International Journal of Advances inEngineeringResearch

http://www.ijaer.com

(IJAER) 2012, Vol. No. 3, Issue No.VI,June **ISSN:2231-5152**

IMPROVEMENT IN PERFORMANCE OF PRIVATE SECTOR BANKS WITH THE HELP OF QUALITY FUNCTION DEPLOYMENT

Pushpendra Kumar Sharma[1], Dr.B.Kumar[2]

[1]Research Scholar CMJ University Shillong, India
[2]Director RD Engineering College, Ghaziabad

ABSTRACT

The Indian banking sector has been continuously expanding still it has facing tough competition between public sector and private sector banks. as well as national and international level. In current scenario the performance of private sector bank is increasing but still it need more improvement because customer wants fast services in short of time therefore private sector banks need improvement in service/ facilities. In private sector banks increased more waiting in service counter and Less space for sitting/writing/waiting and more time taken in sanctioning of loans and higher interest rate. These activities increased customer dissatisfaction that is adversely impacting our quality of life and increasing the potential for long delays. To fight and mitigate delays in banking. The professionals are working in all over world towards increasing the productivity of existing banking sector through the use of advanced techniques as like quality function deployment. The QFD is a method for developing a design quality aimed at satisfying the customer and then translating the customer demand into design targets Hence an attempt has been made to meet the customers demand by applying the quality concept (QFD) in Indore-city banking services. In this paper "Quality Function Deployment (QFD)" has been reviewed. A comprehensive perspective of QFD and its potential parameter for improvement has been provided. For private sectorbanks

KEY WORDS: *Quality function deployment, Voice of customer. Technical requirement*

INTRODUCTION

Use of ATM cards, Internet Banking, and Mobile Banking are the new innovative channels of banking which are being widely used as they result in saving the time and money, Moreover private sector banks are aligning its infrastructures, marketing quality and technology to build deep commitment in building consumer and retail banking. The main focus of these banks is on innovative range of services, there are two essential things that, identifying customer needs and transferring this information along to the product design phase is essential for any business to be able to stay in competition to the market This study describes the following two issues as the two goals that bank must accomplish to be competitive: {1} Accurate identification of customer requirements and {2} simultaneous design of multiple products/services. But translation of identified customer requirements into simultaneous designofproducts/servicesisnoteasytask,whybecausethereisagapbetweencustomer

requirements and transfer of these requirements in product design,. the quality function deployment (QFD) is a methodology to aid the planning and realization of quality products/services to meet customer expectations by bridging the communication gap between customer requirements and technical requirements and help to translate customer *what's* to designers *how's*

WHAT IS QFD

Quality Function Deployment is a customer-oriented approach to product and service innovation. It guides managers through the conceptualization, creation, and realization of new products and services. The QFD process encourages you to gain an in-depth understanding of the requirements of your customer needs and expectations thus enabling you to prioritize the features/benefits of your product/service to these requirements;

QFD METHODOLOGY

The QFD methodology provides a structured framework for concurrent engineering that propagates the "voice of the customers" through all phases of product development QFD utilizes a progression of matrices to link operational processes and decisions to customer needs

VOICE OF CUSTOMER DEPLOYMENT (phase-1) often referred to as the{ **House of Quality**) in this phase Qualitative customer requirements are translated into design independent, measurable quality characteristics of the product The quality characteristics are prioritized from the customer,,s perspective and target values for desired level of performance are selected based on competitive benchmarking

PARTS DEPLOYMENT (phase-2): After the selection of a design concept or alternative, Phase 2 examines the relationship between the quality characteristics and the various components or parts of the design. The result of Phase 2 is a prioritization of the component parts of the design in terms of their ability to meet the desired quality characteristic performance level.

PROCES DEPLOYMENT (phase-3): this explores the relationship between the part and the manufacturing processes utilized in the production of the part. The goal of Phase 3 is to identify the manufacturing operations that control the component target value and variation and correlate component specifications with process target values and specifications. The Phase 3 is a prioritization of manufacturing processes and specifications for key process parameters that are deployed to the fourthphase

TASK DEPLOYMENT (Phase-4):In this phase the key manufacturing processes and associated parameters are translated into work instructions, control and reaction plans, and training requirements necessary to ensure that the quality of key parts and processes is maintained. Ideally, these four phases combined provide a traceable link from the shop floor

back to customer requirements that provides workers insight into how their job function impacts customer satisfaction

CASE STUDY

The survey have done in Indore city, 100 in public sector banks and 100 in private sector banks to compare the performance of public sector and private sector banks with the help of questionnaires, the result has been abstained. The performance of private sector banks is batter as compare to public sector banks but still private sector banks need moreimprovement .in this case study the author have to identified potential parameter that will improve the service level of private sector banks and also create a proper sequence for implementation of technical requirements. The questionnaire are designed for urban areas to capture the voice of customer and indentify more appropriate parameter that will improve the service level of private sector banks

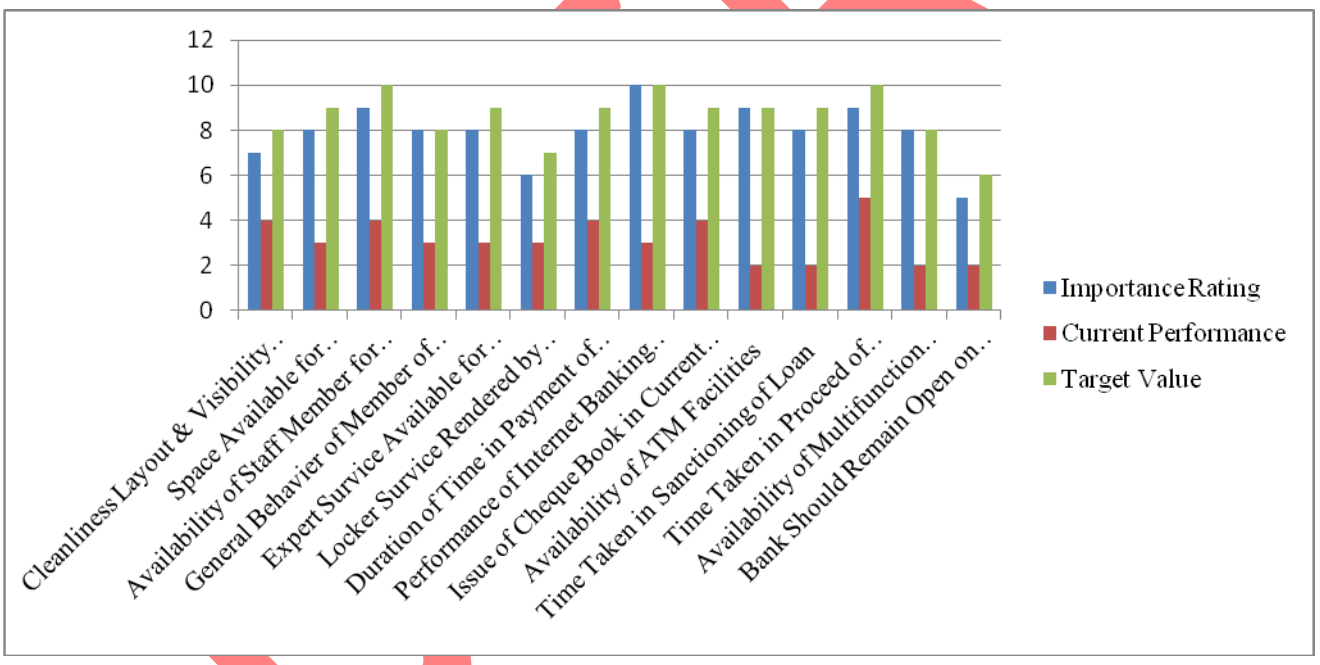

Fig 1 Comparison between IR, CP & TV against VOC for Private sector banks

Table 1 and fig 1 shows a comparison between importance rating, current performance and target value against the voice of customer for private sector banks. As per the figure availability of ATM facilities, performance of internet & mobile banking and time taken in sanctioning of loan are given as primary requirements and cleanliness, layout, visibility of sign board and time taken in proceeding outstation cheques are given secondary requirement. According to private bank account holders, the firm should give more focus on availability of facilities/resources like availability of ATM, multifunction kiosks and availability of space for sitting/writing /waitingetc.

Table 1 Voice of Customer for Private Sector Banks

Sr.No.	Voice of Customer for Private Sector Banks	IR	CP	TR
1	Cleanliness layout & visibility of signboard	7	4	8
2	Space available for sitting/writing /waiting	8	3	9
3	Availability of staff member for enquiry & listening of problem	9	4	10
4	General behavior of member of staff	8	3	8
5	Expert service available for import/export business	8	3	9
6	Locker service rendered by branch	6	3	7
7	Duration of time in payment of cash /DD/FD	8	4	9
8	Performance of internet banking &mobile banking	10	3	10
9	Issue of cheque book in current a/c	8	4	9
10	Availability of ATM facilities	9	2	9
11	Time taken in sanctioning of loan	8	2	9
12	Time taken in proceed of outstation cheques	9	5	10
13	Availability of multifunction kiosks	8	2	8
14	Banks should remain open on Sunday	5	2	6

Table 1 shows the voice of customer and their current performance and importance rating for private sector banks. Availability of ATM facilities, performance of internet & mobile banking & time taken in sanctioning of loan are given as primary requirement by the customer and factor like cleanliness, layout, visibility of sign board and time taken in proceeding outstation. Cheques are given secondary requirement. Table 1 shows the importance rating (IR) representing Current performance (CP) and target value (TV). The current performance and importance Rating is found from survey and target value is selected by thecandidate.

Relation Symbol Rating Strong ● 9 Medium Ω 3 weak Δ 1	Importance rating	improving housekeeping & use of	customer friendly layout	attentiveness towards customer	Friendly behavior of staff towards customer	Separate Exchange & separate loan	Separate lockerfacilities	efficient service for retailbanking	Performance of technology driven	Self currier &FAX facilities for	Easy availability ofservice	Unique cheque ID for clearanceof	Service facilities beyond normal workingtime	Currentperformance	Targetrating	Scale upfactor	Absolute Importancerating
Cleanliness layout &visibility of sign board	7	●	Ω											4	8	2	14
Space available for sitting/writing /waiting	8		●			Ω	Δ							3	9	3	24
Availability of staff member for enquiry & listening of problem	9			●	Ω									4	10	2.3	22
General behavior of member of staff	8				●									3	8	2.6	20
Expert service availablefor import/export business	8					●				Ω		Ω	Ω	3	9	3	24
Locker service rendered bybranch	6						●						Ω	3	7	2.3	13
Duration of time in payment of cash DD /FD	8							●	Ω					4	9	2.2	18
Performance of internet banking &mobile banking	10							Ω	●					3	10	3.3	33
Issue of cheque book in currenta/c	8				Ω					●			Δ	4	9	2.2	18
Availability of ATM facilities	9		Δ						●		●		Ω	2	9	4.5	40
Time taken in sanctioning of loan	8			Δ	Ω	●								2	9	4.5	36

Time taken in proceed of outstation cheques	9				Δ				Ω			●		5	10	2	16
Availability of multifunction kiosks	8							Δ	Ω		●			2	8	4.	32
Bank should remain open on Sunday	5						Δ				Ω		●	2	6	3	15
Absolute weight		63	102	89	156	168	167	110	246	96	168	105	122				
Relative weight		126	298	234	426	612	156	293	861	234	693	234	384				

Fig 2 Deployment of VOC for Private Banks

RESULTS AND DISCUSSION

1) Improvinghousekeeping&useofdigitaldisplayhavinglowerrelativeweight(126)

2) Other important parameter as per the maximum relative weight as shown in table 3 as performance of technology driven services having higher relative weight (861) and friendly behavior of staff towards customer having relative weight (426) and service facilities beyond normal working time having a relative weight(386)

3 Table 3 show the weight age of all these parameter that needsimprovement

Table 3 Result of Deployment of VOC for Private Sector Banks

S.No	.Technical Descriptor for Private Sector Bank	Relative Weight
1	Improving housekeeping &use of digital display	126
2	Customer friendly layout	298
3	Attentiveness towards customer problem	234
4	Friendly behavior of staff towards customer	426
5	Separate Exchange & separate loan department for improved responsiveness	612
6	Separate locker facilities	156
7	Efficient service of retail banking	293
8	Performance of Technology drivenservices	861
9	Self currier & FAX facilities for quick cheque book availability	234
10	Easy availability of service Dispensers	693
11	Unique cheque ID for clearance of outstation cheque	234
12	Service facilities beyond normal working time	384

SUGGESTION AND RECOMMENDATIONS

As per result obtained from the deployment of voice of the customer, it has been indentified that the most important parameter has higher relative weight than the less important parameter that have lower relative weight comparatively. So it is recommend that the bank should give first preference to the parameter which have higher relative weight as compare to the other parameter for the improvement of service quality of banks in less quality improvement cost. The bank should first focus in improving the parameter which have higher relative weight, after that the preference should be given as per the weight of the parameter obtained from the result of deployment ofvoice of customer. As per the importance, the proper parameter sequence is givenbelow:

1. As per the survey result first preference is given to the performance of technology driven services because it has highest relative weight of {861} and weightage of {18.61 %}. Therefore it is recommended that the private sector banks should first improve the performance of technology drivenservices.
2. The aspect easy availability of service dispensers is given second level priority having maximum relative weight of {693} and weightage of {15.23%}. Therefore it is recommended the private sector bank should improve more facilities of servicedispensers.
3. Third priority is given for the parameter separate exchange and separate loan department having maximum relative weight of {612} and weightage of {13.44%}. Therefore banks should provide separate facilities for foreign exchange and separate loan department for efficientservice.
4. Friendly behavior of staff is put in the fourth level having maximum relative weightof {426} and weightage of {9.40%}.
5. In private sector bank one of the most important customer requirements is to provide service facilities beyond normal working time having maximum relative weight of {386} and weightage of {8.47%}. Therefore it is recommended the private sector banks should provide service facilities over normal working time or some branches should be open in shifts or on Sunday.
6. Customer friendly layout is put in the sixth level of priorities having maximum relative weight of {298} and weightage of{6.54%}.
7. Efficient service of retail banking is put in the seventh level of priorities having maximum relative weight of {293] and weightage of{6.43%}.
8. Activities like attentiveness towards customer problem, self currier FAX facilities and unique cheque ID for clearance of outstation cheques are put in the eight level of priorities having maximum relative weight of {234} and weightage of{5.13%}.
9. Parameter like separate locker facilities is put in the ninth level of priorities having relative weight of {156} and weightage of {3.42%}.
10. The improved housekeeping and use of digital display is put in the tenth level of priorities of important factors having maximum relative weight of {126} and weight age of {2.76%].

CONCLUSION

With the result obtained from deployment of voice of customer it is concluded that performance of technology driven services have maximum relative weight is (732) and weightage (15.67%) for public sector banks and .The Separate exchange and separate loan department having maximum relative weight (673), and weightage (14.39%) and Little focus is to be done on cleanliness layout, visibility of signboard and customer friendly layout for increasing the market size in order to fulfill the need of the customer and to create a high level service, there is need to improve the service quality according to followingparameters:

1. To increase the performance of technology drivenservices
2. To do separate exchange and separate loan department
3. Providing service facilities beyond a normal workingtime
4. Improvement in easy availability of servicedispensers
5. Co-operative and friendly behavior of staff, customer friendly layout and efficient service of retailbanking

REFERENCES

[1]. Bayus, Barry L, (1998) "An Analysis of Product lifetimes in a Technologically Dynamic Industry," Science, Vol.44, 6, pp.763-775.

[2].Feitzinger, E. and Lee, H.L, (1997) "Mass Customization at Hewlett-Packard: The Power of Postponement," Harvard Business Review, pp.116-21.

[3]. Akao, Yoji, ed. (1990). "Quality Function Deployment: Integrating Customer Requirements into Product design", English Translation by Glenn H. Mazor, Cambridge, MA: Productivity Press, ISBN 0- 915229-41-0, pp.221-229.

[4]. Hauser, J.R. and Clausing, D. (1988) „The House of Quality" in Harvard Business Review 66, pp. 63-73

[5]. Hofmeistre, K.R. (1991) „Quality Function Deployment: market success through customer-driven products" in food product deployment from concept to the market place, , Van Nostrand and Reinhold, New York, NY, pp-189-210.

[6]. Govers, C.P.M. (1996) „what and How about Quality Function Deployment (QFD)" in international journal of production Economics pp. 46-47, 575-585.

[7]. Adiano, C.and Roth, A.V.(1994), "Beyond the house of quality: Dynamic QFD, Benchmarking", An International Journal, 1, PP 25-37.

[8]. Bossert, J.L., "Quality Function Deployment: A Practitioner"s Approach", ASQC Quality Press, pp.5-6, 1991.

[9]. Zutner, R.E... (1994), "Software Quality Function Deployment", ASQC.