

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C.)].

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 2477 Cities in 159 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	A STUDY ON THE IMPACT OF UNETHICAL CORPORATE PRACTICES ON CORPORATE BRAND EQUITY <i>DR. R. SATISH KUMAR & ATULSEN SINGH</i>	1
2.	FACTORS AFFECTING MANAGERIAL CREATIVITY <i>DR. RISHU ROY & SUPRIYA GUPTA</i>	7
3.	THE IMPACT OF CELEBRITY ADVERTISEMENT ON INDIAN CUSTOMERS <i>CHAITRA BOCHEER .K.S & DR. H. NANJEGOWDA</i>	15
4.	INNOVATIVE BANKING SERVICES IN RURAL AREAS WITH SPECIAL REFERENCE TO SALEM <i>DR. A. JAYAKUMAR & G. ANBALAGAN</i>	20
5.	THE EFFECT OF CHANGING ORGANIZATIONAL CULTURE ON TQM PRACTICES IN ISO CERTIFIED COMPANIES <i>BHAKTA BHUSHAN BISWAS</i>	24
6.	THE RELUCTANCE OF JORDANIAN WOMEN IN WORKING IN THE TOURISM SECTOR: CASE OF JORDANIAN FEMALE <i>AMEEN AHMED MAHBOB AL MOMANI</i>	30
7.	A STUDY ON CONSUMER BRAND PREFERENCE TOWARDS HEALTH DRINK PRODUCTS IN TIRUVARUR DISTRICT (TN) <i>DR. N. UDHAYAKUMARI & G. T. VIJAYALAKSHMI</i>	37
8.	AN EMPIRICAL ANALYSIS OF FRIDAY EFFECT IN NSE NIFTY COMPANIES <i>DR. S. POORNIMA & V. CHITRA</i>	41
9.	ANALYSIS OF WAGE BURDEN AND EMPLOYEE PRODUCTIVITY OF STATE BANK OF INDIA AND ICICI BANK <i>DR. ASHOK JHAWAR & ROBIN THOMAS</i>	45
10.	OUTSOURCING AND COMPETITIVE ADVANTAGE <i>V. K. RANJITH & BIJUNA C MOHAN</i>	49
11.	FINANCIAL IMPACT OF HRM ON PRODUCTIVITY AND PROFITABILITY IN PUBLIC AND PRIVATE SECTOR ORGANISATIONS: A STUDY <i>MOIRANTHEM MOMOCHA SINGH & DR. D. GOPALAKRISHNA</i>	52
12.	ROLE OF SMALL AND MEDIUM ENTERPRISES IN INDIA'S MANUFACTURING SECTOR <i>DR. NASIR ZAMEER QURESHI, ADIL AMIN BHATT, ZUHAIB AHMAD BAZAZ & NASREEN KHAN</i>	55
13.	CELEBRITY ENDORSEMENT INFLUENCING CONSUMER BEHAVIOR <i>DR. M. L. GUPTA & SHAILESH VERMA</i>	61
14.	COMPETENCY MAPPING: AN EFFECTIVE TOOL FOR HRM <i>MANISHA CHOUDHARY, DR. DIPTI SHARMA & DEEPENDRA MAHALAWAT</i>	64
15.	INNOVATION IN FINANCIAL SERVICES: A STUDY OF FINANCIAL INSTITUTIONS <i>AMANDEEP KAUR SHAHI & KRITI AVASTHI</i>	67
16.	SERVICE QUALITY OF BAJAJ ALLIANZ LIFE INSURANCE IN SOUTH INDIA USING SERVQUAL INSTRUMENT <i>SUBHAN BANDE</i>	72
17.	CAPITAL STRUCTURE DETERMINANTS FOR SUSTAINED PERFORMANCE IN THE ENERGY SECTOR OF INDIA <i>DR. SUNITA PANICKER</i>	77
18.	FINANCIAL INCLUSION IN INDIA - A ROAD AHEAD <i>K. THIRUMAMAGAL & DR. TI. M. SWAAMINATHAN</i>	82
19.	LOANS AND ADVANCES OF COMMERCIAL BANKS: A CASE STUDY ON JANATA BANK LIMITED <i>FARJANA SALAM, FAHIMA SALAM, ASHUTOSH ROY & MD. HALIMUZZAMAN</i>	88
20.	THE EFFECTS OF CREDIT FINANCE ON THE NIGERIAN AGRICULTURAL SECTOR'S PERFORMANCE <i>AKINSEYE OLOWU & DR. ONIMOLE SOLOMON</i>	94
21.	INFLUENCE OF CREDIT ADMINISTRATION ON FARMERS OPERATIONS IN OSUN STATES OF NIGERIA: A REVIEW OF THE NIGERIA MICROFINANCE POLICY <i>OLADEJO MORUF & SOYEMI KENNY</i>	102
22.	APPRAISAL OF FACTORS INFLUENCING TAX AVOIDANCE AND EVASION IN NIGERIA <i>AKINYOMI OLADELE JOHN & OKPALA KENNETH</i>	107
23.	LEVEL OF WORKERS' JOB SATISFACTION AT JUTE MILLS: A CASE STUDY ON NARSINGDI DISTRICT <i>MD. GHULAM RABBANY, ABU ZAFAR AHMED MUKUL, SHARMIN AFRIN & AIRIN RAHMAN</i>	112
24.	MEASURING SERVICE QUALITY AND CUSTOMER SATISFACTION USING SERVQUAL: AN EMPIRICAL STUDY IN HOSPITALITY INDUSTRY OF BANGLADESH <i>MD. SHARIFUL ALAM</i>	116
25.	WORKER CHARACTERISTICS AND COMPLIANCE TO OCCUPATIONAL HEALTH AND SAFETY OF WOOD WORKERS IN NAJA DAVID WOOD INDUSTRY LIMITED IN KUMASI, GHANA <i>DR. KOFI OSEI AKUOKO, DR. MARTIN KWAKU YEBOAH, VINCENT DE PAUL KANWETUU & ELIZABETH ADWOA KWANKYE</i>	121
26.	PERCEPTIONS OF RETAILERS ON FDIS INTO INDIAN MULTI BRAND RETAILING <i>N. SURESH</i>	128
27.	LOAN ASSETS CLASSIFICATION OF SCHEDULED COMMERCIAL BANKS IN INDIA <i>M. ANBALAGAN</i>	131
28.	EXAMINING FACTORS AFFECTING DIVERSITY IN THE WORKPLACE <i>ARSLAN AYUB, MUHAMMAD SALMAN ASLAM & ADEEL RAZZAQ</i>	136
29.	A STUDY ON CONSUMER AWARENESS ABOUT BANKING SERVICES IN MADURAI CITY <i>S. RENUGADEVI</i>	139
30.	EVA AND MVA: WHICH METRIC IS EXTREMELY EFFECTIVE IN EXPLAINING REPORTED EARNINGS? – AN EMPIRICAL STUDY ON SELECTED INDIAN FIRMS <i>MAHESH KUMAR KURMI</i>	143
	REQUEST FOR FEEDBACK	147

CHIEF PATRON

PROF. K. K. AGGARWAL

Chancellor, Lingaya's University, Delhi
Founder Vice-Chancellor, GuruGobindSinghIndraprasthaUniversity, Delhi
Ex. Pro Vice-Chancellor, GuruJambheshwarUniversity, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. SAMBHAV GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

DR. PRIYA RANJAN TRIVEDI

Chancellor, The Global Open University, Nagaland

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. BHAVET

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SANJIV MITTAL

University School of Management Studies, GuruGobindSingh I. P. University, Delhi

PROF. ANIL K. SAINI

Chairperson (CRC), GuruGobindSingh I. P. University, Delhi

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P.J.L.N.Government College, Faridabad

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PROF. V. SELVAM

SSL, VIT University, Vellore

PROF. N. SUNDARAM

VIT University, Vellore

DR. PARDEEP AHLAWAT

Associate Professor, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

DR. S. TABASSUM SULTANA

Associate Professor, Department of Business Management, Matrusri Institute of P.G. Studies, Hyderabad

TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Education, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email address: infoijrcm@gmail.com.

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:

Affiliation with full address, contact numbers & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

NOTES:

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION**REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parentheses.
 - The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

INNOVATIVE BANKING SERVICES IN RURAL AREAS WITH SPECIAL REFERENCE TO SALEM

DR. A. JAYAKUMAR
PROFESSOR
DEPARTMENT OF COMMERCE
PERIYAR UNIVERSITY
SALEM

G. ANBALAGAN
DEPARTMENT OF COMMERCE
PERIYAR UNIVERSITY
SALEM

ABSTRACT

The present paper is concerned with the various ways of doing banking electronically. This paper has been divided into four sections dealing with four aspects of innovative banking practices in India tamilnadu, salem i.e. ATM, Internet banking, Mobile banking and Credit cards. Paper is basically concerned with the rural village only aspect of banking searching for rural village family satisfaction level. This is a comparative study of Public sector bank is, Private sector Indian banks and Private sector foreign banks.

KEYWORDS

E-Banking, ATM, Internet banking, Credit cards, Mobile banking, Traditional banking, Credit frauds, Security, Competition.

INTRODUCTION

In the 1990s, the banking sector in India saw greater emphasis being placed on technology and innovation. Banks began to use technology to provide better quality of services at greater speed. Internet banking and mobile banking made it convenient for customers to do their banking from geographically diverse places. Banks also sharpened their focus on rural markets and introduced a variety of services geared to the special needs of their rural customers. Banking activities also transcended their traditional scope and new concepts like personal banking, retailing and bank assurance were introduced. The sector was also moving rapidly towards universal banking and electronic transactions, which were expected to change the way banking would be perceived in the future. In a country of 1200 million Indians, which has only 400 million bank users, there is an urgent need to ensure financial inclusion and greater transparency, and banking technology will play a crucial role in driving this change.

INNOVATIVE BANKING

Innovation is defined as the use of new knowledge to offer a new product or service that customers want (Afuah, 1998, pp. 13). The new knowledge here refers to technological or market knowledge. Technological knowledge is knowledge of components, linkages between components, methods, processes and techniques that go into a product or service. Market knowledge is knowledge of distribution channels, product applications and customers' expectations, preferences, needs and wants (Afuah, 1998). No matter how the paradigm shifts due to external factors like technology and environment, the process of innovation cannot be separated from a firm's strategic and competitive context.

Innovative banking means the broader application of new methods and techniques, new scheme in the field of deposit mobilization, deployment of credit and bank management, for the example bank have introduced various types of schemes like retirement scheme, Akshaynidhi scheme, pension plan, money lending scheme such as education loans, car finance, home loans, household goods finance etc. Besides these, many banks have started Sunday bank branches, anytime anywhere banking module and mobile banking for the benefit of the customers.

Innovative banking is a higher order constructed which consists of several distribution channel, it should be noted that electronic banking is provide a bigger platform than just banking via internet.

ROLE OF INNOVATIVE BANKING SERVICES

Innovative banking is under increasing pressure. Competition is tough, margins are being squeezed, new entrants and new business models are threatening established providers, and regulatory requirements continue to grow. The banks which grow and prosper will be those that can profitably develop new products, services and channels to market. Innovation will increasingly be the key to success. Most, if not all, senior executives in retail banking would probably claim that they understood the challenges facing the industry. In a sense, they would be right. The challenges of structural change, increasing regulation, tough competition and more demanding customer expectations are routinely expounded. But in a more profound sense, these executives would be wrong. They do not and cannot understand the most significant challenges facing their business, because the genuinely threatening developments are those which are unexpected and unpredictable.

RURAL DEVELOPMENT

*India lives in its villages. If villages perish India
 Too perishes - Mahatma Gandhi*

Rural Development is the key to India's economic transformation as a majority of its population lives in the rural areas. Mahatma Gandhi said that India lives in its villages and destruction of these villages will lead to India's destruction. Hence, the focus is more on development of rural areas in all planning efforts. Villages in Tamil Nadu have relatively better facilities and services in terms of electrification, drinking water supply, road connectivity, transportation, education and health infrastructure when compared to most other States. Yet, improving these amenities further so as to bridge the urban rural divide has been a principal policy focus of the Government of Tamil Nadu.

The Rural Development and Panchayat Raj Department is responsible for the implementation of various centrally sponsored and State schemes for poverty alleviation, employment generation, sanitation, capacity building, women's social and economic empowerment, apart from provision of basic amenities and services. The department is also entrusted with the responsibility of enabling the various Panchayat Raj Institutions (PRIs) to function as effective units of Local Self-Government. There are 12,618 Village Panchayats, 385 Panchayat Unions (co-terminus with blocks) and 32 District Panchayats under the purview of the department.

INNOVATIONS IN BANKING SECTOR IN INDIA

Over the years, the banking sector in India has seen a number of changes. Most of the banks have begun to take an innovative approach towards banking with the objective of creating more value for customers. Some of the significant changes in the *Innovative Banking Practices Services* in Rural banking sector are discussed below:

REVIEW OF LITERATURE

FreiPatrick T. HarkerLarry W. Hunter(1998),¹ Financial services comprise over 4% of the Gross Domestic Product in the United States as well as employing over 5.4 million people, more than double the combined number of people employed in the manufacture of apparel, automobiles, computers, pharmaceuticals, and steel. While impressive, these numbers belie the much larger role that this industry plays in the economy (Herring and Santomero, 1991). Financial services firms provide the payment services and financial products that enable households and firms to participate in the broader economy. By offering vehicles for investment of savings, extension of credit, and risk management, they fuel the modern capitalistic society.

Rajesh K Aithal and Arunabha Mukhopadhy,(1999),² Rural markets are an important and growing market for most products and services including telecom. The characteristics of the market in terms of low and spread out population and limited purchasing power make it a difficult market to capture. The Bottom of the pyramid marketing strategies and the 4 A's model of Availability, Affordability, Acceptability and Awareness provide us with a means of developing appropriate strategies to tackle the marketing issues for marketing telecom services in rural areas. Successful cases like the Grameen Phone in Bangladesh and Smart Communications Inc in Philippines also provide us with some guidelines to tackling the issue.

Ravi.C.S, Kundan Basavaraj,(2012),³The study was conducted on the banking services amongst people in the rural areas of Shivamogga district. The main objective was to study the banking services amongst people in General, with special reference to rural areas of Shivamogga district and to analyze the deposits and borrowing habits amongst people. The study also analyzed people understanding of the various facilities made available to them by the government through commercial banks, cooperative banks and primary land development banks. The banking habits amongst people was examined using empirical data from stratified and area sampling, which covered over 80 households around the rural areas of Shivamogga district. Results of the present study indicate that although banks have been set up to provide finance, people do not have an easy access to these sources. Majority of the respondents opined that the interest rates charged by the banks are high. As a result of this people in rural area prefer co operative societies over banks. The cumbersome process of fulfilling documentary requirements for obtaining a loan acts as a deterrent to the illiterate people who are approaching these sources. Though the interest rates have been kept lower in banks, most of the people in rural areas prefer informal loans through money lenders because of timely and adequate availability of loans. It is therefore, essential to address these issues in order to improve the banking services in rural areas amongst people in Shivamogga district. It is with this background that this research paper analyses banking services in rural areas in general and in Shivamogga district of Karnataka state in particular.

Ali. Alawneh1 and Ezz Hattab,(2009),⁴Grounded in the technology organization environment (TOE) framework, we have developed an extended conceptual research model for assessing the value of e-business at the bank level. For the purposes of our research some constructs were added to (TOE) framework such as IT Business strategy alignment, adequacy of IT professionals, and availability of online revenues. Other factors were excluded such as the global scope since our research is at the national level in Jordanian banking sector. Based on our enhanced framework, we have formulated eight hypotheses and identify eight factors (technology readiness or competence, bank size, financial resources commitment, IT Business strategy alignment, adequacy of IT professionals, availability of online revenues, competition intensity or pressure, and regulatory support environment that may affect value creation of carrying out e-business in Jordanian banking sector. Survey data from 140 employees in seven pioneered banks in the Jordanian banking services industry were collected and used to test the theoretical model. Based on simple and multiple linear regressions, our empirical analysis demonstrates several key findings: (1) technology readiness is found to have the strongest significant influence on the E -business value in banks. (2) Bank size, IT Business strategy alignment, and availability of online revenues are found to have significant influence on the e-business value in banks, while financial resources commitment and adequacy of IT professionals do not contribute significantly to e-business value. (3) Both the competition intensity and regulatory support environment contribute significantly to value creation of e-business in banks. These findings indicate the usefulness of the proposed research model for studying e-business value in banks. They also provide insights for both business managers and policy makers.

Shri S. R. Mittal, (2001),⁵ Working Group that "the applicability of various existing laws and banking practices to e-banking is not tested and is still evolving, both in India and abroad. With rapid changes in technology and innovation in the field of e-banking, there is a need for constant review of different laws relating to banking and commerce." The establishment of the multidisciplinary high level standing committee to review the legal and technological requirements of E-banking on a continual basis and recommendations of appropriate measures as and when necessary would really be a panacea for legal clarifications as and when they arise. The key in such future and further deliberations would be to encourage banks towards innovation and where necessary or required evolve new practices and customs to complement the banking laws in force from time to time. Banks have traditionally been in the forefront of harnessing technology to improve their products, services and efficiency. They have, over a long time, been using electronic and telecommunication networks for delivering a wide range of value added products and services. The delivery channels include direct dial up connections, private networks, public networks etc and the devices include telephone, Personal Computers including the Automated Teller Machines, etc. With the popularity of PCs, easy access to Internet and World Wide Web (WWW), Internet is increasingly used by banks as a channel for receiving instructions and delivering their products and services to their customers. This form of banking is generally referred to as Internet Banking, although the range of products and services offered by different banks vary widely both in their content and sophistication.

TECHNOLOGY IN BANKING

Bhide, M.G. Jalan, Bimal, (2002),⁶ Technology will bring fundamental shift in the functioning of banks. It would not only help them bring improvements in their internal functioning but also enable them to provide better customer service. Technology will break all boundaries and encourage cross border banking business. Banks would have to undertake extensive Business Process Re- Engineering and tackle issues like a) how best to deliver products and services to customers b) designing an appropriate organizational model to fully capture the benefits of technology and business process changes brought about. c) How to exploit technology for deriving economies of scale and how to create cost efficiencies, and d) how to create a customer - centric operation model.

Talwar, S.P. (1999),⁷ Entry of ATMs has changed the profile of front offices in bank branches. Customers no longer need to visit branches for their day to day banking transactions like cash deposits, withdrawals, cheque collection, balance enquiry etc. E-banking and Internet banking have opened new avenues in "convenience banking". Internet banking has also led to reduction in Transaction costs for banks to about a tenth of branch banking.

¹ X. FreiPatrick T. HarkerLarry W. Hunter(1998), Financial Institutions Center Innovation in Retail Banking by *Frances international banking services sectors ,vol. 1.no.02. page no- 48-52*

² Rajesh K Aithal and Arunabha Mukhopadhy,(1999), "Rural Telecom in India: Marketing Issues and Experiences from the New World of Banking: A Paradigm shift", *Journal of Management Research, Vol.3, December1999.*

³ Ravi.C.S, Kundan Basavaraj,(2012), "Banking Services in Rural areas of Shivamogga District in Karnataka state: an Empirical study" *ZENITH International Journal of Business Economics & Management Research*Vol.2 Issue 9, September 2012, ISSN 2249 8826.Pagr No 23-26. Online available at <http://zenithresearch.org.in>.

⁴ Ali. Alawneh1 and Ezz Hattab ,(2009), "An Empirical Study of Sources Affecting E-Business Value Creation in Jordanian Banking Services Sector" *International Arab Journal of e-Technology, Philadelphia University, Jordan Banking And Financial Sciences, Vol. 1, No. 2, June 2009*

⁵ Shri S. R. Mittal, (2001), Report on Internet Banking *International Journal of e-Technology, Jordan Banking And Financial Sciences, Vol. 11, No. 2, June 2008-2009*, CGM-in-charge, Department of Information Technology, Reserve Bank of India, Central Office, Mumbai.

⁶ Bhide, M.G. Jalan, Bimal, (2002), NIBM pune. Annual Day on the theme of Corporate Governance in *Banks and Financial Institutions, January. Vol.No 1. Page No. 61-69.*

⁷ Talwar, S.P. (1999), "Banking Regulation and Corporate Governance", *RBI Bulletin, July, Vol. LIII No.7*

IMPORTANCE THE INNOVATIVE RURAL BANKS

Conflict of interest in the ownership structures of rural banks that make it impossible for them to operate in a manner that will facilitate financial inclusion through innovation and efficiencies. For cooperative banks, effective control is either in the hands of state governments that have contributed a substantial proportion of share capital or with borrowers (who are voting members of the banks), thereby, creating an inherent conflict of interest between financial viability and the interests of owners. In the case of RRBs, the sponsor commercial banks see their own subsidiaries as competition resulting in the parent company keeping a very tight leash on the RRB. Over the past 3-4 and 6-9 years there has been substantial activity in the area of rural finance reform covering both RRBs and the cooperative credit structure. This activity includes the ongoing process of amalgamating and merging RRBs into state level banks to enable them to take advantage of economies of scale in operations. In parallel there is the ongoing process of reforming the cooperative credit structure of the country along the lines recommended by the Task Force on the Revival of Cooperative Credit Institutions (**Vaidyanathan Committee**).

TECHNOLOGY FOR VALUE CREATION

The use of information technology in the Indian banking sector was a corollary of the liberalization process initiated in the country in the early 1990s...

This bank has One Thousand, Seven Hundred And Seventy Four (1774) National Electronic Fund Transfer (NEFT) supporting branches around India.

With a majority of the Indian population living in rural areas, rural banking forms a vital component of the Indian banking system. Besides, rural banking operations in India are rather different from urban operations, due to the strong disparity that exists between urban and rural life, and the needs of these two sections of people...

TECHNOLOGY BASED INNOVATIVE BANKING SERVICES

Technology based innovative banking services helpful for bank for competition with other banks, herewith some technology based services are given below:-

1. ELECTRONIC FUND TRANSFERS

EFT offers several services that consumers may find practical. Many financial institutions use ATM or debit cards and use Personal Identification Numbers (PINs) for validation purpose.

2. AUTOMATED TELLER MACHINE (ATM)

ATMs used as spring board for Electronic Fund Transfer. ATM itself can provide information about customers account and also receive instructions from customers - ATM cardholders. An ATM is an Electronic Fund Transfer terminal capable of handling cash deposits, transfer between accounts, balance enquiries, cash withdrawals and pay bills.

3. CREDIT CARDS/DEBIT CARDS

The Credit Card holder is empowered to spend wherever and whenever he wants with his Credit Card within the limits fixed by his bank. Debit Card, on the other hand, is a prepaid card with some stored value. The buyers account is debited with the exact amount of purchases. An individual has to open an account with the issuing bank which gives debit card with a Personal Identification Number (PIN).

4. SMART CARD

Banks are adding chips to their current magnetic stripe cards to enhance security and offer new service, called Smart Cards. Smart Cards allow thousands of times of information storable on magnetic stripe cards.

5. BILL PAYMENT SERVICE

One can facilitate payment of electricity and telephone bills, mobile phone, credit card and insurance premium bills as each bank has tie-ups with various utility companies, service providers and insurance companies, across the country. Generally, the bank does not charge customers for online bill payment.

6. FUND TRANSFER

One can transfer any amount from one account to another of the same or any another bank. Customers can send money anywhere in India. The transfer will take place in a day.

7. INVESTING THROUGH INTERNET BANKING

One can now open an FD online through funds transfer. Now investors with interlinked demat account and bank account can easily trade in the stock market and the amount will be automatically debited from their respective bank accounts and the shares will be credited in their demat account.

8. SECURITY PRECAUTIONS

Customers should never share personal information like PIN numbers, passwords etc with anyone, including employees of the bank. It is important that documents that contain confidential information are safeguarded. PIN or password mailers should not be stored, the PIN and/or passwords should be changed immediately and memorized before destroying the mailers.

9. E-BANKING SUPPORT SERVICES

Some of the most common support services are: web linking, account aggregation, electronic authentication, website hosting, payments for e-commerce, and wireless banking activities. Electronic person-to-person payments, also known as e-mail money, permit consumers to send "money" to any person or business with an e-mail address. Financial institutions that host a business customer's website usually store, or arrange for the storage of, the electronic files that make up the website. A web link is a word, phrase, or image on a webpage that contains coding that will transport the viewer to a different part of the website. Wireless banking occurs when customers access a financial institution's network(s) using cellular phones, pagers, and personal digital assistants (or similar devices) through telecommunication companies' wireless networks.

10. MOBILE BANKING SERVICES

1. Conducting banking operations using the mobile phone has been fast catching up around the world for its convenience. One can do their banking operations sitting anywhere, anytime. It is discreet, personalized and on phone. It is an empowering and user-friendly mode of accessing the bank account.
2. The Mobile Banking Service will be available to all the customers having a satisfactory running account (Current/ Savings). The customers will have to register for the services.
3. Daily transaction limits for fund transfer/ bill/ merchant payment is Rs.50,000/- per customer with an overall calendar month limit of Rs.2,50,000.00
4. The service will be carrier-agnostic i.e. all customers can avail the mobile banking service with the Bank irrespective of the service provider for their mobiles.
5. The service is free of charge.
6. Mobile Payments are any monetary transactions that take place with the help of a mobile phone.

11. TELLER SYSTEM

Under this system, when a customer presents a cheque, a counter clerk will make payment immediately. Customer no needs to wait for a long time for withdrawal of money. The counter clerk will get specimen signature in the back side. This kind of system is called 'Teller System'.

12. HOME BANKING

Instead of going to the bank for withdrawal of money or for depositing of cheques, a customer can do this banking business by sitting at home. For this purpose, the personal computer of the customer will be connected with the bank's computer through a network. The customer will have a secret code for operating this account from home. He will instruct the bank for different payments. Similarly he will also receive credit from this debtor. Thus in course of time home banking will minimize the use of documents. In fact, even the negotiable instruments usage will be minimized. With the development of LAPTOP computer the customer can even his bank a/c even while traveling by air.

13. GREEN CARD

In India, credit card facility is given to the farmers by issue of Green Card to them. This will enable them to buy all their inputs by using the Green Card. They can buy seeds, fertilizers and pesticides through this card. Thus, the bank is providing credit to the farmers by this Green Card.

14. FACTORING

Commercial banks in India are undertaking factoring business. Under this, the bills drawn by customers on the bank buyer will be handed over to the bank for collection. The bank will pay 80% of the value of the bill to the customer and the balance 20% will be paid after realizing the bill from the buyer. For this purpose, the bank will be paid factoring commission. SBI and Canara Bank were the two banks which initially started factoring business. Other Banks are also now undertaking factoring business.

15. MUTUAL FUNDS

To enable the customers to avail the benefit of investments, banks in India have started mutual funds. The savings of the customers are invested in mutual funds by purchase of units. The bank after mobilizing the funds, invest the same in various company securities. Every day, the bank will give the value of the units in the form of 'Net Present Value', which is calculated by the total value of investments divided by the total number of units. This NPV may change according to the fluctuations in the market value. It is the Endeavour aim of every bank to maintain a higher NPV.

16. ELECTRONIC CLEARING SYSTEM (ECS)

The telephone charges are being paid through this system. The banks are connected to the telephone department through a network by which, the telephone charges of the customers are paid. Not only the telephone bills, but bills like salary, arrear, mobile bill, Income Tax, etc. The customer will present the bills to the bank which intimates electronically to the concerned department and the bills are paid by the bank. The use of computers in the payment of these bills is called ECS.

17. GOLD OR PLATINUM CARD

Generally, customers are given credit card facility through the banks according to their credit worthiness. The purchase of the customers is restricted up to the available credit and once this limit is exhausted, they cannot purchase. I.e. there is maximum limit. But in the case of Gold or Platinum card, this credit limit restriction will not be there. Customers who are very rich and who have a very high social status will be provided Gold or Platinum Card. Purchases of a very high value could be undertaken by the use of this card. A Gold or Platinum Card holder can go to purchase of valuable items through this card.

18. GOLD BANKING

It is a scheme introduced in 2000 – 2001 budget year by the Union finance minister and State Bank of India is the first bank in India to introduce 'Gold Deposit Scheme'. Around 13000 tons of gold are estimated to be available in India. Out of 13000 tons SBI has initially received 4.54 tons from 3051 individuals. This Gold deposit will be used for giving loan to Jewellery industry under metal (Gold) Loan Scheme by which export of gold jewels will pick up. State Bank of India is setting up separate subsidiary unit for the purpose of gold banking.

19. MOBILE ATM

It was introduced by Indian Overseas Bank. It is useful to rural people and employed men and women. Very soon the Mobile ATM is going to knock the door of villagers. It will reach to rural area and hamlets.

CONCLUSION

The discussion proves that the banking services like ATM, Internet banking, Mobile banking and Credit cards etc. are growing very fastly in the rural village and increasing the satisfaction of the rural customers.

REFERENCES

1. Amelia Paisand, Philip A. Stork (2011). *Journal of Banking & Finance*, Vol.35(Issue3), pp.681-697
2. Anthony Saunders, *Journal of Banking & Finance* (1994). , Vol 18(2), pp.231-254
3. Angelo A. Unite, Michael J. Sullivan (2003). *Journal of Banking & Finance*, Volume , Vol 27(12),pp. 2323-2345
4. Bruno Amable, Jean-Bernard Chatelain, Olivier De Bandt(2002). *Journal of Banking & Finance*, Vol 26 (2-3) 2,pp. 491-517
5. Biagio Bossone(2001). *Journal of Banking & Finance*, , Vol 25 (12),pp. 2239-2276.
6. Brian Lucey, Aleksandar Šević (2010), *Journal of International Financial Markets*, , Vol 20, (3), pp.275-28
7. Bill B. Francis, Delroy M. Hunter (2004), *Journal of International Money and Finance*, , Vol 23(7-8), pp.1011-1042
8. Diego Romero-Ávila (2007), *Journal of Banking & Finance*, , Vol 31 (7), pp.1937-1954

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail i.e. infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

