A STUDY ON PERCEPTION OF EMPLOYEE RESPONDENTS TOWARDS CRM PRACTICES IN SELECT NEW GENERATION PRIVATE BANKS

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ABSTRACT

CRM is the emerging area to be concentrated by banking companies. The researchers analyzed the perception of employee respondents towards CRM practices in the six new generation private banks in Pondicherry region. The researchers collected primary data from 66 sample employee respondents through the questionnaire. The researcher applied a simple percentage, mean and regression analysis as statistical tools. The study found that there was a positive perception of employee respondents towards CRM practices followed in the selected new generation private banks as shown by the result of the mean score (3.12). In particular, the respondents have a higher perception level (3.35) towards customer interaction management practices, on the other hand, the respondents have a lower perception score (2.94) towards 'customized services'. It was also found that there was a moderate correlation (0.607) between the perception levels of the employee respondents towards CRM practices adopted in the new generation private banks and the selected demographical variables. The demographical variables gender, educational qualification and years of experience have no significant effect on the respondents' perception level towards CRM practices. Further, age, monthly salary and years of experience have a significant effect on the respondents' perception level towards CRM practices adopted in the new generation private banks.

KEYWORDS: *Customer Relationship Management, New Generation Banks, Perception, and Nationalization*

INTRODUCTION

Banks are the backbone of the economy they channelize the savings of people towards industrial development by providing loans to industries. Before 90s banks were in the hands of government as public sector banks. In the early 1990s, the Government of India brought changes to its economic policy and liberalized the economy, permitted and licensing a small number of private banks. These came to be known as New Generation Banks. These steps led the economy of the country to grow further, revitalized the banking sector in India, which has seen rapid growth with strong contribution from all the three sectors of banks, namely, government banks, private banks, and foreign banks. Since then private sector banks are started to grow and become tough competitors to nationalized banks by way of providing innovative banking services and introducing new technologies and better customer services. Maintenance of good customer relationship management is essential in the present scenario. Both public sector and private sector banks try to have good CRM practices in order to

retain existing customers and attract new customers to become a market leader in the banking sector. New generation private banks have greater challenges to stand in the market. This is possible through good CRM practices, the researchers have made an attempt to study the perception of the employee respondents in the selected new generation private sector banks.

REVIEW OF LITERATURE

Renuga and Durga (2016) in their study found that CRM in the Indian banking sector as a multidimensional construct comprising of factors namely organizational structure and customer support, service quality, trust, technology, personalization, and market orientation, etc. The findings validated that CRM was a multidimensional construct and serves as a success factor for business performance. Anupriya (2017) revealed that 34 per cent of the respondents were dissatisfied with the number of transactions allowed by the bank by using ATM services. 40 per cent of the respondents is highly satisfied with the quality of notes by using ATM. Majority of the respondents accepted about convenient location of ATM services. Jamunarani and Sharmila (2017) found that customers of the HDFC Bank and rural customers were more satisfied with the customer relationship management practices. The study suggested that new generation private banks must focus customer initiatives and drive toward a well-balanced customer-focused model to exploit the potential of its most valuable customers. Ashok Kumar, Mathivanan and Prabhakar (2017) found that the approach of CRM by SBI and other nationalized banks were to some extent same. It was asserted that the background of both banks found as a big cause for reaching the top CRM. Abdulla Al-Towfiq Hasan (2018) revealed that City Bank has adopted CRM initiatives in their way to deliver superior customer experience. But, still, in some places, their CRM initiatives need to be upgraded and advanced accordingly with respect to banks like HSBC Bank and BNP Paribas and ICICI Bank. Jadhav (2018) found that that processes of PNB have been rated as most customer-centric compared to SBI, HDFC Bank, ICICI Bank and BOM by the customers.

STATEMENT OF THE PROBLEM

Objectives

The study was done with the following objectives.

- To study the perception of employee respondents towards CRM practices in the selected new generation private banks in the study area.

- To study the relationship between demographical variables and perception of employee respondents towards CRM practices in the selected new generation private banks in the study area.

METHODOLOGY

The researchers analyzed the perception of employee respondents towards CRM practices in the new generation private banks in Pondicherry region, namely, HDFC Bank, ICICI Bank, Axis Bank, Yes Bank, Kotak Mahindra Bank, and IndusInd Bank. The study is done based on primary data. The researcher collected primary data from 66 sample employee respondents in Puducherry and Karaikal regions as the study area. A wells structured questionnaire was used to collect the data. A total number of branches selected for the study was 18. The researcher applied a simple percentage, mean and regression analysis as statistical tools.

RESULTS AND DISCUSSIONS

The study has been done to analyze the perception of the employee respondents towards CRM practices followed in selected new generation private sector banks in the study area. The results of perception level and the relationship between demographical profile and a perception level of the respondents are presented in this part of the research work. Table 1 gives the results of perception of employee respondents towards CRM practices in the selected private banks.

Table 1: Perception of Respondents towards CRM Practices in Selected Banks

CRM Practices	Level of Acceptance					Total	Mean Score
	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree		
Service performance	9 (13.64)	19 (28.79)	19 (28.79)	18 (27.27)	1 (1.51)	66 (100)	3.26
Customer interaction management practices	10 (15.15)	22 (33.33)	19 (28.79)	11 (16.67)	4 (6.06)	66 (100)	3.35
Customer retention management practices	2 (3.03)	19 (28.79)	30 (45.45)	14 (21.21)	1 (1.51)	66 (100)	3.11
Customer service strategies	9 (13.64)	13 (19.70)	17 (25.76)	22 (33.33)	5 (7.58)	66 (100)	2.98
Customer contact programmes	12 (18.18)	12 (18.18)	23 (34.85)	18 (27.27)	1 (1.51)	66 (100)	3.24
Loyalty programmes	8 (12.12)	14 (21.21)	23 (34.85)	17 (25.76)	4 (6.06)	66 (100)	3.08
Grievance handling mechanism	5 (7.58)	19 (28.79)	23 (34.85)	16 (24.24)	3 (4.55)	66 (100)	3.11
Customized services	4 (6.06)	15 (22.73)	23 (34.85)	21 (31.82)	3 (4.55)	66 (100)	2.94
Customer data management	8 (12.12)	15 (22.73)	20 (30.30)	19 (28.79)	4 (6.06)	66 (100.00)	3.06
Relationship marketing	6 (9.09)	16 (24.24)	25 (37.88)	15 (22.73)	4 (6.06)	66 (100.00)	3.08
Overall	**7 (10.61)**	**17 (25.76)**	**22 (33.33)**	**17 (25.76)**	**3 (4.55)**	**66 (100.00)**	**3.12**

Source: Primary Data

Table 1 shows that a considerable portion of the employee respondents (42.43%) either agreed or strongly agreed towards service performance of the sample banks. About half of the respondents (48.48%) either agreed or strongly agreed towards 'customer interaction management practices'. About half of the respondents (45.45%) neither agreed nor disagreed about Customer retention management practices. A considerable portion of the respondents (40.91%) either disagreed or strongly disagreed about 'customer service strategies' in the sample banks. One-third of the respondents (36.36%) either agreed or strongly agreed about 'customer contact programmes' under CRM practices in the sample banks. Meager portion of the respondents agreed about 'loyalty programmes' conducted by the sample respondents. One-third of the respondents (36.37%) either agreed or strongly agreed upon 'grievance handling mechanism' in the selected private sector banks. Most numbers of respondents (36.37%) did not agree towards 'customized services' in the selected new generation private banks. One-third of the respondents (34.85%) did not agree about 'Customer data management' in the selected new generation private banks. Most numbers of respondents (33.33%) agreed towards 'Relationship marketing' in the selected new generation private banks. Overall, 33.33% of the employees neither agree nor disagree towards CRM practices

adopted in the new generation private banks. 36.37% of the respondents either agreed or strongly agreed towards CRM practices adopted in the selected new generation private banks. The mean score reveals that the respondents have a higher perception level (3.35) towards customer interaction management practices, on the other hand, the respondents have lower perception score (2.94) towards 'customized services'. Overall mean score (3.12) shows a positive perception of employee respondents towards CRM practices followed in the selected new generation private banks.

Table 2 brings out the results of the relationship between demographical variables and a perception level of the respondents towards CRM practices in the selected banks.

Table 2: Effect of Demographical Variables on the Perception Level towards CRM Practices Adopted in the Banks

Personal Variables	B	Std. Error	t	Result
(Constant)	31.681	2.207	-	-
Gender	0.078	0.749	0.104	Ns
Age	0.596	0.290	2.058	*
Educational qualification	-0.415	0.389	-1.065	Ns
Monthly salary	1.493	0.441	3.387	**
Designation	-2.371	0.652	-3.634	**
Years of experience	-0.239	0.357	-0.670	Ns

Source: Primary Data

Ns Not Significant * Significant at 5% Level ** Significant at 1% Level

Table 3: Multiple Correlation Coefficients between Demographical Variables and Level of Acceptance towards CRM Practices Adopted in the Banks

R	R Square	F	Result
0.607	0.368	5.729	Significant

It is inferred from the table 2 that there has been a moderate correlation (0.607) between the perception levels of the employee respondents towards CRM practices adopted in the new generation private banks and the selected demographical variables. The R square indicates that 36.80 per cent of the variation in the acceptance level is explained by all demographical variables taken together. The F value indicates that the multiple correlation coefficients are significant at 1 per cent level. Gender, educational qualification and years of experience have no significant effect on the respondents' perception towards CRM practices adopted in the new generation private banks. Further, age at 5% significance level and monthly salary and years of experience at 1% significance level have a significant effect on the respondents' perception towards CRM practices adopted in the new generation private banks.

CONCLUSIONS

The present study has been undertaken to analyze the perception level of the employee respondents towards CRM practices adopted in the selected private sector banks in Pondicherry and Karaikal regions. CRM is the emerging area to be concentrated by banking companies. The study found that there was a positive perception of employee respondents towards CRM practices followed in the selected new generation private banks as shown by the result of the mean score (3.12). In particular, the respondents have a higher perception level (3.35) towards customer interaction management practices, on the other hand, the respondents have a lower perception score (2.94) towards 'customized services'. It was also found that There was a moderate correlation (0.607) between the perception levels of the employee respondents towards CRM practices adopted in the new generation private banks and the selected demographical variables. The demographical variables gender, educational qualification and years of experience have no significant effect on the respondents'

perception level towards CRM practices. Further, age, monthly salary and years of experience have a significant effect on the respondents' perception level towards CRM practices adopted in the new generation private banks.

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