RESEARCH ARTICLE

EXPECTATIONS AND PERCEPTIONS OF BANK EMPLOYEES BEING INTERNAL CUSTOMERS

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ARTICLE INFO	ABSTRACT
	Employees being the internal customers of the banks expect and perceive the bank services within the structure of their responsibilities towards their banks. Therefore, the factors like customer persuasion, customer satisfaction, customer relationship management and employees' work culture influence them from a point of view that is dissimilar to the outside customers. The objective of the study was to determine the influence of customer persuasion, customer satisfaction, customer relationship management and employees' work culture on employees' expectations and perceptions. A sample of 70 employees was randomly selected across commercial banks in National Capital Region. It was found that, customer persuasion, customer satisfaction, customer relationship management and employees' work culture did not have a significant impact on employees' expectations in banks. However, employees' work culture had a significant impact on employees' perceptions. Customer persuasion, customer satisfaction and customer relationship management did not have a significant impact on employees' perceptions as internal customers in banks.

INTRODUCTION

There has been a considerable change in the traditional organization of a bank. The modern customer-oriented organization chart shows a direct reach of all types of customers to middle-line and even top-line management which was not found traditionally, where customers could meet only front-line people and were also satisfied in that. This may be seen as an after affect of the new competitive environment created by the newly emerged private banks. The bank employees at any level are under immense pressure due to which the levels of loyalty to the organizations have considerably dropped. Therefore employee as an internal customer should have faith in the services of his organization as a convinced employee can sell the products effectively. Employees being the internal customers of the banks expect and perceive the bank services within the structure of their responsibilities towards their banks. Therefore, the factors like customer persuasion, customer satisfaction, customer relationship management and employees' work culture influence them from a point of view that is dissimilar to the outside customers. The objective of the study was to determine the influence of customer persuasion, customer satisfaction,

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Customer relationship management and employees' work culture on employees' expectations and perceptions being internal customers of the bank.

Literature Survey

The analyses of the studies of the researchers throughout the world (Bitner 1990, Zeithmal *et al.,* 1991, Cronin and Taylor, 1992 and Boulding, 1993) suggest the four main antecedents of expectations and perceptions of the banking customers which are as follows:

Customer Persuasion

Researchers have focused on the customer persuasion affecting selection criteria in banks. Rao and Sharma, (2010), revealed that customers emphasize on security of funds in selecting a bank. Carolyn, Jeanne and Anna, (1994) found that quality of services also matters along with security of funds in selecting a bank to patronize.

Customer Satisfaction

SERVQUAL is the most widely applied model used to measure the customer satisfaction. Oliver's (1980) model conveys consumer satisfaction as a function of expectation and anticipated disconfirmation. Groonros (1984) proposed a two

dimensional model of service quality. The dimensions were functional quality and technical quality. Functional quality refers to the way the service is performed and the technical quality refers to the resultant delivery of service. Both these qualities together form the perceived service experience which the customers compare with their expectations leading to a process of evaluation forming satisfaction or dissatisfaction from the service. Zeithmal (1991) further extended the model to include three more dimensions i.e. total five dimensions of measuring the quality of services.

Customer Relationship Management

Most of the benefits that customers derive from relationships can be classified into three groups, i.e. social benefits, confidence benefits and special treatments Lovelock (1991). Beckett (1998) found that a firm is assisted in the development of profitable, cooperative, collaborative and long-term relationships with the CRM system based on equity and social exchange. Peppers, Rogers and Dorf (1999) concluded that trying to execute relationship marketing is complex. Buttle (2000) found that marketing management and software houses widely misunderstand and misinterpret CRM.

Employees Work Culture

Several researchers (Deal and Kennedy (1982); Mehta and Krishnan (2004)) examined the impact of work culture on organizational performance and concluded that poor decisions and time taken by the top management to implement the decisions affect the development of cultural elements in the organization which further influence the organizational performance

Problem Definition

The objective of the study was to determine the influence of customer persuasion, customer satisfaction, customer relationship management and employees' work culture on employees' expectations and perceptions being internal customers of the bank.

MATERIALS AND METHODS

Sample and sampling technique: Survey was conducted on the employees of seven selected banks namely PNB, SBI, Axis, HDF, ICICI, Standard Chartered and HSBC in Uttarakhand and Delhi NCR. A sample of 70 employees was randomly selected.

Measurement: In order to collect the data a questionnaire on customers' expectations and perceptions from bank was developed and validated by the researcher herself. The instrument consisted of 64 items measuring two dimensions i.e. employees' (being internal customers) expectations and perceptions from banks. The scale employed 5 point Likert scale ranging from 1= strongly disagree to 5=strongly agree. The internal reliability of the scale was measured by Chronbach's Alpha statistics. For the whole scale Chronbach's Alpha α= .93

Administration: The questionnaire was administered to measure the variables of the study on the impact of customer persuasion, customer satisfaction, customer relationship management and employees' work culture on employees' (being internal customers) expectations and perceptions from banks. Total of 70 questionnaires were distributed out of which 63 were recovered giving a return rate of 90 percent. It was hypothesized that there is a significant impact of customer persuasion, customer satisfaction, customer relationship management and employees' work culture on employees' expectations and perceptions being internal customers.

RESULTS AND DISCUSSION

The data was analyzed through regression analysis. Demographic profile was analyzed through frequency and percentage. Table1 presents the demographic profile of the respondents.

Table 1. Demographic profile of the employees

Demographic Profile	Criteria	Frequency	Percentage
Age	18 to 35 yrs	27	42.85
	35 to 50 yrs	18	28.57
	50 yrs and above	18	28.57
Gender	Male	63	100
	Female	0	0
Marital Status	Married	44	69.84
	Unmarried	19	30.16
Occupation	Service	63	100
	Business	0	0
	Other	0	0
Annual Income	Upto 5lakhs	0	0
	5 to 10 Lakhs	25	39.68
	10 lakhs and above	38	60.32
Duration	Less than 2yrs	14	22.22
	2 to 3 yrs	21	33.33
	More than 3 yrs	28	44.44
No. of Products	1 to 3	41	65.68
	4 to 6	19	30.16
	More than 6	3	4.76

All the employees under study were found to be male and most of them were in the age group of 18-35 years. Majority of them were unmarried with an annual income of 10 lakhs and above. Majority of them were associated with the bank for more than 3 years and were using more than 5 products of their respective banks. Almost all the employees were the branch heads. Their demographic profile shows that the banks are having young branch-managers that also males. These employees are themselves using a lot of products of their banks and are earning handsome salaries. They are loyal to their organizations as most of them are associated for more than 3years.

Table 2 shows the results of regression analysis of customer persuasion, customer satisfaction, customer relationship management and employees' work culture on employees' expectations. The table shows that there is no significant impact of customer persuasion (β=.342,t =1.485,p>.05), customer satisfaction (β=.124,t =.553,p>.05), customer relationship management(β=.007,t =.039,p>.05) and employees' work culture (β=.091,t =.488,p>.05) on employees' expectations of the banks at 95% level of confidence.

Table 2. Results of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.024	4.517		3.548	.001
	CP	.364	.245	.342	1.485	.143
	CS	.103	.185	.124	.553	.582
	CRM	.008	.203	.007	.039	.969
	EWC	.063	.129	.091	.488	.627

a. Dependent Variable: Employees' expectations

Table 3 shows the results of regression analysis of customer persuasion, customer satisfaction, customer relationship management and employees' work culture on employees' perceptions

Table 3. Results of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.485	3.495		3.572	.001
	CP	.125	.190	.130	.658	.513
	CS	.126	.143	.168	.880	.382
	CRM	.120	.157	.113	.760	.451
	EWC	.220	.100	.352	2.208	.031

a. Dependent Variable: Employees' Perceptions

The table shows that there is no significant impact of customer persuasion (β=.130,t =.658, p>.05), customer satisfaction (β=.i68,t=.880,p>.05), customer relationship management (β=.113,t =.760,p>.05) on employees' perceptions of the banks. However, there is a significant impact of employees' work culture (β=.352,t =2.208,p<.05) on employees' perceptions of the banks at 95% level of confidence.

Conclusion

It can be inferred that customer persuasion, customer satisfaction, customer relationship management and employees' work culture does not have a significant impact on employees' expectations from banks. It can also be inferred that employees' work culture has a significant impact on employees' perceptions in banks. However, customer persuasion, customer satisfaction and customer relationship management does not have a significant impact on employees' perceptions in banks.

Future Scope

The result implies that bank employees are indifferent towards the banks' strategies for selling their products.

Top management need to take steps to inculcate responsiveness in the employees and convince them towards the banks' strategies of customer persuasion, customer satisfaction and customer relationship management. Banks also need the favorable enhancement of employees' work culture for selling their products as it significantly impact employees' perceptions.

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