the important management tool that works in all the directions of the organization, involving all departments and employees and extending backward and forward to include both suppliers and clients customers. Owned companies, specially business and organizations hope to expand and grow in the future. For organizations and enterprises to successfully achieve their growth objectives products must be well planned and their quality must be ensured to meet up with the needs of consumers and employee training

The concept of total quality management (TQM) has been developed as a result of intense global competition. If the vision of the Organizations is international trade and global competition must be pay considerable attention to TQM philosophies, procedures, tools and techniques. According to Juran, international competition requires higher levels of quality achievement by organisations. TQM in service industry plays a pivotal role when compared to manufacturing industry the roles, such as service intangibility, simultaneity of production, delivery and consumption, perishability, variability of expectations of the customers and the participatory role of customers in the service delivery. Glimpse on Banking Industry

The banking industry is the largest industry in the service sector which caters to the needs of the different categories of people. Notably, the service quality of commercial banks tends to play a dominant role in high involvement industries (Anger et al., 1999; Elango&Gudep, 2006). Indeed providing the best service quality is viewed as the pre requisite for the success of service organizations like banks (Roger, 2002). The

organizational performance and banking industry performance is significantly and positively linked with the internal service quality (Vanniarajan, 2007). And to provide both internal and external service quality in commercial banks, the total quality service is highly essential (Kassem, 1998). McCabe et al. (1994) indicated more than 90 percent of banks, building societies and insurance companies at present are implementing some form of quality initiatives'.

Management researcher' shave conducted many studies on service quality by identifying the factors that influence customer's expectation and perception of service quality, and investigating their impact on customer satisfaction and internally employee tools related training that's leads to employee satification.in this century Banks are struggling to improve service and proclaim that they are customer focus as a part of development slowly banks changed their service and focused on TQM tools that are implemented in organization and focus customer retention. Financial institutions have undergone intense competition and a change in customers' expectations over the last few years (Cheng et al., 1996). The importance and increasing attention to service quality in financial institutions is fully justified by the sociopolitical changes that have arisen (Cowling & Newman, 1995).here the banks are also focusing on customer's day-today changing habits.

Financial institutions are benefitted from TQM implementation and operating performance, manufacturing industry and now implemented in banking industry. Quality implementations have a positive impact on product quality, less defects and TQM has much better effects to give better performance and development on the overall business performance than ISO 9000. TQM improves many aspects of performance such as customer satisfaction and business performance as well as employee satification.

II. TQM in Banking Sector

Saving money administrations are maybe the biggest business that takes into account the necessities of different fragments of the populace, mirroring the assorted variety of society advancement. Moreover, perceived service quality tends to play a significant role in high involvement and commitment (high interaction between customers and service providers) industries like banks (Angur et al., 1999).itionally, banks regularly need to keep up long haul business associations with client and their satification.additionally, banks regularly need to keep up long haul business associations with client and their satification. Also, the saving money part is sufficiently extensive to catch, embrace Add new instruments and speak to all the basic highlights of client saw benefit quality and the basic measurements of perfection that administration keeping in mind the end goal to successfully deal with an administration association

Banks can also benefit from TQM's emphasis on employee training. As Mary Walton observes in *The Deming Management Method*: —good employees are not an asset to the organization unless they acquire the new knowledge, implement the tools adopted and the new skills developed by employees that deal with new materials and new methods of production. Education and retraining are an investment in people that is required for long term planning that's leads to development .Some banks eschews training due to cost or time considerations, or inadequate appreciation of its value. However, Commercial Banking, a cutting-edge financial institution, has shown that it is possible to estimate the return on training dollars (Engel & Kapp, 2004).TQM usage requires: administration's relentless responsibility regarding TQM and eagerness; formal national bodies to acquaint associations with TQM and give help amid and after TQM execution; and an exceedingly instructed and skillful administration group.

Curry (2004) found that CRM has revealed many aspects that closely resemble the total quality management (TQM) approach. Su, Tsai and Hsu (2010) proposed a concept of 'total customer relationship management'(TCRM). Since ISO 9000 QMS (International Organization for Standardization 9000 Quality Management System) is always available and useful in the field of TQM implementation, it is introduced offering the framework with five components. Issues and content pertaining to CRM literature are classified and lodged into these components as elements. Some components are Customer-related process, Management responsibility, Resource management, and employee training, Product or service realization, Measurement of quality, customer satification, analysis and improvement

III. Conclusions

The investigations were to investigate the level of viability of TQM hones in business banks. The TQM positively affects hierarchical execution. To demonstrate that albeit a few measures of hierarchical execution could be fundamentally affected by TQM rehearses, all components of TQM don't add to upgraded execution just a few components help to progress. TQM hones assume real part in continuous improvement execution are worker preparing and learning ,advancement of abilities identified with TQM apparatuses and strengthening, quality control , administration responsibility, client satification and to a lesser degree benchmarking.

Administration Authority is expected to diminish taken a toll lessening while at the same time benchmarking assumes a critical part in worker fulfillment. TQM rehearses in managing an account part and endeavors incorporate worker association in quality choices, quality control, affirmation and review,

representative preparing, client center, benchmarking and administration. TQM perceives that an impeccably delivered great has little esteem in the event that it isn't what the client needs. Accordingly, we can state that quality must be client driven. Representative inspiration assumes a key part to center around consumer loyalty. Inspired representative and giving preparing to them and enhance their perform superior to non-propelled ones.

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