

EFFECTS OF CUSTOMER-CENTRIC ORGANIZATIONAL STRUCTURES IN COMMERCIAL BANKS ON ENHANCING SERVICE QUALITY

Dinushiya, S.¹, Sathsarani, U.L.L.V.^{2*} and Rathnayake, H.D.³

^{1,2,3}*School of Business, ESOF Metro Campus, Colombo, Sri Lanka*
**yvirasha99@gmail.com*

1. Introduction

In a highly competitive banking environment, the move toward customer-centric organizational structures has become a vital factor in improving service quality and building customer loyalty. The lack of empirical research on the specific benefits and challenges of implementing customer-centric organizational structures in commercial banks in Sri Lanka hinders the ability of these institutions to enhance service quality and maintain a competitive edge in the market and aims to examine how customer-centric organizational structures in commercial banks affect service quality enhancements.

2. Research Methodology

The positivist research philosophy and a deductive approach were chosen to conduct the research. Further, this quantitative study used the simple random sampling method to collect data from 108 middle-level employees at three branches of ABC Bank in the Colombo region from 150 employees. The descriptive and hypothesis were tested through chi-square analysis.

3. Findings and Discussion

The study found that customer-centric organizational structures, including cross-functional teams, employee empowerment, and customer segmentation, have a significant positive impact on service quality at ABC Bank. However, the relationships identified are moderate, indicating that further improvements can be made in collaboration, decision-making, and customer-focused strategies. These findings highlight the importance of implementing customer-centric organizational structures as a means of enhancing service quality and fostering customer loyalty in the competitive banking landscape.

4. Conclusion and Implications

The study demonstrates that cross-functional teams, employee empowerment, and customer segmentation enhance service quality at ABC Bank, though with moderate impact, indicating the potential for improvement in collaboration, decision-making, and customer-focused strategies. The study recommends that ABC Company adopt a feedback-driven culture, empower frontline employees, and implement advanced CRM systems to improve customer service quality.

Keywords: Customer-centric organizational structures, Service quality, Cross-functional teams, Employee empowerment, Customer segmentation