

A COMMENTARY ON RELATIONSHIP BETWEEN PUBLIC SECTOR BANKS AND CUSTOMERS IN INDIA

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Abstract

Indian banking sector involves private banking and government banking supports. There is various perception among the customers in India. A very general prospective is that government sector banks provides economic services but inferior pre, post and present services. There were various prospective in this approach of perception. This study is review based study. This is a commentary based on the various sources of information. The data used in this study was secondary.

Introduction:

The public-sector banks are the banks which are run by the government or are under the government. The public-sector banks play a very vital role in the Indian economy as India is a developing country and by and large majority of transactions are done through public sector banks preferably. The public-sector banks also act as a backbone to the economy of our country. The banks are not only a safe custodian to the monetary aspects but also other valuables are kept in the banks also. As a majority of stakes of public sector banks are held by the government itself. The public-sector banks are enjoying an upper hand in comparison to other nationalised banks and private banks. The Indian banking system have witnessed a lot of changes since its inception. There are both the upsides and downsides that have been witnessed by the banking sectors. A lot of reforms are introduced by the government in working culture of the public banks as the result of which the banks are in a position to sustain various pressures also. This factor also contributes a lot in making the public sector a choice amongst banking customers. The various parameters used to rate the credibility and performances for ranking are on the positive side for the public-sector banks.

Conceptual discussion on business relationship

A lot of scope exists for the betterment of the relations between the public-sector banks and the public. The scopes may be exploited for the betterment and enhancing the relations. There can be a lot of betterment for the society also as evidentiary examples exist where the policies and implementations have given a lot of fruitful results. So, further overall sincere efforts will give a lot of result-oriented outcome undoubtedly.

The main positive aspects of the public-sector banks are:

- (a) Competition advantage
- (b) Creation framework advantage
- (c) Managerial Implications
- (d) Dealing with challenges
- (e) Theoretical functioning

(a) **Competition advantage:** The competition advantage because of availability of all the resources which can be advantageously used to easily have a competition advantage.

(b) **Creation framework advantage:** The creation of the advantage availed by the public banks gives another add on in comparison to the private sector banks. This opportunity is of very vital importance to the outcome of the positive results. As due to the framework a lot of possible advantages are given for the betterment of it.

(c) **Managerial Implications:** Public sector banks being operated by the government a limited stress is given for the monetary benefits and this gives a lot of help in having a lot of help to cater with the private sector banks operating mainly for the monetary outcomes.

(d) **Dealing with challenges:** The public-sector banks gets asylum from the government. As because of this the public-sector banks can sustain losses such as non-performing assets can be easily waved off.

(e) **Theoretical functioning:** The theoretical functioning helps a lot in attaining the goals so as to have a lot of faith bestowed by the public in public sector banks. This helps a lot in gaining momentum and sustaining the same for outperforming. The theatrical functioning will give a lot of ethical strength to the public-sector banks.

Limitations of public sector banks:

- (a) As the banking structure in India is governed by their banking regulator i.e. the RBI. It lays down the policies for the outcome of the desired cases. As a result of which to the interest rates be given by the h the interest rates given by the banks are low in comparison to the rates offered by the private banks.
- (b) The public banks have to stick to the policies underlined by the competent authorities. This is because of the outcome of the policies of the government sectors which undermines the performance of the public-sector banks. The private sector banks have an easy go at this front and they can easily cherish in the way they want to by virtue of lenient functioning patterns laid down with.

- (c) The mental set up of the employees present in the public-sector banks is quite different in the public-sector banks at a large as they being an employee having a sure but limited promotion and growth prospects. This makes most of the workers lethargic whereas in private sector banks the attitude is totally vice versa.
- (d) The outcome of the sincere efforts put in by the public-sector bank employees are rewarded very low in comparison to the private sector banks. This undermines the performance skills of the public-sector banks employees.
- (e) The public-sector banks only functions on a fixed laid down straight line and market risks are mainly avoided by the public-sector banks. On the other hand, the private sector bank totally exploits the scenario and gives out very shocking positive results.

Conclusion:

As both the pros and cons of the public banking sector already explained the outcome of these on the public is also laid down. It is to conclude that though some laggings in the public-sector banks they have far much faith on the people looking for having a business with the banking structure. This gives an upper hand to the public-sector banks. The public-sector banks having theoretical base blended with ethical concepts and garnished by the government policies makes the public-sector banks so lucrative that without giving a second blink a majority of public prefer to deal with the public banks in comparison to the private sector banks. The public-sector banks also have a lot of base that is hard to shake as their roots are so strong that a small storm just passes away without making any turbulence in their banking structure. It will not be wrong on the part to say that it is a general phenomenon in India that the public-sector banks are the safest banks to trade with. The relation amongst the public-sector banks and public is very strong. A lot of emphasis is paid to keep up this strengthened spirit. So as a matter of fact, the public-sector banks are of very vital importance. This also adds to the major developments going on in the country as the majority of stakes available with the public-sector banks are utilised for the betterment of the country.

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