

# **Impact of service quality of the self- service banking units on customer satisfaction of public banks in Sri Lanka**

**K.M.H.G.C.K. Kekulandara**

*Department of Business Management, Faculty of Management Studies, Rajarata University of Sri Lanka,  
Mihintale*

**U.W.M.R.S.S.C.B. Kappagoda**

*Department of Human Resource Management, Faculty of Management, Rajarata University of Sri Lanka,  
Mihintale*

*Corresponding author: ruslchathu84@gmail.com*

## **Abstract**

Banking industry is the most critically important industry in today's globalized and competitive world. Within changing and competitive environment banking industry also adopt innovative financial solutions in order to empower their customers in the modern society. Automated self-services were introduced with the purpose of providing highly improved and satisfied service to the customers. Some issues have been recorded and they have affected to the quality of the service. The increase of using ATMs and CDMs become challenging to make the customers satisfy in all possible service dimensions that is expected to be delivered in an effective manner by the banking sector. Identifying problems regarding self-service banking units is necessary for the bankers to provide uninterrupted and satisfied services to community. The purpose of this study was to investigate the impact of service quality of self-banking (SBSU) service units on customer satisfaction in Public banks in Kandy district. Service quality of SBSU is considered as the independent variable while customer satisfaction is the dependent variable. A standard questionnaire was used to collect the data. The sample of 120 self-service banking units' users was selected using convenience sampling. The collected data were analyzed using descriptive and inferential analysis. The results revealed that responsiveness, ease of use, security and privacy of SSBUs were positive and significantly correlated with customer satisfaction. Introducing SSBUs in Public banks facilities to improve the effectiveness and efficiency in relation to Public sector banking operations has become a major competing strategy against the private banks. The study enabled to understand the attitudes of the customers on service quality of the Self- Service Banking Units and managers to make important decisions on the findings of this research. Continuous maintenance and effective communication, developing technologies, enhancing the technical functionalities of the systems, establishing more machines in different locations can improve SSBUs service quality.

**Keywords:** *Customer satisfaction, self-service banking units, service quality*