

CHAPTER 3

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CHAPTER: 3

PROFILE OF BANKS

3.1 INTRODUCTION:

India is up-coming economic giant with the world's largest independent democracy. The last three decades of Indian banking system have various great achievements. According to the joint report prepared by KPMG-Confederation of Indian Industry (CII), Indian Banking sector is on the verge to become fifth largest by 2020. The report also presents that the bank credit is likely to grow at a compound annual growth rate of 17% in future years. Post economic liberalization and globalization has significantly impacted the banking industry. Sound and well-organized banking system aids country in constructing healthy economy.

3.1.1 Role of Banks in Economic Development

Nowadays, banks have expanded activities to perform, getting into new scheme and services. Centre of attention has moved from acquiring customers to retention of customers by providing variety of products like internet banking, ATM services, telebanking, e- payment etc. Banks contribution to country's economic development can be expressed in following ways:

- **Encourage saving habits and Capital Formation:**

Banks encourage saving habits among the people by bringing in attractive deposit schemes and high rate of interest. Different types of accounts are opened by bank as per the requirements of customers. Banking system organizes savings and provides it for investment in productive sectors. Banks mobilize deposits and transform savings into active capital which otherwise would have remained unused. Savings are distributed in the form of loans which helps in nation building.

- **Aids in creating employment opportunity:**

Banks generate employment opportunities by providing financial resources to industries that automatically create employment opportunity. Moreover, the banking industry itself employs a large number of populations.

- **Monetary assistance to Trade and Industries:**

The commercial banks finance in the form of short term, long term and medium-term loans to industries. Banks also provide loans to retailers and wholesalers to purchase goods. Different types of services such as bills discounting, OD facilities, issue of drafts etc promote the trade. Banks also help in expansion, diversification, renovation of industrial units and Import of equipment from abroad is financed by banks.

- **Encouragement to new entrepreneurs:**

Innovations are vital pre-requirement for economic development. Entrepreneurs waver to undertake innovations and commence new ventures mainly because of short of funds and high risk involved. Bank loans help the entrepreneurs to start up the new ventures and invest on innovation activities.

- **Balanced development:**

Banking service and activities are not confined to urban areas but many big banks have spread their banking operations in rural and semi urban areas too. Banks move excess capital from developed regions to less developed regions. This reallocation of funds between different regions helps in promoting economic and balanced development.

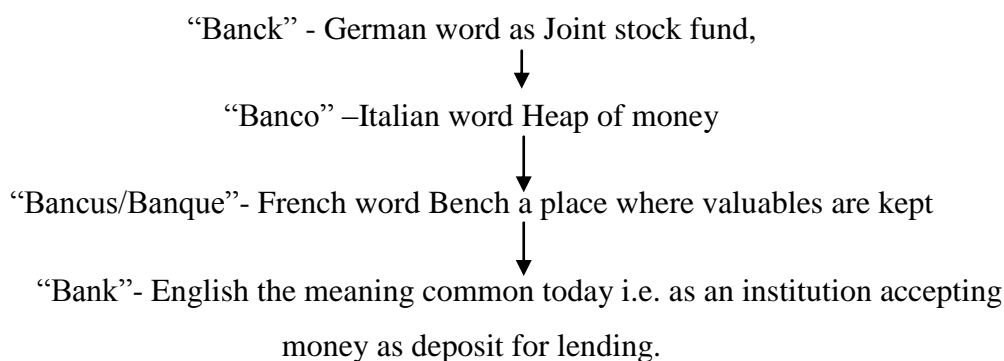
- **Assistance to agricultural sector:**

In developing countries like India, commercial banks extend support and help to agricultural sector. Numbers of branches are opened in rural areas to give agricultural credit to farmers. Banks provide financial assistance for upgrading and mechanisation of farms, irrigation facilities.

Thus, a well-built banking system always supports the success of an economy and likewise banks are more successful when the economy does well. Banking is spine of any economy. For banks to be successful, it is very essential to expand their customer base, retain their existing customer and offer customers the products and services which are most favourable to them.

3.2 MEANING AND DEFINITION OF BANK

“Banking is what Bank does”. The Dictionary of Oxford defines a bank as “an enterprise for the custody of money which it pays out on a customer’s order”. The origin of word Bank can be traced as:



In India, the Banking Regulation Act, 1949, under which banks are regulated by the Reserve Bank of India, defines a banking company and banking as under:

The Banking Regulation Act, 1949 Section 5 (c) defines a banking Company as “a company which carry out the business of banking in India”. Section (b) of the Act defines bank as “A bank is a financial institution that accepts money from the public for carrying out the function of providing loan or withdrawable by cheques, drafts and or investment repayable on demand or otherwise.”¹

This definition highlights three major functions of a bank. They are:

- i) Accepting of deposits and lending loans
- ii) Issue and pay cheques
- iii) Collect cheques on behalf of the customers.

Thus a bank is a financial institution that provides financial services and other banking services to their customers. Banks act as link between depositors who

supply capital and borrowers who demand capital by performing the role of financial intermediaries. Banks are a subset of the financial service industry and also the main participants of the financial system in India.

3.3 HISTORY OF INDIAN BANKING SYSTEM

18th century was the period of origin of Indian banking system. General Bank of India and Bank of Hindustan were the two initial banks that came into existence. However after some time both of these banks were declared to be non operational. SBI is the oldest bank that is still into existence which originated in Bank of Calcutta (June 1806) afterwards became Bank of Bengal. Under the charters of British East India Company, three presidency banks were established namely Bank of Bombay, Bank of Madras and Bank of Bengal.²

Imperial Bank of India formed in the year 1921 was the outcome of merger of three presidency banks. Imperial Bank used to carry out restricted number Central Banking Functions, before the establishment of Reserve Bank of India (RBI). It performed all types of commercial banking business except, dealing in foreign exchange. An apex body without major government ownership namely RBI was constituted in the year 1934, under the Reserve Bank of India Act but afterwards in 1949, it came under the control of government under Banking Regulations Act.

Banking Regulation Act bestowed RBI with wide powers of supervision and control over banks. The Act also bestowed licensing powers and the authority to do inspections. State bank of India earlier known as Imperial bank was brought under the control of Reserve Bank of India in 1955.³

In the year 1959, eight private banks were brought under the control of SBI by making those private banks as its 100% subsidiaries. In 1960 RBI mandated the merger of feeble banks with the strong ones which resulted in the considerable reduction of total number of banks from 566 to 85.

14 banks having deposits of Rs. 50 crores and above were nationalized by Government in July 1969. In the year 1980, government acquired additional six banks with deposits of more than Rs. 200 crores⁴. Government nationalized

commercial banks with the major objectives of providing social welfare, controlling of private monopolies, expansions of banking, decreasing the regional imbalance, provision of priority sector lending and creation of banking habits among the people.

The steps taken by government of India to control the banks in the country covered following steps:

- In year 1949, government of India Enacted Banking Regulation Act.
- Year 1955, witnessed nationalization of State Bank of India and in the year 1959 SBI subsidiaries was nationalized.
- In the year 1961, insurance cover was extended to deposits.
- In the year 1969, other 14 major banks were nationalised.
- Credit Guarantee Corporation was created in the year 1971
- In the year 1975, Regional Rural Banks were created.
- Year 1980, witnessed nationalization of banks with deposits over 200 crores.

In 1990's, New Generation tech-savvy banks emerged as the result of policy of liberalisation (wherein small number of private banks were given license) introduced by Narsimha Rao government.

3.4 BANKING STRUCTURE IN INDIA:

The Banking structure varies from country to country depending on the regulatory system. India's geographic, social and economic characteristics make's its banking system different and unique from the other Asian nations banking system. Figure 3.1 presents the visual representation of banking structure in India.

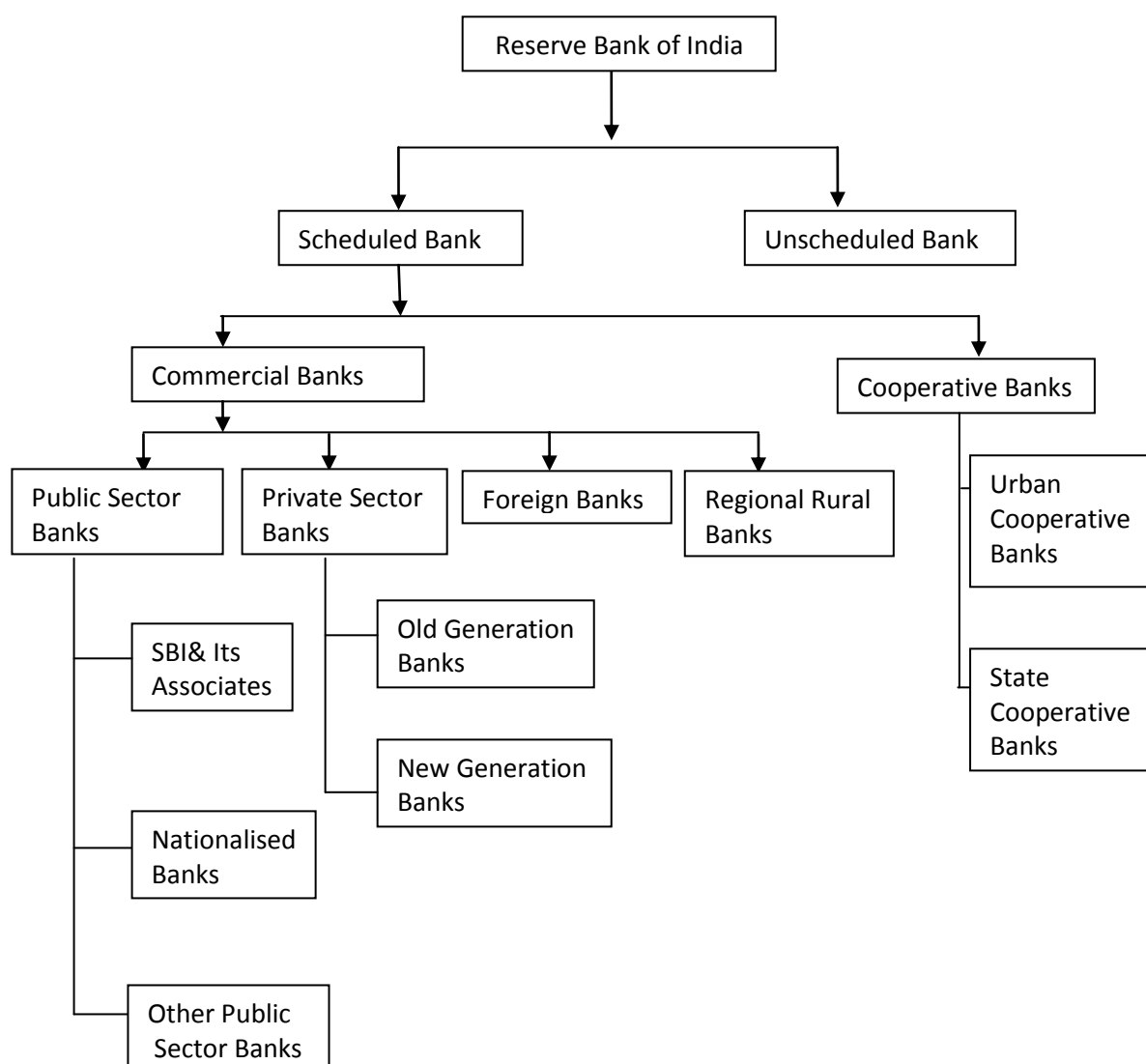
- Reserve Bank of India is the central bank that regulates the Indian banking system, thereby controls "Scheduled Banks" and "Non Scheduled Banks".
- Scheduled Banks comprises of commercial and cooperative banks. Public, private, foreign and regional rural banks are covered in Scheduled commercial banks. A public sector bank consists of SBI and

its associates, nationalized banks and other public sector banks. Private sector banks consist of old generation and new generation banks. Scheduled cooperative banks consist of urban and state cooperative banks.

- Non-scheduled banks include local area banks.

Figure 3.1

Structure of Indian Banking System



Source: Dr. B. Charumathi (2013)

Scheduled Banks:

Banks integrated in the Second Schedule of Banking Regulation Act of 1934 are called Scheduled Banks. A bank must satisfy the following 2 conditions:

- A bank must convince the Reserve Bank of India that its transactions are not carried out in a way harmful to the interest of its depositors and have paid up capital and reserve of not less than Rs. 5 lakhs.
- A bank is a State cooperative bank or a company as defined in section 3 of the Companies Act, 1956, or an institution notified by the Central Government in this behalf or a corporation or a company incorporated by or under any law in force in any place outside India.

Scheduled banks are classified into:

- Schedule commercial banks:
- Scheduled cooperative banks.

Scheduled Commercial Banks accounts for 3/4th of the financial market and are the foundations of Indian financial system. These banks accept deposits and let somebody borrow loans for long- term, short- term, medium- term and advances to their customers. They make their presence throughout India by widening their branch network four folds. Public sector, private sector, foreign banks and regional rural banks comes under the category of scheduled commercial banks.

Non-Scheduled banks

Indian Banking Regulation Act, 1949, section 5, clause (c) defines Non-Scheduled bank means “a banking company which is not a scheduled Bank.” In other words, it refers to those banks that are not covered in the II schedule of the Banking regulation Act 1949.

3.5 PUBLIC SECTOR BANKS

The major elements of Indian Banking system are the Public Sector banks. The banks in which more than 50% of the shares are held by the government of the country are called as Public Sector Banks. These banks have played a leading role in expansion of branch network all over the country, especially in the rural areas. They are categorized into: SBI & its Associates and Nationalized banks.

The Public sector in Indian banking got broadened with two rounds of nationalization (I) In July 1969 of 14 major Commercial banks of the country were nationalized (II) 6 more banks with deposits of not less than Rs. 2 Crores each in April 1980.

In 1993, there were 19 nationalized banks as the New Bank of India was merged with Punjab National Bank. In India, approximately 80% of the banking segment was under government ownership till the year 1980. At present there are 27 public sector banks (19 Nationalized Banks, 6 State Bank Group, 1 IDBI and 1 Bhartiya Mahila Bank) functioning in India.

3.6 PRIVATE SECTOR BANKS

Banks owned by group of private shareholders are known as Private sector banks. These banks are managed by Board of directors elected. The private sector banks are further classified as follows:

Old Generation Private Banks

Not all private banks were nationalized when nationalization took place in the year 1969 and 1980. Thus, the banks which were not nationalized came to be known as old generation private sector banks. In India, there are twelve old generation private banks in operation.

New Generation Private Banks

The new economic policies in 1991, the RBI issued guidelines in 1993 and 2001 to give licence to new private banks with capital introduction of Rs. 300 crores. 10 banks were set up after 1993 and another 2 after the 2001

guidelines. Of these 12 new private banks, four were promoted by development financial institutions, one each by conversion of cooperative bank and a Non- Banking Financial Institution into commercial banks, five by banking professionals and one by a media house. On the other hand, because of various reasons like lack of financial strength and bad governance, lot of mergers took place and presently there are only 9 new private banks operating in India.

The role of private sector banks in Indian banking system is praiseworthy. They work with high degree of professionalism, healthy competition, promotes foreign investment, open to foreign capital markets and aids in developing innovation and expertise. Private sector banks have become more efficient and customer friendly which has surprised public sector banks out of complacency and forced them to become more competitive⁵.

Table No. 3.1: LIST OF PUBLIC AND PRIVATE SECTOR BANKS:

PUBLIC SECTOR BANKS	PRIVATE SECTOR BANKS
1. Allahabad Bank	1. Axis Bank Limited
2. Andhra Bank	2. Bandhan Bank Limited
3. Bank of Baroda	3. Catholic Syrian Bank Limited
4. Bank of India	4. City Union Bank Limited
5. Bank of Maharashtra	5. DCB Bank Limited
6. Canara Bank	6. Dhanlaxmi Bank Limited
7. Central Bank of India	7. Federal Bank Limited
8. Corporation Bank	8. HDFC Bank Limited
9. Dena Bank	9. ICICI Bank Limited
10. Indian Bank	10. IDFC Bank Limited
11. Indian Overseas Bank	11. IndusInd Bank Limited
12. Oriental Bank of Commerce	12. Jammu & Kashmir Bank Limited
13. Punjab & Sind Bank	13. Karnataka Bank Limited
14. Punjab National Bank	14. Karur Vysya Bank Limited

15. Syndicate Bank	15. Kotak Mahindra Bank Limited
16. UCO Bank	16. Lakshmi Vilas Bank Limited
17. Union Bank of India	17. Nainital Bank Limited
18. United Bank of India	18. RBL Bank Limited
19. Vijaya Bank	19. South Indian Bank Limited
20. IDBI Bank	20. Tamilnad Mercantile Bank Limited
21. Bhartiya Mahila Bank	21. Yes Bank Limited
22. State Bank Group a. State Bank of Bikaner & Jaipur b. State Bank of Mysore c. State Bank of Patiala d. State Bank of Hyderabad e. State Bank of India f. State Bank of Travancore	

Source: Report on Trend and Progress of Banking in India 2016-17

Table No. 3.2: Branches and ATMs of Scheduled Commercial Banks
(As at end- March 2017)

Sr. No.	Name of the Bank	Branches					ATMs
		Rural	Semi-Urban	Urban	Metro-politan	Total	Total
1.	Public Sector Banks	29,033	25,647	17,890	18,875	91,445	1,48,555
	(A) Nationalized Banks	21,214	18,491	13,460	14,269	67,434	89,292
	(B) State Bank of India & its Associates	7,819	7,156	4,430	4,606	24,011	59,293
2.	Private Sector Banks	4,822	7,803	5,158	6,878	24,661	58,833

Source: Report on Trend and Progress of Banking in India 2016-17

Table No. 3.3: THE GLOBAL LEAGUE RANKING OF BANKS

<i>Ranking of Indian Banks in the Global league</i>		
<i>Name of Indian Bank</i>	RANKING	
	2017	2018
SBI	51	56
HDFC	74	68
ICICI	86	84
AXIS	114	120
BOB	237	235
PNB	239	239

Source: http://brandirectory.com/league_tables/table/banking-500-2018

3.7 BANK OF BARODA (BOB)

3.7.1 *History/Origin*

In India, the second largest public sector bank is Bank of Baroda next after State Bank of India. Bank of Baroda is an Indian state-owned International bank providing banking and financial services. Headquarter of BOB is in Vadodara (known as Baroda) in Gujarat, India. The bank was established on 20th July 1908 by the Maharaja of Baroda, Maharaja Sayajirao Gaekwad III. Government of India along with other major national banks of India, Bank of Baroda was also nationalised on 19th July 1969 and was designated as profit making public sector undertaking⁶.

3.7.2 *Branch Network*

As on 30th September 2017, the bank has network of 5,558 branches. Out of the total branches 1166 are metro branches, 927 are urban, 1535 are semi urban, 1823 are rural and 107 are foreign (overseas) branches⁷.

3.7.3 *Human Resource Practices*

The bank believes that human resources is the biggest differentiator and have a direct and significant impact on bank's present and future overall performance. Bank's team works hard to address the challenges from human resources point of view through various initiatives viz. recruiting and on boarding of talented people against the experienced bankers who are superannuating. Focus is also on strengthening performance management through identifying training needs, leadership development and succession planning. Bank has series of initiatives for their employees. It includes:

- **Baroda Anubhuti Programme:** It is an employee engagement programme for enhancing the experience of employees at the bank with initiatives like Employee of the Month, Spot Recognition, sports and wellness activities.

- **We Lead – A comprehensive Leadership Programme:** Bank has leadership development programme “We Lead” which is based on behavioural competencies with the aim of developing leaders for the future. For various cadres of employees bank has Baroda Senior Leadership programme, Baroda Emerging Leaders Programme, Baroda Rising Stars Programme and Sayaji Rao Gaekwad Scholars Programme.
- **Training:** Life Cycle concept of Training has been introduced by the bank with the objective of imparting specific training at diverse levels aligned to the role of employees at their career stage. The concept of mandatory courses of training which aligns to specific job roles is introduced by the bank. The bank constantly upgrades their capabilities in area of Learning and Development also.
- **Launch of ‘Sparsh Plus’:** Bank have launch Sparsh Plus with the aim of restoring the performance and talent management systems supported by the best technology and digital tools. With the intention to make sure that their people, processes and systems provide their staff with role clarity and empowerment to enable them in enhancing their overall contribution.
- **Bridging the talent deficit and supplement skill sets:** Bank undertakes recruitment to satisfy their manpower needs by hiring specialist officers and probationary officers. Bank hires specialists from the market having skill sets, knowledge and competencies for various crucial positions.
- **Employee Help line (HR- Helpline):** Employees queries, issues on HR related matters are resolved through central HR Helpline. It also supports them during the times of stress or any hardship that may hinder their personal or professional life.

- **Career Progression:** Bank takes intensive efforts for encouraging career progression of employees by rewarding them for their performance and motivates them to move up in their careers by fulfilling both the organizational and personal objectives. The bank not only provides vertical movement but also offers horizontal movement to employees with wide exposure and carves out definite career path for them.
- **Thrust on Diversity:** Bank follows equal opportunity and non-discriminatory policies for all their employees. Every employee in the organization has equal access to the available opportunities of career progression, perquisites and benefits, welfare schemes, training, grievance redressal. Policies of training, promotion are open and transparent. To create diverse work place, bank has increased women employees' recruitment over past few years. Various facilities such as sabbatical leave, health check program and various others are undertaken to retain the women employees⁸.

3.7.4 Staff Strength

As on 1st March 2018, Bank of Baroda has total staff strength of 55,082. Out of which 27,754 are officers, 18,085 are clerk and 9243 are sub staff⁹.

3.8 STATE BANK OF INDIA (SBI)

3.8.1 History/Origin:

SBI is the India's biggest commercial bank with over 200 years of history¹⁰. The bank has its Corporate Centre in Mumbai¹¹. The origin of SBI can be traced back to the first decade of 19th century with the establishment of the Bank of Calcutta in Calcutta on 2nd June 1806. After three years, on 2nd January, 1809 the bank was renamed as the Bank of Bengal and receiving its charter. Government of Bengal sponsored and the first joint stock bank of British India made the

institution unique. On 27th January 1921 Imperial Bank was formed through the amalgamation of three presidency banks (Bank of Bengal, the Bank of Bombay and the Bank of Madras).¹² The Imperial Bank was brought under the control of Reserve Bank of India in 1955. Thus State bank of India was created by an act of Parliament to succeed the Imperial Bank of India.¹³

3.8.2 *Branch Network*

With the opening of 386 new branches, the branch network of the bank has reached 17,170 as of March 2017. Out of this 64% are in rural and Semi-Urban areas. With its global presence the number of foreign offices of bank is 195 spread across 36 countries.

3.8.3 *Human Resource Practices*

Bank believes that powerful performance of the bank is the result of a talented and hardworking set of employees, constantly motivated towards achieving bank's success. The HR Policy is based on synchronisation of meeting bank goals and increase employee empowerment. The bank is committed to provide workplace that ensures employee welfare and offering opportunities to them for development and growth. The bank's HR principles are built around inclusiveness, empowerment and development. The Bank has Career Development System which ensures a reliable, data backed and performance evaluation process which make sure accountability, performance visibility and greater alignment between individual and organizational goals. Besides fair and transparent assessment, it also makes employee development through a detailed competency assessment every year.

The bank has defined career paths for various cadres of employees along with job families. Based on employee's interest and expertise they specialise and rotate within roles of any of their job families. The bank has scientific postings allocation process to optimize and place "Right person for the Right job." The bank has also revamped the

recruitment process and developed a stronger employee value proposition to attract better talent. The recruitment strategy covers campus rebranding activities, greater engagement through recruitment portals and digital marketing plans. The bank follows the core principles of inclusiveness and gender equality and provides a healthy and conducive work environment for its female employees. The bank has best practices and processes in people management with recent interventions as followed:

- **Performance Linked Incentive:** The scheme is redesigned to make it broad and in line with Career development system grade. Reward and Recognition scheme to appreciate achievement those are outside normal line of business.
- **Learning culture:** It offers swing of learning interventions at each stage of the employee work life cycle. Not only this but also specialist programs according to the nature and role of employee's function. Learning interventions aims at enhancing the technical and managerial competencies to groom managers in their current job but also develops future leaders.
- **Industry relations:** With strong focus on industrial relations, bank holds consultative meetings with Associations and Unions to have productive conversation for understanding and addressing grievances of various employees. The issues raised are examined and required necessary action is taken on.
- **Training:** Bank has planned proactive training process for employee's growth and organizational effectiveness. Strategic training unit continuously guide and supervise the training system functions. The bank has been the recipient of "Golden Peacock National Training Award for the year 2017 in the sector of financial services (Banking) as a mark of outstanding performance in the area of training its employees.

3.8.4 Staff Strength

The bank is the 5th largest employer in India. As on 31st March 2017 it had total of 2, 09,567 employee strength out of which 81,041 are officers 92,979 are Associates and 33,547 are subordinate Staff and others¹⁴.

3.9 PUNJAB NATIONAL BANK

3.9.1 History / Origin:

As a result of the Swadeshi movement, in 1894 Punjab National Bank was founded at Lahore which is presently located in Pakistan. The eminent founders of the bank were Dayal Singh Majithia, Harkishen, Lalchand, Lala Dholan Dass. With a common enthusiasm they established a national bank. It was the first Indian capital owned bank, managed and operated by and for the benefits of Indians. In the initial years of bank, Lala Lajpat Rai was an active contributor in its management. With the stable progress along with flexibility, bank conquered many crises. The bank stood by the depressions of thirties in banking industry, survived the significant period of the partition of 1947. It was the far sightedness of the bank management that thought of changing the main area of operations (registered office) of the bank from Lahore (presently in Pakistan) to Delhi in June 1947, the period before partition was announced.

The bank grew with the passage of time from one part of the country to another. The bank got the chance of maintaining accounts of the renowned Jalianwala Bagh committee along with various other eminent national leaders (Mahatama Gandhi, Jawahar Lal Nehru, Lal Bhadur Shastr, Indira Gandhi”) On 19th July, 1969 fourteen banks was nationalized giving a new direction and force to banking industry. Punjab National Bank was one amongst them. The bank always took actions willingly to cater nation’s need¹⁵.

3.9.2 Branch Network

The bank has 6938 total number of branches and 10681 ATM Network all across India as on 31st March 2017.

3.9.3 Human Resource Practices

The Bank considers its employees to be the most important and valuable asset. The bank has scientific recruitment and manpower planning process to take care of future retirements, future branch openings/activity, expansions and other requirements. It has various welfare schemes and makes improvements in schemes from time to time. Meeting of the core working groups is conducted from time to time as per need of the bank.¹⁶

Human resources are developed through up grading skills and bringing in line with business strategy to aid and improve customer service, commitment, competencies and culture are always being centre of attention of the bank. For newly hired employees as well as for those who are promoted for the first time as Branch heads, the bank has an On Boarding and Mentoring Program name “PNB Navodaya.” The Punjab National Bank also has e- learning App and web-based portal to provide high quality e- learning 24 × 7 for all the members of bank.¹⁷ The various HR Management systems of the banks include the following:

- **HR Management System:** Bank maintains PNB Parivar, a People Soft Package which contains comprehensive record of all the employees. With the course of time HRMS has become more vigorous and various new features are added like online fitment on Promotion, biometric attendance system, PNB Samadhan etc.
- **Industrial Relations:** With the cordial relations, the issues raised by Union/Officers Association are immediately attended. Representatives of Union meets during the year to discuss the issues and to get it resolved. Bank values Diversity at Workplace

and to facilitate employees from diverse backgrounds to constantly grow.

- **HRMS Mobile App- PNB Parivar:** With PM's Digital India initiative, the bank has launched a mobile App for employees to make easy frequently used features such as leave register, IT register, Salary slip, Locate an employee etc.
- **Training Activities:** With three tier training set-ups comprising of one apex level training centre 'Central Staff College at is headquarter in Delhi. This centre caters to the training needs of various cadres of employees on All India basis. Three Regional Staff Colleges are located at cities of Mumbai, Lucknow and Chandigarh. In addition, there are eight Zonal Training Centres at various places of India. The bank's training policy aims at providing training to 50% employees every year. The bank has exclusive e-learning platform which is handy 24*7 to all employees across the country.

3.9.4 Staff Strength

At the end of March 2017, the bank had total 73,919 numbers of employees including in the subsidiaries. Out of which 29,136 were Officers, 27,949 were clerks and 16,834 were sub staff. There has been considerable increase in the percentage of employees in the year 2017 compared to the year 2016.¹⁸

3.10 AXIS BANK

3.10.1 History / Origin

It is the third largest private sector bank headquartered at Mumbai in India.¹⁹It started its operations in the year 1994. The bank presents the complete range of financial services for the customer segment covering large and mid- corporate, agriculture and retail businesses. In 1993, the bank was jointly promoted by Unit Trust of India (UTI), The

Oriental Insurance Company Ltd., National Insurance Company Ltd, Life Insurance Corporation of India (LIC), General Insurance Corporation of India, The New India Assurance Company Ltd., and United India Insurance Company Ltd.²⁰ The bank has its corporate office at Mumbai.²¹

Vision of the Bank:

- “To be chosen as financial solutions provider by doing extremely well in delivering the customers through empowered employees, insight, and better use of technology”.

Core Values:

- Core values comprises of Ethics, Transparency, Customer Centricity, Teamwork, Ownership.²²

3.10.2 Branch Network

During financial year 2018, the bank added 105 branches to its network across the country²³. As on 31st December, 2017 the bank had 3,589 domestic branches (including extension counters) and 13,977 ATMs across the country. The different group of customers receives large range of product and services as a result of wide spread network of bank across 1946 cities and towns. The branch network is widely spread across other countries with bank branches (Hong Kong, Singapore, Shanghai and Colombo, Dubai, Dhaka , Abu Dhabi and subsidiary at London).²⁴

3.10.3 Human Resource Practices

Axis bank nurtures people capability and makes strong efforts to develop their capabilities to handle the challenges. The Bank has integrated Performance Management and Capability Development System that helps in nurturing high performance as well as building capability. For high performing employee and to sharpen their skills further the bank has Capability Development interventions while for poor performers the bank offers Enhancement Program. Promotion

process permits the best performers to excel through irrespective of their age, gender, past performance and background. Leadership development across levels has always been in focus. Development Intervention in the form of coaching, mentoring and feedback tools are introduced and extended.²⁵

Axis bank present rewards to its human resources for their work well done. It rewards people for their high level of performance, exceptional contribution, exemplary behaviour and making a difference to the Bank's success. The bank believes in the power of open communication. The 2 way communication culture leads to contribution of ideas and suggestions towards incomparable customer service delivery, unique and varied product features and continuous process improvement. Trust is produced and conserved by active involvement and cooperation with colleagues, across departments. The bank considers the relationship to be very important for people to work together. The teams are aligned towards the overall purpose of the bank and are continuously aiming to accomplish greater heights and superior results that make a visible difference.²⁶

3.10.4 Staff Strength

The bank had workforce strength of 56,617 employees at the end of the year 2017.²⁷

3.11 HDFC

3.11.1 History/Origin

The Housing Development Finance Corporation Limited (HDFC) was incorporated in August 1994. Reserve Bank of India in 1994 liberalised the Indian Banking Industry and HDFC was amongst the first private sector bank to receive from the Reserve Bank of India. The bank has registered office in Mumbai, India. In January 1995, the bank commenced its operations as a Scheduled Commercial bank.²⁸

Vision of the Bank: To be a World class Indian Bank.

Core Values: The five business core values of HDFC bank include (a) Operational Excellence, (b) Customer focus, (c) Product Leadership, (d) Human resources and (e) Sustainability.

The bank aims at developing good customer franchises so as to be chosen for banking services for target customer (retail and wholesale) section in order to attain healthy growth in profitability and stable with the bank's risk appetite.²⁹ HDFC bank provides wide range of wholesale and retail banking services comprising of commercial and investment banking.³⁰

Through the RBI's formal statutory and regulatory approval, the Centurion Bank of Punjab was merged with HDFC bank on May 23, 2008. Merger led to wide reach to geographical areas, wide branch network, skilled group of personnel and enlarged customers. Another highlight of the Indian banking industry was other merger of two new generation private sector banks i.e. Times Bank Limited merged with HDFC Bank Ltd. on February 26, 2000. As accepted by the shareholders of both merged banks and the Reserve bank of India, every 5.75 shares of Times Bank, shareholders of Times Bank received 1 share of HDFC bank.³¹

3.11.2 Branch Network

As of September 30, 2017, the Bank has a nationwide distribution network of 4,729 branches out of which 52% are in semi-urban and rural areas and 12,259 ATM's in 2,669 cities.³²

3.11.3 Human Resource Practices

HDFC bank emerged as the country's 10th Best Company to work for as announced by Business Today's latest (9th) Best Employer Survey. The bank believes that the key to build an organization is its people. The bank philosophy is hiring & recruiting right talent and retaining them by generating favourable environment through a combination of financial and non financial incentives. The employees went beyond the call of duty to make customers feel secure during demonetisation and

they even come up with creative solutions during the crises situations. The five wide pillars of HDFC Bank's people strategy are:

- **Resourcing & Hiring:** The key to geographic expansion and growth is the alertness in talent acquisition and their use. The bank leverages online recruitment along with various other channels like job ready model to develop reach and quality of hires. It also has strong leadership across various levels by identifying the right talent internally and preparing them for challenging roles.
- **Career Management:** Bank talent management process creates opportunities for employees to develop and grow. Bank is committed to employee's career progression as they systematically invest time in career discussion with employees, competency assessment and intensive functional as well as behavioural training through Gurukul programmes.
- **Employee Engagement:** The performance management system of the bank aligns organizational goals with key objectives for each business. Employees get roles based scorecards with managerial feedback that gives clarity and support to help employees excel in their job. The Bank also conducts an employee survey to understand various aspects of their experience followed by appropriate interventions. The bank strives to strengthen its relationship with employees by conducting various employee engagement events, both at local and national levels.
- **Training and Development:** Based on various business requirements and changes the bank identifies and analyse the training needs which aids in developing training plans for its employees. Training programmes covers on boarding, product and process training, advanced programmes and behavioural training. On boarding training ensures that new hires are trained comprehensively and equipped with necessary know how. The

product training and advanced programmes enables skill development, regular updates and build expertise.

- **Rewards:** Meritorious employees are rewarded on both financial and non financial basis. The fair and equitable approach encourages people to give their best. Compensation policy makes sure that remuneration is not only competitive but also includes wealth creation opportunities through long term rewards like ESOP's. The bank also has the "Star Awards" an institutionalised recognition programme that recognizes good performers on regular intervals. To recognize women achievers there is special category award known as the "Tejaswini Awards".³³

3.11.4 Staff Strength

The total number of employees as of March 31st, 2017 is 84,325.³⁴

3.12 ICICI

3.12.1 History / Origin:

With the initiatives taken by the World Bank, representatives of Indian Industry and the Government of India resulted in the formation of ICICI on 1955. The need for financing medium and long term project of Indian businesses, ICICI was created. ICICI transformed its business and started with providing large variety of financial products and services directly or through subsidiaries and affiliates.

ICICI limited, an Indian financial institution at first promoted ICICI bank in 1994 and was its wholly owned subsidiary by. Because of intense competition in the banking industry ICICI bank and the management of ICICI was merged. For both of these entities, the merger was the most favourable strategic alternative. The merger enhanced value for the shareholders as merged entity's paved way to low cost deposits, other greater opportunities, participation in the payment system and transaction banking services.³⁵ ICICI Bank has its subsidiaries in various different countries like UK & Canada,

Singapore, United States, Bahrain, Sri Lanka, Hong Kong, Dubai International finance centre and Qatar Financial Centre. The bank also has its representative offices in the varied other countries like United Arab Emirates, China, Bangladesh, South Africa, Indonesia and Malaysia. The bank's completely owned subsidiary, UK has nine branches in the United Kingdom and branch each in Belgium and Germany. In Canada too, the bank has nine branches .³⁶

VISION: "To be a major global bank with foremost financial service provider in India".

MISSION:

- a. Enlarge the frontiers of business globally and to be proactive in the full realisation of India's potential,
- b. To be the first choice for customers in banking industry by delivering them high quality, world class products and services,
- c. Diversify our earnings across businesses and geographies and maintain a healthy financial profile,
- d. Maintain high standards of governance and ethics,
- e. Contribute positively to the various countries and markets of operation.
- f. Create value for stakeholders.³⁷

3.12.2 Branch Network

All across India the bank has network of 4850 branches and 13,882 ATM's as on 31st March, 2017.

3.12.3 Human Resource Practices

On January 5, 2017, the bank launched a new organization level initiative, # Lead the New, an umbrella initiative to strengthen its adaptability to change, exploring the opportunities for growth and implementing impeccably on its growth agenda. To sustain the

transformation in the perspective of changing environment, bank emphasizes its culture by becoming more DYNAMIC. DYNAMIC is an acronym for Digital, Young, Nurturing, Agile, Mindful, Inclusive and Connected. Under the # Lead the New initiative, a new engagement platform known as #CEO connect was launched which permits all employees to directly connect and interact with the managing Director and CEO to have better point of view on organizational strategy and philosophy and also share their views and suggestions.

ICICI bank won the “Best Company to Work for” Award by Business Today magazine in the Banking, Financial services and Insurance sector. This award shows the bank’s strong emphasis on creating an enabling workplace, making sure about employee welfare and offering opportunities to learn and grow. Physical health and fitness are important elements of employee well being and to facilitate this, the bank launched a comprehensive health and wellness programme called be fit for its employees. This programme covers initiatives like onsite wellness activities such as yoga and fitness sessions at selected locations, on healthy lifestyle, wearable fitness devices at discounted rates, and virtual fitness challenges second opinion from specialist doctors in India and abroad.

ICICI bank has new initiatives focusing on women employees to handle with various life stage related need. The Travel Accompaniment Policy allows women employees to take their children and a family member to accompany them during all work related travel. Even women employees can opt to work from home.

The bank accords high importance to initiatives taken to improve employee’s productivity. It continues to influence role linked and functional training academies to provide required knowledge and skills to its employees. Customised workshops were conducted in collaboration with leading global partners to meet specialised learning needs of various business groups.

3.12.4 Staff Strength

The number of employees as on March 31, 2017 was 82,841 primarily in retail and rural banking. The employee base covers sales executives, employees on fixed term contracts and interns.³⁸

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