PREFACE

A financial system refers to the whole gamut of institutional arrangements which help to mobilize financial surpluses of an economy and transfer them to areas of financial deficit. The banking system forms the core of the financial sector of an economy. The role of commercial banks is particularly important in developing economies. Through mobilization of resources and their better allocation, commercial banks play an important role in the development of the economy.

Nationalization of commercial banks was a mixed blessing. After nationalization there was a shift of emphasis from industry to agriculture. Branch expansion programme led to mobilization of savings from all parts of the country. Nationalized banks were able to pay attention to the credit needs of weaker sections, artisans and self-employed. However, bank nationalization created its own problems like excessive bureaucratization, red-tapism and disruptive tactics of trade unions of bank employees.

In the wake of liberalization wave sweeping across the world and considering the strategic importance of the banking sector in the Indian economy, the Government of India set up a Committee on Financial System in 1991 which examined all aspects relating to the structure, organization, functions and procedures of the Indian Financial system. Despite opposition from trade unions and some political parties, the Government accepted all the major recommendations of the Committee, most of which has been implemented.

Competition among the commercial banks has increased with the entry of private sector banks, permission to open up to 12 branches a year with effect from 1998-99 and relaxation of various restrictions on public sector banks which inter alia, are now allowed to access the capital market to raise funds. This diluted the shareholding of the Government.
In the changed scenario, public sector banks will have to improve their efficiency. The highly regulated and directed banking system is now transforming itself into one characterized by openness, competition and prudence. This change would constitute the visionary role of the leadership and creating a culture of strategy awareness, leadership initiatives, motivation, coordination and empowerment to its employees which has an impact on the performance of the banks.

Various issues related to the present dissertation has been categorized into ten chapters. A brief reference to each of these chapters is given below.

**Chapter I** traces in detail the evolution of banking industry, genesis and history of commercial banking in India. Structure of scheduled banks and nationalization of banks is a significant feature of the chapter. Thereon the contours of reforms of Indian banking post liberalization is discussed with its impending changes on public sector banks. The last segment of the chapter highlights the emerging economic scene, regulatory, legal and technological environment in the banking industry.

**Chapter II** gives a brief profile of the banks covered in the study.

**Chapter III** describes the conceptual framework and various models available to understand the attribute of organizational culture.

**Chapter IV** is more specific and describes the framework of organizational performance. The various inputs that go in to measure organizational performance and what are the specific aspects that indicates banks efficiency.

**Chapter V** is an extensive insight into various definitions and scope of organizational core values which is implicit in organizational culture. It also mentions the research studies which highlights the relational approach of organizational culture to organizational performance in general and regarding banking industry in particular.
Chapter VI is devoted to the Research Methods adopted to carry out the present study of organizational culture and organizational performance in banks.

Chapter VII presents the Tabulation, Analysis and Interpretation of the data generated for the study.

Chapter VIII presents the Summary and Findings of the Study.

Chapter IX wraps up with Conclusion and Recommendations.

At the end limitations of the present study have been mentioned and the scope for further study has also been explored to provide direction for research in future.