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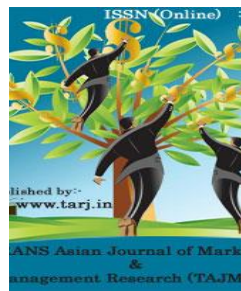
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PSYCHOMETRICS AND STANDARDIZATION OF QUALITY OF WORK LIFE SCALE (QWLS)

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ABSTRACT

This study was undertaken on 536 teaching and non-teaching staff in academic settings to determine the psychometric characteristics i.e. reliability and validity of a bilingual (English and Hindi) Quality of Work Life scale. Cronbach's Alpha of the scale was found 0.92, which is very high. Content validity of the scale was verified by a number of expert, academicians and professionals. Using a more structured method, exploratory factor analysis was carried out and eight factors emerged in the analysis. In summing up all eight factors explained 57.71% of the total variance which confirms the high factorial/construct validity. Further, inter-factorial correlations among sub dimensions of quality of work life found highly significant. It can be concluded that the present piece of research work confirms high reliability and validity of quality of work life scale. Conclusion drawn, implications and suggestions for future research proposed.

KEYWORDS: *Quality of Work Life, Reliability, Validity.*

INTRODUCTION

Organizations, in the past, gave more importance on advanced technology for higher productivity surpassing the needs and mental state of its employees. This created a negative impact on the working environment among the employees. Thus, it was realized that societal support goes hand in hand with technical innovations. This integration can only be made through quality of work life programs. It denotes all the organizational inputs which aim at the employees' satisfaction and enhancing organizational effectiveness. In the late 1950s the term quality of work life was used to stress the prevailing poor quality of work life at workplace and it was first defined then in

terms of people's reaction to work, particularly an individual's job satisfaction and mental health(Pattanayak, 2003).

QUALITY OF WORK LIFE: CONCEPT AND DEFINITIONS

The concept of quality of work life has been defined differently by different researchers, scholars, union leaders, management and government personals in the area of management and psychology. Cohen and Rosenthal (1980) defined quality of work life as an internationally designed effort to bring about increased labour management cooperation to jointly solve the problem of improving organizational performance and employees' satisfaction. According to Robbins (1989) quality of work life is being considered as a process through which an organization responds to employees' needs by developing mechanisms which allow employees to participate in making the decisions that determine their work lives. On the other hand Newstrom and Davis (1995) posited quality of work life on the account of human growth, exciting workplace, creativity and innovativeness, with concern for individual and democratization of the workplace.

In a more specific mode, Ruchi (2008) suggested quality of work life as the sum total of values, both material and nonmaterial, attained by a worker during his/her job. It includes aspects of perceived workplace environment such as wages, working hours, work environment, benefits and services, career prospects and human relations. These facets of quality of work life considered as to strengthen the employees' job satisfaction as well as motivation. Islam and Siengthai (2009) said that it includes type of wage payments, working conditions, working time, health hazardous issues, financial and non-financial benefits and management behaviour for the employees.

Aswathappa (2011) emphasized that high quality of work life made guaranteed when employees of an organization are able to satisfy with their important personal needs through their experiences in the organization. In addition, Swamy, Nanjundeswaraswamy, and Rashmi (2015) stated the meaning of quality of work life as an extent to which an employee are satisfied with their personal and working needs through participation at the workplace in achieving the goals of the organization. Further they pointed out that focusing on improving quality of work life to increase the pleasure and satisfaction of employees can result in various advantages for both employees and organization. Through the effective implementation of interventions of quality of work life such as flexible time, job enrichment, job enlargement, autonomous work group culture; it is possible to enhance status of quality of work life in employees. These interventions ensure the full use of a worker's potential by assuring greater involvement which makes the work more effective and efficient by augmenting the quality. It also develops opportunities for active involvement of employees in decision making process.

High quality of work life can be responsible for higher organizational performance, effectiveness and innovativeness for employees. It provides the freedom to employees' in designing their job functions to meet their personal needs and interest. It is the corroboration between the employees and their organization. It improves the family life as well as work life of the employees. In short, it represents a state that emphasizes the importance of skill development opportunities for employees to contribute to their jobs as well as to receive more from their jobs. It is an alternative to the control approach of managing people. This approach considers people as an "asset" to the organization and believes that people perform better when they allowed to participate in managing their work and to make decisions. A good quality of work life not only

attracts new talent but also retain the existing talent. It involves job security, good working conditions, adequate and fair compensation and equal employment opportunity all together. It also aims to meet the twin goals of enhanced effectiveness of organizations and improved working condition at workplace (Goethe& Mani, 2016).

DEVELOPMENT OF THE SCALE

In the initial stage experts in the field of psychology were contacted and the aim of developing the scale was explained to them. With the experts' opinion, eight dimensions of quality of work life were finalized, they are:

OPERATIONAL DEFINITION OF QUALITY OF WORK LIFE

Quality of work life is defined as the 'favourableness' or 'unfavourableness' of a job environment for the employees working in an organization. The main issue is to develop and strengthened jobs that are better for employees, and goals to enhanced effectiveness of organizations.

DIMENSIONS OF QUALITY OF WORK LIFE

CITIZENSHIP BEHAVIOR&RECOGNITION AT WORK: Citizenship, or extra-role, measures typically include such things as providing extra help to coworkers, volunteering for special work activities, being particularly considerate of coworkers and customers, being on time, and making suggestions when problems arise. Recognition is simply defined as the relative ranking that a person holds in a group, organization, or society.

CONFIDENCE IN MANAGEMENT: The employees' have full faith in the methods, procedures, policies required to achieve the goals of the organization.

WORKING CONDITIONS:The term working conditions include; the ambient environment in the work place (e.g., temperature, noise), the physical design of the work place and the working positions and postures that have to be adopted (e.g., seating, etc.), and the pattern of the work-rest cycles required (e.g., shift systems, rest breaks).

OPPORTUNITY FOR GROWTH & DEVELOPMENT: Growth and development needs affect the way individuals respond to complex, challenging jobs characterized by high levels of autonomy, variety and personal discretion at work. The employees who are strongly desirous of growth and development opportunity at work respond even more positively to jobs high demands than individuals who have little interest in growth opportunities at work.

WORK RELATIONS: In workplace the work permit to make friendship through membership of informal social groups and employer could not treat workers simply as economic individuals wanting to maximize pay and minimize efforts.

ORGANIZATIONAL CLIMATE: It is a particular set of characteristics of the work environment, experienced directly or indirectly by its members, that is assumed to be a major force in influencing employee performance.

BELONGINGNESS:It refers to the human's inherited emotional desire to be an accepted member of a group e.g. family, social group, school, club, co-workers, or a sports team, etc.

ORGANIZATIONAL TRANSPARENCY:It refers open communication, accountability, accuracy and clarity pertaining to an organization's functioning and activities on the disclosure of information with its employees.

FIRST DRAFT OF THE SCALE AND ITEM ANALYSIS

Initially, the scale comprises 48 items with 5-point Likert type responses, viz., 'Strongly Disagree = 1', 'Disagree = 2', 'Undecided = 3', 'Agree = 4', 'Strongly Agree = 5' were obtained. This scale was administered on a representative sample of 200 male and female staff. After scoring the items of each testee, the scores were arranged in descending order (highest scoring to the lowest). Two separate groups, one of 27% from the highest scoring and other of 27% from the lowest scoring were made. Inter correlation matrix was examined in order to overcome existence of multicollinearity and singularity in the scale. After analysis, 15 items having the multicollinearity and singularity were rejected and the final draft of the scale comprised 33 items.

TABLE-1 NO. OF ITEMS IN RESPECTIVE FACTORS AND DIRECTION

Factors	Items		No. of Items
	Positive	Negative	
1.Citizenship Behaviour & Recognition at Work	1,2,4,9,10,11,14,19,21	3	10
2. Confidence in Management	17,25,27,28,29,30		6
3. Working Conditions	12,13,16	20	4
4.Opportunity for Growth & Development	5,15,26		3
5. Work Relations	31,32,33		3
6. Organizational Climate	18,22		2
7. Belongingness	23,24		2
8. Organizational Transparency	6,7,8		3
Total	31	02	33

TABLE 2: SCORING SYSTEM

Scoring	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Positive	1	2	3	4	5
Negative	5	4	3	2	1

STANDARDISATION OF THE SCALE

The final scale with 33items was administered to a sample of 536teaching and non-teaching staff of academic institution. The sample constitutes teaching and non-teaching staff 300 and 236 respectively.The total score of the scale varies from 33 to 165 and can be inferred as higher the score higher the quality of work life.

The mean age of the staffparticipated in the development of scale was 45.28years with 26 years as minimum and 64 years as maximum.

ADMINISTRATION OF SCALE

The scale can be administered individually or in a group (not more than 30 subjects) at a time. The subjects were assured that their responses will not be disclosed but will be used for the research purpose only. Read each and every item carefully and give your responses candidly.

RELIABILITY

The considerations of reliability and validity typically are viewed as essential elements for determining the quality of any standardized test. However, professional and practitioner associations frequently have placed these concerns within broader contexts when developing standards and making overall judgments about the quality of any standardized test as a whole within a given context. Cronbach's alpha was used for determining the internal consistency reliability. Cronbach's Alpha was found 0.92 which is significant at 0.001 level. The internal consistency of the scale is quite high and this gives a support that the scale has excellent reliability (George & Mallery, 2003).

TABLE 3: DESCRIPTIVE STATISTICS OF ITEMS SCALE AND CRONBACH'S ALPHA

Factors	Descriptive statistics for item				Descriptive statistics for scale		
	Range	Mean	Variance	SD	Scale Means if item Deleted	*Corrected Item-Total Correlation	*Cronbach's Alpha if Item Deleted
I	4	3.58-3.82	.70-.99	.84-1.00	117.06-117.30	.49-.67	.92
II	4	3.61-3.73	.84-1.13	.91-1.06	117.14-117.27	.44-.55	.92
III	4	3.56-3.65	.99-1.14	.99-1.07	117.23-117.32	.42-.53	.92
IV	4	3.56-3.78	.88-1.08	.94-1.04	117.10-117.32	.41-.52	.92
V	4	3.57-3.63	1.07-1.12	1.03-1.60	117.25-117.30	.39-.50	.92
VI	4	3.66-3.67	.97-1.02	.99-1.01	117.21-117.22	.42-.52	.92
VII	4	3.82-3.83	.80-1.08	.90-1.04	117.05	.32-.43	.92
VIII	4	3.44-3.70	.92-1.36	.96-1.17	117.77-117.43	.40-.46	.92

* p<0.001

I- Citizenship Behaviour & Recognition at Work, II- Confidence in Management, III- Working Conditions, IV- Opportunity for Growth & Development, V- Work Relations, VI- Organizational Climate, VII- Belongingness, VIII- Organizational Transparency

**TABLE 4: DESCRIPTIVE STATISTICS OF SCALE AND RELIABILITY
(CRONBACH'S ALPHA)**

Statistics scale	Mean	Variance	Std. Deviation	Alpha Coefficient	No. of Items
	120.87	305.92	17.49	0.92	33

VALIDITY

Content (face and logical) validity of the scale was verified by number of experts and academicians. There are various methods to establish construct validity of the tool. Factor analysis with varimax rotation was used to establish the construct validity of the tool. Data screening was carried out in order to overcome existence of multicollinearity and singularity in the scale. For testing multicollinearity and singularity 'Determinant' of the R-matrix was estimated and it was greater than 0.00001. Sampling adequacy was also carried out and found to be greater than 0.50 as required in both cases.

Using a more structured method, Exploratory Factor Analysis was carried out and eight factors emerged. The items having factor loading greater than or equal to 0.40 were selected. Table 5 shows the factors, items emerged in respective factors, factor loadings, percent of variance explained by each factor and cumulative percent of variance.

TABLE 5: FACTOR STRUCTURE OF QUALITY OF WORK LIFE SCALE (QWLS)

Factors	Item No.	Factor Loadings	Variance	
			Pct. of Var.	Cum. Percent
I	1,2,3,4,9,10,11,14,19,21	.735-.498	29.54	29.54
II	17,25,27,28,29,30	.675-.473	6.14	35.68
III	12,13,16,20	.723-.556	4.45	40.13
IV	5,15,26	.705-.492	4.20	44.33
V	31,32,33	.731-.450	3.65	47.98
VI	18,22	.602-.442	3.44	51.42
VII	23,24	.684-.623	3.19	54.61
VIII	6,7,8	.716-.454	3.10	57.71

I- Citizenship Behaviour & Recognition at Work, II- Confidence in Management, III- Working Conditions, IV- Opportunity for Growth & Development, V- Work Relations, VI- Organizational Climate, VII- Belongingness, VIII- Organizational Transparency

The percent of variance accounted by factors varies from 3.10 to 29.54%. In summing up all eight factors explained 57.71% of the total variance which confirms the high factorial/construct validity.

INTER- FACTORIAL VALIDITY

The inter-factorial validity of the scale was calculated to confirm all factors as correlated to each other and measuring the same construct. The Cronbach's Alpha of each factor has also been calculated and shown in table 6.

TABLE 6: INTER-FACTORIAL VALIDITY, CRONBACH'S ALPHA AND EFFECT-SIZE DIMENSION WISE

Dimensions	Factor								Reliability (α)	Effect-size
	1	2	3	4	5	6	7	8		
Factor 1	1								0.88	0.77
Factor 2	.586**	1							0.75	0.56
Factor 3	.547**	.471**	1						0.68	0.46
Factor 4	.556**	.496**	.424**	1					0.60	0.36
Factor 5	.532**	.506**	.445**	.361**	1				0.62	0.38
Factor 6	.431**	.525**	.420**	.405**	.329**	1			0.55	0.30
Factor 7	.328**	.421**	.316**	.375**	.244**	.406**	1		0.50	0.25
Factor 8	.637**	.414**	.473**	.489**	.349**	.325**	.269**	1	0.46	0.21

** $p < 0.001$

Inter-factorial correlations indicate that all the factors are highly and significantly correlated with each other and measuring the same construct. The Cronbach's Alpha for factors varying from 0.46 to 0.88. The effect-size for quality of work life dimensions varies from 0.21 to 0.77 and shows high strength of relationship among items for the respective dimensions.

CONCLUSION

1. Reliability, validity and stability data based on 536 teaching and non-teaching staff exhibited that quality of work life scale has quite satisfactory psychometric characteristics. It can be concluded that the quality of work life scale is highly reliable and valid to measure the perceived quality of work life of the teaching and non-teaching staff.
2. The more structured, exploratory factor analysis provided evidence of the construct or factorial validity which was found to be highly satisfactory.
3. Inter-factorial correlations indicate that all the factors are significantly correlated with each other and measuring the same construct which confirms inter-factorial validity of the scale.
4. The effect size shows high strength of relationship among items for the respective sub dimensions of quality of work life scale.
5. The results of the present investigation exhibited that the bilingual version of quality of work life scale can be used for assessment, intervention and research purposes.

IMPLICATIONS

1. In this study we have sought to standardize the quality of work life scale on the basis of the representative sample. It has been established that psychometric properties (reliability and validity) of the scale are highly satisfying. Accordingly, the first major practical contribution of present research is that it provides sufficient background to measure the quality of work life of population engaged in academic settings.
2. After reviewing a number of research studies it can be opined that eight proposed facets are sufficient to explain the quality of work life in academic settings.

Our study, being of an exploratory and interpreting in nature, raises a number of opportunities for future research. More research will in fact be necessary to refine and further elaborate our novel findings.

SUGGESTIONS FOR FUTURE RESEARCH

Quality of work life plays very important role in training and management of manpower resources at workplace. In the present investigation psychometric and standardization of quality of work life scale was established in academic settings. Therefore, a further research investigation is required to address the different facets of employees' quality of work life in different organizational as well as industrial settings as different organizations and industries are built with different culture, climate and structure.

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FINANCIAL DISBURSEMENT BY NABARD IN CONTEXT OF HARYANA

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ABSTRACT

The National Bank for Agricultural and Rural Development (NABARD) is the apex bank for financing agricultural development in the country. This bank is involved in refinance disbursement for various agricultural purposes such as for minor irrigation, land development, farm mechanization, plantation and horticulture, fisheries, animal husbandry etc. In various states. In the present paper attempt is made to analyse the temporal behavioral pattern of Growth of Purpose-wise Refinance Disbursement by NBARD under Investment Credit in Haryana by using secondary data from year 1991-92 to 2011-12 . By applying statistical tool like compound growth rate and differential index on data it is found that NABARD has been playing an important role over the period of time by way of refinancing the multitude of agricultural activities in Haryana and contributing in the process of socio- economic transformation of its countryside.

KEYWORDS: *Agricultural Finance, Disbursement, Farm Mechanization, Horticulture, Monitoring.*

INTRODUCTION

The All India Rural Credit Survey (1954) laid the foundation for building a broader credit infrastructure for rural credit. It was observed agricultural credit fell short of the right type in that it failed to serve the right purpose and often was found wanting in terms of flowing to the right people. It was felt that while co-operative had a vital role in channeling credit to the farmers; their actual performance in the sphere of agricultural credit was deficient in a wide variety of manifestations. In addition to visualizing co-operative as an exclusive agency for providing credit to agriculture, a well-defined role for commercial banks in delivering credit for agriculture in specialized areas such as marketing, processing, storage and warehousing also came to be emphasized in unambiguous terms. Towards this end, the setting up of the State Bank of India

came to be recommended and through it, the extension of commercial banking facilities to the rural and semi-urban areas. Thus, concern with the inadequate extension of agricultural credit had a significant role in the founding of Reserve Bank of India and transformation of the Imperial Bank of India to State Bank of India. These Initiatives now with standing for a while, the inadequacy of rural credit continued to engage the attention of the Reserve Bank of India and the government throughout the decades of 1950s and 1960s. This becomes amply manifest from the fact that the Agricultural Refinance Cooperation (ARC) was set up by the Reserve Bank in 1963 to provide funds by way of refinance, but credit co-operatives still did not function too well. Consequently, The All India Rural Credit Review Committee was set up in July 1966 after comprehensive review. This Committee, in its well-considered wisdom, recommended that commercial banks should play a complementary role, along with co-operatives, in extending rural credit. The social control and subsequent nationalization of major commercial banks in 1969 (and 1980) acted as catalyst for providing momentum efforts of leveraging the commercial banking system for extending agricultural credit. The concept of priority sector was introduced in 1969 to underscore the imperative of financing certain neglected sectors like agriculture. Despite these efforts, however, the flow of credit to the agricultural sector failed to exhibit any appreciable improvement due mainly to the fact that commercial banks were not tuned to the needs and requirements of small and marginal farmers, while co-operatives, on the other hand lacked resources to meet the expected demand. The solution that was found involved the establishment of separate banking structure, capable of combining the local feel and familiarity of rural problems characteristic of co-operatives and professionalism and large resources base of commercial banks. Following the recommendations of the working group on rural banks Regional Rural Banks (RRBs) came to set up in 1975. The close of 1977 saw the emergence of three separate institutions for providing rural credit. This development marked the beginning of what subsequently came to be termed as the “multi- agency approach” to rural finance. Following the recommendations of the committee to review arrangements for institutional credit for agriculture and rural development, the National Bank for Agricultural and Rural Development (NABARD) was set up in 1982 to provide credit for the promotion of among other things, agriculture. The NABARD took over entire undertaking of the ARDC and refinancing functions of the RBI in relation to state co-operatives and RRBs. Thus NABARD is the apex institution for agricultural credit at the national level. Thus since its inception in 1935, Reserve Bank of India had shown keen interest in the agricultural credit and set up a separate department for this purpose. The RBI was involved in extending the short-term seasonal credit as well as medium term credit to agricultural through state level co-operative Banks and land Development Banks. At the same time, for the purpose of providing refinance support to the banks to promote programs of agricultural development, particularly those requiring term credit, The Agricultural Refinance Development Corporation (ARDC) was set up by the RBI. With the widening of the role of bank from credit for “agricultural development” to credit for “rural development” the government proposed to have a more broad based organization at the apex level to extend support and give guidance to credit institutions in matters pertaining to the formulation and implementation of the rural development programs in the country. Accordingly in the consonance with this proposal, a National Bank for Agricultural and Rural Development (NABARD) or The National Bank therefore, came to be set up in July 1982 by an act of Parliament to take over the agricultural credit functions of the RBI on the one hand and refinance functions of ARDC on the other. The National Bank for Agriculture and Rural Development (NABARD) is linked with the RBI in that the latter contributed half of its share capital with the

remaining half being contributed by the Government of India .In addition to appointing a deputy governor of RBI as chairman of National Bank, the RBI also nominates three of its Central Board members on the board monitoring the activities of NABARD.

II.OBJECTIVES OF THE PAPER

- 1) To examine and analyse, the temporal behavioral pattern of Growth of Purpose-wise Refinance Disbursement by NBARD under Investment Credit in Haryana 1991-92 to 2011-12.
- 2) To examine the role played by NABARD in agricultural finance.
- 3) To analyse the contribution to the process of Socio-economic Transformation.

III. DATABASE AND RESEARCH METODOLGY

- 1) The present study covers the period between 1991-92 and 2011-12.
- 2) Information on financial disbursement by NABARD in Haryana is obtained from ‘Statistical Statement Annual Report of NABARD’ for various years.
- 3) The present study also carries out economic analysis of variables pertaining to agricultural finance .A brief description of research-kit comprising various statistical tools used in the present study for the purpose is given below:-

a) PERCENTAGES

The present study uses a widely uses applied technique of percentages .The use of percentage as a statistical tool lends precision to the whole mass of data and is also particularly useful for purposes of comparison in that it reflects the relative weight of the concerned variables(s).

b) DIFFERENTIAL(D_i)

In consonance with the requirement of our study, we use the differential (d_i) technique to capture the overall growth/change in the temporal behavioral pattern of the various variables. The present study uses its following form of differential (d_i):-

$$\text{Differential (d}_i\text{)} = \frac{V_n - V_0}{V_0} * 100$$

Where V_n = Value of the concerned variable in the terminal Year

V₀ = Value of the concerned variable in the base year.

c) THE COMPOUND ANNUAL GROWTH RATE (CAGR)

For quantifying the temporal pattern (trend) of growth in respect of various variables included in the study, it estimates the growth rates in respect of financial disbursement in Haryana. This is largely been made possible by the availability of time series data for the period between 1991-92 and 2011-12. It is relevant to point out that we have, in present study, calculated the Compound Annual Growth Rates (CAGRs) for the entire period rather than for sub-periods.

IV. FINANCIAL DISBURSEMENT BY NABARD IN THE CONTEXT OF HARYANA AGRICULTURE

The National Bank for Agricultural and Rural Development (NABARD) is the apex bank for financing agricultural development in the country. This bank is involved in refinance disbursement for various agricultural purposes such as for minor irrigation, land development, farm mechanization, plantation and horticulture, fisheries, animal husbandry, etc. in various states including Haryana. Table 1.1 (see appendix) provides the necessary details pertaining to the refinance disbursement by NABARD under investment credit in the case of Haryana agriculture. This table attracts the following comments:-

IV.I ANALYSIS AND FINDINGS

First, in the case of minor irrigation, in Column 1 of Table, refinance disbursement amount by NABARD to Haryana agriculture increased by 924.40 percent in overall sense (i.e. from Rs. 1,406.00 lakh in 1991-92 to Rs. 14,403.00 lakh in 2011-12, measuring thereby an annual increase of 11.72 per cent. Second, in column no. 2 during the same period, refinance for land development increased from 196.00 lakh to Rs. 7,435.00 lakh. In terms of overall and yearly growth, these changes measure 3693.37 and 18.90 percent respectively. Third, viewing column no. 4 of Table, in 1991-92, farm mechanization related refinance disbursement by NABARD to Haryana agriculture was of the order of Rs. 3,271.00 lakh which grew over the period of time to become Rs. 11,874.00 lakh in 2011-12. The overall and annual growth in the case estimated at 263 and 6.33 percent respectively. Fourth, under column no. 5 of Table. Refinance disbursement in the case of plantation and horticulture in Haryana registered an overall growth of 6901.56 percent for the period as a whole and 22.42 percent on per annum basis while in absolute terms it increased to Rs. 4,481.00 lakh in 2011-12 as against Rs. 64.00 lakh 1991-92. Fifth, in the case of fisheries in column no. 6 starting with a low refinance disbursement amount of Rs. 1.00 lakh in 1991-92, the apex institution went on to increase this amount to Rs. 40 lakh in 2011-12, registering thereby an overall growth of 40 times in 2011-12 with the yearly growth estimated at 19.20 percent. Sixth, in column no. 7 the animal Husbandry recorded an overall growth in 122.19 per cent for the period as a whole (from Rs. 1,140.00 lakh in 1991-92 to Rs. 2,533.00 lakh in 2011-12) and the same in compound annual terms measures at 3.87 percent. Seventh, under column no. 8 the refinance disbursement amount by NABARD in Haryana on account of development of various non-farm activities which stood at Rs. 416 lakh in 1991-92 increased to 21,663 lakh in 2011-12, which seen in terms of overall and annual growth compounded yearly estimated at 5107.45 and 20.71 per cent respectively. Eighth, viewing the column no. 9 the refinance disbursement amount in the case of other activities by NABARD in Haryana was noted to be Rs. 615.00 lakh in 1991-92, which grew annually at the rate of 5.24 per cent to become Rs. 1,796.00 lakh in 2011-12, the overall change in this case being 192.03 percent. Ninth, in column no. 10 and Graph 1.1(b), The total amount of refinance disbursed for all agricultural activities put together in Haryana grew by 803.39 per cent in an overall sense during the period under refinance (i.e. from Rs. 7,109.00 lakh in 1991-92 to Rs. 64,25.00 lakh in 2011-12, estimating at 23.94 percent compounded yearly basis. This is suggestive of the fact that NABARD's role in the refinance disbursement activities in Haryana agriculture on various counts has increased over the period of time.

IV.II Structural changes and Socio-Economic Transformation contribution by NABARD

It is an important point that deserve to be underline in respect to information given in Table 1.1 is that the relative shares of various heads of refinance disbursement amount have witnessing important structural change, it become evident from the fact that farm mechanization which accounted for roughly 46.01 per cent (Rs.3271.00) of refinance disbursement amount in 1991-92 declined to 18.49 percent even though, in absolute terms, it multiplied by as many as 3 to 4 times in 2011-12. Likewise, the minor irrigation which accounted for roughly 19.78 per cent share in total refinance disbursement amount in 1991-92 which though improved only by less than 3 percentage points in 2011-12 (i.e. 22.43 percent), the increase in absolute terms was more than 10 times. In the case refinance disbursement for land development by NABARD, the increase in relative terms has been from 2.76 percent in 1991-92 to 11.58 percent in 2011-12, but in absolute terms, it has been to the tune of 37-38 times. Plantations and horticulture is reported to have improved its relative share in refinance disbursement by NABARD in Haryana from 0.09 per cent in 1991-92 to 6.98 per cent in 2011-12. The absolute increase in this case works out to be roughly 70 times. The relative share of fisheries in this regard has remained low (i.e. 0.06) percent in 2011-12 against 0.01 percent in 1991-92. In spite of this, however, the absolute increase in this case measures roughly 40-fold. In the case of animal husbandry in Haryana, though the absolute amount of refinance disbursement by NABARD more than doubled between 1991-92 and 2011-12, the relative share experienced a decline by nearly 12.10 percentage points from 16.04 percent in 1991-92 to just 3.94 percent in 2011-12. It is important to note that non-farm sector has experienced the most pronounced change both in absolute and relative terms. For example, while more than 50 times increase has been visible in the case of financial disbursement by NABARD to this sector in absolute terms; the relative share in total refinance disbursement on this count too has rapidly improved from 5.85 percent in 1991-92 to as high as 33.72 percent in 2011-12. And finally, in the case of other activities, the refinance disbursement amount by NABARD has declined in terms of its relative share from 8.65 percent in 1991-92 to 2.80 percent in 2011-12 in spite of its 2 to 3 fold increase in absolute terms.

V. CONCLUSION

In sum, our primary concern in this paper is to examine and analyze the performance of NABARD in temporal growth of Purpose-wise Refinance Disbursement in Haryana from 1991-92 to 2011-12. All in all preceding results is indicative of the important role that NABARD has been playing over the period of time by way of refinancing the multitude of agricultural activities in Haryana and contributing in the process of socio- economic transformation of its countryside.

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APPENDIX-1.1

TEMPORAL PATTERN OF GROWTH OF REFINANCE DISBURSEMENT BY NABARD IN HARYANA (RS. IN LAKH)

Year	Minor irrigation	Land Development	Farm Mechanization	Plantation & Horticulture	Fisheries	Animal Husbandry	Non-farm sector	Others	Grand Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1991-92	1406(19.78)	196(2.76)	3271(46.01)	64(0.90)	1(0.01)	1140(16.04)	416(5.83)	615(8.65)	7109(100.00)
1992-93	2112(22.81)	284(3.07)	4314(46.59)	75(0.80)	4(0.04)	1155(12.47)	753(8.13)	508(5.49)	9260(100.00)
1993-94	2491(18.67)	250(1.86)	4685(35.00)	108(0.80)	11(0.08)	2166(16.00)	2348(17.59)	1343(10.00)	13342(100.00)
1994-95	1497(10.53)	281(1.98)	5446(38.33)	137(0.96)	21(0.15)	3580(25.19)	2369(16.67)	879(6.19)	14210(100.00)
1995-96	2793(17.08)	542(3.31)	5650(34.55)	108(0.66)	25(0.15)	3788(23.16)	2272(13.89)	1177(7.20)	16355(100.00)
1996-97	4780(24.99)	1063(5.56)	5897(40.84)	121(0.63)	39(0.20)	3631(18.98)	2356(12.32)	1242(6.49)	19129(100.00)
1997-98	4893(19.58)	847(3.40)	10204(40.84)	137(0.55)	53(0.21)	5221(20.90)	2393(9.58)	1235(4.94)	24983(100.00)
1998-99	3400(12.26)	457(1.65)	13113(47.29)	160(0.58)	66(0.24)	7151(25.79)	2015(7.27)	1364(4.92)	27726(100.00)
1999-00	3759(13.00)	653(2.26)	13110(45.32)	167(0.58)	88(0.30)	7761(26.83)	2074(7.17)	1313(4.54)	28925(100.00)
2000-01	3466(9.74)	668(1.88)	15784(44.35)	194(0.55)	62(0.17)	10577(29.71)	2194(6.16)	2650(7.44)	35595(100.00)
2001-02	1785(4.69)	1613(4.23)	11982(31.45)	539(1.42)	144(0.38)	14095(37.00)	6858(18.00)	1079(2.83)	38095(100.00)
2002-03	1598(3.43)	3621(7.78)	8292(17.81)	718(1.54)	160(0.34)	18407(39.55)	9740(20.92)	4020(8.63)	46556(100.00)
2003-04	4231(8.52)	6299(12.69)	7302(14.71)	1877(3.78)	322(0.65)	17968(36.20)	6461(13.01)	5182(10.44)	49642(100.00)
2004-05	4397(8.15)	10572(19.60)	6620(12.29)	3504(6.50)	88(0.16)	15880(29.44)	8740(16.20)	4134(7.66)	53935(100.00)
2005-06	3383(5.66)	16235(27.19)	12017(20.13)	1288(2.16)	11(0.01)	15548(26.04)	9664(16.19)	1557(2.61)	59703(100.00)
2006-07	4532(9.41)	8616(17.89)	11522(23.92)	1350(2.80)	17(0.04)	7551(15.67)	14304(29.69)	279(0.58)	48171(100.00)
2007-	6070(1)	4573(9.25)	11047(23.00)	1416(2.95)	25(0.52)	3667(7.6)	21173(50.0)		48021(1)

08	2.64)))	3)	44.09)	10)	00.00)
2008-09	9844(13.15)	17555(23.45)	15030(20.08)	3094(4.13)	49(0.07)	4787(6.38)	18289(24.43)	6219(8.31)	74867(100.00)
2009-10	13824(20.09)	4111(5.97)	16895(24.55)	3803(5.53)	3(0.004)	3516(5.20)	21383(31.07)	5286(7.68)	68821(100.00)
2010-11	19265(28.47)	9721(14.36)	11586(17.12)	4134(6.11)	205(0.30)	4014(5.93)	8012(11.84)	10742(15.87)	67679(100.00)
2011-12	14403(22.43)	7435(11.58)	11874(18.49)	4481(6.98)	40(0.06)	2533(3.94)	21663(33.72)	1796(2.80)	64225(100.00)
(d _i) in %	924.40	3693.37	263	6901.56	3900	122.19	5107.45	192.03	803.39
CAGR	11.72	18.90	6.33	22.42	19.20	3.87	20.71	5.24	23.94

Source: Annual Reports of NABARD of various years.

Note –Differential (d_i) =v₁-v₀*100

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IMPROVING PERFORMANCE WITH “BALANCED SCORECARD”: CASE STUDY OF “INDIA’S LARGEST BANK”

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ABSTRACT

This paper evaluates the significance of intangible aspects as a tool for performance measurement in the Indian banking sector, with a special focus on the oldest, largest and the most widely spread bank – the State Bank of India. This is done by constructing a Balanced Scorecard for the bank, and then evaluating the performance of the bank through this BSC. Panel data spread over twelve years from 2002 to 2013 and 29 indicators of the bank, are used for the purpose. The initial discussion relating to the significance of measurement of intangible assets and integration of contingencies in performance evaluation establish the need to design a comprehensive performance evaluation system for the Indian banks. It is found that being a part of the service sector, long-term strategic planning in a bank needs to concentrate on such a system. However, implementing this technique becomes complicated due to the difficulties in measurement of the intangible assets, existence of the interrelations among these indicators, differences in the significance assigned to various indicators within the organization and trouble in setting the linkages between the employee performance and the reward mechanism.

KEYWORDS: *Intangible, Implementing, Measurement*

I. INTRODUCTION:

It is essential to develop a performance evaluation system that encompasses all aspects of an organization, if the organization aims at the long term survival, growth and development. Such a system should be capable of bringing out the strengths and weaknesses of the organization for the purpose of further improvement. With the advances in computational tools, various performance measurement and evaluation systems have evolved over a period of time from single-aspect systems to more comprehensive systems covering all aspects of an organization.

Typically, various performance indicators for an organization can be classified into four perspectives. These include financial, customer, internal business process and learning & growth. The balanced scorecard approach, which emphasizes all the four perspectives, can be an

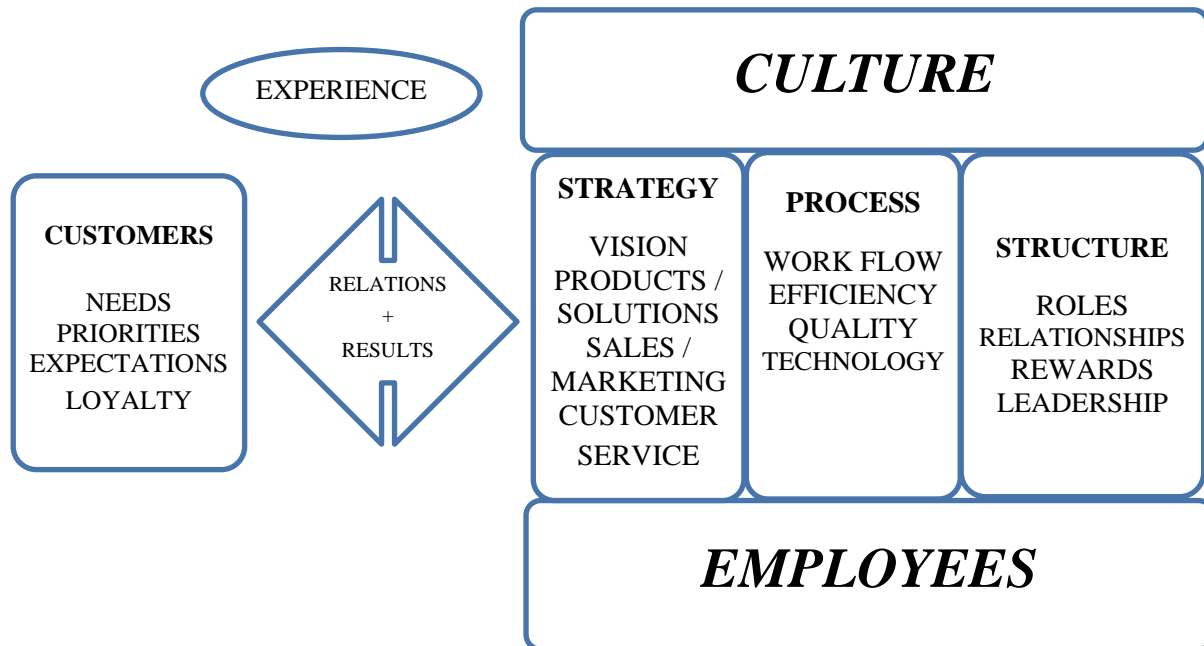
efficient technique for long-term strategic planning. This is also the case for service sector organizations like banks. The purpose of this paper is to understand how some of the apparently financial indicators also help in measurement of intangible assets of a banking organization, and how these can be used for performance evaluation of such an organization. The paper is divided into six sections. Section II, through a brief literature review, explains the significance of intangible assets in performance evaluation of Indian banks. A model Balanced Scorecard is designed in section III. Section IV discusses how performance of a public sector bank like State Bank of India can give a different picture when analysis of profits is coupled with other indicators introduced in the Balanced Scorecard. section V concludes.

II. INTANGIBLE ASPECTS IN PERFORMANCE EVALUATION OF BANKS:

In the contemporary economic environment, factors like employee knowledge, relationship with the customers and the culture of innovation and changes define success for an organization. Thus, the intangible assets are the key to long-term success in today's world. The power of intangibles manifest in the valuations is quite visible in modern organizations. In the past two decades, the share of intangible assets has virtually doubled from 38 per cent. Following this, Kaplan and Norton (1992) recommended broadening the scope of the performance evaluation measures to include four areas of an organizational functioning. Apparently the BSC system addresses the shortcomings in financially oriented performance measurement systems. It also provides a number of mechanisms for linking long-term strategic objectives with short-term actions:

- Consensus on firm's vision & strategy
- Communication of the firm's strategy throughout the organization
- Allocate resources to & set priorities for long-term strategic objectives
- Monitoring & modification of strategies to prevent an organizational downturn
- Integration of the lagging indicators, with the leading indicators

For banks, studying financial indicators in isolation does not yield a very effective strategy since their performance interlinks financial indicators with other invisible indicators. In fact, financial performance is the translation of many intangible business processes and performance indicators. Subsequently, banks find it difficult to design a comprehensive strategy for long-term growth. This is where more comprehensive techniques such as the BSC can be incorporated. Indian banking sector can also adopt such a technique to overcome the limitations of the existing evaluation methods. (Lipe & Salterio, 1998a, 1998b, 2000) The first step towards this is to recognize appropriate performance drivers. Alignment of these performance drivers ensures effectiveness of the strategy. For an organization like a bank, the customer behaviour is a major indicator of the bank performance. The more is the value creation by a bank among the customers, the better the performance of the bank. This can be realized by the bank's efforts to understand the customer's requirements, offer products that satisfy customer's requirements, help the customer in the choice of alternative solutions, and effectively differentiate one's own services from the competitors. A simple *Performance Driver Model* as designed by Knight (2005) and given in diagram 2, with a focus on the culture, strategy, process, structure and people can be useful.

DIAGRAM 2: PERFORMANCE DRIVER MODEL

However, banks tend to focus upon financial aspects alone and concentrate on return on equity (ROE) or marketing of products with the volume and growth of credit and deposits as the central objective. The risk-adjusted capital adequacy guidelines, poor profitability over long-term, and conceptual and practical failure of the measures such as asset growth, often lead bank management to focus on ROE as the ultimate performance scorecard. (Karr, 2005) Such framework brings about many changes in performance measurement as well as in the management processes used to plan, operate and control the bank; but it does not present the entire picture of bank performance measurement and evaluation. A more comprehensive alternative is the CAMEL, i.e., Capital adequacy, Assets quality, Management, Earning quality and Liquidity. It includes financial performance indicators as well as managerial aspects of organizational performance. It has been implemented as an improvement over annual financial inspection introduced by the RBI in 1992. As the Indian banks comply with the Basle II Accord from March 2007, and get ready for integration with the global financial markets after 2009, they need to rethink on the lines of capital requirements, supervisory review and market discipline. (Tandon, 2006) This may lead to further improvements and adoption of more modern systems such as the BSC, which incorporate the correlation between technology and customer relationship management as well as the correlation between technology and human resources.

How can indicators other than the net profit and the growth rate in it, point towards the performance of a bank? Especially, when measurement of intangible indicators appears to be difficult? However, several seemingly financial indicators also point towards the performance of intangible assets of a bank. For instance, growth rate of deposits is a significant indicator of customer confidence in the bank. Similarly, growth rate of credit / advances is a significant indicator of customer preference for the services of a specific bank. The significance of such ratios and indicators is recognized by the Reserve Bank of India, and that is the reason behind the definition of many such ratios for the commercial banks in India. However, not many banks

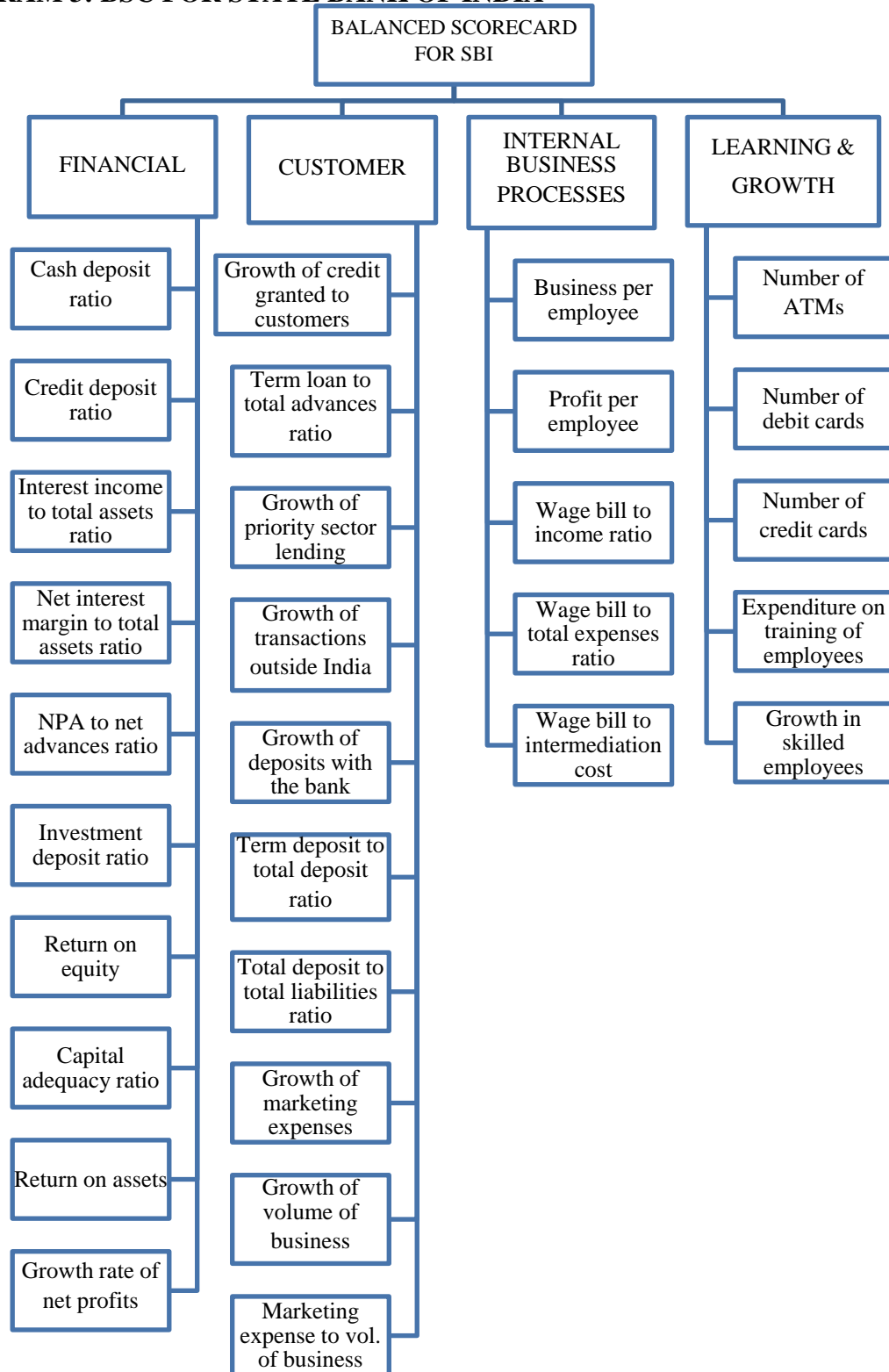
make an attempt to analyze the underpinnings of such ratios and utilize the trend observations to evaluate their own performance. Majority of the banks use growth rate of the net profits as the sole indicator of the health of their organization. Of course this has changed lately, especially after implementation of Basel norms regarding the capital adequacy. Since 1996, when the Basel Accord I was implemented by the RBI for Indian commercial banks, the banks have started utilizing capital adequacy ratio as another major indicator of the financial health of the organization. Many more financial indicators can be utilized for the purpose. Moreover, customer behavior can also be analyzed by using certain apparently financial indicators, as mentioned above. Performance of a bank like State Bank of India can be evaluated in a much more effective manner by using such indicators. This helps in understanding questions like:

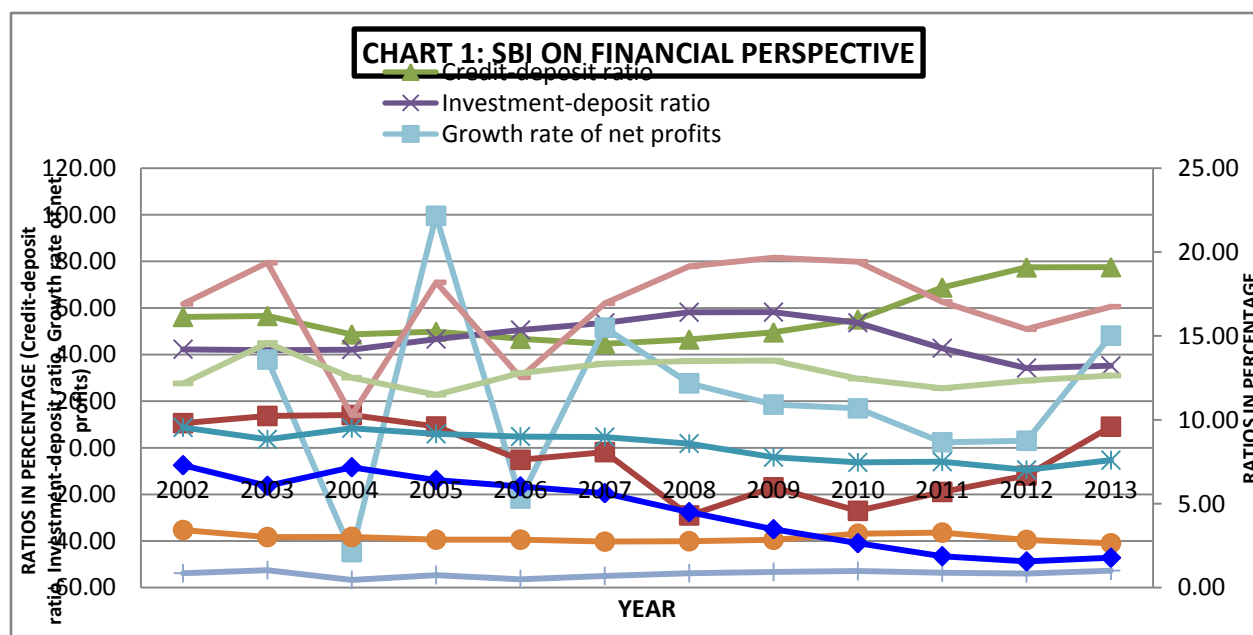
- Why does a bank report certain type of financial position, e.g., low/high growth in profit?
- Why has a bank been able to achieve sufficient capital adequacy norms?
- Why does a bank seem to focus more on satisfying customers, at the cost of profits?
- Why does a bank continue to operate in apparently non-profit making products?

... And so on

III. BSC MODEL FOR STATE BANK OF INDIA

Answering the questions mentioned in the earlier section, a model Balanced Scorecard is designed, using the data collected by the Reserve Bank of India. These data series appear to reflect only the financial performance of a banking organization at a first glance. But a more careful analysis reveals that the same data reflect non-financial performance of the bank.

DIAGRAM 3: BSC FOR STATE BANK OF INDIA

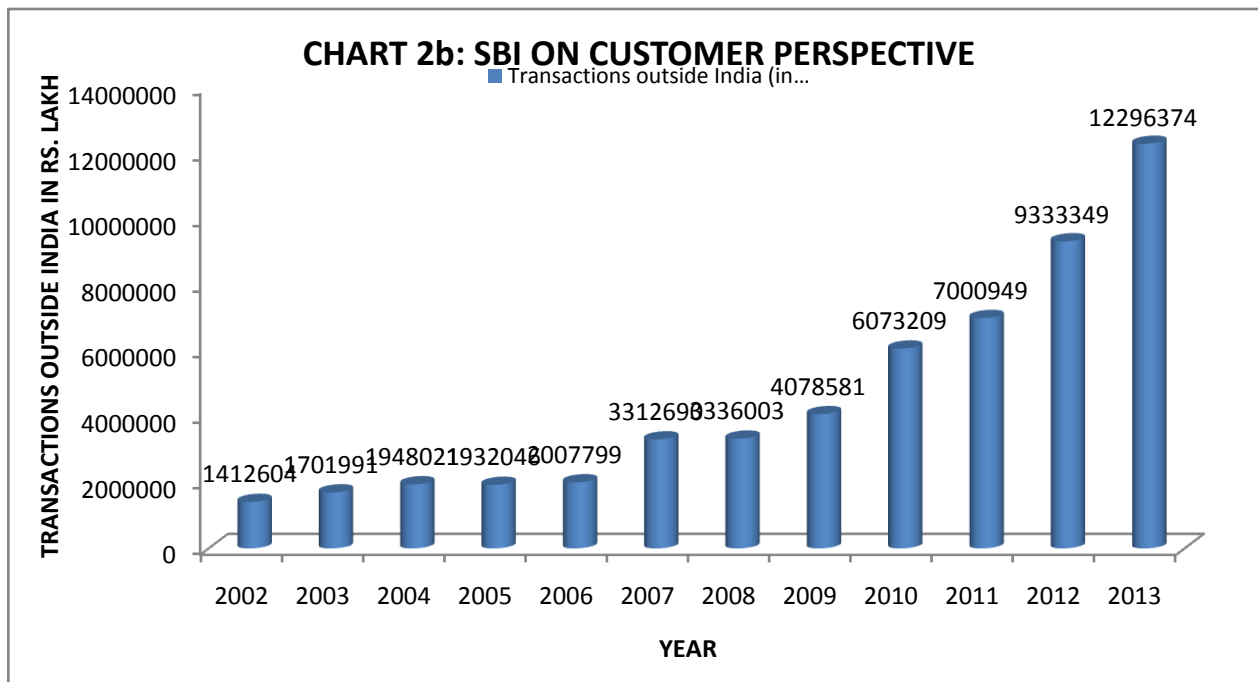
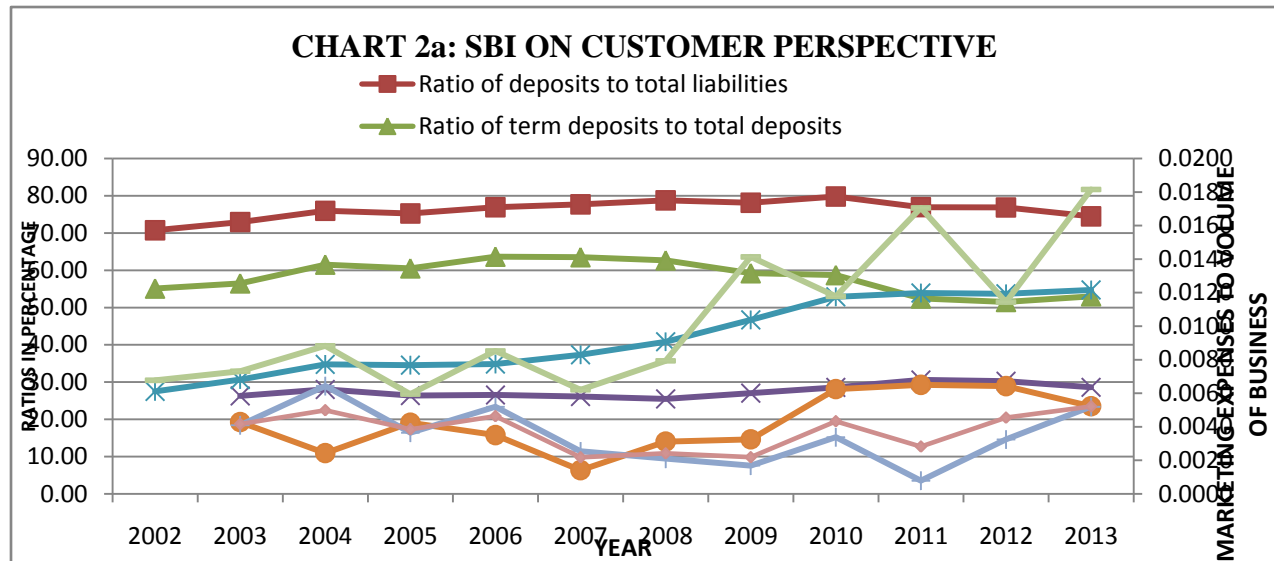


This dual utility and the ease in the measurement of these data render the data extremely useful for analysis through the advanced techniques such as the Balanced Scorecard. This also enables development of the overall business strategy of the bank in the long-term as well as defining the short-term objectives to be realized in a stipulated time period. Whether the objectives have been realized or not, and to what extent they have been realized, can be measured by using the performance indicators classified into four categories as per the four perspectives of the BSC. Comparing the past performance with the predefined objectives of the bank helps in knowing whether the growth strategy of the bank has been successful or not, and which new initiatives are required to realize the objectives in the future. Diagram 3 represents various indicators to be used in the Balanced Scorecard for State Bank of India. Panel data, presented in annexure one, involving 12 years' time series from 2002 to 2013 and spread across all these indicators are used here. Although in case of a few indicators, the data series are not complete, as the past data are not available. Preliminary analysis based on the graphical presentation of each perspective reflects absolute changes and a high degree of volatility in all the indicators, which is not sufficient to know whether the bank performance is consistent or not. This is because; all commercial banks may have gone through a similar phase of volatility during a specific year. To solve this, econometric analysis involving z-test for the mean difference between two samples is presented. Here, the mean of each indicator for each bank is compared with the mean value of the respective indicator for all commercial banks; and the null hypothesis that the mean difference is zero, against the alternative that the mean difference is greater than zero; is tested at 95 per cent level of significance.

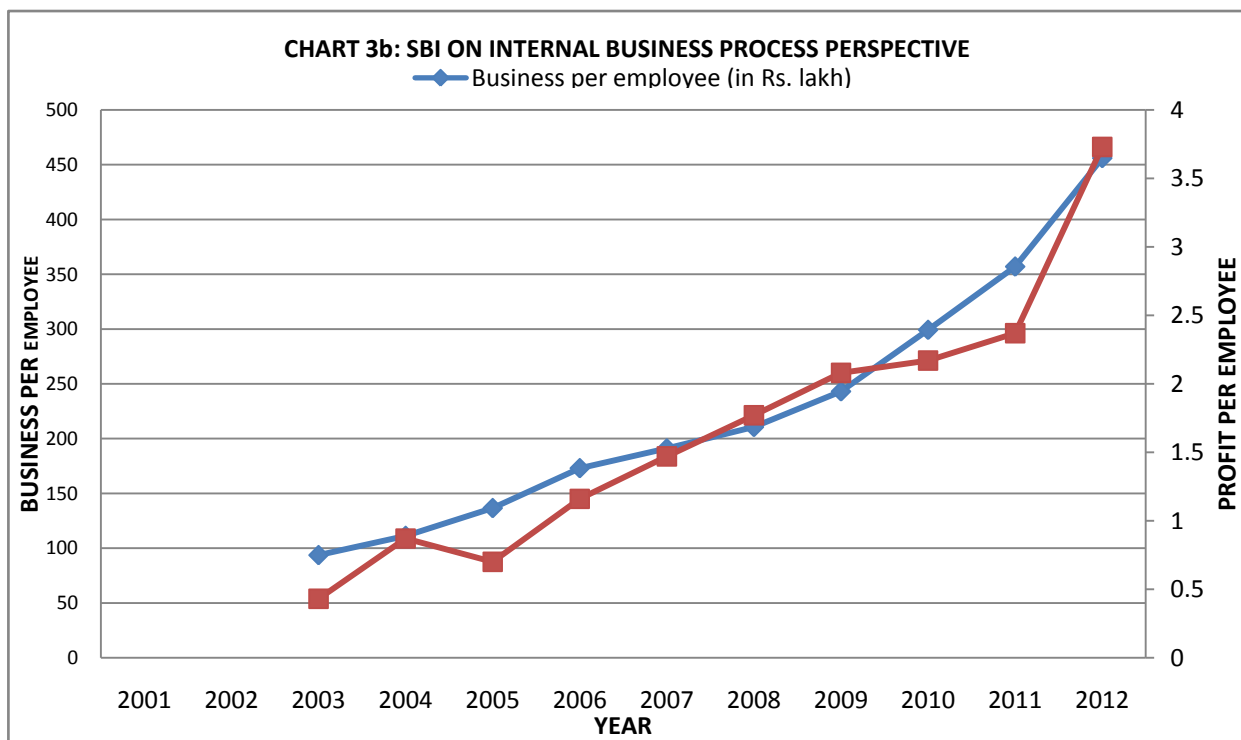
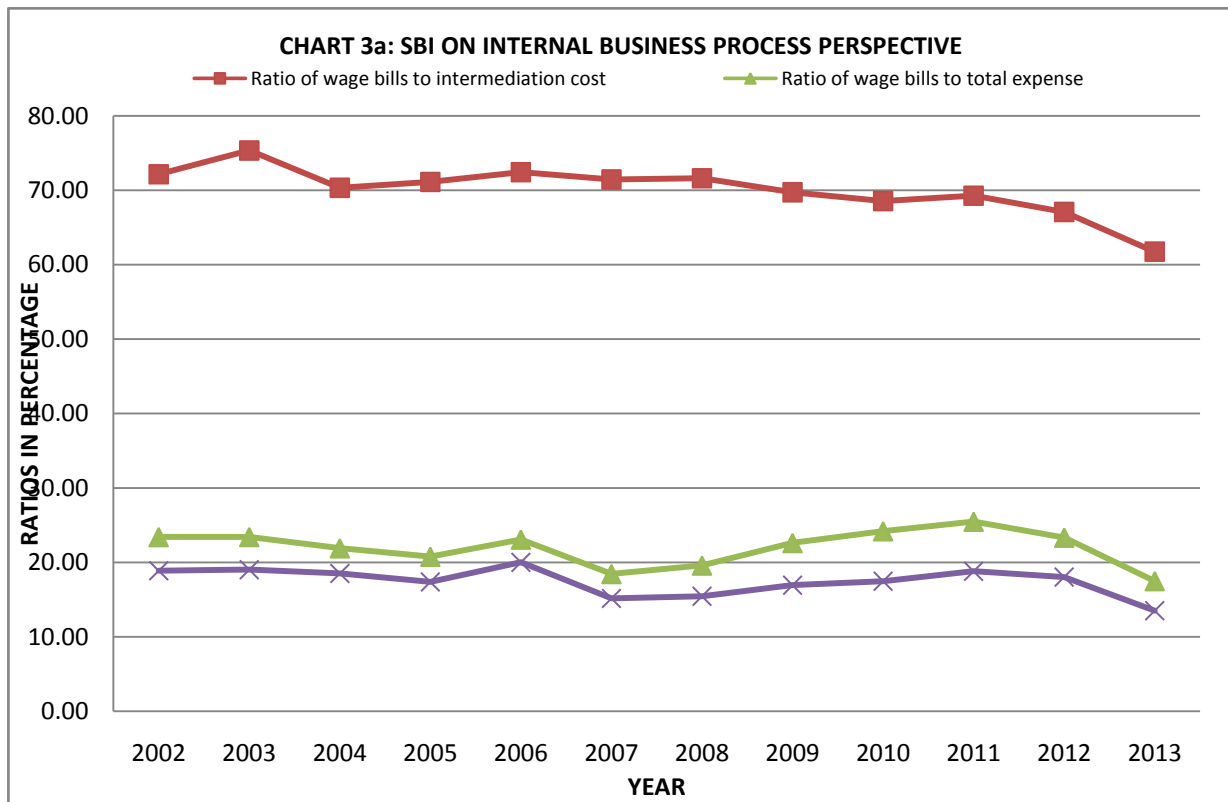
IV. STATE BANK OF INDIA'S PERFORMANCE:

Charts 1 through 4 show the performance of SBI in absolute terms for each indicator within each aspect of the Balanced Scorecard specified earlier. These charts show that the performance of the bank has been relatively more volatile in case of some of the indicators. Especially, the following observations can be made:

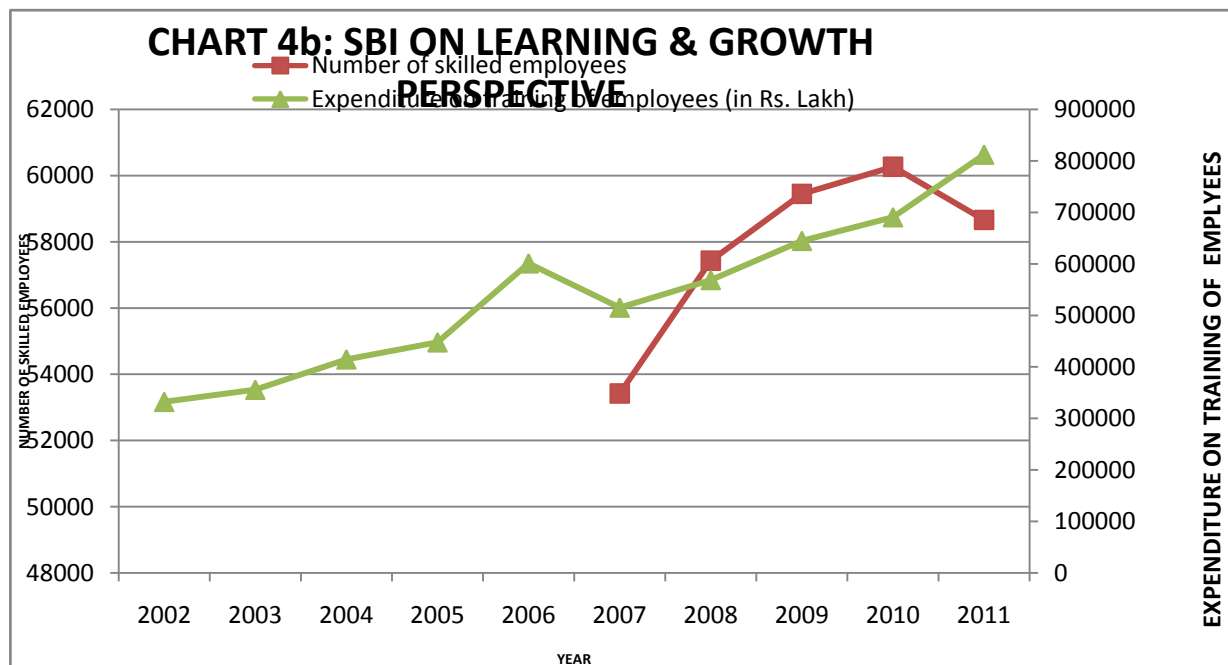
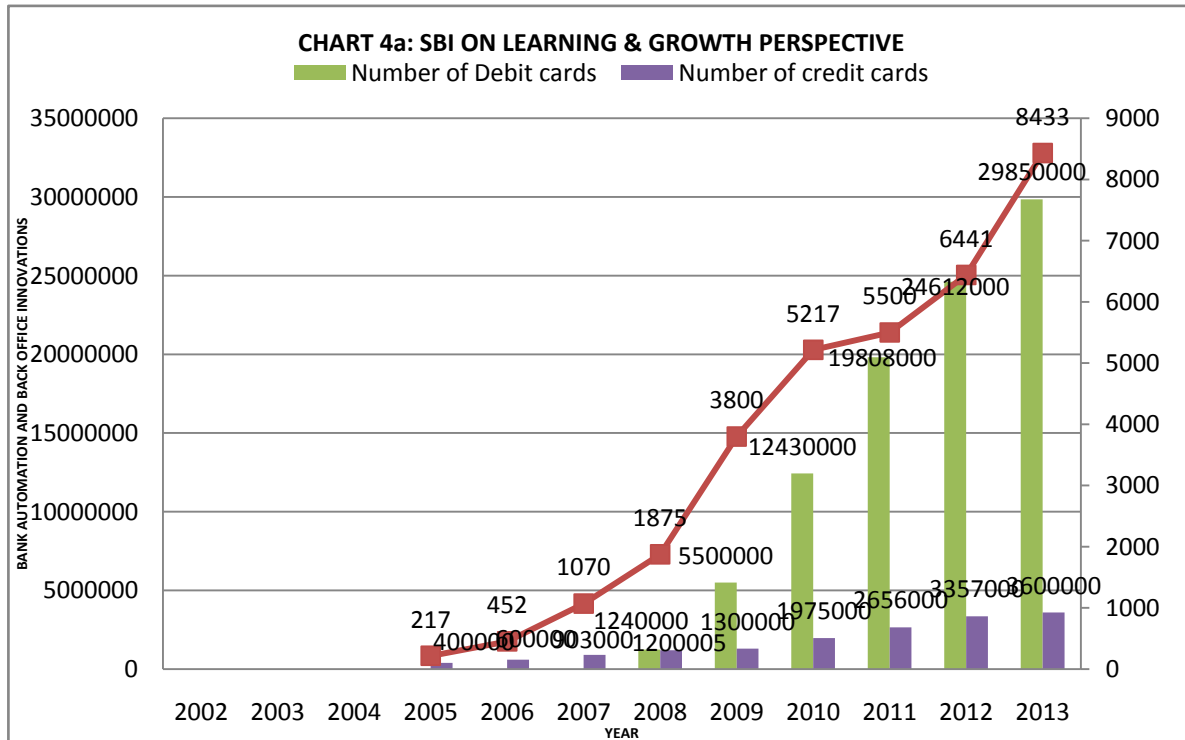
- In case of financial perspective, growth rate of net profits and return on equity have been highly volatile, while cash-deposit ratio has been increasing. the ratio of net NPA to total advances has been decreasing. The other indicators show almost a constant trend.
- In case of customer perspective, four ratios, namely, growth rate of total credit, growth rate of total deposits, growth in the volume of business and the ratio of marketing expenses to total volume of business are quite volatile. Term loans to total advances and transactions outside India are on a rise, while the other indicators show a constant trend.



- In case of internal business processes, ratios involving wage rate show a declining trend in the later years, while business and profit per employee have continuously increased.



- Finally, in case of learning and growth, the bank seems to be performing quite well. It has introduced new technology involving the use of ATMs, debit cards and credit cards on one hand, and spend more on the training of the employees on the other.



In the above analysis, if one focuses only on the growth rate of profit, which is the traditional method of evaluating the performance of an organization, one may conclude that the bank has been quite unstable during the last 12 years. Adding indicators such as return on equity and return on assets only reiterates the above judgment. Only when the ratio of net NPA to net advances is observed, the first glimpse of the strength of the bank can be seen. This clearly implies that performance of a bank cannot be evaluated only on the basis of its profits. Thus, using the other indicators, as defined through the four perspectives of the Balanced Scorecard, definitely yields better performance evaluation. The above analysis of four perspectives can be strengthened by using econometric technique of comparison of the mean values against the mean of all commercial banks for each indicator. The results of the tests are presented in Table 1.

TABLE 1: RELATIVE PERFORMANCE OF SBI FOR EACH INDICATOR

Perspective	Indicator	Mean	Known Variance	Observations	z	$P(Z \leq z)$ one-tail
FINANCIAL	Cash-deposit ratio	7.70	4.92	12	-0.57	0.29
	Credit-deposit ratio	56.49	138.55	12	-0.83	0.20
	Ratio of interest income to total assets	8.42	0.79	12	0.50	0.31
	Ratio of net interest margin to total assets	2.96	0.06	12	-0.60	0.27
	Ratio of net NPA to net advances	4.54	4.74	12	0.08	0.47
	<i>Investment-deposit ratio</i>	<i>46.65</i>	<i>67.52</i>	<i>12</i>	<i>3.46</i>	<i>0.00</i>
	<i>Return on equity</i>	<i>16.81</i>	<i>8.38</i>	<i>12</i>	<i>-15.35</i>	<i>0.00</i>
	<i>Capital adequacy ratio</i>	<i>12.77</i>	<i>0.72</i>	<i>12</i>	<i>2.32</i>	<i>0.01</i>
	Return on assets	0.82	0.04	12	-0.14	0.45

	Growth rate of net profits	21.76	1502.80	11	-0.46	0.32
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CUSTOMER	Growth rate of total credit	19.10	58.75	11	-0.82	0.21
	Ratio of term loan to total advances	41.85	100.19	12	-0.67	0.25
	<i>Ratio of priority sector advances to total advances</i>	<i>27.63</i>	<i>2.92</i>	<i>11</i>	<i>-5.91</i>	<i>0.00</i>
	<i>Transactions outside India</i>	<i>4536134.67</i>	<i>12044E+09</i>	<i>12</i>	<i>4.36</i>	<i>0.00</i>
	Growth in total deposits	15.67	57.39	11	-0.79	0.21
	<i>Ratio of term deposits to total deposits</i>	<i>58.21</i>	<i>19.35</i>	<i>12</i>	<i>-3.34</i>	<i>0.00</i>
	<i>Ratio of deposits to total liabilities</i>	<i>76.22</i>	<i>6.48</i>	<i>12</i>	<i>-3.63</i>	<i>0.00</i>
	<i>Marketing expenses</i>	<i>5509.92</i>	<i>23888154.40</i>	<i>12</i>	<i>3.39</i>	<i>0.00</i>
	Growth in volume of business	16.90	26.65	11	-1.15	0.12
	<i>Marketing expenses to volume of business</i>	<i>0.01</i>	<i>0.00</i>	<i>12</i>	<i>-6.42</i>	<i>0.00</i>

INTERNAL BUSINESS	Business per employee	227.13	13185.34	10	-0.67	0.25
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S PROCES SES	Profit per employee	1.68	0.95	10	-0.32	0.38
	<i>Ratio of wage bills to total income</i>	<i>17.43</i>	<i>3.59</i>	<i>12</i>	<i>2.85</i>	<i>0.00</i>
	<i>Ratio of wage bills to total expense</i>	<i>21.97</i>	<i>5.88</i>	<i>12</i>	<i>3.83</i>	<i>0.00</i>
	<i>Ratio of wage bills to intermedia tion cost</i>	<i>70.08</i>	<i>11.33</i>	<i>12</i>	<i>3.86</i>	<i>0.00</i>

LEARNING & GROWTH	Expenditure on training of employees	579630.33		28775E+06		12	11.33		0.00
	Number of skilled employees	1.40		21.66		6	-0.95		0.17
	YEAR	2000	2001	2002	2004	2005	2006	2007	2008
	Number of atms	217	452	1070	3800	5217	5500	6441	8433
	Number of Debit cards				55	124.3	198.1	246.1	298.5
	Number of credit cards	4	6	9.03	13	19.75	26.56	33.57	36

FINANCIAL PERSPECTIVE:

In the evaluation of any organization, financial performance is the single most important indicator. However, it is not the only indicator of the strength of an organization. This is even truer in case of a banking organization. In fact, profit making is only one of the many objectives of the bank in modern times of intense competition and global economic integration. More often than not, the bank management is content with a predefined satisfying level of profit, and then aims at attaining other objectives more vigorously. Under such circumstances, financial indicators do not capture the performance of the bank in these areas. Indeed, financial performance is only the culmination of the overall development strategy adopted by the bank, which revolves around the other objectives mentioned above. This appears to be true in case of SBI as well. It is important to note that the SBI is a flagship of public sector banks, with a clear

vision of pioneering development banking in the Indian economy. Consequently, its strategy revolves around this vision, and focuses on providing banking services to all the sectors across the economy, reaching out to every group of customers through the right mix of infrastructure, human resources and modern technology, and setting up specialized domestic and international branches to cater to the global financial markets and efficient mobilization of resources. An analysis of the six financial indicators, viz., growth of net profit, return on assets, cash-deposit ratio, credit-deposit ratio, investment-deposit ratio, and interest income to total assets ratio, shows that the performance of the State Bank of India has been mixed. Growth rate of net profits has declined considerably, and has been lower than the average of all commercial banks. Similarly, return on assets has also been slightly lower than the average of all commercial banks. The ratio of interest to total assets has been higher, but this too, has declined continuously. All these ratios are insignificant for the SBI. Similarly, the cash-deposit ratio has been lower than the average of all commercial banks. It has also shown an increasing trend in the recent past. The credit-deposit and investment-deposit ratios have declined initially, but then increased, indicating that the bank has been able to expand its credit creation and investment activities. Except for the investment-deposit ratio, no other indicator from among these six is significant. This may lead to a conclusion that the financial strength of the SBI is waning. However, if the bank uses a more comprehensive technique like the BSC to analyze its performance, the conclusions can differ. It must be noted that return on equity and capital adequacy ratio both are positively significant. This implies that the financial performance of the bank is improving, with greater return on equity on one hand; and the safety of the depositors is also ensured as the bank meets with the capital adequacy norms stringently. The bank has been able to reduce its NPAs considerably, indicating improvement in the quality of assets of the bank.

CUSTOMER PERSPECTIVE:

Six out of ten indicators are significantly different from all commercial banks as far as the customer perspective is concerned. Though the ratio of term loans to total advances is rising, it is less than the average of all commercial banks. Even the priority sector lending is significantly less. On the deposits side, both the ratio of total deposits to total liabilities and term deposits to total deposits are significantly less as compared to all commercial banks. However, the bank has been able to expand its transactions outside India to a great extent. This is a positive sign in the rapidly globalizing financial markets of India. Even with the largest branch network all across the economy, the bank has been spending significantly large amounts on marketing. However, significantly low ratio of marketing expenses to the volume of business is a matter of concern. This clearly implies that there is still a lot of scope for the bank to improve its performance as far as the customer perspective is concerned. However, it should also be kept in mind that the bank has a very large scale of operations, and hence to achieve a small growth also it needs to increase its credit / deposit amounts by a large margin, which is relatively difficult. In spite of this, the bank has been improving its performance considerably during the recent years. The analysis of customer perspective shows that although SBI has been providing every type of facility to its customers, and has been able to spread its network throughout the country, it is still lagging behind in many indicators as compared to the other commercial banks. SBI has the scope to improve its performance as far as mobilization of deposits and credit creation process are concerned. If it focuses a little more on these two, it can really avail of the benefit of its branch network, and improve its own performance manifold.

INTERNAL BUSINESS PROCESS PERSPECTIVE:

The performance of SBI in internal business processes has been mixed. Business per employee and profit per employee are less than the average of all commercial banks, although the difference is not significant. At the same time, performance of SBI is significantly different from the rest of the banking sector in case of the other three indicators. The ratio of wage bill to total income is very high, indicating that the expenditure incurred by the bank on its employees is not sufficiently translated into higher revenue generation capacity. At the same time, the bank spends more on its wage bill out of both the total expenses as well as its intermediation cost. This implies that the bank spends more on its human resources as compared to the other resources. This is possible due to the fact that the bank has many branches in the rural areas, where the use of modern technology may not be possible all the time. At the same time, this implies that the bank has been able to undergo automation process at relatively lower cost, and has taken advantage of the economies of large scale operations when it comes to the use of modern banking technology. This observation is further supported by the analysis of the learning and growth perspective

LEARNING AND GROWTH PERSPECTIVE:

When it comes to learning and growth perspective, SBI has performed very well. Due to the large branch network, SBI maintains a large number of employees. Total number of skilled employees is very large, but the growth rate in the number of these employees is not significantly different from all commercial banks in general. However, the bank spends a large amount of money on the training of its employees. This is evident from the positive and highly significant average expenditure on the training of employees of SBI.

Similarly, the bank has embarked upon an ambitious project of implementation of modern technology to enhance its banking services. As a part of this project, SBI has expanded the number of ATMs, starting from the year 2000. It has the largest number of function ATMs spread all across India. It also has several mobile ATMs, facilitating many banking transactions for its customers, such as withdrawal and deposit of money. Moreover, the bank has the largest number of debit card holders and second largest number of credit card holders. This has also facilitated SBI's banking operations. The use of modern technology is well complemented with sufficient expenditure on the training of old employees and recruitment of greater number of fresh employees.

VI. CONCLUSION:

Designing a single BSC for any organization is a very difficult task. Banks, being a financial service organization, design and implementation of the BSC becomes not only difficult, but complicated as well. Still, it emerges to be an efficient and all-inclusive tool, encompassing various aspects of bank performance. It helps in understanding the complementarities among various performance indicators for a bank, and makes the strategy designing and implementation process more efficient. With the financial reforms in full swing, and influx of private sector and multinational banks into the economy, it is necessary for the banks to adopt such a system of performance measurement if they aim at designing business strategy that ensures better performance in future. The fact that the RBI has initiated the process to collect data pertaining to many different performance indicators over the past decade can be considered to be a good progress in this direction.

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