

**A SURVEY ON THE EFFECTIVENESS OF CRM SKILLS TRAINING AT SBI:
A CASE STUDY OF STATE BANK OF INDIA, PATNA DISTRICT, BIHAR**

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ABSTRACT

In order for any organization to survive in today's period of globalization, the major challenge that plays a vital role is to retain the customer base. Banking sector is one of the fastest growing sectors which offers a variety of services to its customers on a regular basis. No bank can afford to lose a customer for any given reason in view of maintaining its reputation in today's competitive world. Therefore, it is mandatory to have an effective customer relationship to ensure long term business and also to survive the competition with other banks domestically as well as internationally. In the light of this scenario, a research has been conducted on State Bank of India in Patna to understand the current Employee Training Programs and Customer Relationship Practices of the bank. Impact of employee training on developing their customer relationship skills has been tested to gain clarity on the research.

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INTRODUCTION

In today's era of globalization, providing effective customer services is a big challenge in front of organisations. Globalisation of businesses has changed the focus from being product oriented to being customer oriented. Those organisations that directly deal with the customers are under a huge pressure to meet international standards to please the customers. Customers these days are not limited to the boundaries of their own country; rather they are dealing with representatives in different countries.

Banks are such organisations that depend entirely upon their business with their customers and therefore, they have been hit hard by the globalisation. Customers now days want to remain with those banks that are providing them services nationally and internationally. In the observance of globalisation, several banks are establishing their branches in international markets and becoming globalised. With such expansions, they need to ensure that they provide world class services to their customers as and when required. In view of this state of affairs, domestic banks face a threat from global competition and feel the need to beat the challenge by improving their processes.

The disparity is being observed in the services that are provided by public sector and private sector banks in India. SBI being a public sector bank is also facing number of challenges to survive in globalised economy where most of the banks are contemplating to provide their services as per customers' need.

Even though customers are pleased with SBI, but they are not very satisfied with the behaviour of the bank's staff. They feel that sometimes their queries are not dealt with appropriately. Therefore, at times problems remain unresolved as some of the staff does not carry good product knowledge either. They feel that some changes are required to be brought into the bank that can ensure better customer relationship. The foremost reason for picking up the analysis of customer relationship management is to understand the reason behind having a customer's dissatisfaction due to various reasons which lead to confusion and misunderstanding. As per some of the analysis done on the personal basis at SBI, it appears that by providing some additional behavioural and product knowledge training to the bank's personnel may make the situation better. The organisations need to improve their training processes to meet the challenges of globalisation in emerging markets. Training is an important research area as it gives various benefits to employers and workers. Expenditure on effective training is a profitable investment. Therefore, the proposed research finds out the gap between the existing methods of training and the future methods/ modifications to be incorporated into the process. Once the gap is identified, it will help in improving the customer service skills and will also help in avoiding incidents which can put the bank's reputation at stake.

REVIEW OF LITERATURE

To understand the concept of Training & Development and Customer Relationship Management, number of books, articles and other material have been referred for the proposed study. This review of literature has helped in developing conceptual framework of the study.

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A, Osibanjo, and Ojo (2014) conducted research in Nigeria and found out that training is important for better performance of employees and for bank's image also. The result of the findings specifies that since training develops employees' abilities, efforts should be made by the banks to ensure that employees' skills and knowledge are completely used by providing timely and adequate training. Research conducted by Rani and Garg (2014) also identified that only those employees who are given regular training are capable of providing higher quality services to their customers. Training should be considered as a regular program. Later on Pawar (2016) suggested that it became quite necessary for banks to have Human Capital Talent that could meet the need of the changing environment. In the current scenario it is evident that technology is changing quite fast and so are customer demands. Therefore, employees of the banks must learn new technology and skills to improve their knowledge and enhance their skills. This factor was also understood by Shainesh and Sheth (2010) in their research that banks are under a huge competitive pressure to retain its customer base due to globalization. This has led to the need for banks to shift their focus from being transaction oriented to relationship oriented. Importance of CRM (Customer Relationship Management) strategy has been looked into by Das (2012) where he stated that lack of understanding of CRM may be a matter of concern for banks as they do not realise its potential due to lack of understanding of their customers needs. It has been observed by Padi (2012) in his research conducted on Barclays Bank in Ghana that 75% of the employees felt that training was facilitating them in learning customer service skills. It was felt that training can produce good results for maintaining harmonious relations with customers. Training is important for both new and old employees and it has been understood by Sherlekar & Krishnamoorthy (2015, pp. 425-426) in their book where they state that the need of training of employees has been increasing due to increase in customers' expectation from the companies. Both new employees and old employees need timely training to acquaint themselves with the knowledge of new products and services and also for improved customer service techniques. Therefore, training is an ongoing process and organisations need to understand its importance for building good customer relations. Ferrazzi (2015) further supported the importance of training by indicating in the research that it is also essential to understand that training provided in earlier days was sufficient for a long period of time, but now the scenario is completely different. Now, skills and knowledge can easily become obsolete within a short span of time. Therefore, continues training of employees is required and it should be considered as an ongoing process. Gupta (2013) C.B. Gupta also in his book of 'Human Resource Management' has supported the importance of training by pointing out that training benefits employees in several ways. It provides them with new skills, higher confidence, adaptability, safety, product knowledge and understanding of customer needs. All these benefits help organisation to achieve good image in the market. Menon (2013) described that customer service is a process where we treat others as we would like to be treated by others. First impressions of employees on customers decide whether customers would like to be with the bank or leave the bank. Therefore, it is essential to focus on customer service to understand its impact on retail banking

Statement of the Problem

Problem for the proposed research area has been identified on account of personal experience of an individual who avails the services of SBI bank on a frequent basis. A customer once visited the branch was not given appropriate attention and also experienced an inappropriate behaviour of an employee of the bank. The questions asked to the bank's staff were not being answered appropriately and the customer had to make a number of efforts to clarify his doubts from different employees of the bank. As such situations normally lead to frustrations; the client decided to meet the manager of the branch to complain about the customer service skills of the employees there and also recommended introducing better training skills for the employees if the bank wants to keep its clientele. This situation has caused the study of CRM (Customer Relationship Management) skills at State Bank of India in Patna district of Bihar to find out how the employees are trained at the bank. This would also provide with the insight to know where should the changes be implemented to improve the reputation of the bank for appropriately accommodating itself in the globalised market.

Objectives of the Study

The study attempts to examine the following aspects of the training and development programmes conducted for the bank:

- To evaluate the current training and development methods at SBI to determine whether training produces the desired changes to improve customer relationship at the bank.
- To take feedback from the customers of the bank to discover problems that they are experiencing.
- To analyse improvements that the bank requires to sustain customer relationship challenges imposed by globalisation.

Hypotheses

Hypotheses have been designed to test if Training and CRM (Customer Relationship Management) are associated or if there is no connection between the two. Following are the hypotheses for the proposed study:

- H₀:** Training has no association with Customer Relationship Management
- H₁:** Training has association with Customer Relationship Management

RESEARCH METHODOLOGY

The research conducted for the study is Empirical in nature as conclusions have been drawn on the basis of observations made from collecting data.

The sample size is 105 which is divided into three faces viz. Trainers (7), Trainees/Employees (49) and Customers (49). Data are analysed based upon the input from these three different sources. The analysis of data has been represented in the form of pie charts and bar graphs etc. Data were collected from different branches of SBI located in Patna district of Bihar. Majority of the data are collected from primary sources. Judgemental sampling technique is used for selecting the representatives of the population. Dichotomous types of

questionnaires are developed to conduct the survey for the research work. Most of the responses have been formed as 'Yes' or 'No'.

The test applied to test hypotheses is a 'Chi-Square' test which tests the independence of two attributes.

RESULTS AND DISCUSSIONS (DATA ANALYSIS)

The data for the research work have been collected mainly from the primary sources. These primary sources are questionnaires, interviews and discussions with the employees and customers of (SBI) State Bank of India. It has provided with ample data to analyse and understand the problem scenarios. The collected data have been thoroughly understood and processed to come to certain conclusions to figure out whether training has any association with customer relationship management or not.

Some of the data collected are mentioned below in the form of pie charts and bar graphs. The data are mentioned in three different faces viz. Customers' Response, Employees' / Trainees' Response and Trainers' Response.

Customers' Response

This information depicts how many customers are satisfied with the behaviour of the bank's employees while dealing for any query or transaction.

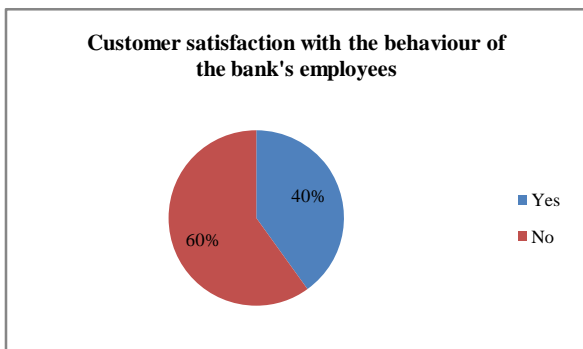


Figure 1

40% of the customers are satisfied with the behaviour of the employees of SBI and 60% of the customers are of the thought that their behaviour needs to be changed. They should be more polite and pay enough respect to customers while answering any query. Even if employees are not aware of the appropriate answer they should respectfully direct the customers to the right person. Customers are left in confusion sometimes and they do not know which representative to approach to get the answer to their questions.

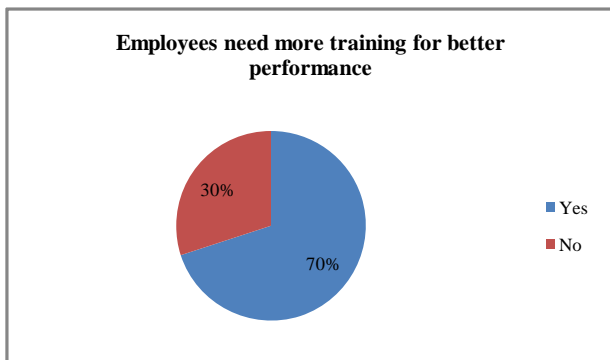


Figure 2

These data represent whether staff of SBI needs more training to enhance their performance level

It is understood from the chart mentioned above that 70% of the customers are of the opinion that the bank's staff requires more training to improve their performance. They suggest that performance can be improved by imparting more training to them which would result in building good customer relationship.

The data here provide information on which area do customers feel that employees need more training on

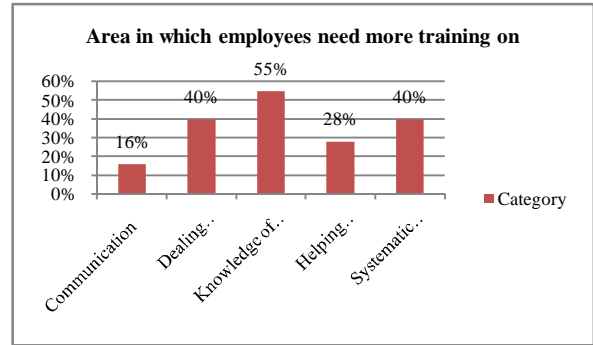


Figure 3

The above diagram represents that most of the customers (55%) believe that the bank's staff requires more training on 'knowledge of work'. They suggest that the staff lacks in their product knowledge due to which customers have to face inconvenience. It was found that systematic approach to work is also an issue with number of customers. They feel that staff sometimes creates chaos while performing their tasks. This shows no clarity of the job.

Employees' Response

The diagram created below throws some light on if employees face any problem in handling customers due to lack of training of equipment or material

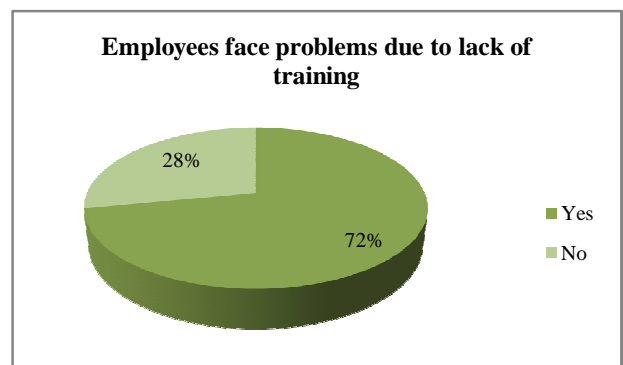


Figure 4

The information in the above diagram clearly shows that most of the employees around 72% of them feel that they are facing problems in assisting customers with right information. The reason for this difficulty is that they are not given timely and sufficient training on the products that they need to deal with.

This diagram is created to find out if employees think that some new training methods should be introduced in the bank

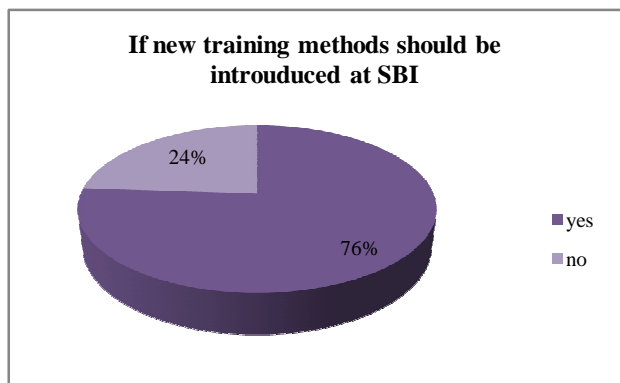


Figure 5

It has been found during data collection that most of the employees feel that new training methods should be introduced at SBI. New training methods such as webinar/virtual classrooms, detail product training and knowledge enhancement training should be given serious attention.

Trainers' Response

This analysis is conducted to find out if customers' complaints are received by the bank due to employees' performance deficiency

Customers' complaints due to employees' performance deficiency

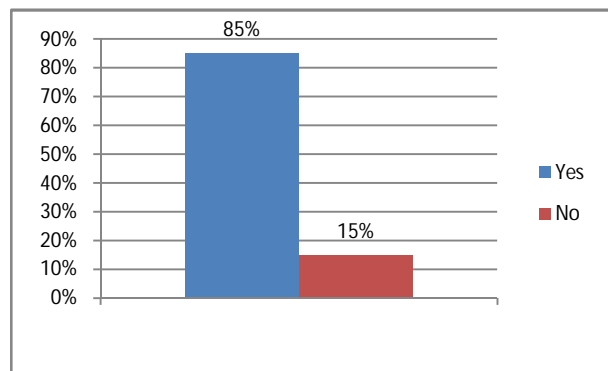


Figure 6

Trainers of SBI believe that existing training methods are good; however some new changes need to be introduced as customers are complaining about the performance deficiency of bank's employees. 85% of the trainers hold a point of view that modifications in the existing training techniques are highly recommended.

Hypothesis Testing

The table created below has been derived from the question which was asked to both employees as well as customers. The question is 'Do you feel that more training is required for the employees to perform their tasks better?' The responses have been coded as 'Yes' and 'No'. The table states how many customers and employees agree or disagree with the fact that more training is required to perform employees' tasks better to ensure good CRM at SBI.

For conducting the test, the sample size is 98 which consists of 49 customers and 49 employees. 7 trainers approached for

collecting data have been excluded from this test due to inadequate data availability from them.

Table 1 Customer and Employee Opinion More Training Required

Opinion	Yes	No	Total
Customers' Opinion	33	16	49
Employees' Opinion	37	12	49
Total	70	28	98

H₀: Customers and Employees do not have different views regarding more training required for better task performance

H₁: Customers and Employees have different views regarding more training required for better task performance

Test Statistic

$$\chi^2 = \frac{\sum (O_i - E_i)^2}{E_i}$$

Where:

O = Observed Frequency

E = Expected Frequency

d.f. = Degree of Freedom which is calculated as (r-1) x (s-1)

r = number of rows

s = number of columns

χ^2 = Chi Square Test Symbol

After calculations following result has been found:

Calculated value of $\chi^2 = 0.798$

d.f. = 1

Tabular value of χ^2 at 1 degree of freedom and 5% level of significance = 3.841

Since calculated value of χ^2 (0.798) < 3.841 a null hypothesis (H₀) is accepted.

Analysis of the Test

The analysis of the test conducted above suggests that null hypothesis is accepted which states that employees and customers do not have different views regarding more training is required for better task performance. It means that both groups of respondents feel that more enhanced training is required to improve work performances of the employees of the bank to improve CRM skills.

Hence, the alternate hypothesis developed for the study which is "Training has association with Customer Relationship Management" is accepted. The test conducted above supports this hypothesis.

Therefore, it can be stated that the bank would constantly need to update its training strategies for improving CRM in order to be competitive in globalised markets.

Findings

It has been observed that SBI has established great infrastructure for the training purposes. All the software and equipments for training are well in place for the convenience of trainees. However, certain gaps still exist that need rectification for near future.

Some of the findings that were identified during the interview and also from the questionnaires are as follows:

More Focus on Knowledge Based Training-The current training standards of the bank are based on knowledge based training. Training is given to improve the knowledge of the trainees, however, it is not being ensured whether their understanding about the product, process or services is also improving or not.

Lower Capacity Utilisation-There are two training wings that operate on a daily basis at State Bank Learning Centre in Patna. The capacity of each wing is to hold 30 participants for one session. Therefore, the total capacity of both the sessions is 60. It was found that the capacity utilisation of these two wings which run simultaneously for training purposes is not being utilised fully. Number of participants for training never reaches 100% in both the wings. This means waste of resources and infrastructure of the Learning Centre. 100% capacity utilisation is still a challenge.

Training Contents-It was found through the interview of the trainers that the training contents to train employees have not been changed for a long time. Enhanced training programmes would provide better understanding about the new processes of the banks that are also being used globally.

Training on Local Conditions-Training that is being conducted for employees focuses more on product, process and service that employees are going to use for performing their day to day task. However, it was observed that the existing training programmes should also discuss about recent local scenarios/conditions that took place. This is how employees can relate to the problems easily and can understand how to tackle the situation with customers if it arises again.

Behaviour Modification Training-Right now the training focuses more towards imparting knowledge on products and services. It has been observed during collection of data, that more specialised training is required to bring changes into employees' behaviour also.

Lack of Interest of Trainees-Trainees are often found to show lack of interest in some of the training programmes. At SBI (State Bank of India) Learning Centre of Patna there are 10/12 training programmes that are run for trainees. Out of these 10/12 sessions, only 3 or 4 sessions are relevant for trainees. Hence, lack of interest and enthusiasm are seen in employees.

Identification of Participants-Sometimes it has been observed that the participants are unaware of the training programme contents. Once they come to these sessions, they then find out that the training session is not associated with their work. This again causes waste of time and resources of the organisation.

Work-load-Some of the branch managers are reluctant in sending their employees to the Learning Centre due to work pressure. They are not giving as much importance to training as they normally should. This affects the productivity of employees and of the bank too.

Customer Relationship Management-The bank has e-learning programmes for employees wherein they can train themselves on particular topic. However, it has been identified that in order for customer relationship to be effective, e-learning is not enough. Self development is required to establish good customer relationship between

bank and its customers. This self development is achieved only through classroom training programmes.

Lack of Work knowledge -In the primary data collection it was found that most of the employees feel that they are not well versed with the job knowledge. They lack either in product knowledge or in technology knowledge. They are sometimes trained after a long time of handling a particular job.

Literacy Level of Customers-In recent years, the bank has tried to bring different types of banking options such as Online Banking, ATM Machines, Cash Deposit Machines, Mobile Banking, SMS Alert and Self Updating Passbook Machines etc. for its customers. However, some of the customers of the bank belong to rural community and they are ignorant as their literacy level is low. Therefore, it has been identified that the bank has not been able to migrate all of its customers on these alternate channels and they require personal attention.

Customer Complaints for Performance Deficiency-Complaints by customers are constantly being received by the bank that needs solutions. All these problems need to be looked at closely, else this can affect bank's image. Customer is considered as a King in today's competitive world. No bank can afford to lose its customers for any reason.

Machine's Operational Problems-Most of the customers in different branches of the bank are facing problem with the non operational machines. These machines are ATMs, Cash Deposit Machines, Passbook updating machines and digital ticket printing machines. For example-While interviewing a customer it was discovered that he was wandering in the branch for over an hour or so for depositing cash. The reason was that the cash deposit machine was not working and the bank's staff was not ready to accept cash under rs.10, 000. Hence, the customer was frustrated and very dissatisfied with the services of the bank. Such problems may deteriorate bank's image in the competitive market.

Recommendations/Suggestions

Following are some suggestions that the bank may need to implement in order to improve the current training processes and also work performances of its employees:

- **Systematic Approach to Work** should be skilled in employees by imparting step by step knowledge of the product, process or technology.
- **Actual Performance should be measured against standard performance.** This way the need for retraining of only those employees could be identified who actually need it.
- **New Assignment Training** should be given in advance to avoid performance deficiency.
- **Branch Specific Training** should be introduced as some of the employees find that the Learning Centre is not in close proximity to their office location and they would like the training to take place at their work location.
- **Practical work training** should also be imparted, so that employees gain practical knowledge of the products or processes.
- **Employee Participation in Designing of Training Programmes** is another measure that the bank can

improve on. Some of the employees have no participation at all. Therefore, training programmes sometimes do not focus on the need of the employees and just provide general knowledge about the assignment.

- **Local Work Conditions-** Most of the time only common scenarios are discussed in the classroom training; rather incidents happened in the local branches should also be discussed to avoid such situations to take place again. This way employee learns how to handle complex situation if it ever arises.
- **Training on Any Change** should be arranged. Any change taking place in the organisation should be communicated to employees appropriately.
- **Webinar/Virtual Training** would benefit all those employees especially who can not leave their work due to work pressure. They can very easily get trained with the help of webinars. This concept does not exist in the bank yet and could be considered as a great option for near future for its employees' convenience.
- **Training on Customer Relationship Techniques** should be given serious attention. Customer complaints are constantly received by the bank. Hence, the bank should seriously concentrate on providing effective training on some customer relationship techniques, so that number of complaints by the customers can be reduced.
- **Specialised Trainers** are also required to be called upon to provide more specialised training. More specialised trainers in different areas with certain expertise can assist employees in bringing required changes in their knowledge as well as in attitude.

CONCLUSION

It can be said that new markets are emerging in the time of globalisation and are posing several challenges in front of banks. Customer satisfaction has become the priority for each and every business in order to accommodate itself into the competitive markets. On account of globalisation, State Bank of India needs to pay close attention to improve its CRM (Customer Relationship Management) skills training of its employees to ensure customer satisfaction in every possible way. Customers can conveniently switch from one organisation to another in order to receive excellent services. It was found that even though bank is effectively running its training programmes, there still exist certain gaps that need rectification for future. Very few of the employees are found to be satisfied the way existing programmes are run. Also, customers are looking for some improvement in the current CRM practices of the bank. The appropriate changes would bring considerable improvement in the system which could benefit all the employees and customers of the bank and would provide bank with the confidence to survive in globalisation.

Limitations of the Study

- The sample size used for the research work may not be adequate.
- The research has been conducted in Patna district of Bihar and the results may vary in other locations of the country.

Scope for Further Research

Sample size for the study can be increased in future to understand wider perspective of the customers about the services of the bank. Also, research can be conducted in other states of India to gather better understanding of the satisfaction level of customers with the skills of the employees of SBI and also with the customer relationship practices of the bank.

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