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STUDENT PEER MENTORING AS A STRUCTURED CO-CURRICULAR CLASS IN BUSINESS PROGRAMS

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ABSTRACT

This article presents the benefits of and a model for the development of a structured co-curricular peer-mentoring course in business. The course would carry credit in the major of the mentor. Co-curricular activity is defined and benefits are presented. Time pressures for learning activities outside of the classroom are discussed. The introduction of the peer mentoring class presents a methodology for students to participate in co-curricular activities and their benefits. Peer mentoring and its usefulness for the mentor, mentee and classroom instructor are documented. Benefits for the mentor include improved subject matter knowledge, professionalism, job skills and soft skills desirable for new graduates. Mentees will improve subject matter knowledge, retention to graduation and an overall sense of well-being. Classroom instructors receive tutoring help, increased time for duties outside of the classroom and better grades for their students. In the present environment of greater demand for business degrees and reduced financial support, peer mentoring provides a method for supporting mentors, mentees and classroom instructors.

KEYWORDS

business courses, co-curricular activities, peer mentoring.

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INTRODUCTION

Peer mentoring among college students has long been providing benefits to both the mentor and the mentee. At many universities the peer mentoring is done in an introduction to college class that provides support for first time students and enhances retention. While the peer mentor may get elective credit, they are not improving their knowledge in the subject area of their major. Development of a structured co-curricular discipline specific class for peer mentors would provide support for students who need help in the subject and discipline credit for the mentor. These mentors would be able to tutor students and provide faculty addition resources to improve the achievement in their classes. Peer mentors would get experience in soft skills that many employers seek in new college graduates. This type of peer mentoring would be particularly helpful in business programs. In business, the diversity of classes that include analytical process and conceptual reasoning force students to use both sides of their brains to be successful. This dichotomy often requires additional support for students to be successful. Peer mentoring can provide this support.

STATEMENT OF THE PROBLEM

Co-curricular activities are activities that occur outside of normal class time but impact classroom learning. The importance of involvement outside of the classroom is manifold. These benefits include: Retention through graduation; opportunities for soft skills development; enhanced professionalism for career advancement and improved grades in most classes. The demand on the time of today's students has reduced their ability to participate in activities outside the classroom that are an important part of the university experience. It also takes away from academic preparation. Enhancing the learning of fellow students through peer mentoring is one way to develop the mentor's interpersonal skills and to help the academic progress of students being mentored. Unfortunately, there are few mechanisms to develop the type of peer mentoring program in business. Most examples in the literature provide single university experience and do not give specific details of how programs are developed. Mentors are generally paid or volunteer as a part of a professional organization. The establishment of a structured co-curricular class in peer mentoring can meet this need. The structuring of the class would require the close relationship between faculty and mentors. The goals of the class would include improvement of the mentor's understanding of the subject through tutoring, improved interpersonal skills of the mentor and enhanced understanding of the subject for those being tutored. An additional benefit is the support provided the course instructor. This research provides a model for a peer mentoring class for credit in the students' major area.

REVIEW OF THE LITERATURE

Bartkus, Nemelka, Nemelka & Gardner (2012) after an extensive review of the literature provide comprehensive definitions of both "extracurricular" and "co-curricular" activities. They conclude, "A co-curricular activity is one that requires a student's participation outside of normal classroom time as a condition for meeting a curricular requirement" (page 699).

Kuh (1995) says that while colleges may not be able to force students into co-curricular activities, they can create the avenues for them to participate. The benefit to both the student and the institution are manifold.

Austin (1984) and Adams, Meyers & Beidas (2016) indicate that the time students spend on academic pursuits is in competition with the time that they spend for jobs, family and other activities. Often this increased demand involves financing their education. Working and going to university requires difficult choices that make studying a second or even tertiary choice.

Busby (2015), while reviewing the assessment of co-curricular activities, points out that learning outside of the classroom enhances and reinforces learning and prepares students for the workplace. She concludes that co-curricular activities can be evaluated in the same way curricular activities are measured.

Martin (2013) points out that participating in degree related activities outside of the classroom enhances students' careers and professional behavior. The research had particular impact on first-generation college students.

Ward and Yates (2012) and Lapidus, Towell & Hayes (2015) point out the need for learning outside of the classroom. They point out that skills gained in a wide range of different activities leads to skills that employers seek in a new graduate. This is particularly true for business students.

Mintzberg (1976) introduced bilateral brain theory in the study of business. This theory concluded that to be an effective manager one must have both analytical and creative skills. The analytical side works with numbers to understand current conditions (accounting and finance) and project numerical goals into the future. The creative side focuses on abstract concepts necessary to plan and imagine beyond the horizon.

Hall and Jaugieties (2011) use a longitudinal approach to support the claim that using peer mentors in a first year college experience class enhances retention. They conclude that peer mentors have a positive impact on retention.

Hanson, Trolian, Paulsen & Pascarella (2016) researched peer learning on the well being of students. They conclude that peer mentoring is an important pedagogical practice and benefits the students feeling of well being.

Gunn, Lee & Steed (2017) point to the benefit for both the mentor and the mentee. Mentors enhance both their knowledge of the subject matter and their soft skills development. Mentees learn subject matter knowledge and are provided emotional and psychological support.

Fiorella and Mayer (2014) studied the impact of teaching and its importance in learning. They conclude that peer mentoring enhances the mentor's knowledge of the subject matter. They also conclude that teaching is an effective way of learning new material.

Fox and Stevenson (2006) discuss the positive impact that a mentorship program had on both mentor and mentee in accounting and finance courses in university. This research supports the concept of peer mentoring in business but uses voluntary mentors without direct academic credit for their efforts.

Jackling and McDowall (2008) studied third-year undergraduate accounting students employed to mentor second-year accounting students. The results showed enhanced learning of both groups of students. This research further develops the concept of the need for a credit-bearing course for mentoring in business programs.

Metcalfe, Neill, Simon, Dobson & Davis (2016) discuss the use of peer mentors in an introduction-marketing course. Their results indicate that all of the participants, instructor, mentor and mentee, benefited from this relationship. The peer mentors appear to be volunteers and are using the mentoring to enhance soft skills and as a resume builder.

Smith (2008) states that one of the reasons for more peer mentoring in undergraduate curricula is larger class size dictated by less governmental support for higher education. Using peer mentors frees up the professors' time to devote to other required activities.

Blake and Mangiameli (2012) assess the impact of participating in co-curricular activities on retention. They conclude that participation in co-curricular activities throughout the university experience has a positive impact on retention and graduation.

Lee and Matusovich (2016) describe an extensive model for co-curricular support of undergraduate engineering students. As part of their model they use peer mentoring relationships to support underrepresented student groups. The results of their research indicate the importance of co-curricular activities in pointing students toward academic success.

DISCUSSION

The literature concerning peer mentoring clearly shows that there is significant benefit for mentors, mentees and classroom instructors. Coupling peer mentoring with a structured co-curricular course in the mentor's major provides a mechanism that gives the mentor sufficient incentive to undertake the responsibility. The result will improve knowledge of the subject matter, professionalism, soft skills and job skills of the mentor. The process will improve the subject matter knowledge, retention to graduation and well-being of the mentee. The class instructor will benefit from tutoring help, time for other responsibilities outside of the classroom and better results for students.

The structured course in their major in peer mentoring will be particularly beneficial to business programs. The complexity of all business majors stems from both the analytical and creative processing that are required to be successful. Research has demonstrated that peer mentoring is beneficial in accounting and finance classes that are analytical and marketing classes that require creativity.

The popularity of business degrees and the lack of sufficient funding have caused class sizes to increase dramatically. Larger class size and more sections to teach have reduced the time faculty have to pursue necessary responsibilities outside of the classroom. This can lead to accreditation pressures. Job satisfaction may also be reduced. Peer mentoring classes give the instructor some relief from these issues.

It is often difficult for students to find sufficient time to pursue co-curricular activities. This is particularly true of students who are paying for their own education. The development of a structured major related peer mentoring class would reduce the time constraint required for participating in co-curricular activities. Peer mentors participation would benefit from involvement in these activities.

Engineering and other social sciences have experienced success in developing peer-mentoring classes that combine the co-curricular aspect with class credit for participating. Peer mentoring is just one of the activities that have been developed to enhance student participation in co-curricular activities. Business has demonstrated that the concept works for business classes. Providing a structured co-curricular class in peer mentoring would be a first step in the development of programs to allow students credit for co-curricular activities.

RECOMMENDATIONS

It is shown that peer mentoring in business programs has positive impact on mentors, mentees and course instructors. The development of a major related peer mentoring class would promote involvement in peer mentoring. The structure of this class will require faculty and mentor to work closely to get full benefit from this proposition. Time spent mentoring students will be considered as part of the mentor's class time.

The class that the peer mentors take trains them for a deeper understanding of the subject matter to be tutored, how to provide emotional support for mentees, develop soft skills and how to provide non-judgmental feedback to mentees. Assuming that the class is the standard three-hour semester class, it is envisioned that the mentors meet for one class hour each week with the class instructor. Mentors then meet a minimum two class hours each week with mentees. Mentor and mentee would agree to the time and place of these meetings. Mentors may, as part of the class assignment, meet with individual or groups of mentees during the regularly scheduled class time. All of these aspects will benefit the mentors in their chosen field. In addition, it will enhance job opportunities by indicating the ability to teach and coach fellow employees.

CONCLUSION

This review demonstrates the benefit of creating a structured co-curricular major class for peer mentors in business programs. This class benefits the class instructor, the mentor and the mentee. The class instructor is freed up to pursue non-class related job requirements. The mentor receives major credit, enhances their knowledge of the subject matter, improves soft skills and demonstrates the ability to work with and teach others. The mentee increases subject knowledge and improves progress toward retention and graduation.

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A TREND OF CURRENCY DERIVATIVES WITH SPECIAL REFERENCE TO HDFC BANK AND BOB

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ABSTRACT

Risk is as old as culture. Risk is unique because it cannot be eradicated; but managed. Globalization has headed to the interdependency of nations, thus, rising exposure to exchange rate instability. The instability of exchange rate give way to currency risk in all transactions in a foreign currency. The most important way to handle the currency risk is the use of currency derivatives. This paper explains currency derivatives as instruments to mitigate the currency risk. The paper has been divided into five parts. The first part deals with basic introduction of Currency derivatives. The second part reviews some literature on currency derivatives. The third part deals with growth of currency derivatives in Global as well as Domestic level. The fourth part deals with use of Currency Derivatives in HDFC bank and Bank of Baroda. The fifth part is analysis of data of the use of currency derivatives. The final part is the conclusions on it.

KEYWORDS

currency derivatives, currency forwards, currency futures, currency options.

JEL CODE

G11

INTRODUCTION

With the development of currency derivatives, a participant with a foreign exchange exposure can find simple method to get information over rates and future market prospects for the currencies traded. Advantage of trading in the currency futures segment are massive - from accessibility to price lucidity and standardization, which in the case of over-the-counter trade is entirely unlike. As far as ease is concerned, currency derivatives offer an online electronic trading platform as opposed to the interbank forex market. In terms of price transparency, an online trading real-time price access to all market participants, while in the OTC market one has to rely upon the rates offered by the bank. In India, currency derivatives have come out as a popular tool to hedge currency risks. But it is shocking to see that only 10 percent of volumes actually come from the hedgers. The reason why hedgers are currently weighing the currency market is that in India, the traditional propensity is to extract rates from the OTC markets and the quotes by the banks are considered as final. But a major drawback in case of over-the-counter trade is that different rates are offered to the bank clients depending upon on their affiliation with the bank and the volume of business that a client offers to the bank. The system of the OTC market is not clear and makes it difficult for small and medium enterprises along with retail investors to make an entry and have a successful trade. It is now a lot easier for a small and medium enterprise to venture in the foreign exchange market with clarity and transparency.

MEANING OF CURRENCY DERIVATIVES

Currency derivatives are complex financial instruments which are traded over – the – counter and this is a collective term used for futures, forwards and swaps. Currency derivatives are used for hedging. This hedging involves a future payment or receive in a foreign currency.

TYPES OF CURRENCY DERIVATIVES

Currency forwards: A currency forward is an agreement between two parties where both the parties agreed to buy/sell an underlying asset at a predetermined price in future. This involves future payment or receivable an unknown foreign exchange rate.

Currency futures: A futures contract is a standardized contract, traded on an exchange, to buy or sell a certain underlying asset or an instrument at a certain date in the future, at a specified price. When the underlying is an exchange rate, the contract is termed a “currency futures contract”.

Currency options: A currency option is a contract giving the option purchaser (the buyer) the right, but not the obligation, to buy or sell a fixed amount of foreign exchange at a fixed price per unit for a specified time period.

Currency swaps: A currency swap is an agreement between two parties to exchange cash flows in two different currencies. The swap consists of interest rate differentials between currencies.

LITERATURE REVIEW

Nair (2004) viewed that in most of the countries, where currency futures have really flourished, the trading takes place on multiple commodity exchanges, rather than stock exchanges. Besides, since foreign operators – NRIs, FIIs etc. – are barred from contributing, the new exchange means the contract can be dealt only within India and that too, without involving any outflow of funds.

Guru (2009) pointed out that the global markets (mainly USA) become active only after Indian markets close at 5.00 pm and as a result there is an obvious fear about the risks connected with overnight fluctuations in the currency pair. Once the Indian markets close, the positions cannot be upturned by the traders till the next day. The tax treatment of the gains/losses in the futures currency market would this be treated as business income as in the case of equity derivatives also not make it clear by the regulator?

Nath and Lingareddy (2008) revealed that with increased depth of Indian currency trading, which has reached to a daily volume of around Rs. 2000-3000 crore, in spite of small contract size and low daily limits for individuals and trading partners. Within a year of its beginning, MCX-SX has achieved amazing growth in average daily turnover and open interest. The average daily turnover increased from Rs. 355.66 crore during the first month of operations to Rs. 16,980 crore for the month of February 2010.

Schulmeister (2005) defined the mutually reinforcing connections between exchange rate dynamics and technical trading strategies. The study was based on the presentation of 1024 moving average and momentum models in the single most active foreign exchange market, the DM/\$ market between 1973 and 1999. An

out-of-sample test of the performance of all 1024 models between 2000 and 2004 (euro/US dollar) was also the part of the study. The main results showed that technical trading systems were quite profitable during the floating rate period. It was also found that technical models bring to bear an excess demand pressure on currency markets. When these models produced trading signals, approximately all signals were on the same side of the market, either buying or selling. When technical models preserve open positions they were either long or short. Initial exchange rate movements triggered a trend. This "Multiplier effect" was reflected by the close relationship between technical trading signals and Order flows. Author concluded that order flows were not only driven by (fundamental) news but also by Technical trading, which reinforces exchange rate trends to which it responds.

Mihaljek& Packer (2010) revealed derivatives markets in emerging market economies (EMEs) on a comprehensive basis. The study was based on the objectives to study about the construction and dynamics of EME's, the difference between the growth of EME's and mature markets, to study the factors that give details of differences in the growth of derivatives markets across countries and time. The study combined data from the Triennial Central Bank Survey of OTC derivatives market activity with those on derivatives traded on emerging market exchanges and data on exchange-traded derivatives, accumulated by commercial providers and published on a regular basis in the BIS Quarterly Review, provide detailed information on standardized derivative contracts listed and traded on emerging market exchanges. Data was analyzed through regression and coefficient of correlation. It was found that First, daily turnover in derivatives markets in EMEs was prolonged four times over the past decade, to over 6% of emerging market GDP. Second, derivatives in emerging markets were traded in almost equal proportions over the counter and on exchanges. Third, unlike in advanced economies, FX derivatives were still the most traded derivatives in EMEs (50% of total turnover), while interest rate derivatives stay underdeveloped. Fourth, the FX derivatives turnover in emerging markets was becoming increasingly global, with a growing share of transactions being done cross-border, and transactions in emerging market currencies increasingly taking place offshore. Fifth, the largest derivatives markets in EMEs were located in Korea, Brazil and the two Asian financial centers of Hong Kong SAR and Singapore. And sixth, trade, financial activity and per capita GDP were positively related to the growth of derivatives markets in EMEs.

Rajkumar& Rani (2012) explored the tendency and growth pattern of currency futures market in India. Secondary data was compiled from the SEBI annual reports and analysis was made using percentage method. It was revealed that the turnover of exchange traded currency derivatives increased day by day since its introduction and in 2010-2011, it was more than OTC currency derivatives market turnover. USDINR futures contracts were found to be the most actively traded contract among all the exchange traded currency derivatives instruments.

Pandey (2012) stated that currency futures are the immense necessity for the developing economies to raise international space and efficient currency risk management system for the economy. Currency derivative provides better supportive and forecasting of actual and implied volatility numbers. It also helps in the price discovery in long run and make treasury operations viable for Indian banks, multinationals exporters and importers. Majority of the trade in currency futures is contributed by high net worth individuals and medium size entities. A further research in currency futures could be conducted by academicians related to accounting & reporting of currency derivatives in Indian context.

Choudhary (2012) explained that foreign exchange markets are the largest on the basis of traded turnovers and thus had a significant instability. The journey of Indian futures has to face some challenges of myths of traders about the market and of liquidity. USD-INR pair is the mostly traded currency futures pair in India. While facing these challenges currencies were still best performers amongst all the classes, presently in India as there is no counterparty risk in currency futures trading. It was also suggested that FIIs and NRIs must be allowed in currency future trading and also the trading hours must be extended.

OBJECTIVES OF THE STUDY

1. To know the growth of Currency Derivatives in global as well as in Domestic market.
2. To compare the trend of Currency Derivatives in HDFC bank and Bank of Baroda.

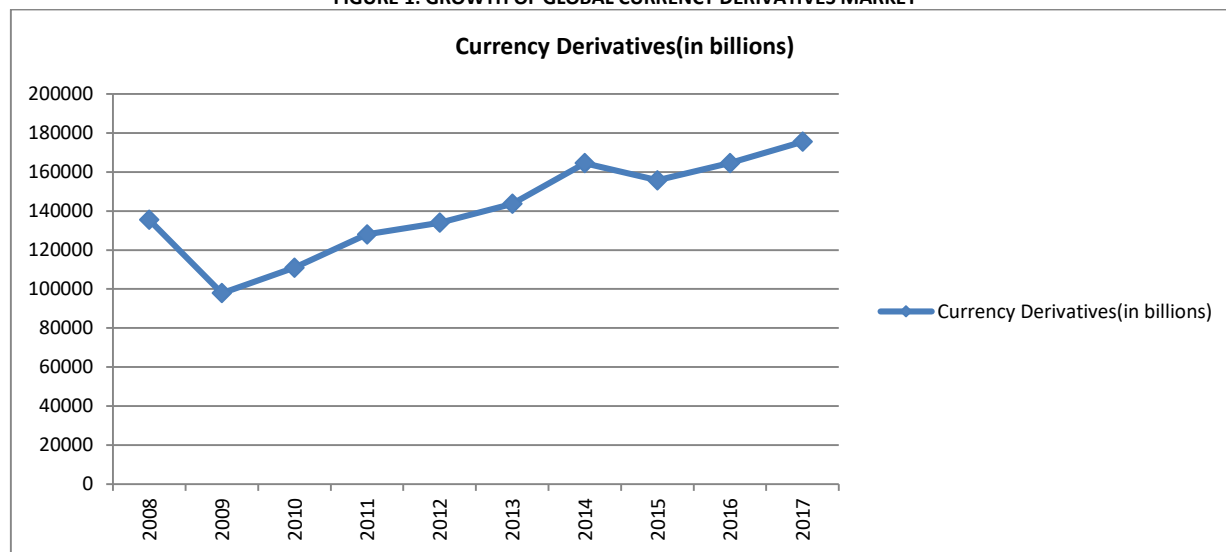
RESEARCH METHODOLOGY

The study is methodical in nature. In this paper attempts are done to find out the growth of Currency Derivatives in global as well as in Domestic market and trend of Currency Derivatives in HDFC bank and Bank of Baroda. The study is based on secondary data which has been collected from Indian Banking Association (IBA), Reserve Bank of India, Annual Reports of the banks and Capita-line Plus database. Data is collected for the financial year 2010-2017. Independent t-test has been used to assess the significance of results. SPSS 20 version was used for analysis.

ANALYSIS

DEVELOPMENT OF CURRENCY DERIVATIVES IN GLOBAL MARKET

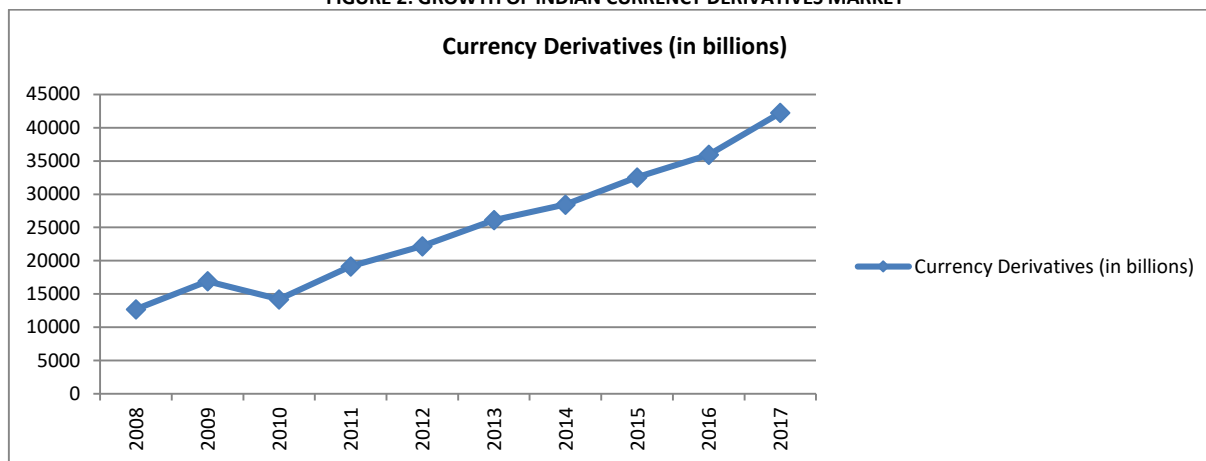
FIGURE 1: GROWTH OF GLOBAL CURRENCY DERIVATIVES MARKET



Source: Bank for International Settlement

The figure 1 shows the growth of Currency derivatives in global market. The figure shows Rs. 135453 billion in 2008 which decreased to Rs. 97913 billion in 2009. From the year 2010, the market of Currency Derivatives bounced back to its performance with Rs. 110921 billion and continued the hiked performance from 2011 till 2017 with the amount of Rs. 128047 billion in 2012, Rs. 164457 billion in 2014 and Rs. 175546 billion in 2017.

FIGURE 2: GROWTH OF INDIAN CURRENCY DERIVATIVES MARKET



Source: Clearing Corporation of India Limited

The figure 2 reveals the growth of Currency Derivatives of in India. From the marginal performance of Rs 12727 billion in 2008 the hike continued till 2017 i.e. Rs. 16937 billion in 2009, Rs 22200 billion in 2012 and in the year 2017 the hike continued to be substantially a huge figure of Rs. 42226 billion.

TREND OF CURRENCY DERIVATIVES IN HDFC BANK AND BOB

The paper reviews the growth of Currency Derivatives in HDFC bank and BOB and also ascertains the factors which affect the use of Currency Derivatives. Study about the role of Currency Derivatives in risk management and its effect on the performance of the bank were analyzed. The study was also conducted on bank's foreign exchange rate risk management decision through Currency Derivatives.

VOLUME OF THE CURRENCY DERIVATIVES

The notional principal amount, defined as the amount of the assets used to analyze payments made on the Currency Derivatives instrument was taken into description to study the usage and pattern of Currency Derivatives. Tabular, graphical presentation and descriptive statistics method explains the use of Currency Derivatives over the period of study for both the banks. In order to study whether there exist any significant differences between the use of Currency Derivatives in HDFC bank and BOB, independent sample T-test was used.

FIGURE 3: VOLUME OF CURRENCY DERIVATIVES IN HDFC BANK AND BOB

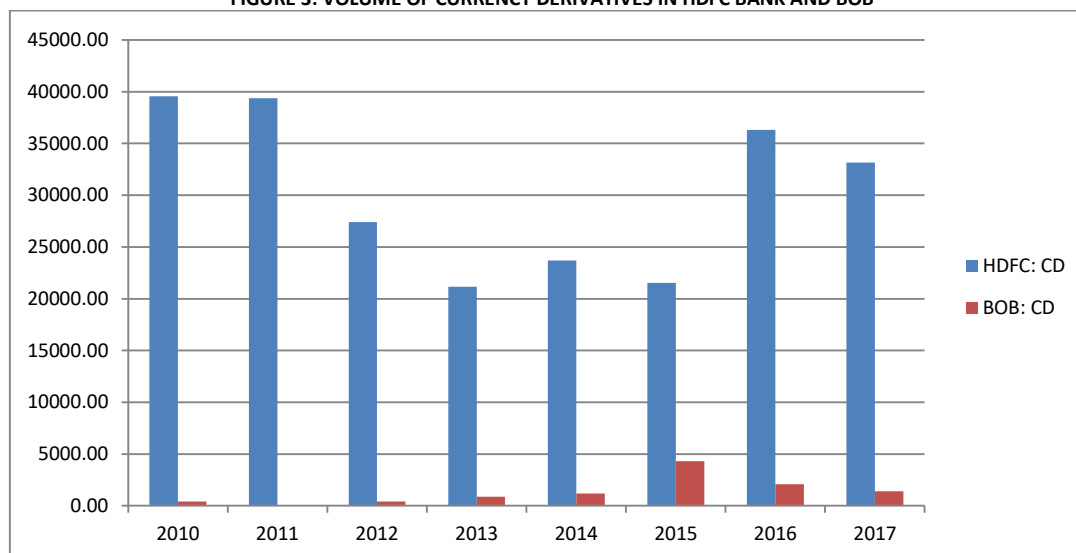


Figure 3 presents the volume and growth of Currency Derivatives of HDFC and BOB. In HDFC Bank, Currency Derivatives was amount to Rs 39559.63 Cr The hike was noticed in the year 2011 amounting to Rs. 39357.45 Cr. The up and down trend was shown from the year 2012 to 2015 i.e. Rs. 27405.51Cr, Rs. 21171.27 Cr., Rs. 23696.17 Cr and Rs. 21534.91Cr respectively. Again in 2016 and 2017 the HDFC got bounced back in its performance i.e., Rs. 36309.52 Cr. and Rs33156.08 Cr. respectively.

In BOB, in the year 2010 the figure was Rs. 401.07 Cr. The year 2011 showed of about 93.14% decreased value in use of Currency Derivatives i.e. Rs. 53.32 Cr. From the year 2012 to 2017 the use of Currency Derivatives was found to be in growing movement of Rs. 422.78 Cr, Rs. 872.87 Cr, Rs. 1194.15 Cr. and Rs4304.80 Cr. Thereafter, there was a downward inclination established in the year 2016 and 2017 i.e. Rs. 2096.94 Cr. and Rs. 1393.94 Cr.

TABLE 1: DESCRIPTIVE STATISTICS FOR CURRENCY DERIVATIVES IN BOB AND HDFC BANKS

	HDFC	BOB
Mean	30273.82	1342.48
Std. Deviation	7784.54	1361.92
Coefficient of Variance	25.71	101.45
Skewness	.026	1.701
Kurtosis	-2.073	3.236

From the table 1, it is evident that average of the use of Currency Derivatives of HDFC is found to be Rs.30273.82 Cr. which is more than Currency Derivatives mean value of BOB which is counted to be Rs. 1342.48 Cr. The Coefficient of Variance is observed to be higher in BOB as compared to HDFC which is counted to be 101.45 and 25.71 respectively. This clearly indicates that in BOB, the mean value is relatively lower but the use of Currency Derivatives is highly dispersed. As, the more scattered use was towards the right hand side of the mean, the asymmetric in the distribution of use of Currency Derivatives has found. It is depicted by

positive skewness coefficients of 0.026 in HDFC and 1.701 in BOB. The data is positively skewed signifying that the average use of Currency Derivatives was lesser than the volume of Currency Derivatives for other years in HDFC Bank. In BOB also, the use of Currency Derivatives was positively skewed denotes that the average use was lesser than the most frequent volume of Currency Derivatives. The peakness of data in HDFC is below the normal as majority of years had shown lesser peakness in their use than normal curve as the data had platykurtic ($k < 3$) nature of distribution pattern. The curve of BOB shows leptokurtic as the curve is more peaked than the normal curve.

The above descriptive statistics were additionally supported by a comparative analysis, where an effort was made to study if there exists any significant difference between the use of Currency Derivatives in HDFC bank and BOB. Independent sample t-test was used to clarify the usage and pattern of Currency Derivatives in HDFC bank and BOB. The hypothesis created were as follows:

H₀₁: There is no significant difference between the use of Currency Derivatives in HDFC bank and BOB.

H_{a1}: There is significant difference between the use of Currency Derivatives in HDFC bank and BOB

TABLE 2: INDEPENDENT SAMPLE T-TEST FOR CURRENCY DERIVATIVES IN HDFC BANK AND BOB

	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	T	df	Sig. (2-tailed)
Equal variances assumed	33.509	0.000	10.355	14	0.000
*5% level of significance					

Table 2 represents the independent sample t-test, the value of the two-tailed significance is less than 0.05, showing that there is a significant difference in HDFC bank and BOB about the use of Currency Derivatives. Equal variance though not assumed, t-test statistics was used for evaluating the null hypothesis of equality of means. The result from the analysis pointed out that there is a significant difference between HDFC bank and BOB on the use of Currency Derivatives. The test result gives the t value of 10.355 with 14 degree of freedom. The corresponding two tailed p value is .000, less than 0.05, therefore, the null hypothesis was rejected which means that the sample mean seems significantly different from the hypothesized value and the average of Currency Derivatives use in HDFC bank was not same as the average of Currency Derivatives use in BOB. At 0.01 significance level, also, the hypothesis was rejected as the p value is less than 0.01. This means that at 1% level of significance the average of the Currency Derivatives in two banks are not the same.

CONCLUSION

Financial system all over the world is going leading revolution. The recession that distinct the globe in 2008 accelerated the degree of currency and interest risk exposure to the firms and financial institutions. The firms and financial institutions that are more prone to interest rate and exchange rate instability needs special awareness of derivatives instruments in order to pick up from the owes of the global financial crisis. It should be noted that the post-recession period though being exposed to risk, has full opportunities that can be reaped using proper speculation strategies. Time calls for a change from defensive risk management strategies to offensive risk management strategies and go for risk mitigation through modern instruments like derivatives instruments.

SUGGESTIONS FOR THE STUDY

1. The study recommends that commercial banks should encourage the use currency derivatives because derivatives reduce the possibility of financial distress by lessening the inconsistency in firm value, thus reducing the expected costs of financial distress.
2. Based on the study, Banks should use these instruments sensibly so as to bring financial constancy in Indian economy. Because the risks involved in the banking industry cannot be seen in isolation, the management should follow an integrated approach while evaluating and managing these risks.
3. The bank should build a model of bank capital structure, and show that these patterns are consistent with optimal risk management under financial frictions.
4. The study demands that there is a need among the banks for proper determination of this foreign exchange exposure before they think of how much to hedge.
5. This study is helpful for the banks to evaluate their performance and to develop some other innovative techniques to measure and manage currency risk.

SUGGESTIONS FOR FURTHER STUDIES

1. This study is done at small level by selecting one sample banks from private sector and one sample banks from public sector, there is a opportunities in this research that it can be done at large level by selecting all the banks of private sectors and public sectors to get more specific results.
2. The research period of the study also can be expended to do further research.

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MANAGING WORK LIFE BALANCE BY WORKING WOMEN - A CASE STUDY IN JODHPUR

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ABSTRACT

Work life and personal life are two sides of the same coin. Creating and managing a balance between the work and personal life is considered to be a work life balance issue. Increasing work pressures, globalization and technological advancement have made it an issue with both the sexes, all professionals, working across all levels and all industries throughout the world. The corporate world today is exceedingly demanding. Work deadlines are getting tighter and due to this work pressure, it becomes exceedingly difficult to maintain work – family life. Many a times, people, in the quest for reaching the top, work so hard, that they miss out on the real pleasures of life. While it is absolutely great to have a flourishing career, it is equally imperative to have a life outside work. Work-personal life conflict occurs when the burden, obligations and responsibilities of work and family roles become incompatible. Women taking up work life balance challenge have an impact on women's advancement. Organization also may create work place culture and climates that reflect concern for employees' lives outside of work. It is important for organizations to periodically review current work processes and practices to determine which ones lead to work in efficiencies and employee stress. In this background the present study is a specific study of working females in service sector undertaken to determine the work-life balance and challenges faced by working women. The sample consists of 100 career women working in Jodhpur district, India. The questionnaire was collected from respondent. After analyzing by using various tools like percentage analysis, chi-square and correlation, results show that there is a work-family conflict and lack of organizational satisfaction among working women.

KEYWORDS

work life balance, career, stress, organizational satisfaction.

JEL CODES

I10, I20, I30.

INTRODUCTION

Work-life balance" was first used in the late 1970s to describe the balance between an individual's work and personal life. Work life and personal life are the two sides of the same coin. Traditionally creating and managing a balance between the work-life was considered to be a woman's issue. But increasing work pressures, globalization and technological advancement have made it an issue with both the sexes, all professionals working across all levels and all industries throughout the world. The technological developments like e-mail, text messaging and cell phones which were thought of as tools to connect them to their work being away from their workplace, have actually integrated their personal and professional lives. Now professionals find themselves working even when they are on vacations.

Work life and personal life are inter-connected and interdependent. Spending more time in office, dealing with clients and the pressures of job can interfere and affect the personal life, sometimes making it impossible to even complete the household chores. On the other hand, personal life can also be demanding if you have a kid or aging parents, financial problems or even problems in the life of a dear relative. It can lead to absenteeism from work, creating stress and lack of concentration at work.

Work-personal life conflict occurs for a woman when the burden, obligations and responsibilities of work and family roles become incompatible. Obligation of one can force an individual to neglect the other.

The fast developing knowledge economy has given place for more number of women to be enlightened by higher education. Education has not only empowered them but also has given them robust careers. With brain power being the requisite skill in this knowledge era, rather than endurance or physical strength, the women workers seem to flood into every industry on par with men. But this has indeed become a tough challenge for women as they have to perform a lot of duties in home and office as well. As working women get married, they have additional responsibilities and when they become mothers, they have to manage the primary care of children and extended family and are thus, under greater pressure to continue on a career path. Working mothers of today fulfil family responsibilities and also try to remain fully involved in their careers coping up with the competing demands of their multiple roles. The caring responsibilities that working mothers have lays a heavy stress on them when it is combined with their professional duties. The attempt of working women to integrate, organize and balance the various problems and activities in their different roles simultaneously puts them under tremendous pressure. As a result, the family becomes an organizational stakeholder and this powerful social trend marked the beginning of the work/life balance paradigm shift.

The majority of women are working 40-45 hours per week and 53% are struggling to achieve work/life balance. Women reported that their lives were a juggling act that included multiple responsibilities at work, heavy meeting schedules, business trips, on top of managing the daily routine responsibilities of life and home. Successfully achieving work/life balance will ultimately create a more satisfied workforce that contributes to productivity and success in the workplace.

Although it is recognized that government has a role to play, the impact of often unintentional consequences of government intervention, can be damaging. Getting it 'right' is rarely straightforward. It is evident that this real or perceived need for flexibility is increasingly influencing employment conditions. Within organisations, people are both the most vital and the most costly resource. Traditionally, however, people have often been seen, rightly or wrongly, as being prone to inflexibility and inertia. As a consequence, many organisations have sought to achieve greater flexibility in employment conditions in recent decades. Both employers and employees lead the trend, with governments often regulating, sometimes supporting, and developments via legislation. That said, 'flexibility' often means different things to individuals as opposed to business.

REVIEW OF LITERATURE

Here, a brief appraisal of the studies on the issues surrounding women and employment – dual role perceptions and performance, the facilitators and constraints as well as the coping strategies women employ to achieve work-life balance – is presented with a view to unveil what has already been done on the issues related to the theme of the present study.

Giri Goswami & Prof. Shalini Nigam (2015) in their study 'Rewards & Work-Life Balance among Working Women: An Empirical Study in India Specific to Agra Region' revealed that women are entering the workforce to earn livelihood which leads them to arrange better child care and uplift their status in the society.

Sudha & Dr. P. Karthikeyan (2014) explored in their study career and goals that are the most important factors in life. Most of the women are coming forward to work in order to support their family. This change is now natural and dynamic due to change of environment and economic conditions. The biggest challenge for women is how to balance the demands of family and career.

Satinder Singh (2013) provided an overview of various aspects of Work-Life Balance through the review of existing literature. The literature identifies its effect on various quality life conditions i.e. Job Satisfaction, Work Stress, Career Growth, Turnover, Absenteeism, Appreciation and competitive environment in context with Work-life Balance and its practices/policies.

Vartha Raj & Vasantha (2012) studied the Work Life balance of working women in service sector. They specified that the ultimate performance of its employees which in turn depends on numerous factors. The relationship between personnel and professional life can be achieved through emotional intelligence. Better emotion management is necessary in order to accomplish objective of life.

Levy (2012) in his study of working mothers and their perceived work-life balance showed that the age of the children is not that significant but the child-care support remains an important factor in determining perceived work-life balance.

Rincy and Panchanatham (2011) revealed that role overload, dependent care issues, quality of health, problems in time management and lack of proper support from the family are the major factors causing imbalance in work and personal life of women entrepreneurs.

OBJECTIVES OF THE STUDY

1. To study the various factors including Personal, Organizational & Societal factors affecting work life balance of working females
2. To study impact of social & demographic variables on work life balance on working females
3. The study aims at developing and recommending strategies to integrate work into overall life issues effectively which may prove to be of some help to service sector Industry and its female employees.

HYPOTHESIS OF THE STUDY

H₀₁: There is no significant impact of personal and organizational factors on work life performance.

H₁₁: There is a significant impact of personal and organizational factors on work life performance.

H₀₂: Social and demographic wise there is no significant difference in women's perception towards work life balance.

H₁₂: Social and demographic wise there is a significant difference in women's perception towards work.

RESEARCH METHODOLOGY

The first progressive step for the research is to develop instrumental scale for measuring the factors of work life balance for women employees. The first stage of the study has discussed about the application of factor analysis that affects the performance of women employees and some factors were reduced and prepared the modified factors scale of reduced variables. This modified scale was used for final data collection in the main study. Here, the study has emphasized that the self-constructed questionnaire which is based on five-point scale has used for data collection. Through questionnaire survey collected data is relevant. After measuring the reliability and validity of the scale it is finally prepared for the collection of data. In this study positive approach and a deductive logic have been followed by the researcher. The primary data were collected mainly from working women from different service sectors. Random Sampling Technique has been used in order to collect the primary data. A self-structured questionnaire was canvassed to the selected 100 respondents in the study area from different service sectors like Banks, Hospitals, Telecom, IT and Academics to collect the data. dimensions of work life balance such as: Individual or Personal Factors affecting work life balance, Organizational factors affecting work life balance, work performance, Effect/Outcome of work life imbalance on employees' personal /professional life and Effective measures by which work life balance could be attained at personal and organizational life.

For Secondary data, requisite details on planning and policies of government and other geographical and socio-cultural perspective of the study area was collected from authentic resources such as books and journals, research papers, Project readings, unpublished reports of government departments and other reliable sources of information broadcast.

The reliability and validity of the scale were done using Cronbach's Co-efficient Alpha, Correlation & Regression analysis and One Way ANOVA.

- Correlation analysis (To check the relationship between the factors of work life balance (Personal/Organizational Factors)
- Descriptive Statistics (Demographic profile)
- ANOVA (To check the consistency between two variables)

FINDINGS OF THE STUDY

The relationships between these two variables reveal the positive association and the study concluded that it is important for the organization to understand problems that impact on women in working life that can disturb their work life balance, their work performance and willingness to give their best to the organizations. Organizational support offered by the organization in the form of HR practices does influence work life balance that is experienced by the employees. If employees experience high level of organizational support in the form of benefits, then they exhibit less work life balance and to do more work life performance is experienced.

Work conditions are found to play a larger role than family characteristics for work life balance. Therefore, organizational policies should be emphasized on improving personal and organizational factors which are likely to have major leverage in reducing work life imbalance. As more women enter the work force, the need for counselling to help these women explore how work and family issues influence career choices will increase. Effectiveness of work life balance initiatives are helping women to progress to senior management. Family policy, welfare state provision and labour market structure behave jointly to determine distinct models of work life balance and the financial consequences associated with them.

PERSONAL FACTOR DISCUSSION

PERSONAL FACTOR: This factor is considered as the most important determinant of study with a total variance of 75.074%. Major components of this factor include 'normal working hours' (.899), 'quality of time spend in organizations' (.903) and 'support from family members' (.877), 'denial of relocation/transfer affects the promotion/career growth' (.897) and work life balance is an individual's responsibility (.744). During our research, it has found that for working women support of the family, time flexibility and opportunities for career growth are the important determinants which affect the work life balance.

ORGANIZATIONAL FACTORS DISCUSSION

The next factor analysis is applied on the organizational factors affecting work life balance for working women's performance. The Chi-square value is .929, it means the reliability scale for organizational factors is appropriate for factor analysis. The total scale 92.9% is reliable.

1. CONDUCIVE WORKING ENVIRONMENT: This factor is considered as the most important determinant of study with a total variance of 37.748%. Major components of this factor include 'timely support from management and employer' (.625), 'timely support from colleagues' (.788) and 'separate policy for WLB' (.824), 'workplace flexibility' (.782), 'safe work environment' (.794), 'career opportunities and professional development' (.827), 'time off facility for family engagement' (.775) and 'parenting, family and child care programmes run at workplace' (.584). During our research, it has found that these factors are contributing for sustaining work life balance and also to win the competitive advantage in this economic environment.

2. AMENITIES AND FACILITIES: This factor is considered as the most important determinant of study with a total variance of 68.663%. Major components of this factor include 'existence of gender biasness' (.590), 'compatibility of career with work life balance' (.830), 'comfortable lunch hours' (.838), 'leave facilities' (.832) and 'discussion on genuine problems with the management for resolving' (.802) and 'WLB is an employer's responsibility' (.597). During our research, it has found that if organizations provide some privileges for women definitely they do wonder for their organizations.

TABLE 1: FINDINGS OF THE STUDY (figures are in percentage)

KMO AND BARTLETT'S TEST (PERSONAL FACTORS)		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.849	
Bartlett's Test of Sphericity	Approx. Chi-Square	1514.726

FACTOR ANALYSIS ON ORGANIZATIONAL FACTORS (LOADINGS WITH VARIABLES)

TABLE 2

Factors	Variance explained	Variables	Loadings	Eigen Values
FACTOR 1 CONDUCTIVE WORKING ENVIRONEMNT	37.748%	VR 04 Timely support from management & employer	.625	5.285
		VR 05 Timely support from colleagues	.788	
		VR06 Separate policy for work life balance	.824	
		VR07 Flexibility in time	.782	
		VR 08 Safe work environment	.794	
		VR09 Career Opportunities/Professional development	.827	
		VR10 Time off facility for family engagement	.775	
		VR11 Parenting, family and child care programmes run at workplace	.584	
AMENITIES & FACILITIES	68.663%	VR12 Existence of gender biasness	.590	4.328
		VR 13 Compatibility of career with WLB	.830	
		VR 14 Comfortable lunch hours	.838	
		VR 15 Leave facility-CL/ML/EL/PL	.832	
		VR 16 Discussion on genuine problems with the management for restoring	.802	
		VR 17 WLB is an employers' responsibility	.597	

TABLE 3: ANOVA ON DEMOGRAPHIC & SOCIAL CHARACTERISTICS

		Sum of Squares	Df	Mean Square	F	Sig.
Marital Status	Between Groups	6.413	16	.401	1.072	.380
	Within Groups	140.524	376	.374		
	Total	146.936	392			
AGE	Between Groups	12.243	16	.765	1.069	.384
	Within Groups	269.192	376	.716		
	Total	281.435	392			
EDUCATION	Between Groups	23.263	16	1.454	1.680	.048
	Within Groups	325.470	376	.866		
	Total	348.733	392			
EXP	Between Groups	13.369	16	.836	.852	.626
	Within Groups	368.926	376	.981		
	Total	382.295	392			
DESIGNATION	Between Groups	2.322	16	.145	.327	.994
	Within Groups	167.026	376	.444		
	Total	169.349	392			
TYPE	Between Groups	4.031	16	.252	1.404	.136
	Within Groups	67.485	376	.179		
	Total	71.517	392			
DEPENDENTS	Between Groups	3.562	16	.223	.475	.958
	Within Groups	176.320	376	.469		
	Total	179.883	392			
NATURE OF JOB	Between Groups	5.674	16	.355	.940	.523
	Within Groups	141.888	376	.377		
	Total	147.562	392			
INCOME	Between Groups	8.487	16	.530	.521	.936
	Within Groups	382.892	376	1.018		
	Total	391.379	392			

In this Table, one- way ANOVA was carried out to check the hypothesis that social and demographic wise there is no significant difference in women's perception towards work life balance.

RESULTS & DISCUSSIONS

The current research has tried to investigate the influential factors associated with the personal and organizational factors and on the basis of factors following hypotheses have been tested to conclude the findings. Findings revealed results in the expected direction for the first factor based hypothesis has proven there is no significant impact of personal factors on work life performance. The important values, generated by SPSS 20.0 through running regression on the data collected are as follows: Coefficient of Correlation, R-.458, Coefficient of Determination, R²-.209, F-Test Value-105.361 at P-value-.000 and lastly tolerance level is determined through Coefficient of independent variable, Beta-.22.534. The findings concluded that personal factors are important in sustaining the work life balance pressures from the job and family domains are often incompatible, giving rise to imbalance. Previously, the female workforce in India was mainly employed in non-managerial, subordinate or low profile positions. Now, they occupy almost all categories of positions in the workplace. These changes in work culture have added to women's duties and responsibilities to their family as well as to society.

For the second objective and the hypothesis framed under it said that there is no significant impact of organizational factors on work life performance. To test the above hypothesis correlation and regression were applied and it is concluded that organizational factors have positive relationship with work life performance. The important values, generated by SPSS 20.0 through running regression on the data collected are as follows: Coefficient of Correlation, R-.591, Coefficient of Determination, R²-.399, F-Test Value-211.839 at P-value-.000 and Coefficient of independent variable, Beta-18.826. The calculated value of F is higher than tabulated value at 5% significant level, so null hypothesis is rejected and alternate hypothesis is accepted. The findings are statistically significant at the 5% level. Hence, the relationships between these two variables reveal the positive association and the study concluded that it is important for the organization to understand problems that impact on women in working life that can disturb their work life balance, their work performance and willingness to give their best to the organizations. Organizational support offered by the organization in the form of HR practices does influence work life balance that is experienced by the employees. If

employees experience high level of organizational support in the form of benefits, then they exhibit less work life balance and to so more work life performance is experienced.

Women have to cope up with high work targets, office commitments, tight meeting schedules and the duties and responsibilities of life and home. Employers should concentrate on framing various policies and schemes to facilitate Work life balance to encourage and attract women employees.

Factors in the workplace can be critical in both encouraging retention and in reducing turnover of women employees. Work conditions are found to play a larger role than family characteristics for work life balance. Therefore, organizational policies should be emphasized on improving personal and organizational factors which are likely to have major leverage in reducing work life imbalance. As more women enter the work force, the need for counselling to help these women explore how work and family issues influence career choices will increase. Effectiveness of work life balance initiatives are helping women to progress to senior management. Family policy, welfare state provision and labour market structure behave jointly to determine distinct models of work life balance and the financial consequences associated with them.

CONCLUSION

This study is focused on women employees' work life balance in different service sectors. In all the sectors it is very tough job for women employees to bridge the gap between personal life and professional life. Especially in IT sector, women felt pressure of work life balance.

The findings revealed that if women get family support and from the organizations they get flexi time and full cooperation from their superiors, so that they can manage their work life balance. Today more than 70% women are working and they contributing to the Indian economy so the Government should take care and apply rules in private as well as in public sector. Due to changed economy, organizations have to be more conscious about the changes, preferences of the customers, changing needs, desires etc.

Through factor analysis, the loadings of these items have been studied in lieu of the work life balance. If the working environment is healthy then it is easy for women employees to manage their work life balance. Hence these following factors are responsible for making the environment congenial and conducive for them. These are; feeling of personal accomplishment, able to spend time with children, stress free work schedule etc.

Human resource professionals and management consultants can also use this scale to redress WLB issues among women entrepreneurs. By analyzing the major dimensions of the WLB issues of the female employees, one can understand the areas in which the needs remediation and provide advice accordingly. Aspiring entrepreneurs could also use the scale to better understand probable WLB issues, allowing them to take appropriate precautionary actions. Meanwhile, academicians may incorporate the tool into the business curriculum. This is especially important in the Indian context because more and more women are pursuing professional careers because of the changing social and economic situation. Based on the major dimensions involved in the present study, the academics could also encourage public awareness regarding the WLB issues faced by women employees, hopefully rendering societal attitudes toward them more favourable.

SUGGESTIONS AND RECOMMENDATIONS

The following suggestions can be given to the executives to manage the work life balance: The following factors have been studied: work permit from telecommuting, support from local and top management, support from colleagues at workplace, being able to bring children at work place occasionally (subject to requirement), reduced working hours and flexible timings, transportation facilities, formulation of favourable HR policies, conducting personal and wellness development programmes etc. Prioritizing the tasks and planning the activities can help to take out some free time which can be utilized for other purposes.

Taking some time out for hobbies and leisure activities, spending time with loved ones can help to beat the stress.

Learn to say "no" if required.

Sharing the responsibilities will help to maintain work life balance

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CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES: IN HEALTH CARE SECTORS IN KARNATAKA (SELECTED HEALTHCARE UNIT)

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ABSTRACT

The main purpose of this Research study aims at presenting some of the CRM concepts and elements –formulate CRM strategy to take proactive measures towards customer to Health provider to improve customer satisfaction, loyalty build good relationship with patients and increase revenue. Patients' care, needs and making relationship with patients is daily routine activity in a health provider. CRM is essential in this background customer satisfaction, customer perceived value and customer relationship management enhance the relationship of customer with the strongly boost up the overall performance of the Hospital. The research design is based on quantitative research thus the data was collected through A structured questionnaire, five Likert-scales, Spss, regression and SEM Model was used to compute results. This reviews and identifies essential service quality, infrastructure, management and communication is related with the customer satisfaction and loyalty in the private hospitals in Karnataka. This study highlights the extent of service quality of the hospital services by the selected sample respondents. This paper is an attempt to find out inter-relationships between Patients perception in customer satisfaction and customer loyalty and to offer suggestions to have better CRM practices.

KEYWORDS

CRM, healthcare, customer loyalty, service quality.

JEL CODE

M31

INTRODUCTION

Indian healthcare delivery system is categorised into two major components - public and private. The Government, i.e. public healthcare system comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centers (PHCs) in Urban and rural areas. The private sector provides majority of secondary, the increasing involvement of the private sector in the healthcare has significantly reduced the pressure on the government's health infrastructure and the private sector has become a major component in the Country's tertiary and quaternary care institutions with a major concentration in metros, tier I and tier II cities.

The published report clearly state that the health care in the public sector is not only weak but also less useful but private sector is growing fast in the industry. 76% of the total investment in health care industry comes from private sector and this inadequate public investment in health care infrastructure as given big opportunity to private hospitals in huge health care market of India. Indian health care sector currently provided employment to 5 million people directly and indirectly. It is in the field of sales, marketing, HR and IT etc.

In this country health care services also provided by some charitable trust and social societies free of cost. Dynamic enterprises in the private industry delivering quality medical services have succeeded attracting people from neighboring country like Middle east, Britain and Europe etc.

Super specialty tertiary care hospitals typically have all the medical specialties under one roof and usually treat multi organ failure, high risk and trauma cases. Super speciality hospital in the country are the steps for strengthening health care industry in the country. Improvement of present hospital facility, advance equipment, installation, up gradation of technology, development of skills contributed to further growth increase income, health awareness, life style disease and medical insurance and also the reasons for success there is an indication that Indian health industry will be engine for economy in future.

One of the characteristics of India is the high growth of population (1.21 billion as per 2011 Indian censuses) and increasing at 1.8 per cent annual rate. By 2030, India's population is expected to surpass China as the world's most populous nation. It is the responsibility of government to provide an efficient and effective health care services. But, in India it is highly impossible to provide health care services at free of cost to all. The heavy costs involved in obtaining sophisticated infrastructure and the needs to maintain quality of services compelled the government to invite private sector participation.

Hospitals in India are running at 80%-90% occupancy. Major corporation like the Tata's, Apollo Group, Fortis, Max, Wockhardt, Piramal, Duncan, Ispat, Escorts ect., have made significant investments in setting up state offer private hospitals in cities like Mumbai, New Delhi, Chennai, Hyderabad and Bangalore.

The CRM is help to exchanging healthcare information to center care delivery around the patient with connected health facilitates improved care coordination, disease management, and the use of clinical practice guidance to help reduce errors and improve care.

REVIEW OF EARLIER WORKS

Biju, Naeema, Faisal (2011) 'Application of Queuing Theory in Human Management in Health Care. ICOQM' has conducted a study in Kerala that is designed to help the management of Sevana hospital and Research Centre about the employee adequacy. The purpose of study was to measure the institutional progress in operations with a focus on the organizations administration issues. It indicates that the service rate is too low from what is expected. Arrival rate is also too high than the service rate. It implies that the existing staff strength is not enough to serve the patients visiting the hospital. Hence the queue size increases leading to

increased waiting time and service time. As there is a significant between the expected service rate and actual service rate, it implies that the current service time is high leading to an increase in the queue size. This queue cannot be managed if the arrival rate keeps on increasing. As the waiting time increases patients are dissatisfied. This shows that the staff strength is inadequate.

Charkraborty and Majumdar (2011) in his study "Measuring Consumer Satisfaction in Health Care Sector" focused on the measurement of patient satisfaction in the light of service quality provided by hospitals. In this regard, a review of literature on the application of SERVQUAL model has been considered to investigate the relevance of the same in measuring patient satisfaction in health care sector in today's competitive environment. Although many limitations of SERVQUAL approach have been identified by different researchers, the same instrument is applied in different health care organization for measuring service quality and patient satisfaction. Therefore, it is required to go deeper into the subject matter of the applicability of SERVQUAL model in Indian Context.

Dayashankar Trikanji Dave committee (2011) recommended that two councils should be created similar to the Indian medical council which will have control over the maintenance of uniform teaching standards in all institutes one for ayurvedic and unani system of medicine and other for homeopathic system. Further the committee viewed that all the teaching institutions should have Indoor hospital beds and the ratio of students to beds should be 1.5 and refresher courses should be organized in teaching institution.

Das and Reddy (2012) has presented a research work entitled "HRM Practices in NRI Medical Science and General Hospital in Guntur District of Andhra Pradesh" was undertaken. The HR practices at NRI Medical Science and General Hospital yielding positive results and make the organizations as the well result oriented.

Ganl, Saeed, Minhas (2011) has intended to measure patient satisfaction in a tertiary care hospital in order to know the patient's perspective and expectation of the services and make appropriate improvements accordingly. The results say that majority of the patients were satisfied with the psychiatric service. The younger people were more satisfied. Gender and economic status has no influence on patient satisfaction.

NEED FOR THE STUDY

The review research studies and the literature on the service quality Healthcare Sector in India, particularly in Karnataka state and the related aspects reveals that the extent of research carried out on CRM in health care sectors is inadequate. Even though many attempts have been undertaken on Health care public and private sectors services earlier, no comprehensive work has been undertaken covering the CRM practices in private sectors in Karnataka. Hence, the proposed study intends to study the customer relationship management practices in health care sectors in Karnataka state.

OBJECTIVES OF THE STUDY

1. To identify and analyze the factors influencing the Customer Relationship Management (CRM) and study the user's perception about the factors influencing CRM in selected health care units in Karnataka.
2. To critical analyze and evaluate customer relationship practices in health care unit based on the perception selected hospital management personnel under the study.
3. To offer suitable suggestions for improvement of CRM in the health care sectors.

SCOPE OF THE STUDY

The present study, in fact is an exploratory investigation about the ongoing CRM efforts of the health care sector in the Karnataka. Its geographical area extends to the boundaries of Karnataka state.

HYPOTHESIS

H₁: Customer Relationship Management (CRM) has a significant (statistically) influence/impact on Customer Loyalty.

H₂: Customer Relationship Management (CRM) has a significant (statistically) influence/impact on Customer Satisfaction.

H₃: Customer Loyalty has a significant (statistically) and positive influence or impact on Customer Satisfaction.

RESEARCH METHODOLOGY

METHODS OF DATA COLLECTION

In order to reach above stated objectives the primary data is collected through A structured questionnaire, five Likert-scales method and interaction with the respondents. Secondary data is collected through published sources like Journals, Books and e-sources.

PERIOD OF THE STUDY

The data related to present work has been collected Primary data from the sources available and the period of study covers four years 2014 to 2017.

STATISTICAL TOOLS AND TECHNIQUES

The present study used different statistical tools and techniques for the analysis and interpretation of data such as factor analysis and multiple regression analysis using SPSS.

SAMPLE SIZE

Sample selected for the study is intended to covers in different selected private hospital units in Karnataka. Totally 556 respondents are selected on simple randomly. Out of sampling, only 456 questionnaires are filled by patients and remaining 100 filled by hospitals Doctors and Management.

TABLE A

TABLE A				
Division	Tire Cities	List of selected Healthcare units (Multispecialty)	No of Patient in interviewed	Doctors'/Management Sample size
Bengaluru	Bengaluru	Aster CMI Hospital in Sahakara Nagar, Bangalore	18	31
		Fortis Hospitals in Bannerghatta Road, Bangalore	20	
		Manipal Hospital in Old Airport Road, Bangalore	15	
		M S Ramaiah Memorial Hospital in Mathikere, Bangalore	15	
		Mallya hospital, Bengaluru	12	
	Davanagere	Sparsh Hospital in Nh 4,Bypass Road, Jnanashankara, Davangere	12	
		Sunshine Puranthra Hospital in Davangere City, Davangere	15	
	Shimoga	Sahyadri Narayana Multispeciality hospital	15	
Nanjappa Life Care		16		
Mysuru	Mysuru	Vikram Hospital in Yadavagiri, Mysore	14	24
		Agasthya Multi Speciality Hospital in Saraswathipuram, Mysore	16	
		Narayana Multispeciality Hospital, Mysore	17	
		BGS Apollo Hospitals, Mysore	12	
		Columbia Asia hospitals	10	
	Mangaluru	Highland Hospital Research & Diagnostic Centre in Falnir Road, Mangalore	18	
		KMC Hospital in Dr Br Ambedkar Circle, Balmatta Road, Mangalore	17	
		A J Hospital And Research Centre in Kuntikana, Mangalore	16	
Belagavi	Belagavi	Global Multispeciality Hospital in Urwa, Mangalore	18	25
		KLES Dr. Prabhakar Kore Hospital & Medical Research Centre	12	
		Spandan Multispeciality Hospital in Shivbasav Nagar, Sector 2, Belgaum	18	
	Hubli-Dharwad	Dr. B M Patil Multispeciality Hospital in College Road, Belgaum	17	
		Sushruta Multispecialty hospital Research Centre Pvt. Ltd	15	
		Banashankari Hospital, Bilagi Hospital and Research Centre	14	
Kalaburgi	Kalaburgi	Shreeya Multispeciality Hospital in P B Road, Dharwad	15	20
		Ganga Multispeciality Hospital in College Road, Gulbarga	16	
	Bellary	Medicare Multispeciality Hospital in Darga Road, Gulbarga	14	
		S R Multispeciality Hospital in Bellary Cantonment, Bellary	12	
	Vijayapura	C S Multi Speciality Hospital in Gandhinagar, Bellary	15	
		The Sanjeevini Superspeciality Hospital in Solapur Road Bijapur, Bijapur-karnataka	17	
Hussain Multi Speciality Hospital in Solapur Road Bijapur, Bijapur-karnataka			15	
Total			456	100

RESULTS AND DISCUSSION

SOCIO-ECONOMIC PROFILE OF PATIENTS

TABLE 1: SOCIO-ECONOMIC PROFILE OF PATIENTS (RESPONDENTS)

Particulars	Description	No. of Respondents	Percentage (%)
Gender	Male	251	55
	Female	205	45
	Total	456	100
Age	Below 20	55	12
	20-40	110	24
	40-60	150	33
	Above 60	141	31
	Total	456	100
Marital Status	Married	325	71
	Un Married	131	29
	Total	456	100
Educational Qualification	No formal Education	Nil	Nil
	SSLC	45	10
	PUC	68	15
	Graduation	150	33
	Post Graduation	120	26
	Professional Course	73	16
	Total	456	100
Occupation	Student	40	09
	Home Maker	82	18
	Self-employed	150	33
	Employed	110	24
	Retired	46	10
	Agriculture	28	06
	Total	456	100
Income (PM)	Below 25,000	55	12
	25,000-50,000	55	12
	50,000-75,000	140	31
	75,000-1,00,000	96	21
	Above 1,00,000	110	24
	Total	456	100

Source: Survey results

The socio-economic profile of patients of Multispeciality hospitals was analyzed and the results are presented in Table-1. The results show that about 55 per cent of patients of Private hospitals are male and the rest of 45 per cent are females. It is observed that about 12 per cent of patients of Private hospitals belong to the age group of below 20 years followed by 20 – 40 years (24 per cent), 40 – 60 years (33 per cent), above 60 years (31 per cent). The results indicate that about 10 per cent of patients have the educational qualification of secondary education followed by P.U.C (15 per cent), Graduation (33 per cent), Post-Graduation (26 per cent), Professional education (16 per cent). It is clear that about 09 per cent of patients are students followed by Home Maker (18 per cent), Self-employed (33 per cent), Employed (24 per cent), retired (10 per cent) and agriculture (6 per cent). It is apparent that about 12 per cent of patients belong to the monthly income of below Rs25,000 followed by Rs. 25,000 – Rs. 50,000 (12 per cent), Rs50,000- Rs75,000 (31 per cent), Rs. 75,000 – Rs.1,00,000 (21 per cent) and above Rs. 1,00,000 (24 per cent).

SOCIO-ECONOMIC PROFILE OF DOCTORS AND ADMINISTRATOR

TABLE 2: SOCIO-ECONOMIC PROFILE OF RESPONDENTS

Sl. No.	Particulars	Description	No. of Respondents	Percent Age (%)
01.	Gender	Male	55	55
		Female	45	45
		Total	100	100
02.	Age	Below 40	55	55
		40-60	33	33
		Above 60	12	12
		Total	100	100
03.	Marital Status	Married	85	85
		Un Married	15	15
		Total	100	100
04.	Educational Qualification	Graduation	16	16
		Post-Graduation	19	19
		Professional Course	65	65
		Total	100	100
06.	Income (PM)	Below 1,00,000	17	17
		1,00,000-2,00,000	48	48
		Above 2,00,000	35	35
		Total	100	100

Source: Survey results

The socio-economic profile of doctors and administrator of private hospitals was analyzed doctors and administrator the results are presented in Table-2. The results show that about 55 per cent of doctors and administrator of Private hospitals are male and the rest 45 per cent are females. It is observed that about 55 per cent of doctors and administrator of Private hospitals belong to the age group of below 40 years followed by 40 – 60 years (33 per cent), above 60 years (12 per cent). The results indicate that about 16 per cent of doctors and administrator have Graduation, 19 per cent Post Graduation and 65 per cent Professional education. It is apparent that about 17 per cent of doctors and administrator belong to the monthly income of below Rs1,00,000 followed by (48 per cent) with income of Rs.1,00,000 – Rs.2,00,000 and above 35 per cent Rs2,00,000 income.

FIG. 1: SEM MODEL FOR CUSTOMER RELATIONSHIP MANAGEMENT INFLUENCING CUSTOMER LOYALTY AND SATISFACTION – PATIENTS' PERCEPTION

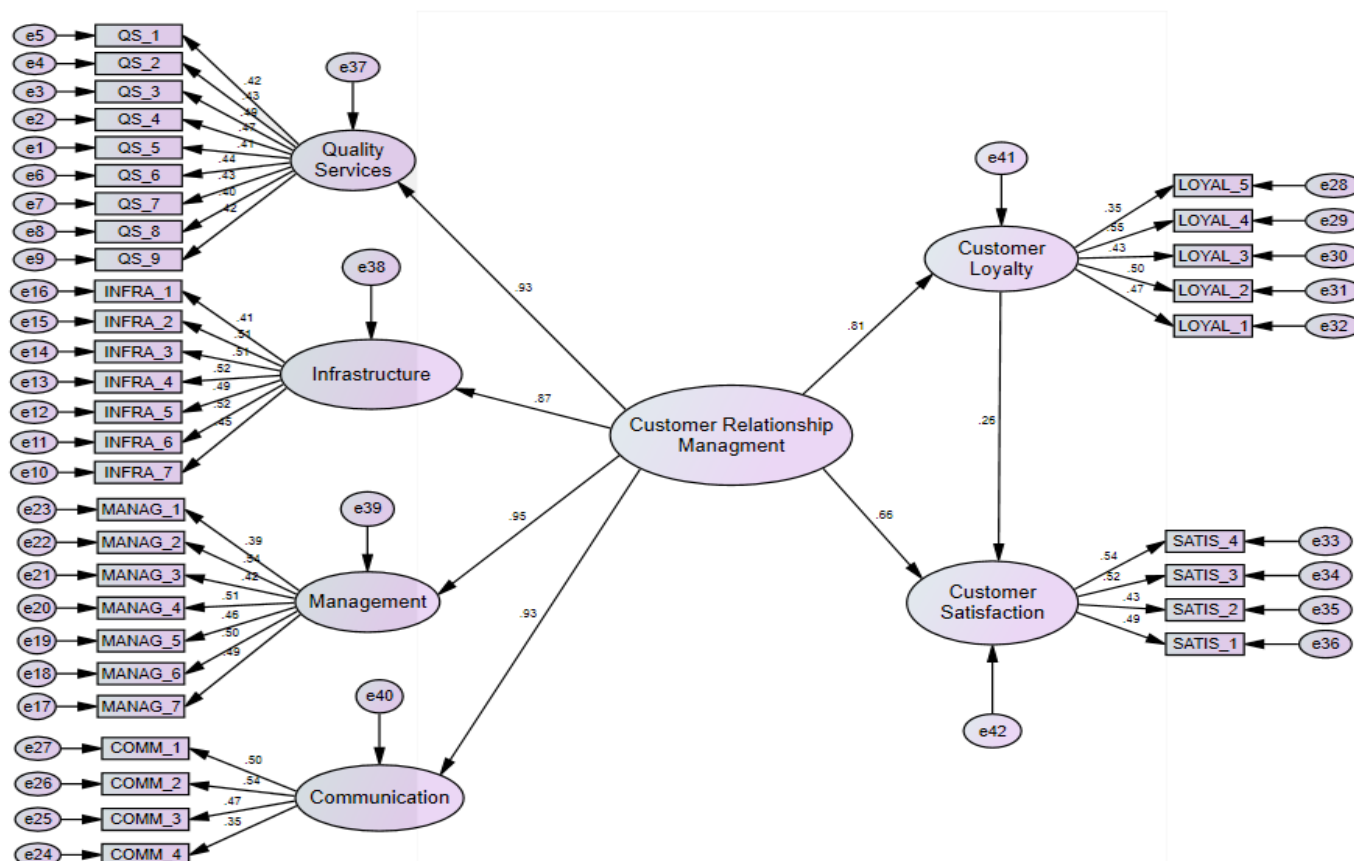


TABLE 3: RELIABILITY AND ITEM LOADINGS CONSTRUCTS OF MEASUREMENT MODEL FOR CONSTRUCTS UNDER CUSTOMER RELATIONSHIP MANAGEMENT –

PATIENTS' PERCEPTIVE					
Latent Variable	Items	Standardized Loadings	Composite Reliability*	Cronbach Alpha	Average Variance Extracted (AVE)
Quality Services (QS)	QS_1	0.314	0.661	0.664	0.180
	QS_2	0.433			
	QS_3	0.499			
	QS_4	0.487			
	QS_5	0.396			
	QS_6	0.429			
	QS_7	0.426			
	QS_8	0.389			
	QS_9	0.422			
Infrastructure (INFRA)	INFRA_1	0.499	0.696	0.697	0.247
	INFRA_2	0.499			
	INFRA_3	0.504			
	INFRA_4	0.517			
	INFRA_5	0.485			
	INFRA_6	0.529			
	INFRA_7	0.440			
Management (MANAG)	MANAG_1	0.337	0.620	0.660	0.217
	MANAG_2	0.526			
	MANAG_3	0.429			
	MANAG_4	0.523			
	MANAG_5	0.458			
	MANAG_6	0.496			
	MANAG_7	0.521			
Communication (COMM)	COMM_1	0.486	0.610	0.611	0.206
	COMM_2	0.531			
	COMM_3	0.468			
	COMM_4	0.446			
Customer Loyalty	LOYAL_1	0.458	0.574	0.581	0.217
	LOYAL_2	0.528			
	LOYAL_3	0.421			
	LOYAL_4	0.551			
	LOYAL_5	0.339			
Customer Satisfaction	SATIS_1	0.498	0.567	0.569	0.248
	SATIS_2	0.420			
	SATIS_3	0.538			
	SATIS_4	0.529			

Convergent Validity

Convergent validity is shown when each measurement item correlates strongly with its assumed theoretical construct. In other words, the items that are the indicators of a construct should converge or share a high proportion of variance in common. The value ranges between zero and one (0 – 1). The ideal level of standardized loadings for reflective indicators is 0.70 but 0.60 is considered to be an acceptable level (Barclay et al., 1995). Accordingly, from Table 3, it is observed that most of the items under each construct have loadings greater than 0.60. Hence, it can be concluded the occurrence of convergent validity but less short to complete convergence. Speaking about the Reliability factor, it is observed from Table 1 that QUALITY SERVICES has a composite reliability value of 0.661; INFRASTRUCTURE with a composite reliability of 0.696, MANAGEMENT with 0.620 and COMMUNICATION with 0.610, the CUSTOMER LOYALTY has a composite reliability value of 0.581 and CUSTOMER SATISFACTION with 0.567.

The findings reveal that most of the constructs are higher than the required reliability. Hence we conclude that all the items grouped completely converge to its respective dimensions. Furthermore, the cronbach alpha values across each of the dimension depicted in the above table have more than 0.60 which is again higher than the required threshold value. Hence, we can again conclude that there is a consistency in the data and also the questionnaire has been administered to the relevant respondents with relevant questions.

HYPOTHESIS RESULTS AND DISCUSSION

Customer Relationship Management influencing Customer Loyalty and Satisfaction – Patients' Perception was analysed through the usage of Structural Equation Modeling (SEM). A Confirmatory Factor Analysis (CFA) preceded the SEM to check the reliability and validity of Customer satisfaction and Customer Loyalty- Patients' perceptive

- SEM result for the influence of customer relationship management on customer loyalty and satisfaction. From the result, it is clearly observed that Chi-square/df (χ^2/df) is 1.711 (which is less 3) and Goodness of Fit index (GFI) obtained is 0.891 as against the recommended value of above 0.90; The Adjusted Goodness of Fit Index (AGFI) is 0.877 as against the recommended value of above 0.90 as well. The Normed fit Index (NFI), Relative Fit index (RFI), Comparative Fit index (CFI) are 0.807, 0.887, 0.851 respectively as against the recommended level of above 0.90. RMSEA is 0.040 and is well below the recommended limit of 0.10. Hence the model shows an overall acceptable fit and is an over identified model. Furthermore, we conclude the above SEM Model is a good fit.
- The observation with respect to the regression results are influence of customer relationship management on customer loyalty and satisfaction. Accordingly, it is observed that the p-value of the relationship between CRM and CUSTOMER LOYALTY ($\beta=0.806$, C.R = 5.892, $p<0.05$) is less than the significance alpha level of 0.05, we accept H_1 .
- It can be concluded that CRM has a significant influence/impact on CUSTOMER LOYALTY.
- It is observed that the p-value of the relationship between CRM and CUSTOMER SATISFACTION ($\beta=0.662$, C.R = 4.172, $p<0.05$) is less than the significance alpha level of 0.05, we accept H_2 .
- It can be concluded that CRM has a significant influence/impact on CUSTOMER SATISFACTION.
- Finally, it is observed that the p-value of the relationship between CUSTOMER LOYALTY and CUSTOMER SATISFACTION ($\beta=0.259$, C.R = 2.609, $p<0.05$) is less than the significance alpha level of 0.05, we accept H_3 .
- Conclude that there is a statistical evidence to conclude that CUSTOMER LOYALTY has a significant (statistically) and positive influence or impact on CUSTOMER SATISFACTION.

Customer Relationship Management influencing Customer Satisfaction – Doctors' Perception was analysed through the usage of Structural Equation Modeling (SEM). A Confirmatory Factor Analysis (CFA) preceded the SEM to check the reliability and validity of Customer satisfaction and Customer Loyalty-Doctors' perception.

- CRM and satisfaction. From the result, it is clearly observed that Chi-square/df (χ^2/df) is 2.867 (which are less 3) and Goodness of Fit index (GFI) obtained is 0.863 as against the recommended value of above 0.90; The Adjusted Goodness of Fit Index (AGFI) is 0.812 as against the recommended value of above 0.90 as well. The Normed fit Index (NFI), Relative Fit index (RFI), Comparative Fit index (CFI) are 0.843, 0.887, 0.897 respectively as against the recommended level of above 0.90. RMSEA is 0.080 and is well below the recommended limit of 0.10. Hence, we conclude the above SEM Model is a good fit.
- The observation with respect to the regression results are influence on p-value of the relationship between CRM and CUSTOMER SATISFACTION ($\beta=0.884$, C.R = 5.641, $p<0.05$) is less than the significance alpha level of 0.05, we accept H_1 .
- It can be concluded that CRM has a positive and significance influence on Customer Satisfaction.

SUGGESTIONS

- Efficient services in hospitals today do not mean providing only advanced medical technology, but also upgrading of support services for quicker data recording, compilation and analysis. Those hospitals are technically lagging behind should gradually start implementing advanced technologies in treatment and also in customer support services.
- The patients and employees must be encouraged by healthcare providers to make complaints when they face any problems in the hospital campus. For that, complaints or suggestions box must be provided and action must be taken by the hospital authorities against such complaints to improve the service.
- Regular Training programmes/workshops for the hospital staff definitely will improve the quality of existing CRM practices
- The hospital management have to discuss with staff members for improving the patient's satisfaction, providing their good treatment and communication to improve the CRM and get patients satisfaction to build good relationship.

LIMITATIONS OF THE STUDY

1. The study covers only the selected health care units in Karnataka.
2. This study is limited to patient centered care with emphasis on the managerial aspects.
3. CRM in health care sector has numerous discrete practices. Therefore, it is difficult to include all the CRM practices in a single study.

CONCLUSION

Customer relationship management (CRM) is significant for hospital services as it has been for any other businesses. A hospital helps in restoring and maintaining the health of the people. Health provider focused on customer satisfaction, customer perceived value and CRM is key drivers to build customer loyalty. Health provider enhance trust and commitment levels of customers towards the service; Hospital management should be incorporate CRM practices it helps to upgrade the quality of service. Health provider should be introduce training sections for their staff members that will improve their levels of customer loyalty which eventually leads to more customers. A CRM system is an innovative technology which makes the process of acquiring, developing and maintaining relationships with customers more effective and efficient. The benefits of CRM could be improved customer service, reduction in cost and better retention of clients.

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SAVING HABITS OF RURAL HOUSEHOLDS IN BHAVANI TOWN

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ABSTRACT

The study finds out that the Savings is the important source for the developing nations. So it should be properly mobilized through various ways. The financial education is about disseminating Knowledge and Information about products and services offered by banks and other institutions. The objective is to make people aware of the risks and rewards so that they can make an informed choice. The success of savings depends upon the bankers, financial institutions and government.

KEYWORDS

Bhavani Town, saving habits, rural households.

JEL CODE

D14

INTRODUCTION

Savings and investments are key necessities for development and advancement of an economy. In any case, absence of savings and ventures are regular in creating nations. The issue of low levels of local savings is a noteworthy issue in creating economy due to high joblessness, low wages, commitment of an expansive extent of the populace in the casual division and poor execution of the economy.

India is the Second biggest populated nation on the world having more than 16 percent of the world's aggregate populace. According to 2011 enumeration information, it appraises that the aggregate populace of our nation is 1.21 billion. The populace has grown up, yet the development of economy is low because of various reasons expressed previously and another vital reason recognized by financial specialists is low savings rate.

Savings alludes to the demonstration or procedure of putting cash aside for some time later. Methods of saving include putting money aside in, for example, a deposit account, a pension account, an investment fund or as cash. Saving also involves reducing expenditures, such as recurring costs. In terms of personal finance, saving generally specifies low-risk protection of money, as in a deposit account, versus investment, wherein risk is a lot higher; in economics more generally, it refers to any not used for immediate utilization.

SAVINGS

Saving isn't negligible non-spending. It includes a cognizant decision among present and future fulfillments. It speaks to a positive demonstration including purposeful basic leadership. There are a few thought processes that propel people to take part in savings. Savings fulfill unexpected possibilities. Sparing is required for a foreseen future connection between the wage and the necessities of the individual or his family which exists in the present like maturity security, family training or the support of wards. The majority of the general population like to purchase bigger genuine utilization at a later date than a littler prompt utilization. This is conceivable simply because of savings.

People who need to enhance their standard of life, without a doubt need to build their savings. It is positive that savings prompt a feeling of autonomy and the ability to get things done.

Savings of the white collar class individuals in the formal segment are for the most part in the shape of mandatory savings. The administration forces them to make savings as provident reserve, family advantage plot, protection strategies. It is feel sorry for that while the government makes the working classes spare obligatorily, it does nothing to ensure the genuine estimations of savings. As the swelling rates turn out to be high, nothing is done to record the savings falling estimation of cash. The high societies possess nearly the whole savings to falling estimation of cash. They put resources into gems and valuable metals. They additionally contribute these evil gotten savings in overlaid edged securities.

SAVINGS RATE

A savings rate is the amount of money, conveyed as a percentage or ratio, that a person deducts from his disposable personal income to set aside. The cash accrued typically put into very low-risk investments, like a money market fund or a Personal Individual Retirement Account (IRA) composed of non-aggressive mutual funds, stocks and bonds.

FACTORS AFFECTING THE SAVINGS RATE

The national average savings rate is often determined by how a particular culture views debt, values possessions and how an economy is planned. Financial System oriented towards consumption has lower savings rates; in the United States, consumption constitutes around 75% of the economy. Economies like China's, which is oriented more towards investment, have higher savings rates. Savings rates predisposed to fall lower as populations age and spend their savings rather than adding to them. Savings rates are affected by wage growth, as well as banks' interest rate policies. Other factors lowering savings rates include increasing wealth, increasing access to credit and a rise in labor productivity.

SAVING HABITS OF RURAL PEOPLE

Rural households have selected contractual saving assets like insurance and provident fund for investment. One form of contractual saving preferred by the rural households for investment during the period under study is life insurance.

People save so that they can consume more in the future. A decision to spend now or save is really a choice of when to spend – now or in the future. The decision depends on wealth, disposable income, real interest rates and tastes or preferences for spending now or later. People have different behaviour towards savings and disparities in income levels. There are people who believe that money obtained today must be used to meet present needs and the future will care for itself. There are others who also hold the view that no matter how little one's income is there is the need to save part of that income.

A place with the agrarian family and that impacts them to hold their surplus wage for future funds. Their point of investment funds may be utilized for additionally live hood, development reason or for the household needs and future need which eventually prompts national reserve funds. The national funds make ready for interest in the infrastructural and financial improvement of the nation.

The project involved an analysis of the savings pattern of the rural people. It has been observed that the rural people save money mainly for their social obligations like the education and marriage of their children. They do not have enough knowledge about the investment in industrial securities, insurance and gold. They prefer to invest in the bank and post office. They evaluate two factors before choosing their investment option. They consider the safety of the principal and return from the investment.

MODES OF SAVINGS/INVESTMENT

There are various opportunities and options of valuable investment in today's market. It depends on us to allocate our available funds in a decent ratio to minimize risk and generate maximum revenue from our savings or investment fund.

Different options have got different risk factor, different interest rate and period of redemption and other co-related factors. Some of the most important revenue generating options are as follows,

- Bank Deposits
- Real Estate
- Shares
- Life Insurance
- Post Office
- Gold & Silver
- chits

BANK DEPOSITS

A deposit account is a savings account, current account or any other type of bank account that allows money to be deposited and withdrawn by the account holder. Traditionally in India, there is four major types of Bank Deposits namely Current Account, Savings Accounts, Recurring Deposits and Fixed Deposits.

REAL ESTATE

Real estate is property consisting of land and the buildings on it, along with its natural resources such as crops, minerals or water; immovable property of this nature; an interest vested in this (also) an item of real property, (more generally) buildings or housing in general. Also: the business of real estate; the profession of buying, selling, or renting land, buildings, or housing.

SHARES

The unit of ownership of a company is usually referred to as a "share." It is a single unit that represents equity in the company's capital structure. The owners of shares are called "shareholders." The distribution of shares in a company indicates the distribution of ownership in the company. A share's value in a company or an investment is based on the price at which a share is sold in the market.

LIFE INSURANCE

Life insurance or life assurance, is a contract between an insurance policy holder and an insurer or assurer, where the insurer promises to pay a designated beneficiary a sum of money (the benefit) in exchange for a premium, upon the death of an insured person (often the policy holder). Depending on the contract, other events such as terminal illness or critical illness can also trigger payment. The policy holder typically pays a premium, either regularly or as one lump sum. Other expenses, such as funeral expenses, can also be included in the benefits 5 best plans of LIC,

- LIC Jeevan Akshay VI
- LIC E-Term Plan
- LIC New Children's Money Back Plan
- LIC Jeevan Anand Plan
- LIC Jeevan Saral

POST OFFICE

A post office is a customer service facility forming part of a national system. Post offices offer mail-related services such as acceptance of letters and parcels; provision of post office boxes; and sale of postage stamps, packaging, and stationery. In addition, many post offices offer additional services: providing and accepting government forms (such as passport applications), processing government services and fees (such as road tax), and banking services (such as savings accounts and money orders). The chief administrator of a post office is called a postmaster.

Prior to the advent of postal and ZIP codes, postal systems would route items to a specific post office for receipt or delivery. During the nineteenth-century, in the United States, this often led to smaller communities being renamed after their post offices; particularly after the Post Office Department ceased to permit duplicate station names within a state.

SAVINGS SCHEMES UNDER POST OFFICE

- Post Office Savings Account
- Five Year Post Office Recurring Deposit Account (RD)
- Post Office Time Deposit Account (TD)
- Post Office Monthly Income Scheme Account (MIS)
- Senior Citizen Savings Scheme (SCSS)
- National Savings Certificates (NSC)
- Kisan Vikas Patra (KVP)
- Sukanya Samriddhi Accounts (SSA)

GOLD & SILVER

Gold is the most popular as an investment. Investors generally buy gold as a way of diversifying risk, especially through the use of futures contracts and derivatives. The gold market is subject to speculation and volatility as are other markets. Compared to other precious metals used for investment, gold has the most effective safe haven and hedging properties across a number of countries. Gold is a completely private and anonymous investment that is also extremely portable.

Silver is a 'miracle metal'. It is second only to oil as the world's most useful commodity. Aside from being money, silver has thousands of essential industrial uses. Silver is the most electrically conductive, thermally conductive, and reflective metal on the planet that has no known substitutes. For the past 30 years the world has used up more silver than has been mined and today silver inventories are near all time record low levels.

CHITS

Chit fund is a kind of savings scheme practiced in India. Such chit fund schemes may be conducted by organised financial institutions, or may be unorganised schemes conducted between friends or relatives. In some variations of chit funds, the savings are for a specific purpose.

NEED FOR SAVINGS

Saving a part of income - whether it's for home, college, education, retirement, or any other goal. Saving and investing are different because saving carries little or no risk of loss, while investing cause risk and the possibility of loss. A regular savings plan can become the foundation for successful investment program. Saving can also be for a more general need or purpose, such as three to six months of living expenses or saves for a rainy day.

IMPORTANCE OF SAVINGS

Saving is important to the monetary growth of a country because of its relation to investment. If there is to be an increase in productive wealth, some individuals must be willing to abstain from consuming their entire income. Spending less on consumption than available one's disposable income called individual saving or simply saving. It bears no risk or a slight of risk at all. It can be deposited in a bank or pension fund, buy a business, pay down debt etc.

There are many things to consider when saving for the future. The most fundamental factors are to save early and save more. Saving money for the future is the big habits of monthly salaried people. The rich is getting richer because of the way they spend their money. They have successful habits of controlling their

expenses, in order to grow their wealth. If we want to realize the financial goal, the most important step is to save. More goods are produced and sold, creating growth in the economy. Banks use these deposits to start another round of lending and even more economic growth. Saving Can help to reach Important Goals.

NEED FOR THE STUDY

The Indian economy is developing essentially and has different venture choices. Be that as it may, the administration of India has given the most seasoned speculation alternative. Still the saving plans have not increased much significance. The changing postal condition displays a colossal test for customary postal business. It moreover makes a huge range of new business choices and openings, as the loan fee contrasted with different plans given by the saving plans are higher. The present study has been embraced to break down whether the saving plans have picked up significance among the financial specialists or not. So this examination knows the contributor's demeanor towards savings plans.

STATEMENT OF THE PROBLEMS

India has a blended economy where different sorts of individuals, rich or poor are living. Because of the expansive size and populace of around 1000 million, India's GDP positions among the best 15 economies of the world. Be that as it may, around 300 million individuals or then again around 60 million family units, are living beneath the neediness line. It is further assessed that in these family units, just around 20 percent approach credit from the formal division. Also, the fragment of the provincial populace is over the destitution line, however not rich enough to bear some significance with the formal money related establishments, additionally does not have great access to the formal budgetary go-between administrations, counting savings administrations.

The interest for savings administrations is ever higher than for credit. Investigations of country families in different states in India demonstrate that poor people, especially ladies, are searching for an approach to save little sums at whatever point they can. The inconsistency of money streams and the little sums accessible for savings at one time, hinder them from utilizing formal channels, for example, banks, post office, etc. The poor needs to put something aside for different reasons as a pad against possibilities like illness, calamities, death in the family and so forth.

Savings have turned into an imperative apparatus in neediness lightening. Individuals require savings to run their everyday life. Savings relies upon the way of life of a man. Savings are intended to meet possibilities and raise the way of life of an singular saver. Residential savings assume a critical part in achieving financial improvement of in reverse nations. Keeping in mind the end goal to advance the economy of our nation, different saving plans have been presented by the banks, post offices, financial institutions, etc.

OBJECTIVES OF THE STUDY

1. To estimate the knowledge about various saving opportunity.
2. To analyse the mostly preferred mode of saving in rural areas.
3. To identify the problem faced by the respondent towards savings.
4. To offer the valuable suggestions for the findings.

RESEARCH GAP

The focus of the previous studies has been around range of issues like savings and factors influencing savings, importance of small savings and the importance of improving savings in rural areas, awareness about savings habits and the attitude of the investors on investment pattern.

METHODOLOGY

This study is mainly empirical in nature based on primary and secondary data.

1. DATA SOURCE

a) Primary Data

The study is based on primary data. Primary data has been collected from a sample of 100 respondents through structured questionnaire

b) SECONDARY DATA

Necessary secondary data has also been collected to bring out the profile of the Saving Habits.

2. SAMPLING PROCEDURE

The study is based on convenience sampling method. For the purpose of study 100 respondents have been selected in Bhavani Town as per convenience who are the investors of Saving Schemes.

3. DATA COLLECTION

Primary data was collected by administering an interview schedule which has been framed in such a way to cover the demographic factors and departmental related profile of the stores.

4. TOOLS OF ANALYSIS

Data collected through questionnaire were presented in a master table. From the master table, sub-tables were produced. The following statistical tools were employed for the purpose of analyzing data:

1. Percentage Analysis
2. Chi-Square Test
3. Simple Rank

LIMITATIONS OF THE STUDY

This study is subject to the following limitations:

1. The study is constrained to 100 respondents only.
2. The exposure of the study is limited to Bhavani Town.
3. The study being a primary one, the precision and reliability of data depends on the information provided by the respondents.
4. Respondents were not willing to give details about their personal usage.
5. Respondents outlook and opinion may hold good for the time being and may vary in the future.

FINDINGS

- 63% of the respondents are Male.
- 43% of the respondents are belongs the age group of below 30 years.
- 41% of the respondents are qualified graduate.
- 41% of the respondents are employee.
- 35% of the respondents are earned below Rs.15000 as monthly Income.
- 71% of the respondents are married.
- 31% of the respondents are save in bank deposit for their future.
- There is no significant relationship between Gender and level of satisfaction towards saving attitudes.
- There is close relationship between Age Group and level of satisfaction towards saving attitudes.
- There is no significant relationship between Educational Qualification and level of satisfaction towards saving attitudes.
- There is no significant relationship between Occupation and level of satisfaction towards saving attitudes.

- There is no significant relationship between Monthly Income and level of satisfaction towards saving attitudes.
- There is no significant relationship between Marital Status and level of satisfaction towards saving attitudes.
- Majority of the respondents are face the main problem as less liquidity in saving or investing.

SUGGESTIONS

- Awareness campaigns should be organized by the banks with the motive of creating awareness among the rural household regarding the concept of saving and investment
- To increase usage, products must have designed with add-on features such as reminders, and basic literacy about the products features.

CONCLUSION

The Savings is the important source for the developing nations. So it should be properly mobilized through various ways. The financial education is about disseminating Knowledge and Information about products and services offered by banks and other institutions. The objective is to make people aware of the risks and rewards so that they can make an informed choice. The success of savings depends upon the bankers, financial institutions and government.

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APPENDIX

TABLE 1: DEMOGRAPHIC PROFILE

	Avenues	No. of Respondents	Percentage
Gender	Male	63	63
	Female	37	37
Age Group	Below 30 Years	43	43
	30 – 40 Years	31	31
	40 – 50 Years	19	19
	Above 50 Years	7	7
Education	SSLC	19	19
	HSC	17	17
	Graduate	41	41
	Professional	10	10
	Illiterate	7	7
	Others	6	6
Occupation	Employee	41	41
	Professional	15	15
	House Wife	11	11
	Agriculture	14	14
	Business	13	13
	Others	6	6
Monthly Income	Below Rs.15000	35	35
	Rs.15000 - Rs.20000	32	32
	Rs.20000 - Rs.30000	20	20
	Above Rs.30000	13	13
Marital Status	Married	71	71
	Unmarried	29	29
List of Avenues	Bank Deposits	31	31
	LIC	26	26
	Post Office	11	11
	Gold & Silver	13	13
	Real Estate	9	9
	Chit	6	6
	Shares	4	4

TABLE 2: CHI-SQUARE ANALYSIS

Factors	Calculated χ^2 Value	Table Value	Degree of Freedom	Remark
Gender	1.278	5.991	2	Not Significant
Age Group	15.734	12.592	6	Significant
Educational Qualification	6.390	18.307	10	Not Significant
Occupation	7.849	18.307	10	Not Significant
Monthly Income	11.243	12.592	6	Not Significant
Marital Status	3.172	5.991	2	Not Significant

TABLE 3: PROBLEM IN INVESTING

Factors	Weight Score	Rank
Less Return	568	2
Less Liquidity	575	1
Safety	478	4
Awareness	534	3
Rate of Interest	337	6
Service and Procedures	364	5

A STUDY ON NON-PERFORMING ASSETS IN NILGIRIS DISTRICT CENTRAL CO-OPERATIVE BANK LIMITED

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ABSTRACT

The present article aims at examining the Concept and Status of Non-Performing Assets (NPAs) in Nilgiris District Central Co-operative Bank Limited (NDCCB). This article analyses the position and growth of standard assets, sub-standard assets, doubtful assets, loss assets, gross NPAs, provision for NPAs and net NPAs are discussed with the help of percentage analysis and compound annual growth rate. The NDCC Bank Ltd. continue to play an important role, the relatively high levels of NPAs have made this bank weak and vulnerable. Gross NPAs of the NDCC Bank Ltd. stood at Rs. 9704.64 lakhs (14.19% of total gross advances) and the net NPAs at Rs. 9492.50 lakhs as on March 31, 2015 (16.68% of total net advances). These figures pose a severe threat to the profitability, liquidity, and solvency position of this bank. In the context of global competition, it is a paramount task for the bank to manage their NPAs more efficiently so that they can change their character from non-performing assets to performing assets.

KEYWORDS

doubtful assets, loss assets, non-performing assets, standard assets, sub-standard assets.

JEL CODES

G21, G30, G33.

1. INTRODUCTION

In line with the international practices and as per the recommendation made by the Committee on financial system under the chairmanship Shri M. Narasimham. The RBI has introduced, in a phased manner, prudential norms for income recognition, Asset Classification and Provisioning for the advances portfolio of the Banks so as move toward greater consistency and transparency in the published account.

The introduction of prudential norms has ushered in a new era in the reform process of banking industry as a whole. The identification of the NPAs as per the prudential norms specified by the RBI is a pre-requisite for the proper management of the NPAs. As per the guidelines of the RBI, the State Co-operative Banks and the Central Co-operative Banks started implementing the prudential norms from the accounting year 1996-1997. One of the major reasons cited for the introduction of the norms has been the persistence of Non-Performing Assets (NPAs) in banks.

Loans or advances given by banks become Non-Performing when the interest and /or instalment of principal remains overdue for more than 90 days. Advances which do not generate any income and which are doubtful affect the very vital function of banks viz. intermediation (mobilizing savings and providing finance for investment).

Loans and advances given by banks are classified as standard assets, sub-standard assets, doubtful assets and loss assets. Sub-standard assets, doubtful assets and loss assets together are called Non-Performing assets. Where assets are Non-performing a provision is required to be maintained.

2. A PROFILE OF NDCC BANK LIMITED

The Nilgiris District Central Co-operative Bank Limited was registered on 12-05-1954, and was assigned to No. J.90, started to function on 14-05-1954. The Nilgiris District Central Co-operative Bank covers the entire Nilgiris District. The bank has 17 branches covering 6 taluks.

The area of operation of the bank covers Six Taluks such as Udhagamandalam, Coonoor, Gudalur, Kotagiri, Kundah and Pandalur. The total number of revenue villages is 54 and it has a total population of 8.05 lakhs. The major crops are potato, tea, coffee, vegetables, padgier, ginger and the like. The Bank's Head Office is situated in Charring Cross, Udhagamandalam.

By end of the 31 March, 2015 the total deposits of the banks stood at Rs. 33866.58 Lakhs. During the period, the total investments of the banks amounted to Rs. 14110.35 Lakhs. The Gross NPAs to Gross Advances ratio also was considerably high from 57.96 per cent in 2005-06 to 88.19 per cent in 2014 - 15. NPAs affect the liquidity, profitability and equity of the banks hence, the present study elucidates the magnitude of NPAs.

3. MEANING OF NPA

An asset becomes non-performing when it ceases to generate income for the bank. A non-performing asset (NPA) is defined generally as a credit facility in respect of which interest and/or instalment of principal has remained "past due" for two quarters or more. An amount due under any credit facility is treated as "past due" when it has not been paid within 30 days from the due date. It was, however, decided to dispense with the "past due" concept with effect from 31 March 2001.

4. ASSET CLASSIFICATIONS

The RBI has issued guidelines to banks for classification of assets into four categories.

i) STANDARD ASSETS

Assets that generate revenue without any sign of sickness.

ii) SUB-STANDARD ASSETS

Assets that do not yield interest income for a period of 12 months.

iii) DOUBTFUL ASSETS

These are NPA exceeding one year.

(a) Doubtful 1 – NPA for a further period of 12 months i.e. for first 24 months.

(b) Doubtful 2 – NPA for 24 months to 36 months

(c) Doubtful 3 –NPA for over 36 months

iv) LOSS ASSETS

Debt servicing is completing nil and the borrower is in no situation to pay the loan back.

5. TYPES OF NPAs

NPAs are divided into two types namely Gross NPAs and Net NPAs.

i) GROSS NPAs: Gross NPAs are the sum total of all loan assets that are classified as NPAs as per RBI guidelines as on Balance Sheet date. Gross NPA reflects the quality of the loans made by banks. It consists of all the Non-standard assets Viz., as Sub- Standard, Doubtful and Loss Assets.

ii) NET NPAs: Net NPAs are those type of NPAs from which the bank has deducted the provisions regarding NPAs. The Net NPA shows the actual burden of banks. The provisions against the NPAs are to be made as per RBI guidelines.

6. THE REASON FOR RISING NPAs

The major reasons for high NPAs are:

- The slow, inefficient and decrepit legal system.
- Diversion of funds and diversification of business.
- Demand recession.
- Depressed capital market.
- Changes in government policy.
- Environment and pollution control measures.
- Fear psychosis among banks for compromise settlements.
- Industrial sickness and labour problems.
- Improper and inadequate credit appraisal.
- Poor post loan supervision and follow up (Policing of assets by banks).
- Product /marketing /Business failure.
- Inefficient management.
- Inappropriate technology.
- Changes in Macro Economy /Resources.
- Time /Cost overrun of projects implementation.
- Inadequate supervision.
- Delay in sanction of loan.
- Wilful default.
- Siphoning of funds.
- Frauds.
- Misappropriation.
- Political compulsions and corruption etc.

The Indian legal system had been more geared to project borrowers and not lenders. The legal system in India which had been long-drawn and ineffective has definitely affected the recovery climate in banks.

7. STATEMENT OF THE PROBLEM

The main objective of the NDCC Bank Ltd. is the economic and social welfare of its members. To fulfill the economic obligations, the bank offers more loans and advances to its members. More than 50 percent of the farmers in Nilgiris District depend on the Bank for the short and medium term credit requirements. More loans and advances provided by the bank further create high NPAs. The loan portfolio with NPA reduces the liquidity and profitability position of the NDCC Bank Ltd. The next loan cannot be issued in time when the capital is locked idle; it will lead to erosion of financial resources. When the resources deployed by the NDCC Bank Ltd. are locked up as NPAs and overdues respectively, the NDCC Bank Ltd. cannot able to get refinance from the apex bank. Not only high NPAs affect the profitability of the banks, but they also put stress on the financial system as a whole, as more capital has to be brought in. Besides, as NPAs increase, banks tend to shy away from further lending. Hence a complete examination into the reasons for higher NPAs would help suggest measures for controlling NPAs, improving banking operation and ultimately for reducing NPAs at the NDCC Bank Ltd. level.

8. LITERATURE REVIEW

K.C. Chakraborty (2005) in his article pointed out that the banks have to face several challenges in managing NPAs. Besides ensuring better scrutiny of the credit proposals before sanction, banks need to watch closely and monitor the assets from the beginning. In fact, NPA management begins right from the selection of borrowers.¹

T. Vanniarajan (2006) focused his paper on the problem of NPAs and found that they were more in public sector banks as compared to other banks. NPAs have a direct impact on a bank's profitability, liquidity and equity.²

C. Lakshmanan and A. Dharmendran (2007) in their article said that the problem of Non-Performing Assets (NPAs) is less in the Chennai Central Co-operative Bank as compared to the other CCBs in Tamil Nadu. They also focused on the impact of NPAs on the Net Profit, Investment, Legal Expenses and Spread of the bank. The study concludes that the effective management of NPAs is essential to strengthen the financial position of the bank.³

C. Lakshmanan and A. Dharmendran (2007) "A study has been made by entitled financial performance of DCCBs in Tamil Nadu" taking into account some selected financial indicators namely deposits, loans and advances and over dues of DCCBs in Tamil Nadu for a period of seven years. The study revealed that deposits, loans and advances, and annual growth rate are positive and the total over dues is negative annual growth rate.⁴

Rajendar, K. (2009) examined the management of the NPA in PSBs in India using statistics available for 1999-00 to 2006-07. Inference based on analysis showed a decrease in NPA evidenced by net NPA ratios. The findings support various reform measures particularly SARFAESI Act 2002, ARCs, Lok Adalats, One Time Settlement (OTS) and DRTs.⁵

A. Dharmendran (2008) in his thesis "Non-Performing Assets in District Central Co-operative Banks in Tamil Nadu – An Empirical Study" has assessed the NPAs include sub-standard assets, doubtful assets and loss assets. The growth rates of sub-standard assets, doubtful assets and loss assets were positive in a majority of the DCCBs in Tamil Nadu. The positive growth rates of these assets would have led to falling profitability and erosion of the net worth of the banks. The banks have to minimise these assets considerably through effective recovery proceedings for earning profit.⁶

Rajeev, M., Mahesh, H.P., (2010): This exploratory paper examines the Indian trends of NPAs from various dimensions and explains how recognition of the problem continuous monitoring, can reduce it to a greater extent.⁷

Dr. A. Dharmendran (2011) in his study an attempt has been made to analyse the NPAs position and growth of District Central Cooperative Banks (DCCBs) in India. Gross NPAs of DCCBs in India stood at Rs.18,728 crores (20.50) per cent of total Gross Advances) and Net NPAs at Rs.6,653 crores as on March 31,2008 (8.39 per cent of total Net Advances). These figures pose a severe threat to the profitability of these banks. The NPAs hit banks in several ways. Not only banks lose income on these assets, but they are bad for the economy.⁸

Dr. A. Dharmendran (2012) in his paper found that the growth rates of Gross NPAs and Net NPAs in all the StCBs in India were 5.90 per cent and 2.08 per cent per annum respectively. The problems of gross and net NPAs were relatively high during the study period increase in provision for NPAs will lead to decrease in net NPAs and vice versa. NPA is not just problem for banks; they are bad for the economy.⁹

K.K. Siraj and P. Sudarsanan Pillai (2013) in their paper studied about the relative efficiency of different bank groups ranked banks based on the indicators of NPAs.¹⁰

L. Mehta. & M. Malhotra. (2014) in their paper found that flow of NPA is more in public sector banks and less in private sector banks. Recession was considered as a one of the reason for the continuous increase in the NPAs.¹¹

Shailinder Sekhon & Jasmine Kaur (2015) in their paper concluded that NPA adversely impact liquidity and also future income earning capacity.¹² This reason is there was no effective legal framework to safeguard the real performing assets of the bank.¹²

9. OBJECTIVE OF THE STUDY

The objective of this article is to assess the position and growth of NPAs in NDCC Bank Ltd.

10. RESEARCH METHODOLOGY

The data collected from secondary sources for the ten years from 2005-2006 to 2014-2015. The data relating to assets structure of the bank collected from the annual reports and also from unpublished records, audit reports available in the bank. Necessary information also gathered from the bank staff by means of discussions held with the bank auditors and account section. It is suitably compiled and analysed for the purpose of study. The statistical results are obtained by using SPSS Version 25.

Compound annual growth rates were estimated for the classification of assets in NDCC Bank Ltd. An exponential function of the following type was employed to estimate the Growth rates.

$Y_t = ab^t$

Where,

Y_t = Classification of assets

a = Intercept

b = Parameter

t = Years

Compound Annual Growth Rate = (Anti log of $b-1$) \times 100

11. LIMITATION OF THE STUDY

The present study covers a period of ten years for secondary data from 2005 - 06 to 2014 - 15 for study purpose. Data were available up to 2014 - 15 during the field work and accordingly data up to 2014 - 15 were alone used for analysis. This may not be fully relevant to the later period.

12. ANALYSIS OF THE STUDY

TABLE 1: TRENDS IN NPAs OF NDCC BANK LTD. DURING MARCH 2006 - 2015 (Rs. in Lakhs in Per Cent)

Sr.No	Asset Type	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	CAGR
1.	Standard Assets	1867.54 (42.04)	1968.87 (13.80)	3729.04 (17.22)	4874.86 (21.17)	6858.16 (27.70)	8966.78 (30.52)	1010.55 (15.99)	1105.15 (47.30)	1205.15 (21.76)	1299.98 (11.81)	- 3.56
2.	Sub-Standard Assets	530.04 (11.93)	4759.25 (33.35)	7269.32 (33.58)	2834.30 (12.31)	6689.53 (27.02)	5171.67 (17.60)	1600.59 (25.32)	415.97 (17.81)	2032.83 (36.71)	2255.94 (20.50)	15.59
3.	Doubtful Assets	1393.26 (31.36)	3171.68 (22.23)	3527.93 (16.29)	5525.00 (23.99)	5000.71 (20.20)	5336.07 (18.16)	2286.72 (36.18)	343.53 (14.70)	1553.57 (28.06)	1679.50 (15.26)	1.89
4.	Loss Assets	651.51 (14.67)	4368.72 (30.62)	7125.18 (32.91)	9792.88 (42.53)	6209.24 (25.08)	9906.50 (33.72)	1423.05 (22.51)	471.74 (20.19)	745.94 (13.47)	5769.20 (52.43)	24.37
5.	Total Gross NPAs (Total of 2 to 4)	2574.81 (57.96)	12299.65 (86.20)	17922.43 (82.78)	18152.18 (78.83)	17899.48 (72.30)	20414.24 (69.48)	5310.36 (84.01)	1231.24 (52.7)	4332.34 (78.24)	9704.64 (88.19)	14.19
6.	Total Gross Advances (Total of 1 to 4)	4442.35 (100)	14268.52 (100)	21651.47 (100)	23027.04 (100)	24757.64 (100)	29381.02 (100)	6320.91 (100)	2336.39 (100)	5537.49 (100)	11004.62 (100)	9.50
7.	Total Provision for NPAs	545.7	2134.87	1254.67	1454.87	2123.21	1345.32	421.32	134.87	2541.21	212.14	- 9.02
8.	Total Net NPAs (5-7)	2029.11	10164.78	16667.76	16697.31	15776.27	19068.92	4889.04	1096.37	1791.13	9492.5	16.68
9.	Total Net Advances (6-7)	3896.65	12133.65	20396.8	21572.17	22634.43	28035.7	5899.59	2201.52	2996.28	10792.48	10.72
10.	Gross NPA Coverage Ratio (7/5*100)	21.19	17.36	7.00	8.01	11.86	6.59	7.93	10.95	58.66	2.19	

(-) **Figures in Bracts** at Sr.No.1 to 5 are percentage to respective year's Gross Advances (Sr.No.6) and at Net NPAs (Sr.No.8) to Net Advances (Sr.No.9).

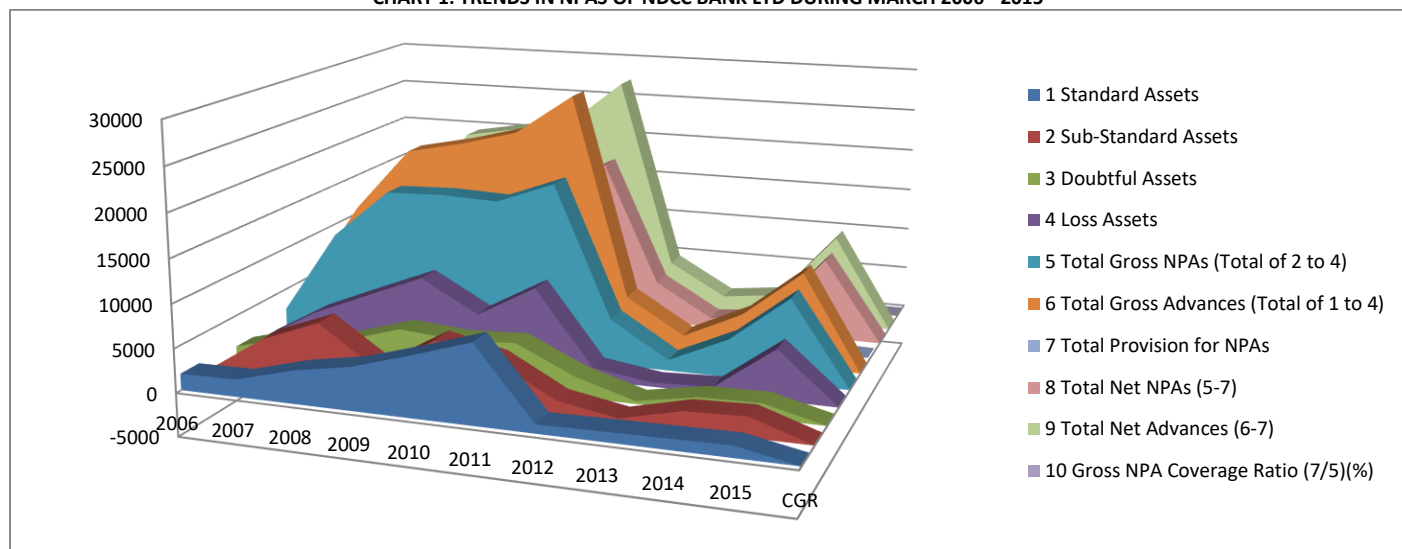
Basic Source: Annual Report of Nilgiris District Central Co-operative Bank Ltd. (NDCCB), 2005 - 06 to 2014- 15.

Note: CAGR – Compound Annual Growth Rate.

INTERPRETATION

Table 1 shows the trends in NPAs during the study period for the NDCC Bank Ltd. Gross NPAs of NDCC Bank Ltd. (Table-1) stood at Rs.9704.64 lakhs, as on March end 2015 consisting of Rs.2255.94 lakhs in sub-standard category, Rs.1679.50 lakhs in doubtful and the remaining Rs.5769.20 lakhs in loss category where the salvage value in negligible. In percentage terms, Gross NPAs amounted to 88.19 per cent of gross advances consisting of 20.50 per cent in sub-standard, 15.26 per cent and 52.43 per cent in doubtful and loss categories respectively. Though in absolute terms the gross NPAs went up from Rs.2574.81 lakhs, as on March end 2006, to Rs.9704.64 lakhs in 2015 growing @ 14.19 per cent per annum, there was increased in percentage terms 57.96 per cent to 88.19 per cent during the said ten years period due to obvious increase of the denominator at a rate faster than the numerator. As the provision against NPAs come down from Rs.545.7 lakhs to Rs.212.14 lakhs during 2006 to 2015 growing @ - 9.02 per cent per annum. The net NPAs went up from Rs.2029.11 lakhs in 2006 to Rs.9492.5 lakhs in 2015 growing @ 16.68 per cent per annum. The coverage ratio of provision to gross NPAs was 21.19 per cent in 2006 and come down to 2.19 per cent in 2015. The following **Chart 1** clearly explains the position and growth of various assets and NPAs in NDCC Bank Ltd., during the period 2005-2006 to 2014-2015.

CHART 1: TRENDS IN NPAS OF NDCC BANK LTD DURING MARCH 2006 - 2015



13. FINDINGS AND SUGGESTIONS

1. NPAs include sub-standard assets, doubtful assets and loss assets. The growth rates of sub-standard assets, doubtful assets and loss assets were positive in the NDCC Bank Ltd. with 15.59 per cent, 1.89 per cent, and 24.37 per cent per annum respectively. The positive growth rates of these assets would have led to falling profitability and erosion of the net worth of the banks. The banks have to minimise these assets considerably through effective recovery proceedings for earning profit.
2. The growth rates of Gross NPAs and Net NPAs in the NDCC Bank Ltd. were 14.19 percent and 16.68 per cent per annum respectively. The problems of NPAs together (both in gross and net terms) were relatively high during the study period decrease in provision for NPAs will lead to increase in Net NPAs, and vice versa. NPA is not just a problem for banks, they are bad for the economy. The money locked up as NPA is not available for productive use and to that extent the bank seek to make provisions for NPA or write them off. It adversely affects their profit and results in a higher rate of interest to their diligent borrower customers. This also raises the cost of administration. The steps taken at the appropriate time may help in avoiding NPAs. Qualitative appraisal, supervision and follow up should be taken up for the present advances to avoid future NPAs.
3. Positive growth rates of standard assets were found in the NDCC Bank Ltd. with - 3.56 per cent per annum. The task of containment of NPAs by arresting slippage of accounts from standard assets to NPAs was a cause of concern for almost the bank due to the government policy of liberal credit to farmers and other weaker sections under priority sector loan. Relentless monitoring and introduction of loan review mechanism of standard assets may be of some help in containing the slippage to NPAs.
4. The positive growth rates in provision for NPAs in the NDCC Bank Ltd. with - 9.02 per cent per annum result in the growing problem of the existence of NPAs. This suggests that the quality of assets must be improved through an effective credit delivery system and an effective recovery mechanism.

14. CONCLUSION

The NPAs of NDCC Bank Ltd. is considered relatively high by international standards. NPAs are a severe drain on the profitability of the bank. On the one hand, no income on such accounts can be recognized and on the other hand, the certain amount of provision has to be made from the profit, depending on the asset classification and availability of security. This has double - impact on profitability – No interest on such dead asset and need to maintain Capital Adequacy Ratio (CAR). Profit of NDCC Bank Ltd was affected by the sudden introduction of the concept of NPAs and Income Recognition norms. NPAs are an important parameter in the analysis of financial performance of the bank. So, "Successful management per-supposes that the right type, right time and right amount of credit is given to the right type of client". Reduction of NPAs is necessary to improve the profitability of the bank. To solve the problem of existing NPAs qualitative appraisal, supervision and follow up should be taken up for the present advances to avoid future NPAs.

If the study could help the planners and officials of the co-operative banks in removing the problem of NPAs. It is hoped that this endeavor will provide the basis for further research in other banks of India. The Author has the satisfaction of having undertaken a socially relevant study.

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