Title: How to deliver quality service
-in Swedbank AB Gävle City

Authors Name: Qian Wang & Sisi Xiao

First Cycle
15 Credits

Supervisor: Maria Fregidou-Malama
Bachelor Thesis in Business Administration
Abstract:

Title: How to deliver quality service - in Swedbank AB Gävle City

Level: First Cycle 15 Credits

Authors: QIAN WANG (Carol), ivanemily@hotmail.com, +46(0)76 236 0012
          SISI XIAO, sissi524@hotmail.com, +46(0)76 236 0894

Supervisor: Maria Fregidou-Malama

Examiner: L-T Eriksson

Date: 2010-05-21

Aim: Service quality is a means to improving customer satisfaction and building up an excellent and profitable company. The actual activities of delivering service in Swedbank AB Gävle City are examined in order to assess how to deliver quality service.

Method: Conduct the research in a qualitative method, mainly with interviews and questionnaires. Both primary and secondary data was collected to support the subject.

Result & Conclusions: Advanced human resources strategy and reasonable solutions to meet customer needs are two superior aspects in the process of service delivery.

Suggestions for future research: Customer perspective and quantified data from employees should be contained.

Contribution of the thesis: An in-depth understanding of the process of quality service delivery, combined with relevant academic knowledge. Other banks and service companies can learn from the analysis results. Students and future researchers also gain new knowledge about service quality in the banking area.

Key words: Delivering quality service, HR strategies, Demand and capacity, Swedbank AB Gävle City
Summary

Management teams and learners have come to realise the importance of delivering quality service to customers. Demand for excellent quality service is increasing within the prosperous service industry. Especially in the banking area, service quality directly influences people’s lives since it is a kind of everyone-use service. Against this background, Swedbank AB Gävle City was selected for this study, as an example of a firm which delivers good quality service to customers.

The methodology used a qualitative research approach. The research process initially developed the theoretical framework which helps get to the bottom of the research question.

This study will show how Swedbank AB Gävle City closed the delivery gap within the context of a service culture, HR strategies and balancing demand and capacity. A service culture, human resources strategy and solutions for balancing demand and capacity are the research focal points in this study. The study evaluated the company’s service culture, good empowerment and teamwork style, favourable training programs, proper measures to meet the demands of customers, and integrity evaluation systems.

Furthermore, the empirical component of the study gathered both primary and secondary data, and analysis thereof depends on a combination of both theories and empirical data as discussed in chapter 5. Lastly, we give a general conclusion of this study based on all the above work.
# CONTENT

1. Introduction .......................................................................................................................... 1  
   1.1 Background .................................................................................................................... 1  
   1.2 Problems ....................................................................................................................... 2  
   1.3 Research problems ........................................................................................................ 2  
   1.4 Aim ................................................................................................................................ 2  
   1.5 Limitation ....................................................................................................................... 2  
   1.6 Dispositions ................................................................................................................... 3  

2. Theory .................................................................................................................................. 4  
   2.1 Service culture ................................................................................................................ 4  
   2.2 Gaps model of service quality ....................................................................................... 5  
   2.3 The gap of delivering service ....................................................................................... 5  
   2.4 Closing the gap using HR Strategies .......................................................................... 6  
      2.4.1 Empowerment ......................................................................................................... 8  
      2.4.2 Teamwork ............................................................................................................... 9  
      2.4.3 Training .................................................................................................................. 11  
   2.5 Keep balance between demand and capacity .............................................................. 13  
      2.5.1 Solutions ................................................................................................................ 13  
      2.5.2 Evaluation system—causes of service-quality shortfalls ...................................... 13  

3. Methodology ....................................................................................................................... 15  
   3.1 Qualitative research ...................................................................................................... 15  
   3.2 Manager interview ....................................................................................................... 15  
   3.3 Employee interview ...................................................................................................... 16  
   3.4 Interview data analysis ............................................................................................... 16  
   3.5 Secondary data ............................................................................................................. 17  
   3.6 Reliability and validity ................................................................................................. 17  

4. Empirical Finding ................................................................................................................. 18  
   4.1 The background and service culture in Swedbank AB Gävle City ................................ 18  
   4.2 Human resource strategy: ............................................................................................ 19  
      4.2.1 Recruitment system—hire qualified employee ....................................................... 19  
      4.2.2 Develop people to deliver service quality ............................................................. 20  
      4.2.3 Excellent working environment ........................................................................... 22  
      4.2.4 Retain the best people .......................................................................................... 22  
   4.3 Solution to demand and capacity: .............................................................................. 23  
      4.3.1 How to meet customers’ needs? ............................................................................ 23  
      4.3.2 Evaluate system ..................................................................................................... 24  

5. Analysis ............................................................................................................................... 25  
   5.1 Service culture ............................................................................................................... 25  
   5.2 Human Resources Strategies ....................................................................................... 26
5.2.1 Hire the right people ................................................................. 26
5.2.2 Develop people to deliver service quality .................................. 26
5.2.3 Provided needed support system .............................................. 28
5.2.4 Retain the best people ............................................................ 29
5.3 Keep balance between demand and capacity .................................. 29
  5.3.1 Solutions .............................................................................. 29
  5.3.2 Evaluation system ................................................................. 30
6. Conclusion ................................................................................... 31
  6.1 Finding ....................................................................................... 31
    6.1.1 How to deliver quality service? ........................................... 31
    6.1.2 How does Swedbank AB Gävle City do when delivering quality service? ...... 32
  6.2 Reflection .................................................................................. 33
  6.3 Recommendations ..................................................................... 34
  6.4 Significance and Suggestion for the future research ....................... 34
REFERENCE .................................................................................. 36
APPENDIX 1 .................................................................................. 38
APPENDIX 2 .................................................................................. 39
APPENDIX 3 .................................................................................. 41

LIST OF FIGURES:
FIGURE 2.1 KEY FACTORS FOR DELIVERING GAP--------------------------06
FIGURE 2.2 HUMAN RESOURCES STRATEGIES FOR DELIVERING SERVICE QUALITY THROUGH PEOPLE------------------------------07
FIGURE 2.3 THE PROCESS OF TEAMWORK ........................................10
FIGURE 2.4 THE PROCESS FOR TEAM LEADER OR FACILITATOR ...........11
FIGURE 2.5 POTENTIAL CAUSES OF SERVICE QUALITY SHORTFALLS----------14

ABBREVIATION LIST
DTI = the Department of Trade Industry
ATM = Automatic Teller Machine
APTA = American Public Transportation Association
1. Introduction

In this chapter, a brief overview is given of the background information, the research subject, the research aim and the general structure of the study.

1.1 Background

Why did we service quality was selected as the subject of the thesis?

Service quality was selected as the study's theme because service is a significant and complicated topic. The study uses professional theories and a case study to research the topic. As service is an intangible product and is different from ordinary goods, it is very difficult to say what type of service is good, and similarly different customers have different levels of satisfaction.

Service quality has a direct impact on customers' actions, which in turn impacts on the company's image, profits, and market share. In fact, an increasing number of managers recognise the importance of delivering good quality service to customers, especially for service companies or other companies who are service-based organisations. Some issues around bad quality service are reviewed, and prove the positive correlation between service quality and company profits.

Why was Swedbank chosen for the case study for the study on delivering excellent quality service?

Swedbank opened in Gothenburg in 1820 as the first Swedish savings bank. After many years of development, it has become an international company. Swedbank is currently one of the main banks in Sweden, competing with Nordea, Handelsbanken, and SEB.

The reason Swedbank was selected is because it is one of the top banks from a service aspect. Their excellent service and the process of delivering high quality service to their customers was of importance in this research study. As for the company's culture, they are friendly towards customers. Their mission is to offer customers the best financial solutions and thereby help them to improve their quality of life, which is intended to encourage every manager and employee to do better in practice. Swedbank focuses on providing good quality service and keeping long-term relationships with customers, whether private or corporate.
customers. Their vision is to be the leading financial institution in the professional market. The vision is applicable on three levels, achieving the highest customer satisfaction, obtaining the best profitability, and being the most attractive employer. Swedbank believes the right way to make a company stronger and bring in more benefits is to build strong groups (Swedbank AB, 2009).

Based on all of the above points, we believe Swedbank as an enterprise, can give inspiration and beneficial ideas to others in the service delivery industry.

1.2 Problems

The purpose of this study is to discuss the process of good service delivery in a service company, involving the many aspects of internal and external factors within a company. Furthermore there are numerous stakeholders who are part of the process, such as the manager who controls functions within a company generally, employees who directly deliver the service to customers, the customers who are beneficiaries of the service and who judge the quality of service they receive. Furthermore, service is an interactive activity has numerous steps or activities between different people, and we need to investigate the process of service delivery, considering how to deliver the service to meet the needs of customers.

1.3 Research problems

Two research questions are investigated.
1. How is quality service delivered?
2. How does Swedbank AB Gävle City deliver quality service?

1.4 Aim

The aim is to examine how to monitor service quality and investigate the process of delivering quality service by Swedbank AB Gävle City. The results are analysed in the context of both theory and the empirical data.

1.5 Limitation

The deliverable service aspects such as the gap model of service quality could not all be assessed in this study, because service quality is very complicated and elusive. Employee and demand & capacity factors were chosen for assessment on how they contribute to quality service delivery. A manager and an employee interviewed as part of this assessment.
The limited time factor was another limitation, making it difficult to use multiple methods and collect much data. The study uses a prominent company (Swedbank AB Gävle) as a case study. Swedbank AB Gävle is the biggest branch of all five Swedbank branches in Gävle. Customer perspectives were not investigated.

A few unforeseen obstacles were encountered because much of the information, from both manager and employee interviews, were private subjective thoughts. Some of the information was classed as secret business information and could not be given to us.

1.6 Dispositions

Chapter 1 introduces the background of service quality, problems, research questions, aims and limitations. It gives a general idea about the work and helps readers understand the topic.

Chapter 2 is a theory chapter where theories and article findings are presented. The main theory is the gap model of service quality. This includes the empowerment, teamwork, training plan, evaluation system and service culture components.

Chapter 3 explains the research methods used. It indicates how data was collected and how the interviews were conducted the issues encountered during this process.

Chapter 4 provides a brief introduction and service culture description of Swedbank AB Gävle City. Thereafter it discloses the detailed information from the branch manager and employee.

Chapter 5 is a discussion about how the process of delivering quality service in Swedbank AB Gävle City links to both the theory and empirical study.

Chapter 6 is the conclusion where results are discussed and suggestions for further study are listed.
2. Theory

This chapter does a literature review and reviews theories relevant to this study of how to deliver good quality service. The main theory is the gap model of service quality (Zeithaml & Bitner, 2006). Furthermore, in order to close the delivery gap literature around HR strategies, involving empowerment, teamwork, and training plans will be reviewed. Suggestions on how to keep the balance between demand and capacity are provided and describe the evaluation system. Service culture is also reviewed.

2.1 Service culture

Zeithaml et al (2006, p.351) state that a customer and service oriented organisation will have at its heart a service culture, defined as a culture where an appreciation for good service exists, and where giving good service to internal as well as the external customers, is considered a natural way of life and one of the most important norms by everyone.

Ron Kaufman, a famous service trainer for companies, suggests that building a superior service culture requires inspired leaders, committed managers and motivated staff. Zeithaml et al (2006, p.351) further suggest that a strong service culture begins with the leaders in the organisation who demonstrate a passion for service excellence. Employees’ thoughts, feelings, and behaviors can be influenced by the service culture of the company. The employees get wind of what is significant in the organisation through the service culture and work hard according to the service culture.

On the other hand, service culture influences customers’ feelings and satisfaction, because customers see the promoted service culture by the company as a promise for their products and service in most cases. Also, the promoted service culture creates direct function to conduct employee’s service behaviors.

Peggy Morrow (2000) gives six suggestions on how to develop a service culture for management. Give a clear description of the behavior that is expected of employees, with both internal and external customers. Explain why giving quality service is important for all stakeholders. Reward people for their excellent service behaviors. Management can use a wide variety of methods to encourage employees who stand out in delivering service, such as cash awards, extra time off, an article in the company newsletter and dinners. Induction training for newly hired staff should include service expectations. Examples of service excellence with internal and external customers should be highlighted throughout the organisation. Create an
awareness of responsibility for group honours. Assist employees to understand the benefits of working as a team in the organisation. In the meantime, pay more attention to internal customer service. We would currently like to treat employees as internal customers and provide comfortable working conditions. It is helpful to enhance both employees’ and customers’ satisfaction. Convey a leadership style of customer orientation, and establish an image of being customer friendly. Change negative attitudes of employees who do not show the behaviour necessary to offer quality service to customers. Management must make rules to control service quality and collect feedback from the customer. When you survey your customers and get the result and data about service quality, ensure that each person, from the top down, knows the results and keeps the process of service going well. (Morrow, 2000)

2.2 Gap model of service quality

The gap of service quality is divided into customer gap and provider gap. Customer gap happens because of the differences that exist between customer expectations and perceptions. The expected service is a function of the customer’s past experience and personal needs and of word of mouth communication (Grönroos, 2000, p.101). It is something that a customer believes should or will happen (Zeithaml et al, 2006, p.34). On the other hand, the perceived service means experience, including the outcome of a series of internal decisions and activities (Grönroos, 2000, p.101).

It is important for an organisation to compare the provider gaps with the customer gaps. These gaps exist within the organisation providing the service and include the following four gaps:

Gap1: not knowing what customers expect
Gap2: not selecting the right service designs and standards
Gap3: not delivering on service designs and standards
Gap4: not matching performance to promises

So closing the gap between what customers expect and what they perceive is critical to delivering quality service, and forms the basis for the gaps model (Zeithaml et al, 2006, p.34).

2.3 The gap of delivering service

Delivering service is a part of Gap 3, which is the service performance gap. It happens when employees are unavailable or unwilling to offer the quality service at the desired level, because management does not understand customers’ expeditions and does not set appropriate specifications (either informally or formally), and the
service delivered by the organisation falls short of what customers expect (Zeithaml et al, 1990, p.89). Mario Kossmann (2007,p.38) suggests some factors that influence GAP 3 including employees, intermediaries, customers, demand and capacity, as well as international marketing. We chose some aspects which have a close relation to our study to show and discuss as is seen in figure 2.1.

Figure 2.1 KEY FACTORS FOR DELIVERING GAP

<table>
<thead>
<tr>
<th>Key factors related to employees:</th>
<th>Key factors related to demand and capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ineffective recruitment;</td>
<td>1. Failure to smooth the peaks and valleys of demand;</td>
</tr>
<tr>
<td>2. Role ambiguity and role conflict;</td>
<td>2. Overuse of capacity;</td>
</tr>
<tr>
<td>3. Poor employee-technology job fit;</td>
<td>3. Relying too much on price to smooth demand</td>
</tr>
<tr>
<td>4. Inappropriate evaluation and compensation systems;</td>
<td></td>
</tr>
<tr>
<td>5. Lack of empowerment and teamwork</td>
<td></td>
</tr>
</tbody>
</table>

Source: Designed by ourselves originated by Mario Kassmann, 2007.

2.4 Closing the gap using HR Strategies

To close the gap in the context of the employee factor, there are few general suggestions for human resource strategies. As Figure 2.2 shows, HR strategies for customer oriented service delivery involves hiring the right people, developing people to deliver service quality, providing necessary support systems, and retaining the best people.

1. Hire the right people; to effectively deliver service quality, considerable attention should be focused on hiring and recruiting service personnel (Zeithaml et al, 2006, p.367). There are three steps (Figure 2.2) in this process. Compete for the best people, hire for service competencies and service inclination and be the preferred employer. It is worthwhile to mention that the correct people are not always the best people. That is to say recruit a person based on the needs of the position. It is necessary to recognise what the essential conditions for that position are.
2. Develop people to deliver service quality. To grow and maintain a workforce that is customer oriented and focused on delivering quality service, an organisation must develop its employees (Zeithaml, et al., p.370). It includes training programs, empowering employees and promoting teamwork (Figure 2.2). Good communication skills and professional technique must always be improved whether at pre-employment or in-house stages. Proper empowerment enhances the efficiency of service process, reducing the time.

3. Provide the needed support systems, such as supportive technology and equipment, and internal service quality measurement (Figure 2.2). Without customer focused internal support and customer oriented systems, it is nearly impossible for employees to deliver quality service no matter how much they want to (Zeithaml et al., p.373).

4. Retain the best people. Avoiding brain drain is a critical problem for every HR manager because of the existing substantial connection with the company profits and company efficiency. As seen in Figure 2.2, three methods are mentioned for retaining the best people. These are to include employees in the company’s vision, treat employees as customers, and measure and reward strong service performers. Employee turnover, especially when the best service employees are the ones leaving, can be detrimental to customer

satisfaction, employee morale, and overall service quality (Zeithaml et al., p.375). Retaining the best people is a significant step in the goals of human resources strategies.

2.4.1 Empowerment

Research on empowerment indicates that a number of managers and businessmen have recognized the significance of empowerment in enterprise management and business activities. Kanter (1977) defines empowerment as giving power to people who were previously at a disadvantaged position in the organisation. Kanter suggests that a continuum of power exists from powerless to empowered. The delivery of power from top to bottom is what makes organisations effective. Zeithaml et al. (2006, p.370) stated that empowerment means giving employees the desire, skills, tools, and authority to serve the customer. Continuous evaluation is necessary for empowerment of management and employees. It shows the importance of evaluation to ensure that empowerment is implemented.

What needs to be done by the manager?
1. Should be a good coach
In the empowerment process, management should act as a coach for employees helping them solve every problem that they encounter, and increase the power to give continuous guidance. The manager can improve the employee’s sense of self-worth by negotiating latitude in decision making and changing aspects of the employee’s job. This leads to increased levels of perceived self-control and hence empowerment (Vogt and Murrell, 1990; Keller and Dansereau, 1995; Menon, 1995).

2. Should be a good ruler and supporter
To some extent, giving empowerment to employees is dangerous for a manager whose leadership focuses on the improvement of individuals in organisations. The manager must control the development process to make sure that the result reaches the expected target. It means setting a standard for the level of empowerment for different positions, and employees need a guide book for special things.

This is a really complex task. Vogt and Murrell (1990) suggested that managers need to build a highly-efficient background support system to create a shared vision, use team and temporary group models within the organisation, respond to external circumstances, evaluate a strategy for continually scanning the environment, redesigning work to reflect collaborative norms, using job-enrichment, creative use of sponsorships, role models, peer alliances, coaching, and mentoring, the development of reward systems that build win-win rather than win-lose attitudes, and identification and clarification of common goals.
While management can provide opportunities for employee empowerment, it also requires the employees to want to be empowered. Employees are also a key factor in ensuring the quality of service. They need professional knowledge and tools to be able to make these decisions, and they need incentives that encourage them to make the right decisions (Zeithaml et al, 2006, p.371). The awareness of initiative and responsibility is significant for employees. It would be very helpful to make the empowerment succeed if the employees are keen to work and desire to learn more in order to enhance their ability long-term. At the same time, the level of empowerment has a positive correlation with the degree of employees’ knowledge.

2.4.2 Teamwork

Zeithaml et al mentioned that the nature of many service jobs suggests that customer satisfaction will be enhanced when employees work as a team (2006, p.373). Actually, teamwork has many advantages in practice. It is easier to deal with complex issues because there are more people with a diversity of knowledge, skills and rich experience in a team. The recommendations from team members are more likely to be implemented compared with thoughts from just one person.

As Figure 2.3 shows, teamwork is a long process. Independent and dependent relationships are needed among team members. Initially one person in the team is independent. They collect information by personal means, and then analyse the information to create private understandings. In this step, many good ideas are created in everyone’s mind. Then, teamwork plays a very important role in the following three steps. Team members are going to talk about these private understandings. These understandings are like a data base for the team, as each team member can use the understanding provided by the other team member. In the three steps, trusting every member and having free communication channels are critical factors to keep the teamwork going well. It becomes an interdependent relationship, continuously improving problem solving together. The following Figure 2.3 is supplied courtesy of the United Kingdom (UK) Department of Trade and Industry (DTI).
We can see from Figure 2.3 that to trust each other and create a positive communication environment is critical to help build an excellent team in an organisation. At the same time, the article from the UK DTI suggests that teams which want to pass every stage triumphantly should become effective process and improvement teams. Teams would do a better job in the following aspects as a consequence:

- Clear objectives and agreed performance goals;
- Openness and confrontation;
- Support and trust;
- Co-operation and conflict;
- Good decision making;
- Appropriate leadership;
- Review of the team process;
- Sound inter-group relationships;
- Individual development opportunities. (APTA, 2009)

The article from the UK DTI offers an entire procedure guide as an example to the team leader or facilitator on what they must do to execute Figure 2.4. It can be seen from Figure 2.4 that there are six steps. A leader or facilitator needs to make a workable plan, set team standards, ensure all actions move towards the objective, support continuous work, receive information and give new information to team
members, and evaluate teamwork from different angles.

Figure 2.4 THE PROCESS FOR TEAM LEADER OR FACILITATOR

• **Planning.**
  - Define the team task or purpose.
  - Make a workable plan.

• **Initiating.**
  - Explain why the plan is necessary.
  - Allocate tasks to team members.
  - Set team standards.

• **Controlling.**
  - Influence the tempo.
  - Ensure all actions move towards the objective.

• **Supporting.**
  - Encourage and discipline the team and individuals.
  - Create team spirit.
  - Relieve tension.
  - Reconcile disagreements.

• **Informing.**
  - Give new information to the team.
  - Receive information from the team.
  - Summarize suggestions and ideas.

• **Evaluating.**
  - Test the consequences of a proposed solution.
  - Evaluate team performance.
  - Help the team evaluate its own performance against standards.

Source: Own Designed after DTI of UK Resources, 2010

2.4.3 Training

In today’s business landscape, most large businesses put heavy investment into training plans, to keep pace with the targets and blueprint of the organisation. In fact, training is not only a matter of fixing problems, but also brings about various organisational and personal benefits. Companies gain improved recruiting, higher staff retention, more useful resources and better output; for individuals it is a fabulous opportunity to improve personal knowledge and skills. Social reports
indicate that many employees will want to stay in a company because of the excellent training plan.

The correct way to design a training plan is a big problem for management. It must include and meet the needs of the organisation, as well as the target audience’s needs, referring to the organisation’s goals, mission, values and need for profits as well as the background knowledge and personal ability of the target audiences.

The Starbucks Experience which is a great training design used by the Starbucks Corporation, and it can be considered as a widely used approach by APTA Bus Operations Working Group for reference. *APTA Bus Operations Working Group (2009)* gives four steps, covering the conduction of needs assessment, establishing training goals, defining the target audience, and developing and designing the curriculum.

In the first stage, it is necessary to survey the target audience and control buy-in and commitment. It is needed because a number of employees or parts of the target audience are frequently unstable.

The second step is setting a training goal to show the relationship between each employee and to make them understand how to enhance the positive influences in the organisation, to give them information about ongoing skills and knowledge required to service the customer and to expand the impact of a service culture to employees.

The third step sets the area of the target audience. Usually, it is divided into different levels within the existing hierarchy, like executive, middle management, administrative, and operational personnel. Each level needs a different training plan to help them in their work.

The last step is to develop and design the curriculum based on all the prepared analysis. The content in the curriculum should include communication, conflict resolution, cooperation and accountability. Management can create some content differing from others. Moreover, to have diversity in training methods such as case studies, guest speakers, role players, exercises, group discussions and outsourced training are common methods for the majority of organisations.

In the meantime, managers are not limited to traditional methods and materials, and can take on new techniques and bring in new methods. Assistance with PowerPoint slides has more impact with a guest speaker just as putting a training video on the Internet for the target audience to watch at their leisure.
2.5 Keep balance between demand and capacity

Any company wanting to deliver high quality service must begin with a clear understanding of its customers’ needs. This is definitely helpful in closing the gap.

2.5.1 Solutions

On the capacity and demand side, we can amend a bad situation through three aspects:

1. Shift demand by attempting to move and change customer demand to suit available capacity.
2. Managers can have flexible capacity which they cannot adjust to meet customer demand. Waiting-line strategies. Using facilities or other means to attract the attention of customers, is also a good way to increase the tolerance for waiting. Utilising magazines, toys, and videos may be useful in this regard. The customer might be interested in these things, and will not notice how long they have waited.

2.5.2 Evaluation system--causes of service-quality shortfalls

Figure 2.5 shows the process of how to judge and examine an employee’s service.

It is an important part of narrowing the delivery service gap. Service people gain information on delivering quality service to customers, and improve their service quality through the whole process. It draws a clear line between good service factors and bad service factors. The potential causes of service-quality shortfalls are shown in Figure 2.5. The model in Figure 2.5 indicates how employees deliver service quality. Do employees understand the customers’ needs? Is it the right design for the present service standards? Does the employee convey the latest information about the company to the customers?

Actually, it is more like an improvement system in itself. There are five questions to judge different aspects of the service quality in Figure 2.5. However, the system is only an examination system to uncover weak points or bad aspects in service delivery. It does not give any detailed solutions. So, we need to find more useful ways to improve service quality after finding weak points or bad methods.
Figure 2.5 POTENTIAL CAUSES OF SERVICE-QUALITY SHORTFALLS

POTENTIAL CAUSES OF SERVICE-QUALITY SHORTFALLS

1. Do your customers perceive your offerings as meeting or exceeding their expectations?
   - YES: Continue to monitor customers' expectations and perceptions
   - NO: Go back to the previous step

2. Do you have an accurate understanding of customers' expectations?
   - NO: Take corrective action
   - YES: Proceed to the next step

3. Are these specific standards in place to meet customers' expectations?
   - NO: Take corrective action
   - YES: Proceed to the next step

4. Do your offerings meet or exceed the standards?
   - NO: Take corrective action
   - YES: Proceed to the next step

5. Is the information communicated to customers about your offerings accurate?
   - NO: Take corrective action
   - YES: Continue with your current process

Source: Zeithaml and Berry, 1990, p.47
3. Methodology

This chapter discusses the research methodology for this study and explains the reasons for the selection thereof. The data collection part will give an explanation on how it was gathered and also analysed. Reliability and validity will be clarified, to prove the quality of the study.

How is the work organized?
The study commenced on 4th of March on meeting the manager of Swedbank AB Gävle City. The interview highlighted the suitability of service quality as a research topic. The whole work consists of six parts, the introduction, theory, methodology, empirical findings, analysis, and conclusion. The introduction describes the background information, the theory part presents all mentioned definitions and related theories, the methodology shows how the work was written up and the empirical findings record the interview information and the final analysis and conclusion are based on the previous parts and reflect our ideas and comments.

What is good quality?
Quality is the ongoing process of building and sustaining relationships by assessing, anticipating, and fulfilling stated and implied needs. According to this definition, good quality can be defined as the ongoing process of building and sustaining excellent relationships by assessing, anticipating, and fulfilling stated and implied needs.

3.1 Qualitative research

Qualitative Research refers to an unstructured, exploratory research methodology based on small samples that provides insights and understanding of a problem (Malhotra, 1999, p.147).

Qualitative research was selected as the methodology to conduct the study since there is only one manager in Swedbank AB Gävle City and quantified data from employees was unavailable. Customers were not interviewed due to the size of the sample being too large. Under these circumstances, we used in-depth interviews and email contact.

3.2 Manager interview

Permission was received to have a face-to-face interview with Johan Forsström who is the managing director of Swedbank AB Gävle City.
Prior to the interview, a questionnaire was prepared which was very helpful to ensure that the interview was clear and specific; then, we went through the list with a question and answer approach. The questions consisted of six aspects which were designed according to the theory. These were the service culture at Swedbank AB Gävle City, the level of empowerment in the bank, what Swedbank AB Gävle City does to meet customer demand, training programmes in the bank, teamwork in the bank, and the recruitment system. The manager tried to answer every question as specifically as possible in order to provide a better understanding of the detail. During the process, recording pen was used for the whole conversation, so that nothing would be missed. However, once recording of the empirical findings commenced, it was found that there was still much needed information which was not included in the first interview. The manager was then emailed for more information.

According to the subject of our work and the theory framework in Chapter 2, gathered data from the interview and the email were analysed from the perspective of what enabled the bank to provide excellent quality service from a manager perspective. The specific question list is attached in the Appendices (see p.44-p.47) and in-depth analysis is also available in Chapter 4.

### 3.3 Employee interview

After the interview with the manager, it was realised that an in-depth interview with an employee was also needed for analysing the questions from an employee perspective. The employee interviewed was a salesman in Swedbank AB Gävle City named Staffan Hjalmarsson, employed in the bank for one year.

The employee had been sent the questionnaire in advance of the interview. The content of the question list followed the structure of the manager’s questions, but specific questions were designed from the perspective of an employee. A question-answer approach was again adopted. He provided verbal answers for every question, some of which was recorded.

For the data analysis, this part of the data was combined with data previously collected, to form the Chapter 4 empirical studies, and also used in testing the validity.

### 3.4 Interview data analysis

Data should be presented logically in the empirical chapter as relevant information. Since the study had primary data from two sources, the manager and employee
interviews, a comparative method was used. The theoretical framework was analysed to find corresponding information in both interviews. Then, analogous answers from both the manager and the employee perspective were compared and analysed. Well categorised data was analysed in the context of the theory, and thus categories were developed.

As categorised data has been done, the research problem “How to deliver quality service and what do they do when delivering quality service in Swedbank AB Gävle City? “ is specifically explained according to that logic. The final conclusion was also done by summarising all factors and aspects.

3.5 Secondary data

The secondary data for the study came mostly from books, articles and the Internet. Before deciding to research Swedbank AB Gävle City, we searched for information about Swedbank via the Internet. The Swedbank homepage was found and provided an insight into the company. When the questionnaires were prepared, much practical information was learned from other research studies through books and articles. This secondary data benefited the study since we already had certain knowledge before selecting the primary data.

3.6 Reliability and validity

Reliability means that if the whole research is repeated by other people, the findings and the conclusion should be highly similar (Merriam 1994). This study was done using a qualitative methodology, mainly applying interviews and questionnaires. The results would not necessarily be the same if other employees were interviewed, because different people have different feelings. The manager and employee provided very similar responses.

Validity can be defined as to how accurately the research around the research question was conducted (Merriam 1994). It requires the researcher to pose proper questions so that the data collection is closely related to the subject and thereafter to derive a valid analysis and conclusion. Our research question was to understand what factors make Swedbank AB Gävle City capable of providing high quality service to customers. The primary data collection was gained from both manager and employee interviews and a questionnaire correlated with the corresponding theory framework. The process justified that this research study is valid.

The methodology this research study has been presented, and in the next three chapters the empirical data will be presented.
4. Empirical Finding

The main content of this chapter comes from interviews with the manager and the employee in Swedbank AB Gävle City, and their responses. A certain amount of secondary data was selected from the Swedbank headquarter homepage. All the data collected is presented in two sections below—human resource strategies and solutions for balancing demand and capacity.

4.1 The background and service culture in Swedbank AB Gävle City

During the interview with the manager, the background information about Swedbank AB Gävle City was collated. It is the biggest Swedbank branch of five, located in central Gävle. They currently have 55 employees and 1 manager in total. There are 14 sales people, 11 private advisors, 12-13 people work in the business department and are responsible for corporate and institutional customers, and the rest deal with everything regarding private customers.

The meaning of Swedbank indicates the ambition to become a universal bank for everybody. Swedbank’s mission is to make the bank accessible, uncomplicated and proactive. Swedbank AB Gävle City continuously develops its offering to provide the most complete range of services possible to private, corporate and institutional customers.

Service culture in Swedbank AB Gävle City can be described by the four key words, happiness, openness, simplicity, and customer-orientation. The manager and the employee both mentioned this.

Customer-oriented
Swedbank AB Gävle City always puts its customers first. All staff do everything with the customer as a priority. They are service-minded, warm and helpful and give their customers an excellent service experience. Strong and long-lasting relationship building is pursued. Employees take good care of their customers. Extra activities like film and ice hockey tickets are accessible for free.

Simplicity
Make banking easier. A series of easy-to-use services consisting of ATM services, face-to-face banking, phone banking and also Internet banking is available for
different customers’ needs. People can choose an appropriate service according to what they need. Also in the service process, all customer operations have detailed instructions. As a better service, they offer extended opening hours compared with other banks, from 10:00 am to 6:00 pm. However, Swedish is the only language shown at the ATM and also some of the other machines. It is hard for people who don’t understand Swedish, especially as more and more foreign students are coming to Gävle.

Make the complex simple. In tough cases, Swedbank AB Gävle City will first identify these complicated problems, then analyse and overcome them one by one, so making the whole situation simple in the end.

**Openness** in Swedbank AB Gävle City can be understood with two definitions. It is open to new ideas and people. On one hand, communication within the bank is open. Employees are free to go to the manager’s office to have a conversation on whatever matter they like, and customers are welcome to contact the company. On the other hand, new employees or customers are highly accepted. Honesty and straightforwardness. Customers experience a service with open employees, thus the best solutions are provided.

**Happiness** means that everyone in Swedbank AB Gävle City feels happy and so work in a good mood. The manager himself is a positive person who really loves his work. He encourages his employees to be happy while giving good service to their customers. The interviewed employee told us that employees are willing to meet customers and solve problems for them. With this pleasant atmosphere, customers will also be happy. In the end, both the staff of the bank and the customers are happy during the process of delivering service.

### 4.2 Human resource strategy

#### 4.2.1 Recruitment system—hiring qualified employees

The Manager is responsible for choosing and hiring qualified people. The entire recruitment process consists of two steps. An application is completed and then followed by an interview. Although applying specific standards, comprehensive ability is the most important criterion. In the talk, Johan expanded on the employee standards of Gävle City Swedbank AB.

**1. Background**

The level of education is not a determining factor for the employee, but relevant professional knowledge is necessary. People who have relevant experience can deal
with real cases promptly after a short term of job training. Nevertheless, Swedbank AB Gavle City gives them enough time to learn and grow.

2. Experience
Like the background, experience is a variable. Highly-experienced people are already familiar with the work practice and may have even started their working life in Gavle City Swedbank AB. Graduate students without work experience are also accepted if they show their strong personal studying ability during the face-to-face interview.

3. Character
Character is considered to be the most essential standard for employment. Banking services occur with two-way communication, and consequently the human factor is highlighted. Service-minded, open-minded, happy, honest, helpful and willing to meet people are the initial requirements.

4. Working principle
Apart from having a positive character, correct and active work principles are also required. People should do the best they can, and fully understand that providing an excellent service and satisfied customers is the final goal. In emergency situations, they must stay calm and do as best as they possibly can.

4.2.2 Develop people to deliver service quality

1. Empowerment
Empowerment is an indispensable human resource strategy in Swedbank AB Gavle City, since it can enhance the efficiency of the service delivery process and reduce time. The following information comes from the interviewed employee, which can be compared with what the manager said.

1) Employees have their own private areas to do business with customers. During the process they apply their professional knowledge to provide the best solution for the customer. The manager will never walk around to monitor employees while they are working. He fully believes in his members and gives empowers them to deal with matters. Employees can concentrate on working out solutions without any unnecessary pressure. Over and above the working content, employees also participate in the decision making process of the bank. They can give their personal suggestions to the manager when the bank is making important decisions.

2) The time schedule is quite flexible in Swedbank AB Gavle City. The employees need to work seven and half hours every day but they can decide the starting time and ending time. Opening time is between 09h00 to 09h30, and usually
closes between 16h30 to 18h00. The required working hours are calculated by month for employees. They can make their own time table according to what suits them, but must work up to 163h/month.

2. Teamwork
Teamwork in Swedbank AB Gävle City is excellent. It it reviewed from three aspects for ease of understanding. These are the individual employee in the team, the manager in the team and the cooperation between these two.

**Individual employee**—Although everyone in the bank has their own work responsibility, they help each other as a team to service customers well. For each employee, their work content is to provide satisfied service, thus finding solutions to problems for the customer being served. But if the problem which the customer encountered cannot be solved by one employee, then other employees would give their help. The entire work task would be accomplished even if one or two employees left.

**Manager**—In the teamwork, the manager acts as a driver and supporter. When the employee is unable to find the answers for something, the manager will give his support. He may directly deal with the problem instead of the employee or he might just give his personal advice. Moreover, he might create a chance for employees to work and think together by means of a meeting or discussion.

**Cooperation**—The Manager drew a circular picture of employee power to illustrate that every employee contributes to the whole Swedbank AB Gävle City, and this strength results in a powerful bank. All staff work towards creating a competitive image with an excellent, highly-efficient and satisfactory service. A new cash service offering, was the result of collaborative thinking by the manager and employee.

3. Training programs for the employee
The training program is designed to improve employees’ professional ability and increase knowledge recognition. In Gävle City Swedbank AB, training programs can be divided into two kinds according to the time required.

**Pre-professional training**—One kind of training can be categorised into pre-professional training, which means those employees should take training courses before they start real work. The training content includes all aspects of the banking service, law and tax. After passing the training assessment, they can start their working life in Swedbank. The manager gave an example with mortgage loans. If people want to work with mortgage loans, they need to start training with simple loans first. After getting 15 credits, they can move to the next step of listening to cases with mentors. In the future, they will be able to handle house loans. The
Swedbank

bank also has interactive education on the PC, where employees can do fictional cases at first, and when they have done around 10 cases, they can go onto the real situation. The pre-professional training usually lasts 2 or 3 weeks. The professional person who is responsible for giving guidance to the employees is the manager. So this is a cheerful beginning for having a good relationship with the manager.

**In-job training**—Another training program goes to at-professional training. During working hours, employees have a weekly training course within the bank. Much helpful information is gained for the purpose of improving. Also, employees can participate in a four-week professional study course in Stockholm each year, which enables them to communicate with other Swedbank staff for mutual improvement. This is voluntary for employees and they can apply for more time to attend courses which means they may get the chance to work there. But if the manager is not satisfied with someone’s performance, he could force them to participate in the training program so as to update their skills.

**4.2.3 Excellent working environment**

In the bank, everyone has their personal desk to work from so that they are not distracted by each other whilst working. The personal working areas are well equipped with a computer and telephone. Other electronic facilities like copy machines and printers are well-placed. Swedbank AB Gävle City also provides its employees with a rest room and eating room for comfort. Each employee has a lunch break for 45 minutes; they can temporarily stop their work and enjoy their lunch time in the eating room. Microwaves, coffee machines and drink machines are provided for the employees’ benefit. The rest room is for those who are tired after a long working period.

**4.2.4 Retain the best people**

After a serious recruitment process, through various strict pre-professional and in-job training, qualified people are employed. But how do they keep those best fit employees? Swedbank AB Gävle City adopts two useful ways (from the manager interview):

1. **Promotion**—They have no clear regulations about promotion since the manager plays the only special leadership role. In Swedbank AB Gävle City, employees are competent in their familiar areas and usually work within one particular professional business section. However, once an employee has skills on a business level from another work area, then the manager could arrange the person access to that section of the business. As a result of experiencing different work stations and having served
people there, personal ability and career development make a huge step forward.

2. Rewards—Rewards in Swedbank AB Gävle City happen every day. The manager will give a reward to the employee whose performance is outstanding in quick reaction. This kind of reward can be various, from a family trip to leaving work earlier. Those who work more than 163h/month will receive more salary or holidays as benefits. Johan’s leadership philosophy is No pain, no gain and Work more, get more, meaning that every employee receives a reward corresponding to their performance.

4.3 Solution to demand and capacity:

4.3.1 How to meet customers’ needs?

Swedbank AB Gävle City always does its’ utmost to meet the customers’ demands. Both the manager and employee mentioned the following aspects.

The bank is the only one which opens from 10:00am until 6:00pm on weekdays to provide full services to Gävle. And if a customer asks, the bank will open earlier just for him/her.

The bank had an ongoing problem with long queues, and the customers were unhappy with having to wait for a long time. At the beginning of April, a new system providing two lines to service customers was put into practice. One line was for cash business, the other was for anything. The waiting time was minimised and the customers were highly satisfied.

To suit the different needs of customers, the bank provides various banking methods. Three ATM machines are well-placed within the bank and customers can also get out the money from any general ATMs located in almost every place in Gävle. Face-to-face banking is available for everyone. A 24 hour telephone banking service is available for all business except cash business. And Internet banking is available for people who have activated the service.

If there is a special requirement from the customer, the bank will arrange a personal bank consultant for them.

Two separate departments were established for the private and corporate/institutional customers.
4.3.2 Evaluation system

The system used by Gävle City Swedbank AB to evaluate the provided service can be divided into two parts, external and internal evaluation. Both evaluation methods are presented below.

1. External evaluation
Every year, Swedbank AB Gävle City asks an external company to do a research study in respect of its service. The study is mandated to not only evaluate service within the bank, but also compare its service quality and customer satisfaction with other banks throughout Gävle. The manager will get the results from the company then implement corresponding actions to either maintain present service levels or to improve them.

2. Internal evaluation
Swedbank AB Gävle City conducts the internal evaluation with the following three main methods:

1) Email
The email feedback information can be gathered when a customer voluntarily writes to the bank’s email centre or voice their opinion via direct contact to an employee’s email. It would finally go to the manager for solving.

2) Questionnaire
For better understanding customer’s feelings, Swedbank AB Gävle City also distribute questionnaires for evaluation. The questionnaire would be filled in with no ballot and the results analysed afterwards.

3) Word of Mouth
During the daily service-provision process, word of mouth evaluation occurs as well. After the service, an employee may ask the customer if they are satisfied with them and the service they provided. In some cases, customers share their feelings with them whether satisfied or not. In the end, this kind of feedback will be reported to the manager for evaluation.
5. Analysis

In this Chapter, the present quality of service delivery in Swedbank AB Gävle City is analysed, depending on both various theories and the actual survey. To show what Swedbank does to close the gap during the process of delivering service in practice, and what to do to become one of top banks in service delivery. The analysis also reviews the data from the two interviews.

5.1 Service culture

Delivering good quality service relies on having a defined, accurate and distinct service culture as its heart. We present six suggestions to develop a charming service culture by Morrow (see chapter 2.1).

In fact, Swedbank provides a very specific service culture and display them on the Internet, brochures and through actual activities. The manager of Swedbank AB Gävle City uses the general mission, vision and value to tell us what the service culture in his company is, and how to create a customer-oriented and service-oriented service culture. Swedbank fulfills your banking needs whoever you are, when you enter Swedbank you will always be seen only as a customer without any judgmental attitude or unfriendly looks. Everyone can enjoy the excellent service provided by the workers of Swedbank. They try their best to meet the customers’ needs. Understand and react to the customers’ needs is the correct way to take the customer oriented and service oriented measures to conduct management and operation. It is very important to influence employees’ behavior and measure their behaviors to see whether they match with the rules of delivering service. Easy to do business with customers and be close to customers, conveyed a positive and simple customer service, showing a friendly image to both internal customers and external customers.

Also, he encourages his employees to learn from role models and good companies, how to do everything better. Setting multiple rewards, such as cash, dinners or extra time off, is an efficient measure to encourage employees’ excellent service behavior.

The manager believes that the customer should be valued in the service culture of a company. He gives four key words to explain his ideas about being customer friendly, customer-oriented, simplicity, openness and happy. The customer is positioned in the core position and the manager views conveying customer-oriented ideas to his employees as a significant job. Still, the manager wants to build a simplified and
user-friendly service system, and an open service environment. Swedbank AB Gävle City is the only bank which is open until 18h00 every day to provide full services. Furthermore, various banking methods are provided for easier and better services in Swedbank AB Gävle City, such as ATM (mini banking), face-to-face banking and phone banking. He expects customers who come into Swedbank to feel happy and have high satisfaction levels with his bank’s service.

5.2 Human Resources Strategies

5.2.1 Hire the right people

A complementary strategy is to interview multiple employees for every position (Zeithaml et al, 2006, p.367). Different jobs have different requirements in respect of knowledge and skills, educational background, past experience and personal character. There are three issues for hiring the right people as Chapter 2 mentioned. They are competing for the best people, so they must hire for service competencies and service inclination, and be the preferred employer. It is necessary to recognise what the essential factors for this position are. Before recruitment commences, make a list to show others what people you want to hire. It is a rule to guide the department of human resources.

The manager took the above ideas in his actual recruitment. However, he also gives personal viewpoints about basic requirements. He says that the character is more important than background and experience for this year’s graduates; because the characters will decide future potential, but the professional knowledge and experience will be enhanced in training and practice operations. What is an appreciative character? The manager asserts that being service-minded, open-minded, happy, honest, helpful, willing to meet people is necessary to be a good worker in banking.

5.2.2 Develop people to deliver service quality

We said in Chapter 2.4, that developing people to deliver service quality requires training programs, empowering employees, and promoting teamwork. Good communication skills and professional technical skills must be improved every time training is received, whether pre-employment or on the job. Proper empowerment in particular brings lots of benefits, such as the efficiency of service process, reducing the time to service the customer.

1. Empowerment

In the theory part (Chapter 2.4.1), empowerment was defined as giving
employees the desire, skills, tools and authority to serve the customer. During the process, managers are more like a coach helping employees to gain the ability to solve problems, and providing the necessary rules and background support systems. Also employees must have a desire for authority. They must want to enrich their knowledge and skills for providing high quality service and making the right decisions.

The manager agrees with our standpoint in the theory part. The manager considers empowerment as a good way to make the company more efficient. Usually, he also plays the role of a coach to support his employees without directly being involved in practical matters. Every employee has a private area with a desk, a copy machine and other equipment in the bank. They can deal with all customers’ problems in their own way. The manager never walks around to monitor employees when they are communicating with customers. The manager mentioned the importance of trust many times and believes the employees can provide quality service with the professional knowledge and rich experience they have.

Most employees in Swedbank are willing to enrich their knowledge and experience and they are very happy to have the authority to make decisions. The employees are allowed to work to a timetable that suits them, but must reach the minimum 163 hours in one month.

The manager is very nice, and happy to give his thoughts and suggestions when his subordinates ask him.

2. Teamwork
Teamwork is a very complicated process, as it not only needs the talent and new ideas from one person, but also discussion and communication with other members who belong to this team. It involves independent relationships and dependent relationships among team members as mentioned in Chapter 2.4.2. The role of the manager is to be a good coordinator and supporter with a lot of responsibility, such as making a teamwork plan, and controlling and supporting teamwork.

The manager gave a brief introduction about teamwork in Swedbank. The capacity of one employee is limited because of confined knowledge and experience. The manager encourages the employees to help their co-workers and to see the company as an entire team. Trust and free communication must be valued at all times. The manager believes that trust and free communication are two key factors which create great teamwork. The manager can trust the employees and each employee can trust their co-workers and manager. They will with open hearts, speak the truth about what they believe and without any reservations. The daily work about teamwork is similar with our theory, involving making a teamwork plan, controlling the process, providing background support, choosing the best problem solutions.
The manager said the role of management should be to focus on both individuals growing and organisational development. The manager encourages the employees to ask for help from their co-workers or manager when they encounter any difficult issues. The manager believes it is beneficial to building a stronger bank as a whole team, when the employees become stronger.

The manager gave us an example of a new service item called the cash service. The manager is very proud of this item, because it is a direct result from teamwork, and his branch was the first and only one to have a cash service. It has turned out that the customers also think the service is perfect; they do not have to wait to withdraw cash.

3. Training program

In Chapter 2.4.3, training is viewed as a win-win measure in companies. For companies it is improved recruiting, higher retention, more useful resources and better output, while for individuals it is a fabulous opportunity to improve personal knowledge and skills. Generally there are four steps to creating a good training system.

The first step in developing a training programme is to survey the target audience and control buy-in and commitment, then to set a training aim, and then to develop and design the curriculum. The manager explained their training program to the researchers. Swedbank AB Gävle City offers two kinds of training, pre-professional training and on the job training to make sure everyone can do their tasks they were employed to do. Pre-professional training is delivered by the manager who provides all the information about the company and information about the daily tasks for each person. The manager believes it is good to help new staff learn how to work and what the responsibilities for each one are, and at the same time the manager can build a close relationship with new staff and get to know them.

For on the job training, employees often have a weekly training course within the bank and they can also attend a four week training course at the headquarters in Stockholm each year if they want to learn something external to the company.

The employees who work in Swedbank AB Gävle City are eager to participate in training programs, viewed training as a part of their work responsibility and are happy to enhance their knowledge and skills to improve their service quality.

5.2.3 Provide needed support systems

Zeithaml et al state that a support system includes three main parts, the measurement of internal service quality, supportive technology and equipment, and develops service-oriented internal processes.
In Swedbank AB Gävle City, the manager measures internal service quality based on the reports from an external consulting company of customer satisfaction and other operational situations. The external company gives accurate and detailed information, analysing results and comparing these results with those of competitors. Technology support is delivered by training programs to increase the knowledge and skills of employees and by introducing advanced equipment. In addition, the working environment is also given as playing a key part. Most employees have a desk in a private room with equipment such as a computer, telephone, copy machine and printer. This is an advantage to providing a good service environment to customers. Moreover, a rest room and dining room with necessary facilities is available for all employees to use.

5.2.4 Retain the best people

Avoiding brain drain is a critical problem for every HR manager because of the existing substantial connection with company profits and company efficiency. Zeithaml et al pointed out three aspects for retaining the best people and to avoid the right people leaving. They are to measure and reward strong service delivery performers, treat employees as customers, and include employees in the company’s vision. The employees advised that they are measured and that the bank rewards strong service performers in an effort to encourage employees to provide better service and make them stay with the company.

The manager claims that employees are friends, and that they can discuss anything with the manager or ask for the managers help in any matter. The employees are the same as customers and want to be treated equally and in a friendly way.

The manager encourages employees who show good performance and deliver outstanding service to customers. One way to do so is through promotion, giving a higher position with more responsibility and obligation. Through experiencing different work situations and serving different customers, personal ability and career development make huge steps forward. Another way is with rewards, such as cash, days-off, tickets or dinners. For example, someone who works more than 163h/month will receive more salary or holidays as benefits.

5.3 Keep balance between demand and capacity

For closing the delivery gap, we find that keeping balance between customer demand and service capacity is a critical aspect in giving customer satisfaction.

5.3.1 Solutions
It is not difficult to understand that customers will not be served well when there is a lack of service staff, or enough service time. Research has shown some measures as a guide. As discussed in the theory part, shift demand, flex capacity, and waiting-line strategies are available and useful strategies to ameliorate bad situations.

What do they do in Swedbank AB Gavle City? They provide longer hours of service (10:00-18:00) than other banks to meet the service needs of their customers. They also offer two service lines. These are a new cash business line and a traditional business line. The cash business line, as a new service, is quite effective in reducing the waiting time to withdraw cash. In addition, the bank can give flexible service to customers according to their requirements.

5.3.2 Evaluation system
Potential causes of service quality shortfalls are given in Chapter 2.5.2 as an integrated check system to help both management and employees to discover service shortcomings and improve service quality. The system is used to find only weaknesses or bad aspects in their service.

In Swedbank, the manager takes a conservative approach to control and evaluate service quality, involving an external professional consultant evaluation and an internal evaluation system. The outsourcing of the marketing research of the bank to another professional company is a good thing. A more correct marketing research and analysis is obtained by outsourcing. Any information about the external company and the results are a business secret and not available to the researchers.

As for the internal system, the manager adopts a similar system to the model in Chapter 2, defined as an evaluation system here. In practice, the employees have three main approaches email, questionnaire, and face-to-face communication. They get the results about their service quality and customers’ satisfaction through one of these three methods. Then, the employees use the evaluation system to adapt their service. The evaluation system involves four steps. Is it providing good quality service to customers? Do you (the employee) understand your customers’ needs clearly?

Also, the manager can inspect his design and delivery using the evaluation system. Actually, the results of this procedure find the reasons for bad service quality.

The manager and most of the employees consider the evaluation system to be a helpful tool to improving service quality. Moreover, they also agree that direct face-to-face communication is the best way to know the customer’s feelings about their service, and to find the solutions together.
6. Conclusion

This chapter presents the final conclusions based on the research, and affirms whether or not the research question has been answered, and how the findings deviate or resonate with the study reference frame. Furthermore, we illustrate the significance of the entire work and propose suggestions for future research.

6.1 Finding

Here two research question answers will be specified.

6.1.1 How to deliver quality service?

1. Service culture
Describing the behavior that employees are expected to deliver, from both an external and internal coworkers’ perspective.

Reward people for their excellent service behaviors. Managers can use various methods to encourage employees to perform well in delivering service.

Study outstanding examples from both internal and external customer areas through discussions, meetings or training. To train everyone in a service culture from the commencement of their employment.

Transmit an awareness of responsibility for group honour. Managers should satisfy employees first, and then they will deliver a satisfactory service to customers.

Both employee satisfaction and customer satisfaction are critical.

Convey a leadership style of being customer-orientated and establish an image of being customer friendly.

Build up an evaluation system, which enables feedback information that can be dealt with in a timely way.

2. Human Resource Strategy
Hire the right service personnel. The process is to compete for the best people, then hire for service competencies and inclination, and be the preferred employer.
Develop people to deliver service quality. This relates to training programs, empowering employees, and promoting teamwork. Good communication skills and
professional technique must improve all the time whether in pre-employment or on
the job training. Empowerment can be beneficial in enhancing the efficiency of the
service process, and reducing the time.

Provide the needed support systems. Such as providing supportive technology and
equipment, and measuring internal service quality.

Retain the best people. To retain the best people is a significant factor in human
resources strategies.

3. Keep balance between demand and capacity
1) Apply Shift demand, Flex capacity or Waiting-line strategies to meet customer
   needs according to situations.
2) Perfection the evaluation systems, provides valuable feedback information.

6.1.2 How does Swedbank AB Gävle City do when delivering
quality service?

Swedbank AB Gävle City offers outstanding performance in those aspects which are
critical for service quality. Through a strong service culture, human resource strategy
and solutions for keeping a balance between demand and capacity, it provides
top-level service.

Service culture- Customer-oriented, simplicity, openness and happiness can be used
to describe the service culture in Swedbank AB Gävle City. It continuously develops
its offering to provide the most complete range of services possible to private,
corporate and institutional customers. It aims to become No.1 in its service area.

Human resource strategy- It is advisable and a superior human resource strategy that
suggests hiring the right people, providing needed internal and external support
systems, and through empowerment, teamwork, training and leadership methods to
develop the staff to deliver service quality. Finally utilise promotion and rewards to
retain the best people. In Swedbank AB Gävle City, the manager sets specific
standards in respect of knowledge, and characteristics like service-minded,
open-minded, helpful, and honesty, in order to meet the requirements of banking
service. The customer tends to receive satisfactory service from this type of service
employee. Measurement and supportive technology and equipment also work
adequately. Measurement of customer satisfaction is done by both an external
evaluation company and internal human-orientated methods. Swedbank AB Gävle
City can thus take timely actions to implement the feedback information. Once
people are employed, they must participate in various training programs and accept
leadership styles of empowerment and teamwork to better serve the customer. No pain, no gain represents the bank’s reward system. In order to retain the best people, promotions and rewards such as holidays, or extra cash are both used. Employees are willing to work hard under this kind of attractive environment.

The list of issues above, indicate the superiority of the human resources strategy in Swedbank AB Gävle City. It explains the reason why qualified and the best people are willing to work here. Under such excellent working conditions, they not only improve their personal ability but also provide customer satisfaction.

**Keep balance between demand and capacity** - To keep balance between demand and capacity means that the company always understands customer needs and designs correspondingly flexible strategies to fulfill these requirements. The internal feedback system in Swedbank AB Gävle City contains email contact, questionnaire research and verbal communication; the desk staff collects customer suggestions and then the manager adapts this for further service strategy improvement. Furthermore, an external company does the service quality research every year, which benefits Swedbank AB Gävle City in knowing its’ competitive position in the banking sector and comparing their quality with that of other banks. According to customer demand, the bank implemented certain new services and mechanisms, for example early opening hours, personal bank contacts and a cash service.

### 6.2 Reflection

The aim of this research, which was to examine how to manage service quality and investigate the process of delivering quality service in Swedbank AB Gävle City, has been fulfilled. Secondly, the research question “How to deliver quality service in banking?” and “What do they do when delivering quality service in Swedbank AB Gävle City?” have also been answered. Our study illustrates service quality management from a human resources strategy and the balancing of demand and capacity to close the gap of not delivering service designs and standards. And Swedbank AB Gävle City service delivery quality process is investigated by collecting empirical data to support the primary aim and question.

As mentioned in Chapter 2, quality service is highly relative with gap 3 of the service quality gap model. Therefore, for the purpose of fully understanding how to deliver excellent service quality and applying it, we analysed what Swedbank AB Gävle City actually does. Our theoretical framework provided feasible strategies to close that gap with human resources strategy and strategies to keep balance between demand and capacity.

To gather sufficient empirical data meant a process of vast reading and an indepth
survey. For us, a face-to-face interview with the manager and the employee constituted the source of primary data, whilst secondary data came from relevant books, articles and the Swedbank internet homepage. The whole data collection was conducted using qualitative methods.

The conclusion is that Swedbank AB Gävle City follows the right principles and strategies to serve people using appropriate human resource strategies and satisfactory solutions for keeping the balance between demand and capacity. It is worthy of being rated as the highest quality service bank in Gävle, perhaps even throughout the world. Just to keep it that way, Swedbank AB Gävle City has to make progress. The aim of becoming No.1 in its banking service area can soon be achieved.

6.3 Recommendations

Based on the research, we recommend that Swedbank AB Gävle City continues to hire the right people, promote empowerment, encourage teamwork, and train staff to develop them, provide needed support systems, and attractive rewards and promotions to retain the best people. This kind of human resource strategy has proved effective in former experience. Under these strategies, employees will work towards a common vision to achieve the objections of the bank.

Evaluation should be sustained for better understanding of customer opinion and guiding the service strategy direction. In respect of internal evaluation, standardisation of the evaluation system may be needed since external evaluations reflect overall results of customer satisfaction. To provide direct feedback methods for gathering customer needs and requirements can further increase the feedback information volume and benefit the improvement and development of Swedbank AB Gävle City in turn. Suggestions include putting certain service feedback questionnaires with open questions inside the bank where customers queue, so that they can use the time to complete the questionnaire. Service feedback multiple choice questionnaires can also be placed on the employees’ desk. When they have finished being served, they can assess the employee.

6.4 Significance and Suggestion for future research

The research question of our study analyses service quality in an innovative perspective. Swedbank AB Gävle City was used as an example to determine the factors that enable it to be positioned at the forefront of the banking sector. Within the entire research, from the primary idea design to the final conclusion, we concentrated on every link. Not only do we have an in-depth knowledge of Swedbank AB Gävle City’s service delivery process, but also enriched relevant professional
knowledge about service quality. By in-depth analysis, the problem has been explained and the conclusion turned out meaningful. Swedbank AB Gävle City can review its service-provider procedures, discover unnoticed problems and also find proper solutions. Other banks and even other service companies can draw lessons from Swedbank AB Gävle City’s experience. Furthermore, students will also benefit in follow-up studies and research on service quality within the banking sector.

Owing to the time and level limitations, this research was conducted from the perspective of a manager and an employee only, customer responses have been ignored. Therefore, further studies and research can investigate service quality from a customer perspective for further validity on these issues. Quantitative methods can also be used for improving the research level. In the latter case, researchers can make use of the results of our study, then compare this with other banks for a new study or research this from a customer perspective to complete the subject.
REFERENCES


**Interviews:**
Johan Forsström (Branch Manager of Swedbank AB Gävle city)
Staffan Hjalmarsson (a salesman of Swedbank AB Gävle City)
APPENDIX 1

THE QUESTION LIST FOR THE INTERVIEW OF THE SWEDBANK MANAGER

About the Managers daily work:
1. Can you describe your Swedbank’s service concept for us?
2. As the manager, what are your daily responsibilities/ work content?
3. How do you make sure your management concept is conveyed into the work place from top to bottom?
4. What is the relationship between you and other managers in Gavle?

About Employee management:
1. How many employees in Gavle Swedbank?
2. When choosing the right person as an employee, what are the criteria to judge?
3. Do you arrange sound training programs for them?
4. What is the meaning of good service for you?
5. Employees are the direct service providers. How do you ensure that they can give the satisfactory service to the customers as expected by you?

About Customer communication:
1. Which type of customer is more important for the company?
2. Are there any activities to deepen the relationship?

About Feedback:
1. Do you have a fixed regular system to know your employees needs and dissatisfactions? How long does this work take every season?
2. Can you tell us something about the challenges for you or the bank? How do you deal with them?
APPENDIX 2

THE QUESTION LIST FOR THE INTERVIEW WITH THE SWEDBANK EMPLOYEE

Personal Information
1. First name  Last name  Sex
2. What were your majors when you studied at school?
3. How many years about you (or months or days) take this job?

Your feelings about this company
1. Personal feelings:
   1) Why did you choose Swedbank as your working place?
   2) Do you like your working situation? What is your best/ favorite thing?
   3) Do you have enough leisure time to enjoy your life?
   4) Is it possible to finish your work every day?
   5) Are you satisfied with your salary?
2. Some issues about the company:
   1) How do you understand the mission of Swedbank? And what have you done to fulfill this?
   2) Since you need to deal face to face with customers, what’s your working principle with them?
   3) How do you keep delivering service quality as good as your company promises?
   4) Do you give the newest information from your company to customers?
   5) Can you get feedback messages from customers; and convey them to the manager? Is it a useful way for improving customers’ satisfaction?

Some data about customers
1. How long do you need to give service to a customer usually?
2. Since you need to work face to face with customers, what’s your working principle with them?
3. Can you help customer to settle their problems and make them satisfied? How do you measure if they are satisfied with your service?
4. What is your understanding of providing a good service for customers?
5. How do you contact with customers?
6. How do you satisfy customers when you face problems you cannot solve?
7. What do you do if customers are very tough?

The relationship with other roleplayers or employees
1. Can you describe the relationship with your direct manager, your workmates and customers respectively?
   1) The relationship with your manager:
2) The relationship with your workmates:
3) The relationship with your customers:

Trouble with service delivery
1. Do you have any trouble in your actual practical service delivery to customers? What is the reason do you think?
2. How do you think you can improve the situation?

Others (equipment and training-plan)
1. Do you consider that equipment, such as computers, copy machines, are well-placed?
2. What kind of training plan did you get, such as pre-employment training and in-job training?
3. Do you think you benefited during the training process? Please, tell us some of the benefits.
4. Do you think the training-plan is necessary to improve the company’s service quality?
5. What kind of training do you want to have in the future? Why do you think it is needed?
6. Are there any other aspects you think are important for us to know about?
APPENDIX 3

NEW QUESTIONS FOR THE MANAGER

1. Recruitment:
   1.1 What’s your recruitment system? / How do you select your wanted employee?
   1.2 What are your requirement standards for a qualified employee?

2. Training
   2.1 What are the specific components of pre-professional and in-job training respectively?
   2.2 How do you design the training program for employees?
   2.3 Please, exhibit some training methods and materials?
   2.4 How do you run the evaluation system as a part of a training program? (You told us that every trained employee must pass the evaluation before real working begins.)

3. Empowerment
   3.1 About empowerment, how do you give power to your employees? Can you tell us the specific system and some detailed examples?
   3.2 How did you know that empowerment works as your expect it to?
   3.3 Empowerment may inevitably cause problems, can you describe them for us?
   3.4 And how do you deal with them?

4. Retain
   4.1 What’s your promotion system for the employee?

NOTE: THANK YOU FOR YOUR HELP
QIAN & SISSI