

Customer Satisfaction Research of Nepal SBI Bank Ltd

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| <p>The objective of this research is to assess and measure the level of customer satisfaction for Nepal SBI bank ltd. The research is focused to reveal the expectations of customers which could be crucial for SBI's growth and success. Since working staffs plays an important role to create quality service, the research is also centred to find out employees' motivational factors. It is very important to translate and quantify customers' expectations into measurable targets. This provides an easy way to make decision concentrating on different attributes in order to improve customer satisfaction. Thus the research is also aimed at measuring the level of customer and employee satisfaction. Theoretical framework of this research is centred to service quality created by satisfied employee to meet up customers' expectations. The study employs the Gap Model of Service Quality, Profit-chain Model, Herzberg two factor theories and ISO Guideline to measure the customer satisfaction as the main theories for research.</p> <p>The empirical research was accomplished using quantitative method. Out of 125 questionnaires served 108 people responded. The response rate was 86.4%. Out of 50 questionnaires served to SBI staffs 38 responded which accounts to 76%.</p> <p>The results of survey indicates that the overall level of satisfaction among the customers of SBI is quite good however not yet excellent. Likewise, employee motivational factors should be emphasized and take into actions in order to improve the satisfaction level of staffs to enhance the quality of services and products. Customer education, employee training programs and several researches are highly recommended.</p> | |
| <p>Keywords Nepal SBI, Customer Satisfaction, Employee Satisfaction, Service Quality</p> | |

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1 Introduction

Customer service proves to be one of the most important factors governing business. Today business organizations are more customers-focused than ever before since customer satisfaction is a competitive advantage which is sustainable over the long term (Schnaars, 1991). The business organizations to create healthy customer relationships should always focus on listening to customers' expectations, requirements, complaints and needs. Making polite suggestions, delivering promises and taking extra effort such as building an efficient customer service team are the right practices to retain them for a long period. Satisfied customers mean a long term profitable business since they stay loyal to the business. (Gumesson, 2002)

Customer satisfaction in the banking industry plays a vital role to create a healthy business status being service based industry. In any service based industry customer service is at highest priority. Customer service can be provided by well trained person in planned systematic manner or can be provided by means of well planned self-service. In banking industry customers are more directly linked with the banks' personnel for any kind of services or products. Therefore, Banks should always focus on training its front desk staffs to provide quality service knowing their expectations and wants.

Theoretical framework of this research is centred to service quality created by satisfied employee to meet up customers' expectations. The study employs Gap Model of Customer Satisfaction to find out the gap between customers' perception and expectation, Herzberg two factor theories to find the level of employee satisfaction analysing their different motivational and de-motivational factors, Profit chain Model to show the relationship between satisfied employees and created quality service to meet customers' expectation and ISO Guideline to show and measure different attributes of customer satisfaction.

The researcher aims to find out different motivational and hygienic factors that keep employees always motivated to create quality service. The customers are satisfied if their expectations meet perception.

2 Central Concepts

2.1 Aims and Limitations

The main objective of the thesis is to analyse the customer satisfaction regarding banking services provided by Nepal SBI Bank Ltd. The research is focused to reveal the expectations of customers which could be crucial for SBI's growth and success. Since working staffs plays an important role to create quality service, the research is also centred to find out the different employees' motivational factors. After analysing the questionnaire results the research is aimed to give a feedbacks and further research suggestions which may be regularly used to improve the service quality in the future.

There are various limitations for the study; the limited time restricted us from widening our information and level of understanding of each outlet. We had to be limited within three outlets of three cities i.e. Kathmandu, Bhaktapur and Lalitpur. The bank's policy on keeping some matters confidential has prevented to gather enough data. The low number of responses from higher level staff has somehow seemed to be unbalanced survey from employee side.

Due to time constrain our sample size were restricted to 125 respondents.

2.2 Research Problem

The research studies the current level of satisfaction among the customers and employee of Nepal SBI. The study seeks employees' different motivational factors which has direct influence on customer satisfaction. The main problem to be dealt by the present research is the "question of performance in terms of customer satisfaction" Thus the specific problems can be explained clearly by finding the answers to these questions.

What is the current level of satisfaction of customers at Nepal SBI?

What are the factors that can lead to customers toward satisfaction?

What are the factors that influence employee satisfaction to create quality service?

The level of satisfaction is measured by the opinion of chosen customer and employee of Nepal SBI. The findings from the research can be used by Nepal SBI to implement the strategies to improve, expand and diversify the service quality.

Theoretical frameworks used in the report giving support to each question are shown in the figure below.

| Research Problems | Sub-Questions | Theoretical Framework |
|---|---|--|
| Q1 What is the current level of customer satisfaction in Nepal SBI Bank Ltd? | Q1. Satisfied with products? Q2. Satisfied with service/relation with staffs? | ISO guideline (Measuring Customer & Employee satisfaction level) |
| Q2. What are the factors that can lead to customers toward satisfaction? | Q1 What do customers want? Q2. Do the products and services provided meet up customers' expectation? | Gap Model |
| Q3. What are the factors affecting employees' job satisfaction? | Q1 what factors motivate & what factors make employees dissatisfied? | Herzberg's two factor theory |
| Conclusion | The importance of employee motivation to create quality service & profitability | Profit-chain Model |

Figure 1 Research Matrix Table

2.3 Research Method

The chosen methods to gather the empirical material is quantitative method in order to get the most factual and dependable information.

The primary data was collected with the help of self-developed questionnaire to make a study of customer satisfaction regarding various services provided by the bank. A separate questionnaire was also constructed to know the level of employee satisfaction regarding different motivational and de-motivational factors. Respondents were asked to denote their perception of the quality of performance of different parameters on a five-point Likert rating scale where 1 denoted highly dissatisfied and 5 denoted highly satisfied. Out of 125 questionnaires served 108 people responded. The response rate was 86.4%. Out of 50 questionnaires served to SBI staffs 38 responded which accounts to 76%. The survey was conducted over a period of 2 months I. e. from February 2012 to March 2012. It has been tried that selected sample covers all classes of people and of different age groups such as the students, businessmen, old pensioners working class, etc. Simple sampling method is used as sample technique for the study. The questionnaires were distributed during bank hours.

As per requirement & availability of data secondary data has been used in study but to a limited extent. These are collected from the magazines, journals, newspapers and internet. Various libraries have been visited to collect significant and important data.

2.4 Justification

Although there has been many studies carried-out on customer satisfaction research of Nepalese commercial banks but detail study of Nepal SBI has not made yet focusing a relation between employee motivation and customer satisfaction. The result of the study will be used by the senior management unit to improve their strategies pertaining to customer service and employee satisfaction.

The management level will understand the importance of employee satisfaction to create quality service to meet up customers' expectations. The study on gap model will give adequate information about the gap between customers' expectation and provided service. It will help the company to minimize the gap to make customers satisfied. Finally the findings from this study will be of interest to research in many disciplines.

2.5 Structure of the Report

The structure of this thesis is divided into five different parts. The general introductory part about the customer satisfaction and employee motivation is clearly explained in the chapter 1 and 3. The corporate profile is explained in detail in chapter 4 which gives good base to the readers to follow the report in advance.

Theoretical framework of this report is based on customer satisfaction and employee motivation theory which is described on chapter 5. The theoretical framework used in the report aims to answer the question about what is the current level of customer satisfaction, the reasons of high or low satisfaction results, and importance of measuring the satisfaction level.

The research method used for the empirical study is discussed in chapter six. It is important to know the validity, reliability and objectivity of the research before going to the result, which is clarified in chapter six. The results of the research in the form of different graphs are explained in chapter seven. Conclusions, recommendations and further suggestions form chapter eight in the report.

3 Satisfaction

3.1 Customer satisfaction

Customer satisfaction can't be limited to short term strategy it's a long term strategy of any firm. It has been increasingly popular due to its helpful attribute towards judgment of the customer preferences and choices. It simplifies the decision maker role and helps to take any major or minor decision to cater customer. (Schnaars, 1991)

When expectation of customers is matched the resultant feeling is satisfaction and when expectation does not match than the resultant feeling is dissatisfaction. Some of the scholar believes that it can also be called as motivation. (Engel et al. 1990)

Customer satisfaction can be improved by strong communication to customer. A firm should know what customer expectation are and implement their expectation to make the customer satisfied. (Customer Satisfaction, 2007) There should be a broad level of surveys, customer feedback collected to random set of people in a frequent interval time. Customer satisfaction is an innovative process as product differentiation and presenting it in a unique flavour thus add more value towards the mind of customer.

It is always expensive to make new customers than to keep existing customers. Rust and Zahorik (1993, 193-215) believes that financial implications of attracting new customers may be five times as costly as keeping existing customers. Therefore, it is very important for firms to keep focusing on designing new and standard products to satisfy customers at high level.

The factors that affect customer satisfaction are courteous employees, friendly employees, billing timeliness, helpful employees, knowledgeable employees, billing clarity and service quality, good value, service quality, accuracy in billing, competitive pricing, good value, quick service and billing clarity (Hokanson, 1995, 16). The figure below gives clear image about the factors that has direct effect on customer satisfaction.

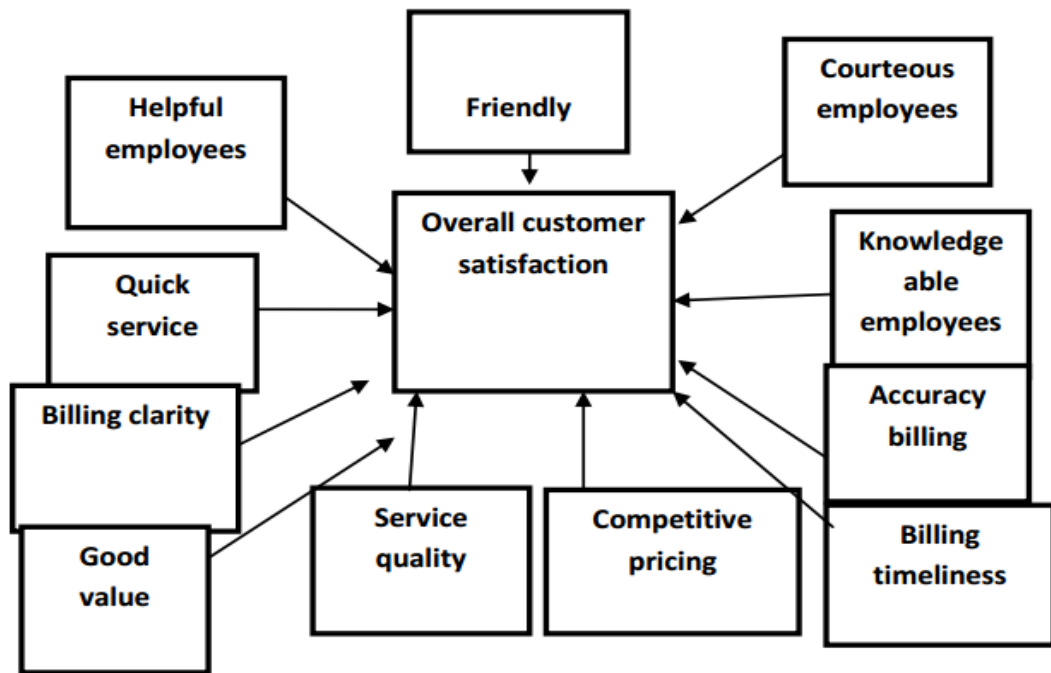


Figure 2 Factors That Affect Customer Satisfaction (Hokanson, 1995, 16)

The figure above shows that the overall customer satisfaction is directly related with many factors such as qualified and well trained employees, service quality, punctuality, accurate and quick services as well as competitive and well valued goods.(Hokanson, 1995, 16)

3.2 Employee Satisfaction

The importance of employee satisfaction and motivation in work is growing in business firms today. Job satisfaction is one of the most researched areas of organisational behaviour and education. It is perceived as an attitudinal variable measuring the degree to which employees like their jobs and the various aspects of their jobs (Spector, 1996). This is an important area of research because job satisfaction is correlated to enhanced job performance, positive work values, high levels of employee motivation, and lower rates of absenteeism, turnover and burnout (Begley & Czajka, 1993, 78)

George & Jones (1999, 78) define job satisfaction as a collection of feelings and beliefs that people have about their current jobs. Job satisfaction has the potential to affect a wide range of behaviours in organizations and to contribute to workers' levels of well-

being which makes it one of the most important and well-researched work attitudes in organizational behaviour. The figure below explains the factors that affects the level of job satisfaction in general.

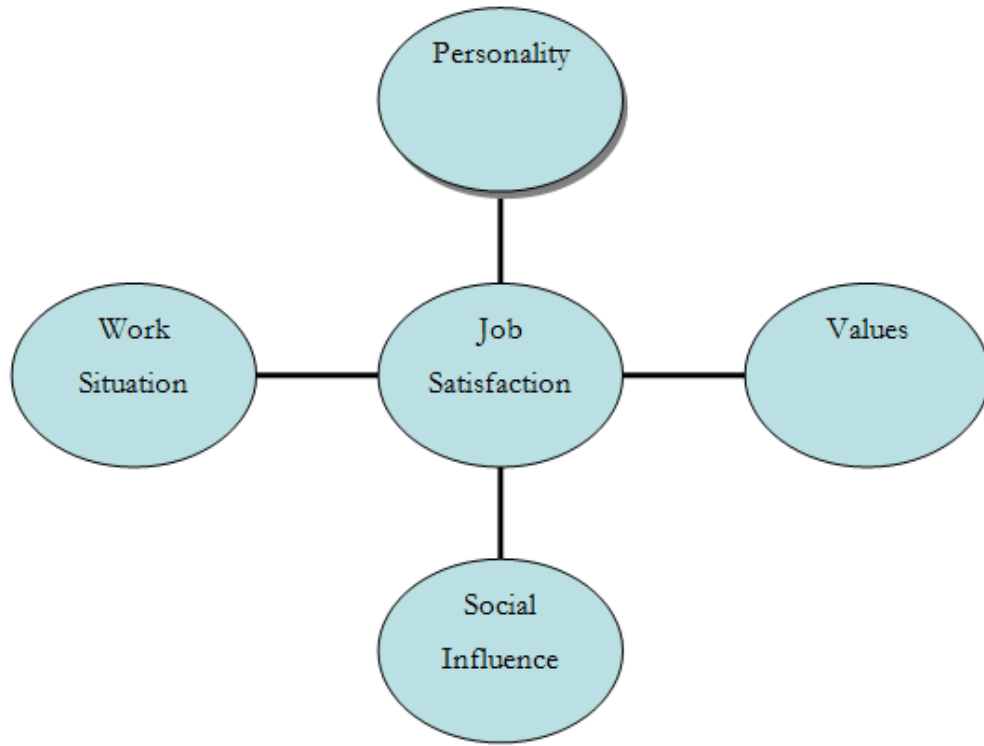


Figure 3 Determinants of Job Satisfaction (George & Jones 1999, 78)

The figure 3 shows the determinants of job satisfaction in general. All of these above factors are equally important to ensure the job satisfaction. More theories about the job satisfaction will be presented in chapter 5.

4 Corporate Profile

Nepal SBI Bank is the first Indian multinational bank opened in Nepal. It started its operation on July 1993 with stake of 55% of the parent company, 15% provident fund and remaining 30% from ordinary shares. SBI bank has opened 50 branches, 59 physical outlets, 6 extension counters, and three administrative offices in 27 districts of Nepal. Nepal SBI bank is one of the largest private sector banks in Nepal with 580 staffs serving 300,000 customers across the country. It is listed in Nepal Stock Exchange and considered a blue chip company among the banking sector. The bank has eight directors in its board with a Chairman one Managing Director himself. Nepal SBI Bank is catering every product like other commercial banks offer to its customers but its product differentiation i.e. its uniqueness lies in remittances services from India to Nepal. Nepalese economy is closely related to India and people migrate from Nepal to India and India to Nepal SBI bank is able to tap that remittance market with its excellent networks and services through India and Nepal.

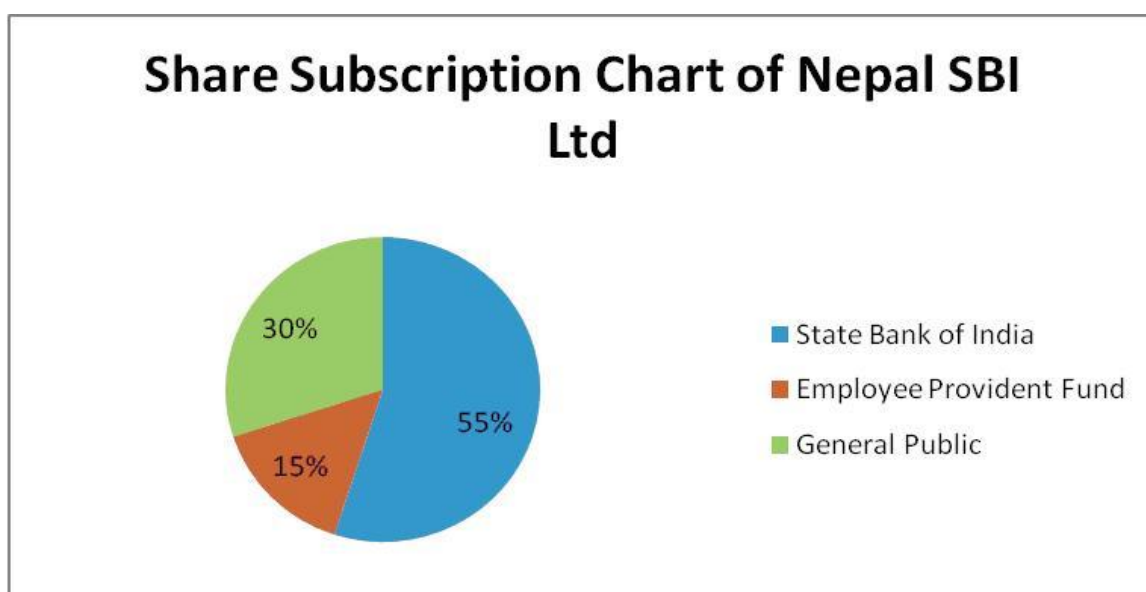


Figure 4 Share Subscription Chart of Nepal SBI Ltd (Nepal SBI, 2010-2011)

Nepal SBI bank is not just focused in its banking services but it has tried to help the deprived sector with its synergic effort. It has played wide impact on social service sector, education and sports, environment conservation. Though the Directors in SBI are both Nepalese and Indian but they work on common codes of conduct and principles

as a result it has thrived to this level of success in Nepal in banking space. (Nepal SBI Bank, 2010-2011)

4.1 Major Products and Services

4.1.1 Deposit_Products

SBI offers broad varieties of deposit products that cater to customers' necessity. SBI brings the convenience of networked branches/ATMs and facility of E-channels like Internet, and Mobile Banking. SBI has introduced different sets of deposit schemes to facilitate the different income level costumers.

Karmachari Bachat khata (Employee saving account) is a zero balance deposit with special focus on salaried employee from government and non-government organisations. Employees from any organisation can open their bank account without any initial deposit amount. The bank provides following services to this account holders.

- 5% interest on daily balance, payable quarterly
- 40% concession on rental charges for hiring safe deposit locker (Subject to availability)
- 50% concession on remittance commission (Draft and RTGS to India)
- 50% concession on issuance charge of Bharat Yatra Card. (Travel card)
- Free Any Branch Banking Service
- Free Nepal SBI Bank Debit Card

Simple Saving Account (Rs 501 SARAL BACHAT KHATA) is a deposit scheme introduced by SBI targeting students or customers with low income so that they can open their account with just an initial amount of Rs 501. The customers in this scheme are also provided the free internet banking, free cheque book, free deposit and withdraw facility and free ATM from any service stations.

The bank has introduced different fixed deposit schemes targeting different income class people with attractive interest rates. However, customers should open this type of account with certain starting amounts. (Nepal SBI Bank, 2010-2011)

4 . 1 . 2 Loan Products

SBI offers a wide range of corporate and business loan to different large and small companies, institutional customer as well as to the public sectors. The loan product has been gainful to many companies for their expansion. The bank has introduced different sets of loan schemes under different names to facilitate its customers in high level. SME Loan is generally introduced to small and medium sized business enterprises to meet their financial requirement in a convenient manner.

Personal Loans are basically retail loans designed to facilitate the clients with their basic requirements. Auto finance, home loan, credit for consumer durables are the basic sets of loan introduced under personal loans. Nepal SBI has not offered its credit card yet to its customers.

Education Loan is introduced to Nepalese students in low interest rates who want to have their higher education. Students going for abroad study are likely to be benefited from this product. (Nepal SBI Bank, 2010-2011)

4 . 1 . 3 International Banking (LC)

Nepal SBI has arranged different sets of service for International Banking to facilitate its customers in high level. It has SWIFT and draft arrangement with banks around the world. The Bank guarantees the safe and secured online and efficient remittance service which helps customers to transfer funds from different parts of the world in cheap rates. SBI has wide network covering all major cities and villages of the country which is capable of paying at more than 50 branches across the country. (Nepal SBI Bank, 2010-2011)

4 . 1 . 4 Safe Deposit Locker

Looking at the various needs and wants of the Customers; SBI offer locker facilities with sizes of our Customer's preference. Customers availing of this facility enjoy not only peace of mind in terms of security of their valuable belongings but also one of the most attractive rates and ease of location.

4 . 1 . 5 Internet Banking

It is simply doing many of your banking transactions using your PC and the Internet (subject to minimum browser restrictions). The advantages are no banking hours, no queues etc. Just banking from wherever you are connected, safely and securely.

4 . 1 . 6 Other Auxiliary services

Nepal SBI has many other auxiliary services designed to meet the customers' expectation in high level. The various services such as SMS/Mobile banking have been a service of great benefit to its customers. Customers can check their account transaction, exchange rates and banking hours simply sending SMS through mobile wherever and whenever they want.

The customers can pay their utility bills (Electricity, water and school fees) in free of charge from any branch offices or from Internet. (Nepal SBI Bank, Annual report, Nepal SBI Bank, 2010-2011)

5 Theoretical Framework

The theoretical Framework of this report is mainly divided into two entities. Firstly, the theories of customer satisfaction are discussed clearly to reveal the level of customer satisfaction. Secondly, the theories of employee motivational factors are discussed to show the importance of motivated employees to create quality service. The chosen theories briefly explain the factors that affect the level of customer satisfaction as well as the motivational factors of working staffs.

5.1 The Gaps Model of Service Quality

The gap model of service quality is the theory developed by (Parasuraman et al. 1985) identifies five different specific gaps between the customers' expectation and perceived service.

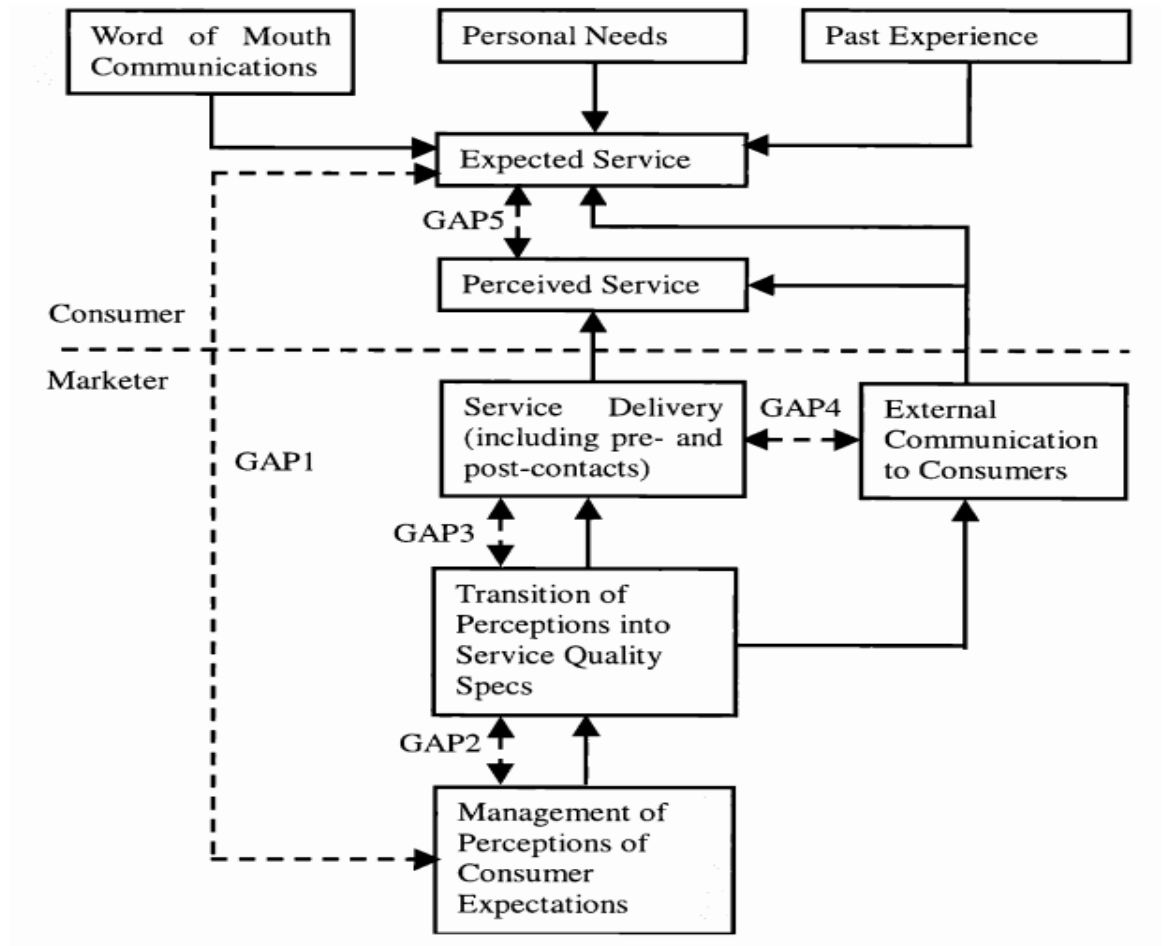


Figure 5 Gap Model of Service Quality (Zeithaml et al., 2006, 46)

The customer gap is the difference between customer perceptions and expectations. Perceptions and expectations are two interrelated elements equally important to deliver quality service. Customer expectations are the desires and wishes that customers make prior to the service whereas perceptions are the assessments of the services experienced. Expectations are generally beliefs of what should be and perceptions are formed based on the experienced services. (Zeithaml et al. 2006, 33-34) believes, the smaller the gap between expectations and perceptions are, the better the service quality will be.

Gap 1 “Unknown about customer expectation”

This is the gap between customer expectations and the perception of those expectations by management. The gap results due to lack of understanding of customer's

needs and wants. The situation is likely to happen due to the result of inadequate customer satisfaction research. Bureaucracy in different management level is equally responsible to create this gap since it lacks the communication and effective management policy among staffs. The management should be always keen on finding what customers expect from them conducting several researches. A well managed company always tries to seek best ways to get interacted with the customers' expectation.

To close gap 1, the company needs to set up plans to deal with the customers' expectations and work on finding the reliable ways to fulfill those expectations. Moreover creating a strong relationship with customers can be an ideal solution to cover up this gap. (Zeithaml et al. 2006, 35-38)

Gap 2 “Lack of quality service and standards”

Along with the understanding of customer's need and wants it is also important to know what kind of products and service to design to meet up the customer expectation. Provider gap 2 is the result of the company having service and products that is not designed according to customers' wants. Absence of customer, inadequate service scope and inappropriate physical evidences also create this gap. Physical evidences are the physical tools such as business cards whereas service scopes means the physical settings that the service is delivered in for example the location of business premises.

To close the provider gap 2, Zeithaml suggests that company should introduce important Customer satisfaction barometers into the measurement system so that the perceived desired quality can be designed. “Companies need measurement systems that incorporate and align measures of customer perceptions and satisfaction with pivotal operational and performance indicators.” (Zeithaml et al. 2006, 38-39)

Gap 3 “Unable to deliver the standard services”

This is the gap between service quality specifications and delivery of the service. It is very important that the right service is to be rendered in the right time. The key drivers of customer service; systems, processes, and people are needed to ensure that the ser-

vice delivered should match the set standards. Deficiencies of human resource policies and failure to match supply and demand are the key driver to create this gap. For example, a management in a company may establish a standard such that the telephone calls should be answered in 30 seconds. However, if it takes more than the standard time to answer the calls then it is said to be delivery gap. (eNotes 2012)

To close gap 3 the company should always focus on employee training and establish plans to gear up the workers' motivation since motivation and right training plays vital role in creating prompt and punctual service. Team work, great co-operation among staffs, effective recruitment, etc. are the major elements that company should take care of to avoid this gap.

Customers are sometimes responsible to create this gap since they may not realize their roles and responsibilities which may deteriorate the whole service process. (Zeithaml et al. 2006, 39-42)

Gap 4 “Unable to perform as promised”

It is the gap between what was promised or communicated to customers and what actually is delivered. Basically it is communication gap that many companies are facing while rendering service. The company makes advertisement of its products and services through different media, customers start expecting the quality of service or product on how they have been promised. If the service is not delivered as promised, customers perceived low service quality. Thus, company should always focus on creating systematic and accurate communication unit so reach to customer to provide standard service in right way. (Zeithaml et al. 2006, 42-43)

To close gap 4, company should always focus on inter-communicational aspects among its staffs. The internal service department should always be in touch with the external and advertising department to know the promised schemes and offers. Customers should be educated properly to use the service provided to get maximum utilization. (Zeithaml et al. 2006, 42-43)

Closing all the provider gap 1 to 4 means to improve the service quality. It is very essential issue regarding customer satisfaction. If a company wants to create quality service in all aspects to meet up customers' expectations it should always focus on closing these gaps. Several researches should be carried out to find out the core expectations of customers. Service quality can be standardize knowing what wants and desires of customers. Communication unit should be active enough to know customers expectations and to deal with the internal management unit to provide promised service in right time and in right way. Additionally, provider gap 4 plays an important role in case of Nepal SBI Ltd.

5.2 The Profit-Chain Model

The profit-chain model developed by Heskett et al. (1997), aims to introduce the importance of employee satisfaction in any business firm. The theory explains the relationship between employee and customer satisfaction. It shows that the profitability and revenue growth is only possible through the service provided by the satisfied and motivated employees.

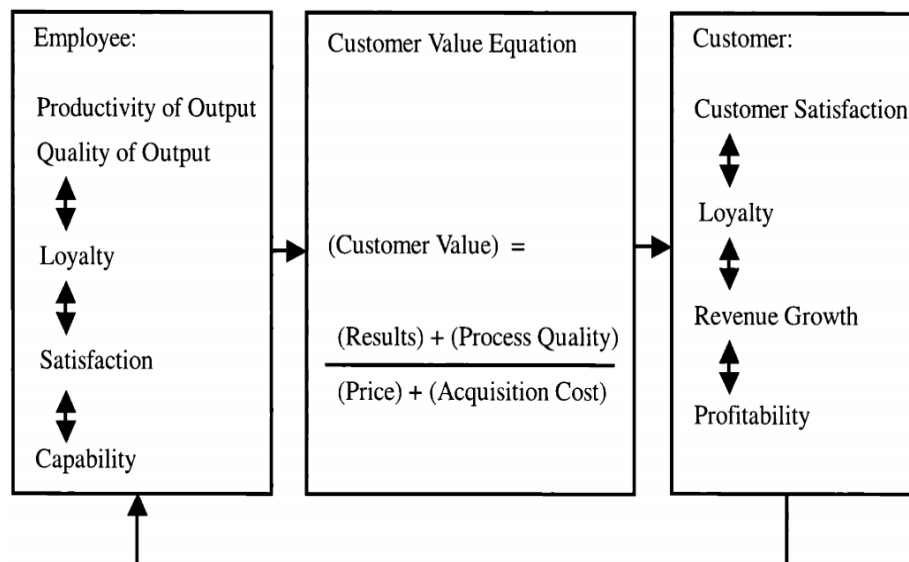


Figure 6, Profit-Chain Model (Heskett et al, 1997)

Several researchers have found that the business organizations where employee perceptions are favorable enjoy superior business performance. The service profit chain model of business performance (Heskett et al, 1997) has identified customer satisfaction as a significant dominant variable in this relationship. Profitability and Revenue growth is directly proportional to customer's loyalty. Loyalty is the direct outcome of customer satisfaction. Customer satisfaction largely depends on the value of services provided and thus value is finally created by satisfied, loyal and productive employees. The level of satisfaction within employee is measured by the feelings they have towards their jobs, companies and their co-operation with other staffs. It is very important to create employee satisfaction which is largely related to different elements such as the design of workplace, the standard of job provided, training and development, rewards and benefits, bonuses and salaries, and tools for serving customers.(Heskett et al. 1997, 11-12)

“Employee surveys are one of the key vehicles for ensuring a full dialogue between management and employees. Although many companies already conduct effective surveys, few companies excel at survey follow-up, which is the phase that achieves maximum business value.” (Thomas Rollins 1994, 35)

The employed theory tries to give a clear picture of importance of satisfied and motivated employees to create profitability in the company. The senior management may find this theory as an opportunity to take action for enhancement of profitability of the company.

5.3 Herzberg's Two Factor Theory

Frederick Herzberg's two factor theory aims to provide clear pictures of the factors that causes job satisfaction as well as a different set of factors that cause dissatisfaction in the work place. Since this report aims to study about employees' motivational and demotivational factors, the part of the questionnaires are thus based on this theory to find out different circumstances.

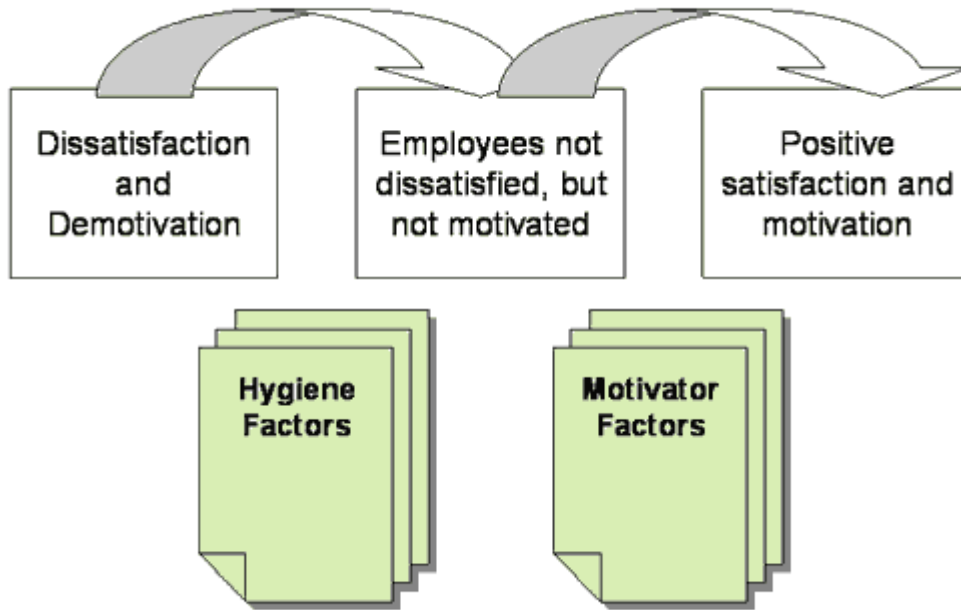


Figure 7 Herzberg; s Two Factor Theory (Tutor 2u, 2012)

According to Herzberg Frederick ‘Two factor theory’ people are influenced by two factors i.e. Motivation and hygiene. Herzberg analyzed this motivation theory during his investigation of 200 accountants and engineers in the USA who were asked to recall the moment when they had felt positive or negative at work and reason for all those feelings. He acknowledged that satisfaction and psychological growth was a factor of motivational likewise Dissatisfaction was a result of hygiene. According to Herzberg hygiene factors are needed to make sure that an employee does not become dissatisfied. They do not lead to higher levels of motivation, but without them there is dissatisfaction. Motivation factors are needed in order to motivate an employee into higher performance. These factors result from internal generators in employees. (Training & Development Solutions, 2001 - 2013)

5.3.1 Hygiene factors

Hygiene factors are very important element based on the need of a business to avoid unpleasant environment at work .The inadequateness of hygiene factors causes’ em-

ployee dissatisfaction. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled.

Working factor refers to the working environment of the work place including friendly atmosphere, easy access to information, regular notification of plans and policies of the work place. Physical atmosphere should be comfortable and organization policy should be transparent to the employees. Different variables of hygienic factors can be described below in detail.

Quality of supervision is an essential role of supervisors to be able to mobilize their workers in a proper manner. They must have leadership quality in order to guide the employers. The pleasant working conditions and sound relation with the supervisors always makes workers to start their day in a good way which enhance to maximize the level of creating the quality of services in any firms.

Salary is the amount provided to the worker as per their work, effort, skills and time in the work place. Salary is the determining factor for the workers so that it must meet their needs and demands. Likewise, every worker desires for the long term and secured job. If the nature of the job provided is longer and permanent, employees may like to contribute more whereas the short term and temporary workers may not perform their job in high standard.

Interpersonal relations: Interpersonal relationship in any workplace consists of varied tools like: the mutual affection, cooperation, co-ordination and sensible relations between the workers. A worker always deserve sound environment in his/her workplace to perform job at high level. Team work and co-operation as well as relation with co-workers thus play a vital role to assure the quality of performance in any company.

5.3.2 Motivational Factors:

According to Herzberg, the hygiene factors cannot be regarded as motivators. Motivational factors yield positive satisfaction. The motivational factors are involved in performance of job in high level. These factors are also called satisfiers. Workers find the-

se factors essentially satisfying. Different variables of motivational factors can be described below in detail.

Status: It is one of the most important elements under motivational factor. A worker always seek better status in his working place .It motivates workers to improve the level of their performance. Likewise opportunity for advancement is another variable under employee motivational factors. Workers always need to be provided with trainings, skill development programs and knowledge based camps for their professional development.

Gaining Recognition: workers must be provided with recognition according to their effort, hardship and determination in the work so that other would also be motivated with them to improve. Similarly a good worker always desires his/her own responsibility towards their job. Assigning the roles and responsibilities to the specific workers is the key role of company managers which helps enhancing the employees' motivation to perform their job in high level.

Challenging and stimulating Job: workers seeks development in their particular sector so they need to be provided with different types of work rather than monotonous works every time through which they can uplift their knowledge and seek professional growth. (Management Study Guide, 2008-2012; NetMBA, 2002-2010)

In case of Nepal SBI Bank, It is very important role of senior managers to study about their employees under above points. The importance of motivated employees plays a vital role to create quality service. The simple formula of keeping working staffs motivated to enhance the level of quality service and products should be always kept in mind. The questionnaires made for the employees in this survey are based on this theory under different motivational and hygiene variables. The results will be later analyzed and presented with possible recommendations.

5.4 The ISO Guideline (Measuring Customer Satisfaction Level)

"If you cannot measure it, you cannot improve it." (Lord William Thomson Kelvin, 1824-1907)

Measurement of Customer Satisfaction is a new and significant addition to the new ISO9000: 2000 standard. Every organization seeks customer satisfaction where these sorts of parameters help organization to measure the customer's satisfaction and demands so that organization can provide them with appropriate services as per their requirements.

Clause 8.2.1 in ISO9000: 2000 states:

"As one of the measurements of the performance of the Quality Management System, the organizations shall monitor information relating to customer perception as to whether the organization has met customer requirements. The methods for obtaining and using this information shall be determined".

The requirement has been there in the QS9000 standard clause 4.1.6 which says:

"Trends in customer satisfaction and key indicators of customer dissatisfaction shall be documented and supported by objective information. These trends shall be compared to those of competitors, or appropriate benchmarks, and reviewed by senior management."

Attributes of customer satisfaction can be summarised as:

- **Product Quality:** In order to grab customer's attention and to seek customer's satisfaction the quality of the product should meet the demands of the people. Products quality determines the status of the organization so it needs to be satisfactory to the consumers.
- **Product Packaging:** product packaging need to be qualitative, attractive. It should be marked according to the nature of goods for instance: fragile goods should be marked with handle with care. Date of manufacture and expiry date should also be mentioned.

- Keeping delivery commitments: every organization is based upon trust and commitments so one must maintain commitments regarding delivery of products on time in order to maintain the good organizational relation and to maintain its status.
- Price: To run any organization money is the determining factor where every launched product must be affordable and must include low level to high level consumers. Prices need to be reasonable according to quality of the particular product.
- Responsiveness and ability to resolve complaints and reject reports: the workers must have professional quality to resolve the problems that occurs during the course of service. They must be responsible enough and must have ability to resolve complaints and reject those reports.
- Overall communication, accessibility and attitude: communication matters a lot in every organization as there is no effective communication in between workers of the organization, customers and organization and in between the stakeholder and the workers to maintain the friendly working relation.

Unless we measure and define different parameters of customer satisfaction we cannot begin to address the issues associated with customer satisfaction.

Major overall satisfaction measure, consists of four subscales which are as follow;

- General satisfaction: The level when customer feel happy to recommend the bank to a friend, family or relatives
- Trust: The level when customer trust the staff at any branch to do what is best for them
- Reliability: The level when Customers' requests are carried out right first time
- Professionalism: Staffs have the knowledge to deal with any queries that customers have.

It is obviously difficult to deal with the customers' expectation when it comes to intangible nature. One of the difficulty in understanding the exact and true requirement of customer is that the customer can and will change the provided service without excuse or notifications. Having superior recovery process and the scientific research mechanism would help any organisation in great extent to obtain loyal customers. (Tery G. Vavra, 2002)

Regarding the survey of Nepal SBI, It has been best tried to measure the level of customer satisfaction being based on the attributes of customer satisfaction provided by this theory.

6 Method Discussion

In this chapter different research method used in this report is explained along with the nature and details of questionnaires. The chapter also discusses the reliability, validity and objectivity of the report.

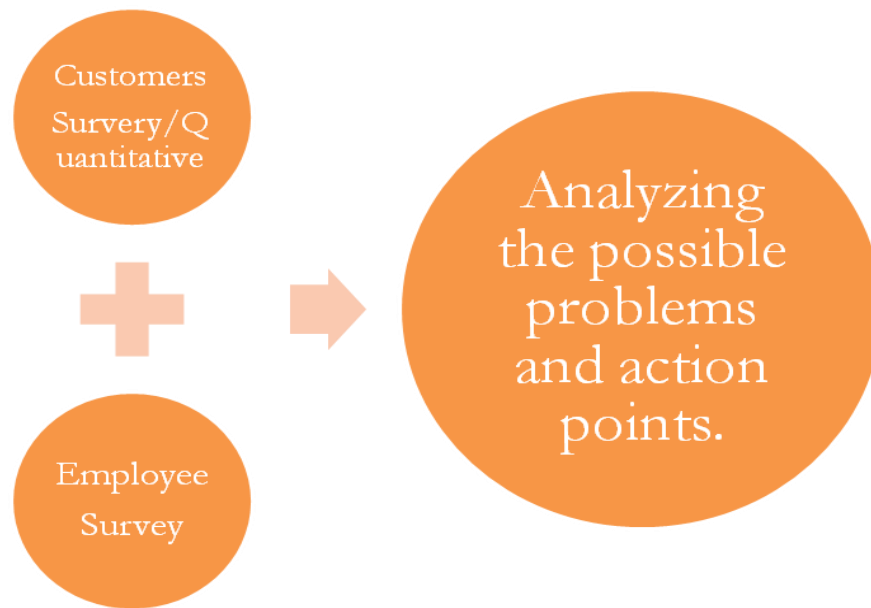


Figure 8 Initial Research Design

6.1 Background Information of the Questionnaire

The empirical section of the thesis was based on the service and products provided by Nepal SBI bank. The two sets of quantitative questionnaires were designed for customers and employees separately in order to get the most factual and dependable information. All the questionnaires were based on the employed theories of this thesis in order to get the right results.

Respondents were asked to denote their perception of the quality of performance of different parameters on a five-point likert rating scale where 1 denoted highly dissatisfied and 5 denoted highly satisfied. The survey was conducted over a period of 2 months I. e. from February 2012 to March 2012. It has been tried that selected sample covers all classes of people and of different age groups such as the students, business-

men, old pensioners, working class, etc. Simple sampling method is used as sample technique for the study. The questionnaires were distributed during bank hours.

The questionnaire is structured into two sections and two parts in each section makes four different parts in accordance with theoretical framework created for that purpose. The first part comprised of a general question that deals with the background of customers' age, gender, occupation, income level, etc. The second part of first section is based on the attributes of customer satisfaction as described by ISO guidelines which includes product quality, attractive schemes, punctuality & right delivery commitment responsiveness, overall communication, accessibility and attitude. The second set of questionnaire designed for employees which are based on the variables of different employee motivational and hygienic factors as described by Herzberg's two factor theory. The second part in second set of questionnaire is based on the gap model where employees were asked about customers' expectation and reaction on provided service and products to know how well employees understand the demand and satisfaction level of customers. In each section respondents had opportunity to write their free comments and opinions.

Prior to the survey, the questionnaire was piloted with the commissioner and few supervisors to examine the first draft of the questionnaire and to find if there exists any misunderstanding over terms and questions. The results of the pilot test showed that some questions in the first section of first part seemed too personal that respondents hesitated to fill up the questionnaires. For example personal names, occupation, Income level, etc. The management also suggested ignoring the first set of questionnaire. The questionnaires were distributed to the customers who agreed to participate in the study. The respondents' participation in the survey was voluntary and all the information they have provided would be kept confidential and private.

6.2 Chosen Research Method

The empirical research was based on quantitative research method. The research data was gathered using quantitative questionnaires. "Quantitative researchers seek explanations and predictions that will generate to other persons and places. The intent is to

establish, confirm, or validate relationships and to develop generalizations that contribute to theory". (Leedy and Ormrod, 2001) Quantitative research comprises of the problem statement, involves the formation of a theory, a literature review, and a quantitative data analysis.

A quantitative approach to research is one in which the researcher mainly uses post positivist claims for developing knowledge. This means cause and effect thinking, reduction to specific variables, hypotheses and questions, use of measurement and observation, and testing theories. In quantitative studies the researchers also employ strategies in inquiry such as experiments and surveys and collect data on predetermined instruments that generate statistical data (Creswell 2003, 17-19). The result from quantitative research can be analytical, explanatory, and confirming.

The main purpose of quantitative research is to test theories and explanations. According to Grigoroudis and Siskos (2010,171-176), quantitative method of data collection is economical (low), respondents find no rush in answering questions, it has easiness to cover different geographical areas, respondents may decide when and how they want to respond. (Grigoroudis, E & Siskos-2010, 171-178)

The reason for choosing quantitative research technique in this report was to ensure to receive results in the fastest and convenient way. Besides, the facts can also be summarized by using figures and tables. As long as the alternatives are given to choose the answers in each question it is very easy to receive answers to enhance the quality of report. The open ended comment section was made available for both customers and employees in order to include respondents' internal expressions and feelings about the Bank.

6.3 Validity

Validity is concerned with weather the findings are really about what they mean to be about. (Saunders et. al, 2003). A researcher may use misinterpreted answers when analyzing if the respondents wouldn't understand the questionnaire clearly or would un-

derstand in other way than the researcher want. Thus in this case the research will not be valid. The responses can also be influenced by different situational factors such as the person's mood, time pressure and technical factors. (Ghauri & Grønhaug 2005, 80) There are two major forms of validity: The external validity of research findings refers to the data's ability to be generalized across person, settings, and times. Internal validity is the ability of a research instrument to measure what is purposed to measure. (Gall & Borg, 1996)

In this research personal, situational and time factors might have influenced the results as the questionnaire was given during the banking hour. Respondents might have felt bored and tired to fill in the questionnaires being on the long queue and rush hour. The questionnaire was only constructed in English language which may not be easily understandable to all the respondents. However, numbers of steps were taken to ensure the validity of study.

- Survey question was made being based on the employed theories of the report to ensure the validity.
- Data was collected through 2-3 months; no major things had been changed in the short period.
- There were many groups who needed special guidance to fill in the questionnaires. For example some older group and farmer group had problems with the questionnaires in English language. They were guided by the researcher so that the real and valid data was collected.

6.4 Reliability

According to Ghauri & Grønhaug (2005, 81) reliability refers to the stability of the measure. Research reliability refers to the degree to which the data collection method will yield similar the results if another researcher conducted the same research in another place and time. A measure is reliable to the point when it provides consistent results.

Reliability can be asked by the following questions. (Easterby-Smith et al., 2002: 53)

1. Will the measures yield the same result on other occasions?
2. Will similar observation be reached by other observers?
3. Is there transparency in how sense was made from the raw data?

The research was carried out to know the level of customer satisfaction and employee motivation. The information was collected from the customers during banking hours, it means that the data was a true reflection of what the customers felt and hence the reliability of the information gathered can be assured. This was also the first customer and employee survey so there are no previous examples.

In the questionnaires design process it was best tried to keep the questions simple so that the respondents would understand the clear concept of question. I have tried to accomplish the survey in a similar manner for each respondent.

6.5 Objectivity

It is very important to remain objective for the successful research. Sometimes the researcher may write general interpretation of certain sources and data but it is very important to use actual data from the survey. Mixing up with own opinions and explanation may give false impression and results. The sources and theories should be chosen with care and in proper manner so that the actual results can be obtained.

The research aims to study about the different level of customer satisfaction and employee motivational factors in Nepal SBI bank. As the survey was conducted for Nepal SBI which acts as the sponsor for the study, so it is very important to concentrate the actual and true results rather than giving preferences to sponsor. In this case researcher of this report is not compensated for carrying out the survey and does not gain anything from portraying certain kinds of results.

As the writer of this thesis has lived in the same city for 20 years and been the customer of the Bank for 4 years it was also essential that his own personal and single opinions were not mixed up with the opinions of other respondents.

7 Results of the Study

In this section the result of the survey is presented and analyzed. The two sets of questionnaires i.e. the questionnaires for customers and for employees are presented separately.

Branch & Outlets of Nepal SBI bank

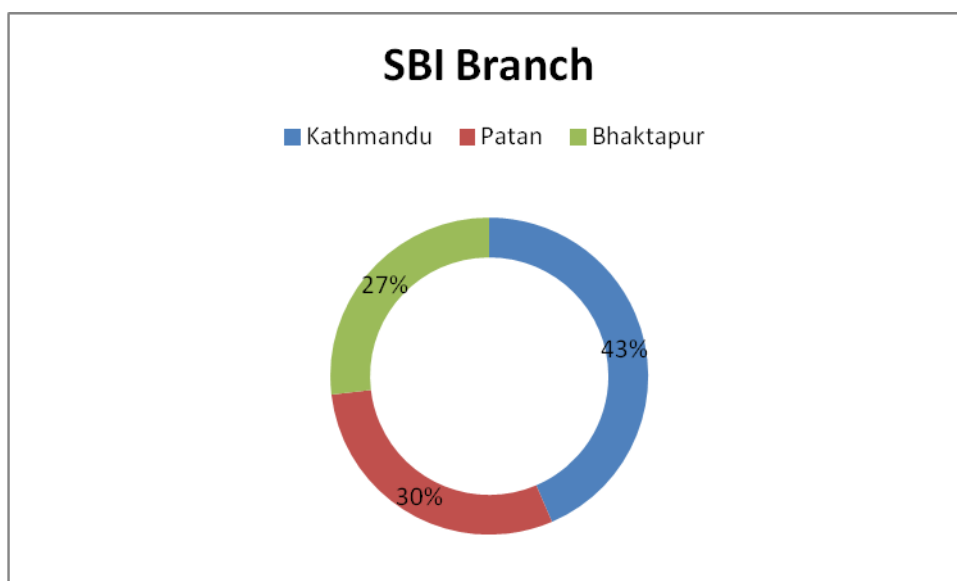


Figure 9 SBI Physical Outlets

Nepal SBI bank has its 50 branches, 59 physical outlets, 6 extension counters, and three administrative offices in 27 districts of Nepal. Thus, it was not possible to conduct research on those all branches. 3 main cities i.e. Kathmandu, Patan and Bhaktapur were chosen for the research.

In the above figure 43% of the total respondents were from Kathmandu followed by 30% Patan and 27% Bhaktapur. The reason for Kathmandu to have highest number of respondents is being the largest and the most populous city in Nepal with SBI's many physical outlets in different parts. Bhaktapur is the smallest city in Kathmandy valley has the lowest number of respondents since number Nepal SBI's physical outlets and customers are comparatively less. Patan is the second largest city in the valley close to Kathmandu covered the second largest respondent group.

Types of account

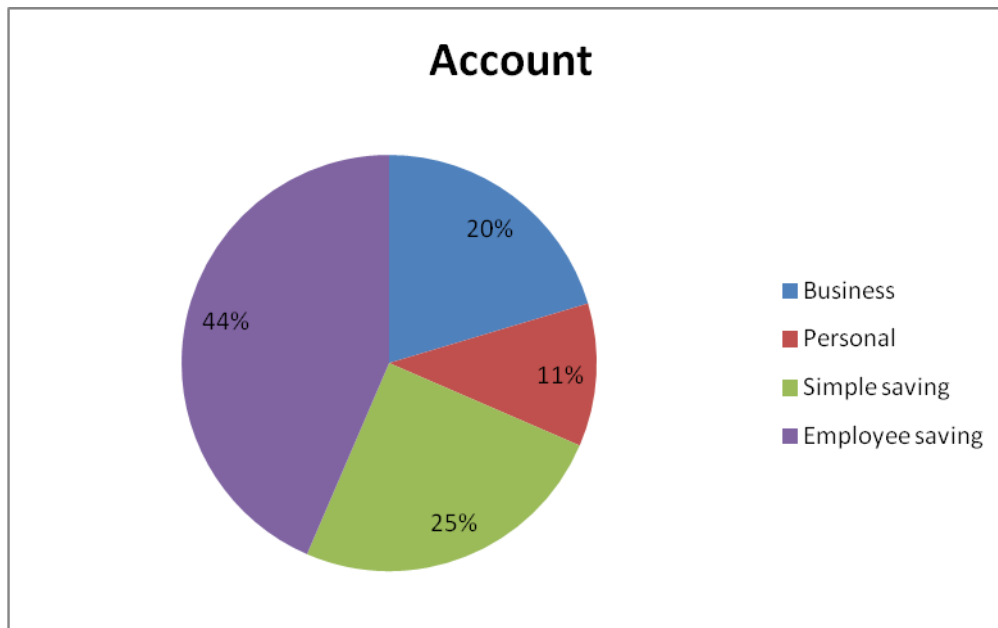


Figure 10 Types of Account

SBI offers a wide range of deposit products that caters to customers' requirement. Different sets of deposit schemes to facilitate the different income level costumers have been introduced. In the above figure the Employee saving accounts to 44% is the largest group followed by 25% simple saving. Personal saving account accounts to 11% is the smallest group.

The reason behind Employee saving account being the highest group could be the attractive schemes that bank has provided to the general employees of any company i.e. no need of amount to register account, attractive interest rates and facilities. The simple account deposit schemes seems to be targeted for low income earners such as students and private part time workers holds the second highest group.

Service and Products of Nepal SBI

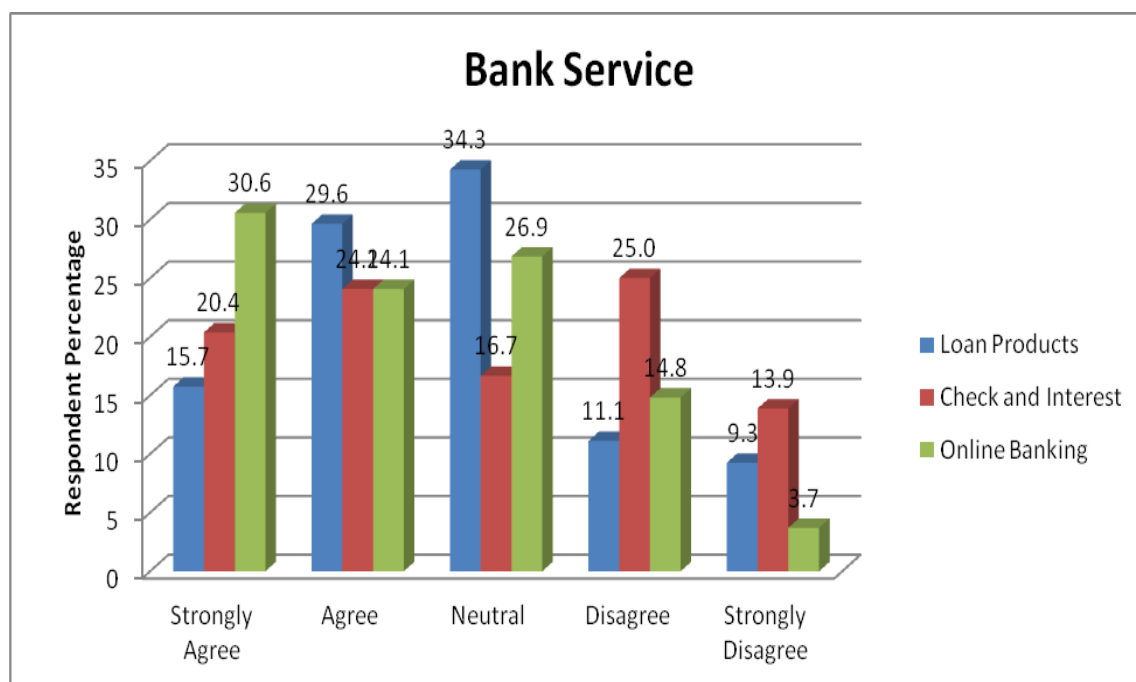


Figure 11 Service and products of SBI

The figure 9 shows how the loan products, check & Interest bearing products and online banking service of bank meet the expectation of customers. The highest group who remained neutral on the loan product accounts to 34% followed by 29% agreed group. Smallest group who were disagreed accounts to 9%. In general customers seem to be fairly satisfied along with the higher number who were totally unknown about the product. Likewise, the scale shows the higher number of disagreed customers in check and interest bearing products followed by fairly satisfied customers accounting to 24%. The result shows that the customers were not highly satisfied in this regard. More than 55% of the customer remained on agreed scale on the online banking system of bank followed by 25% neutral group who were totally unknown about the online banking system .

The overall picture explains that the higher percentage of customer were neutral because most of the customer of SBI bank do not even knew about the services provided by the bank.

Relation creates loyalty

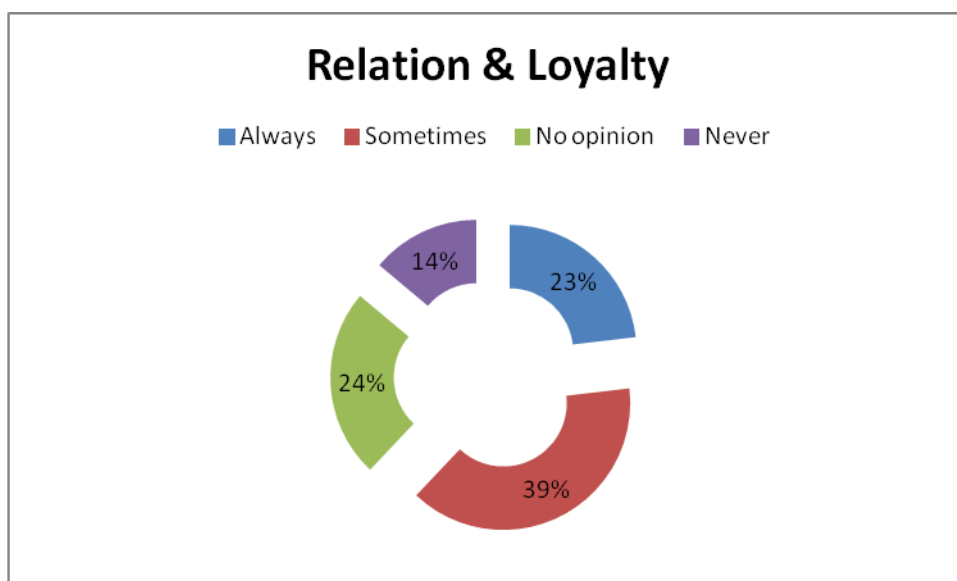


Figure 12 Relation & Loyalty

The figure 10 shows how the relation with bank has encouraged customers' loyalty. The highest group who said sometimes accounts to 39% seem to be fairly satisfied. The second highest group of 24% had no idea about relation and loyalty. The lowest group which accounts to 14% were totally disagreed about the matter.

It is not always possible to get 100% satisfaction rate however the result of one third population who were not satisfied and the same number of customers who were totally unknown about the matter shows that Nepal SBI has quite a lot to do regarding the relationship with customers to create loyalty.

Customers get friendly service from Nepal SBI

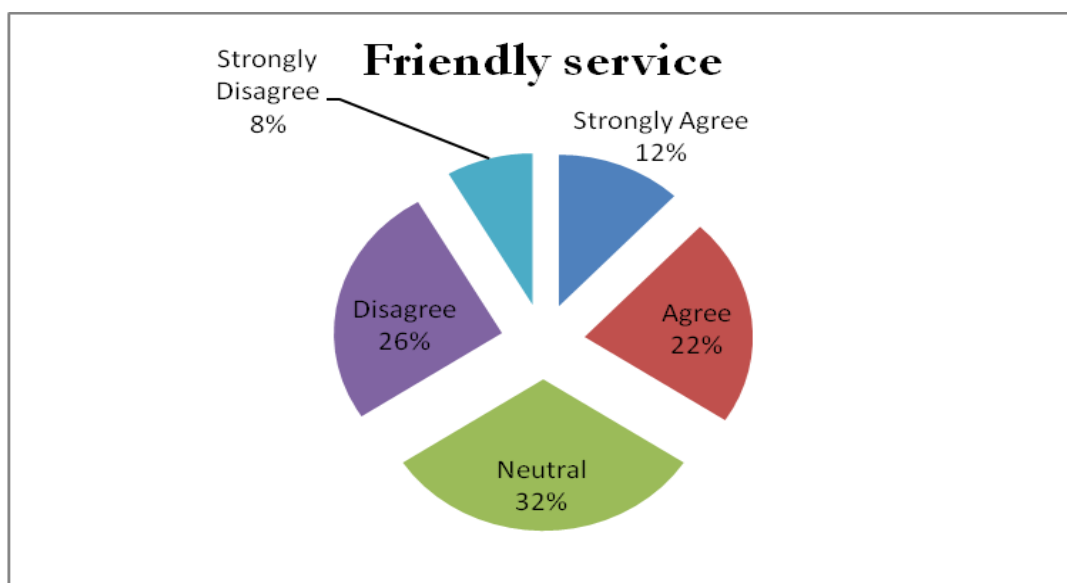


Figure 13 Friendly service

The above chart..shows the level of friendly service that Nepal SBI has provided to its customer. Out of 108 respondents who remained neutral accounts the highest percentage i.e, 32%. Almost equal number of people found both friendly and unfriendly service of the bank. The bank still seems unable to provide friendly atmosphere to its customer because only about one tenth of people were strongly agreed with the fact that SBI is able to create friendly service.

Webpage accessibility and navigation

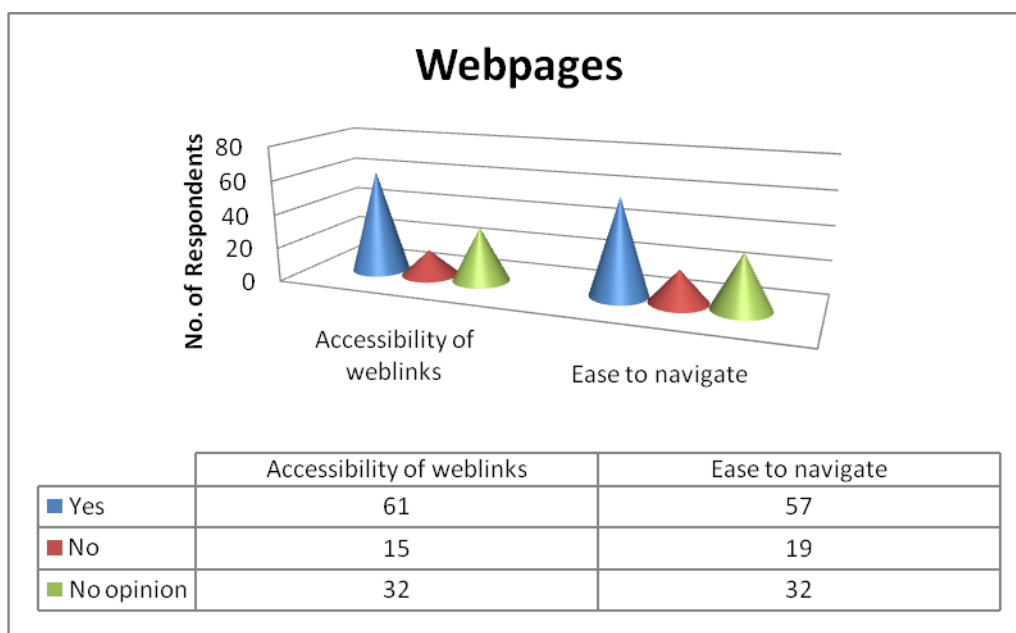


Figure 14 Webpage accessibility

The figures above shows whether the website links of the bank is understandable & easy to navigate by the customer. Out of 108 respondents more than 50% of the respondents said “yes” to their opinion about the webpages. Whereas the group who had no opinion accounts to the second highest group. Few customers were not happy with the webpages’ accesibility.

The bank was able to maintain its webpages in about fifty-fifty and satisfy half of its customer. More than 50% of the population of the Nepal is still deprived of computer uses remained in neutral group. This is rather a good result in the context of Nepal.

Customer satisfaction department

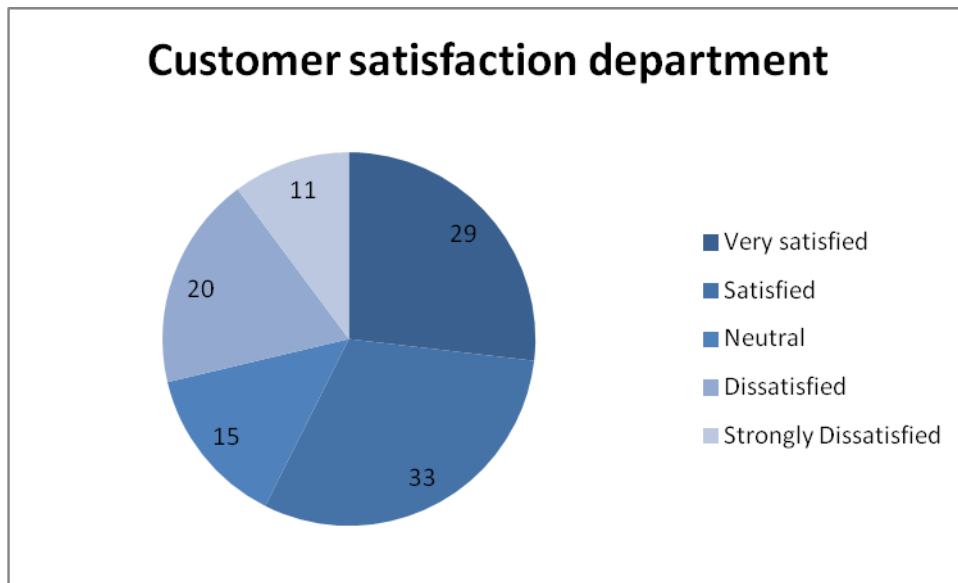


Figure 15 Customer Satisfaction Department

The figure shows whether the customer service department promptly and efficiently respond to customers' needs. 62 out of 108 satisfied customer shows that bank is doing its best to satisfy its customer. Nevertheless, respondents who were dissatisfied was still almost half of the satisfied people. Hence, Nepal SBI should always be alert of the result to find out the core reason of customer dissatisfaction.

Use of Bank card

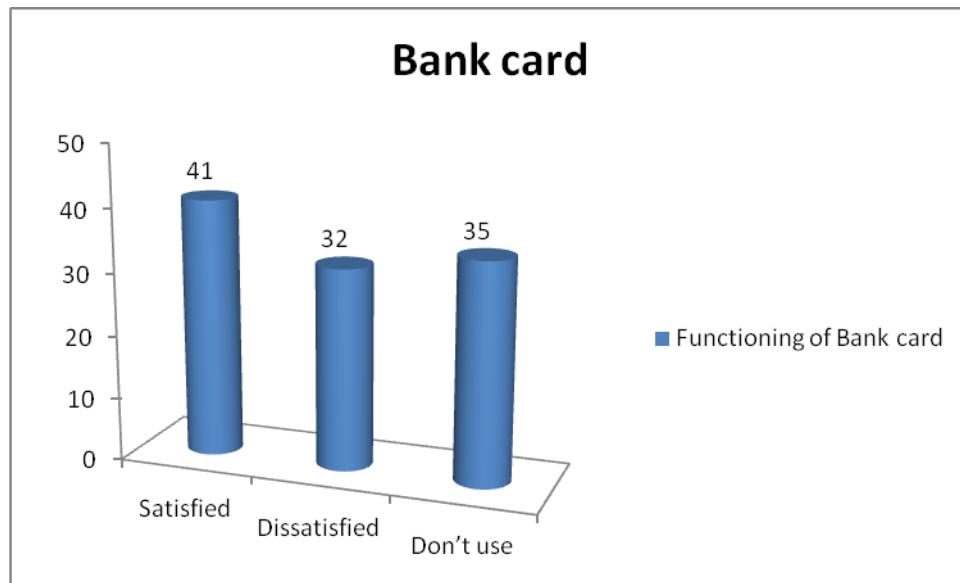


Figure 16 Bank cards

The figure 14 shows the data of functioning of the bank card. In the question are you able to make online payments easily, among 108 respondents highest group of 41 were satisfied followed by second group of 35 who do not use the service at all. The last group of 32 respondents were dissatisfied with the service. The figure shows the result in negative side where almost 30% of customers do not knew about the provided products and almost half of customers who use bank card were dis-satisfied. It shows that the bank has quite lot to do with their products and services. Further researches can be conducted being based on the specific products.

Level of satisfaction on Products and services provided

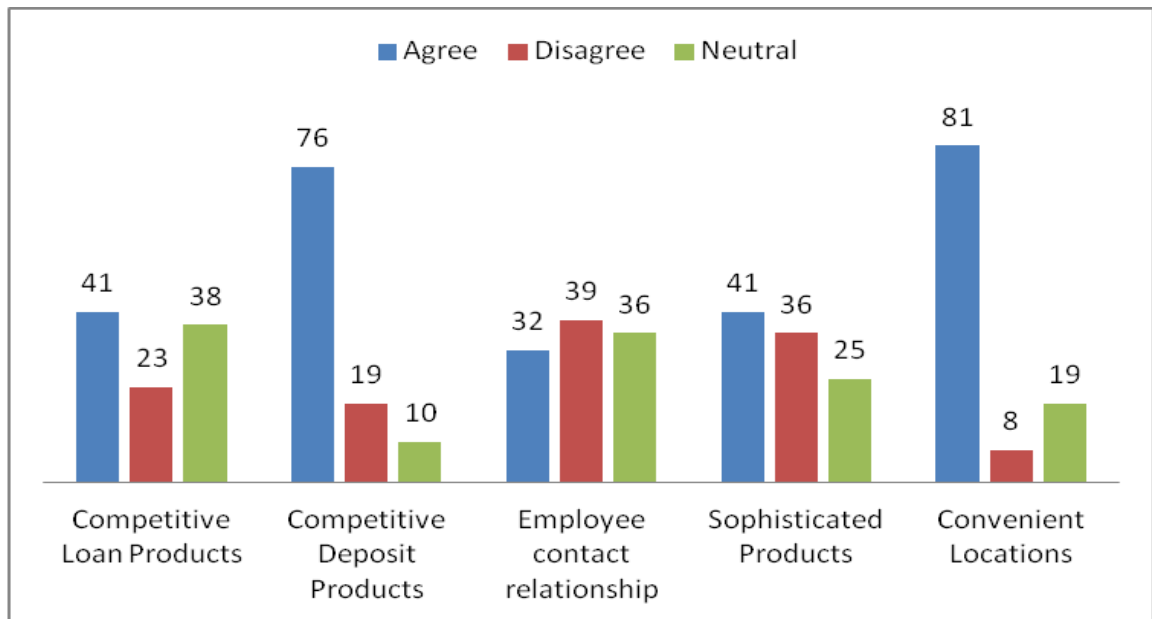


Figure 17 Customer satisfaction level on service provided

The figure shows the data about why the individual respondent bank at Nepal SBI. The highest number 41 out of 102 customers agreed that they bank at SBI because of the competitive loan product followed by 38 second highest group who were neutral about the matter. 23 customers were disagreed and 6 left blank. The overall result shows that customers were fairly satisfied with the scheme of loan products of Nepal SBI. Most people were still unknown about the provided scheme or it could be as if the process to get loan from bank is too difficult. The bank should study more about the matter.

Customers seem to be very satisfied regarding the deposit product of Nepal SBI. 76 respondents out of 105 agreed the fact that they bank at SBI because of competitive deposit product. Only 19 customers were dissatisfied and 3 left blank.

The result shows high number of dissatisfied customer in terms of employee contact relationship accounting to 39 respondents out of 107 followed by 36 customers who remained neutral. Only few customers remained on agreed side. The result shows that Nepal SBI has quite a lot to do to maintain the good relationship with customers.

The highest group of 41 out of 102 respondents agreed with the fact that they bank at Nepal SBI because of the provided sophisticated products such as ATM cards, Mobile Banking, Travel cards, Cheques and Vouchers, etc. The second highest group which accounts to 36 were disagreed about the matter. Customers still find many problems regarding the service. 25 respondents remained neutral who have not tried out the services at all.

Customers were very happy regarding the convenient location of the Bank. 81 respondents out of 108 bank at Nepal SBI because of the convenient location. This is the fact that Nepal SBI has many physical outlets and branches at different corner of the city making easier for maximum customers.

A different set of questionnaire was prepared for the employee of Nepal SBI in order to know the different motivational and demotivational factors. Out of 50 questionnaires served to SBI staffs 38 responded which accounts to 76%. The figures below describe how working staff feel about particular matter.

Survey participation as per department

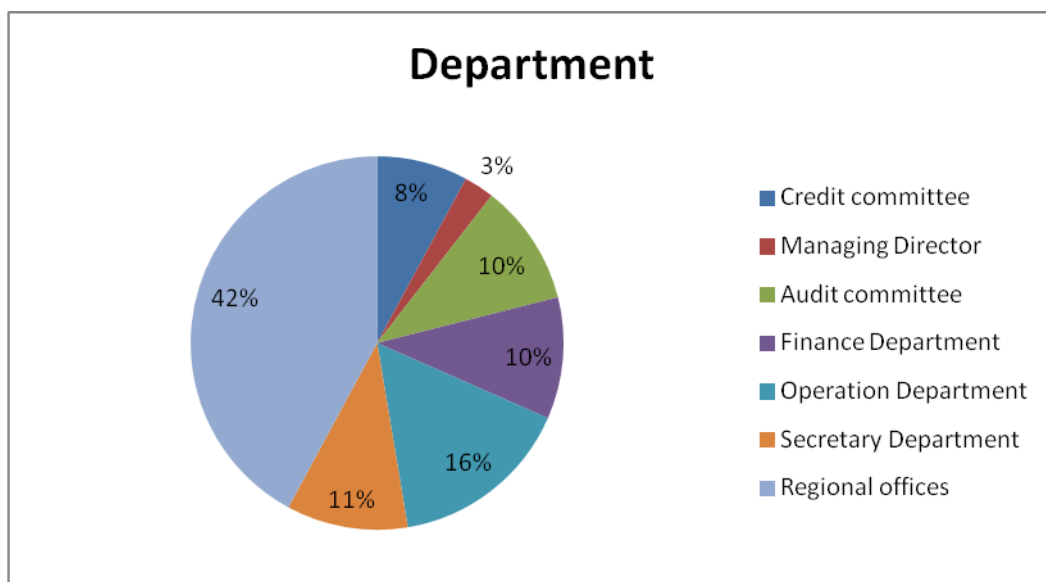


Figure 18 Employee department

The questionnaire was served to the staff of different departments of the bank with the aim of collecting the informations from lower to higher level staff so that the specific overall analysis can be done to make report more reliable.

The figure above shows the percentage of different departments who participated in the survey. The highest group who took part in the survey accounts to 42% were the staff from different regional offices followed by operation department which accounts to 16%. The managing director department accounts to 3% followed by 8% credit committee department. The overall picture shows the lower participation rate in survey from the higher departments. Of course the number of staffs in higher level is always lower than that of lower level staff.

Overall satisfaction

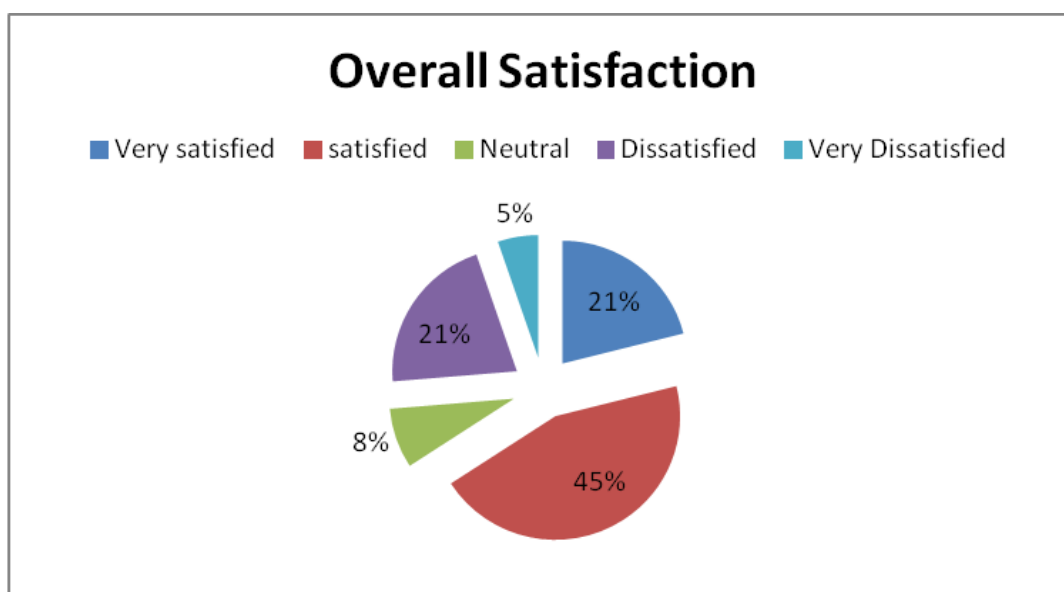


Figure 19 Overall employee satisfaction

The figure 17 illustrates the overall satisfaction of 38 employee at SBI. Most of the employee seems to be satisfied with the bank i.e. 45% However, one fourth of the respondents were still on negative scale of the graph who were either dissatisfied or very dissatisfied. Bank has still a lot to do to improve the situation.

Employee motivational variables

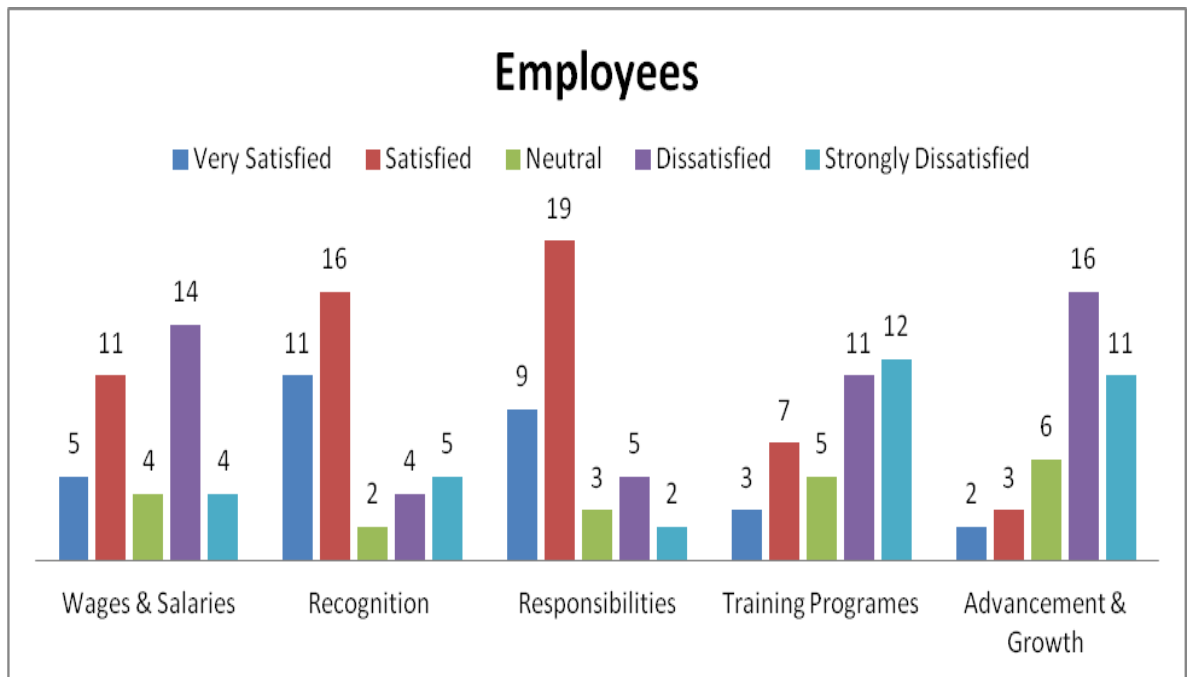


Figure 20, Employee motivational variable

The figure 18 illustrates the feeling of 38 employees about the specific matters. Very few percentage of employees seem to be satisfied with the salaries they are provided with. Almost half of the staffs were dissatisfied with the salary issue. About the recognition and responsibilities provided, staffs seem to be higher on positive scale of the picture. Very few staffs seem to be dissatisfied with the issue, however it is a very good result in general. Regarding training programs, advancement & growth employees seem dissatisfied with almost two-third of the respondents on negative scale of the graph.

The bank should focus on carrying out the research based on the factors where staffs were not satisfied on high level.

Employee hygiene factors

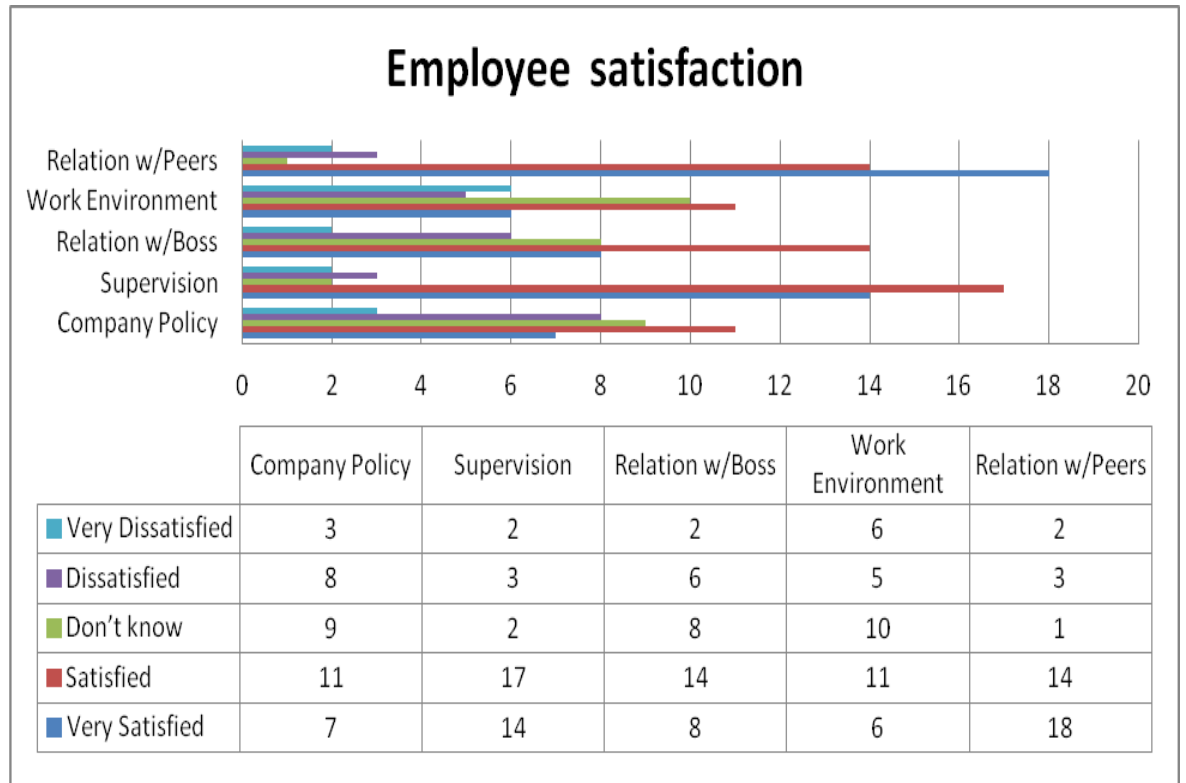


Figure 21 Employee motivational variables (Hygiene)

Figure 19 shows the level of employee satisfaction on the basis of five elements i.e. relation with peers, working environment, relation with boss, supervision and company policy. More than 80% of employees seem to be satisfied with the supervision and relation with peers. Regarding the company policy and work environment employees seem to be fairly satisfied with about 50% respondents on positive side of the scale followed by one third of neutral respondents.

14 respondents answered that they have good relation with boss at work followed by 8 respondents who were very satisfied regarding the relation with boss and the same number of respondents decided to stay neutral. Less than one fourth of respondents seems to be dissatisfied in this case. However, it is a very good result.

The overall picture explains that the employee satisfaction level is high in Nepal SBI. There still needs proper research under specific grounds to get results in detail.

Customer Approach to bank

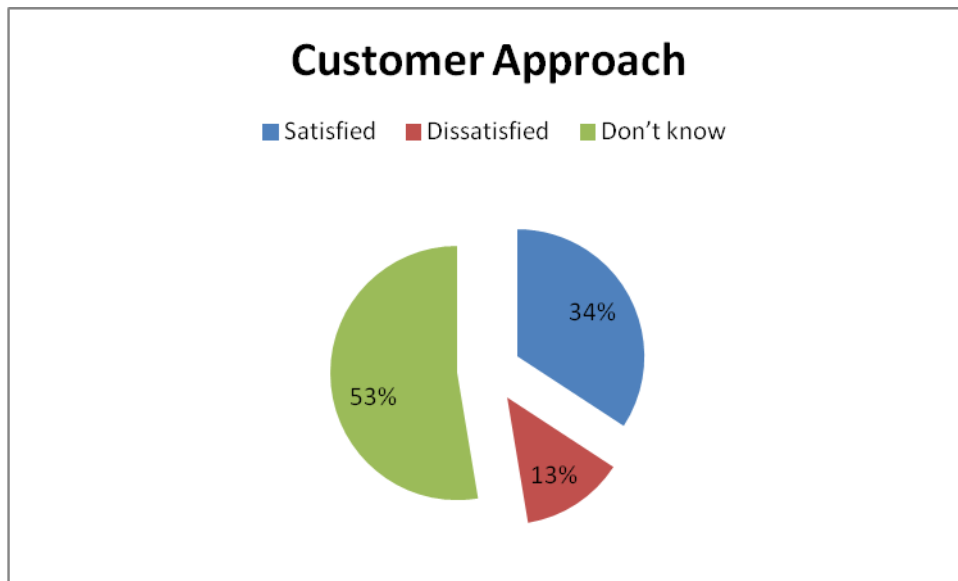


Figure 22 Customer Approach to bank

The figure 20 shows how do customer approach to Nepal SBI. The question was asked to the staff of SBI in order to know if there exists any gap between staffs and customers. The highest group which accounts to 53% do not know how customer approach to bank. They are totally unaware of the situation. 34% respondents were with the opinion that customers were satisfied with Nepal SBI and the lowest percentage of 13 said customer were dissatisfied with the bank. The overall picture shows that more than half of the respondents almost do not know anything about what customers expect and how do customers approach to Nepal SBI. It is a critical issue when employees do not know about customers' reaction to the product or service provided.

Employees' judgement to the customers' reaction towards provided services

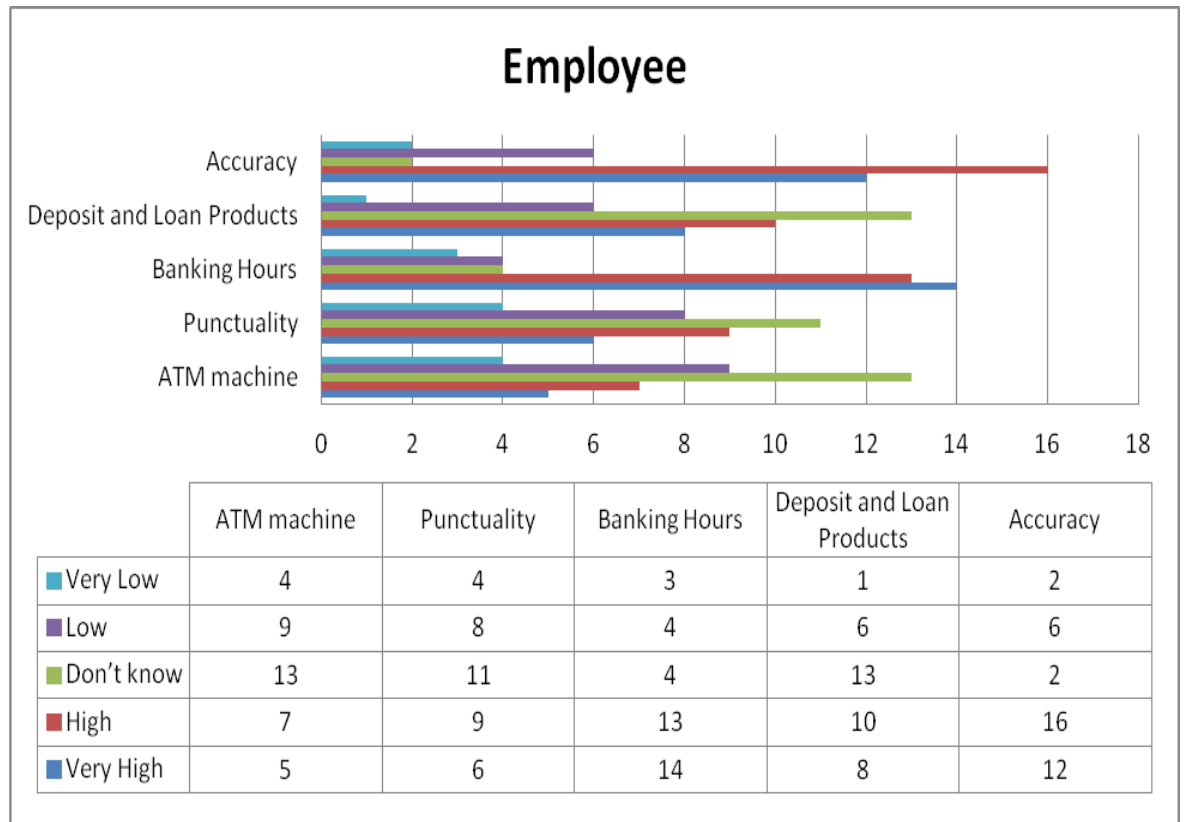


Figure 23 Employees' judgment to customers' reaction

The figure 21 illustrates whether the bank is able to meet customers expectations. The questions were asked to employees of Nepal SBI under few specific point to know how well employees know about what customer feels about the provided services and products. About the availability of ATM machine the highest group of 13 staff do not know weather Nepal SBI is able to meet up customers expectation. Likewise, the result seems to be almost same in punctuality as well i.e highest group do not know how punctual the service is and at what level the customers are satisfied. It shows that there is a huge gap between customers' expectation and the service provided. It is very essential to know how do customers react to the product provided.

Regarding the opening hours of Bank, employees think customers were satisfied at high level as long as bank is opened from early morning to late evening and is closed

one day in a week. The result seems different again in deposit and loan products. Almost one third employee do not know how do customers react to the loan and deposit product of Nepal SBI followed by 10 employee who think Nepal SBI is able to make customers satisfy. Though about half of the respondents think that the customers were satisfied at high level, there still needs proper studies under specific issues.

16 out of 38 respondents believed that their service is accurate followed by 12 respondents who think the service accuracy of Nepal SBI is at very high level. 2 respondents remained on negative scale who claimed the accuracy of Nepal SBI is at very low level. 2 respondents were totally unknown about the matter.

Open-ended comments

The open-ended comment section was at the end of both set of questionnaire so that the respondents would be encouraged to express their opinions freely. The feedbacks and comments gathered can be used to enhance the quality of service in Nepal SBI. The first section of the questionnaire received the most comments. The majority of comments regarding the customer service of front office personnel and daily banking issues concerned the level of service received from the service personnel. Comments such as “Front desk staff do not have enough time to deal with our problems”, “service level depends on the person” and “I would be happy if I would get few more minutes to talk about my problems” shows strongly that the satisfaction level is quite low and the service quality depends upon the employee presented on the counter, phone or email.

Regarding the products of Nepal SBI such as Mobile Banking, ATM machines, Internet Banking, deposit and loan schemes; we received similar types of comments from respondents. Comments such as “I have never used Bank card”, “I know nothing about internet banking”, “It’s nice to know that we can use mobile banking” and “It’s difficult to get loans” gives the clear meaning of the situation. There were many re-

spondents who even do not know about the products provided by bank. This is rather a critical situation when customers are not even informed about the products.

The second set of questionnaire was developed for the staff of Nepal SBI. Open-ended comments section was designed in this section as well in order to get free opinions and comments from employees to improve the level of employee satisfaction. In this section I received few but repeated comments such as “we need training programs to get better idea about how and what to serve customers”, “I really do not know what a customer think about Nepal SBI”, “I would be happy if I get small remuneration for what I did” and “I wish my job would be of permanent nature” gives clear picture about the scenario. Employees are totally unaware of what and how to serve customers shows that there was not any proper research carried out before. Employees do not seem to be highly motivated since few respondents wished to get a small remuneration for their good work. The job of few employees even seems to be of temporary nature, employees do not feel secured about their job.

8 Conclusion

It is very important for any business firm to assess the level of customer satisfaction. High level of satisfaction could translate into profits whereas low level of satisfaction means customers are more likely to shift in favor if competitors.

The first main objective of this survey was to find the level of customer satisfaction and as per the findings of this survey; Nepal SBI's customers are fairly satisfied. The overall satisfaction level can be explained from the graphs above in chapter 7.

The results from returned questionnaires showed that a majority of customers were either satisfied or neutral with SBIs' performance. Overall the questionnaire shows that the products and services provided are at good level however, great improvements are needed to enhance the satisfaction level.

Among three cities of our survey area, Kathmandu had the largest respondent rate being the largest and most populous city in the Valley whereas Bhaktapur being the smallest city with less number of physical outlets of Nepal SBI had lowest respondent rate.

The result showed that high number of respondents stayed neutral about the loan products and online banking system of Nepal SBI bank. Thus it can be concluded that many customers are still unknown about the schemes and process of getting loan from Bank. Higher numbers of respondents still do not find internet banking as a useful product of bank since they are not properly guided about the system. Regarding the check and Interest bearing products, respondents are equally satisfied or dissatisfied. It can be concluded that SBIs' product is still not yet in high level to satisfy higher number of customers.

Nepal SBI bank has still a lot to do to enhance customers' loyalty since almost half of the customers are just fairly satisfied followed by the group who had no opinion about what relation and loyalty means.

Majority of respondents found accessibility and navigation of web pages easier and satisfactory. However, still many had no idea about the use of webpage makes a conclusion that Nepal SBI has to conduct several customer education programs to guide customers about the use of products and services they have designed.

The customer satisfaction department of Nepal SBI bank seemed to be able to satisfy the high number of customers. However, there is a room for improvement.

Customers are fairly satisfied with the scheme of loan products of Nepal SBI. Most people are still unknown about the provided scheme or it could be as if the process to get loan from bank is too difficult. The bank should study more about the matter. Customers seem to be very satisfied regarding the deposit product however employee contact relationship seems to be poor. Either the employees may not be well trained to serve customers in right way or time to serve many customers in a day could be the main reason behind the dissatisfied customers.

Respondents like to bank at Nepal SBI because of the convenient locations. This is the fact that Nepal SBI has many physical outlets and branches at different corner of the city making easier for maximum customers.

Another main objective of this survey was to find the level of employee satisfaction. Regarding the participation rate of employees in the survey, staff from the small departments such as regional branches and outlets participated highly giving the survey more reliable since they are directly linked with the customers to provide service in daily basis.

Employees of Nepal SBI bank are not very satisfied with the salary & wages payment system, opportunities of training programs, advancement and growth. However, employees are satisfied at good level regarding the recognition and responsibilities provided to them.

Employees are happy to have good co-workers at work and a good guidance from boss. Employees however still wish that they would get enough information about the

company's policy and goals. Researches on several grounds would help to achieve the satisfaction level in high level.

The research found out a huge gap between customers' expectation and employees' perception. As employees of Nepal SBI were asked about how do customer approach to bank and how do customers react on the provided services and products, high number of respondents were totally unknown about the customers' reaction. These kind of huge gaps between customers and working staffs create a negative image which is not beneficial for the improvement of service industry. Thus researches to close up these gaps are very essential.

8.1 Suggestion for improvement

Customer Education & Awareness programs

Customer education is simply the process by which people are taught about various goods and services in detail so that the consumer would get the maximum satisfaction and utilization of it. There are lots of advantages of consumer education such as it acts as feedback for the business, the interaction between consumer and producer helps to standardize the products and services.

I would thus suggest Nepal SBI to carry out customer education and awareness programs through different media. Since higher number of customer of Nepal SBI even do not know about the products and services such as use of ATM, Internet Bank, Mobile Banking, different beneficial schemes etc, it would be a great start for Nepal SBI to create awareness campaign where they could guide customers about the products and use of different services.

Beneficial schemes

Nepal SBI has different beneficial schemes for its customers such as different types of deposit accounts with attractive interest rates, cheaper interest rates on long term loans, travel cards, etc. However, only few customers seem to be benefitted from these

schemes. The bank should try to focus such schemes to deprived and poor groups so that all of its customers would get an equal opportunity. Several researches should be carried out regarding the issue.

Advertisements

According to the free dictionary advertisement is a notice, such as a poster or a paid announcement in the print, broadcast, or electronic media, designed to attract public attention or patronage. Thus, advertisements play a vital role in case of Nepal SBI to present its product and services to general public through different public Medias.

Training programs

Training program is very essential with the development and standardization of the products and services. Systems and products are getting scientific day by day. So it is very important for Nepal SBI to manage some training programs to give actual guidance to its customers to use the products effectively.

Employee training programs

Employees being the key element of any business firm play a vital role in the management of the business. The quality service can be assured only if the employees are well trained. The employees should first know about the use of products and services in a right way then only s/he is able to make customers satisfy. Use of modern equipments, devices, accounting systems, billings and fillings always needs a right training to make the job done accurately and in right time. Accuracy and punctuality is the key term for the success of the banking institute. Thus Nepal SBI should conduct regular trainings programs for its staffs under different category. The different departments should get specific trainings and guidance in order to create quality services and products.

Salary and wages

Salary and wages are one of the motivational factors that have direct impact on job done. For a winning company fair benefits and pays are the cornerstone which recruits and retains committed staff. In the case of Nepal SBI, from our result in chapter 7 we came to know that employees of the bank are not well satisfied with the salaries and

wages. It would be a great idea to conduct research about the employee motivational factors so that the bank could fix the level of payment which suits both parties.

Company policy and guidance

To belong to the crowd creates motivation; it is very important for workers to receive timely information, communications, understanding of company's policy of decision making, advancement and growth opportunities, participation in team meetings and programs, etc. Staffs of Nepal SBI according to our result in chapter 7 are not satisfied in high level which could obviously affect the job performance. It is thus very important for managers to conduct such programs where staffs would get adequate information about the company policies and the communication process. Besides, proper guidance is always important.

Avoid technical problems

It is very essential to avoid banking technical problems such as disturbances in ATM machines, Internet banking, SMS banking, etc. Proper update of financial transaction should be assured to get customers in high satisfaction level.

Gap close

It is very important and highly recommended to the managers of Nepal SBI to find out the real gap between customers' expectations and employees' knowledge about customers wants and desires. Proper research being based on the gap analysis (see figure 3, Chapter 5) would be highly recommended.

8.2 Suggested Further Research

The present study has some limitations and it is very essential to recognize them to refine future researches. First the study is limited in three cities which do not represent the all branches and outlets across the country. Second, the survey questionnaire was given during bank hours; respondents may not have had time to respond because of the lack of time, stress and pressure at work. For the future research, more related at-

tributes can be added to make the survey more precise and more applicable to the bank industry.

Constant research is recommendable as customer needs and expectations constantly changes over time and new technological inventions and products keeps on changing. The research form can take the same method as this research or modified to fit the own criteria more specifically. The further research should be conducted continuously being based on both employee and customer satisfaction and then the data should be stored in their in-house system over time in order to monitor the changes.

Different customers have different perceptions and expectations towards service quality, products, price, value and atmosphere. Therefore, implementation of this study to the banking industry might yield different results, which might be fruitful to the industry.

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Appendix

| | | 1 | 2 | 3 | 4 | 5 |
|---|---|----------|----------|--------|----------|---|
| 1 | Please select the type of account(s) you have with Nepal SBI. | Business | Personal | Simple | Employee | |
| 2 | Nepal SBI's loan products meet my needs. | | | | | |
| 3 | Nepal SBI's Check and interest-bearing products meets my needs | | | | | |
| 4 | Nepal SBI's online banking services meet my needs. | | | | | |
| 5 | My relationships at Nepal SBI have encouraged my loyalty. | | | | | |
| 6 | I receive friendly and efficient service at Nepal SBI. | | | | | |
| 7 | I bank at Nepal SBI because; Competitive Loan Products Competitive Deposit Products Customer service Employee contact relationships Sophisticated products Convenient locations | | | | | |
| 8 | I am able to navigate the website easily and the website links clearly understandable | | | | | |
| 9 | customer service department promptly and efficiently respond | | | | | |

| | | | | | | |
|----|---|--|--|--|--|--|
| | to your needs | | | | | |
| 10 | My bank card functions well in every withdraw machine and shops | | | | | |
| | Open comments & Suggestions | | | | | |
| | Questionnaires to Bank staffs | | | | | |
| 1 | Which department do you belong to | | | | | |
| 2 | How do you feel about each of the following specific matters? Wages & Salaries Recognition Responsibilities Training Programs Advancement & Growth | | | | | |
| 3 | How satisfied are you with following elements Company Policy Supervision Relation w/Boss Work Environment Relation w/Peers | | | | | |
| 4 | Overall satisfaction (You) | | | | | |
| 5 | How do customers approach to the bank? | | | | | |
| 6 | Nepal SBI meet up Customer's expectation ATM machine Punctuality Banking Hours | | | | | |

| | | | | | | |
|--|-----------------------------|--|--|--|--|--|
| | Deposit and Loan Products | | | | | |
| | Accuracy | | | | | |
| | Open comments & suggestions | | | | | |