A Study On Productivity And Social Relations Of Commercial Banks In Bagalkot District

DR. KAVITA MUTTAPPA

Associate professor Dept Commerce

Govt. First Grade College for Women Bagalkot

ABSTRACT:

Introduction: This article explains that financial institutions in any country are the lifeblood of the economy. Banks are important in today's society. International experience proves that countries that promote free trade develop rapidly and steadily. To be effective, employees are "resources" that can only be used for training. This means that employees can combine new skills with their previous experiences and develop new ideas.

Literature review: According to Soteriou, Andreas and Zenios, A. Stavros. (1997) stated that customer satisfaction is an important factor in bank sales which has a long-term financial impact on the banking sector.

Objective of this study: The main objective of this research paper is to examine the relationship between Bagalkot District Commercial Bank and financial performance and to analyze the performance of Bagalkot District Commercial Bank in terms of customer satisfaction and employees.

Methodology of study: This section discusses the research methods used in this study, including: Statistical methods used for quantitative and qualitative analysis. Secondary and primary data used in this research. The sample size is 150. Based on data analysis and interviews with experts in relevant fields, Study A has 10 questions and Study B has 15 questions. 4 means satisfied, 5 means satisfied but not very comfortable.

Research Hypotheses: The hypotheses tested in this article are as follows: H0: There is no difference in customer satisfaction in banking sector in different parts of Bagalkot district. 2. H0: There is no difference in customer satisfaction among bank employees in different parts of Bagalkot district.

Data Analysis and Interpretation: The second picture is determined by analyzing the data and activities of the companies it works with and there are five variables: Productivity, Income, Availability of Money, Production, Quality and Capacity. Collect valuable information from bank employees and bank customers to measure customer satisfaction and employee satisfaction.

Finding: Research shows that there are differences in customer satisfaction among different groups. Jobs and incomes change every year. However, customer satisfaction does not differ significantly by gender and education level. The analysis shows that there are differences in the happiness of employees of different ages and professions, but there is no difference in employee satisfaction due to gender difference.

Conclusion: The **a**nalysis shows that people are more important than money in finance. Banks that fulfill their human responsibilities such as social participation, customer satisfaction, and employee satisfaction are successful.

Keyword: Commercial Banks, Productivity and Social Relations, Employee Performance and Satisfaction

1. INTRODUCTION:

Financial institutions play a significant role in the Indian economy. In fact, financial institutions of every country are the lifeblood of the economy. Banks are important in today's society. Banks have played a decisive role in India's financial development and form the basis of the country's currency. Financial institutions perform three main functions in the economy: making payments, promoting savings and distributing money. Financial institutions are at the heart of financial management and play a key role in delivering monetary policy across the economy. Successful companies can attract more investment and help accelerate business growth.

International experience proves that countries that support free trade have experienced rapid and stable growth. The only "resource" that can be created to achieve good education is the workforce (intellectuals have tried to do the same but failed). This means that employees can combine new skills with previous experiences to create new ideas. Therefore, the bank provides training and support according to the changing needs of schools. Employee performance refers to the evaluation of the performance of company employees/teams. Productivity of employees is always important, especially in sectors like finance, where ideas are easy to define but products are hard to calculate. There are many ideas and researches to increase employee productivity, but currently there is no research that measures employee productivity, especially in the finance sector. While Indian banks have taken many steps to increase the productivity of senior executives and board members, there are very few studies that do a good job of measuring, evaluating and examining the actions taken by employees in Indian banks. This study is based on 10 years of SCB data collection. According to the available analysis information, economic indicators such as per capita income and per capita employment are used along with other indicators to measure the productivity of bank

employees. This workforce development strategy involves using real-time data to understand the performance of Indian banks.

This article explains that financial institutions in any country are the lifeblood of the economy. Banks are important in today's society. International experience proves that countries that promote free trade develop rapidly and steadily. To be effective, employees are "resources" that can only be used for training. This means that employees can combine new knowledge with previous experiences to create new ideas/solutions. Stavros. (1997) stated that customer satisfaction is an important factor in bank sales and has a long term financial impact on the banking sector. To evaluate the performance of Bagalkot District Commercial Bank in terms of customers and employees are satisfied. Analytical method use for the study both quantitative as well as qualitative analysis. Secondary and primary data used in this research. Standard value is 150. 4 means satisfied, 5 means satisfied but not comfortable. H0: There is no difference in satisfaction among bank employees in different parts of Bagalkot district. The second picture was determined by analyzing the data and activities of the company he works for with five variables: performance, income, income, production, quality and investment. Collect valuable information from bank employees and bank customers to measure customer satisfaction and employee satisfaction. Jobs and incomes change every year. However, there is no significant difference in customer satisfaction due to gender and education level difference. The analysis shows that there is a difference in employee satisfaction among different ages and professions, but there is no difference in employee satisfaction due to gender difference. Banks provide human services such as community involvement, customer satisfaction and employee satisfaction.

2. LITERATURE REVIEW:

The survey data includes bank performance, bank employee satisfaction dimensions, employee performance and satisfaction, corporate responsibility and financial evaluation indicators.

According to **Suriyamurthi, S., Karthik, R. and Mahalakshmi. (2012),** Indian financial sector has become one of the strongest drivers of India's economic growth.

According to **Pandey, I. M. (2005),** Researchers have conducted many studies measuring the economies of different countries, giving different views on the market. When evaluating banking performance, factors such as ROA and ROI are often used to measure the profitability of the bank. However, academics and leaders in today's schools are increasingly realizing and arguing that performance measurement is always based on financial measures and that the performance of companies cannot be measured.

According to **Palazzi, Marcelo and Starcher, George. (2006)** it is stated that excessive financial measures may increase the short-term profits of the organization but may threaten the long-term profits by leading to loss of competitive position. Non-financial criteria such as customer satisfaction, employee satisfaction and accountability are necessary for the success of any financial institution.

According to **Soteriou, Andreas and Zenios, A. Stavros. (1997)** pointed out that customer satisfaction is very important in bank sales which have a long-term financial impact on the banking sector.

According to **Stiles, Philip and Kulvisaechana Somboon**. (**2012)** Job development in banks depends on human performance and satisfaction. High performance in human capital and employee satisfaction leads to high performance in the banking sector.

J P. Doh, S D. Howton, S W. Howton (2011), Researchers found that banks that fulfilled their responsibilities in daily operations were more profitable than banks that did not. The relationship between corporate responsibility and short- and long-term financial performance.

Mohan (2005) the performance of India's four largest banks (including the newly established bank) and four Chinese banks shows that employees of India's three largest public companies, excluding private banks, perform better.

Kumar and M. (2007) Inefficiency is the main factor contributing to the high cost of banking services in India. A study conducted on labor productivity and labor cost comparison between traditional and modern banks from 1997 to 2008 concluded that modern banks (foreign banks, national banks and new banks) performed better than traditional banks (public sector banks and old banks). However, the gap between the performance of modern banks and traditional banks was found to be narrow.

Krugman (1994) He said that there are problems that can affect international comparisons, such as the use of foreign languages when measuring working hours and historical data. The staff of the Industrial Bank was established between 2001-2015.

Das and Patra (2016) analyzed the productivity and performance of public finance companies after the 2008 financial crisis.

Mahila Vasanthi Thanga and Thoushifa. T (2016) concluded that efficiency in banking is mainly affected by branches and employees. More branches, lower productivity and vice versa is the only solution to increase the productivity and soundness of their business.

A study by Pandey and Singh (2015) has shown the efficiency of banks during 2008-13 in the era of internet technology which has developed ways to improve the products of banks.

3. OBJECTIVES OF THE STUDY:

It is study on the data analysis and the inconsistencies in the data analysis, the objectives are as follows:

- ➢ To analyze the relationship between financial performance and performance of commercial Banks in Bagalkot district.
- ➢ To analysis the performance of commercial banks with customers and employees satisfaction in Bagalkot district.

4. RESEARCH METHODOLOGY:

This section discusses the research used in this study which includes:

Statistical Techniques: Statistical techniques used for both quantitative and qualitative analysis.

Source: Secondary data and primary data used in this research.

Sampling size: 150

Research instruments: Three qualitative questionnaires were designed to collect important data. Questionnaire A is designed to measure customer satisfaction. Questionnaire B is designed to measure employee satisfaction. Questionnaire C is designed to measure the importance of bank performance. The nature of the questions in each survey. Based on data analysis and interviews with experts in the relevant fields, there are 10 questions in Study A and 15 questions in Study B. For example, in the scale used in the study, 1 less satisfied, 2 not satisfied, 3 neutral, 4 satisfied, and 5 more satisfied.

Research questions:

1. How does Bagalkot District Commercial Bank contribute to customer satisfaction?
2. Are the bank employees satisfied?

3. Hypothesis testing:

1. H0: There is no variance between customer satisfy in banking in different parts of Bagalkot district.
2. H0: There is no variance between the satisfy stages of bank employees in different parts of Bagalkot district.

This section discusses the research methodology adopted for the present study which includes:

5. DATA ANALYSIS:

Secondary data is determined by analyzing the data of the companies in which the bank operates and its activities in the society and is collected from five variables: efficiency, income, productivity, asset quality and capital adequacy. The annual CSR of the bank is measured by nine variables: rural expansion, importance of credit, environmental protection, health, welfare, public cleanliness, women's health, farmers' health, new CSR initiatives, financial literacy and education. In order to measure customer satisfaction and employee satisfaction, important information is collected by bank employees and bank customers. In addition, people are increasingly aware of the importance of business operations such as finance and human resources in improving the company's performance. To achieve this, we reached out to bank executives and industry experts to get their views on the importance of this study.

Table No.1:

Demography study

Sample Unit	Sample Size	%	Margin of Error	Confidence Level
Banks' Customer	121	80.67%	1.78	99%
Banks' Employees	29	19.33%	1.78	99%
Total	**150**	**100%**		

(**Source:** field survey of commercial banks of Bagalkot district)

Table 1 above shows that the population size is calculated based on the data taken from the Reserve Bank of India website. So the number of participants and employees in the bank is equivalent to 150 people. Use a different number on each page to select the amount. So a total of 7 cities are selected for this study.

5.1 Reliability and Validity Tests:

To assess the validity and applicability of the questionnaire as a whole, the reliability and validity of the research instrument was examined. In this study, all the questions were tested on 150 respondents from Bagalkot district.

Table No.2:

Reliability Test

Sample Unit	Number of Respondents	Cronbach's Alpha
Customer satisfaction	121	0.6712
Employee satisfaction	29	0.6497
Total	**150**	

Cronbach alpha was used to examine the reliability of the questionnaire. In Table 2, the Cronbach α value of the two questionnaires is above 0.60, which shows that the reliability of the two questionnaires is high. In order to evaluate the validity of the questionnaire, the questionnaire was sent to the bank and other department employees and all the items of the questionnaire were discussed with them. Question B aims to determine the importance of finance and banking personnel.

Table No.3:

Variables test:

Variable	Description	Expected
Liquidity	The ratio of debtors and short-term loans to total assets, loan-to-deposit ratio and loans to total assets	Positive
Profitability	Income as a percentage of total assets, non-interest income as a percentage of total assets, and interest income	Positive
Efficiency	Human capital efficiency, structural capital efficiency and capital efficiency ratio	Positive
Asset Quality	Net advances are included in non-performing assets, all advances are included in non-performing assets, and total loans are included in credit losses.	Positive
Capital Adequacy Ratio	The ratio of Equity Capital and Free reserves and Debts	Positive

5.2 Regression Analysis:

Table No.4:

Regression Results

Variable	Beta	t-value	Sig.
Individual Variable:			
Liquidity	.014	.007	1.628**
Profitability	.173	.104	1.124*
Efficiency	.104	.123	0.619
Asset Quality	-.113	.006	-2.346*
Capital Adequacy Ratio	.027	.012	2.291*
Dependent Variable:			
R Square	0.431		
F-Test	=9.115		
Significant level	0.01		

* Significance level is 1%.

** Significance level is 5%

5.3 Chi Square test:

Customer satisfaction:

Customer satisfaction is also analyzed as a customer. The chi-square test is used to measure differences in customer satisfaction according to customer characteristics such as age, occupation, annual income, and qualifications.

Table No.5:

Chi Square Results

Demographic Variables	Chi Square Value
Age	22.627
Gender	3.116
Educational Qualification	16.091
Occupation	87.318
Annual Income	19.371

*Significant at 1% level of significance

As seen in Table No. 5, there are significant differences in customer satisfy among different age groups, occupations and income groups. However, there is no significant difference in customer satisfaction according to gender and education level.

Employee satisfaction:

Employee satisfaction was also analyzed according to demographic factors. The chi-square test is used to measure differences in employee satisfaction according to demographic characteristics such as age, gender and occupation.

Table No.6:

Chi Square Results

Demographic Variables	Chi Square Value
Age	14.816
Gender	3.194
Job tenure	29.137

*Significant at 1% level of significance

As can be seen from Table 6, there are significant differences in employee satisfaction among different age groups and different occupations. However, there is no significant difference between the genders of the employees.

6. HYPOTHESIS ANALYSIS:

Customer Satisfaction:

Research Question 1: Is there any difference in customer satisfaction in banking among the four districts of Bagalkot district namely north, south, east and west?

Hypothesis testing: H0: There is no difference in customer satisfaction among different districts of Bagalkot in the banking sector.

Results analyzed: F test is 0.479 and P value is 0.697. It is seen that there is no significant difference in customer bank satisfaction in different areas of Bagalkot.

Employee satisfaction:

Research Question 2: How satisfied are the bank employees in the four districts of the west?

Hypothesis testing: H0: here is no difference in the satisfaction of bank employees in different parts of Bagalkot.

Results analyzed: F test is 1.005 and P value is 0.392. So this shows that there is no high level of difference among bank employees in different parts of Bagalkot district.

7. FINDINGS:

➤ The study found that negative financial results in return on assets have a positive relationship with income, profitability, asset quality and sufficient resources.

➤ Studies show that there are differences in customer satisfaction among different groups. Job, income changes every year. However, no significant difference is observed in customer satisfaction due to gender and education difference.

➤ The analysis shows that there are differences in employee satisfaction among different ages and different professions, but employee satisfaction does not differ due to gender differences.

➤ The satisfaction survey of company employees shows that job characteristics, management behavior, work environment, training and development, interaction, personal satisfaction and wages and benefits are the six major factors affecting employee satisfaction. All these factors affect the interests of all workers in the Indian economy.

8. CONCLUSION:

Financial markets are currently operating in an unstable and uncertain environment. Competition is fierce and all banks are finding it difficult to grow, gain stability and succeed in the banking sector. In this context, this study presents all the ways to measure the performance of financial institutions, where both financial and non-financial tools are used to measure the performance and performance of financial institutions. Performance standards are set by standards and the performance of Indian companies is also set by standards. From the analysis, it is seen that money and people are more important than money. Banks that fulfill their human responsibilities such as social participation, customer satisfaction, and employee satisfaction are successful. In addition, managers need to pay attention to events occurring in the business environment in order to make more profit. Use appropriate and timely strategies to improve the performance of the entire organization in financial services, especially in the business world; internationalization has increased the need for performance management.

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