See discussions, stats, and author profiles for this publication at: https://www.researchgate.net/publication/342572985 Implementation of TQM in Commercial Banks: Employees Perception Article  in  SSRN Electronic Journal · January 2020 DOI: 10.2139/ssrn.3619738 CITATION 1 READS 63 1 author: Ankita Chaturvedi The IIS University 46 PUBLICATIONS   10 CITATIONS    SEE PROFILE All content following this page was uploaded by Ankita Chaturvedi on 29 September 2020. The user has requested enhancement of the downloaded file. Implementation of TQM in Commercial Banks: Employees Perception Dr. Ankita Chaturvedi Madhvi Solanki Associate Professor Research Scholar Dept. of Accounting and Taxation, Dept. of Accounting and Taxation, IIS (deemed to be University), Jaipur IIS (deemed to be University), Jaipur ABSTRACT: Key of success for every business organization is to satisfy the customer's needs. They do this by providing good quality of product and services. It is important that within the organization, all internal customers are satisfied to ensure complete satisfaction of external customers. In order to get the competitive edge over others TQM has become the core of a company's success. Quality is important factor for any organization. Good quality of product and services leads to better performance of the organization. This study investigates the implementation of TQM in commercial banks and the perception of employees towards this implementation. The objective of the study is to evaluate the implementation of employee empowerment, recognition and rewards, training, workforce management and teamwork in commercial banks. The data has been collected through structured questionnaires which were filled by the 150 employees of both public and private sector bank. The study is descriptive in nature. Likert scale has been used to measure the variables. Keywords: Total Quality Management practices, performance, Employee's perception, commercial banks. INTRODUCTION: In this competitive market banking sector has undergoes intense competition and a change is customer demands and expectations over the last few years. It has become inevitable for banks to work on enhancing the quality within their functions, product and services and the way they manage their banks. TQM is the tool to manage the quality of goods and services rendered. It is used to measure the organizational performance. It provides understanding of several tools and Mukt Shabd Journal Volume IX, Issue V, MAY/2020 ISSN NO : 2347-3150 Page No : 2989 techniques which is used for quality planning and continuous improvement. Total quality management is just not the technique to manage the quality of product and services but it also affects the strategies of the banks. Better implementation of TQM leads to better organizational performance and vice versa. REVIEW OF LITERATURE: Jong, C. Y., Sim, A. K., & Lew, T. Y. (2019), states the main objective of the study is to examine the relationship between TQM and project performance in Malaysian construction organizations. The study reveals that there is a positive relationship between TQM and project performance in Malaysian construction organizations. Muvunyi, G., & Mulyungi, P. (2018), states that the main aim of the study was to investigate the effect of Total Quality management to the procurement performance of manufacturing sector. The study reveals that process management has positive high correlation to the procurement management of BRALIRWA Ltd. Mavaza,T., HAlimani D.,Farai D. (2017), states that the aim of the study is to investigate how Total Quality Management can be effectively used by retail banks to improve their competitiveness in view of growing intense competition existing in that industry. The findings substantially revealed that Post Savings Bank and Agri bank had a weak implementation of Total Quality Management system as compared to Standard Chartered Bank and Banc ABC. Sayyad, N. (2017), the purpose of this study is to examine the relationship between Total Quality Management (TQM) practices and their effects on firm's performance in Palestine. The results of this study revealed that TQM is significantly positively associated with firm's quality improvement practice. Chaturvedi. A. (2015), this paper focus on the application of TQM in service sector from the employees and the customer's point of view. This paper reveals that there is equal adaptation of TQM in the bank while in reality there is little focus on customers' needs regarding to customer's viewpoint. RESEARCH GAP: By reviewing the above literature it was found that majority of existing study has been conducted in the context of industries like manufacturing industries, construction company, cement industries, hotel industries etc. Very less study has been conducted in India on banking sector. And no work has been done on inter firm comparison to the best of my knowledge. Mukt Shabd Journal Volume IX, Issue V, MAY/2020 ISSN NO : 2347-3150 Page No : 2990 RESEARCH METHODOLOGY OBJECTIVES 1. To study whether TQM is effectively implemented in commercial VARIABLES FOR THE STUDY EMPLOYEE EMPOWERMENT REWARDS AND RECOGNITION TRAINING WORKFORCE MANAGEMENT TEAMWORK  Extent to which innovative ideas and suggestions of employees are encouraged and rewarded.  Extent to which employees are given freedom to express their opinions on organizational functioning.  Extent to which the involvement of employees at various stages are encouraged.  Extent to which employees understand the importance of their contribution and the role in the organization.  Extent to which employees are given freedom and authority to satisfy the customer needs.  Extent to which employees are recognized by the top management.  Extent to which innovative ideas of an employees are encouraged.  Extent to which internal recognition effects the growth of an employees.  Extent to which suggestions of an employees are rewarded.  Extent to which rewards and recognitions boost up the morale of an employee.  Extent to which employees received training on quality principles.  Extent to which employees received training on problem solving skills.  Extent to which employees received training on customer handling.  Extent to which employees receive training on teamwork.  Extent to which employees received training on various product of the bank.  Level of motivation and initiative among the employees.  Level of desire shown by the employees for achieving career advancement.  Level of enthusiasm shown by the employees for learning new things.  Level of satisfaction among the employees.  Overall level of employees’ attitude towards satisfying customer needs.  Degree of various physical layout of the workplace is comfortable for the employees.  Everyone working collectively regarding objective of the business.  Level of chaos between the employees.  Level of communicatio n among the employees of the organization.  Better coordination.  Team spirit  Team work is continuously measured Mukt Shabd Journal Volume IX, Issue V, MAY/2020 ISSN NO : 2347-3150 Page No : 2991 banks. 2. To study whether there is a significant difference between the implementation of TQM in public and private sector commercial banks. HYPOTHESES HO1: There is no effective implementation of TQM in commercial banks. HO2: There is no significant difference between the implementation of TQM in both public and private sector commercial banks. SAMPLE AND DATA COLLECTION In this study primary data was collected through structured questionnaire which constituted of 150 respondents in each public and private sector banks who were the employees of public sector bank (Bank of Baroda) and private sector bank (HDFC Bank) in Jaipur District. SAMPLING TECHNIQUE In this study strategic random sampling method was used for data collection from employees. Jaipur District is divided into four zones and each zone contain set of branches of both public and private sector bank. 150 each respondents are taken into consideration for conducting the research who were the employees of public sector bank (Bank of Baroda) and private sector bank (HDFC bank) STATISTICAL TOOLS One Sample Wilcoxon Signed Rank Test and Two Independent Sample Mann- Whitney U Test Table 1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS PARAMETERS CATEGORY NO. OF RESPONDENTS PERCENT GENDER MALE 179 59.7 FEMALE 121 40.3 TOTAL 300 100 AGE 18-30 YEARS 176 58.7 Mukt Shabd Journal Volume IX, Issue V, MAY/2020 ISSN NO : 2347-3150 Page No : 2992 31-40 YEARS 97 32.3 41-50 YEARS 26 8.7 51-60 YEARS 1 0.3 TOTAL 300 100 QUALIFICATION GRADUATE 40 13.3 POST GRADUATE 257 85.7 OTHER 3 1 TOTAL 300 100 MARITAL STATUS MARRIED 133 44.3 UNMARRIED 142 47.3 DIVORCED 9 3 WIDOWED 16 5.3 TOTAL 300 100 MONTHLY INCOME Upto 1000 1 0.3 10001-20000 7 2.3 20001-30000 114 38.0 30001-40000 107 35.7 ABOVE 40000 71 23.7 TOTAL 300 100 EXPERIENCE BELOW 5 YEARS 113 37.7 6-10 YEARS 102 34 11-15 YEARS 19 6.3 16-20 YEARS 8 2.7 ABOVE 20 YEARS 58 19.3 TOTAL 300 100 Source: Primary Data Mukt Shabd Journal Volume IX, Issue V, MAY/2020 ISSN NO : 2347-3150 Page No : 2993 DISCUSSIONS AND FINDINGS: NORMALITY AND RELIABILITY TEST: S.NO. STUDY DIMENSIONS NO. OF ITEMS CRONBACH ALPHA N 1 Employee Empowerment 5 0.817 300 2 Rewards and Recognition 5 0.829 300 3 Training 5 0.793 300 4 Workforce Management 6 0.798 300 5 Team Work 6 0.736 300 6 Overall Reliability 27 0.900 300 Inference: It can be seen that over all reliability of all the variables of employee's questionnaire is 0.900 which shows a high level of internal consistency for the scale with this present study. Since Normality cannot been define according to the test so non parametric test were used as a statistical tool for conducting the research. HYPOTHESIS TESTING: a) Objective 1: To study whether TQM is effectively implemented in commercial banks. HO1: There is no effective implementation of TQM in commercial banks. One Sample Wilcoxon Signed Rank Test HO1 Sig. (2- tailed) Null Hypothesis Accept/ Reject Ho1.1: The banks do not focus on the employee empowerment. .000 Reject Ho1.2: The banks do not focus on the rewards and recognition. .000 Reject Ho1.3: The banks do not focus on the training. .000 Reject Ho1.4: The banks do not focus on .000 Reject Mukt Shabd Journal Volume IX, Issue V, MAY/2020 ISSN NO : 2347-3150 Page No : 2994 the workforce management. Ho1.5: The banks do not focus on the teamwork. .000 Reject Inference: Since the p value < 0.05, it signifies that there is no significant difference between the population and the sample mean. The banks are focusing on employee empowerment, rewards and recognition, training, workforce management and teamwork. So on the basis of the result we can state that there is an effective implementation of total quality management in commercial banks. b) Objective 2: To study whether there is a significant difference between the implementation of TQM in public and private sector commercial banks. HO2: There is no significant difference between the implementation of TQM in both public and private sector commercial banks. Mann-Whitney Test Ranks Name of the bank N Mean Rank Sum of Ranks Bank of Baroda 150 113.80 17069.50 Hdfc Bank 150 187.20 28080.50 Test Statistics Mann- Whitney U 5744.500 Wilcoxon W 17069.500 Z -7.329 Asymp Sig (2 Tailed) .000 Inferences: According to Mann Whitney U test p value < 0.05 therefore null hypothesis is rejected and it is concluded that there is a significant difference between the implementation of TQM in both Mukt Shabd Journal Volume IX, Issue V, MAY/2020 ISSN NO : 2347-3150 Page No : 2995 public and private sector commercial banks. Since, the mean rank of HDFC Bank (private sector) is better than Bank OF Baroda (public sector) it can be concluded that the TQM implementation in private sector bank (HDFC Bank) is better than public sector bank(Bank of Baroda). CONCLUSION: This study investigates the implementation of TQM in commercial banks and the perception of employees towards this implementation. The objective of the study is to evaluate the implementation of employee empowerment, recognition and rewards, training, workforce management and teamwork in commercial banks. The findings of this study reveal that there is an effective implementation of TQM in commercial banks. The banks are focusing on employee empowerment, rewards and recognition, training, workforce management and teamwork. The two independent sample Mann- Whitney U Test indicates that there is a significant difference between the implementation of TQM in both public and private sector commercial banks. Findings of the study also reveal that the TQM implementation in private sector bank (HDFC Bank) is better than public sector bank (Bank of Baroda). Quality is all about what customer is receiving out from your product and services. Therefore the public sector banks have to focus more in terms of total quality. As better implementation of TQM leads to better organizational performance. REFERENCES:  Jong, C. Y., Sim, A. K., & Lew, T. Y. (2019). The relationship between TQM and project performance: Empirical evidence from Malaysian construction industry. Cogent Business & Management, 6(1), 1-31.  Muvunyi, G., & Mulyungi, P. The Effect of Total Quality Management Adoption on Procurement Performance of Manufacturing Sector in Rwanda: A Case Study of Bralirwa Ltd. International Journal of Research in Management, Economics and Commerce, 8(5), 152-158.  Mavaza,T., HAlimani D.,Farai D. (2017). Total Quality Management (TQM) as a Competitive Tool in Commercial Banking in Zimbave. International Journal of Research in Finance and Marketing (IJRFM). 7(3), 91-106. Mukt Shabd Journal Volume IX, Issue V, MAY/2020 ISSN NO : 2347-3150 Page No : 2996  Sayyad, N. (2017). 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