REVIEW OF LITERATURE:

1. Dr. Tamilarasu, A. (2014) published a paper entitled “Role of Banking sector on financial inclusion development in India” in Galaxy international interdisciplinary research journal. ISSN 2347-6915

In this paper he concluded for standing out on a global platform, India has to look upon the inclusive growth and financial inclusion is the key for inclusive growth. There is a long way to go for the financial inclusion to reach to the core poor according to K. C. Chakrabarty RBI Deputy Governor “Even today the fact remains that nearly half of the Indian population doesn’t have access to formal financial services and are largely dependent on money lenders”.


In this paper they both concluded that there are 185 million bankable adults in rural India who are unbanked because of access and usage issues. This presents a significant opportunity for commercial banks. However, to reach this market and subsequently build an inclusive financial system, there must be a coordinated and concerted effort by the three key stakeholders: the Government of India, the Reserve Bank of India and the commercial banks. In addition, a partnership between banks and business correspondents, and collaboration amongst banks is critical. Furthermore, banks should tailor their product and service mix to meet rural.


In this paper they concluded with much scope in the avenues for operations, the true challenge for the banks in the current scenario is to stand out in the midst of hard-hitting regulations of the apex body. Globalization, consolidation and want of expertise are drastically redefining the banking taxonomy. Thus the participants, be it a Indian financial player or a foreign entrant in the retail sector have to adopt a different approach in everything viz., products, services to hold the Indian market share, as a popular saying goes as variety is the spice of life.

Teachers in the Kumasi Metropolis” in International Journal of Academic Research in Business and Social Science. ISSN 2222-6990 Volume 4.

In this paper she concluded that the findings of the study will fill the gap in literature with respect to what teachers in senior high schools in Ghana consider before banks are selected – because previous researches according to the available literatures have been focused on the students, domestic population and other variables towards their selection. This study has successfully examined the major factors responsible for the choice of bank by teachers in the Kumasi metropolis based on participants’ perception of various important variables. The findings revealed that six factors influenced the choice of bank for teachers in senior high schools in the Kumasi metropolis. The factors were: Service charge, Longevity of the bank, Easy to get loans, Reputation, Security as well as Interest on savings.

5. Sood Deepak and Dr. Kaur Navdeep (2015) published a paper entitled “A Study of Saving and Investment pattern of salaried class people with special reference to Chandigarh (India)” in International Journal of research in Engineering, IT and social sciences. ISSN 2250-0588 Volume 5

In this paper they concluded that today, the living standard of the people increasing day by day so salaried class community has started realizing the importance of savings and proper investment of their savings. They avoid spending money on heavy luxurious life style and preferring the normal living standard. It is evident from the study undertaken that most of the people are saving their money for children’s education, marriage and to fulfil the other goals of life. There are bright chances to increase the saving and investment habits of salaried class people at Chandigarh.


In this he concluded that Merger is the useful tool for growth and expansion in Indian Banking Sector. It is helpful for survival of weak banks by merging into larger bank. This study shows that impact of merger on financial performance of Indian Banking sector. For this a comparison between pre and post merger performance examined in terms of Gross Profit margin, Net Profit margin, Operating Profit margin, Return on Capital employed, Return on Equity and Debt equity ratio. In the present case study , the return on equity , debt –equity ratio and Gross Profit margin
has shows the improvement after the merger and for the purpose and objective of the study, investigator apply t-test for analyzing the pre and post merger performance of banks and result suggested that after the merger the financial performance of the banks have increased. The most important is that to generate net higher profit after the merger in order to justify the decision of merger undertaken by the management to the shareholders.


In this they concluded that there is enough evidence to show that employees who were trained on a regular basis are the ones who provide a higher quality services to the customers. To develop an integrated and proactive training and development strategy there is requirement of coherent corporate culture rather than ad-hoc programs. In a service oriented industry such as banking, people are among the most important assets and a bank must efficiently manage its employees during every phase of employment in this competitive arena. It is concluded that public sector banks undertake training and development programmes for their employees to increase their efficiency. Banks provide training programmes to enhance their knowledge and skills to satisfy the customers. Growth of banking sector in India is the result of skilled manpower which is the outcome of training and development.


In this she concluded that E-banking is a borderless entity permitting anytime, anywhere and anyhow banking. This facilitates us with all the functions and many advantages as compared to traditional banking services. During this step of the process, controls that could mitigate or eliminate the identified risks, as appropriate to the organizations operations, are provided. The goal of the recommended controls is to reduce the level of risk to the IT system and its data to an acceptable level.


In this research paper they discussed the application of queuing theory to the Bank ATM. From the result they have obtained that, the rate at which customers arrive in the queuing system is 1 customer per minute and the service rate is 1.50 customers per minute. The probability of buffer
flow if there are 3 or more customers in the queue is 10 out of 100 customers. The probability of buffer overflow is the probability that customers will run away, because may be they are impatient to wait in the queue. This theory is also applicable for the bank, if they want to calculate all the data daily and this can be applied to all branches ATM also. The constraints that were faced for the completion of this research were the inaccuracy of result since some of the data that they use was just based on assumption or approximation. They hope that this research can contribute to the betterment of a bank in terms of its functioning through ATM. As their future work, they will develop a simulation model for the bank ATM. By developing a simulation model they will be able to confirm the results of the analytical model that they develop in this paper. By this model, it can mirror the actual operation of the ATM more closely.


In this paper they presents an empirical study of selection criteria used by teachers in the various Senior High Schools in Ghana towards the selection of their banks. The study employed a descriptive survey research design which helped in relating a large number of teachers and comparing their opinions. The utilization of quantitative and qualitative research methods were adopted using responses given by 250 Senior High School teachers in the Kumasi metropolis. A non-probability convenience sampling technique was used. Primary and secondary data sources were also used. The data was collected using self-administered questionnaires while projective technique was also adopted in getting instinctive information from the teachers. The data was then coded, cleaned, analyzed and interpreted with the help of Statistical Package for Social Scientists (SPSS) – where factor analysis and regression model were used to analyze the data. The study revealed that six factors influenced the choice of bank among Senior High School teachers in the Kumasi metropolis. The factors were: Interest on savings, the reputation of the bank, the security of the bank, Easy to obtain loans, the longevity of the bank as well as a low service charge on account. The study established that teachers in the Kumasi metropolis considered reputation as well as the long existence of banks as their determinant factors in selecting Banks.

The study recommended for Bank management to be aware that, bank selection determinants differ from one segment to another even in the teaching profession - from the Junior High School
level teachers to the University lecturers. The study also recommended for a frequent research on
the needs of teachers towards the selection of their banks – since the revelation had shown that
teachers are very sensitive when it comes to Bank selection. The findings of the research have
several scientific and managerial implications that would add to the existing literature as well as
future research on managerial practices in attracting teachers to banks.

Indian Banks” in the international journal of recent advances in organisational behaviour and
decision science. ISSN XXXX-XXXX Volume 1.

It is concluded that private and public Indian banks undertake training and development
programmes for their employees to increase their efficiency.

Banks provide training programmes to enhance their knowledge and skills to satisfy the
customers.

Growth of banking sector in India is the result of skilled manpower which is the outcome of
training and development.

in India with special reference to lending practices” in international journal of scientific and
research publications. ISSN 2250-3153 Volume 2.

In this they present that banking business has done wonders for the world economy. The simple
looking method of accepting money deposits from savers and then lending the same money to
borrowers, banking activity encourages the flow of money to productive use and investments.
This in turn allows the economy to grow. In the absence of banking business, savings would sit
idle in our homes, the entrepreneurs would not be in a position to raise the money, ordinary
people dreaming for a new car or house would not be able to purchase cars or houses. The
government of India started the cooperative movement of India in 1904. Then the government
therefore decided to develop the cooperatives as the institutional agency to tackle the problem of
usury and rural indebtedness, which has become a curse for population. In such a situation
cooperative banks operate as a balancing centre. At present there are several cooperative banks
which are performing multipurpose functions of financial, administrative, supervisory and
development in nature of expansion and development of cooperative credit system. In brief, the
cooperative banks have to act as a friend, philosopher and guide to entire cooperative structure.
The study is based on some successful co-op banks in Delhi (India). The study of the bank’s
performance along with the lending practices provided to the customers is herewith undertaken. The customer has taken more than one type of loan from the banks. Moreover they suggested that the bank should adopt the latest technology of the banking like ATMs, internet / online banking, credit cards etc. so as to bring the bank at par with the private sector banks.


In this paper they expressed with their research that commercial banks play the vital role in the economy of any country. Their aim behind this study is to evaluate the profitability of the 23 commercial banks operating in Pakistan for the period of 2009 to 2012. There are internal and external factors that affect the profitability of commercial banks of any country. Internal factors or management factors include the management policies, capital ratios, Risk management etc and external factors include inflation, government policies etc. they study undertakes the only internal factors that impact on the profitability of the commercial banks in Pakistan. This study used the ordinary least square (OLS) method to look into the impact of cost efficiency, liquidity, capital adequacy, deposits and size of the bank on the profitability (ROA) of the commercial banks. I have used the Descriptive statistics that include mean, median, minimum, maximum and standard deviation. Other method includes correlation analysis, regression analysis and natural logarithm of total assets technique. The empirical findings of my study is that cost efficiency, liquidity and capital adequacy are those variables in the check of management that decide the profitability of commercial banks operating in Pakistan. Other variables like deposits and size of the bank did not demonstrate any impact on profitability.


In this paper they concluded that the result of the study indicates that layoff threats, quick turnover, less welfare schemes, and less scope for vertical growth increase job dissatisfaction. On the other hand, secure job environment, welfare policies, and job stability increase the degree of job satisfaction. Efficient human resource management and maintaining higher job satisfaction level in banks determine not only the performance of the bank but also affect the growth and performance of the entire economy. So, for the success of banking, it is very important to
manage human resource effectively and to find whether its employees are satisfied or not. Only if they are satisfied, they will work with commitment and project a positive image of the organization.


In this paper they concluded that, it is clearly in the interest of banks to encourage their customer base to use online banking. Current designs of online banking systems do not address users’ needs and expectations of online banking. User-centred design methods can achieve this. Internet, phone, paper, statements, ATM and visit to the branch all need to appear as one holistic experience [8] for the customer who is ‘anybody. In India, banking, like several other transactions, continues to be relation-based and in need of human assurance and intervention, technology notwithstanding. Hence this is particularly significant. True benefits will be seen when banks use this technology to offload customer service costs and increase sales by maximizing self-service. As 21st century banking users entrust the care of one of their most important assets to cyber space, a seamless, stress free and successful experience is essential. Design with users’ success as focus, content understandable by ‘anybody’, supported with demos and help to reduce intimidation, will justify investment in online through increased usage by satisfied customers.


In this paper she concluded that this work is one of the first attempts to map the trend in the research on IB or EB in the developing and emerging economies. The main purpose was to give a current picture of research endeavours in the area of IB, expose any gaps in the research and propose future directions into IB adoption and usage research in developing countries. The key findings have shown that most research into IB has been carried out in Asia while the most under-researched regions are South America and the Caribbean. In the African continent, the highest research on IB has been done in Nigeria, followed by Ghana, Mauritius and Tunisia. Results also reveal that research on IB adoption is yet to be done in many African countries. This shows a huge research gap which indicates that more research work has to be carried out in Africa to evaluate the factors affecting the adoption and implementation of IB in the region.
Even though all efforts were made during the literature search covering four major databases indexing over 8000 journals in various academic areas, this review cannot be considered exhaustive due to the diverse outlets for publications of research on IB and the continuous increase in journals around the world. Also, the article inclusion criteria focused on peer reviewed journals hence research studies that were published in conference proceedings and other non-academic outlets which could also contribute to the research trends were eliminated from the analyses. However, we are confident that the scope of the library of articles consulted and the findings that have emerged from the analysis is representative of the current research trends on IB in developing countries.


In this paper they concluded that India is primary agricultural based and rural density populated country compared with urban areas, which needs the financial assistance as well as rural friendly, policies to develop rural areas. The RRBs are playing a vital role in the development of rural and needy agriculture poor people in all spheres. The APGVB is one of the growing banks in Andhra Pradesh to serve the poor agricultural farmers. The APGVB will expand its branches all over the rural areas in AP to assists the farmer’s financial plight. There is a consistent improvement in all the thrust areas of the bank. The growth of branches for the study period is meagre which is not in tune with the population growth in absolute figures. Hence there is every need for APGVB to increase the number of branches in order to increases its network and also to facilitate the small and medium farmers. By analyzing the performance of the APGVB the bank has to improve the credit facility system to agriculture farming communities.


In this paper they estimate the amount of tightening in bank C&I loan rates during the recent financial crisis. After controlling for loan characteristics and bank fixed effects, as of 2010:Q1, the average C&I loan spread was 66 basis points or 23 percent above normal. From about 2005 to 2008, the loan spread averaged 23 basis points below normal. Thus, from the unusually loose
conditions in 2007 to the much tighter conditions in 2010:Q1, the average loan spread increased by about 1 percentage point. Large and medium-sized banks were found to tighten their loan rates more than small banks; and while small banks tended to tighten less, they always charged more. Using loan size to proxy for bank-dependent borrowers, while small loans tended to have a larger spread than large loans, the amount of tightening in small loans was actually less than in large loans, in both absolute and percentage terms. Hence, the results do not indicate that bank dependent borrowers suffered more from bank tightening than large borrowers. The channels through which banks tightened loan rates include reducing the discount on large loans and raising the risk premium on more risky loans. There also is evidence that non commitment loans were priced significantly higher than commitment loans at the height of the liquidity shortfall from late 2007 to early 2008, but this premium dropped to zero following the introduction of emergency liquidity facilities by the Federal Reserve.

In a cross section of banks, certain bank characteristics are found to have significant effects on loan prices, including loan portfolio quality, capital ratios, and the amount of unused loan commitments. These findings provide evidence in support of the supply-side effect of loan pricing.

19. Dr. Bhardwaj Bhawana, Dr. Sharma Nisha and Dr. Sharma Dipanker (2013) published a paper. In this paper they concluded that National output is increase for future by investment. Investment dependents upon awareness about investment opportunity, level of knowledge, evaluation of investment opportunities and selection of investment options. Research states that maximum respondents have selected as Bank deposits and Provident fund as Investment Avenue. Investors preferred stability in return of investment. Investors in income group of Rs. 2,00,000 to 2,50,000 have more knowledge about security markets. Only few respondents have invested money in share market and in Debentures. Researchers suggest that the steps should be taken to change the pattern of investment of household sector for benefit of industrial sector.

20. Umambheswari S., Dr. Kumar Ashok M. (2013) published a paper. In this paper they conclude that when one know the existence of a new thing is known as awareness. External sources are responsible for creating, modifying and shaping investment decision of investors. Televisions, Radio, Print media, personal consultation for expert, relatives, friends etc are responsible for decision investment decision. Research study reveals that 81.20 percent of respondents are having low awareness about investment avenues. Sex and awareness
levels states that females are more aware about investment avenues. Unmarried people invest move that married people. People from rural area are less aware about different investment avenues. Awareness as per family members people with two earning members in family have more awareness about invest avenue. Study helps in understanding the socio economical variables that affects the investment pattern of investors.

In this paper they concluded that additional income or growth in value can be achieved by investment. Waiting for rewards is the main characteristic of investment. Investment is allocation monetary resources to get returns over given period. Surplus funds are invested with different channels by salaried class people. This research analyses the different investment avenues. 81 percent respondents faced problem at the time of investment. Maximum respondents have invested in Bank deposits, Insurance over shares and security market, real estate. Those respondents who have secured educational qualification upto college level are more satisfied with their investment patterns. This study helps in identifying the problems faced by the investors and suggest the correct direction to solve the problem.

22. Prashanta Athma (2000), in his Ph D research submitted at Usmania University Hyderabad, “Performance of Public Sector Banks – A Case Study of State Bank of Hyderabad, made an attempt to evaluate the performance of Public Sector Commercial Banks with special emphasis on State Bank of Hyderabad. The period of the study for evaluation of performance is from 1980 to 1993-94, a little more than a decade. In this study, Athma outlined the Growth and Progress of Commercial Banking in India and. analyzed the trends in deposits, various components of profits of SBH, examined the trends in Asset structure, evaluated the level of customer satisfaction and compared the performance of SBH with other PSBs, Associate Banks of SBI and SBI. Statistical techniques like Ratios, Percentages, Compound Annual rate of growth and averages are computed for the purpose of meaningful comparison and analysis. The major findings of this study are that since nationalization, the progress of banking in India has been very impressive. All three types of Deposits have continuously grown during the study period, though the rate of growth was highest in fixed deposits. A comparison of SBH performance in respect of resource mobilization with other banks showed that the average growth of deposits of SBH is higher than any other bank group. Profits of SBH showed an increasing trend indicating a more than
proportionate increase in spread than in burden. Finally, majority of the customers have given a very positive opinion about the various statements relating to counter service offered by SBH.


24. Singh R (2003), in his paper Profitability management in banks under deregulate environment, IBA bulletin, No25, has analyzed profitability management of banks under the deregulated environment with some financial parameters of the major four bank groups i.e. public sector banks, old private sector banks, new private sector banks and foreign banks, profitability has declined in the deregulated environment. He emphasized to make the banking sector competitive in the deregulated environment. They should prefer noninterest income sources.

25. Singla HK (2008), in his paper,’ financial performance of banks in India,’ in ICFAI Journal of Bank Management No 7, has examined that how financial management plays a crucial role in the growth of banking. It is concerned with examining the profitability position of the selected sixteen banks of banker index for a period of six years (2001-06). The study reveals that the profitability position was reasonable during the period of study when compared with the previous years. Strong capital position and balance sheet place, Banks in better position to deal with and absorb the economic constant over a period of time.
26. The focal point of the study made by Das and Udaykumar Lal (2002), in his book Banking Reforms in Lead Bank Scheme, (Deep and Deep Publication, New Delhi) was the critical evaluation of the lead bank scheme in the light of banking sector reforms. Das in this book observed that high level of NPAs, large number of un-remunerative branches, low productivity, overstaff and archaic methods of operations have affected the profitability of public sector banks. Das sincerely felt that the whole banking sector in India is to be revolutionized to cope with the changing dimensions of the satellite one world. Further, he felt that the backward areas should be given more funds for investment in priority sectors and more and more people should be brought under its coverage and the procedures of extending credit should be simplified and there should be least hassle cost.

27. Subramanian and Swami (1994) in their paper, Comparative performance of public sector banks in India”, Vol. XXII, have analyzed and compared the efficiency in six public sector banks, four private sector and three foreign banks for the year 1996-97. Operational efficiency is calculated in terms of total business and salary expenditure per employee. The analysis revealed that higher per employee salary level need not result in poor efficiency and business per employee efficiency co-efficient was also calculated. Among the PSBs, Bank of Baroda registered the high efficiency and operating profit per employee. Among the private sector banks Indus Bank followed by Citibank Registered highest and second highest operating profit per employee respectively. However, among the Nationalized Banks there existed wide variations in efficiency. Frequent changes are order of the day for the topics of this nature. Therefore, one should rely on latest information. Some organizations like, RBI, IBA, SBI and ICRA have carried out several research studies on various issues relating to banking and exclusive banking journals/periodicals like Bank Quest, The Bankers, RBI occasional papers, RBI bulletins and general magazines like Business Today, Business India, Finance India, have been publishing papers on various aspects like NPAs, capital adequacy, branch expansion, credit dispensation, deposit mobilization, service quality, technology, performance evaluation, etc. Same studies and papers suitable to this study are being reviewed here.

28. SBI Research Department in 2000, through its paper “Performance analysis of 27 Public sector banks” published in SBI monthly review performance, Vol. XXXIX, was prepared by Economic Research Department of State Bank of India, is to analyze the Performance of the 27 Public Sector Banks for the year 1999-2000 vice-a-versa the preceding year. Selecting four different
categories of indicators-Business Performance, Efficiency, Vulnerability and labour productivity indicators, carried out the analysis. Altogether, 39 indicators were selected for this purpose. For the purpose of analysis, 27 PSBs disaggregated into four groups, namely, the SBI, ABs (7), the SBGs (8), and the NBs (19). During 1999-2000, the PSBs exhibited better show in terms of several parameters studied above. Nevertheless, the problems of NPAs and capital adequacy remain to be taken care of.

Researchers in this paper pointed that greater operational flexibility and functional autonomy should be given to PSBs especially to strengthen their capital base. Further, they felt that since net interest margin will continue to remain compressed in a deregulated interest rate regime, a lot of effect would have to be made to mitigate this through generation of non-interest income. As far as NPAs are concerned, they believe that, the outdated laws and regulations that pose hindrance to banks in getting back their dues need to be suitably amended.

29. Ram Mohan TT(2003), in his paper ‘Long run performance of public and private sector bank stocks” Vol. 37, has made an attempt to compare the three categories of banks-Public, Private and Foreign-using Physical quantities of inputs and outputs, and comparing the revenue maximization efficiency of banks during 1992-2000. The findings show that PSBs performed significantly better than private sector banks but not differently from foreign banks. The conclusion points to a convergence in performance between public and private sector banks in the post-reform era, using financial measures of performance.

30. D'souza in his study evaluated the performance of Public sector, private sector and foreign banks during the period 1991 to 1999-2000. The efficiency of the banking system was measured in terms of spread/working funds ratio and turnover / employees ratio. With reference to the spread working funds ratio, the efficiency of the commercial banks as a whole has declined in the post-reform period. The Public Sector Banks’ have been responsible for this decline in efficiency, as the efficiency of the private and foreign banks has improved over the course of 1990s. Through the turnover/employee ratio has risen in the public sector banks, the turnover per employee in the private and foreign banks doubled relative to the ratio for public sector banks during this decade. However, the analysis revealed that the profitability of the public sector banks in late nineties improved relatively to that of private and foreign banks.

31. Kusum W. Ketkar examined the efficiency and productivity growth in the Indian Banking Sector from 1990 to 1995 using the Data Envelopment Analysis methodology. Due to data availability
problems at the individual bank level, the study includes only 39 banks. Several conclusions stand out. First, for the sample, the overall technical inefficiency is about 31 per cent and has remained stable over the examined period. Second, foreign banks showed the highest level of efficiency. Third, between 1990 and 1995, state and private banks experienced a reduction in pure technical efficiency, while for the nationalized and the foreign banks, it remained the same. Further, the size has found to be positively related to pure technical efficiency and to the number of branches negatively. Fifth, fewer branches and metropolitan location of foreign banks, perhaps partially explains their efficiency over domestic banks. This paper finally concludes that Indian domestic banks need to greatly improve their efficiency through introduction of computer technology, improved management skills and through consolidation and merger of banks.

32. Singh (2003) analyzed profitability management of banks under the deregulated environment with some financial parameters of the major four bank groups i.e. public sector banks, old private sector banks, new private sector banks and foreign banks, profitability has declined in the deregulated environment. He emphasized to make the banking sector competitive in the deregulated environment. They should prefer non-interest income sources.

33. Nair KNC (2006) in his paper ‘Banking and Technology to meet 21st Century challenges’, published in Bank net India, has discusses the future challenges of technology in banking. The author also point out how IT poses a bright future in rural banking, but is neglected as it is traditionally considered unviable in the rural segment. A successful bank has to be nimble and agile enough to respond to the new market paradigm and ineffectively controlling risks. Innovation will be the key extending the banking services to the untapped vast potential at the bottom of the pyramid.

34. Shroff FT (2007) in his paper, Modern Banking Technology, - Bank net Publications has given a summary of how Indian banking system has evolved over the year. The paper discusses some issues face by these systems. The author also gives examples of comparable banking system for other countries and the lesson learnt. Indian banking is at the threshold of the paradigm shift. The application of technology and product innovations is bringing about structure change in the Indian banking system.

35. ICRA (2003),In a the paper titled “comparative study on Indian banking”, tried to analyse the fast-changing environment, the Indian Bank's Association (IBA) has Commissioned ICRA Advisory Services (ICRA) to carry out a study to benchmark the strengths and weaknesses of
Indian Banks against those of select international banks. The scope of work for the study is to benchmark the performance of Indian Banks vice-a-versa select global banks along three dimensions-structural factors, operational factors and efficiency factors. As suggested by IBA, 21 Indian Banks (those with asset over Rs. 20,000 Crore as on 31st March, 2003) and Seven International Banks have been selected for the study. The parameters, which have been used for benchmarking, are Risk weighted capital norms, Income Recognition norms, asset classification norms, provisioning norms, which come under "Structural Parameters". Return on Assets, Return on Equity, Net interest margin, Operating expense ratio and Asset quality are concerned with "Operational Parameters". Business per employee, Business per branch, Operating expenses per Branch, Establishment expenses per employee, profitability per employee, profitability per Branch are 'Efficient Parameters'.