

# Total quality management: a case of barclays bank

[Business](#), [Management](#)



## **Abstract**

A number of bankers hold the school of thought that banks fall under the finance industry instead of the service industry. In consequence, the competition is more inclined to financial prowess rather than service quality. The banking and financial institutions devote their resources, system, time and people more on managing the cash and the assets instead of managing customers and service. The procedures and products setup are in line with the bank's convenience instead of the customer's convenience. Additionally, most of the systems are designed with the aim of controlling the customers rather than offering satisfaction. Banks and financial institutions usually give customer service and satisfaction low priority. With few systems designed to monitor customer loyalty.

Contrary to that thought, banks and financial institutions provide the service of financial custody to its customers thus belong to the service industry. For this reason, total quality management is applicable in the banking sector given its success with manufacturing industries. Banks stand to benefit from implementation of total quality management owing to the fact that their survival depend on customer loyalty and satisfaction. However, banking sector is somehow slow in reallocating into the customer-first archetype. The paper focuses on Barclays bank; it outlines and analyses how the banking organisation has introduced and developed a comprehensive system of total quality management in addition to the impacts of the implementation. Furthermore, it provides a critique on the same while highlighting possible areas necessary for improvement.

## Background

The current global market is highly competitive with a characteristic of ever escalating customer demands such as, the need for improved products and services. Most markets have increasing supply of aggressively priced services and products from low labor cost sources. With the current competitive threats present in the market place, it is imperative for organisations and businesses to embrace improved and result oriented strategies (Cheng, Madan & Motwani, 2012). Incessant enhancement in total business activities with a keen focus on customer all through the entire organisation, in addition to prominence on quality and flexibility is of the essence to an organisational success. Quality, its management, and the associated continuous improvements play a significant role in many organisations.

It is equally important to note that most organisations and businesses utilize total quality management as a means through, which they can endure in increasingly belligerent markets while maintaining their competitive edge over their challengers. The lifeblood of all businesses and organisation is its customers. In most cases, customers determine the sales of businesses and organisations based on their perception of the product and service quality. In consequence, quality concludes profits while the customers delineate and determine what quality entails. The implementation of total quality management has a myriad of benefits to an organisation and business as a whole; increased market share, amplified profitability, customer and employ satisfaction and heightened competitive edge against competitors. High

quality has a direct correlation with the survival of organisations challenged with strong global competitors. In most organisations, competitive success is because of high quality (Eriksson & Hansson, 2010).

Presently, the high-end significance of implementing total quality management makes it imperative for organisations and businesses to embrace high quality, its management and continuous improvements, especially in the current increasingly competitive market. The organisations that fail to embrace the principle of total quality management are bound to be unsuccessful. Additionally, total quality management is no longer an alternative for organisations willing to survive in the strong competitive markets. In ensuring customer confidence and competing for international business, organisations with ISO certification hold a distinct edge against their rivals. To the quality conscious buyers, total quality management is an imperative process of value addition (Dusseav, 2012).

Total quality management entails the methods of management used to improve the productivity and quality in a business organisation: A widespread management approach operates horizontally across a business organisation. Total quality management involves all employees and departments extending forward and backward to include both customers and suppliers. Total quality management model employs a systematic approach on improving quality based on; personal accountability for assemblage success, team-based work groups, running of the work process possessed by individuals, motivation, and quality desire above quantity and facilitated communication involving functional areas and groups. Within the

model, suggestions for improvements are sought from every echelon of the business organisation while motivation is distributed through recognition programs and profit sharing. Employee training in the scientific approach to fact-based problem solving remains the feature of the TQM model. The model embraces the use of tools like process flow charts, orthogonal arrays, statistical process control charts and Pareto charts (Cheng, Madan & Motwani, 2012).

For any business organisation, quality provides a strategic advantage; a heightened competitive advantage and organisational survival. An organisational strategy based on quality aimed for competitive advantage usually emphasises on strategic resource on unremitting quality enhancement. In addition to creating price-value advantage above competitors, quality allows the organisation to charge a superior per unit sale price through differentiation. A business organisation is able to achieve a more sustainable competitive advantage through implementation of strategy of high quality. Organisations operating and competing on quality hunt an operational strategy capable of controlling product and service quality while seeking incessant improvement.

Different market researchers suggest that organisations should focus on quality improvement in order to gain competence instead of laying emphasis on the current foci including efficiency, revenue, and market share. The current foci are by-products of competence that an organisation can achieve through focusing on product and service quality. Organisations vary in terms of the management practices, culture and the processes used to produce and

deliver the products and services (Cheng, Madan & Motwani 2012). In this regard, total quality management strategy varies from one organisation to another. However, total quality management calls upon techniques and tools of lean manufacturing, quality control, ISO 9000, six sigma, and a customer focused culture.

## Introduction

Barclays bank is one of the leading financial institutions across the world with over three hundred years of experience. The headquarters of Barclays Bank is situated in the UK with various branches across several countries worldwide. The bank has a strategy to increase the growth potential through continued diversification of business by customer, geography and product. It has the responsibility of progressing, investing, lending and protecting the money of close to thirty million customers across the globe. One of its branches has built a very strong reputation; the Barclays Bank Plc, Mauritius. The Mauritius branch; with close to one thousand one hundred employees, offer various services for corporate as well as individual customers.

## Quality implementation

There are a myriad of approaches and models for a successful implementation of total quality management within an organization. Some of the approaches and theoretical models that are extensively used include; Crosby's 14 steps to Quality improvement, Juran 10 points for quality improvement and W. E Demings' 14 points for quality improvement (Bowen, 2013). While a widely agreed upon approach does not exist, Barclays bank

has applied an implementation approach that borrows certain concepts and strategies from all the widely known approaches. The bank has implemented its total quality management system in a more customized way. The bank has adopted the EFQM framework theory in its implementation of TQM. Basically, the approach calls for a focus on results, customers, dependability of purpose, involving and training employees, incessant learning and social responsibility. The bank has applied all these criteria in its implementation approach of TQM (Sila, 2012).

In a bid to improve its competitive edge and survivability, the branch has employed a number of strategies that ensure high quality of service delivery to their customers. It has embraced unremitting enhancement in total business activities, with a keen focus on customer all through the entire organisation. It is imperative for the bank to create constancy of purpose for unremitting enhancement of services and products. Barclays bank has embraced this as the first priority in implementing quality management. The bank has allocated its resources for long term planning instead of short-term profits. In order to ensure competitiveness and existence of the bank, it has invested in quality and innovation (Dusseav, 2012). Its management motivates their employees in addition to clear communication of the bank's policies. The strategy of total quality management implementation has been generally broken down into two major categories in the bank's modus operandi: Human resource management and service quality, and customer satisfaction implementation.

Under each major category of the strategies, there are subdivisions of the strategies. All these form a coherent system of TQM implementation at the bank for improved competitive edge as well as survivability.

### Quality Service and H R Management

Barclays bank acknowledges the significance of the human factor as a major determinant in the successful implementation of total quality management. As a result, the bank has accorded superior attention to human factors such as motivation, teamwork and cooperation. The bank conducted an interview on their employees in regards to their viewpoint, before the implementation of total quality management. A number of employees agreed on the introduction of the total quality management by the management. They held the belief that there was a relationship between the introduction of TQM and the success of the bank. The bank introduced the system through written pamphlets to its employees.

In an effort to thoroughly understand how the bank has introduced and develop its TQM system, an analysis of the three sub-divisions under human resource management in light of quality management was undertaken (Eriksson & Hansson, 2010).

### Focus on meeting employee needs

Barclays bank focuses on employee needs given that the bank tries to improve their performance through encouraging creative thinking, holding training programs and teamwork. All these activities are aimed at enhancing the employees' professionalism. Additionally, the bank provided its

employees with a chance to express their views while offering rewards for excellence performance. It has a competently designed training program that emphasises on incessantly improving the professional skills of its employees. Techniques such as, workshops, industry level seminars and job training are employed to ensure the efficiency of the program.

#### Focus on continued improvement

In a bid to meet the needs of its employees, the bank management tries to enhance the quality continuously through mistake avoidance, cost minimization of financial services, keeping of good documentation system and unremitting amendment of work practices. According to the employees, the bank strives to focus on the customers as well, given that they run surveys with the aim of finding out the customer's needs. The bank is characterized with listening and providing financial advice to its employees' interests and needs (Edwards, 2013).

#### Focus on management competition needs

It is important to realize that, through creation of effective means of communication between the employees and the customers, the bank has managed to develop their competitive edge. The bank acquired an ISO certification, which has led to a heightened bank performance level as compared to other banking institutions. Additionally, Barclay bank is always on the look-out for newtechnologyaimed at modifying the current process of operation. The bank's management acknowledges the importance of process innovation in a bid to evaluate their operation processes and the need to

alter them. Process innovation has seen the bank to greater heights in terms of customer and employee satisfaction. The innovation allows the lower level management within the bank to communicate to the top management on exactly how the processes should be conducted in order to reflect the true customer satisfaction (Eriksson & Hansson, 2010).

### Customer satisfaction

Barclays bank holds both individual and cooperate customers with high esteem as it acknowledges their significance in the success of the institution. In a bid to create an impressive customer appeal and product and service endorsement, the management of the bank has placed life-long strategies within its services provision. These strategies are focused on constantly delighting and surprising their esteemed customers ahead of their arch competitors. The management of Barclays bank not only ensures that their esteemed customers purchase their product but also recommend the products to their families and friends (Frick, 2009).

In an interview conducted to establish the level of customer satisfaction, Barclays showed a satisfactory level of satisfaction to the needs of their customers. The bank has modern technical equipment such as A. T. M services which help save the customers time thereby facilitating their deal with the bank. Apart from the A. T. M services, the bank has employed various strategies aimed at reducing the processing time of its key products and services such as new accounts, loans, credit cards and cheque encashment. Through innovation of mobile applications, the waiting period

and down time as well as the queuing period has been significantly reduced (Edwards, 2013).

According to the customer feedbacks, Barclays bank delivers most of its promises to their customers. It has eliminated a number of bureaucracy procedures that are deemed obstacles on delivery of promise agreements. The bank management has created an image of reliability among its customers through the use of good dependable documentation. In order to improve the level of customer satisfaction, quality of services offered by the bank is undertaken by qualified employees. The employees are trained to serve the customers with friendliness and efficiency. The working hours of the bank are deemed suitable for their customers and employees on a similar basis. The bank's skilled employees not only offer quality services, but also quick delivery. This creates a sense of customer being the emphasis of the banks operation.

Barclays has effective communication systems through, which the customers' complaints are channeled and promptly handled. This way, the bank improves on its weakest areas on customer service thereby enabling the customer to feel appreciated as part of the bank.

Additionally, the bank focuses on improving the quality of products and services offered in the bank apart from customer service. Barclays bank has some of the best interest rates, inclusive of all charges and hidden fees thereby depicting the quality of its services and products. The enquiries made by the customers either through phone or in person are promptly answered. The bank has trained its employees to employ good work ethics in

responding to customer enquiries: few rings before the phone is picked up, reduced number of transfers before the customer is connected to the right person and prompt answering of the phone (Edwards, 2013).

The bank employs accuracy and timeliness of account statements as compared to their competitors. This ensures the customers' trust on the bank while upholding the bank's image, reputation and integrity. These qualities put the bank at a higher competitive edge within the banking industry.

## Conclusion

In conclusion, the implementation of the total quality management in Barclays is considered successful given the numerous benefits associated with the embrace of the system. The level of commitment practice by the bank's management has greatly ensured an improved quality of the services offered at the bank. The bank has witnessed a number of benefits associated with the influence of customer satisfaction and continuous process improvement methods on the quality of service delivery and profit margins. The services offered at Barclays have been identified as some of the best as compared to other financial institutions. In terms of focus on employees, the bank has been ranked top as it rewards its employees with competitive salaries. The high quality of services offered by the bank has allowed the bank to charge high prices for its products and services on similar basis. This has ensured high profitability and increased competitive advantage over their rivals. Total quality management should not be considered as

alternative, instead effective strategies should be adopted to ensure its successful implementation.

In order to ensure that total quality management implementation is effective, it is recommended that the bank expands the role of internal auditor to examine the bank's performance in terms of service, quality, value and cleanliness instead of limiting their functions. Even though the bank utilized written documents during the introduction of the TQM implementation, it is imperative to change the banks configuration and work practices to facilitate accomplishment of the TQM concepts. It is a daunting task for the bank to differentiate itself from its competitors given that an introduction of a new marketing strategy will automatically be copied. It is therefore imperative for the bank to ensure high quality of services, products and service delivery in a bid to ensure the customers' loyalty.

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Appendix

TQM- Total quality management

A. T. M – Automatic teller machine

ISO 900- Afamilyunit of quality management standards