Chapter–VII

PROFILES OF BANK EMPLOYEES IN RURAL BANKING AND THEIR ATTITUDES
CHAPTER-VII

PROFILES OF BANK EMPLOYEES IN RURAL BANKING AND THEIR ATTITUDES

7.1 Introduction
7.2 Work Experience
7.3 Level of Education
7.4 Family Size
7.5 Designation
7.6 Work Experience in Rural Branches
7.7 Geographical Distance between Bank and Residence of Employees
7.8 Reasons for the Selection of Rural Branches
7.9 Attitude To Rural Banking
7.10 Level of Satisfaction of Bank Employees
7.11 Relationship between Factors and Overall Satisfaction
7.12 Difference between Employees in Attitude
7.13 Impact of Profile Variables of the Employees on Overall Attitude
7.1 INTRODUCTION

This study, without the opinion of the bank employees engaged in rural banking, will not result in a total picture of the merits and limitations of banking in the rural areas. Such bank employees have first-hand knowledge of the functioning of their branches. This study, therefore takes into account their profiles. The number of employees selected for the study is 52, with four employees drawn from each bank of each block. The age-wise distribution of employees is presented in Table 7.1.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Age</th>
<th>Number of Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1.</td>
<td>Less than 30</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>31 – 40</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>3.</td>
<td>41 – 50</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>Above 50</td>
<td>6</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>33</td>
<td>19</td>
</tr>
</tbody>
</table>

Out of 52 employees, 30 employees belong to the age group of 31 to 40, whereas 11 employees belong to the age group of 41-50 years. In total, a maximum of 57.69 per cent of the total bank employees are in the age group of 31
to 40 years. Among the female employees, all sample employees are in the age group of less than 50 years, whereas among the male employees, only six out of 33 are above 50 years.

7.2 WORK EXPERIENCE

The work experience of the employees refers to the number of years the employees have been in the banking service. Since the work experience of the employees reflects their attitude to rural banking and customers, it is included in the present study. The work experience of the employees are classified as less than 5 years, 5 to 10 years, 11 to 15 years and above 15 years. Details are presented in Table 7.2.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Work Experience</th>
<th>Number of Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1.</td>
<td>Less than 5 years</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>5 to 10</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>11 to 15</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>4.</td>
<td>Above 15</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>33</td>
<td>19</td>
</tr>
</tbody>
</table>

**TABLE 7.2**

Work Experience of the Employees
A maximum of 38.46 per cent of the total employees have a work experience of 11 to 15 years, followed by 30.77 per cent with a work experience of 5 to 10 years. Nearly 74 per cent of the total employees have a work experience of more than 10 years among the female employees, whereas among the male employees, the percentage is only 54.54 per cent to its respective total of 33 employees. Among the male employees, a maximum of 36.36 per cent have a work experience of 5 to 10 years.

Level of Education

The present study classify the education of the employees as higher secondary level, under graduation level, post graduation level and others. Since the level of education influences their attitudes to their job and to their customers, it is included in the present study. In general, the higher level of education provides more emotional balance and understanding of nature of the job, job contents and customers. Table 7.3 indicates their several levels of education.
TABLE 7.3
Level of Education

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Level of Education</th>
<th>Number of Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1.</td>
<td>Higher Secondary Level</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>Under-graduation</td>
<td>19</td>
<td>11</td>
</tr>
<tr>
<td>3.</td>
<td>Post-graduation</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Others</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>33</td>
<td>19</td>
</tr>
</tbody>
</table>

The dominant level of education of the employees are undergraduation which alone constitutes 57.69 per cent to the total, followed by 21.15 per cent of the employees with an educational background of post-graduation. Only 9.62 per cent of the total employees are at the higher secondary level. The female employees with under-graduation and post-graduation constitute 84.21 per cent out of 19 whereas among male employees, it is only 75.75 per cent out of 33 employees.

7.4 FAMILY SIZE

The family size of the employees influences their satisfaction and attitude to work. This is true of the employees of rural banks also. In the present study, the family size of the employees is classified as Two, Three, Four or more than
Four. The number of employees under different family sizes are shown in Table 7.4.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Members in the family</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Two</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>2.</td>
<td>Three</td>
<td>9</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>3.</td>
<td>Four</td>
<td>17</td>
<td>10</td>
<td>27</td>
</tr>
<tr>
<td>4.</td>
<td>More than four</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>33</td>
<td>19</td>
<td>52</td>
</tr>
</tbody>
</table>

Nearly 63 per cent of the total employees have a family size of four and more than four whereas only 5.77 per cent have a family size of two. Among the male employees, 66.67 per cent have a family size of four or more than four whereas among female employees, the percentage is only 57.89 per cent to its respective total of 19 employees. The average family size among the male employees is bigger than in the case of female employees.

7.5 DESIGNATION

The employees have different designations like Manager, Assistant Manager, Clerk cum Cashier and Sub-staff. The designation of the employees
indicates the maturity and responsibility of the employees. The designations of the sample employees are shown in Table 7.5.

**TABLE 7.5**

<table>
<thead>
<tr>
<th>Designation, Category-wise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sl.No.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
</tr>
<tr>
<td>4.</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

It is seen from the Table that clerks alone constitute 53.85 per cent to the total. Since the selected branches are rural branches, the number of assistant managers are less as they constitute only 3.85 per cent to the total. The study covers 13 managers from 13 banks. All the 13 managers are males. Female employees working as clerks are more, as they constitute 84.21 per cent to their total of 19. Among male employees, the managers and clerks constitute 39.39 per cent and 36.36 per cent respectively.
7.6 WORK EXPERIENCE IN RURAL BRANCHES

The work experience at rural branches is taken into account for the promotion of the employees. Some employees select the rural branches purposely for various reasons. In the present study, the work experience in rural branches is classified as less than 3 years, 3 to 5 years, 6 to 10 years and above 10 years. The distribution of employees according to their work experience in rural branches is presented in Table 7.6.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Work Experience</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Less than 3 years</td>
<td>6</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>2.</td>
<td>3 to 5</td>
<td>15</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>3.</td>
<td>6 to 10</td>
<td>7</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>4.</td>
<td>Above 10 years</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>33</td>
<td>19</td>
<td>52</td>
</tr>
</tbody>
</table>

Around 42 per cent of the total employees have a work experience of 3 to 5 years, followed by 26.92 per cent with a work experience of 6 to 10 years. Only 9.62 per cent of the total employees have a work experience of above 10 years. Among the females, no employees has a work experience of above 10 years but
73.68 per cent of them have a experience of 3 to 10 years in rural branches. Among the male employees, 45.45 per cent of the employees have a work experience of 3 to 5 years, followed by 21.21 per cent with a work experience of 6 to 10 years. Male employees who have more than 10 years experience are only five.

7.7 GEOGRAPHICAL DISTANCE BETWEEN BANK AND RESIDENCE OF EMPLOYEES

The distance between the residence of employees and the location of their banks shapes the attitude of employees. Generally the preference is for a bank nearer home. In this study the distance is classified as less than 5 kilometres, 6 to 10 kms, 11 to 20 kms and more than 20 kms. The distribution of employees, according to the distances is shown in Table 7.7.

**TABLE 7.7**
Geographical Distance between Residence and the Bank

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Distance</th>
<th>Number of Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1.</td>
<td>Less than 5 kms.</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>6 to 10 kms.</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>11 to 20 kms.</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>4.</td>
<td>More than 20 kms.</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>33</td>
<td>19</td>
</tr>
</tbody>
</table>
Around 71 per cent of the employees travel a minimum of 11 kilometres to reach the bank from their residence everyday, whereas only 9.62 per cent of the employees travel less than 5 kms. to the banks. The male and female employees, traveling more than 20 kilometres to reach their branch constitute 42.42 and 36.84 per cent to the respective totals of 33 and 19 employees respectively.

7.8 REASONS FOR THE SELECTION OF RURAL BRANCHES

The employees select the rural branches for several reasons. The reason may be personal or it may be due to the policy of the bank. In general, most of the employees do not select a rural branch voluntarily. The reasons for working at the rural branches are several, and so employees were asked to rank the reasons. In the present study, the reasons are nearness to the native place, nearness to the previous branch, promotion, preference for rural service, compulsory transfer and less work. The marks are assigned according to the order of preference. The average scores of various reasons are presented in Table 7.8.
TABLE 7.8

Average Scores for Reasons for Selecting Rural Branches

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Reason</th>
<th>Average Score</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1.</td>
<td>Nearness to the native place</td>
<td>3.27</td>
<td>4.63</td>
</tr>
<tr>
<td>2.</td>
<td>Nearness to the previous branch</td>
<td>3.66</td>
<td>3.42</td>
</tr>
<tr>
<td>3.</td>
<td>Promotion</td>
<td>4.02</td>
<td>4.98</td>
</tr>
<tr>
<td>4.</td>
<td>Preference for Rural Service</td>
<td>1.93</td>
<td>0.68</td>
</tr>
<tr>
<td>5.</td>
<td>Compulsory Transfer</td>
<td>4.87</td>
<td>2.37</td>
</tr>
<tr>
<td>6.</td>
<td>Less Work</td>
<td>2.67</td>
<td>0.86</td>
</tr>
</tbody>
</table>

* Significant at 5 per cent level.

The most important reasons are compulsory transfer and promotion among the male employees, as their mean scores are 4.87 and 4.02 respectively, whereas among the female employees, the primary reasons are promotion and nearness to native as their mean scores are 4.98 and 4.63 respectively. Regarding the reasons the significant differences are noticed in the case of nearness to the native place, preference for service, compulsory transfer and less work among the male and female employees.
7.9 ATTITUDE TO RURAL BANKING

The attitudes of the bank employees towards the various aspects of rural banking are measured on the five-point scale, namely highly satisfied, satisfied, moderately, satisfied, dissatisfied and highly dissatisfied. This study adopts an attitude measurement similar to that developed and tested by Ganguli (1994). Even though the aspects involved in rural banking are several, the present study is confined to variables namely informativeness, responsiveness, adjustability, human relations, repayment pattern, deposit mobilization, transactions, loan disbursement, subsidy, schemes, area coverage, furniture facilities, equipment facilities, transport facilities, building facilities, job content, job enrichment, job equity and job sharing. The attitudes of the employees to the abovesaid factors are measured on the five-point scale. The distribution of employees according to their attitude towards rural banking are summarised in Table 7.9.

# TABLE 7.9

Employees Attitude to Rural Banking

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Highly satisfied</th>
<th>Satisfied</th>
<th>Moderate</th>
<th>Dissatisfied</th>
<th>Highly dissatisfied</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informativeness of rural customers</td>
<td>14</td>
<td>7</td>
<td>13</td>
<td>12</td>
<td>6</td>
<td>52</td>
</tr>
<tr>
<td>Responsiveness of rural customers</td>
<td>11</td>
<td>13</td>
<td>9</td>
<td>10</td>
<td>9</td>
<td>52</td>
</tr>
<tr>
<td>Adjustability of rural customers</td>
<td>11</td>
<td>9</td>
<td>14</td>
<td>8</td>
<td>10</td>
<td>52</td>
</tr>
<tr>
<td>Human relationship among the rural customers</td>
<td>10</td>
<td>13</td>
<td>13</td>
<td>7</td>
<td>9</td>
<td>52</td>
</tr>
<tr>
<td>Repayment nature among rural customers</td>
<td>10</td>
<td>12</td>
<td>12</td>
<td>11</td>
<td>7</td>
<td>52</td>
</tr>
<tr>
<td>Deposit mobilisation</td>
<td>12</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td>15</td>
<td>52</td>
</tr>
<tr>
<td>Transaction</td>
<td>12</td>
<td>16</td>
<td>10</td>
<td>11</td>
<td>3</td>
<td>52</td>
</tr>
<tr>
<td>Loan disbursement</td>
<td>13</td>
<td>13</td>
<td>9</td>
<td>10</td>
<td>7</td>
<td>52</td>
</tr>
<tr>
<td>Subsidy</td>
<td>14</td>
<td>9</td>
<td>11</td>
<td>9</td>
<td>9</td>
<td>52</td>
</tr>
<tr>
<td>Schemes</td>
<td>15</td>
<td>12</td>
<td>10</td>
<td>5</td>
<td>10</td>
<td>52</td>
</tr>
<tr>
<td>Area coverage</td>
<td>14</td>
<td>6</td>
<td>9</td>
<td>14</td>
<td>9</td>
<td>52</td>
</tr>
<tr>
<td>Furniture facilities in banks</td>
<td>3</td>
<td>2</td>
<td>9</td>
<td>16</td>
<td>22</td>
<td>52</td>
</tr>
<tr>
<td>Equipment facilities in banks</td>
<td>8</td>
<td>8</td>
<td>2</td>
<td>17</td>
<td>17</td>
<td>52</td>
</tr>
<tr>
<td>Transport facilities in banks</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>14</td>
<td>27</td>
<td>52</td>
</tr>
<tr>
<td>Building facilities in banks</td>
<td>4</td>
<td>7</td>
<td>3</td>
<td>17</td>
<td>21</td>
<td>52</td>
</tr>
<tr>
<td>Job content</td>
<td>6</td>
<td>7</td>
<td>12</td>
<td>15</td>
<td>12</td>
<td>52</td>
</tr>
<tr>
<td>Job enrichment</td>
<td>4</td>
<td>7</td>
<td>12</td>
<td>18</td>
<td>11</td>
<td>52</td>
</tr>
<tr>
<td>Job equity</td>
<td>3</td>
<td>8</td>
<td>9</td>
<td>15</td>
<td>17</td>
<td>52</td>
</tr>
<tr>
<td>Job sharing</td>
<td>5</td>
<td>8</td>
<td>8</td>
<td>15</td>
<td>16</td>
<td>52</td>
</tr>
</tbody>
</table>
The satisfied and highly satisfied aspects among the bank employees are transaction, schemes and loan disbursement since it constitutes 53.85, 51.92 and 50 per cent to the total respectively. The important moderately viewed aspects among the bank employees are adjustability of rural customers, human relationship among the rural customers and informativeness of rural customers since it constitutes 26.92, 25 and 25 per cent to the total respectively. The important highly dissatisfied aspects among bank employees are transport facilities, furniture facilities and building facilities which constitute 51.92, 42.31 and 40.38 per cent respectively.

The overall satisfaction is also measured on the same scale. To assess the consistency of the nineteen items, reliability test of Cronbach’s alpha has been done. Test results show that the reliability co-efficients of the factors are 0.63, 0.72, 0.83 and 0.64 respectively which are acceptable because they surpass the minimum limit of 0.6 (Hari et.al., 1998).2

Factor analysis has been used to analyse the attitude of bank employees towards rural banking and to identify the factors derived from 19 variables. It is done with a view to establish the high association and the low association between the factors. The details of variables constituting the factors are shown in Table 7.10.

TABLE 7.10

Factor Loadings of the Variables in Rural Banking

<table>
<thead>
<tr>
<th>Factor</th>
<th>Variables</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rural Customers</strong></td>
<td>Informativeness</td>
<td>0.8213</td>
</tr>
<tr>
<td></td>
<td>Responsiveness</td>
<td>0.7068</td>
</tr>
<tr>
<td></td>
<td>Adjustability</td>
<td>-0.6422</td>
</tr>
<tr>
<td></td>
<td>Human Relations</td>
<td>-0.5917</td>
</tr>
<tr>
<td></td>
<td>Repayment pattern</td>
<td>0.5332</td>
</tr>
<tr>
<td><strong>Rural Banking</strong></td>
<td>Deposit Mobilisation</td>
<td>0.739</td>
</tr>
<tr>
<td></td>
<td>Transactions</td>
<td>0.697</td>
</tr>
<tr>
<td></td>
<td>Loan disbursement</td>
<td>-0.624</td>
</tr>
<tr>
<td></td>
<td>Subsidy</td>
<td>0.581</td>
</tr>
<tr>
<td></td>
<td>Schemes</td>
<td>0.534</td>
</tr>
<tr>
<td></td>
<td>Area Coverage</td>
<td>0.484</td>
</tr>
<tr>
<td><strong>Rural Branch</strong></td>
<td>Furniture Facilities</td>
<td>0.809</td>
</tr>
<tr>
<td></td>
<td>Equipment facilities</td>
<td>0.692</td>
</tr>
<tr>
<td></td>
<td>Transport Facilities</td>
<td>0.661</td>
</tr>
<tr>
<td></td>
<td>Building facilities</td>
<td>0.457</td>
</tr>
<tr>
<td><strong>Job analysis</strong></td>
<td>Job Content</td>
<td>0.820</td>
</tr>
<tr>
<td></td>
<td>Job Enrichment</td>
<td>-0.757</td>
</tr>
<tr>
<td></td>
<td>Job Equity</td>
<td>0.695</td>
</tr>
<tr>
<td></td>
<td>Job Sharing</td>
<td>0.568</td>
</tr>
</tbody>
</table>
The factors are rural customer, rural banking, job analysis and rural branch factor. These factors account for about 89.12 per cent of the variance in the data. All of the attitude measures have high communality, indicating that the variables within each factor have very high association among them.

The first factor called "rural customer" accounts for the most variation (38.682%) consisting of five variables namely attitude to informativeness, responsiveness, adjustability, human relation and repayment pattern among the rural customers. Eigen value for this factor is 4.849 which indicates that the factor contains more information than the other factors. This factor provides maximum insight of attitude of the bank employees towards rural banking. It indicates that the level of satisfaction mostly depends on the rural customers. It is important because the rural customers is the base for rural banking. To improve this situation, policy makers in the banking sector should give more importance to rural customers.

The second important factor called "rural banking" accounts for 23.093 per cent variance. The eigen value of this factor is 3.917. It explains whether the bank employees are satisfied with the rural banking activities.

The third factor called 'job analysis' comprises variables like job content, job enrichment, job equity and job sharing at the rural branches. The job analysis factor accounts for 19.124 per cent variance. The eigen value of this factor is
2.483. It indicates that the increase in the positive attitude towards the job analysis factor leads to a positive attitude towards overall rural banking among the bank employees. The attitude factor towards rural banks is shown in Table 7.11.

**TABLE 7.11**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Factors</th>
<th>Eigen Value</th>
<th>Percentage of Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rural Customers</td>
<td>4.849</td>
<td>38.682</td>
</tr>
<tr>
<td>2.</td>
<td>Rural Banking</td>
<td>3.917</td>
<td>23.093</td>
</tr>
<tr>
<td>3.</td>
<td>Job analysis</td>
<td>2.483</td>
<td>19.124</td>
</tr>
<tr>
<td>4.</td>
<td>Rural Factor</td>
<td>1.907</td>
<td>8.217</td>
</tr>
</tbody>
</table>

The fourth factor namely “rural branch factor” consists of the attitude towards various facilities at the rural branch. The attitudes to facilities namely furniture, equipment, transport and building have higher factor loading in Factor 4 than in other factors. This ‘rural branch factor’ accounts for 8.217 per cent variance. The eigen value of this factor is 1.907. This factor provides less insight regarding attitudes towards rural banking among the bank employees compared to other factors.

**7.10 LEVEL OF SATISFACTION OF RURAL BANK EMPLOYEES**

The levels of satisfaction of the bank employees have been measured with the mean scores of the factors. The average level of satisfaction with different
variables in each factor among the employees and its respective standard deviations are calculated to identify the levels of satisfaction towards the various factors and their consistency among the employees. The resulted mean scores, standard deviations and co-efficient of variations are presented in Table 7.12.

**TABLE 7.12**

Levels of Attitude towards Rural Banking

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Factor</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Co-efficient of Variation (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rural Customer</td>
<td>3.33</td>
<td>1.07</td>
<td>36.52</td>
</tr>
<tr>
<td>2.</td>
<td>Rural Banking</td>
<td>3.87</td>
<td>0.84</td>
<td>27.36</td>
</tr>
<tr>
<td>3.</td>
<td>Job Analysis</td>
<td>2.21</td>
<td>1.01</td>
<td>45.70</td>
</tr>
<tr>
<td>4.</td>
<td>Rural Branch Factor</td>
<td>2.12</td>
<td>0.63</td>
<td>29.72</td>
</tr>
<tr>
<td>Overall</td>
<td></td>
<td>2.64</td>
<td>0.92</td>
<td>34.85</td>
</tr>
</tbody>
</table>

The bank employees are not highly satisfied or even satisfied with the various aspects of rural banking. The overall attitude of the bank employees are from moderate to dissatisfied since the mean score is 2.64. Regarding the attitude to different factors, regarding the rural banking performance, the employees are 'moderate' in their level of satisfaction, followed by the attitude to the rural customers since its mean scores are 3.87 and 3.33 respectively. The employees are dissatisfied with the facilities at rural branches and job contents of the branches since the mean scores are 2.12 and 2.21 respectively. The consistent
opinion of the employees on rural banking is identified since the co-efficient of variation is only 27.36 per cent which is the lowest of all.

7.11 RELATIONSHIP BETWEEN FACTORS AND OVERALL SATISFACTION

In order to analyse the influence of the employees' attitudes to various factors involved in rural banking, the scores on the attitudes of the factors and overall attitude are used. The multiple regression analysis in long form is used. The form of the equation is:

\[ Y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + e \]

Where the

- \( Y \) – Overall attitude
- \( x_1 \) – Attitude to rural customer
- \( x_2 \) – Attitude to rural banking
- \( x_3 \) – Attitude to job analysis
- \( x_4 \) – Attitude to rural branch factor
- \( a \) – Intercept
- \( e \) – Error term

The resulted regression co-efficients are shown in Table 7.13.
The result of regression analysis shows that all the four factors together correlate highly well with the overall satisfaction among the bank employees since its multiple correlation is 0.623. Also, 36.90 per cent of the variance in the overall satisfaction of bank employees is explained by these factors namely Rural customers, Rural banking, Job analysis and Rural branch. The remaining variance could be explained by the other factors which are not included in the study.

Considering the factors individually, rural customers and rural branches are significantly related to the overall satisfaction of the bank employees since the
calculated ‘t’ values are significant at 1.0 and 3.6 per cent levels respectively. The increase in the attitude to rural customers and rural branches will increase the overall attitude towards rural banking. The significant ‘F’ value indicates the viability of the regression model fitted in this equation. The analysis concludes that the attitude towards all factors are positively influence the overall attitude. But the significantly influencing attitudes are attitude towards rural customers and rural branch factor.

7.12 DIFFERENCE BETWEEN EMPLOYEES IN ATTITUDES

The attitudes to different aspects in rural banking and overall among the employees who are classified on the basis of the profile of employees are analysed with the help of one-way analysis of variance (ANOVA). The employees are classified into different groups according to their profile factors, namely age, work experience, level of education, family size, designation, work experience at rural branches and geographical distance of the bank. The attitudes of the employees towards all the four factors, namely rural customers, rural banking, job analysis and rural branch factor are also drawn using the five-point scaling technique. The significant differences among the employees regarding each and every aspect of rural banking is analysed one by one. The resulting F statistics are shown in Table 7.14.
TABLE 7.14
Mean Difference of Factors with Respect to Profile of Employees

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Profile of Employees</th>
<th>F-Value of ANOVA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rural Customer</td>
</tr>
<tr>
<td>1.</td>
<td>Age</td>
<td>7.812*</td>
</tr>
<tr>
<td>2.</td>
<td>Work Experience</td>
<td>8.062*</td>
</tr>
<tr>
<td>3.</td>
<td>Level of Education</td>
<td>1.2192</td>
</tr>
<tr>
<td>4.</td>
<td>Family Size</td>
<td>0.6817</td>
</tr>
<tr>
<td>5.</td>
<td>Working Grade (Dummy)</td>
<td>5.184*</td>
</tr>
<tr>
<td>6.</td>
<td>Work experience in Rural Branch</td>
<td>7.0162*</td>
</tr>
<tr>
<td>7.</td>
<td>Geographical distance</td>
<td>6.1929*</td>
</tr>
</tbody>
</table>

* Significant at 5 per cent level.

The significant difference among the employees is noticed in the attitude to rural customers when the employees are classified on the basis of age, work experience, designation, work experience in rural branches and geographical distance of banks. The 'F' values are significant at 5 per cent level. Regarding the attitude towards rural banking, the significant differences are identified among the employees classified by work experience in rural branches and geographical distance of the bank. In the case of rural branches, when the employees are classified on the basis of age, work experience and geographical distance of the
bank, significant differences are noticed. The one-way ANOVA resulted in the opinion of the employees as significantly differing in the age group, work experience group and geographical distance group.

7.12 IMPACT OF PROFILE VARIABLES OF THE EMPLOYEES ON OVERALL ATTITUDE

The socio-economic profile of the employees may influence the attitude to rural banking. In order to analyse the impact of the profile variables on the overall attitude, the log linear regression model is applied. The considered dependent variable for the analysis is overall attitude towards rural banking whereas the included independent variables are age, work experience, level of education, family size, designation and geographical distance. Out of the independent variables, the designation of the employees is treated as Dummy variable. The fitted regression model is

\[ Y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + b_5 x_5 + b_6 x_6 + e \]

Where

- \( Y \) - Overall attitude towards rural banking
- \( x_1 \) - Age of the employees
- \( x_2 \) - Work experience
- \( x_3 \) - Level of education
- \( x_4 \) - Family size
- \( x_5 \) - Designation
The resulting impact of independent variables on the attitude towards rural banking is shown in Table 7.15.

**TABLE 7.15**

Impact of Profile Variables on Overall Attitude

<table>
<thead>
<tr>
<th>Profile Variable</th>
<th>Unstandardised Regression Co-efficient</th>
<th>Standardised Beta Co-efficient</th>
<th>Computed 't'</th>
<th>Significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>-0.432</td>
<td>-0.267</td>
<td>-4.377</td>
<td>0.019*</td>
</tr>
<tr>
<td>Work Experience</td>
<td>0.018</td>
<td>0.008</td>
<td>0.261</td>
<td>0.813</td>
</tr>
<tr>
<td>Level of Education</td>
<td>-0.269</td>
<td>-0.213</td>
<td>-3.993</td>
<td>0.0237*</td>
</tr>
<tr>
<td>Family Size</td>
<td>-0.312</td>
<td>-0.274</td>
<td>-4.024</td>
<td>0.046*</td>
</tr>
<tr>
<td>Working Grade</td>
<td>0.172</td>
<td>0.109</td>
<td>1.316</td>
<td>0.192</td>
</tr>
<tr>
<td>Geographical distance</td>
<td>-0.309</td>
<td>-0.271</td>
<td>-2.397</td>
<td>0.024*</td>
</tr>
<tr>
<td>Intercept</td>
<td>0.567</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple Correlation</td>
<td>-0.574</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-Square</td>
<td>0.673</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-Value</td>
<td>11.536*</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Significant at 5 per cent level.
The significantly influencing profile variables on the overall attitude to rural banking are Age, Level of Education, Family Size and Geographical distance. These independent variables negatively influence the overall attitude to rural banking. The findings also show that the six variables together correlate with overall attitude towards rural banking in a negative manner, with the correlation co-efficient of $-0.574$. The co-efficient of determination $R^2$ is 0.673 which shows that the included independent variables influence the overall attitude to the extent of 67.3 per cent. The increase in age, level of education, family size and geographical distance of the bank leads to a decrease in the level of satisfaction towards rural banking. The increase in working experience and designation increases the level of satisfaction with the rural banking but the co-efficients of the variables are insignificant.
Chapter-VIII

SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS
CHAPTER-VIII

SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS

8.1 Summary of Findings
8.2 Conclusion
8.3 Suggestions
8.1 SUMMARY OF FINDINGS

The objectives of the present study were accomplished in three stages. First of all, the rural banking activities in Pudukkottai district were analysed. It was followed by the study of customers' attitudes to the banking activities at the selected rural branches. In the third stage, the attitudes of the bank employees to rural banking were studied. The contents and the findings are summarised in this chapter in order to draw specific inferences and policy implications.

Pudukkottai is a backward district consisting of large rural areas. The banks in the district deal with agricultural and allied loans and advances. Apart from agriculture, the banks provide many loan schemes to promote the weaker sections in this district. The performance of the banks was analysed with the help of facts given by the Lead Bank of the district. In Pudukkottai district, the Indian Overseas Bank acts as a Lead Bank which connects the various banking activities especially in the rural areas of the district under the Service Area Approach. The performance of the rural banks is analysed by its nature of deposit mobilisation, loan activities, recovery and the like. The results are presented below:

The number of rural branches in the district had increased from 119 in 1995-96 to 120 in 2000-01 and then it declined to 118 in 2002-03. The rate of growth of deposit mobilised by the banks in the district during the period of study was 4.23 times the previous period whereas in the case of loan disbursement, it
was 2.40 times. Out of the total loan disbursed in 2002-03, the loan disbursed under differential rates of interest schemes constituted 0.46 per cent to the total.

The total amount allocated for the priority sector in the district had increased from 97.89 crores in 1995-96 to Rs.263.76 crores in 2002-03 whereas the advances allocated for agriculture had increased from 75.81 crores to 212.13 crores during the same period. The finance targeted to the non-farm sector had increased from 12.32 crores in 1995-96 to Rs.18.00 crores in 2002-03 whereas in the other priority sector, it had increased from Rs.9.76 to Rs.33.63 crores during the same period of the study. The percentage of achievement to the target regarding loan disbursement, was noticed to be higher as 123.37 per cent in the other priority sector loans, followed by the priority sector which had the performance rate of 102.37 per cent whereas it was lesser at 91.5 per cent in the non-farm sector. In general, the achievement rate regarding the loan disbursement in the district was satisfactory.

The branches in the district are classified into State Bank Groups (SBI), Nationalised Commercial Banks (NCB) and Private Sector Banks (PSB). During the period of the study, there was no change in the number of branches especially in the State Bank Group and the Nationalised Commercial Banks Group whereas there was a meagre decline in the number of branches in the private sector. The
number of village covered under service area approach by SBI, NCB and PSB were constant as 126, 553 and 90 respectively.

In the allocation and achievement performance in agricultural loan disbursement, the SBI's mean performance over the period of the study was 102.63 per cent while in the case of private sector banks, the rate of performance was 122.5 per cent during the same period. It reveals that the performance of private sector banks was better than that of the SBI. But SBI was better than the nationalised commercial banks in loan disbursement to agriculture in the district.

In the rate of performance in loan disbursement to other priority sectors in Pudukkottai district, private sector banks were slightly better than the SBI group as the mean rate of performance in the above-said groups of banks were 103.75 and 100.25 per cent respectively. In the nationalised commercial banks, the rate of performance of the loan disbursement the other priority sector had increased from 79 per cent in 1995-96 to 119 per cent in 2002-03.

The rate of growth of deposit in SBI group from 1995-96 to 2002-03 was 3.69 times whereas in the nationalised commercial banks, the rate of growth of deposit was only 2.68 times. In the private sector banks, the rate of growth was 2.84 times during the same period. The total deposit mobilised by nationalised commercial banks alone constituted 56.67 per cent in total deposit of the year
2002-03, whereas the SBI group had constituted only 19.55 per cent to the total deposits.

The total amount of loan disbursed direct to agriculture had increased from Rs.6,10,709 thousands in 1995-96 to Rs.12,11,797 thousands in 2002-03. The nationalised commercial banks disbursed nearly 68 per cent of the total advances made on agriculture during the year 2002-03, whereas the percentages constituted by the State Bank Groups and private sector banks were 19.24 and 12.76 per cent to the total. The rate of growth of loan disbursed agriculture was as high as 2.38 times in SBI group, followed by the private sector banks by 2.23 times.

The total amount of loan disbursed to indirect agriculture by all the three groups of banks had increased from Rs.37,827 thousands in 1995-96 to Rs.44,697 thousands in 2002-03 whereas the rate of increase during the period was 18.16 per cent. The rate of growth of loans on indirect agriculture by SBI groups, NCB groups and PSB groups were 27.58, -0.27 and 4.24 times respectively. The loans given to non-agriculture had increased in State Bank Group but it had declined in nationalised commercial banks group.

The rate of growth of loan disbursed to small-scale units from 1995-96 to 2002-03 was 13.99 per cent whereas the rate of increase in SBI, NCB and PSB groups were 15.44, 15.22 and 3.78 per cent respectively. Out of the total loan
disbursed to small-scale units during 2002-03, 61.66 per cent was given by SBI group at the maximum, whereas a maximum of 10.88 per cent was disbursed by the private sector banks during the same period.

The loan disbursement to retail trade and small business had declined from Rs.21770 thousands in 1995-96 to Rs.14220 thousands in 2002-03. The rate of decrease in the loan disbursement was 34.68 per cent compared to 1995-96 figures. The rates of increase in the loan disbursement to retail trade and small business in NCB and PSB groups were 1.84 and 3.21 times respectively during the period of study. It reveals that the PSB groups provide more loans to retail trade and small business compared to other two groups of banks which constituted 35.3 per cent to the total.

The rates of increase in loan disbursement on priority and non-priority sectors by all the three groups of banks were 3.25 and 3.38 times respectively from 1995-96 to 2002-03. The achievements of SBI regarding the loan disbursements to the priority and the non-priority sectors were 3.26 and 15.03 times respectively whereas the achievement of NCB group, shows 2.53 and 2.44 times in the above two sectors. Growth-wise, the SBI performed well in the above two sectors while amount-wise, the NCB groups performed better than the other two groups.
The total loan disbursed, on various Government programmes, had increased from Rs.93,634 thousands in 1995-96 to Rs.1,06,449 thousands in 2002-03 whereas the rate of increase in the two period was 13.68 per cent. The rates of increase in loan disbursement on various Government programmes by SBI, NCB and PSB groups were 88.06, -18.89 and 191.8 per cent respectively. It shows that there was a marginal decline in the growth of loan disbursement on Government programmes by the NCB groups but loan-wise, the NCB alone constituted 57.58 per cent to the total of 2002-03.

There are thirteen blocks in Pudukkottai district. These are Annavasal, Aranthangi, Arimalam, Avudayarkoil, Gandarvakottai, Karambakudi, Kunnandarkoil, Manamalgudi, Ponnamaravathy, Pudukkottai, Thiruvarankulam, Thirumayam and Viralimalai. The total amount of loan disbursed to the priority sector in these 13 blocks had increased from Rs.9,78,960 thousands in 1995-96 to Rs.26,37,687 thousands in 2002-03. The rates of increase in the loan disbursement to the priority sector were noticed to be high in Thirumayam, Kunnadarkoil and Arimalam blocks which constituted 3.39, 3.09 and 3.03 times of growth from 1995-96 to 2002-03 respectively. The lower rates of growths are identified in the blocks namely Aranthangi, Avudayarkoil and Karambakudi compared to other blocks which constituted the growth rates of 2.33, 2.41 and 2.51 times respectively.
The total loan disbursed to the non-priority sector had increased from 79,184 thousands in 1995-96 to Rs.2,48,815 thousands in 2002-03. The blocks namely Pudukkottai, Karambakudi, Aranthangi and Avudayar Koil constituted 61.29, 6.76, 6.68 and 4.10 per cent to the total amount disbursed on non-priority sector loans in 2002-03. The higher positive growth rates were identified in Annavasal, Pudukkottai and Avudayarkoil and the rates of increase were 7.92, 6.81 and 5.72 times respectively from 1996-97 to 2002-03. The rates of increase were identified to be negative in the Gandarvakottai, Thiruvaramkalam and Thirumayam blocks whereas the growth rates were -0.54, -0.56 and -0.60 times respectively during the same period of the study.

The loan disbursed, on various Government programmes, in the thirteen blocks had increased from Rs.1,94,079 thousands in 1995-96 to Rs.3,47,136 thousands in 1997-98 and then it gradually declined to Rs.1,17,239 thousands in 2001-02. In 2002-03, it reached the minimum of Rs.10,019 thousands. In 1997-98, the loan disbursements on Government programmes were higher in Annavasal, Viralimalai and Karambakudi blocks which constituted 16.93, 15.82 and 12.65 per cent to the total disbursed during the period. In 2002-03, Pudukkottai received a maximum amount of Rs.2,227 thousands as a loan on Government programmes followed by Aranthangi block which received Rs.1,739 thousands. The total blocks alone constituted 39.23 per cent to the total loan disbursed in 2002-03.
The recovery rate in the district had increased from 62 per cent in 1995-96 to 71 per cent in 2002-03 whereas it was weak in 1996-97 at 59 per cent only. The total overdues of the loan in the district had increased from Rs.41.04 crores in 1995-96 to Rs.50.36 crores in 1998-99 and to Rs.1.72 crores in 2002-03. The decline in overdues was caused by the decline in the demand of loans disbursed.

The overdues in the recovery of loans, varied from 41 per cent in 1996-97 to 29 per cent in 2002-03. In SBI group the overdues ranged from 37 per cent to 30 per cent whereas in NCB group, it varied from 44 per cent to 37 per cent. The mean of recovery performance in the SBI, NCB and PSB groups was 66, 61 and 64.12 per cent to the total demand of loans. It shows that the recovery performance was better in SBI group, followed by PSB group.

The significant growth rates were identified in deposit mobilisation, advances especially to priority sector, to agriculture and allied activities, both in annual and compound growth rates. The growth rates in number of branches and DRI credit were negative which revealed a decline in the abovesaid aspects during the period of study but the decline was statistically not significant.

The priority sector had performed better than other banks regarding growth in advances to agriculture, non-farm sector, other priority sector, direct agriculture, indirect agriculture retail trade and small business and deposit mobilisation during
the period of the study. This may be due to a constant growth in the abovesaid variables even though the total figures may be less than in the other two types of banks. A higher compound growth rate was recorded at 34.06 per cent in the advances to other priority sector by the State Bank Group. In total, the compound growth rate in advances to indirect agriculture and small-scale industries indicated a fall in the period of the study but that fall was insignificant.

Regarding the advances on priority sector, the growth rates were significant in all the thirteen blocks. The significant increase in the advances to non-priority sector is identified in Arimalam, Avudayarkoil, Gandarvakottai, Karambakudi, Kunnandarkoil and Viralimalai block since the respective compound growth rates are significant at 5 per cent level. At the same time, the significant decrease in the advances on Government programmes is seen in all blocks except in Aranthangi.

The annual and compound growth rates of the overdues in the district of -36822.55 and -11.04 respectively, indicate a significant fall in overdues during the period of study. The compound growth rate of demand had also declined since its significant compound growth rate was 8.81 per cent. The fall in overdues during the period of study indicates the better performance of rural banks in the district.
There was significant difference in target and performance of the State Bank Group, Nationalised Commercial Banks and Private Sector Banks in lending to agricultural, non-farming and other priority sector since the respective ‘w’ values were significant at 5 per cent level.

Out of the selected 260 respondents from various rural branches, 183 are males and 77 are females. A maximum of 49.62 per cent of the respondents were in the group of 30 to 40 years whereas only 10 per cent of the respondents were in the age group of above 50 years. The dominant age groups among the male and female respondents in the present study were 30 to 40 years old and less than 30 years respectively.

In total, 36.54 per cent of the total respondents were at the education level of 8\textsuperscript{th} to 10\textsuperscript{th} standard, followed by 24.62 per cent at less than 8\textsuperscript{th} standard level of education. Only 3.85 per cent of the respondents had no education at all. Only 11.54 per cent of respondents were at the higher secondary level. The percentages of male and female respondents who had an educational background of higher secondary and above higher secondary were 30.05 and 46.75 per cent.

Respondents belonging to backward class constituted 37.31 per cent to the total, followed by the most backward class, constituting 29.62 per cent to the total. The number of respondents who belonged to scheduled caste/tribe constituted
26.78 per cent and 28.57 per cent to the total of 183 male and 77 female respondents respectively.

Out of 260 respondents, 133 had a family size of 4 to 5, followed by 66 respondents with a family size of above 5 members. The dominant family size among the male and female respondents was 4 to 5 members per family. Respondents who had more than 5 family members formed 25.38 and 24.68 per cent to their respective totals of 183 males and 77 females. The respondents with a family size of less than 3 members constituted 7.1 and 10.39 per cent to the total among males and females respectively.

The male respondents who had only one earning member in their family constituted 50.82 per cent whereas among female respondents, it was only 15.58 per cent. The percentage of female respondents who had two earning members in their families was 53.25 compared to 38.79 per cent in the male respondents group. Male and female respondents with more than two members constituted 4.37 and 10.39 per cent respectively.

The predominant occupation among the respondents was agriculture which alone constituted 43.46 per cent to the total followed by agricultural labourers constituting 28.46 per cent to the total. Among the male respondents, the first two
dominant occupations were agriculture and agricultural labourer, whereas among the female respondents, these were agriculture and daily coolies.

The personal income of the respondents varied from Rs.250/- to Rs.7,102/- per month. The number of respondents who earned a monthly personal income of above Rs.2,000/- constituted 35.77 per cent in total. In the case of male and female respondents, the percentages were 42.62 and 19.48 per cent to their respective totals. Among the male respondents, 25.68 per cent were earning a monthly personal income of above Rs.3000/- whereas among the female respondents, 40.25 per cent were earning a monthly personal income of Rs.1001 to 2000.

In total, a maximum of 38.08 per cent of the respondents earned a monthly family income of Rs.1001 to 2000, followed by 18.46 per cent who earned a family income of Rs.2001 to 3000. The highest family income among the male respondents was Rs.1001 to 2000 which alone constituted 41.53 per cent whereas among the female respondents, it was both Rs.1001-2000 and Rs.3001 to 4000.

The monthly consumption expenditure among the male respondents was greater than that among the female respondents. Male and female respondents who spent more than Rs.3000 per month constituted 25.68 and 19.48 per cent
respectively. Those who spent less than Rs.2000 per month were 39.89 and 45.45 per cent among male and female respondents respectively.

A maximum of 30.77 and 30.38 per cent of the total male and female respondents saved an amount of above Rs.300 per month. Respondents who saved more than Rs.200 per month constituted 48.63 and 36.36 per cent to the respective totals of male and female respondents. The first two dominant savings among male respondents were Rs.201 to 300 and Rs.101 to 200/- whereas among the female respondents, these were Rs.101 to 200 and Rs.201 to 300 only.

The social participation among the male respondents was greater than among the female respondents. The male respondents constituted 29.5 per cent whereas among the female respondents, it was only 9.09 per cent. Regarding the media exposure, 49.23 per cent of the total respondents were good and excellent. The male and female respondents constituted 57.92 and 28.57 per cent.

Regarding the adoption of innovation, 93.44 per cent of male respondents were poor and very poor whereas among the female respondents, the percentage was 94.81 per cent. In total, only 3.08 per cent of the respondents were good and excellent in the adoption of innovation. Around 45 per cent of the male respondents were “moderate to excellent” regarding cosmopolitanism whereas the
percentage was only 28.57 among the female respondents. In total, 59.62 per cent of the respondents are poor and very poor in the cosmopolitanism quality.

In credit orientation 23.85 per cent of the total respondents were moderate in nature whereas 60 per cent of them were poor and very poor. The percentage of respondents who were poor and very poor in credit orientation among the male and female respondents were 59.02 and 62.33 per cent. Only 16.15 per cent of the total respondents were good and excellent in credit orientation.

Regarding the personality traits, a maximum of 42.69 per cent of the total respondents had an index of 20 to 40 followed by 22.31 per cent of the respondents getting an index of 41 to 60. Only 2.69 per cent of the respondents had an index measure of above 80. The male respondents were better than the female respondents in personality traits.

In total, 57.69 per cent of the respondents owned houses whereas only 15.76 per cent of them owned wet lands. The percentage of respondents who owned dry lands was 45.38 whereas 19.62 per cent of the respondents owned petty shops. The number of respondents who owned the milch animals constituted 48.85 per cent to the total. Regarding material possession, the percentage of possession was noticed as high in the case of house, land (dry) and milch animals,
among the male respondents whereas among the female respondents, milch animals, house and dry lands, occupied prominent places.

Among the respondents 36.54 per cent did not own any land. A maximum of 25.38 per cent of the respondents own 0.5 to 1 acre, followed by 15.38 per cent owning 1.1 to 1.5 acres. Most of the male respondents owned 0.5 to 1 acre whereas among the female respondents, it is 1.1 to 1.5 acres. Male and female respondents who owned above 1.5 acres constituted 7.65 and 14.29 per cent, respectively.

Around 38.46 per cent of the total respondents borrowed Rs.20,001 to 30,000 followed by 18.85 per cent who borrowed less than Rs.10,000 per head. But 45.36 per cent of the male respondents borrowed Rs.20,001 to 30,000 the female respondents, borrowed amount of Rs.10,001 to 20000 which constituted 37.66 per cent. Respondents who borrowed above Rs.40,000 were more among males than among females.

Less than 10 per cent of deviation in loan amount applied and sanctioned was identified among 28.46 per cent of the respondents whereas above 40 per cent deviation was identified among 5.77 per cent. A maximum of 37.31 per cent of the respondents identified a deviation to the extent of 11 to 20 per cent, followed by 18.08 per cent who identified a deviation of 21 to 30 per cent. The percentage
of male and female respondents who identified a deviation of more than 30 per cent constituted 17.49 and 12.98 per cent.

Only 33.85 per cent of the respondents borrowed from only one source namely commercial banks. Apart from the bank source, one more source of borrowing was utilised by nearly 37.31 per cent of the respondents followed by 26.15 per cent who utilised two more sources of borrowings. Male and Female respondents who borrowed only from commercial banks constituted 17.49 and 72.73 per cent respectively. Respondents who borrowed from other sources apart from commercial banks more among male respondents than among the female respondents.

Out of 260 respondents, 38.46 per cent took the scheme loans followed by 25 per cent who took the DIR loans. Among the male respondents, the popular loans were scheme loans and DIR loans whereas among the female respondents, scheme loans and SHG linked loans were popular.

In total, a maximum of 30.77 per cent of respondents traveled a distance of 6 to 8 kms. from their residences to banks their followed by 27.69 per cent who travelled a distance of 3 to 5 kilometres. Around 52 per cent of the female respondents travelled less than 6 kilometres whereas it was only 38.79 per cent among male respondents. Those who travelled above 9 kilometres constituted
14.75 per cent among male respondents whereas it was only 2.6 per cent among females.

Totally, only 35 per cent were regular in the repayment of loans. The non-wilful defaulters formed 42.31 per cent. The wilful defaulters constituted 22.69 per cent to the total. It was found that repayment among the female respondents was better than among the male respondents.

The significantly influencing variables for borrowing from commercial banks among the male respondents were family income, size of holding, caste and savings. The co-efficient of determination (R$^2$) shows that the change in taken independent-variables influenced the change in dependent-variable of borrowings to the extent of 62.14 per cent. Among the female respondents, a unit increase in level of education, family income and savings led to an increase in the amount of loan borrowed by 0.2816, 0.4041 and 0.3061 units respectively. At the same time, a unit increase in age and geographical distance of banks led to a decline in loan amount borrowed by 0.2627 and 0.2119 units respectively. The regression model for pooled data reveals that an increase in family income, caste and savings of the respondents also increased the loan amount. The changes in loan amount were explained by the changes in the above mentioned three variables to the extent of 61.17 per cent.
The significantly influencing variables on loan utilisation among the male respondents are family size, family income, size of holding, savings and personality traits. Among these variables only the family size negatively influenced the loan utilisation. Among the female respondents, a unit increase in age, family size and geographic distance of banks reduced the loan utilisation by 0.2391, 0.2647 and 0.0931 units respectively. The increase in education, family income and savings among the female respondents by one unit, increased the loan utilisation by 0.2141, 0.07211 and 0.3011 units respectively. The regression analysis for the pooled data reveals that the significantly influencing independent variables on the loan utilisation are level of education, family size, family income, savings and personality traits. The change in loan utilisation is explained by the change in included independent variables at the extent of 60.94 per cent.

The important discriminatory variables of defaulter and non-defaulters are family income and savings of the respondents which together contribute to the extent of 95.31 per cent in the total discriminant function. The mean difference regarding level of education, family size, family income, savings and gender significantly differed among the defaulters and non-defaulters. The discriminant co-efficients are higher in the case of level of education, family size, family income and gender. It is a maximum of -2.4105 regarding gender. It conveys that the gender is the dominant discriminator of defaulters from non-defaulters.
But the per cent contribution analysis shows that family income and savings are more influential.

The important discriminatory variables that influence the wilful and non-wilful defaulters among the respondents are level of equation and caste since their discriminant co-efficients are 2.4843 and 2.0917 respectively. The mean difference among the wilful and the non-wilful defaulters is noticed as significant in the case of age, level of education, caste, personality traits and gender of the respondents. The per cent contribution of individual characteristics to the total distance measured reveals that discriminant function is influenced by family income and savings of the respondents. Among the significant variables namely level of education, caste, personality traits and gender, the caste and level of income contribute 85.98 per cent towards the discrimination of wilful and non-wilful defaulters. The estimated discriminant function classified the loans correctly to the extent of 85.79 per cent.

The rotated factor matrix divides the sixteen variables related to the banking activities, into four important factors namely operation factor, staff factor, situational factor and interactive factor since the factor loadings are noticed to be higher than in other factors. The variable which explains more than all factors altogether is $V_{11}$, namely attitude towards knowledge of the bank employees. The
operation factor explains better than any other factor since its eigen value is 3.0636 which is greater than the eigen values of the other three factors.

The highly satisfactory aspects of rural banking are interactive factor and staff factor since their mean values are 3.94 and 3.18 respectively. The dissatisfied aspects are situational factor and operation factor.

The profile of the bank employees were analysed before measuring their attitude towards rural banking. Out of 52 bank employees, 57.69 per cent were in the age group of 30 to 40 years, followed by 21.15 per cent in the age group of 41 to 50 years. The female employees constituted 36.54 per cent to the total.

In total, 38.46 per cent of the bank employees had an experience of 11 to 15 years of service, followed by 30.77 per cent of the bank employees with an experience of above 15 years in the banks. The employees with more than 10 years of experience among male and female constituted 54.55 and 73.68 per cent to its respectively.

The level of education of the employees varied from higher secondary level to post-graduation. In total, 57.69 per cent of the employees had an educational background of under-graduation whereas only 21.15 per cent had done post-graduation. The employees with post-graduation qualification among males and females were 10 and 7 respectively.
A maximum of 51.92 per cent of the total employees had a family size of four members, followed by 30.77 per cent with a family size of three members. Only 11.54 per cent had a family size of more than four per family.

Regarding the designation of employees, 53.85 per cent were clerks whereas 25 per cent were managers and 17.31 per cent were sub-staff. The assistant manager in rural branches were only 2 out 52 bank employees. Among the female employees, there were no assistant managers and managers.

The analysis of work experience in rural branches reveal that a maximum of 42.31 per cent of the employees had a work experience of 3 to 5 years in different or in the same rural branches, followed by 26.92 per cent are with experience of 6 to 10 years. Only 9.61 per cent of the total bank employees had an experience of above 10 years. In general, the male employees had more work experience in rural branches than the female employees. No female employees in the present study had a work experience of above 10 years in rural branches.

Regarding the geographical distance between the residence and the bank, in total 40.38 per cent of the employees travelled more than 20 kilometres to reach the work spot from their residence, followed by 30.77 per cent of the employees who travelled from 11 to 20 kilometres. The number of employees who travelled less than 5 kilometres to reach the work spot constituted 9.62 per cent to the total.
Male and female employees who travelled less than 10 kilometres to reach the workspot were 33.33 and 21.05 per cent.

The important reason for the selection of rural branches among the male employees are ‘compulsory transfer’ and ‘promotion’ whereas among the female employees, these were ‘promotion’ and ‘nearness’ to the native place. The significant differences among the male and female employees are found in nearness to native place, rural service, compulsory transfer and less work since their t-values are significant at 5 per cent level.

The attitudes to rural banking among the employees reveal that the 19 variables relating to rural banking could be divided into four important factors using the rotated factor matrix namely ‘rural customers’, rural banking, rural branches and job-analysis. The four factors account for about 89.12 per cent of the variance in the data. The first factor accounts for 38.68 per cent variation. The eigen value of the factor is greater than for the other factors, followed by rural banking which accounts for 23.93 variation and which has the eigen value of 3.917.

The employees are moderately satisfied with rural banking since the mean score is 3.07 whereas they are dissatisfied to moderately satisfied regarding all other aspects of rural banking since the mean scores of rural customers, job
analysis and rural branches are 2.93, 2.21 and 2.12 respectively. The overall attitude towards rural banking lies in between the moderately satisfied to dissatisfied.

The significantly influencing variables on the overall attitudes were rural customers and rural branches. The co-efficient of determination (0.369) represents the change in overall attitude towards rural banking. It is explained by the change in included independent variable to the extent of 36.9 per cent only.

The impact of profile variables on overall job satisfaction in rural banking includes the significantly influencing profile variables which are age, level of education, family size and geographical distance. A unit increase in age, level of education, family size and geographical distance lead to a decline in overall job satisfaction by 0.432, 0.269, 0.312 and 0.309 units respectively. $R^2$ indicates the change in overall satisfaction as being influenced by the taken independent variables to the extent of 67.3 per cent.

The attitudes to rural banking significantly differ among the employees when they are classified on the basis of age, work experience and geographical distance. A maximum number of significant differences among the employees are identified in the attitudes to the rural customer, since its ‘F’ statistics are
significant at 5 per cent level whereas in the case of job analysis, there is no difference identified among the employees.

8.2 CONCLUSION

From the above findings of the study, the following conclusion could be drawn:

The allocation and achievement under the Service Area Approach in Pudukkottai district performed well in all aspects like deposit mobilisation, loan disbursement to priority and non-priority sectors and the recovery performance in the rural banks. In the rate of growth, the State Bank Group has performed better in loan activities relating to agricultural and allied activities than the other groups. But the private sector banks are better in performance relating to retail trade and small business. In the case of quantum of loan amount and deposits, the performance of nationalised banks stands distinguished from others. The recovery rate in the district had improved significantly.

The loan utilisation among the customers is highly influenced by the level of education, family size, family income, savings and personality traits of the customers. The important variables that distinguish defaulter from non-defaulter are family income, savings and gender. The same is confirmed in the analysis of wilful and non-wilful of defaulters. The customers are satisfied with the
behaviour of bank employees but they are not satisfied with the operation factors like the contents of bank service.

The bank employees are not fully satisfied with rural banking, rural customers, facilities in rural branches and the nature of job content. Their attitudes are highly influenced by their age, level of education, family size and geographical distance of the bank.

So, the present study concludes that there is low satisfaction among the rural bank employees, but the rural customers are satisfied with the services of bank employees in the rural areas, rural branches, they have some grievances related with quick service. If the bank employees are encouraged to provide better service to rural customers the performance of rural banks would reach higher levels. The policy makers should not ignore this aspect.

8.3 SUGGESTIONS

The following suggestions are made by the researcher, based on the study.

The bank authorities should concentrate on registering more female customers as they are better than males in loan utilisation and repayment. The banks should greatly help Self-Help Groups in widening their base financially.
Since the personality traits are directly related to the performance of the customers and loan utilisation, the commercial banks can conduct some training camps to increase the awareness of rural customers regarding new opportunities. Most of the villagers do not know how to utilize the banks’ services. Guidance cells, can be established in banks to help rural customers.

In order to avoid the customers becoming defaulters banks may introduce some linkage loans involving local and potential authorities.

Since the family income, caste and savings of customers influence in a big way the borrowings and credit utilisation the banks may conduct some social awareness camps through the social service centres and even sponsoring them. In order to promote the savings among the rural people, the banks may use some promotional techniques to increase the saving habit.

The legal actions may be taken only against wilful defaulters, while counselling and persuasion may be used in the case of non-wilful defaulters. Banks should limit legal action to the minimum.

The banks are providing good service to the rural customers. To increase the speed of service, it is essential to convert all rural branches into computerised ones.
The significant 'Highly Dissatisfied' and 'Dissatisfied' aspects of customers' attitude to various aspects of rural banking are service charges, speed of withdrawals, speed of depositing money, speed of loan disbursement and location of the bank. It is suggested that the service charges to branches in rural areas should be nil or reduced to a minimum.

To counter the delay in depositing and withdrawal of money, it is suggested to introduce ATMs with insta cash facility in select rural branches.

Time frame should be set and strictly adhered to as far as disbursal of various types of loans are concerned. This would speed up the loan disbursement.

The various banks situated in the district should arrive at consensus regarding of operation of branches is suggested that the Lead Bank should ensure that each village should have a bank. It may be a private sector bank, a Nationalised Bank or a Co-operative Bank.

The highly deplorable state of facilities in rural bank branches such as building and furniture facilities should be brought to the satisfactory level, test most of the employees should feel it as highly dissatisfied factors.

To ensure adequate transport facility to rural areas, incentives like interest free two wheeler loans be given to employees working in rural branches.
Job enrichment is one among the dissatisfied attitudes of employees towards rural banking. The employees should be motivated to cope with the changing scenario in banking.

Most of the bank employees are working in rural branches due to compulsory transfer or promotion. So the involvement of the bank employees are not 100 per cent. They just pass the minimum period of service at rural branches in order to satisfy the regulations. Steps should be taken to change such an attitude among the bank employees towards rural branches. They may conduct some special training programmes and local meetings to increase their involvement. Incentives like free quarters may be provided to the employees. Good customer relationship and prompt service are the foundations for effective rural banking. Steps may be taken to improve these aspects.
BIBLIOGRAPHY

Books


**Journals**


