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Implementation Of Standard Operational Procedure (Sop) In Improving Service Efficiency In The Banking Industry

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Abstract

In an organization, industry, or situational activity, there are always rules or procedures that are correct for doing every job in an organization, industry, or event. This is known as an SOP (STANDARD Operational Procedure), according to the meaning SOP is used to manage employees or remind employees of good and correct operational procedures. SOPs are often heard in technology industries such as machinery, electricity, mining, and other technical issues. However, in fact SOPs are implemented in all areas of industry including banking. The banking industry certainly has SOPs for its employees, SOPs are carried out so that employees carry out work as they should, starting from behaving towards customers to financial calculations. The application of SOPs is also expected to be able to help improve service efficiency because SOPs are the best performance guidelines that are expected to be carried out by every employee. Efficiency is related to time, the indicator of achieving the word efficient is whether or not time is used. This study focuses on the influence of SOPs in increasing service efficiency in the banking industry. This study uses a qualitative method of literature study approach. This research resulted in an understanding that the application of SOPs can improve service efficiency in the banking industry because by adhering to SOPs, of course work can be completed in the best way and results.

Keywords: efficiency, STANDARD operational procedure, implementation

INTRODUCTION

Every business has operating procedures that are meant to teach employees how to perform certain tasks in a standard manner (Liker & Meier, 2006). This procedure also serves to recruit new employees and promote the sharing of team knowledge (Rubel, Kee, & Rimi, 2021). When handled effectively, standard operating procedures (SOPs) can increase team productivity, ensure compliance, and even reduce employee frustration by minimizing the amount of time spent searching for information (Karim, Nawawi, & Salin, 2018a). The problem is that most companies fail to establish procedures for all business processes, and those that do often fail to maintain existing processes (Trkman, 2010). According to The State of Business Process Management opens a new window report, only 1.5% of companies have standardized and documented every procedure within the company (Heckl, Moormann, & Rosemann, 2010). And while 25% of companies have reported implementing some procedures, they fail to keep up with evolving and new procedures as their business scales (Sosna, Trevinyo-Rodríguez, & Velamuri, 2010).

Often process documentation is time-consuming, redundant, and secondary to core tasks (Wijnhoven, Spil, Stegwee, & Fa, 2006). And if that's not troublesome enough, SOPs have little chance of surviving before they become obsolete (Simon, Paik, & Hayes, 2009). Workflow documentation tools are essential for businesses to streamline documentation creation (Groznik, Kovacic, & Trkman, 2008). With the utilization of workflow documentation tools, SOPs can be captured as team members work, making documentation a byproduct of great work rather than an additional requirement (Al-Saqqa, Sawalha, & AbdelNabi, 2020). To reduce the inconvenience of keeping procedures up to date, businesses should find flexible process documentation tools (Paternoster, Giardino, Unterkalmsteiner, Gorschek, & Abrahamsson, 2014). Flexibility allows updates and changes in the initial SOP without having to recreate the entire process. In addition, including visual elements can make SOPs easier for viewers to digest; workflow documentation makes this easy to incorporate into your process documentation.

Well-written SOPs help bridge communication gaps and make processes understandable to employees (Tew, Burch, & Bridges, 2014). This is even more important when it comes to onboarding new team members (Jeske & Olson, 2021). When onboarding new employees, provide all relevant SOPs or access to a knowledge management platform to streamline training, accelerate the learning curve, and reduce errors (Husovich et al., 2019). With SOPs as guidelines, basic tasks become second nature, freeing team members to innovate on other business operations. This is also an ideal time to audit and update SOPs (Liguori & Kisslinger, 2021).

When new hires use SOPs, ask them to address any unclear or outdated steps; This will indicate inefficiency (Stark, 2014). In addition, SOPs can directly affect employee retention by increasing individual employee satisfaction (Yee, Yeung, & Cheng, 2008). Giving employees the information they need when they need it allows them to complete tasks efficiently and instills a sense of belonging; Employees who don't feel valuable don't stick around (Kaushik & Guleria, 2020). Therefore, this study reviews how the banking industry implements SOPs and how they affect service efficiency (Karim, Nawawi, & Salin, 2018b).

SOP is a guideline or reference for carrying out work duties in accordance with the functions and performance assessment tools of government agencies based on technical, administrative and procedural indicators in accordance with work procedures, work procedures and work systems in the work unit concerned. . The purpose of the SOP is to create a commitment to what the company's work units do to achieve good governance. SOPs are not only internal but also external, because SOPs are not only used to measure the performance of public organizations related to program accuracy and time, but also used to assess the performance of public organizations in the eyes of the public in the

form of responsiveness, responsibility, and accountability of company or institution performance. Each corporate organization has its own patterns and mechanisms in carrying out its activities,

patterns and mechanisms through procedures and manual guidelines, therefore through this section will be explained some notions related to patterns and mechanisms in the company, such as understanding SOPs and how to work around. Procedures are a series of methods that have become a fixed pattern for doing a work that is unanimous (Anagnostopoulos & Buckland, 2005). Office procedures or office systems are defined as a sequence of steps (or operations are jobs). According to Stepanyan et al., 2016, work procedures are a series of interrelated tasks and chronological order to complete a task. In carrying out work, in addition to the sequence of details or steps, a work standard is also needed to achieve the goals that have been set, in this case the labor standard is a reference to management lines or a comparison basis (Jones & Paulhus, 2011).

According to Kozan and Liu, 2012 the standard of behavior or work results is the minimum that is expected to be achieved by all office employees. Whereas according to Belyaev et al., 2005 standard is something formed by habit or power to measure something like quality. Based on the above, an organization implementing a procedure applied in a job contains steps aimed at achieving the expected work results or the minimum expected outcome.

Thus, SOPs are applied by companies to achieve the company's expected goals, according to Kozan and Liu, 2012 SOPs are guidelines or references for carrying out work tasks in accordance with the functions and tools of work evaluation of government agencies based on technical indicators, administrative and procedural according to work procedures, work procedures and work systems in the work unit concerned, Gervais, 2016 stated that SOPs are relevant because they are a benchmark in assessing the effectiveness and efficiency of company performance in implementing its work programs.

Efficiency in banking has been a broad area of research. There are several reasons why we need to understand the efficiency of banking organizations. The main objective is to understand the health of the financial sector by identifying banks that perform well at certain standards in addition to those that are not performing well. The management philosophy of these 'best practice' banks can act as a 'benchmark' for high performance and can be adopted by others in the financial sector. Diagnosis of excessive amounts of input use or underproduction is critical to the survival of an efficient bank. Data envelopment analysis (DEA), an operational research-based mathematical programming approach to characterizing the efficiency of decision-making units comparable to many inputs and many outputs, has been applied to the study of banking efficiency.

Most of these efficiency studies deal with the financial intermediation and risk management skills of banks with little emphasis on the role of banks as service providers to their clients. Combining service quality with financial profitability to study bank efficiency can provide better insight in benchmarking studies. In this study, we identified the role between service quality and overall bank efficiency. The most widely used approach to understanding service quality is the Gap Model, which defines service quality as the difference between a customer's perception of current service and expectations of excellent service.

Service quality is measured by a scale called SERVQUAL, which has five generic dimensions (tangible, responsiveness, usability, assurance, and empathy) and can be applied in different service industries. Although SERVQUAL is criticized in the literature, the scale has been widely applied in various service sectors such as healthcare, retail, business-to-business arrangements, logistics services, and particularly banking. In this study, we have used a modified version of SERVQUAL to understand the role of service quality in improving overall performance

METHODS

This research uses qualitative methods with a literature study approach to explore previous research and all relevant sources of information. This method is the simplest method but has a good impact on the author and also the reader because it includes many reading sources so that the author and reader can receive new information from various sources.

RESULTS AND DISCUSSION

Employees spend hours figuring out when they can be more productive by referring to effective process workflows. On average, employees spend 19% of their workweek searching for information, according to McKinsey. If businesses keep a central repository of their SOPs, they can reduce the overall time their employees spend searching for information. The time saved searching for information translates directly to increased productivity. Employees who understand how to efficiently carry out their job duties become more productive. Implementing SOPs for knowledge management allows companies to capture best practices from top-performing team members.

With a documented process proven to deliver results, its deployment will increase efficiency and success for everyone. Businesses that fail to implement and maintain SOPs often experience procedural irregularities, which gradually compromise results. Without reference to standard procedures, it becomes too easy for employees to perform tasks suboptimally. Procedural irregularities can also occur if the SOP is not updated, if the SOP does not truly capture the actual way the work is done, and most importantly, if leadership allows it to happen. Many businesses don't realize that this results in inconsistencies that can damage a business's reputation and ultimately affect the customer experience.

To get the best results from SOPs, the rhythm of operations should be a pillar of corporate culture. Leaders within the company need to maintain the rhythm of operations by encouraging team members to use SOPs as their resources and execute them accordingly. Non-compliance costs companies billions of dollars every year. By encouraging employees to adhere to the SOPs outlined by your company, costly mistakes can be avoided, reducing those profit losses. Time will appear when the process is not going as planned, and for this case, exceptions to the normal process flow should be listed. Employees may have to deviate from the normal process flow that has been outlined for them, and in this situation, it is permissible. To minimize this occurrence, analyze potentially incorrect steps in the process.

Tasked with documenting your bank's policies and procedures as chosen for the Hunger Games, no one wanted to do it. While that may be hyperbole, the challenge of documenting standard operating procedures (SOPs) for your bank is daunting. Between compliance requirements and the pressure to provide documentation for employees to use on the job, knowing how to write SOPs can be stressful. The main thing to realize when you start writing procedures is that you have choices when it comes to formatting. Some types of SOPs are more involved and detailed than others. So don't be overwhelmed by the idea that you have to write the perfect procedure and there's only one way to do it, otherwise you'll never get started. Below is the order in which banks determine applicable SOPs:

1. Bulleted list

A bulleted list is a collection of tasks that need to be performed during a procedure. This can be in the form of bullets or numbers. In essence, we outline everything that needs to be done in a procedure.

2. Step by step with screenshots

The step-by-step procedure with screenshots combines written instructions with visual instructions. This is helpful for showing employees how to use the software.

3. Checklist

Checklists are great for frequently repeated procedures. Because your employees often perform this procedure, they may remember it. However, the checklist addresses human error and ensures they don't miss a single step. Using a checklist serves as a reminder of what employees already know. Details aren't needed—they just need a reminder of the main action that needs to be done. A checklist is similar to a bulleted list in that the instructions have short and concise instructions. To use checklists, you need a software program with interactive functions so employees can score bullet points as they work.

4. Checklist with expandable sections

Checklists with expandable sections are good for balancing procedures for employees who have been around for 10 years and employees who are new and ignorant. The expandable section lets you create a short checklist but add details in a drop-down text box. This description adds more information for new hires who may need extra support. If an employee needs it, they can develop it. If not, they leave it alone and tick off the item on the list.

5. Work aids or graphics

Sometimes all an employee needs to complete a task is just a picture for reference. Work aids or graphs can be as simple as graphs to compare to what they do in real life.

6. References (information)

Other types of SOPs simply provide reference information. This is an informational article. Technically, this is not a procedure. However, these are resources that your employees need to refer to when performing procedures. Reference information can be displayed as tables or bulleted lists. Some examples of reference information are:

  a. Bankhours
  b. Location (address)
  c. Map
  d. Account types

7. Flowchart

A flowchart is a visual way to represent different paths during a procedure. They help with complex procedures in which employees need to make decisions. The flowchart concept is great for problem solving because there are several possible outcomes when troubleshooting. From the experience of talking to employees in different businesses, they are not fans of flowcharts. While flow charts show paths, employees are less likely to find them particularly helpful to look at.

8. Interactive decision tree

An interactive decision tree is a written version of a flowchart. Like flow charts, decision trees help employees with complex procedures that include decisions. They are great for problem solving. Instead of a flowchart with arrows, it will have buttons to click. It's more of our own choose-adventure tool. An interactive decision tree is a series of questions answered by your employees while performing a procedure. Based on the button you click, the procedure will change. This requires software that has this functionality, such as a knowledge base.

9. Standard procedure

This is what people often think of when they think of "procedure". Let's start by saying that while this is the default for most companies, it's not great for your end users. Standard procedures are formal documents with a wealth of information. SOPs are written like essays. (Think technical manuals.) Often, they have corporate jargon and fill the procedure with information to comply with compliance regulations.

10. Script

Unlike our other SOPs, scripts are procedures that focus on what people will say. It can focus on action, but it gives you a language to communicate. Scripts are often intertwined with other procedures. Scripts can include decision trees to help readers know what to do based on the responses they receive. Here's an example of a bank call center that uses a script (inserted into a decision tree) to help update account owners.

Standard Operating Procedures (SOPs) are an integral part of any successful organization. They provide a framework for employees to follow when completing tasks and help ensure that processes are consistent and effective. SOPs are also a great way to document processes, and are easily adapted to fit changing organizational needs. An organization's Standard Operating Procedures (SOPs) outline the actions required to complete a task or procedure. They are often used to ensure consistency and accuracy in a process and provide guidance on safe and efficient operation.

SOPs provide valuable information to employees and can help ensure that all tasks are completed correctly and efficiently. Standard operating procedures (SOPs) provide clear guidance on how organizational tasks should be performed. They ensure consistency in operations and reduce the risk of errors. In addition, SOPs are essential for efficient training and orientation of new staff and for building a culture of accountability. In short, SOPs are essential for organizations to run smoothly and effectively.

Standard Operating Procedures (SOPs) are essential to the operational workflow of any organization. Developing these SOPs helps create a systematic approach to solving tasks, improving efficiency and accuracy. Start by determining which aspects of your company need to be documented, then develop different procedures for each. Processes should be reviewed and updated regularly once created. Standard Operating Procedures (SOPs) are critical for any organization, as they help maintain consistency, improve safety, and ensure compliance with laws and regulations. SOP implementation can be done by creating policies and guidelines that outline expectations, steps to be taken in certain situations, and how to measure performance.

In addition, training and communication are essential to ensure everyone knows and follows procedures. Standard Operating Procedures (SOPs) are essential for every organization, as they provide guidelines that define how tasks and processes should be completed. When implemented correctly, they can help improve efficiency, accuracy, and consistency in organizations. This blog post has discussed the importance of SOPs and how they can benefit organizations, and this blog also provides tips for creating and implementing effective SOPs. We know that now you need to better understand why SOPs are so important and how they can help your organization achieve its goals.

Human Resource Management

Management basically comes from the word to manage which means to manage. Management is the science and art that regulates the process of utilizing human resources and other resources effectively and efficiently to achieve a certain goal (Hasibuan, 2009) This management consists of six elements namely, man, money, method, materialist, machine, market. HRM is a field of management that specializes in studying human relations and roles in the organization of personnel offices. The element of HRM is humans who are labor, so the focus studied by HRM is only issues related to human labor. Human resource management is the art and science of obtaining, developing and utilizing human resources so that the objectives of the personnel office can be generated efficiently and with morale (Atmojo, Cahyani, Abbas, Pardamean, & Manulang, 2014). In the opinion of some of these experts, it can be concluded that human resource management is a science that regulates the utilization of human resources that are managed professionally in order to achieve individual and

organizational goals programmatically and integratedly in order to produce productive and quality products. human resources and have a work ethic. and high loyalty.

Standard Operating Procedures (SOPs)

The Standard Operating Procedure of the Ministry of Finance, hereinafter referred to as SOP for Excellent Services, is an activity or series of activities that are standardized in order to meet the needs of external and/or internal services in accordance with laws and regulations for the benefit of the community or other stakeholders. for services and/or administrative services provided by the Ministry of Finance. SOPs for Excellent Services are prepared by each Echelon I unit within the Ministry of Finance to provide service certainty which includes processes, completion periods, service costs, and administrative requirements provided by each Echelon I unit. According to (Susanti, Widajati, & Guntoro, 2019).

SOP is a work procedure that is made in detail and detail for all employees to carry out their work as well as possible in accordance with the mission, vision, and goals of an institution, agency, or institution, and (Syairozi, Pambudy, & Yaskun, 2021) said that standard operating procedures (SOPs) are made to facilitate the work process so that the results are optimal but efficient. From the theories above, it can be concluded that the benefits of Standard Operating Procedures (SOPs) are as a basis or guideline in carrying out tasks, performance measurement tools, and can also provide employee confidence in carrying out every stage of work.

Performance Concept Understanding performance in the section of work productivity, productivity comes from the word "productive", meaning something that contains potential to be explored, so productivity can be said to be a process of structured activities to explore the potential that exists in a commodity or object. The philosophy of productivity can actually mean the desire and effort of every human being (individual or group) to always improve the quality of life and livelihood. To be clearer in the following explanation of performance, there are several definitions of performance according to experts.

According to (Setiawan, 2013). suggests that the quality and quantity of performance results achieved by an employee in carrying out his duties are in accordance with the responsibilities given to him, while according to (Hasibuan, 2009) suggests that the sacrifice of services, body and mind to produce goods and services in return for certain achievements. Based on the opinions of the experts above, it can be concluded that performance has a close relationship with productivity problems because it is an indicator in determining how efforts to achieve a high level of productivity in a personnel office.

CONCLUSION

Every business has operating procedures that are meant to teach employees how to perform certain tasks in a standard manner. This procedure also serves to recruit new employees and promote the sharing of team knowledge. Standard Operating Procedures (SOPs) are an integral part of any successful organization. They provide a framework for employees to follow when completing tasks and help ensure that processes are consistent and effective. SOPs are also a great way to document processes, and are easily adapted to fit changing organizational needs.

Efficiency is related to time, the indicator of achieving the word efficient is whether or not time is saved. This research focuses on the influence of SOPs in improving service efficiency in the banking industry. This research uses qualitative methods of literature study approach. This research resulted in

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