

Customer Satisfaction in Agrani Remittance House Sdn Bhd

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Abstract: *To achieve success or survive in today's competitive business environment, delivering quality service is very important for any economic enterprise. Without satisfying their customers, no organization can be successful. This case aims to investigate customer satisfaction towards remittance service of Agrani Remittance House, Malaysia. There are some issues that need to be paid attention to attain customer satisfaction. Lack of employee experience and technological advancement are the main hinders of customer satisfaction. To overcome this kind of problems, the management needs to be conscious about the employees. They should hire the type of employees who are friendly with people and fulfil the demand of customer wants. It has been observed among some customers of the bank that the overall customer satisfaction is above average but not excellent. The bank should emphasize the importance of customer satisfaction among its employees and take further actions to enhance the quality of service. Employee education, beneficial programs for customers and implementation of new features are recommended as well.*

INTRODUCTION

In developing countries remittances are an important source of income. Studies have shown that remittances contribute to poverty reduction in home countries. There are many ways in which remittance transfers can be made, including, among others, cash payments using individuals who provide this service to their local immigrant communities, services from specialized global money transfer operators, bank-to-bank transfers and card payments. Any institution providing such a service as a business is called remittance service provider. Investigating remittance service and customer satisfaction is vital because understanding the level of customer satisfaction is essential as it helps the organizations to know how well they are doing in comparison to others and what the customers desire from them, what they need to add, remove or change along with core offering. Managers need to know whether the customers are satisfied or not. That is why they need to check day to day activities whether they are providing the proper service or not. In this remittance company customer satisfaction is very important. Customers are the ones if they are not satisfied, they will not want to take that service anymore. So, it is compulsory for Agrani remittance house to provide the proper service. Although it is compulsory, sometime the employees cannot give proper service because of low skills and communication gap with the customers.

FOREIGN REMITTANCE SERVICES

In the developing countries foreign remittances have become an important component of balance of payment. The remittance services have now become one of the most important services of any bank. There are many people who are staying outside.

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Especially the workers send lots of foreign remittance to their home country. These remittances have played vital role in substantially reducing the deficit of current account. To affect proper and successful remittances, the banking system needs to play an important role. The beneficiaries are the real user of money. Different people have their different satisfaction levels. Some people are happy to get remittance service, and some are not. The satisfaction depends on person to person. There are so many competitors we can see in this modern era, so that customer satisfaction is very important in remittance business. Behaviour, timeliness and trust are certain factors which determine the retention and migration of customers with. The bank must know the demand of the customer. Based on their demand they should serve them properly. Customer's loyalty always depends on the quality of service the employees are giving to the remitters and the beneficiaries.

REMITTANCE SERVICE IN MALAYSIA

The Malaysian remittance services sector is characterized by the presence of both state-owned and private sector banks as well as several money transfer operators. Malaysia Remittance Market has seen rapid development in the ongoing years attributable to the expanded worldwide movement with an astounding CAGR of % through 2009-2014. The increased international migration and robust economic growth are two of the main reasons responsible for the growth in remittance market. Growing presence of multinational corporations in Malaysia has made international migration prominent in the country. Along with international migration, the increasing rate of urbanization within Malaysia has made the number of internal migrants to soar in the recent years. This large migrant population has fueled the growth of a robust outward international remittance market in Malaysia with many migrants coming from Indonesia, Bangladesh, Myanmar, Nepal and India among other countries. Although in Malaysia remittance service is improving day by day but there are so many channels people are using instead of bank. This is called informal channel. People are taking this channel because of lower upfront costs and to some extent, lack of awareness of the formal money transfer options.

BACKGROUND

Bank is a financial institution which plays a fundamental role in forecasting the economic and social condition of a country. In the process of acceptance of deposits and provision of loan, bank creates money. This characteristic feature sets bank apart from other financial institutions. A bank can manipulate the money supply through lending and investment. Banks collect deposit at the lowest possible cost and provide loans and advances at higher cost. The difference between these is the profit for the bank. Agrani Bank Limited is a fast growing public bank. This bank has been operating in the bank industry since 1972 and belongs to the first generation of public banks to be incorporated since the independence of Bangladesh. From its establishment, it is engaged in a desirable position among its competitors after achieving success in all areas of business operation. Agrani Bank Limited is governed by a Board of Directors consisting of 13 (thirteen) members headed by a Chairman. The Bank is headed by the Managing Director & Chief Executive Officer; Managing Director is assisted by Deputy Managing Directors and General Managers. The bank has 11 Circle offices, 29 Divisions in head office, 62 zonal offices and 902 branches including 27 corporate and

40 AD (authorized dealer) branches. Agrani Bank Limited is a Bank with an Authorized Capital and Paid-up Capital of Tk.25, 000.00 million and Tk.9, 910.00 million respectively. This bank plays a significant impact on the growth of the economy of this country.

Agrani Bank Limited (ABL) started its journey in Malaysia in 2006 upon approval from the Ministry of Finance of the Government of the Peoples' Republic of Bangladesh to meet the long- felt need of a huge number of Bangladeshi expatriates with a view to remitting money safely and conveniently through banking channel. Agrani Remittance House Sdn Bhd, Malaysia as a subsidiary of ABL, commenced its business with one main branch in the capital city at 14-16, Jalan Hang Kasturi, 50050, Kuala Lumpur and is keeping a good pace in increasing remittance business in Malaysia. It also has four other branches in Penang, Johor Bahru, Rawang and Klang.

FUNCTION

Beneficiary in Bangladesh can receive money over the counter (spot cash/pin number) from any branch of Agrani Bank Limited throughout Bangladesh. Bangladesh expatriates living in Malaysia can send money to their Bank accounts maintaining with any bank in Bangladesh. Bangladeshi expatriates can open different types of accounts like Savings, Foreign Currency (FC) and Monthly Deposit (ABS) in any branch of Agrani Bank Limited, Bangladesh through ARH. Bangladeshi expatriates can purchase Wage Earners Development Bond, US Dollar Premium Bond and US Dollar Investment Bond from ARH.

MOTIVATION AND INCENTIVE PROGRAM

Every organization either in the private or public sectors is goal oriented and all efforts are geared towards the successful attainment of those goals. Therefore, for any organization to record any degree of meaningful success in the pursuit of its goals and aspirations, it must have the ability to create value to compensate for the burdens imposed upon the staff. Agrani remittance house also has its motivation and incentive programs. Based on their performance they have their promotion. Besides, it also creates the incentive system. So, the employees can fulfil their work based on their target. To fulfil their target, the employees need proper training. After getting the training the employee can give better services to the customers. On the other hand, it is generally acclaimed that incentives such as good pay, good condition of service, provision of decent accommodation, opportunity for staff training etc. motivate employees in order to increase their productive capacity. In view of the above, therefore, incentives are regarded as the major factor which motivates employees to exhibit better performance. However, it is not a matter of course to motivate an individual staff because the success of any motivational effect solely depends on the extent to which the motivation meets the needs of the individual employee. That is why besides the motivational program, the company also conducts incentive program to make the employees productive.

THE DEVELOPMENT OF THE COMPANY

Agrani Remittance House Sdn Bhd is a subsidiary of Agrani Bank Limited, a state owned bank of Bangladesh. Agrani Bank Limited, a leading commercial bank with 902 branches strategically located in almost all the commercial/urban/rural areas throughout Bangladesh. It has also overseas Exchange Houses and hundreds of overseas Correspondents. As a Government owned bank Agrani Bank Limited is playing a vital role to send/receive money in legal channel and working to stop Hundis (*hawlas*) from the very beginning to economic/social benefit of the country. Agrani Remittance House Sdn Bhd embarked on its journey in Malaysia on 13 January 2006 in order to materialize the policy of the Government of the People's Republic of Bangladesh to open a Remittance House specially for catering to the long-felt needs of hassle free transfer of money from Malaysia to Bangladesh by the Bangladeshi Expatriates. In the meantime, this remittance house has remitted a huge amount of money to Bangladesh. Since the inception of this company it has been trying relentlessly to bring Bangladeshi expatriates under its network for sending their hard earned money officially and safely. It is pleasure to mention that under congenial atmosphere persisted in this country they have become able to make much hard way in motivating the expatriates who now feel comfort to send their money to their own country. It is a profitable company and paying tax to the Malaysian Government. This bank's focus is not only making profit but also it is doing well in CSR activities.

RESULTS

From the survey of the customers, it has been observed that, most of the customers of Agrani Remittance House have average satisfaction. From the survey, it can be guessed that, customers are not fully satisfied with their service. Therefore, there is a possibility to lose customers because nowadays remittance business is very competitive. If the customers do not get good service, they might go for other company. So, employees should have proper knowledge for remittance business and they should know how to communicate with customers. After doing that, it is possible to change the satisfaction level from average to excellent.

CASE

On 18th June 2015, one of the customers of Agrani remittance house sent money from Malaysia to Bangladesh. On that day the beneficiary can withdraw that money because there is a process to collect money within 2 minutes if the remitter sends it through pin number. From 18th June to 22th June the beneficiary was struggling herself to collect the remittance. When the beneficiary went to the bank to collect money then the remittance officer of Bangladesh said that, there is no remittance came by the name of her. Although it was sent correctly from Malaysia, the beneficiary and the customer were suffering with that problem. They were almost lost their trust on bank and started blaming to the bank. This was the bad record for the bank which increased customer dissatisfaction. After 21th June, the remitter came to the bank and explains about his problem. When he started to explain the problem, the employee of the remitter side was checking the system and the system was telling the money paid on 18th June 2015. Moreover, the customer did not give his remittance pin number except his wife. His wife went to the bank on that day to collect money but could not get that money on that day.

The CEO and the manager were looking that issue. After checking that, they got to know that the remittance officer from the beneficiary side already downloaded that remittance but because of the new incumbent into the office and inadequate training he could not understand how to proceed. Lack of experience, inadequate training, less knowledge and less communication skill of the employee made Agrani Remittance House worse. As the employee's focus is on customer satisfaction, so they should understand each customer based on their wants. If the employee makes strong relationship with the customers, the bank will reduce their other problems as well. Without giving good service, it is not possible to achieve the organization goal.

RECOMMENDATION

In order to retain the existing customers and to improve service quality, the bank should provide services at designed and promised time, and continuously inform any failure ahead of time for services. Besides, as banks are customer-oriented sector, the employees should be self-motivated, enthusiastic who will like to deal with customer and will try to solve customer complaints and other issues in an effective manner. In addition, individual attention should be given to customers in order to better understand their needs and better satisfy them. Finally, as the customers are not fully aware of the remittance service provided by the bank, there is a need of creating proper awareness campaign of services launched by the bank.

DISCUSSION QUESTIONS

1. Was the manager's action from beneficiary side consistent with a customer-focused quality philosophy?
2. After this incidence how the remittance house could bring back customer's confidence?
3. To achieve organization goal, what are the changes the organization needs to bring?