CHAPTER - VIII

COMPARATIVE ANALYSIS OF SELECTED BANKS AND MAIN FINDINGS

In this chapter, an attempt has been made to make a comparative analysis of the delegated lending powers in the banks covered by the study. This has been done in Section I of this chapter. Section II of the chapter is devoted to the testing of the hypotheses on the basis of the data used for analysing the banks in Chapter III to Chapter VII and the analysis is presented in Section I of the chapter.

SECTION - I

In this section aggregate lending powers of all the five banks taken together have been compared, ranked and interpreted. For this purpose, six decision centres of each bank have been considered: two each from the top management level decision centres, middle level management decision centres, and grass root level of management. At the top management level Decision Centres 'A' and 'C' have been taken, from the middle management 'F' and 'G' have been taken, and from grass root level management decision centre 'I' and 'K' have been taken. The entire analysis is based on the current year data. For the purpose of comparative analysis, five categories of advances viz. Unsecured advances, Secured Advances, Discounting and purchase of Bills/cheques, Letter of Credit, Guarantees, have been taken into consideration. Analysis has been done for each category of advances in separate table from Table No. 8.1 to 8.5 and in the final table (Table : 8.6)

the aggregate of the MDLPs for each selected decision centre of each bank has been analysed. Table 8.1 contains the maximum delegated lending powers for Unsecured Advances across the banks.

Table : 8.1 MDLPs IN DIFFERENT BANKS FOR UNSECURED ADVANCES

(Based on current year data)
(Amount in Rs. Lakhs)

Management Level	Decision Centres	Q		R		S		T		U	
		Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
Top	A	50.00	2	75.00	1	10.00	4	25.00	3	3.00	5
	C	10.00	2	40.00	1	5.000	3	10.00	2	2.00	4
	Group Average	30.00	2	57.50	1	7.50	4	17.50	3	2.50	5
Middle	F	4.00	2	15.00	1	1.00	4	4.00	2	1.50	3
	G	3.00	2	5.00	1	0.50	4	1.00	3	1.00	3
	Group Average	3.50	2	10.00	1	0.75	4	2.50	3	1.25	4
Grass Root	I	2.00	1	1.00	2	0.20	4	0.50	3	0.15	5
	K	0.50	1	0.25	2	0.08	4	0.10	3	0.05	5
	Group Average	1.25	1	0.63	2	0.14	4	0.30	3	0.10	5

FINDINGS

1 MDLP of each Decision Centre across the banks.

It is clear from the above table that difference in the range of MDLP across the bank narrows down as we go towards the grass root decision centres functionaries. The difference in the MDLP range of decision centre 'A' is as high as Rs. 72/-lakhs, and it narrows down to Rs. 1.15/- lakhs of Decision Centre 'K' in different banks. Further, bank 'Q' is enjoying the highest MDLP for the decision centres at the top and the middle management level and is followed by bank 'T', which happens to be the largest sized bank compared to all other banks. At the grassroot level decision centre functionaries between bank 'T' and 'Q' position is reverse. For the remaining 3 banks, the ranks of each decision centre are not uniform. However, the grass root level decision centre functionary in bank 'U', occupied the 3rd rank, followed by bank 'R' and bank 'U'.

2. MDLP at group average management level.

At the top and middle management group average the rank of banks remain same, inspite of the difference in the amount of each Decision Centre's MDLP and also in the size of the bank. But, the position changes at the grass root management group average.

The difference in the range of MDLP at top management level group average across the bank is of Rs. 55/- lakhs and

drastically reduces to Rs. 8.75 lakhs at the middle management and to only Rs. 1.15 lakhs at grass root management level group averages.

Thus, the fall in the difference in the range of MDLP among the management level group average is steeper than the fall in the range of MDLP among the decision centre functionaries across the banks.

The table No. 8.2 contains the MDLP for Secured Advances across the banks.

Table : 8.2 MDLPs IN DIFFERENT BANKS FOR SECURED ADVANCES

(Based on current year data)
(Amount in Rs. Lakhs)

Management Levels	Decision Centrs	T		Q		R		U		V	
		Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
Top	A	250.00	2	200.00	3	300.00	1	150.00	4	25.00	5
	C	100.00	3	125.00	2	150.00	1	75.00	4	20.00	5
	Group Average	175.00	2	162.50	3	225.00	1	112.50	4	22.50	5
Middle	F	25.00	3	75.00	1	50.00	2	25.00	3	10.00	4
	G	10.00	2	10.00	2	25.00	1	8.00	3	7.00	4
	Group Average	17.50	3	42.50	1	37.50	2	16.50	4	8.50	5
Grass Root	I	6.00	2	3.00	4	10.00	1	4.00	3	1.00	5
	K	1.50	2	1.00	3	3.00	1	1.50	2	0.25	4
	Group Average	3.75	2	2.00	4	6.50	1	2.75	3	0.63	5

FINDINGS

1. MDLPs of each Decision Centre across the banks.

It is clear from the above table No. 8.2 that the decision centre functionaries of largest size bank 'T' are ranking 3rd only at Decision Centre 'C'and 'F' and ranking second in all other decision centres, across the banks. Again, all decision centres functionaries of the bank 'R' rank first, except at Decision Centre 'F' where it occupies second rank.

The difference in the range of MDLP of each decision centre functionaries across the banks falls steeply as we go down at the grass root functionaries. The difference at the decision centre 'A' across the banks is Rs. 275 lakhs and at the 'K' it is of Rs. 2.75 lakhs.

2. MDLP at group average management levels.

MDLP of group average of top and grass root management levels of banks, 'R', 'T' and 'V' are following the rank order of 1, 2 and 5th respectively. The difference in the range of MDLP of the top management is much higher than the remaining other two group averages.

Table : 8.3 MDLPs IN DIFFERENT BANKS FOR DISCOUNTING & PURCHASE OF BILLS & CHEQUES

(Based on current year data)
(Amount in Rs. Lakhs)

Management Level	Decision Centres	T		Q		R		U		V	
		Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
Top	A	250.00	2	110.00	4	300.00	1	200.00	3	20.00	5
	C	100.00	2	50.00	4	150.00	1	75.00	3	15.00	5
	Group Average	175.00	2	80.00	4	225.00	1	137.50	3	17.50	5
Middle	F	50.00	1	40.00	2	50.00	1	50.00	1	10.00	3
	G	40.00	1	20.00	3	25.00	2	20.00	3	5.00	4
	Group Average	45.00	1	30.00	4	37.50	2	35.00	3	7.50	5
Grass Root	I	20.00	1	7.52	4	10.00	2	8.00	3	0.50	5
	K	2.00	3	2.55	2	3.00	1	2.00	3	0.15	4
	Group Average	11.00	1	5.04	4	6.50	2	5.00	3	0.33	5

FINDINGS

1. MDLP of each decision centre across the banks.

It is shown in the table that the decision centre at the top management level follow the same rank in each bank. However the decision centres of bank 'R' are ranking at the top followed by the decision centre in largest size bank 'T' with second rank. Again, the decision centres in the 4th largest sized bank 'U' are ranking 3rd, followed by the banks 'Q' and 'V' respectively.

The 'F' decision centre in three banks viz. 'T', 'R' and 'V' are with uniform MDLP and are ranking first, though the size of the banks are dissimilar. The difference in the range between decision centres in the top management level is very high compared to the difference in the range of MDLP of decision centres at middle and grass root management levels.

2. MDLP at group average management levels

MDLP at all group average management levels of banks 'U', 'Q' and 'V' are ranking 3, 4 and 5th respectively. Only at the top level management group average, bank 'R' is ranking first, and Bank 'T', the largest sized bank is ranking first, in the middle management and grass root Management group averages.

Table : 8.4 MDLPs IN DIFFERENT BANKS FOR LETTER OF CREDIT

(Based on current year data)
(Amount in Rs. Lakhs)

Management Levels	Decision Centres	T		Q		R		U		V	
		Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
Top	A	250.00	1	100.00	3	100.00	3	200.00	2	25.00	4
	C	100.00	1	50.00	2	40.00	3	100.00	1	15.00	4
	Group Average	175.00	1	75.00	3	70.00	4	150.00	2	20.00	5
Middle	F	50.00	1	25.00	2	25.00	2	50.00	1	10.00	3
	G	20.00	1	5.00	4	12.00	3	15.00	2	5.00	4
	Group Average	35.00	1	15.00	4	18.50	3	32.50	2	7.50	5
Grass Root	I	10.00	1	1.50	4	8.00	2	5.00	3	0.50	4
	K	2.00	2	0.50	4	3.75	1	1.00	3	-	-
	Group Average	6.00	1	1.00	4	5.88	2	3.00	3	0.25	5

FINDINGS

1. MDLP of each decision centre across the banks.

It is observed from the above table No. 8.4 that all the decision centre functionaries excepted 'K' with the largest sized bank 'T', are ranking first across the banks. Bank 'R' is occupying first rank at 'K' decision centre. Two banks are having uniform MDLP under this type of advance at the top and middle level decision centre functionaries. At the decision centre 'A', banks 'Q' and 'R', and at 'C' decision centre banks 'T' and 'U', at 'F' decision centre 'T Bank' and 'U Bank', and Banks. 'Q' and 'R', and lastly at 'G' decision centre banks 'Q' and 'V' are with uniform MDLP. At the 'K' decision centre bank 'R' is ranking first among all the banks.

The difference in the range of MDLP between the 1st ranked and last ranked bank at each decision centre is very high, indicating that there is no uniformity of MDLPs cross the banks with the common decision centre functionaries.

2. MDLP at group average management levels.

It is clear from the above table 8.4 that the bank 'T' and bank 'V' are with uniform rank of 1st and 5th, at all group average of management level. Again, the differences in MDLP enjoyed by the top management are more than at the grass root management in all decision centres among all the banks.

Table : 8.5

MDLPs IN DIFFERENT BANKS FOR GUARANTEES

(Based on current year data)
(Amount in Rs. Lakhs)

Management Levels	Decision Centres	T		Q		R		U		V	
		Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
Top	A	250.00	1	100.00	3	100.00	3	200.00	2	25.00	4
	C	100.00	1	50.00	2	50.00	2	100.00	1	15.00	3
	Group Average	175.00	1	75.00	3	75.00	3	150.00	2	20.00	4
Middle	F	50.00	1	20.00	2	13.50	3	50.00	1	10.00	4
	G	20.00	1	5.00	4	7.50	3	15.00	2	5.00	4
	Group Average	35.00	1	12.50	4	10.50	3	32.50	2	7.50	5
Grass Root	I	10.00	1	1.50	3	1.20	4	5.00	2	1.00	5
	K	2.00	1	0.50	3	0.30	4	1.00	2	Nil	-
	Group Average	6.00	1	1.00	3	0.75	4	3.00	2	0.50	5

FINDINGS

1. MDLP at each decision centre across the banks.

The above table No. 8.5 clearly indicates that the MDLP for guarantees in the largest sized bank 'T', for all decision centres rank first. At two decision centres viz. at 'C' and 'F' having uniform MDLP shared by bank 'U' bank 'Q' and 'R' are ranking 3rd at decision centre 'A', and are ranking 2nd at decision centre 'C' and banks, 'Q' and 'U' are having uniform MDLP at decision centre 'G'. The ranks at decision centres 'I' and 'K' across the banks are uniform. The difference in the range of MDLP across the banks at each decision centres narrows down as we go at the grass root level functionaries.

2. MDLP at group average management levels.

The rank of the banks at all three management average group level, Top, Middle and Grass root remains unchanged except with bank 'Q' and 'R'. The difference in the MDLP is more pronounced at the grass root level management average than at the other levels of management.

Table : 8.6

NDLPs IN DIFFERENT BANKS FOR ALL CATEGORY OF ADVANCES

(Based on current year data)
(Amount in Rs. Lakhs)

Management Level	Decision Centres	T		Q		R		U		V	
		Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
Top	A	1050.00	1	585.00	4	810.00	2	775.00	3	98.00	5
	C	410.00	1	315.00	3	395.00	2	260.00	4	67.00	5
	Group Average	730.00	1	450.00	4	602.50	2	517.50	3	84.50	5
Middle	F	179.00	1	175.00	2	139.50	3	179.00	1	41.50	4
	G	93.00	1	45.00	4	70.00	2	59.00	3	23.00	5
	Group Average	136.00	1	110.00	3	104.75	4	119.00	2	32.25	5
Grass Root	I	48.00	1	14.52	4	29.40	2	22.50	3	3.15	5
	K	8.00	2	4.80	4	10.13	1	5.50	3	0.45	5
	Group Average	28.00	1	9.66	4	1977	2	14.00	3	1.80	5

FINDINGS

1. MDLP of each decision centre across the banks.

Bank 'T', at all decision centres except at 'K' enjoys the MDLP across the banks. At 'F' decision centre, this position is shared with bank 'U'. Similarly bank 'V', at all decision centres enjoy the least MDLP across the banks.

The percentage difference in the range of MDLP among the 1st and 2nd ranked bank at all decision centres is very pronounced. Again the percentage difference in the range of MDLP between banks 'T' and 'V', (The largest size and the small sized bank) increases from decision centre A to G and there after it declines.

It is clear from the above analysis that there is no uniformity in MDLP across the banks and at all decision centre functionaries.

2. MDLP at group average management levels

The percentage difference in the group average management levels is very sharp. Between the 1st and 2nd rank bank it widens from 82 at top management to 87 at the middle management and at the grass root level the percentage difference between the banks 'T' and 'R' is of 70. The percentage difference in group average management level between ranks 1st and 5th is maximum at 23 at the middle management average.

Table : 8.7 EXTENTAND MAGNITUDE OF AGGREGATE MDLPs OF ALL DECISION CENTRES OF 'U' BANK FOR CURRENT YEAR

Levels of Management	Decision Centres	Extent of Delegation MDLP (Rs.in Lakh)	Magnitude of Delegation as percent of higher decision centres: Top A	Top B	Middle C	Middle D	Grass Root E	Grass Root F	Grass Root G	Grass Root H
Top	A	825.00	-							
	B	385.00	46.66	-						
Middle	C	186.50	22.60	48.44	-					
	D	62.00	7.51	16.10	33.24	-				
Grass Root	E	54.75	6.63	14.22	29.35	88.30	-			
	F	24.50	2.96	6.36	13.13	39.51	44.74	-		
	G	11.75	1.42	3.05	6.30	18.95	21.46	47.95	-	
	H	6.10	0.73	1.58	3.27	9.83	11.14	24.89	51.91	-
Aggregate		1555.10								

Note : No independent chapter is devoted for this bank. This bank has been used for analysis purpose only as the original bank's categorisation of advances is not based on security.

SECTION - II

HYPOTHESES

In this section, the main and sub-hypotheses formulated in relation to the main objectives of the study given in the research design have been tested to arrive at the main findings of the study. The data already analysed bank-wise in chapter 3 through 7 and the analytical tables given in the first section of this chapter have been used to test the different hypotheses. The numbers and titles given here for the sub-hypotheses are the same as mentioned in chapter 1.

(H_o1) "There is no uniformity in the number of decision centres in the organisational hierarchy from one bank to another".

i.e. $i_A \neq j_B$

i_A = number of decision centres of bank A.
(i = 1, 2, 3.....n)

j_B = number of decision centres of bank B.
(j = 1, 2, 3.....m)

Even working in the same business environment, regulated policies and objections, the number of decision centres of lending powers differ from bank to bank. This is what we have tried to find out here.

Table No. 8-IIa contains the sample banks' decision centres.

Table 8-IIa

Power wise ranking of Decision Centres.	Bank				
	T	Q	R	U	V
1	CMD	CMD	CMD	MD	CMD
2	DyMD	ED	ED	GM	GM
3	CGM	GM	GM	ZM	JGM
4	GM	DGMS	DGM	RM	DGM
5	CRM	AGMS	AGM	BM I	AGM
6	RM	DMS/RMS	RM	BM II	RM
7	BM I	BM I	BM I	BM III	BM I
8	BM II	BM II	BM II	-	BM II
9	-	BM III	-	-	BM III
Total :	8	9	8	7	9

It is very much clear from the above table that the no. of decision centres are not equal for all the banks. Bank 'U' is having seven Decision Centres, banks 'T' and 'R' having eight centres each and banks 'Q' and 'V' having nine decision centres each. Even though the banks 'T' and 'R' are having the same number of decision centres, there designations of the functionaries are different. Same is the case, when we compare bank 'Q' and bank 'V'.

This analysis, though very simple in nature, substantiates the objective number one discussed in chapter one and leads us to accept the maintained hypotheses.

(H_o2) "There is no uniformity in the size of the maximum delegated lending powers across Banks".

$$H_o2 \quad : \quad X^A_{MDLP} \neq X^B_{MDLP}$$

Where X^A_{MDLP} = Size of lending powers of banks A's decision centre.

X^B_{MDLP} = Size of lending powers of banks B's decision centre.

To test the above hypothesis, all banks' decision centres MDLPs for various types of advances are studied. The decision centres have been classified into top, middle and grass-root management levels. Accordingly, 2 common decision centres in each type of management level are identified and in all 6 common decision centre functionaries are examined. The MDLPs of all banks are ranked in descending order based on the current year data for each of the identified decision centre for five types of advances and the aggregate of these advances.

Table 8.1 presents the MDLPs in different banks for unsecured advances.

FINDINGS

The table 8.1 indicates that out of the 45 points, the uniformity in MDLPs are found only at 3 decision centres i.e. C, F and G decision centre functionaries. In banks 'T' and 'V', the uniform MDLPs are found at 'C' and 'F' decision centres and at 'G' decision centre for the banks 'U' and 'V'.

Among the 3 management levels only at the Middle Management group, the average MDLP is found to be uniform for banks 'R' and 'V'.

Hence, in 87 per cent of the total points we find no uniformity in the MDLPs. Thus, we can finally infer that for the unsecured advances, the hypotheses is sustained.

The Table No. 8.2 presents the MDLPs in different banks for secured advances.

FINDINGS

It is clear from this table that uniform MDLPs are found for secured advances at 3 Decision Centres viz 'F', 'G' and 'K'. For banks 'T' and 'U', the uniform MDLPs are found at 'F' and 'K' decision centres and at 'G' decision centre for the banks 'T' and 'Q'.

Hence MDLPs are not uniform across the banks in majority of decision centres. Thus we can infer that so far as the secured advances are concerned the hypotheses is sustained.

Table No. 8.3 presents the MDLPs in different banks for discounting and purchase of Bills/cheques.

FINDINGS

It is notable from this table that only at 3 decision centres the uniform MDLPs are found ~~for~~ in different banks for discounting and purchase of Bills/Cheques. These decision centres are 'F', 'G' and 'K'. At 'F' decision centre, the uniform MDLPs are found in Banks 'T', 'R' and 'U', at 'G' decision centre for the banks 'Q' and 'V' and at 'K' decision centre for banks 'T' and 'V'. Hence we can finally infer that so far as the advances for discounting and purchase of Bills/cheques the hypotheses is sustained.

Table 8.4 presents the MDLP in different bank for Advances under Letters of Credit.

FINDINGS

In the case decision centres 'A', 'C', 'F' and 'G', the uniformity the MDLPs are found in some banks for advances under Letters of Credit.

Banks with uniform MDLP at decsion centre 'A' are banks 'Q' and 'R', at 'C' decsion centre banks 'T' and 'V', at 'F' decision centre banks 'T', 'U','Q' and 'R' and at 'G' decision centre banks 'Q' and 'V'.

Hence the uniform MDLPs are observed only at 5 points out of the 45 points representing only 11 percent of uniformity in MDLPs. Thus we can infer here also that there is no uniformity and the size of MDLPs across banks.

Table 8.5 presents the MDLPs in different banks for Advances against Guarantees.

FINDINGS

It is observed from the table 8.5 that the uniformity in MDLPs is found only at 4 decision centres and at 6 points out of the 45 points. The banks 'Q' and 'R' presents the uniform MDLPs at decision centres 'A', 'C' and at the group average levels. The banks 'T' and 'U' show the uniform MDLPs at 'C' and 'F' decision centres. And lastly at the 'G' decision centre, 'Q' and 'V' banks show uniform MDLPs.

From the above analysis it is clear that the MDLP are different across the banks. Hence we can finally infer that so far as the advances under Guarantees the hypotheses is sustained.

Table 8.6 presents the ALP in different banks for all the categories of advances.

FINDINGS

Its clear from the table that the ALP of all the decision centre functionaries are different across the banks except at one decision centre viz 'F'. Banks 'T' and 'U' at this decision centre show the uniformity in the ALPs. Hence the hypotheses that there is no uniformity in the size of ALP across the banks is sustained.

CONCLUSION

Banks 'T' and 'V' show the uniform MDLP firstly in all types of advances at decision centre 'F', secondly at decision centre 'C' under the advances for unsecured and Letters of Credit and finally at decision centre 'K' the uniformity in MDLP are found in secured advances, and advances for discount and purchase of bills/cheques.

In all only in 43 points out of the total 270 points representing 16 percentage, the uniformity MDLPs for all decision centre functionaries in all the types of advances are found, which are insignificant. Hence that there is no uniformity in the size of maximum delegated lending powers across banks is sustained.

(H_o3) "There is no uniformity in the MDLP fractional relationship amongst the decision centres in a bank".

$$X_{ij} \neq X_{ij}$$

X_{ij} = power of X_i with respect to X_j (X_i/X_j)

X_i = size of the i^{th} decision centre of a bank.

X_j = size of the other decision centre of the same bank

$$j > i$$

To test this hypothesis, the decision centres of the sample banks have been devided into three management levels namely Top, Middle and Grass root management level. The fractional analysis of all the sample banks have been considered for the

testing of this hypotheses. As all the results lead to the same conclusion (as discussed below) we have taken bank 'Q' for the analysis, findings and methodology purposes.

Analysis of tractional relationship amongst decision centres of bank 'Q' (Table : 3.20)

(1) It is clear from Table 3.2, that decision centre B's lending power as a percentage of decision centre A's lending power is 58.5. This percentage between Decision Centre 'C' and Decision Centre 'A' is 42.5. Accordingly, if we look at the table, we find that the percentages of lending powers of decision centres B through K (powers of decision centres in decreasing order) to lending power of Decision Centre 'A' are declining. Logically this decline movement in percentage is an accepted fact but the rate of change of decline is not the same as is clear from column 'A' of the table. Same is case ~~is case~~ in other columns also. Columns 'B' shows the lending powers of centres 'C' through 'K' as a percentage of Decision centre 'B's lending powers and so on.

(2) Second point to note from the table is percentage (fractional) relationship between the lending powers of two successive decision centres, i.e., lending powers of a centre and it's centre's, is not uniform. It is generally expected, that this percentage for the two immediate decision centres' lending powers remain to be the same through out. This disimilarity is clearly visible if we read the table diagonally

(compare the last figures of all the rows) where the Decision Centre 'D', lending power as a percentage to Decision Centre 'C' lending power is as high as 74.11 where as Decision Centre'K's lending power as a percentage of Decision Centre 'J's lending powers is 49.94.

This whole analysis suggests us to accept the hypothesis (H_o3) maintained in the first chapter.

If we refer the other tables (4.19 for bank R, Table in appendix - A for bank S, Table 6.16 for bank 'T' and Table 7.16 for bank 'U'), the simple reading of these tables leads us to the same findings and conclusions. All these tables have already been discussed in detail in various previous chapters.

(H_o4) "There is no uniformity in the time gaps in the revisions made in MDLPs by different banks".

$$TA_{MDLP} \neq TB_{MDLP}$$

where TA_{MDLP} = time taken to make revision in MDLPs by Bank A.

TB_{MDLP} = time taken to make revision in MDLPs by Bank B.

To test this hypotheses we considered the frequency of revisions in the MDLPs of six banks under consideration over the reference period mentioned below.

OBSERVATIONS

The following table shows the Banks arranged in decending order of their size and frequency of revision in the MDLPs over the reference period.

Bank	Year of revision of MDLPs.	No. of changes
T	1985,- 86	2
S	1986, 87	2
Q	1986	2
R	1986	1
U	1984, 82	2
V	-	Nil

Findings

It is observed that over the references period out of the six banks under consideration in case of four Banks (T, S, Q and U) the MDLPs were revised twice while in case of one Bank (R) it was revised only once and in case of one bank (V) it was not revised ever once.

It was further observed that the frequency of revision also varied with the size* of the banks. In at least four cases the large sized banks were associated with higher frequency of variation in MDLPs and in only one case the frequency in variations was high inspite of the low rank of the bank in terms of size. The smallest sized bank experienced no change in MDLPs over the reference period. Another point to observe

is that though the number of times the MDLPs were revised is same in the case of four banks, there years of change difference across these banks.

Hence the hypotheses that there is no uniformity in the time gets in the revisions made in MDLPs by different Banks is accepted for at least three cases.

CONCLUSION

The above observation reveals that our hypothesis is partially accepted, however it can be concluded that there is a lack of uniformity in the time gaps and the frequency of variations in MDLPs is higher for larger banks while it is comparatively lower in case of smaller, banks, however this is not without exceptions.

(HO_5)

"There is no positive relationship between the size of banks and size of lending powers":

$$H_o = {}_{XY} = 0$$

Where ${}_{XY}$ = Coefficient of correlation between X and Y

X = Size of banks

Y = Size of the lending powers.

To test this hypothesis, we have taken data series on three centres of lending decision centres namely, CMD's lending

power, RM's lending power and small branch manager's lending power. We have examine the degree of correlation, using the Karl Pearson's method, with size index of banks. This analysis takes into consideration the data from five sample banks identified previously for the current year.

For simplification, we have given symbols to all the variables as follows :

X = bank size index

Y_1 = CMD's lending powers

Y_2 = RM's lending powers

Y_3 = SBM's lending powers.

FINDINGS

After calculating the coefficients of correlation from the given data, we get.

XY_1 = .50

XY_2 = .46

XY_3 = .12

Here,

XY_1 shows the coefficient of correlation between rise of the banks (X) and CMD's lending powers(Y_1).

XY_2 shows the coefficient of correlation between size of the banks (X) and RM's lending powers(Y_2).

XY_3 shows the coefficient of correlation between size of the banks (X) and SBM's lending powers(Y_3).

OBSERVATIONS

1. The empirical findings clearly suggest that we should reject the maintained hypothesis as all the lending powers (X_1, X_2, X_3) are positively related with the size of the banks and coefficients are different from zero.

2. CMD's lending powers are more closely related with the size of the banks than SBM's powers, RM's lending power finally very near to the CMD's lending power.

3. As the lending powers go down from one centre to other centre (downward movement), the degree of correlation between lending powers and size of banks falls rapidly.

(HO_6)

"There is no positive correlation between the size of MDLP and the volume of lending business."

H_o BY = 0

BY = coefficient of correlation between B and Y

B = volume of lending Business

Y = Size of lending Business.

To test this hypothesis, we have two types of lending business carried out by the banks namely. Secured Advances (B_1) and Unsecured Advances (B_2). We have examined the degree of correlation of these variables with three centres of lending decisions, namely. CMD, (Y_1), RM(Y_2) and SBM (Y_3).

FINDINGS

B_1Y_1	= .50	B_2Y_1	= .53
B_1Y_2	= .45	B_2Y_2	= .47
B_1Y_3	= .12	B_2Y_3	= .13

Here, B_1Y_1 shows the coefficient of correlation between total secured advances of five banks and CMD's lending powers and like wise.

OBSERVATIONS

We find out that both types of lending business (B_1 and B_2) are positively related with three types of lending decision centres (Y_1, Y_2 and Y_3). This finding forces us to reject the maintained hypotheses that there is no positive correlation between the size of MDLP and the volume of lending business.

($H_0 7$) "There is no uniformity in changes in the size of maximum delegated lending powers (MDLP) across banks"

i.e. $X^A_{MDLP} \neq X^B_{MDLP}$

where X^A_{MDLP} = Size of ADLP of bank A's i^{th} decision centre.

X^B_{MDLP} = Size of ADLP of bank B's i^{th} decision centre.
($i = 1, 2, 3.....N$)

To test this hypothesis we considered the maximum delegated lending powers for the Top, level, middle level and grass root level decision centres to find out the differences between the maximum and minimum lending powers at the same decision centres

for the banks under consideration. The percentage change for the same over the period of reference was also considered.

Observations	Range (Maximum lending power Minimum lending power for the same decision centres)	% change in range over the base year and the current year
Top Level	360	18.70
Middle Level	325	13.77
Grass Root Level	000	Nil

FINDINGS

It is observed that though the same level decision centres for different banks are assigned same targets, perform similar functions and have no other significant inequality in any aspect, still there is significant inequality in the lending powers at the middle and top level the latter being more significant, there is also a positive percentage change in the range over the reference period. Hence the hypotheses that there are no differences in lending powers at the same level decision centres across the banks is rejected in case of top and middle level decision centres.

There were however no differences in lending powers at the grass root level and hence the hypotheses is rejected for the grass root level.

CONCLUSION

It is observed that there is a marked inequality in lending powers at the same level decision centres across the banks. Not only this but the range has further widened over the reference period. It is felt that there is no possible explanation or justification for the inequality in lending powers when all other factors pertaining to the decision centres are equal.

(H_o8) "There is no positive co-relation between the change in MDLPs and the change in the volume of lending business".

i.e. $A'P = 0$

where $A'P$ = coefficient of corelation between A & P.

A' = percentage change in MDLPs and

P = percentage change in advances.

To test this hypothesis we have taken the lending powers of two different decision centres namely CMD, BM-S and the Aggregate lending power, at all decision centres for all categories of advances and attempted to establish a co-relation between these three variables and the growth of advances. The analysis was conducted for five banks over the relevent period of 1983-87. The data mentioned below was obtained by considering the changes in the current and base year figures.

OBSERVATIONS

COEFFICIENTS OF CORRELATION

	% change in (P)
% change in CMD (A)	0.69
% change in SBM (B)	-0.04
% change in Agg. lending power(C)	0.49

A = percentage change in delegation powers of CMDs

B = percentage change in delegation powers of managers of small banks

C = percentage change in Aggregate lending powers of all decision centres

P = percentage change in advances during 1983-1987.

FINDINGS

(1) There is a positive and significant co-relation between the percentage change in delegation of lending powers of CMDs and in the percentage change in advances. Hence the hypothesis that there is no positive co-relation between the change in the maximum delegated lending powers and the change in the volume of lending business is rejected.

(2) There is a negative and insignificant co-relation between the percentage change in delegation of powers of the managers of small branches and the percentage change in advances. Hence the hypothesis that there is a no corelation between the percentage change in the lending powers of the managers of small branches and the change in the volume of lending business is accepted.

(3) There is a positive co-relation between the percentage change in Aggregate lending powers of all decision centres and the percentage change in the advances. Hence the hypotheses that there is no corelation between the percentage change in the Aggregate lending powers of all decision centres and the percentage change in the advances is rejected.

CONCLUSION

As obvious from the cases given above, it can be concluded that the hypotheses is accepted for one case and rejected for two cases and it can be stated that the change in the delegation of lending powers of managers of small branches is not co-related with the growth in advances. While the changes in the lending powers of CMDs and the Aggregate lending powers are positively corelated with the growth in Advances.

MAIN FINDINGS

Even though, all the banks were working in the same business environment, regulated policies and identical objectives, it was found that the number of decision centres' lending power were not similar across banks. It was further found that the banks with equal number (in two cases) of decision centres were having different designation of functionaries. Hence, the $HO\chi_1$ is upheld.

On comparision of the MDLPs of sample banks at each decision centre, it was observed that the size of MDLPs were different. Hence, the $HO\chi_2$ is upheld by our analysis.

It was observed that the percentage (fractional) relationship between the MDLPs of two successive decision centres (B's MDLP as a percentage of A's MDLP) do not remain same within a bank. Hence, H_o3 is also upheld.

It was found that there was no uniformity in the time gap the revisions were made in MDLPs across banker. Further, it was found that the number of times the revisions were made in the sample period were disimilar. Hence, H_o4 is also accepted.

It was found in cross section sample study that the size of a banks and the size of MDLPs at different decisions centres are positively correlated except in the case of BM level, where it was positive but not significant. Hence H_o5 is rejected.

Our analysis reveals that the size of MDLP and the size of lending powers are positively correlated. Hence, H_o6 is rejected.

It was observed that there is significant inequility in the change in the lending powers during the sample period across the banks. Hence, H_o7 is accepted.

Finally, positive and significant correlation was found between percentage change in delegation of lending powers of CMD and the percentage change in advances, and was negative and insignificant between percentage change in delegation of power of small branch manager and percentage change in advances. Hence, H_o8 is only partially accepted.