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Innovation and multidimensional entrepreneurship: Economic, social and academic aspects

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“Innovation and Multidimensional Entrepreneurship – Economic, Social and Academic Aspects”

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**“The contribution of the quality Management to the better business
formation and development: Lessons from its adoption in the Greek
Banking Sector”**

Abstract

This paper is divided into two parts, a theoretical and an empirical one and attempts to present Quality Management and the importance that it has in facing the international economic/ entrepreneurial competition.

More particularly, in the first part of our paper are presented:

- the significance of quality and main highlights of Total Quality Management
- the history of Quality Management and the relevant literature (the theories of “guru” in the field of Total Quality Management, i.e. Edwards Deming, Joshep Juran, Philip Crosby, Kaoru Ishikawa and Armand Feingenbaum. Moreover, a special report is included in the work of Edwards Deming, as he is considered the father of Total Quality Management
- the relations between customers / suppliers and the enterprises, the factors that add value in a product, and the importance of customer service is analyzed.

The second part focuses on:

- The significance of quality in the banking sector, and more specifically on the Model EFQM and its adoption by Hellenic Bank Public Company Ltd.
- The highlighting of the structure of the aforementioned model, the levels of business excellence, the fundamental concepts for Quality Management and the RADAR method.
- The case study of a Greek bank and the achievement of the bank to be the first in the banking network in Greece that was honored with the “Committed to Excellence” award on,
 - The research that was performed:
 - in the above mentioned Bank with the use of questionnaires. This survey was supported by the nine criteria of EFQM Excellence Model. In the same chapter are presented the conclusions on the changes in the philosophy of the bank by the adoption of model are indicated.
 - in three banks with the use of questionnaires as well, and referred to customer services.

Key words: Quality Management, Business formation, Banking Sector

During a period of intense worldwide competition, the concept of differentiation from and acquisition of a comparative advantage against any competitors, has become crucial for the survival and development of enterprises. How can an enterprise gain the advantage required so that it can be differentiated in order not to be overtaken by a competitor?

The customer's satisfaction that stems from the quality of the product (or service) is the key feature to the survival and the development of an enterprise. In many cases, quality, though being the initial target of each institution, had not been defined with clarity, resulting in it being considered a subjective feature. Companies based in Europe have come face to face with quality over the last years, since Japan has achieved a leading position as regards quality and it is followed by other eastern countries and the USA. The acceptance by the consumers of products originating from these countries made the European companies pay more attention to their quality.

The objective of total quality administration is not just the reduction of cost, the improvement of the enterprise's reputation or the acquisition of a larger market share alone, but innovation and continuous improvement as well, since there is no specific time frame for their achievement, given that they can all be improved upon. Everything changes and evolves since nothing stands still; consequently a continuous effort for improvement is required. We could say that Total Quality Administration is used by people to serve people.

Total Quality Administration

Quality is one of the hardest and most misinterpreted words in the realm of management. Many people identify quality with something exquisite; however what is quality when talking about a pair of pants or a bank account? Does a Ford car have less quality than a Porsche? It is not easy to answer such a question, however, because one should also consider to what extent a product can meet the needs of a customer when used.

The existence of quality offers each enterprise a competitive advantage against the rest. Redundant controls, delays and the creation of an unhealthy work environment tend to become extinct. The customers have the will to pay more for quality, whereas a dissatisfied customer shall drive many more away. It can easily be understood that a satisfied customer shall lead to better economic results and to a rising course for the company.

Total Quality Management - Total Quality Administration

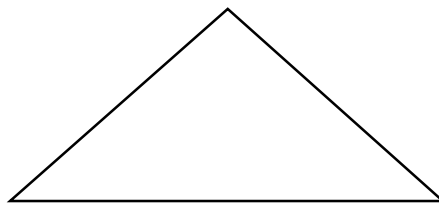
Total Quality Administration is a series of activities and methods for administration and control which aim to create a “culture” of organization. “Culture” in this case is called the reciprocal cooperation between all of the people within an organization, from the highest levels in the hierarchy to the workers, as well as between departments, from programming to sales and after sales service.

In other words, Total Quality Administration is a new philosophy that is based on people and serves people. It is a means to administer an organization and it is simply a tool for the achievement of client, supplier and worker satisfaction.

The axioms of Total Quality Administration

There are three main axioms or principles¹ to the application and success of TQA, which are depicted on a regular triangle, a fact that states that every axiom is equally important and none should be underestimated.

Axiom 1: Commitment



Axiom 3: Participation. Axiom 2: Scientific knowledge

The value and importance of these axioms cannot be overstated and any analysis relevant to quality cannot be considered complete unless all three axioms can be extracted. Based on these axioms we can offer a definition of what Total Quality Administration is all about.

In a few words, TQA is a culture focussing mainly on its commitment to quality, which creates a new frame of mind, according to which everybody takes part in the improvement procedures, using the appropriate tools and techniques to bring about changes offered by their scientific knowledge².

¹ **Dr. N. Logothetis**, Total Quality Management, From Deming to Taguchi and the Statistical Process Control (SPC), Prentice Hall, TQM Hellas interbooks

² **John S. Oakland**, Total Quality Management text with cases, 3rd Edition, 2003 Elsevier Ltd

Historical Information

Total Quality Administration has evolved greatly as far as its theoretical principles as well as important variances that have to do with its implementation are concerned. From 1950 on, the Japanese had made important steps concerning quality and had realized its importance. From 1980 on there existed a war of sorts between the Japanese and American enterprises in America since the market share of American products had shrunk compared to that of Japanese products.

The Japanese applied the views of D. Edwards Deming and they managed to create the industrial wonder of Japan. Moreover, year after year since 1951, the Japanese industry, having set up the Deming ³ award, steadily improved the yield of its enterprises. The Americans responded in 1987, with the inauguration of the National Quality Award by the US Congress ⁴, which was named after the trade minister Malcolm Balbridge, and aimed to the improvement and the competitiveness of American enterprises on the international stage.

In 1988, it was Europe's turn to respond as regards quality matters, and as a result the European Foundation for Quality Management ⁵ (EFQM) was established. Its only objective was to promote entrepreneurial competitiveness of European businesses on the international economic stage.

Edwards Deming, Joseph Juran, Philip Crosby, Ishikawa and Feingenbaum are a few among those who contributed to the development of the Total Quality Administration philosophy.

The Customer – Supplier notion

Quality is closely related to the satisfaction of the customers' demands and each organization tries to meet those needs through its services and/or products. The customer is one of the most important factors for an enterprise and the enterprise's ability to recognize the demands of its customers is of vital importance. In and out of an enterprise, the so-called quality chains ⁶ are developed, which can be ruptured at a certain point, either by a person, or by equipment that cannot meet the customer's demands.

³ <http://www.juse.or.jp/e/deming/03.html>

⁴ http://en.wikipedia.org/wiki/Malcolm_Baldrige_National_Quality_Award

⁵ www.efqm.org

⁶ **Gower**, Handbook of Quality Management, 2th Edition, 1994 Gower Publishing Ltd

We can discern two types of customers, the internal and the external ones, where the external customers are the ones that purchase and use the product, while internal customers are people that are found within the enterprise. In each section of an enterprise exists a number of customers and suppliers; e.g. the secretary is a supplier to her director. With enterprises, when there is a problem between the enterprise and the external customer, a communication model shall be established, something that does not always happen within the enterprise, between internal customer and supplier.

It is important to investigate the needs of our customers and to try and track their expectations. This should happen for internal customers as well, and not exclusively for external ones. In order for an enterprise to adequately satisfy its external customers, it should also satisfy the internal ones.

The suppliers are equally important in the effort to satisfy customers, since they are the ones that provide services or products to the organization, which are essential to the production process. During the production process within an organization, each person is a customer to the previous one, and consequently a supplier to the next one. This relationship is important in an organization and it should be understood by all; there should be communication between them so that we can have the desired result. The main goal should be the development of common beneficial entrepreneurial relationships with the customers as well as with the suppliers.

Customer Service

The strategy of service⁷ should be the main factor of entrepreneurial strategy within an organization since it is directly connected to the “education” of the enterprise and it affects its image to the outside world.

The strategy that the organization develops should initially meet the customer’s expectations, and in order for it to further develop an organization should have fully understood the needs of its customers. Moreover, an enterprise ought to know the activities of its competitors so that it can keep at an advantageous position and of course it is expected to know why the products (or services) of its competitors are shown preference against its own. Finally, it should invest in the future, a fact that means that the leadership of each organization should encourage change and offer a vision to its human resources.

⁷ Vincent K. Ockachonu, Joel E. Ross, Principles of Total Quality, 1995, Kogan Page Ltd

An important factor is customized service, which is the relationship that shall develop between customer and personnel. The enterprise's image is created by the staff it employs. The personnel must have the knowledge and skills required so that the enterprise can meet to the needs of the customers. In other words, the manner in which personnel serve the customers importantly affects the image of the enterprise and it is easily understood that if there is no loyalty on the side of the personnel, the service they provide shall be bad. The systems of human resources play an important role as well, because it is those that shall incite the personnel to support the enterprise's strategy.

Quality in the Banking Sector

The banking sector presents great interest concerning the quality offered by banks to their customers⁸. In the modern era, when banks are striving for their survival, differentiation is an important factor in the achievement of economic robustness. Differentiation is the effort any banking organization makes in order to be different when compared to its competitors.

Banks should focus on serving their customers as their primary goal. Even though many financial organizations claim that this is indeed their aim, specialization in improving quality is not the rule in the banking field, but the exception. Banks need to realize the value of improving the quality they offer to their customers. In order to achieve this, there should initially exist some commitment to quality⁹ by their senior executives.

Quality should be the main focus of management, since the lack of commitment of the administrative officers towards the achievement of this, shall lead to problems for the organization in the sector of customer service with a number of negative consequences that follow. Philip Grosby supports that commitment alone is not enough, but executives should actively participate in the process to improve quality. Achieving quality should be dealt with in the same manner as achieving economic goals.

Introducing quality as a strategy, for a banking organization, means changing its current frame of mind. Changes without the commitment of higher executives cannot be achieved, since it is required to provide employees with the appropriate tools to achieve this change. Consequently, management executives need to show the required willingness for

⁸ **Harris Protopapas**, Banks & Quality, Initiatives to improve Services & Exploit Human Resources, Thessalonica 1997, Sakkoulas Editions [In Greek]

⁹ The commitment of senior executives to quality is an important factor and has been stressed by each and every quality management "guru". This necessity to commitment is presented in the second chapter of this paper, with the presentation of the most important theories.

change and emphasize within their institutions that customer service is and should be combined with improving the quality of services rendered.

Deming supported that 85% of problems is due to management¹⁰ consequently higher executives should be closer to their employees, whereas the changes aiming to improve quality should be clear and coherent.

It is necessary for a banking organization to define the level of quality it desires to achieve, and this can be done via research among personnel and customers alike. Evaluating this data, a credit organization can reach conclusions so that it can draw its strategic plan concerning quality.

It is important that banks focus on the customer and the creation of products that are related to customer needs since each organization is addressed to them, therefore customers are the key to success.

The results of quality in the banking sector

Achieving an improvement in quality encourages employees to provide better services to customers and creates a more pleasant working environment. Moreover, products and services shall be created that shall better meet customer expectations.

The improvement of quality provides a viable competitive advantage to the banking organization, since the organization is then able to achieve long-term goals that are required for its viability. There are two competitive advantages, low cost and differentiation. When banks choose to differentiate they are committed to their continuous improvement and being focused on their customers they proceed to important changes in the way they are organized, introducing new methods and providing the necessary technology to their personnel, such as upgrading the work stations (new computers, better switchboards, etc). However these shall be achieved if the leadership is strong and provides encouragement to the personnel.

Moreover, in any process made to improve quality, a reward to the personnel is necessary. The employee's reward should be provided in a defined manner when he/she achieves particular quality goals. However, the existence of a reward mechanism alone is not sufficient to assure the employees' loyalty, since in order for it to be meaningful, it should be closely related to their performance. The recognition and congratulations are often more important than a monetary reward. Any recognition of the employee efforts should be specific and timely.

¹⁰ **Myron M. Zavlanos**, Quality in Services and Products Provided, Stamoulis SA Editions, Athens 2006 [In Greek]

The achievement of quality is not an easy case, but it is deemed necessary because of the competitive environment banks are active in, so that they can survive. A process needs to get developed about quality, with realistic goals, and the state of the organization should be periodically evaluated. Quality should be a part of everyday operations, so as to combat the view that it is another plan of higher executives that has no future. Finally there should be a system of rewards that shall combine the employee's efficiency with the customer's satisfaction, while the operation should be inaugurated by the bank when it can implement it for all of its personnel.

Quality is not a short-term goal, but rather something that requires attention in order to be achieved. Quality (Total Quality Administration) is a long-term journey which must be urgently completed. The organization's reputation can improve when its employees exceed the customer expectations, and this should be externalized. The satisfaction of the customers brings economic benefits, whereas the management should solve problems when these appear.

European Foundation for Quality Management - EFQM

The European Foundation for Quality Management (EFQM) is a non-profit organization aiming to the achievement of entrepreneurial excellence by European organizations. It was founded in 1988 by 14 European enterprises (Bosch, BT, KLM, VW, Philips, Bull, Ciba – Geigy, Dassault, Electrolux, Fiat, Nestle, Olivetti, Renault, Sulzer) with the support of the European Union. EFQM has a National Partner (NPO) in each European country, with the Hellenic Management Association fulfilling that role for Greece. It should be noted that the information, as well as the figures presented in chapter 5 are drawn from the EFQM web page (www.efqm.org).

The EFQM Excellence Model

A main tool is the EFQM Excellence Model which is a model for measuring the strong and weak points of organizations and it is based on a pattern comprising nine criteria. The five criteria are "Prerequisites" and the remaining four are "Results". The "Prerequisites" include and examine the organization's activities, while the organization's achievements are included in the "Results". It is understood that the "results" stem from the "prerequisites" and that the "prerequisites" are improved via feedback from the "results".

A main prerequisite is the following:

Excellent Key Results, Customer Results, People Results and Society Results are achieved through Leadership driving the Strategy, that is delivered through People, Partnerships and Resources, and Processes, Products and Services. (www.efqm.org)

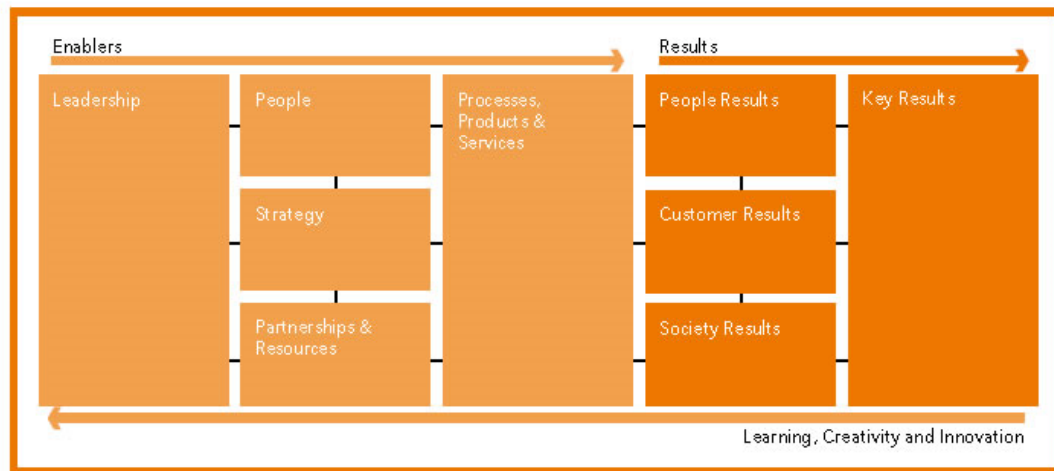


Figure 4.1, Illustration of the EFQM model

The arrows stress direction of the Model's dynamic and show that innovation and know-how facilitate the amelioration of "Prerequisites" which in turn lead to improved "Results".

The Model's Structure

The nine areas of the model as illustrated in Figure 4.1 are the criteria by which the organization's progress is evaluated concerning Entrepreneurial Excellence. Each of those criteria has an important meaning and in order to develop the understanding of the criteria, each of the them consists of several sections which pose specific questions, which are in turn crucial during the evaluation process. Finally, there are guiding points under each section, the use of which is not obligatory, but are helpful in understanding the meaning of each section.

Prerequisites (criteria 1-5)

Criterion 1: Leadership, Criterion 2: Policy and Strategy, Criterion 3: Human Resources, Criterion 4: Cooperation and Sources, Criterion 5: Processes, Criterion 6: Customer Results, Criterion 7: Human Resources Results, Criterion 8: Social Results, Criterion 9: Main Results.

EFQM Entrepreneurial Excellence Levels

The EFQM Entrepreneurial Excellence Recognition Levels were presented at the end of 2001, which are compatible with the European standards and their application is possible

for every organization, regardless of size. Their goal is to encourage enterprises and motivate them in the effort for improvement. The Entrepreneurial Excellence Levels are based on the EFQM Entrepreneurial Excellence Model and the eight Fundamental Principles of Entrepreneurial Excellence.

LEVEL 1: Committed to Excellence

LEVEL 2: Recognized for Excellence in Europe

LEVEL 3: EFQM European Excellence Award.

The Fundamental Principles of Entrepreneurial Excellence

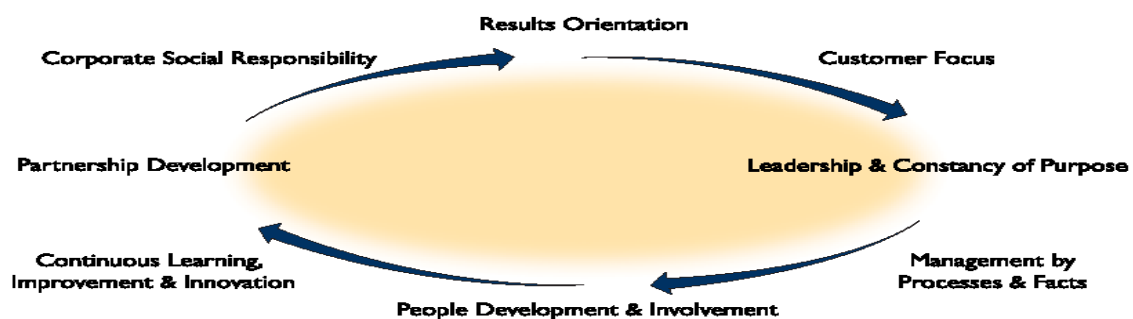


Figure 4.2 The Fundamental Principles of Entrepreneurial Excellence

The Fundamental Principles of Entrepreneurial Excellence support the EFQM Entrepreneurial Excellence Model and can be applied by any organization, irrespective of sector, activity or size. The eight Fundamental Principles are the following:

Results Orientation

Customer Focus

Leadership and Constancy of Purpose

Management by Processes and Facts

People Development and Involvement

Continuous Learning, Improvement and Innovation

Partnership Development

Corporate Social Responsibility

The RADAR logic



The constant review or improvement of the basic prerequisites by the evaluation criteria is achieved by the use of RADAR, which lies at the center of the model and comprises four elements:

- Results
- Approach
- Deployment
- Assessment & Review

The RADAR logic could be compared to the Deming cycle, PDCA, for “Plan, Do, Check, Act”, where according to this logic an organism should:

Based on its policy and strategy, define the results it desires to achieve, financially as well as operationally.

Plan and develop the methods required so as to achieve the results expected.

Implement, fully and systematically, the methods required and assure their full realization.

Evaluate the above by observing and analyzing the results and make any necessary improvements.

When applying the Model, the three elements of RADAR (Approach, Deployment / Development and Assessment / Review) should pertain to the first five criteria of the model (criteria 1, 2, 3, 4, 5 – Prerequisites) and the element “Results” to the remaining four (criteria 6, 7, 8, 9 - Results).

Application Research of the EFQM Model

The present paper shall try to evaluate the results that the distinction of Commitment to Excellence – EFQM brought to a commercial bank that is active in Greece. Having created a questionnaire which is based on the sub-criteria of the nine EFQM criteria, an analysis shall be attempted concerning to what degree the bank’s employees believe that the organization’s goals were achieved. The questionnaire prepared was distributed to the employees between February 23, 2009 and March 3, 2009. It was answered by 45 people, which is above 10% of the bank’s total personnel, a fact that statistically allows us to draw satisfactory conclusions.

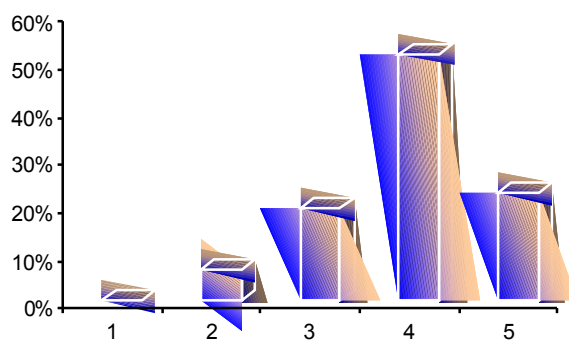
The central question of the questionnaire addressed to the employees was: “Please complete the following questionnaire, taking into account the changes that took place in your

Bank by adopting the EFQM model”. The questionnaire’s grades for each question were from 1 to 5, using the following gravities: 1: Not at all, 2: Somewhat, 3: Adequately, 4: Much, 5: Very much.

Criterion 1 conclusions: LEADERSHIP

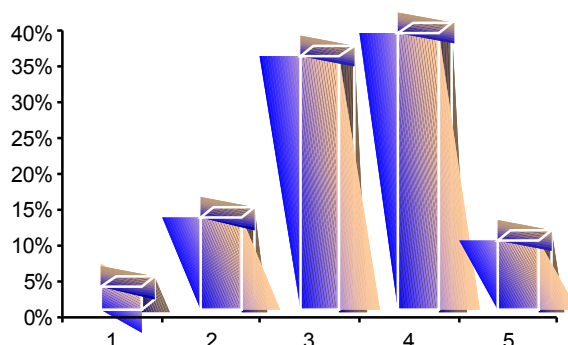
The results of the research concerning this specific criterion are deemed adequately satisfactory, since the bank's personnel believes that the leadership understands the changes necessary to augment the bank’s culture.

The question posed was: “Do your higher executives develop and maintain relations with clients, colleagues and social institutions?”



Specifically, 51.61% of the bank’s personnel consider that the managing executives attribute much importance, while 22.58% consider that they accord maximum importance. The following diagram presents the results:

To the question whether the higher executives assure the constant improvement of the system of administration of the Bank, 74.19% of the personnel consider that the leadership considers this criterion important.



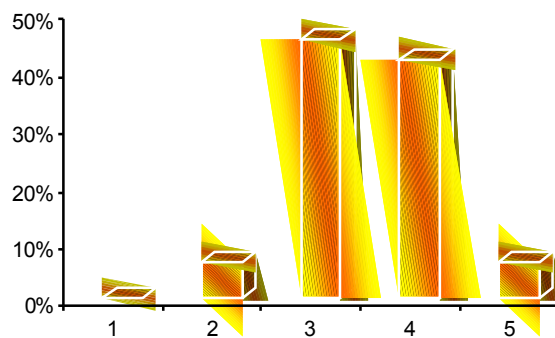
In conclusion, for the first criterion (LEADERSHIP) we reach the conclusion that the bank’s personnel consider that the leadership of the bank pays the attention required to achieving the goals for excellence and it is shown that there is commitment on the part of the leadership for quality.

Criterion 2 conclusions: POLICY AND STRATEGY

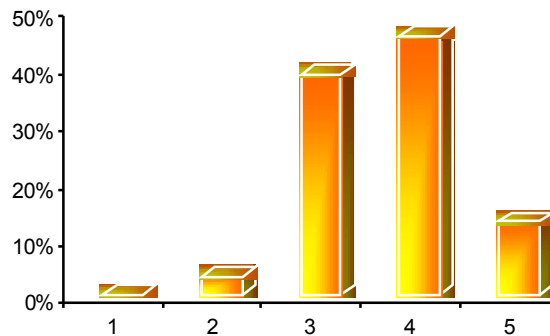
Next, the second criterion was examined and the results show that more than 80% of the employees consider that the bank modifies its policy and strategy depending on the prevailing conditions, and to the organization's interests, and that this is announced to all.

The bank aims to achieve better results and to adjust to any change of policy and strategy, while various processes were created via which the employees can get informed on any changes taking place. The diagrams with the results to the two questions posed follow.

“Are Policy and Strategy reviewed and updated?”



“Are Policy and Strategy announced and communicated to all in the Bank?”



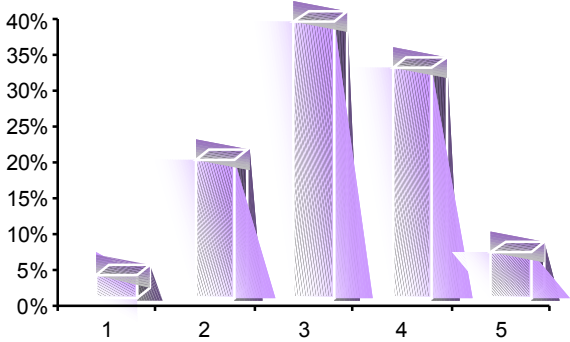
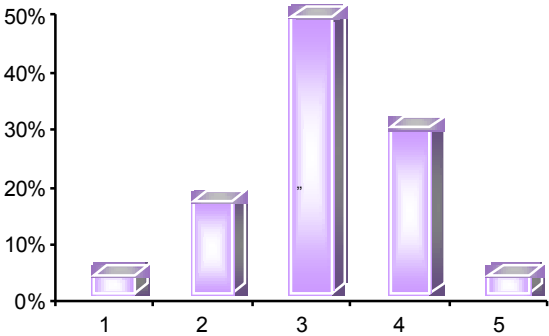
In conclusion we could consider that the bank, via the immediate communication that exists now, has succeeded in convincing the greatest percentage of its employees that there is a vision and an adapted policy which is presented to all and is not announced to specific managerial staff, since everybody is responsible for its implementation.

Criterion 3 conclusions: HUMAN RESOURCES

In the 3rd criterion we shall endeavor to pump the conviction the employees themselves have concerning the degree to which their abilities are put to full use by the organization. The result is quite good for a large percentage (about 70%) while there exists another noteworthy percentage (about 20%) of the Human Resources considering that the importance attributed is not sufficient. Despite all this, the organization has made efforts in using its personnel fully since it has created a way for proposals, with each employee being able to propose improvements concerning the work process as well as new products (innovation).

“Are the know-how and the abilities of the people in the bank developed and implemented?”

“Are the people encouraged to actively participate in all of the bank’s activities?”

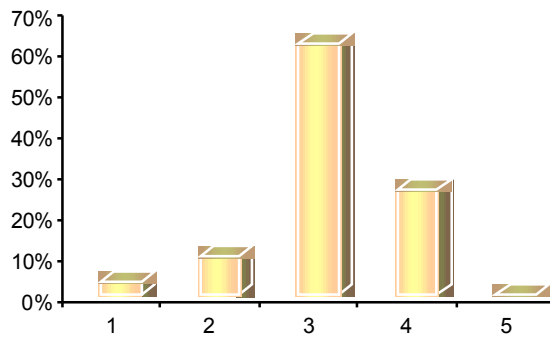


Criterion 4 conclusions: COOPERATION AND SOURCES

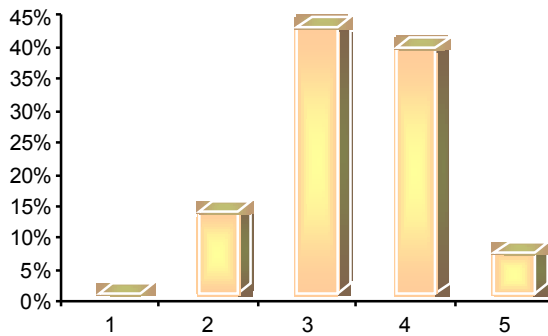
In the 4th criterion, the marks given to the bank by the employees rise to 3.5, which means that the organization manages technology and information to a satisfactory degree. However, it should be stressed that the management of information is crucial to the regular operation of an organization since the excessive flow of bulk information can cause confusion. Concerning technology, the Bank adapts to the modern needs and demands by trying to create better working conditions for its employees, for instance by replacing aged computer equipment.

The results of the research are shown below

Is technology being managed?



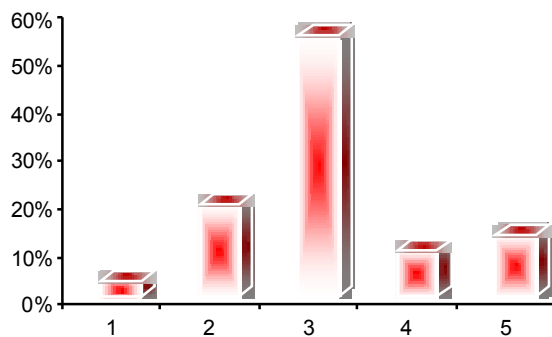
Are information and know-how being managed?



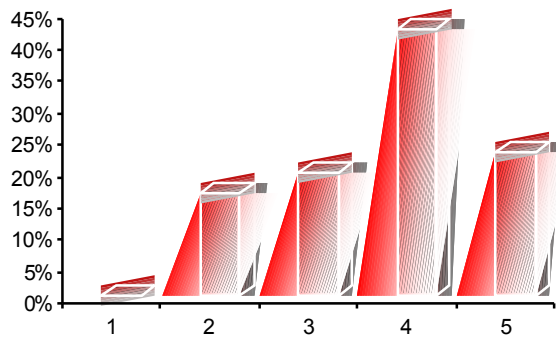
Criterion 5 conclusions: PROCESSES

The processes and their improvement are a very important factor for the better operation of an organization, both for the employees and the customers. According to the

results of our research, to the question “is there systematic planning of processes?” the greatest percentage of employees answered that they consider there are tendencies to ameliorate the processes for a more systematic planning (54.84%).



Also, to a percentage of 41.94% they consider that products and services planning takes place

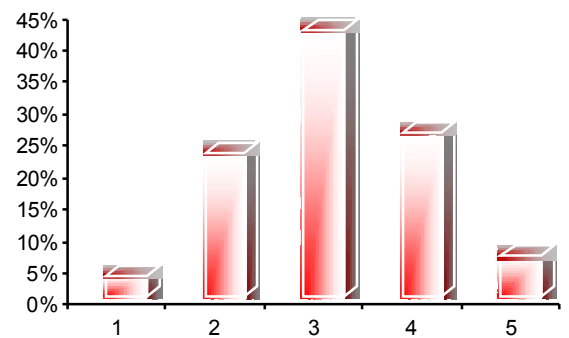


carefully so that customer needs are met, while 32.26% consider the manner of planning quite satisfactory. Are products and services planned and developed based on the needs and expectations of the customers?

Does the bank promote its relations

with the customers?

Finally we see that for 64.52% the bank pays great attention to strengthen its relations to its customers. The bank invites its customers to various celebrations and offers commemorative gifts to all of its customers, irrespective of the level of cooperation with them.

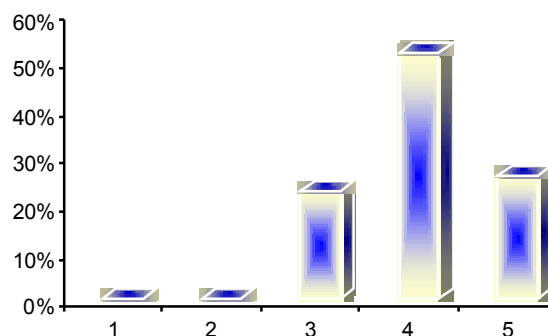


Criterion 6 conclusions: CUSTOMER RESULTS

The bank’s philosophy focuses on the customer and the best possible service to him/her. In the frame of this philosophy, customer surveys are used to draw conclusions which are compared to the ones of its competitors, the most famous of which being the mystery shopping process, which is a tool to improve customer service. The aim is to locate weaknesses and improve customer service.

Moreover the results are announced to the personnel and they can be compared to similar research done using the competition, so that strong points can be stressed and points that need improvement can be identified.

To the question: “Is there research (e.g. mystery shopping) to draw conclusions concerning the degree of satisfaction of customers compared to that of the competition?” 77.42% of personnel revealed the great importance placed on this by bank, specifically:

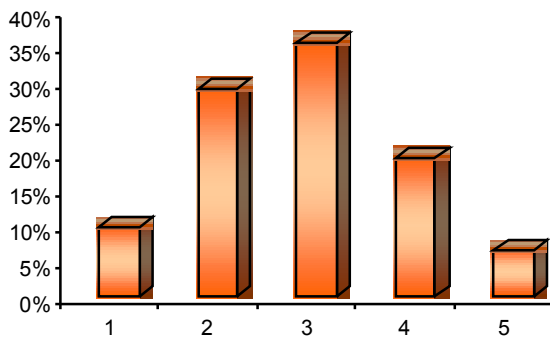


Observing the results

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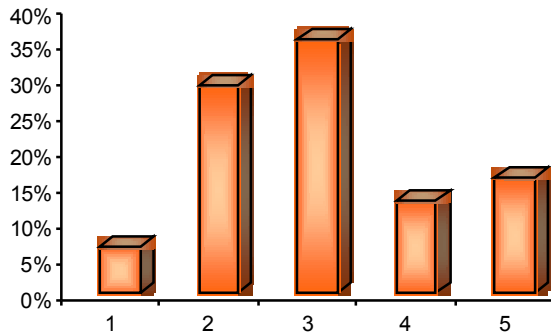
can comment that the total of the personnel, 100%, accepts the fact that the bank pays great attention to the research concerning customers and aims to gain an advantage against its competitors, which is proper and good service, a feature which characterizes it.

Criterion 7 conclusions: PERSONNEL RESULTS



According to the results of the research, 38.71% of employees consider that the attention paid by the bank to personnel research by means questionnaires is not enough, against 61.29% that consider it enough, a fact that shall help the Bank evaluate its personnel better. The question was: Are there measurements that can measure

the personnel’s perception of the organization (via questionnaires)?”

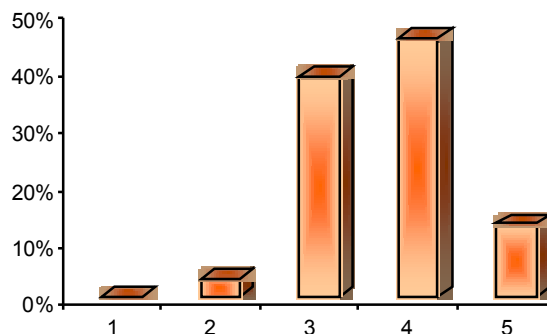


However we should stress that the bank, before adopting the EFQM model (which was part of the programme) did research to measure the degree of satisfaction of employees and the results were announced to all of the network. Almost the same results are gained by the question: “Are the results of the measurements announced to the

personnel?”

The bank makes efforts to continuously educate its personnel via educational seminars and specialization procedures

(Employee certification examinations for Insurance Mediators and Investment Consultants). Moreover it organizes seminars with external associates and internal speakers. This is revealed by



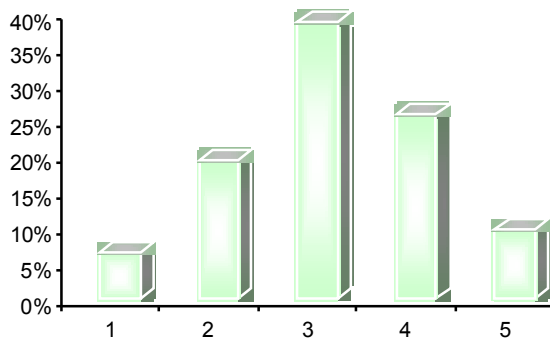
the results of our research with the question “Is there continuous effort to educate the personnel (seminars etc)?” (the percentage is significantly large, above 80%).

Criterion 8 conclusions: SOCIAL RESULTS

This criterion refers to the Social Responsibility that an organization bears which achieves viability and the improvement of results with respect to the environment, people and social institutions.

To our question: “Does the bank take action to improve its social profile?” almost 95% (54% great - rather great importance) the employees of the bank believe that importance is attributed to the improvement of the bank’s social profile. It is indeed worth noting, for instance, that branches where people with walking disabilities had trouble accessing were fitted with ramps.

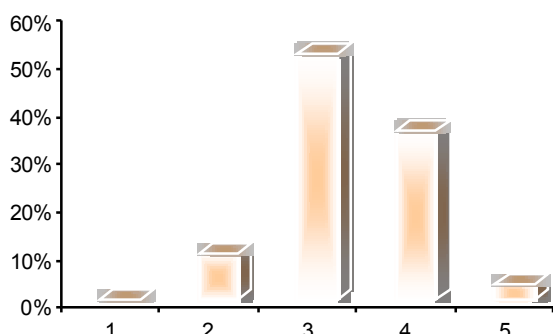
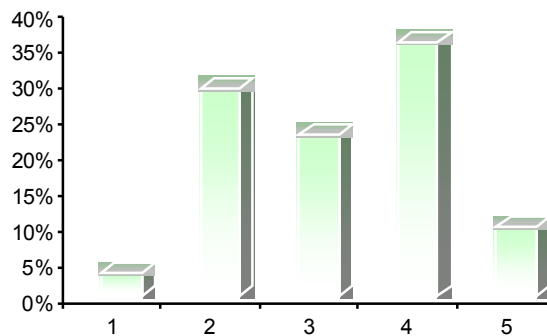
To our second question: “Can it be proved that the bank contributes to the protection



of world resources (via recycling, eco-friendly materials, ecological conscience etc)?” 35.48% considers that great importance is attributed to this issue, while 38.71% considers the degree satisfactory. Indeed, the bank has implemented a recycling programme and in each branch a

special box can be found for the recycling of batteries.

To our last question: “Can it be proved that it contributes positively to society (via charities, education, sports etc)?” 38.71% believes that attention is paid. The results are illustrated in the diagram below:



Criterion 9 conclusions: MAIN RESULTS

From the 9th criterion we chose to pose the question: “Do support units (IT, O&M, etc) present any improvement

tendencies?” since they are an important factor to the regular operation of a bank. To a great degree, the bank’s employees consider that the appropriate attention is paid to improving the support units as shown in the following diagram.

The general conclusion from the research conducted is that the achievement of the EFQM European distinction for Excellence contributed decisively to the improvement of the qualitative characteristics of the bank. This way the bank laid the foundation to quality service for its customers so that it can differentiate against the competition. It reveals a dynamic organization which dares to adopt innovation and follow a self-evaluation procedure, such as the EFQM model.

However the effort for continuous improvement does not end with the conquest of the EFQM distinction; in contrary, it has just started. With the continuous training of its personnel and its correct utilization, it shall be able to achieve its goals. Having the customer as the main axis of its philosophy and being committed to quality, personnel and leadership alike, it shall be able to become a model organization.

In general the results of the research are satisfactory enough for the Bank and reveal that the personnel have the will to follow the leadership to the direction of improving quality, since the efforts made are appreciated. Moreover, the Bank should take advantage of the human factor in order to assure its gains so far and even exceed them. Success can be considered given for the bank, since there is a will on all sides and the conclusion can easily be drawn, that getting the “Commitment to Excellence” distinction is only the beginning.

Research on “CUSTOMER SERVICE”

This research is an effort to draw conclusions about the factors that bank employees consider important for customer service. The employees themselves evaluate the factors that affect customer service, while they rank the factors that would make an excellent bank. Finally they rank by importance the characteristics that would make them shine in their work.

An effort was made to create a questionnaire on three axes, one concerning Customers, another the Bank and a third one for the Employees themselves. The questionnaire was answered by 35 bank employees in three Greek commercial Banks and it was distributed between March 10th and 13th, 2009.

Evaluating research results

Question 1

The first question was: Rank by order of importance the following components of modern quality service for banking services / products. (Prioritize the following factors)

A: Speed (e.g. the fast solution of problems)

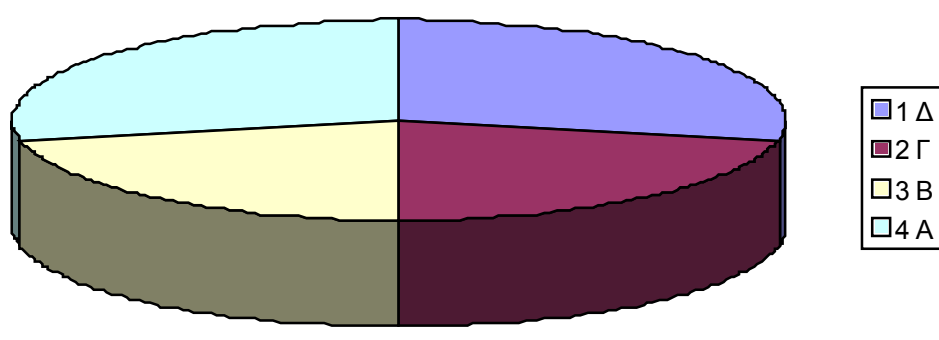
B: Completeness (e.g. the employee being able to make a difference)

C: Trust (e.g. the organization's "good name")

D: Understanding needs and adjusting to modern demands

This question is of special interest since bank employees are called to think as customers of a bank and rank the factors above, which, according to Garvin's theory are some of the most important factors for better customer service.

The results show that the most important factor is understanding needs and adapting to modern demands, followed by trust, completeness and finally speed, as presented in the following diagram:



The results of the research show that only 10% of the employees consider speed being an important factor, while 45% consider it the fourth, least important factor. Even though many consider that clients require fast service, according to our research this is not absolutely correct since bank employees consider other factors to be more important than speed.

Completeness is another equally important factor for good service, ranked third factor in importance by 35% while 30% consider it the fourth most important factor. We could consider it as equal in importance to speed. Understanding needs is deemed the most important with 45% and trust is second with 35%.

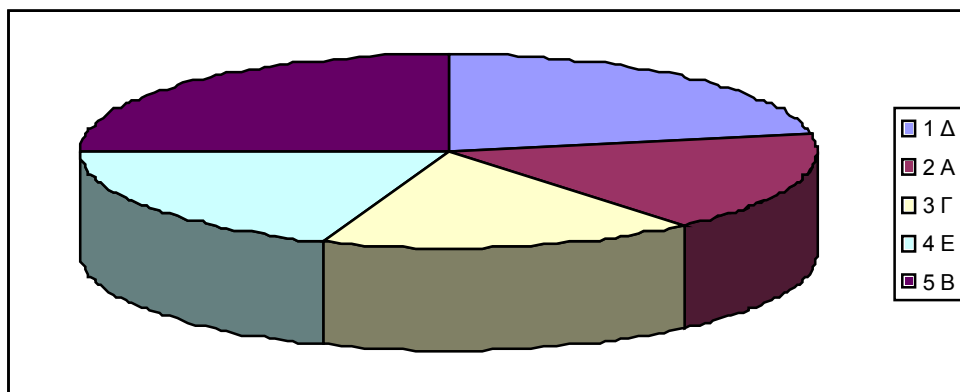
Our first question gives the conclusion that bank employees consider that their customers shall appreciate the fact that they face a person that understands them and offers them correct solutions meeting to their needs.

2nd Question

The second question posed was: Rank by importance the following criteria that a bank must fulfil in order for it to be considered excellent. (Prioritize the following factors)

- A: Trustworthiness - Diligence
- B: Friendly Environment
- C: Honesty
- D: Transparency
- E: Name - Fame

This question allows bank employees to rank the factors contributing to what can be called an excellent bank. Our research shows that transparency is deemed the main factor distinguishing an excellent bank, followed by trustworthiness, honesty, fame and finally the friendly environment, as presented in the following diagram.



40% of bank employees consider transparency the main factor for an excellent bank while 35% believes trustworthiness, i.e. the ability to provide timely service to be the main factor. 30% ranks completeness as the second most important factor. Next we have honesty with 30% while the fourth factor is fame, with 35% of employees, and 45% consider the environment to be the least important factor.

According to the results, the transparency of a bank is what makes the difference, since the customer does not feel liable to be cheated, while the certainty that the service shall be provided correctly shall reveal an employee's honesty. The above contribute to improving the bank's reputation and help in creating a friendly environment.

3rd Question

The third question allows employees to rank the criteria which make them better professionals. The third question was: Which of the following characteristics do you think a banking employee (product managers – team leaders) in the particular product groups of a branch should have, in order for them to successfully respond to the demands of customers?

(Prioritize the following factors)

A) being pleasant

B) being polite

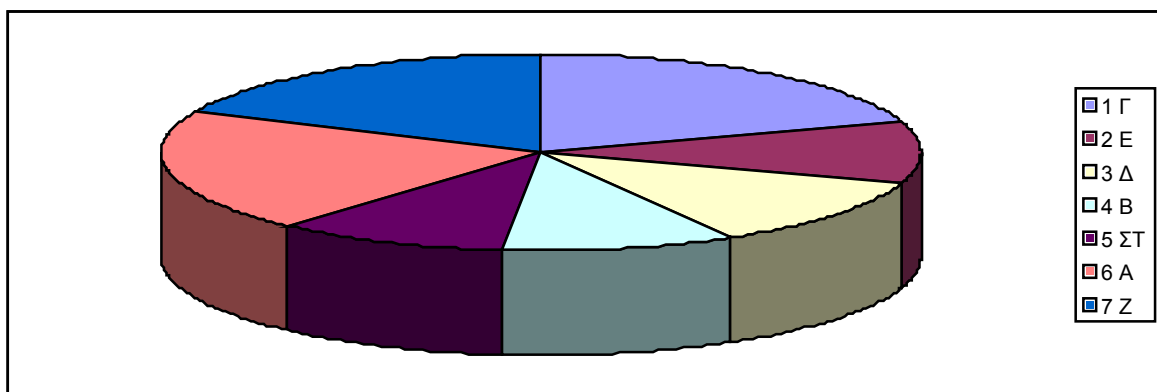
C) showing the customer that he/she is paying attention and proposes quick, effective and mutually acceptable / profitable solutions

D) explaining the causes of a problem to the customer and thanking them for their patience

E) never offering a customer less than promised

F) keeping a cool head

G) taking initiative even without their supervisor's approval



60% of employees consider that they should show the customer that they are paying attention and offer quick, effective and mutually acceptable / profitable solutions. This result is related to the result to the 1st question where good customer service means understanding customer needs. 30% believes in never offering customers less than promised, a fact related to the result of the 2nd question where trustworthiness and honesty are the main factors to a bank being excellent.

35% rank third the fact that the employee must explain the cases of the problem to the customer and thank them for their patience, followed by politeness and cool-headedness, which are related to the previous characteristic. An employee being pleasant is important to 60% as the next factor, and the final characteristic for 55% is for the employee to take initiative without consulting supervisors. We dare say here, that this criterion might have been

ranked higher if customers were answering. The results of this question show that an excellent professional must be honest and not take his word back once he/she has promised something.

The research conducted should stress that there are no strong or weak factors, they are all equally important and they should characterize the job of the bank employee. Constant effort is required by employees in order to improve themselves and gain the public's confidence; in one word, be considered "Professionals". Their behavior to the customers should be what they themselves would desire if they switched places.

With the factors ranking first in each unit we can make the following conclusion: An employee who understands the real needs of a customer, pays attention to what a customer says and provides profitable solutions leads to transparency, which should be a characteristic of every employee, every bank.

General Conclusions

The speed, the great volume of information and the rapid changes are factors characterizing the modern world. In earlier times, changes took time to implement, but now they can take place overnight worldwide. Enterprises are called to survive in this environment of mounting global competition in the service and product markets.

Steady relations which once developed between customer and enterprise no longer exist, due to the acceleration of the rhythm of change. From the analysis done for this paper, we can state that one way a business has at its disposal in order to face the new environment that is being shaped is to make quality and satisfaction of their customer the first priority of all their employees.

The existence of quality offers each enterprise an advantage against its competitors and aids in achieving its goals, and thus making not only survival but also playing a defining role a possibility in its area of operations. Quality is not a simple isolated notion but offers the feeling that everything is running perfectly. Over the last few years, the theory combining quality with management aimed at continuously satisfying the customer has been developed. This theory is none other than Total Quality Administration.

In order to have quality management and achieve satisfactory results, the commitment of every person is required, from leadership to employees. Japan first introduced this system, followed by America, and now competition forces the European enterprises to take interest in quality.

The banking sector is characterized by intense competition and the demands are now great. The ongoing financial crisis revealed the problems with the international banking

system. The lust for large short-term profits and the lack of long-term sustainable policy led to the problems we are experiencing.

It is now self-evident that a turn to the amelioration of the provision of services and products in the banking sector and all other enterprises in general, large or small, is necessary. Quality shall be what differentiates each enterprise and brings profits and long-term survival. In broad lines, quality is one of the factors that shall lead to the creation of healthy organizations.

There are tools at their disposal in their struggle to improve quality. The EFQM Excellence Model is one of the tools, measuring the strong and weak points of those organizations. Many European organizations, as well as a number of enterprises in Greece, have adopted the model.

Also, our research showed that bank employees consider that good customer service is an important factor. Trustworthiness and proper customer relations shall provide them with the tools to render quality services. The image of an enterprise is shaped by its employees, so long as the higher executives give them motives and tools at hand.

In conclusion, quality should be every organization's aim, if it wants to survive. It might be considered daring to state that in order for businesses to survive, quality is not an option but a necessity. Finally, we cite the words of Louis V. Gerstner, President of American Express, which reveal the need for quality: *“Exceptional service to our customers around the world is not a repeating slogan, nor an ancient tradition that we must continue. It is our daily obligation and we must carry it out incessantly, often at the face of unforeseen circumstances.”*

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