

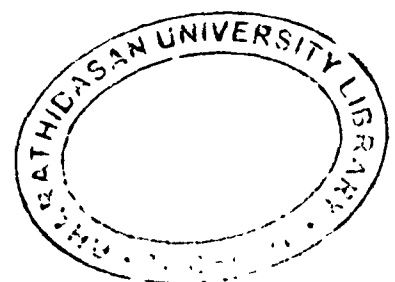
Chapter–VII

**PROFILES OF BANK EMPLOYEES IN
RURAL BANKING AND THEIR ATTITUDES**

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PROFILES OF BANK EMPLOYEES IN RURAL BANKING AND THEIR ATTITUDES

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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 7.1
Age of the Bank Employees

<i>Sl.No.</i>	<i>Age</i>	<i>Number of Employees</i>		<i>Total</i>
		<i>Male</i>	<i>Female</i>	
1.	Less than 30	3	2	5
2.	31 – 40	16	14	30
3.	41 – 50	8	3	11
4.	Above 50	6	–	6
	Total	33	19	52

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 7.2
Work Experience of the Employees

<i>Sl.No.</i>	<i>Work Experience</i>	<i>Number of Employees</i>		<i>Total</i>
		<i>Male</i>	<i>Female</i>	
1.	Less than 5 years	3	1	4
2.	5 to 10	12	4	16
3.	11 to 15	11	9	20
4.	Above 15	7	5	12
	Total	33	19	52

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

<i>Sl.No.</i>	<i>Level of Education</i>	<i>Number of Employees</i>		<i>Total</i>
		<i>Male</i>	<i>Female</i>	
1.	Higher Secondary Level	4	1	5
2.	Under-graduation	19	11	30
3.	Post-graduation	6	5	11
4.	Others	4	2	6
	Total	33	19	52

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 7.4
Family Size

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

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
Designation, Category-wise

<i>Sl.No.</i>	<i>Grade</i>	<i>Number of Employees</i>		<i>Total</i>
		<i>Male</i>	<i>Female</i>	
1.	Sub-staff	6	3	9
2.	Clerk	12	16	28
3.	Assistant Manager	2	—	2
4.	Manager	13	—	13
	Total	33	19	52

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 7.6
Work Experience in Rural Branches

<i>Sl.No.</i>	<i>Work Experience</i>	<i>Number of Employees</i>		<i>Total</i>
		<i>Male</i>	<i>Female</i>	
1.	Less than 3 years	6	5	11
2.	3 to 5	15	7	22
3.	6 to 10	7	7	14
4.	Above 10 years	5	–	5
	Total	33	19	52

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

<i>Sl.No.</i>	<i>Distance</i>	<i>Number of Employees</i>		<i>Total</i>
		<i>Male</i>	<i>Female</i>	
1.	Less than 5 kms.	4	1	5
2.	6 to 10 kms.	7	3	10
3.	11 to 20 kms.	8	8	16
4.	More than 20 kms.	14	7	21
	Total	33	19	52

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

<i>Sl.No.</i>	<i>Reason</i>	<i>Average Score</i>		<i>Total</i>
		<i>Male</i>	<i>Female</i>	
1.	Nearness to the native place	3.27	4.63	6.2307*
2.	Nearness to the previous branch	3.66	3.42	0.7023
3.	Promotion	4.02	4.98	1.2332
4.	Preference for Rural Service	1.93	0.68	4.9187*
5.	Compulsory Transfer	4.87	2.37	8.0914*
6.	Less Work	2.67	0.86	5.1371*

* 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)¹. 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.

1. Ganguli, H.C., (1994), **Job Satisfaction Scales for Effective Management: Manual for Managers and Social Scientists**, Concept Publishing Company, New Delhi.

TABLE 7.9
Employees Attitude to Rural Banking

<i>Particulars</i>	(No. of Employees)					
	<i>Highly satisfied</i>	<i>Satisfied</i>	<i>Moderate</i>	<i>Dissatisfied</i>	<i>Highly dissatisfied</i>	<i>Total</i>
Informativeness of rural customers	14	7	13	12	6	52
Responsiveness of rural customers	11	13	9	10	9	52
Adjustability of rural customers	11	9	14	8	10	52
Human relationship among the rural customers	10	13	13	7	9	52
Repayment nature among rural customers	10	12	12	11	7	52
Deposit mobilisation	12	8	8	9	15	52
Transaction	12	16	10	11	3	52
Loan disbursement	13	13	9	10	7	52
Subsidy	14	9	11	9	9	52
Schemes	15	12	10	5	10	52
Area coverage	14	6	9	14	9	52
Furniture facilities in banks	3	2	9	16	22	52
Equipment facilities in banks	8	8	2	17	17	52
Transport facilities in banks	3	4	4	14	27	52
Building facilities in banks	4	7	3	17	21	52
Job content	6	7	12	15	12	52
Job enrichment	4	7	12	18	11	52
Job equity	3	8	9	15	17	52
Job sharing	5	8	8	15	16	52

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.

2. Hari, J.E., R.E. Anderson, R.L. Tatham and W.C. Black (1998), **Multivariate Data Analysis**, 5th ed. Prentice Hall International Inc., U.S.A.

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

<i>Factor</i>	<i>Variables</i>	<i>Factor Loading</i>
Rural Customers	Informativeness	0.8213
	Responsiveness	0.7068
	Adjustability	-0.6422
	Human Relations	-0.5917
	Repayment pattern	0.5332
Rural Banking	Deposit Mobilisation	0.739
	Transactions	0.697
	Loan disbursement	-0.624
	Subsidy	0.581
	Schemes	0.534
Rural Branch	Area Coverage	0.484
	Furniture Facilities	0.809
	Equipment facilities	0.692
	Transport Facilities	0.661
	Building facilities	0.457
Job analysis	Job Content	0.820
	Job Enrichment	-0.757
	Job Equity	0.695
	Job Sharing	0.568

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
Eigen Value of the Factors in Rural Banking

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

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

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

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:

$$Y = a. x_1^{b_1} x_2^{b_2} x_3^{b_3} x_4^{b_4} .e$$

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.

TABLE 7.13
Impact of Different Aspects of Rural Banking on Overall Attitude

<i>Factor</i>	<i>Unstandardised Regression Co-efficient</i>	<i>Standardised Beta Co-efficient</i>	<i>Computed 't'</i>	<i>Significant</i>
Rural Customer	0.532	0.346	4.132	0.001*
Rural Banking	0.212	0.137	1.297	0.204
Job Analysis	0.043	0.023	0.268	0.791
Rural Branch Factor	0.350	0.187	2.135	0.036*
Intercept	0.6092			
Multiple Correlation	0.623			
R-Square	0.369			
F-Value	7.114*			

* Significant at 5 per cent level.

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

Sl.No.	Profile of Employees	F-Value of ANOVA				
		Rural Customer	Rural Banking	Job Analysis	Rural Branch	Overall
1.	Age	7.812*	1.368	4.297	8.0121*	5.2341*
2.	Work Experience	8.062*	2.1032	3.1142	5.0141*	3.9024
3.	Level of Education	1.2192	3.6231	1.0217	2.2763	1.9978
4.	Family Size	0.6817	1.0878	2.0619	1.9817	1.5731
5.	Working Grade (Dummy)	5.184*	1.2271	1.9087	2.0932	2.7134
6.	Work experience in Rural Branch	7.0162*	6.3317*	2.2618	1.3068	5.7034*
7.	Geographical distance	6.1929*	5.2117*	1.2082	2.9362*	4.4919*

* 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

$$Y = a. x_1^{b_1} x_2^{b_2} x_3^{b_3} x_4^{b_4} x_5^{b_5} x_6^{b_6} e$$

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



x_6 – Geographical distance of the bank

a – Intercept

e – error term

$b_1 \dots \dots \dots b_6$ – Regression co-efficients

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

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

* 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.