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Comparative Performance Analysis of Select Public and Private Sector Banks in India : An Application of CAMEL Model

Jayanta Kumar Nandi*

In this paper, an attempt has been undertaken to highlight the comparative financial performance of the selected public sector and private sector banking companies in India for the period from 2001-02 to 2011-12 and for this purpose financial performance analysis based on ratios under CAMEL methodology and other statistical tools have been applied to assess the overall efficiency and consistency in terms of profitability, interest spread, customer service and satisfaction, cost control, management and NPA etc. After deciding the model we have chosen top 10 public sector and 10 private sector banks in India for this study. According to the importance of study each parameter of CAMEL method is given equal weights. Results shown that on average Bank of Baroda occupies the top most position followed by ICICI Bank and HDFC Bank. Also it is observed that Central Bank of India was at the bottom most position, followed by Karnataka Bank and UCO Bank. As a whole, selected public sector banks perform better than selected private sector banks in terms of both financial performance and performance consistency.

Keywords : Banks, Performance, CAMEL Model.

Introduction

Since India attained independence, there has been a continuous effort on the part of the government to develop and stabilize the banking operations with a view to accelerating the pace of socio-economic development of the country. As a step to this approach, bank nationalization was undertaken to give autonomy in banking and also to arrest the long standing practice of the private sector banks to encourage the concentration of economic power in a few

hands in the society to the detriment of the common mass. Accordingly, a large number of banks came under the state control as public sector banks under the aegis of the Banking Regulations Act to run and operate in a most compact manner with the noble mission to meet the finance needs of the economy by supplying fund as and when demanded.

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Linkage between Liquidity, Risk and Profitability : A Study with Reference to Eastern Coalfields Ltd.

Susanta Mitra* & Kartik Chandra Nandi**

Maintaining adequate and satisfactory level of liquidity, minimization of risk and optimizing profitability are the four fundamental areas that deserve serious attention on the part of the finance manager of a corporate organization and hence liquidity management can be considered as an important tool to analyze the sustainability and liquidity status of corporate organizations without which the value maximizing objective is hard to be realized. In simple sense, a company must be strong enough to pay off its current obligations and it must possess a sound base of working capital to sustain its operating activities in a long run perspective to cope up with the challenges and threats of today's world of intense global competition. The success of a company, by and large, depends on its returns earned backed up by a sound liquidity status despite the fact that it has always been a difficult task to trade off between the liquidity and profitability. A conservative working capital policy may ensure sound liquidity but endangers profitability and in contrary, an aggressive policy helps in gearing profits at the cost of its liquidity. Before deciding on an appropriate level of working capital investment, a firm's management has to evaluate the trade-off between expected profitability and the risk arising out of its inability to meet up its financial obligations. To reach an appropriate decision to make balance between profitability and risk, the firm must have controls over the flows of funds while allowing sufficient flexibility to respond to the changes that are taking place in the operating environment. The present study makes an attempt to scrutinize the liquidity and profitability position of the enterprise and understand the trade-off between liquidity risk and profitability.

Keywords : Liquidity, Risk and Profitability, ECL.

Introduction

Maintaining satisfactory level of liquidity, minimizing risk and optimizing earning capability are the three elementary domains of finance that deserve serious attention on the part of the finance managers of the corporates and hence liquidity management can be

considered as an important tool to analyze the sustainability and liquidity status of corporate organizations without

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Work Experience, Motivation and Satisfaction—Do they go together?

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In Indian Industries éminence grise have often been the cynosure of office gossips. Such people are known to have powers without formal authorities and appear to draw enormous satisfaction from their jobs and also they have very high level of belongingness towards their organization. This observation has led to many questions. Whether such people who have high level of satisfaction from their jobs are motivated enough to perform? What are the major factors that lead to such high level of satisfaction on the job ? Further, the question arises as to what are the variables that lead to or impact such high level of satisfaction? Is it the tenure of employment or the years of experience in a particular organization or department which leads to such satisfaction and overwhelming powers without the requirement of formal authority? These questions form the focal points of this research study. This comparative study has been done with age-group, gender, marital status, job classification, job type and educational qualification as additional variables in order to find out whether these variables have any impact upon satisfaction of the employees. It is found that the respondents with lower years of experience have lower level of Satisfaction out of their jobs and further, job satisfaction leads to motivation at work. Many interesting trends have been observed on statistical tests involving various additional variable along with tenure of employment in the organization.

Keywords : Years of Experience, Satisfaction, Age-group, Gender, Motivation, Marital Status.

Introduction

More often than not Industrial Psychologists and HR practitioners have pondered over satisfaction and motivation and also on the issue that whether happy employees make motivated performers? Whether meeting the demands of the employee unions would lead to better productivity? Whether more

freedom to the employees would bring in higher level of commitment? What are the factors or combination

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Appraising the Reasons of Non-Adopters' Resistance to Online Marketing of Indian Railways

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Indian railways, the largest travel organization of India acknowledge the criticality of internet in its business operations and deploy a web site in February 2000 to adopt the concept of 'online marketing' to tackle distribution costs and to reengineer the structure of its business operations. However, online marketing efforts of Indian railways have not yet fully convinced the customers for its usefulness and added value as there seems to be resistance to adopt these new and innovative online services. Against this backdrop, the present study attempts to examine the factors resisting consumers to adopt online marketing of Indian Railways and how these factors are differ among non-adopters of online marketing of Indian railways. The information of the study can help the travel authorities to target those potential customers who will be immediately responsive to their online travel offerings and to devise right targeted communication strategies for these customers. It can enable understanding of travel authorities/managers towards attitude of consumers who are not using online marketing and provide direction to them to use online marketing effectively. The present research design is descriptive and diagnostic in nature. To collect data for this empirical study a survey is conducted using a structured self-administered questionnaire for those who are not using online marketing of Indian railways. This study is probably the first to systematically examine the factors resisting consumers to adopt online marketing of Indian Railways.

Keywords : Non-Users, Resistance, Factors, Analysis of Variances, Online Marketing, IRCTC.

Introduction

Travel industry worldwide is altering the way it functions and provides services to travellers due to advancement of information technology and emergence of competitive marketplace on account of globalization. Responding

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A Study on Pre & Post Performance Evaluation of Merger and Acquisition of Selected Indian Banks

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Indian banking sector has witnessed revolution due to tough competition from private and international counter parts. Traditional Indian banks are trying to makeover and match in terms of services provided by foreign and private counterparts. Growth and extension have become indispensable for corporate. Mergers and Acquisitions (M&As) are an easy route to achieve the twin objective. Businesses across the corporate world have only two options in hand to expand their operation and gain substantial profits. One way is to grow through internal expansion by means of introducing new technologies, altering the course of operations, enhancing work performance, and establishing new lines of products or services. Through this, the business grows gradually over time but the new strategy of external expansion has completely changed the business sector across the world. This external expansion takes place in the form of merger, acquisitions, takeovers, and amalgamations, dramatically supporting the globalization of businesses. M&A are value spinners for investors. Present paper tries to compare and evaluate the pre-merger and post-merger scenario of the selected Indian banks. Major ratios are studied to identify the overall impact of the profitability of the banks on account of mergers and acquisitions.

Keywords : Mergers & Acquisitions, Profitability Ratios, Synergistic Benefits.

Introduction

In today's scenario very often M&As are headline stories of financial dailies. Deregulation in the financial market, market liberalization, economic reforms, and a number of other factors have played an important function behind the growth of mergers and acquisitions in the banking sector (Economy Watch, n.d.). The top stories of M&A are not only restricted to manufacturing sector but it has become a vital case-study in service sector too. The principal

objective of M&A in banking sector is to reap the benefits of economies of scale. Through the route of M&As, banks achieve significant growth in operations and minimize their operational expenses (Economy Watch, n.d.). Horizontal M&As eliminates the rivals and helps to cash on the advantage of core competencies of the target banks.

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HRD Climate and Job Satisfaction in the Public Sector of Ethiopia : An Empirical Study in Amhara and Benishangul-Gumuz Regions

Mulatu Takele Babushe* & K.Narendranath**

The purpose of this paper is to examine employees' perception about HRD climate in relation to job satisfaction in the public sector (civil service organizations) of Ethiopia based on the selected Bureaus in two regional states viz., Amhara and Benishangul-Gumuz. The data was collected from 615 employees (both executives and non-executives) using self-administered questionnaire.. The findings revealed that the extent HRD climate and the HRD climate elements are all below average, i.e., they are indicating the existence of very poor HRD climate in the selected bureaus or in the public sector of Ethiopia. The tested hypotheses suggested that the correlation between HRD climate and job satisfaction is statistically significant, and there is significant impact of HRD climate on job satisfaction. The HRD climate variables correlate strongly, positively and significantly with job satisfaction at the 0.01 significance level. Besides, HRD climate influences the job satisfaction of employees.

Keywords : HRD climate, the General climate, the OCTAPACE culture, HRD mechanism, and Job satisfaction.

Introduction

Any nation is developed only when its human resource is developed; and underdeveloped if its people are undeveloped. Developing human asset enhances productivity and competitiveness which in turn leads to faster growth (Bahar Bayraktar, 2004; Gupta, 2009). Developed human resource is the greatest asset of every nation as well as organization, because, as Rao (1996) noted, it creates dynamic people and dynamic people create dynamic organizations as well as a dynamic country.

Human resource development is a 'people-oriented concept rather than technology-oriented' (Solkhe & Chaudhary, 2011) that brings about greater commitment, efficiency, and growth to individuals. Therefore; managing and developing human resource is managing all other resources.

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A Study of Role of NABARD in Agriculture and Dairy Development of India

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The present paper is an attempt by the researchers to examine the role of NABARD in agriculture and dairy development in India through financial disbursements made by it directly or through various agencies, to various regions and sectors of India. The study is purely based on secondary data which were analyzed with the help of mean, percentage, CAGR, one-way ANNOVA, etc. to draw the results. The study revealed that NABARD trusts the CBs the most, followed by RRBs, which is due to the strong network of branches having a strong base of customers with latest technology and tailor-made services; and Southern states of India had been the priority areas for NABARD with a highest CAGR whereas, North-Eastern states were provided with the least assistance by NABARD. The study also exhibited that NABARD continuously focuses on NFS, SHGs and farm mechanization, however, dairy development which assumes great significance in present day scenario, is yet to get its dues from Bank. It was established through the study that there is a significant difference in refinance disbursement of NABARD through various agencies, regions and sectors.

Keywords : Agriculture, Milk Production, Dairy Development, Rural Development.

Introduction

The agriculture sector of Indian economy has always assumed a significant place in the growth and development of the nation. Though its own growth had never been up to the mark or par with international standards, but since it had been a fundamental source of livelihood to the large part of population of the county, hence, even with slow growth it always remained a source of attraction for planners, policy makers and researchers. Agriculture and allied sector had contribution in GDP of 5.2 per cent in the year 2005-06 whereas in the year 2011-12 it was just

2.8 per cent based on 2004-05 prices (NABARD's Annual Reports). NABARD since its inception in 1982, has emphasized towards rural and agricultural development with introduction of several important schemes. It also provides policy support for various farm sector initiatives aimed at accelerating ground level credit flow by rural credit agencies for various farm related

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