
**COORDINATES OF BANKING SERVICES QUALITY
MANAGEMENT**

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Abstract

In the field of services, quality is, in general, defined by the client and the management ensures the overfulfilment of the client's demands and expectations.

The quality of services implies two essential aspects that a manager has to take into account: the client's satisfaction and the absence of the errors made by employees. Introducing a system of quality management has the goal of satisfying the clients and surpassing their expectations. Such a system has to be dynamic, which makes it adaptable to the clients' needs, demands and expectations.

Principles of quality management in banking institutions have to be : customer orientation, leadership, personnel involvement, procedural approach, system approach to management, continuous improvement, factual approach to decision, mutually beneficial supplier relationships.

JEL Classification: M12, M31, M54

In the field of services, quality is, in general, defined by the client and the management ensures the overfulfilment of the client's demands and expectations. The goal of quality management regarding services implies that the client's expectations are understood, concerning quality, and that a plan and a proactiv process are designed in order to achieve this goal.

The origin of quality objectives is revealed by the clients' needs; this is why the scientific basis of quality management has to be market-oriented. The strategic quality objectives have a major impact on the process of services accomplishment and of offer in general, ensuring the performances of the final service and of the processes which make it up.

The quality of services implies two essential aspects that a manager has to take into account: the client's satisfaction and the absence of the errors made by employees. As far as the clients are concerned, the higher the level of satisfaction and initial expectations achieved, the higher the quality of received / bought services. Moreover, the absence of the errors made by employees determines a higher quality of the respective offer. Introducing a system of quality management has the goal of

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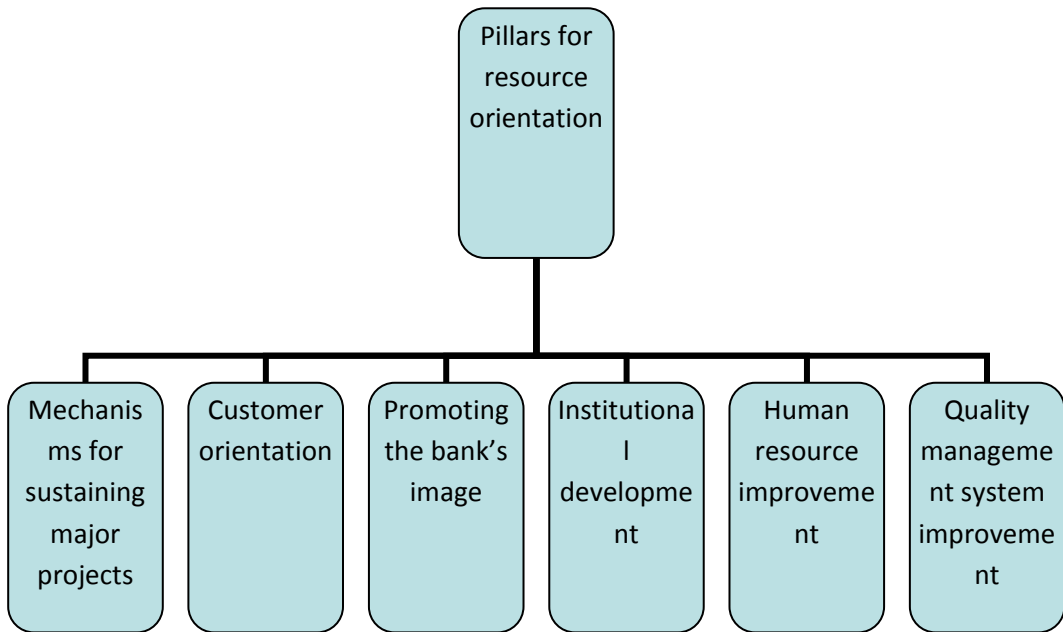
satisfying the clients and surpassing their expectations. Such a system has to be dynamic, which makes it adaptable to the clients' needs, demands and expectations. At the level of the enterprises, the quality depends on the activities developed on three hierarchical levels:

- ✓ top management, which established the quality strategy, the policy and the quality objectives on long term;
- ✓ the department (head of division) where are established the tactics and the measures of strategy enforcement through concrete activities;
- ✓ the accomplisners (team leaders) who act at an operational level and determine the accomplishment of the quality.

Banking quality policy must be consistent with the overall policy and strategy and is bank- and customer satisfaction oriented, it takes into account the expectations and needs of all stakeholders. To fulfill this mission, an approach to quality management standards is recommended, based on the SR EN ISO 9001:2008 standard. Bank's top management is committed to guiding all resources and ensuring the framework for all activities, taking into account the following:

- improve support mechanisms, given the financial crisis and global economic conditions, improving projects of national importance, in accordance with government policy and strategy;
- orientation towards meeting the current and future needs and expectations of customers;
- promote the image of the respective bank;
- institutional development of the bank by permanently adapting the organization to the requirements of a modern and dynamic banking and financial institution;
- improve the human resource component in accordance with the requirements of permanent innovation and change in the bank's activity;
- continuous improvement of the quality management system within the bank.

Figure no. 1
The Pillars on Which Top Management Must Focus Their Resources



- *Improvement of support mechanisms, given the financial crisis and global economic conditions, improving projects of national importance, in accordance with government policy and strategy*

The bank, seen as a dynamic and active promoter of the Romanian business environment and international transactions, through financial - banking and specific assurance tools will guide the work to improve support mechanisms - in the financial crisis and global economic conditions – for Romanian exports and projects of national importance, to strengthen, in line with government policy and strategy, a competitive Romanian economy. The strategic priorities of this period are considering, on the one hand, the economic and financial context and development objectives of the Romanian Government, and the available sources on the other.

- *Orientation towards meeting the current and future needs and expectations of customers should particularly include the following:*

- SMEs, with high potential for accumulation and development, for projects that contribute to the rise of competitiveness and adaptation to EU standards;
- corporations for specific large projects.

Respecting the provisions of SR EN ISO 9001:2008, the activities of any bank will be based on the main principles of the quality management system, customer orientation and increasing their satisfaction and will be focused on:

- ~ Creating a climate of trust and mutual respect between customers and the bank, ensured by objective and civilized professional behaviour of all staff in their

interactions with the customer;

~ Ensuring equal treatment of customers, a goal according to which bank employees have a duty to apply the same legal and regulatory regime in the same or similar circumstances;

~ Insuring quality of service through active participation in tasks, decision making and implementation in practice for customer and partner benefit, in order to achieve an efficient overall activity;

~ Openness and transparency towards customers, a principle according to which the activities of bank employees in relation to their respective customers are monitored;

~ Shortening the duration of customer records analysis;

~ Fast and reliable services for the operations performed by clients;

~ Timely responses, flexible and relevant to customer requests.

Any bank should be concerned, at all times, to develop lasting relationships with customers, aiming to increase their satisfaction by:

~ Development of financial services and banking products and flexible tailor to anticipate market needs and customer requirements;

~ Identify opportunities for collaboration with the banking and financial institutions, business organizations and private organizations, to support exports, Romanian business environment development and support international transactions;

~ Ensuring operational efficiency through optimal operation of the IT system, the competence and efficiency of staff, both in the front office and back office;

~ Ongoing maintenance and improvement of the centralized bank customers database; ~ Continue to maintain a good communication with customers through staff at all the internal structures involved.

● *Promoting the bank's image*

Strengthening the position and active factor role of the bank should be reflected in the business image and in the bank's communication strategy.

Particular attention should be paid to active promotion of products and services operators, local and central government, including their subordinate institutions and credit and insurance institutions.

To raise awareness of the role played by the products offered have and to conduct programs and projects of national and regional importance, a comprehensive program to promote all the specific products should be ensured, in order to increase their understanding and access by operators. In this respect, to improve communication, the following measures should be considered:

~ Analyzing and improving the flow of documents in the bank to reduce the decision process duration;

~ Increasing the volume of customer information sent through the site;

~ Improving the interactive operations of the site outside the bank to increase the fluidity and information circuit from and to customers, to reduce response time

on customer requests;

- ~ Enhance media cooperation for the bank;
- ~ Improving Internet Banking, to ensure the fast, safe and effective way of establishing operations for customers anywhere, and at any time.

● *Institutional development of the bank by permanently adapting the organization to the requirements of a modern and dynamic banking and financial institution*

Any banking institution must pay particular attention to innovative development of the institution both in terms of organization and infrastructure, while improving the regulatory framework governing its activities, risk management and adaptation to the requirements of specific national and EU legislation . Given current market conditions, special attention will be paid to credit risk.

Also , efforts will be made to develop and strengthen the regional network and to increase the activity of existing regional business units and implement concrete measures of involvement in specific marketing actions, promotion and collaboration with local bodies, to develop the regional business environment.

● *Improve the human resource component in accordance with the requirements of permanent innovation and change in the bank's activity*

The human resources policy must be based on fairness and equal opportunity for all employees, they are evaluated and rewarded based on competencies and achievement of individual/collective objectives

Recognizing that the organization's main resource is the staff, the management team is constantly concerned with training and motivation, as an essential tool for unlocking the full potential of the bank. In this sense, the opinion of Richard Dow, marketing specialist, is relevant: "The four Is of services are: individuals, individuals, individuals and individuals".

The professional training program must be designed and reoriented in order to correlate it with the needs identified, both at the banking system level and within the bank's internal structures.

It is also necessary that each organizational structure continues in the process of employee awareness on related topics:

- the quality management system
- the internal regulatory system
- general banking
- activities specific to each internal structure.

However, we should take into account the fact that the personnel does not have the same role in a banking institution. Its role is determined by the frequency with which it comes in contact with the client (permanently, periodically, occasionally, etc.). Therefore, the personnel can be classified into contact personnel, those who make modifications, those who influence and those who are isolated.

✕ The contact personnel represents that category of the staff that comes permanently in contact with the clients, being the accomplishment personnel, that makes the service or a main part of it. The contact personnel is an important

element of differentiation for similar services and its influence is reflected in the personalized services (technique of adapting the offer to the particular demands of each client).

Table no. 1
The main competences and responsibilities of the contact personnel

Competences	Responsibilities
× comercial competences	× selling the respective service
× technical competences	× accomplishing the service
× relational and communication competences	× efficiently administrating the service through gestures, verbal expressions, etc.
× institutional competences	× the identification with the respective enterprise

Source: Dupont, Frédéric, *Management des services*, Editions ESKA, Paris, 2000., p.57

× Those who make modifications are the category of personnel that comes periodically in contact with the client (secretaries, receptionists, etc.). They help the accomplishment of the service and that is why they have to be selected and trained so that they know the firm's strategies and participate in them.

× Those who influence have a special role in preparing the conditions for a good development of the service (leading and research personnel, etc.).

× Those who are isolated (indifferent) are the persons who don't come in contact with the client or they do, but by hazard. They ensure the support necessary for the development of the service in good conditions. The activity of this category is mirrored in the quality of the service accomplishment (persons from the supply department, etc.).

● *Continuous improvement of the quality management system within the bank*

The policy and quality objectives are aimed at continuous improvement of the quality management system and maintaining its certification. This can be achieved by:

- the continuous deepening of training, internal quality audits and analysis of all aspects of their implementation and enforcement of the provisions of quality standards and documentation requirements related to the quality management system;

- consultation with internal and external publications on the issue of quality management;

- attending seminars, conferences and symposiums on the topic of quality management;

- increasing training on the quality management system subject;

- training of internal quality auditors and participation in training courses organized by institutions authorized and certified and training of all newly hired employees in leading positions of internal structures, having the responsibility for process and quality, and employees designated responsible for quality within the individual internal structures;
- ensuring permanent correlation between the provisions of the normative documents and work procedures to those of the Quality Management Manual, general procedures and specific procedures related to the quality management system;
- continuous adaptation of the quality management system (QMS) and QMS documentation and organizational changes made to the bank so that the QMS forms a dynamic and flexible tool for institutional development.

In applying these principles to the business orientation and understanding the importance of focus on customer satisfaction and performance, the management of banking institutions should be actively involved and support the maintenance and continuous improvement of the quality management system in accordance with the requirements of SR EN ISO 9001:2008 . In accordance with this goal, a bank should work towards achieving the following objectives:

- ✓ Providing competitive products and services, broadening the customer base and achieving a minimum customer satisfaction index of 85% in each territorial unit, reducing response time to customers and differentiated customer approach of large companies, compared to SME type customers .
- ✓ Active involvement of all structures in achieving bank business development under the *Bank strategy* and *Sales plan*, while seeking increased efficiency and quality of work of each employee.
- ✓ Promote bank products under the marketing plan, increasing awareness and access to bank products by operators, by organizing events such as: *Customer Day*, quarterly workshops, promotion, target groups, messages regarding the bank's activity and the range of products it offers, through advertising campaigns, involving the appearance in the media and on the internet of commercials, articles and interviews
- ✓ Development of relations with the banking and financial institutions, business associations and business organizations to identify opportunities for supporting exports, the Romanian business environment and support international transactions, and conclude and annually implement agreements with financial and banking institutions.
- ✓ Increase the staff performance and involve at least 30% of bank staff in the annual training, including quality management training. Participation of employees involved in the sales, analysis and monitoring in at least two courses / training activities per year on topics specific to their activities.

✓ Improving cooperation between territorial units and structures in Central fluidity and efficiency for general activity, establishment of a functional reporting relationship between the divisions of branches corresponding and central departments, implementing an electronic feed to grant approval of products for SMEs.

✓ Improving the work environment and infrastructure by developing new banking software functionality and an efficient management of assets, upgrading the Internet Banking service offered to customers;

✓ Continuous improvement of the quality management system through continuous monitoring compliance with the provisions of relevant documentation of the quality management system according to SR EN ISO 9001:2008 requirements and ensuring its consistency with the provisions of the normative documents and work procedures and organizational changes drafting the new edition of the documentation of quality management.

In conclusion, for any banking institution to be managed and operate efficiently, its activities should be coordinated and monitored in a systematic way based on eight quality management principles, which we summarized in the following table:

Table no. 1
Principles of Quality Management in Banking Institutions

Principles of Quality Management in Banking Institutions	Details
Customer orientation	Organizations depend on their customers and therefore should understand their current and future needs, should meet customer requirements and should strive to exceed their expectations
Leadership	Leaders establish unity of purpose and direction of the organization, and should establish and maintain the internal environment in which staff can become fully involved in achieving organizational objectives
Personnel involvement	Staff at all levels is the essence of an organization and involvement of all abilities allow it to be used to the organization's benefit.
Procedural approach	The desired result is achieved more efficiently when activities and related resources are managed as a process
System approach to management	Identifying, understanding and managing related processes as a system contributes to the efficiency of an organization in achieving its objectives.

Continuous improvement	Continuous improvement of overall performance of an organization should be a permanent objective
Factual approach to decision	Efficient decisions are based on data analysis and information.
Mutually beneficial supplier relationships	An organization and its suppliers / customers are interdependent and a mutually beneficial relationship increases the ability of both to create value.

The scientific basis of quality management of the banking services has to ensure the modalities necessary for obtaining the client's satisfaction. In this sense, organizations have to know the way in which the clients perceive the products and services' quality, the level of quality that the clients expect from the organization and the competition in the respective domain of activity. The following aspects have been revealed by research regarding the principles of client-oriented quality management:

- the quality has to be the same in all the banks' activities;
- the constant quality level cannot be achieved without the implication of all the organizations which contribute to the offering of the respective services;
- satisfying the clients/beneficiaries implies a permanent communication with the clients and with the logistic chain of services;
- the quality of services cannot be useful if it is not perceived by clients.

The quality of banking services is the result of comparing the clients' expectations with the experience that the client has during the service accomplishment. Therefore, quality is defined by clients, they appreciate the good, mediocre or bad quality. Other appreciations are irrelevant and insufficient. The starting point in perceiving the service quality is the way in which the service accomplisher fulfils the service in accordance with the client's expectations. Quality cannot be a goal in itself; it has to be based on the clients' desires and necessities. Moreover, these desires being subjective, it is difficult to determine the quality of services from an objective point of view.

The clients' exigencies are higher and higher and sophisticated, which implies financial efforts from service accomplishers in order to identify and achieve these exigencies. A firm has to always take into account the efforts made to improve the quality of a service and the financial effects of the usual result.

Each employee of a service company contributes in a certain degree at the positive or negative perception of quality. During the service development, a reduced number of persons can be involved, but their activity also depends on the rest of the employees who do not have a direct contact with the public and who are also responsible for the delivered quality. The entire personnel of the company contributes to the quality formation and if a certain employee does not fulfil his/her tasks appropriately, the respective service will be affected.

Ensuring a service of at least an acceptable quality is in all cases mandatory, but insufficient in the situation in which a banking company wants to excell in the

domain of services. Obtaining a very good quality should be the objective of every bank that wants a solid reputation and long-term relationships with its beneficiaries.

If the quality of a service is not appreciated appropriately by the company, the first issue is to determine the causes. An explanation would be the low level of the actual service accomplishment or a negative experience of the consumer during the activity of service delivery. So, situations can appear in which the commercial exaggerates the company's promises and a certain segment of consumers repond to that commercial, consumers that have higher expectations.

Because the banking institutions influence the expectations' level through their implicate and/or explicit promises, an important aspect concerning the achievement of a certain equilibrium between the bank's offer and the consumers' expectations is respecting the promises that were made. Companies have higher chances of success when the promises reflect the real quality of the service.

In the domain of services, where in the majority of cases there is no control of the quality before the accomplishment of a service, the client also experiments certain errors. As a result, managers have to identify the causes that can prevent the activity development in conditions of quality ensurance. The main errors that have to be avoided by the companies in the domain of services are the following: not identifying or wrongly identifying the consumers' needs, errors in the formulation of quality standards, errors in designing the service, inappropriate leading methods.

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