To Study The Operational Efficiency Of Regional Rural Banks: A Case Study Of Himachal Pradesh Gramin Bank

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ABSTRACT

Customer Relationship management is the most grounded and the most effective methodology in making and keeping up with relationship with clients. Great client relationship is the existence blood of each and every association. Connection between an association and its clients, deals workers are crucial to proceed with the practical development and soundness. When the individual and profound linkage is fabricated, it is extremely simple for any association to recognize the genuine requirements of clients and assist them with serving in a superior manner. In the prior period, the client was not offered due consideration since it was considered as mercy of the bank, every one of the brokers were very demanding. To resolve the clients' issues it is fundamental to appreciate the interests and needs of clients with the help of keeping up with up long haul associations with them. In the present serious business climate, drawing in and holding clients is a difficult undertaking for business associations. CRM works with associations not exclusively to acquire clients yet additionally to hold them. This exploration paper features the client relationship the executives (CRM), its sorts, process, job in financial industry, buyer faithfulness and job of socioeconomics to carry out CRM in an association. Moreover it likewise centers around the upside of CRM being developed of an association.

Keywords: Customer relationship management, customer perception, customer loyalty.

INTRODUTION

Indian financial industry has seen lively movement in later past with the start of changes in financial framework. The financial change was to update ampleness, forcefulness and efficiency of the financial system. The section of private players and unfamiliar banks which gave advancement assisted organizations with loving Web setting aside cash, versatile banking, bury branch systems, ATMs, etc has improve the financial principles in India and these parts also got by the business and co-expert banks to scrape by in the financial business.

Client Relationship The board is a straightforward way of thinking that puts the client in the core of any business association's cycles, exercises and culture to work on his/her fulfillment towards various parts of administrations with an object of creation and maintenance of clients. Drawing in and holding clients is a difficult errand for business associations in this cutthroat time. To succeed, organizations need clients for their items and administrations. Without clients a business wouldn't have the option to exist. CRM is tied in with dealing with the associations with clients including expected clients. An idea turned out to be extremely famous during the 1990s. It offered long haul changes and advantages to organizations that decided to utilize it. The outcome of any business relies upon its capacity to be great at CRM.

In this strong period, growing close and charming relationship is key for every single specialty units. To see the value in the requesting of client is essential for the useful headway of the affiliation. To keep up relationship with clients the client division method is used considering how each client is having exceptional essentials and necessities. CRM supports as an instrument for every one of the divisions in the association. It integrates promoting, deals and administrations and so on which serves to achieving all over benefit. It likewise helps the chiefs in accomplishment of the goal of an association. It assists with obtaining the information about the clients accordingly improving the worth to the two clients and association.

BACKGROUND

Review of Literature help in formulation of the methodology of study, finding out the senses and effect relationship. Review of Literature has essential significance with each exploration work and chances of repetition of study can be eliminated with literature review.

Gnanasekaranet. al. (2012) investigated on the urban co-operative banks success and growth. Researchers stated that the urban co-operative banks (UCBs) have to play an important role in meeting the requirements of small traders, weavers, agriculturists and other lower and middle income group people. The purpose of this study is to examine the growth and success of the urban co-operative bank in Vellore district, through statistical analysis. Statistical tools were used in this research are correlation, chi-square, multiple regression. The researchers concluded that the overall financial performance of the UCBs in all fronts namely membership, share capital deposit longs and advance profit and reserve funds, banking capital overdue ,loans issues etc. are showing the significant trend throw the application of different statistical tools applied in the study. Therefore it may be undoubtedly concluded the UCBs are road of progress. This also player, that the UCBs are enjoying a

predominate position in the banking industry occupied in at place in the banking institution service in Vellore district.

Singh and Tandon (2012) uncovered that financial area assumes a significant part in monetary advancement of a nation. The financial arrangement of India is include by an enormous organization of bank offices serving numerous sorts of monetary assistance of the individuals. It is a comparative analysis of private and public sector bank example ICICI and SBI respectively. To study the financial performance of SBI and ICICI bank and to compare the financial performance if SBI and ICICI banks. Toevaluate and compare the financial performance of these bank secondary data is collector through financial statement of both the banks. The secondary data was takenit may be possible that the data shown in the annual reports may be window dressed which does not show the actual position of the banks is the main limitation of this study. Analysis shows that CDR (Capital Deposit Ratio) in ICICI was higher (89.302%) than SBI (76.184%). Interest income to total income in SBI and ICICI both is quite stable and volatile over the years. The researcher concluded on the basis of the above analysis banking customer has more trust on the public sector banks as compared to private sector banks.

Rahim (2012) analyzed the performance appraisal system of the private banks in Bangladesh, of the study bank. The researcher focus on the main objective, to know about the performance appraisal system of the bank limited to identify strength and weakness of the performance appraisal system of the bank. A number of the 80 employees were surveyed from the Mercantile Bank Limited Operating in Dhaka Division. The data were collected the primary and secondary sources. Performance appraisal is very important for the employee prospective as well as the growth of the organization. It is the process of determine and communicating to an employee how he/she is a performing on the job and establish on a plan of improvement. The researcher found that the bank is suffering from uniform policy of performance appraisal because in some branches employee are evaluate by the head of the respective department and in some of the branches employees are evaluate by the head of the branches. About 95% respond demand from the authority of the bank, so that the manager of the branches should adopt same performance appraisal policy. Evaluate employees on behaviorally desired measures, use multiple rates, include peer assessments and self-assessments etc. the main limitations of the research study in that the researcher was taken twenty (20) branches of the Mercantile Bank Limited operating in Dhaka division to collect the primary data of study.

Munir et.al (2012) analyzed the financial data of public sector banks of Pakistan forthe time between 2006-2010. The main variable for the study are total assets, advance, deposit, investment, profit before tax and return on asset has been selected for the accomplishment of the aim of the study. For public sector banks are selected out of five banks currently working in Pakistan. The study is totally based upon secondary data. The selected bank are NBP (National Bank), BOP (Bank of Punjab), BOK (Bank of Khybor) and FWBL (first woman bank limited). In respect of total assets of public banks of Pakistan during the study time period 2006-10. A lot of difference, the NBBP is at top, BOP is a Second, BOK is third and FWBL at fourth position. In advance in total asset NBP at second rank and fourth for investment to assets ratio. FWBP placed at fourth position in term of

total asset, advance deposit investment and rank at second on basis of profit before tax and return on asset on third for advance to asset ratio and first for investment asset ratio.

PROBLEM STATEMENT

The Gramin banks are playing an important role in the development of rural and agricultural area of Himachal Pradesh. These banks are state controlled and originated specially to provide banking facilities in the rural area which helps to improve the economic position of the state. Around 82 percent of the state populationis living in the rural sectors, so the improvement of the rural sector can be named as the significant issue of the State. The State Government has delegated one of its major functions of rural development to the Gramin Banks. There are many proof andrealities concentrated in the past that these banks give present moment, long haul and medium term credit to the various fragments of the populace for horticultural and different exercises. These banks uncommonly centered around the provincial zones and the principle objective is to build up the Banking part in the country territories of the State. This part has a significant pretending to the upliftment of the provincial territories.

RESEARCH METHODOLOGY

The research nature is empirical and analytical. The exploration focal point of this investigationis on Indian banking uncommonly Regional Rural Banking and its methodologies towardsdealing with client relationship the executives procedures in agreement to the Indian structure. We zeroed in basically on essential information and broke down the procedures with consumer loyalty through Customer Relationship Management.

Objectives of the Study

- To study the growth and performance of Himachal Pradesh Gramin Bank.

- To assess the operational efficiency of Himachal Pradesh Gramin Bank in the state.

Data Collection Method

The duration for measuring the relative performance of the Bank is between 2012- 2017. The Data is mainly tapped from:- Official websites and Annual Reports of the Bank. Other authentic Governmentreports, RBI reports, Magazines, Journals, Newspapers, existing literature and otherscholarly works.

I. **DATA ANALYSIS AND INTERPRETATION**

Different parameters have been used to evaluate the operational efficiency and analysis of financial position. The working performance of this bank has been evaluated on the basis of certain selected as mentioned in the preceding paragraphs.

Table 1: *Branch Expansion*

Years	No. of Branches	Growth in Branches	Growth in %
2012-13	188	……	……
2013-14	188	……	……
2014-15	212	24	12.77
2015-16	237	25	11.79
2016-17	263	26	10.97

Table 1 has represented the Branch expansion position of the Bank during the year 2012-13 to 2016-17. As it has revealed from the table that bank was functioning with 188 branches in the year 2012-13 touched the figure of 212 in the year 2014-15. Bankopened 24 new branches in its area of operation due to which a growth of 12.77% was observed over the previous years under study. Bank maintained the consistent level of branch expansion till the year 2016-17 in which the number of branches wereincreased to 263.

Deposits Mobilization is one of the basic function of any banking organization. Bank mobilizes deposits through different deposit schemes and is a primary source for generation of funds. Optimal level of deposits leads to attractive credit creation whichintern generates income for the Bank.

Table 2: Deposits Mobilization

(Amount in Crores)

Years	Deposits	rowth(Rs.)	rowth(%)	No. of Branches	erage Deposits Per Branch
2012-13	2158.64	…….	……	188	11.48
2013-14	2465.27	306.63	14.20	188	13.11
2014-15	2941.72	476.45	19.33	212	13.88
2015-16	3318.56	376.84	12.81	237	14.00
2016-17	4056.95	738.39	22.25	263	15.43

Table 2 has shown the operational efficiency of Himachal Pradesh Gramin Bank interms of volume of deposits mobilzed during the period under study. A significant spurt has been observed in the volume of deposits. On analysis of deposit mobilization, an increasing trend has been noticed with consistent level of growth ranging between 14.20% to 22.25%.

Resource mobilization is an important component of credit cycle which includes owned funds consist of share capital, deposits mobilized and borrowings raised. Share capital of the Himachal Pradesh Gramin Bank is divided into share of nominal value and contributed by the members i.e. Government of India, Punjab National bank and Government of Himachal Pradesh.

Table 3: Resource Mobilization

(Amount in Crores)

Years	Owned Funds	Deposits	Borrowings	Total	Growth in Rs.	Growth in %
2012-13	20 (0.84)	2158.64 (91.37)	184.08 (7.79)	2362.72 (100)	…..	……
2013-14	20 (0.62)	2465.27 (75.39)	784.67 (23.99)	3269.94 (100)	907.22	38.40
2014-15	20 (0.56)	2941.72 (80.89)	674.56 (18.55)	3636.28 (100)	366.34	11.20
2015-16	154.36 (4.08)	3318.56 (87.88)	303.13 (8.04)	3776.05 (100)	139.77	3.84
2016-17	154.36 (3.39)	4056.95 (89.26)	334.17 (7.35)	4545.48 (100)	769.43	20.38

As presented in table 3 the total resources mobilized have been noticed with upwardtrend during the entire period under study. On analysis of owned funds and its sharein the total resources mobilized, it is observed that bank achieved the maximum percentage of share in the Year 2015-16 i.e. 4.08% of the total resouces with an amount of Rs. 154.36 Crores. A significant share of deposits have been observed during the entire period of study. On analysis of deposits mobilized an increase in amount of deposits has been noticed by Rs.306.63 in the year 2015-16 over the previous year and the percentage share was found at 87.88%.

FINDINGS AND CONCLUSION

The Bank came into existence on 15th February 2013 after amalgamation noticed with fluctuating branch expansion trend during the period under study.During the study years 2012-13 to 2016-17, the Bank opened 77 new Branches on the recommendations of different members of Board of Directors. The profit and loss of any organization basically depends upon the income and expenditure pattern and structure. A satisfactory profitability position hasbeen maintained by the Bank during the entire period under study except in the year 2015-16 in which bank could generate the profit of Rs 2.32 crores. Advances being one of the important variable for measuring operational efficiency, Bank achieved the outstanding advances level of Rs. 882.45 Crores in the Year 2012-13.

SUGGESTIONS

The findings of the study can be successfully analyzed for the overall improvement and development of Himachal Pradesh Gramin Bank. Although the Bank has made considerable efforts in the field of Branch expansion but more is to be done in this area by opening more viable branches in the unbanked and rural areas having potential and to provide Banking facilities at the door step of potential customers to strengthen the financial inclusion mission of the state and country. Deposit mobilization being a hub of the Banking activities and an increasing attention has been paid on this aspect by the Rural Bank of the State but more can be done in this regard by intensification of saving campaign in rural areas by all possible means. More attractive deposits schemes are required to be identified by the Bank through various depositsmobilization and awareness campaigns in potential areas in District Kullu,Mandi and Una.

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