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The Impact Of The Quality Of Banking Services On Customer Satisfaction In Private Banks Preparation

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STUDY SUMMARY:
Given the importance, growth and prosperity of the banking sector as it represents the economy of any country, as well as the development of economic activity and differences in people's needs and preferences, people are increasingly demanding access to a wide range of services rather than just obtaining online banking. Satisfying their basic needs for material goods. One of the most important things that people look for in order to achieve a certain degree of financial security for themselves and those around them are the services provided by banks and other financial institutions. In this regard, the aim of the study was to study the factors associated with the degree of customer satisfaction with the level of banking services provided by commercial banks.

THE INTRODUCTION:

Commercial banks are considered an essential pillar of the economic and business sectors in any country, due to their contribution to stimulating economic activity. It also gives a strong indication of the vitality of economic activity in this or that country, given the dealings of many sectors, represented by natural and legal individuals, with these banks, as they deal with them as depositors, current and future. Investors (prospects), and these customers should be the priority goals of these financial institutions.

In this context, the importance of the study comes to focus on one of the most prominent problems that customers face when dealing with these banks and receiving banking services from them. It has become necessary to measure the performance of these banks, evaluate their effectiveness, know the quality of their services, touch and discover their flaws, identify the difficulties they face, and work to improve them. And finding important ways to advance, develop and advance it; In order to contribute to economic development and keep pace with economic changes, the world is now witnessing rapid technological development, with most banking services reaching advanced stages of maturity. However, the clear similarity in the banking services provided by commercial banks in Iraq has led to reducing the factor of competition between them with regard to the diversity of banking services provided to customers. **The first requirement: the concept of total quality management**

Many attempts have been made to define total quality management, and many concepts have been presented for it, the most important of which are the following:
Total Quality Management has been defined as: “the continuous development of administrative processes by reviewing, analyzing, and searching for means and methods to raise the level of performance and reduce the time to complete them by dispensing with all useless and unnecessary tasks and functions for the customer or the process, in order to reduce the cost and raise the level of quality, based on all stages of Development based on client requirements and needs[(1)]

Total Quality Management is also defined as: “a philosophy, broad lines, and principles that guide and guide the organization to achieve continuous improvement, so that it is an essential task for all members of the organization

in order to achieve added value to achieve the satisfaction of its customers by providing what they expect or what exceeds their expectations."
In another definition of total quality management, it is stated that it is: "based on the participation of all members of the organization in improving the processes, products, services, and culture in which they work."[(2)]

Total Quality Management is also defined as: "Doing the right work correctly and from the first glance while relying on the customer's evaluation to know the extent of improving performance."[(3)]

Although these concepts differ in their wording, they certainly share in clarifying the meanings of total quality management, which represent a philosophical framework for it, as follows:
Responding to customer requirements, and thus gaining their satisfaction.

Continuing development and improvement in quality to achieve longterm results.

T) Teamwork with several individuals with different experiences.
In light of this, the philosophy of total quality management can be unveiled by viewing it as a comprehensive approach that seeks to improve and develop performance on an ongoing basis through teamwork and work teams in the organization by responding to customer requirements.
What is worth noting in this regard is that the comprehensiveness of the approach to total quality management comes from the fact that this approach is characterized by two basic characteristics, namely the comprehensiveness of management and the comprehensiveness of quality. The characteristic of "comprehensive management" means responsibility for quality control for all departments and sections of the organization and its employees, whether they are administrators or non-administrators, and not focusing on one department assuming this responsibility. While the comprehensiveness of quality according to the approach to total quality management takes a broad, comprehensive concept of this quality. Although the limited definition of quality means the availability of certain characteristics in the produced commodity, the modern treatment of quality management expands to include many different aspects of organization. Therefore, comprehensive quality includes the quality of the product and service, the quality of the method of performance, the quality of information, the quality of the production process, the quality of the workplace, and the quality of...
Individuals, the quality of the system and subsystems, the quality of the organization as a whole, and the quality of the goals set.
Hence, the approach to total quality management is concerned with applying quality concepts in all areas of work in the organization, with all activities and at all organizational levels. Thus, this approach has become a basic strategy in the field of contemporary management and a necessity for any organization that wants to grow, survive, continue, and compete in the markets.[(4)]

The importance of adopting a total quality management system:

The comprehensive quality management system has become a necessity that countries adopt in order to improve the performance of their institutions and systems, whether production or service, in a way that meets the needs of those dealing with these institutions, and gives those in charge of these institutions the competitiveness of their products and services.
In this context, the reasons that greatly call for adopting a total quality management system can be identified as follows[(5)]

Total quality management system leads to cost reduction and increased profitability.

The comprehensive quality system enables management to study customer needs and meet those needs[(6)]

T) In light of the competitive conditions experienced by business institutions, the "total quality management" approach contributes to achieving a competitive advantage in the market.
d) Applying the Total Quality Management approach has become necessary to obtain some international certificates such as (ISO9000, 9001, 9002, …).
C) Strengthening cohesion and coordination between the facility's departments as a whole.

h) Developing a sense of group unity, team work, interdependence between individuals, and a sense of belonging in the work environment. g) Contribute to making decisions and solving problems easily.

D) Achieving high rates of excellence and efficiency by increasing awareness of quality in all departments of the organization.[7]

Principles of total quality management:

The most important of these principles are the following:

First: focus on customers

What is meant by customers is not only the external customers of the organization, but also the internal customers, who are the organizational units within the organization, whether they are departments, departments, or individuals. The departments and divisions within the organization are viewed as a supplier and a customer at the same time. Thus, the term customer here becomes more comprehensive and broader than its usual meaning, as it may be an internal customer (within the organization) or an external customer (outside the organization). Therefore, whether the customer is internal or external, total quality management is built as a basis for focusing on this customer through correct performance. To satisfy his desires and needs, and therefore assuming responsibility for quality from any department, department, or individual in the organization is one of the basics and principles of the Total Quality Management approach.[8]

Second: Continuous improvement

Continuous improvement in the organization takes place through the participation of all its employees in all departments and administrative units, in addition to the necessity of customers also participating in this through their understanding of the work and its problems and through identifying their desires and needs in order to work to satisfy them, which necessarily requires the availability of an efficient and effective information system.

Therefore, the principle of continuous improvement focuses mainly on goods or services. Whenever a goal is achieved, other goals appear that must be strived towards achieving.[9]

Third: Focus on operations as much as on production

This principle mainly focuses on the need for organizations to pay attention to the efficient and effective design of production processes and production methods used, pay attention to training processes, and provide the appropriate environment for work, in addition to paying attention to achieving the best results that customers expect to achieve from various products and services.

This principle must also include attention to the quality of the processes that lead to the product. The quality of the processes is what leads to the quality of the product, and this is what leads to success and continuity.

The customer always has expectations about the product or service, and if they are not met, he goes to another product or service, and this confirms the inevitability of focusing on operations.[10]

Fourth: Preventing mistakes before they happen

This principle is achieved when the focus is on the processes that lead to the expected results. Focusing on processes enables us to prevent errors before they occur, and this requires the use of standards to measure the quality of products and services during the production process.

Fifth: Shipping or mobilizing workforce expertise

Traditional administrative concepts are based on the assumption that working individuals have no minds and only care about getting paid, but under the concept of total quality management, financial compensation is one of the ways in which workers are compensated for their efforts. Individuals like to feel praise and gratitude for their efforts. This is supported by the total quality management approach.

In light of this, the organization's workforce is the basis for achieving the required quality levels, and therefore it is necessary to mobilize all their experience and energy and direct it towards work and raising the quality levels of products and services. This is done by praising their efforts that they make, and making them aware of their importance and value to the organization and its work, and also By giving them financial compensation in order to improve and develop work and performance, in order to reduce costs and increase profits[11]

Sixth: Teamwork and leadership

This principle focuses on both teamwork and leadership. As for teamwork, its basic idea is based on forming work teams of workers, whether administrative or non-administrative, in all units and organizational levels of the organization, as all of them can make valuable contributions to this organization.
With regard to leadership, the matter requires the need to provide effective leadership that is supportive and committed to a serious and real commitment to moving towards change, so that it sets a long-term vision for the quality of products and processes, and seeks to change the culture of the organization based on the complete conviction it has about that and what it also has available. Of distinguished skills to persuade others to adopt the same philosophy and work to achieve it in order to improve this quality.**(12)**

Seventh: Reverse feeding
Feedback is considered one of the most important principles of total quality management. Providing this feedback allows all the previous principles to achieve the desired results efficiently and effectively. Therefore, the success of organizations in providing safe feedback that can be achieved in a timely manner contributes effectively to increasing their opportunities for success and creativity.[13]

The second requirement: the concept of service quality

Services receive great attention from specialists and researchers due to the important and effective role of services in the work of organizations and facilitating the lives of individuals, which has led to multiple concepts of service and in many studies, some of which we will review, starting from the concept of service all the way to the concept of banking service.
Contemporary trends also emphasize the need to pay attention to service quality as one of the means through which competitive advantage can be achieved and the vital artery that provides the organization with more customers and high profitability, thus increasing its ability to continue and grow.
Service is defined as: "a set of work, operations, and achievements," and it is also defined as: "an activity or group of activities that have an intangible or intangible nature, whether to a small or large extent, and through which interaction usually takes place between the customer and the employee." "The person responsible for performing the service or a group of systems belonging to the service provider, which results in solutions to the customer's problems or meeting his needs."[14]

However, if we move to the concept of banking service quality, then banking service represents a group of activities and operations with a utilitarian content inherent in the tangible and intangible elements provided by the bank, which are perceived by the beneficiaries through their utilitarian features and values, which constitute a source for satisfying their current and future financial and credit needs and desires. It also represents A source of the bank's profits through the reciprocal relationship between the two parties[15]

International standards ISO 9000:2000 also define quality as the degree to which a set of inherited characteristics meets customer requirements.
Kotler defined service as: "An activity or benefit provided by one party to another party without resulting in ownership of anything. Providing the service may or may not be linked to a physical product. The researcher believes from this definition that the focus is not only on the nature of the service, but on Service features also[16]

The American Association for Quality Control has defined it as: a set of properties and specifications of a good or service related to its ability to meet existing, or supposed to exist, requirements. Service quality can be defined in terms of customer perceptions, meaning the extent to which there is a match between the service and expectations, or even the appearance of a level that exceeds expectations from the point of view of the customer and not the organization.[17]

This difference is important as it forces service marketers to take into account the customer's point of view, determine what is expected by the customer regarding service quality or service evaluation, and then develop services that match or exceed these expectations. It is defined as: an essential element in competition between institutions. Proper, rapid and effective response to customer needs allows them to achieve their satisfaction and thus discover market shares. Service quality management also contributes to improving the level of quality and value provided to customers with the aim of improving their performance and developing their skills.[18]

Third requirement: banking service

First: The concept of banking service:

Banking service is defined as: "a group of operations with a utilitarian content that is characterized by the predominance of intangible elements over tangible elements, and which are perceived by individuals or institutions through their connotations and utilitarian value such that they constitute a source of satisfaction of their current and future financial and credit needs and are a source of the bank's profitability through... A reciprocal relationship between the bank and customers."[19]

Banking service is also defined as: "a group of activities related to achieving certain benefits for the customer, whether in exchange for money or without. The bank may sometimes provide free services without charge to its customers."[20]

Banking service is defined as: "Activities that are distinct and intangible in nature and satisfy the needs and desires of customers and are not necessarily linked to the sale of another good or service." Marketing banking services is an intangible activity or performance provided by one party to another party, to satisfy the needs and desires of customers. Through exchange operations[21]

Second: Types of banking services

Banking services refer to a group of overlapping and interconnected characteristics and elements that achieve a certain benefit from the point of view of customers and their beneficiaries, and it may be in the form of cash or material, or in the form of banking or social services and facilities, and among these services?[22]

1- Currency exchange

This task is considered one of the first tasks on which the work of banks is based, as the bank exchanges one currency for another in return for a fee. This service has historically provided a kind of harmony and comfort in commercial transactions across countries, and banks continue to this day to perform this task or service, but At greater and more advanced levels.

2- Discounting commercial bonds

Banks have carried out this process since their inception, so that they were ready to purchase and discount commercial papers provided by the merchant. The discount process is considered the first step on the path to granting loans, as discounting commercial papers in practical terms is considered the process of transferring the obligations of the issuer of the commercial paper to the bank, and thus obtaining... The bank holding this paper and discounting it represents a type of loan that the bank holds towards the owner or issuer of the security who must make the payment to the bank instead of the holder of the commercial paper that became the bank's ownership after discounting it.

3- Granting loans to merchants

Banks grant commercial loans to business owners and thus contribute to facilitating the process of purchasing goods and services or building production lines and other assets.

4- Opening savings accounts

Banks open savings accounts for individuals in order to collect the necessary liquidity for lending in the market. Banks pay annual interest on these deposits with the aim of attracting customers to them.

5- Storing and preserving valuables

It is one of the old operations carried out by banks since their inception, as they preserved and guarded the valuable possessions of individuals and families in exchange for a fee or a monthly fee. In return, they issued receipts for these possessions, and these receipts, in turn, became circulated as money.

To this day, banks still provide this service to their customers, as they have safe places and safes that can accommodate customers' belongings. **6- Opening demand deposit accounts (current accounts)**

The process of opening current accounts on demand is considered one of the most important services provided by banks, so that banks are ready to accept checks coming to them and issued by account holders, and thus the payment process takes place on demand.

7- Granting loans to the consumer

At the beginning of the twentieth century, large banks began granting small-sized loans to consumers to finance the purchase of consumer products. Despite the high rate of insolvency of these loans, the banks succeeded in improving the level of performance of consumer loans by improving credit conditions, and these loans continued to grow, as they included all banks. Commercial banking has become one of the most important activities carried out by the commercial bank at the present time.

8- Financial advice and guidance

Since its inception, banks have been providing advice and guidance to their clients and depositors on matters related to managing and investing funds, improving credit status, and assisting in preparing tax files, in addition to participating in providing guidance when developing marketing plans.

9- Ready money management

It is the service that the bank provides to its customers by managing payments and receipts resulting from their commercial activities. Here, the bank invests the cash surpluses resulting from these cash flows in exchange for an agreed upon fee or fee. This type of service has expanded to include individual customers, as the bank manages funds. Individuals who are ready to invest, receive the receivables of these individuals, and pay their obligations[(23)]

10- Purchasing and renting equipment and supplies

Here, the bank purchases the equipment required by its customers, and then rents it to them in exchange for monthly installments of a fixed value and time. Thus, these customers avoid the high costs that they could incur if they resorted to the equipment seller directly to obtain such services.

11- Granting loans to new establishments and businesses

It is one of the services that banks perform separately, by establishing special branches and departments for this activity due to its accuracy and special analytical requirements, as the bank here conducts an analytical study of the projects to be financed before granting the necessary loan.

12- Insurance services

It is one of the old services that banks provided to their customers with the aim of ensuring that the loans obtained by customers will be returned to the bank in the event of death or bankruptcy. These insurance plans have been called credit life insurance policies.[(24)]

As for traditional insurance operations, which cover property and accidents, most countries restrict them to insurance companies and prohibit banks from carrying them out. However, most banks arrange such services through joint programs with insurance companies.

13- Retirement plans and programmes

Banks provide this service through their money and property management departments, where they open special accounts for establishments and individuals whose primary goal is to manage funds to implement retirement and disability payments and other matters related to post-retirement income.

14- Securities brokerage

It is one of the basic services that banks have begun to undertake nowadays, with the aim of providing integrated services to their customers. Through the service, customers can buy and sell securities and participate in investment funds that banks create.

15- Investment portfolio and long-term savings accounts

Banks began offering such investment products, providing their customers with the opportunity to participate in various high-return investment funds, in addition to facilitating the opening of accounts of a savings nature, so that these accounts pay certain amounts at specific periods that are agreed upon between the bank and the client, and most banks manage such These products are delivered through affiliated subsidiaries, thus separating them from their traditional services.

16- Facilitating import and export operations

Banks finance import and export operations to and from abroad, by securing and opening documentary credits and credit lines and arranging payment and receipt of cash flows resulting from import and export operations.**(25)**

Results:

The arithmetic averages for the dimensions of banking service quality at Gulf Bank ranged between (3.80 and 4.98), as this paragraph received an overall arithmetic average of (4.30), which is of a good level. This indicates that the seven dimensions are of a good level as quality dimensions. Banking services at Gulf Bank from the point of view of the study sample “customers”.

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This study reached a set of results, the most important of which are:

The majority of customers - the study sample - receive good banking services from the private banks under study, and this is a good indicator of the status of the banks.

The results of the study revealed a good level of satisfaction among customers - the sample members - with what the private banks under study offer, as satisfaction levels ranged between average and good.

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