



Assessment of the Nationalized Bank

Debaprayag Chaudhuri

Research Scholar, Mechanical Engineering department, Jadavpur University, Kolkata, WB

ABSTRACT

In this study we assess the performance level of four nationalized banks. As per the questionnaire on the basis of four dimensions like Self-organizations, Self-management, Self-behavior, Personal habits, we surveyed 10 employees from each bank including Manager to the clerk. The five points scale ranging from 'Never' to 'Always' has been introduced in the questionnaire having 12 questions for each dimension. After quantification of the survey questionnaire, a ranking has been done of the banks and also identified the weak areas. By, taking the proper remedial measurement, the performance of the bank can be improved.

KEYWORDS: assessment, bank, and performance

Introduction:

A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly or through capital markets. A bank connects customers that have capital deficits to customers with capital surpluses [3].

Due to their critical status within the financial system and the economy generally, banks are highly regulated in most countries [1]. Most banks operate under a system known as fractional reserve banking where they hold only a small reserve of the funds deposited and lend out the rest for profit [2].

The partition of India in 1947 adversely impacted the economies of Punjab and West Bengal, paralyzing banking activities for months. The Government of India initiated measures to play an active role in the economic life of the nation, and the Industrial Policy Resolution adopted by the government in 1948 envisaged a mixed economy [5].

The major steps to regulate banking included in India [4]:

- The Reserve Bank of India, India's central banking authority, was established in April 1934, but was nationalized on January 1, 1949 under the terms of the Reserve Bank of India (Transfer to Public Ownership) Act, 1948 (RBI, 2005b).
- In 1949, the Banking Regulation Act was enacted which empowered the Reserve Bank of India (RBI) "to regulate, control, and inspect the banks in India".
- The Banking Regulation Act also provided that no new bank or branch of an existing bank could be opened without a license from the RBI, and no two banks could have common directors.

There are 25 nationalized banks are running till date in India.

By the 1960s, the Indian banking industry had become an important tool to facilitate the development of the Indian economy [6]. At the same time, it had emerged as a large employer, and a debate had ensued about the nationalization of the banking industry. In this purview, banking sector is the main pillar of Indian Economy and in this study we to assess few Nationalized banks' performance level.

Objectives:

Objectives of this study is to assess the present performance level of the four banks named State Bank of India, United Bank of India, Canara Bank & Punjab National Bank which is selected among the 25 banks.

- To assess the present performance level,
- To assess the weak areas for poor performance.
- To give remedial measurement

Methodology:

A score has been assigned of 1 for never, 2 for seldom, 3 for occasionally, 4 for usually and 5 for always for the following question in Table 1. In the questionnaire total 48 questions have been framed on the basis of four dimensions like Self-behavior, Self-organizations, Self-management and Personal habit. Each dimension consists of 12 questions. Interview was taken on the basis of questionnaire on 10 people each of the bank among Manager to clerk of the institution. After quantification, the 'vital few' weak areas are identified by Pareto analysis. We surveyed the banks listed at Table 2. Survey operation was done within September'12.

Table 1

Self behavior		5	4	3	2	1
Questions	1. When you are irritated, do you make an effort not to make it obvious in the way you speak or behave?	Always	Usually	Occasionally	Seldom	Never
	2. Do you make it a rule not to blame someone else when something goes wrong?					
	3. Do you succeed in not getting rattled under pressure and committing mistakes that you normally wouldn't?					
	4. Are you, no matter what the provocation, polite to your colleagues and subordinates?					
	5. Do you listen attentively to what others tell you even if you don't agree with them?					
	6. Do you treat your colleagues with the same courtesy and consideration that you extend to customers?					
	7. Do you make it a rule not to lie to a superior to wriggle out of a different situation?					
	8. Do you keep your personal telephone calls to a minimum and ask your friends to call only at home?					
	9. Do you recover promptly from interruptions and succeed in resuming just where you let off?					
	10. Do you know as much about your executive assistant as you do about your executive directors?					
	11. Are you a quiet worker or are people constantly getting up and moving away from your work place?					
	12. Do you answer the phone, whether it is your own or someone else's before it rings thrice?					
Self-organizations		5	4	3	2	1
Questions	1. Do you make written notes of the things you need to do at the start of every working day?	Always	Usually	Occasionally	Seldom	Never
	2. Do you make it a rule never to postpone tasks, however, much you have begun without being side tracked?					
	3. Do you carry through to its logical completion a task that you have begun without being sidetracked?					
	4. Do you attend to every file or memo on your table within 24 hours of its arrival?					
	5. Do you respond to all the letters that you receive within two days, and to all the mail marked 'urgent' immediately?					
	6. Do you send next, legible, and typed fax messages instead of scrubbing them out in a hurry?					
	7. Do you have fairly clean desk where you can almost always find what you need?					
	8. Do you succeed in doing more than 90% of the things that you set out to do on any given day?					
	9. Can you locate a telephone number in your telephone book as soon as you need it?					
	10. Do you organize your person refer to an personal computer files systematically and clean out your directory regularly?					
	11. Do you return all your phone calls the same day, or latest, by the next morning?					
	12. Do you read every morning's newspaper the same day, either before or after work?					

Self management		5	4	3	2	1
Questions	1. Do you meet at least six employees from different departments everyday?	Always	Usually	Occasionally	Seldom	Never
	2. Do you pay attention to the small things or do you leave someone else to take care of the details?					
	3. Do you always refer to an expert in a particular field when you are considering a major issue ?					
	4. Do you make it a point to interact with at least one external customer every week?					
	5. Do you set aside some time everyday to read technical journals, and enhance your capabilities?					
	6. Do you ensure that there is an agenda for every meeting that you attend?					
	7. Are you on time for meetings even when they are with your subordinates?					
	8. Do you prepare adequately for a meeting or conference through background reading or briefings?					
	9. Do you give your associates and fellow employee advance notice before leaving town?					
	10. Do you delegate routine activities when leaving town so that work doesnot get help up?					
	11. Do you call your office everyday when you are out of town to receive messages and monitor events?					
	12. Do you respect hierarchy when communicating with your colleagues?					
Personal habits		5	4	3	2	1
Questions	1. Are your accessories like your shoes, your tie, your spectacles always clear?	Always	Usually	Occasionally	Seldom	Never
	2. Are your clothes always laundered, without holes or tears, and in keeping with the occasion?					
	3. Do you consciously attempt to prevent yourself from becoming overweight?					
	4. Do you go for a haircut in the first week of realizing that you need one?					
	5. Do you remember the names of people to whom you have been introduced recently?					
	6. Do you know the names of every person in your local office, and of most of your out of town colleagues?					
	7. Do you know the first names of the drivers, peons and other non-white-collar workers in your office?					
	8. Are you proving to driving lapses even though they may have never resulted in accidents?					
	9. Do you have a hobby and do you find the time to spend at least an hour a day on it?					
	10. Do you always remember your colleague's birthdays and wedding anniversaries?					
	11. Do you try to ensure that you have at least one meal with your spouse everyday?					
	12. Do you make it a point to involve yourself in your child's education?					

**Scoring:**

- 5-4 point: - Superior performance.
- 4-3 point: - Intermediate or 'so so' performance.
- 3 to less point: - Inferior performance.

**Results and analysis:**

**Table 2**

Rank	Bank	Point	Weak areas
1	State Bank of India, Kolkata-32	4.30	Self organization – question 5, 10, 11
2	Punjab National Bank, Kolkata-31	4.16	Self management – question 6,7,8,9
3	United Bank of India, Kolkata-75	4.14	Self management – question 5,6,7,8,9
4	Canara Bank, Kolkata-32	4.10	Self organization – question 11 Self management – 5,6,7,8,9

On the result at Table 2, it is found that all the banks are lying in the expert level or superior level. But, still there are some Gaps between them considering the performance. Like State Bank of India having point 4.30 is in top rank among the four banks, whereas Canara Bank lies in the bottom scoring 4.10 point.

After further analysis of the Weak areas, we found that the questions 11 from Self-organization and question 7,8,9 from Self-management identified the looser points for all the banks. So, this are the main factors for the poor performance of the banks. The remedial measures are given in Table 3

**Table 3**

Question	Serial	Dimension	Remedial measure
Do you return all your phone calls the same day, or latest, by the next morning?	11	Self organization	It is needed more punctual to reply immediately the phone calls
Are you on time for meetings even when they are with your subordinates?	7	Self management	It is needed more punctual
Do you prepare adequately for a meeting or conference through background reading or briefings?	8		Time for preparation before attending meeting should be more the before going to meet.
Do you give your associates and fellow employee advance notice before leaving town?	9		Notice should be given in advance and should be posted in the Common places which is visible all of the employee.

**Conclusion:**

In the above study we found that all the surveyed banks are lying in the expert level. They have few gaps between them considering the performance, which is due to the Self-organization and Self-management lacunae. The proper remedial measures have been prescribed.

**REFERENCES**

1. Boland, Vincent (2009-06-12). "Modern dilemma for world's oldest bank". Financial Times. Retrieved 23 February 2010. | 2. Hoggson, N. F. (1926). "Banking Through the Ages", New York, Dodd, Mead & Company. | 3. Goldthwaite, R. A. (1995). "Banks, Places and Entrepreneurs in Renaissance Florence", Aldershot, Hampshire, Great Britain, Variorum. | 4. a b Austin, Granville (1999). "Working a Democratic Constitution - A History of the Indian Experience". New Delhi: Oxford University Press. pp. 215. ISBN 0-19-565610-5. | 5. a b c d Indian Banking System. I.K International Publishing House Pvt. Ltd.. 2006. ISBN 81-88237-88-4. | 6. Indian banking system. I.K. International. 2006. ISBN i81-88237-88-4.