

# 12 Quality Assurance in Banking Services

## 12.1 Overview

The scope of business activities assigned to SBP-Banking Services Corporation (BSC), since its inception in January 2002, is expanding due to increasing expectations of its stakeholders and for improvement in quality of services and delivery standard. To keep pace with the changing scenario of the banking industry, the management of BSC is committed to improve the quality of services and transform it into a modern and dynamic institution. The management has initiated a number of steps aimed at improving the quality and efficiency of its services in all areas of operations. Efforts are being made to harness the skills of its human resources besides managers are continuously reviewing business practices, procedures and service delivery mechanism to set high ethical and service standards. To accomplish this task in a systematic and professional manner, a Quality Assurance Department (QAD) was established at head office of BSC in the third quarter of FY08.

## 12.2 Terms of Reference

The following Terms of Reference (TOR) of the QAD were decided after a thorough study and detailed discussions in the forum of Heads of Departments:

- (i) Recommend quality standards in different areas of Bank's operations.
- (ii) Identify improvement for strengthening and simplifying existing procedures including redundancies and duplications.
- (iii) Suggest improvement in customers' and stakeholder's service level.
- (iv) Carry out research and analysis in quality assurance on continuous basis.

The TOR of QAD will regularly be reviewed keeping in view the future developments as also to streamline its operations.

## 12.3 Organizational structure of the department

The organizational structure of the department has been designed keeping in view the goals assigned to QAD. The department comprises the following two core divisions:

- Quality Assurance Analysis Division
- Standards' Evaluation and Monitoring Division

## 12.4 Implementation Methodology

Quality assurance is relatively a new field in the banking industry. It will now be responsible for evaluation of the systems and recommending quality assurance standards in line with the best business practices. The department has therefore chalked out following methodology for augmenting its work effectively.

- Clearly defined goals with matrix of service deliveries performance criteria.
- Establishment of benchmark of service standards.

- Strengthening of procedure and standards at corporate level.
- Efficient utilization of available resources with appropriate delegation of powers among various hierarchy so that different functions are carried out in an expeditious and cost-effective manner.
- Evaluation of performance of different services and delivery standard and make recommendations for enhanced customer satisfaction.
- Analysis/ studies and surveys to ensure implantation of quality assurance services/ deliveries.
- Elimination of redundant internal processes/ procedures and duplication/ over-lapping etc. Designing of Standard Operating Procedures (SOPs) to meet the internationally accepted best practices.

To begin with the QAD has planned to thoroughly analyze the current / existing service standards, various bottlenecks affecting the performance of different functions in order to identify quality standards in line with the best practices prevailing in the banking industry and meeting stakeholders' expectations. QAD will initially follow three pronged strategy viz; (i) develop the system; (ii) document the system; and (iii) analyze the feedback and make further recommendations, if any.

The first phase of the initiative for quality assurance process has been completed through establishment of Quality Assurance Department at BSC HOK and formulation of its TOR. The department has already started its function and proceeding as per methodology and strategy devised for the purpose. It is expected that setting up of QAD will go a long way in formulation and strengthening of service and delivery standards in line with the overall strategy of the institution.

**Figure 12.4 Implementation methodology in quality assurance**

