

# Corporate Social Responsibility in Indian Context-A Study on Present Scenario in Corporate World

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## ABSTRACT

Banking industry being a service industry plays a dominant role in the economic development of a country by leading to capital formation in various sectors of the economy. “Your Money but my knowledge” is the business principle of any banker. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Since all banks are providing homogeneous services, customers prefer to deal with those banks which provide them with services far beyond their expectations. Centralized Online Real-time Environment (CORE) banking enables anywhere banking. Bank’s customers can operate their accounts from any branch of the bank. The present scenario in banking industry is once a customer opens his/her account he/she becomes the customer of the bank but not the branch alone. Core Banking Solution (CBS) provides for online banking services everywhere to fulfil the needs of the customers. CBS from the customer’s perspective simplify their banking operations by allowing them to conduct common frequently used banking transactions without visiting bank’s branches, thus saving a lot of time. On the other hand bank’s have improved upon their operational efficiency after the introduction of CBS. Canara Bank, one of the largest public sector banks in India, had engaged IBM in August 2005 to implement the comprehensive Core Banking Solution (CBS). To know the satisfaction level of the customers of the canara bank towards core banking solutions offered, the present study titled “**A Study on customer satisfaction towards core banking solutions with special reference to canara bank in dakshina kannada district**” is undertaken. 50 customers of the canara bank have been selected on simple random sampling method to know their satisfaction level.

**Key words: Core Banking, customer expectation, customer satisfaction, Banking Service**

## Introduction

In the organized segment of Indian economy, the banking sector occupies an important place in nation’s economy. Banking industry being a service industry plays a dominant role in the economic development of a country by leading to capital formation in various sectors of the economy. “Your Money but my knowledge” is the business principle of any banker. Banking is a customer oriented service industry, therefore, the customer is the focus and customer service is the differentiating factor. Banks have to deal with many customers every day and render various types of services to their customer. It’s a well known fact that no business can exist without customers. The banking industry like many other financial service industries is facing challenges like rapidly changing market, new technologies, economic uncertainties, fierce competition and more demanding customers. With the growing technological advancement in the field of information and communication technologies bankers have changed their way of doing business. Adoption of Core Banking Solution is an innovative step taken by the

banks to enable the customers to operate their accounts from any of their branches which have installed core banking solutions.

### Literature survey

1. Manjushree S in her article, "An implementation of core banking solution with special reference to SBI, Shivamogga" said, the introduction of Core Banking Solution has made a significant impact on the SBI shivamogga Branch. The growth percentage would further be increased if the bank gives effective services on Core Banking Solution and also educates and increases awareness level of CBS to the customer
2. K C Chakrabarty in his article "Banking Technology beyond CBS: Issues and way forward" stated, the technology advances result in broader and inclusive banking sector by way of providing 24 X 7 working and offering human touch.
3. DR. Anurag.B.Singh and MS.Priyanka Tandon in their article 'A study of Financial Performance: A Comparative Analysis of SBI and ICICI Bank' stated about the efficient banking system. The purpose of the study is to examine the financial performances of the banks after the introduction of the CBS.
4. Mrs. Geetha and DR. C S Ramanarayanan in their article "The impact of Core Banking Services in SBM of Mysore City" found that the CBS in SBM has created awareness about the presence of the banking sector everywhere and has given the benefits of banking to common man.

### Statement of the problem

Customer satisfaction is the prime requirement of the every bank. Hence each and every bank is striving very hard to create satisfied customer. Literature survey clearly reveals that no research work was done on Customers' satisfaction towards Core Banking Solutions of canara bank in dakshina kannada district. To fill this research gap the present study titled "A Study on Customer Satisfaction Towards Core Banking Solutions with Special Reference to Canara Bank in Dakshina Kannada District." is undertaken.

### Objectives of the study

The present study is based on the following objectives:

1. To know the concept of core banking solution in general
2. To know the introduction of core banking solution in canara bank
3. To understand the response of the respondents about the awareness level and effectiveness of Core Banking Solution in canara bank
4. To understand the Level of satisfaction of respondents about the effectiveness of Core Banking Solution in canara bank .
- 5.To offer some suggestions to the canara bank for effective implementation of core banking solutions

### Methodology

The present study is based on both primary data and secondary data. The primary data was collected by administering questionnaire among 50 customers of canara bank of dakshina kannada district and secondary data

was collected from the journals, magazines, banks web sources etc.. For the study, the respondents were selected randomly by using simple random sampling technique.

### **Core Banking Solution in India: A Paradigm Shift**

Core banking is a general term used to describe the services provided by a group of networked branches. Bank customers may access their funds and other simple transactions from any of the member branch offices. The word Core refers to Centralized Online Real Time Exchange; this basically means that all the bank branches access applications from centralized database center. The connection between banks branches and the data center is established through Phone Line. In CBS all server (Firewall, Application server, Database server, ATM server, Web server, Antivirus server, Internet banking database server) are centrally located normally called on the Central Data Centre. All information's of the computers can be seen in the Data Centre by network. Under CBS the information relating to the customer's account (i.e. financial dealings, profession, income, family members etc.) is stored in the Central Server of the bank (that is available to all the networked branches) instead of the branch server. Depending upon the size and needs of a bank, it could be for the all the operations or for limited operations. Earlier before the introduction of CBS the banks were adopted Automatic ledger posting machine (ALPM). In other words they maintained manually Day book, Ledger account etc. The Institute of Development and Research in Banking Technology (IDRBT) was established in Hyderabad in 1999, by RBI for the purpose of setting up Indian financial network to introduce CBS. But now the Data centre's are in Metropolitan cities Mumbai, Chennai, Calcutta. CBS enables banks to render better services to the customer and helps the customers to carry on their banking transaction on the basis of Anywhere, Any time and Anyhow. It reduces the cost of transaction, improves efficiency and save times. CBS has net work of branches which enables customers to operate and manages their accounts and avails themselves of banking services from any branches of banks irrespective of the branch with which they maintain their accounts. The customer of a bank is no more a customer of a single branch but he becomes a customer of bank.

### **Core Banking Solution in canara bank**

Ammemba Subba Rao Pai, a philanthropist, established the Canara Hindu Permanent Fund in Mangalore, India, on 1 July 1906. The bank changed its name to Canara Bank Limited in 1910 when it incorporated. The Government of India nationalised Canara Bank, along with 13 other major commercial banks of India, on 19 July 1969. In 1976, Canara Bank inaugurated its 1000<sup>th</sup> branch. In 1985, Canara Bank acquired Lakshmi Commercial Bank in a rescue. This brought Canara Bank some 230 branches in northern India. In 1996, Canara Bank became the first Indian Bank to get ISO certification for "Total Branch Banking" for its Seshadripuram branch in Bangalore. As of November 2015, the bank had a network of 5784 branches and more than 9153 ATMs spread across India. The bank also has offices abroad in London, Hong Kong, Moscow, Shanghai, Doha, Bahrain, South Africa, Dubai, and New York. Canara Bank had engaged IBM in August 2005 to implement the comprehensive Centralized Banking Solution constituting of a suite of 14 satellite applications centered around the Core Banking solution. As part of the engagement, IBM was responsible for designing, building, deployment, and support of the centralized Core Banking solution as well as that for the satellite applications. IBM also helped the bank setting up and managing the data center and disaster recovery infrastructure, establishing the

Local Area Network in over bank branches, monitoring the Wide Area Network of the bank, and managing business continuity services to be able to seamlessly switch from the data center to disaster recovery mode.

### Analysis of Data

To analyse the customer satisfaction towards CBS of canara bank of dakshina kannada district 50 customers of canara bank have been selected on random sampling technique. The data gathered from the respondents has been analysed as follows:

**Table-1 Socio-demographic features of the respondents**

Demographic Factors	Classification	No. of Respondents (n = 50)	Percent
Age	Less than 20 years	05	10%
	20-30 years	14	28%
	30-40 years	13	26%
	40-50 years	10	20%
	Above 50 years	08	16%
Gender	Male	27	54%
	Female	23	46%
Educational Qualification	School level	23	46%
	College level	19	38%
	Professional	08	16%
Residence	Urban	11	22%
	Sub/Semi - Urban	20	40%
	Rural	19	38%
Marital Status	Single	13	26%
	Married	32	64%
	Separated/Divorced/ Widowed	05	10%
Occupation	Agriculture	20	40%
	labour	06	12%
	House wife	04	08%
	Govt. employee	03	06%
	Private employee	13	26%
	Profession/self employee	04	08%
	Monthly income	Less than Rs.10000	15
Rs10000 to Rs20000		26	52%
Rs20000 to Rs30000		06	12%
Above Rs30000		03	06%

Source: Survey data

It is inferred from the above table that majority (28%) of the respondents belong to the age of 20-30 years. 54% of the respondents belong to the gender of male and 46% are female. 46% of the respondents have restricted

themselves to the school education. 40% of the respondents are residing in the sub urban areas. Majority (64%) are married persons.40% of the respondents are the agriculturists showing that they are dependent on agricultural income and 52% fall under the income group of Rs.10000 to Rs.20000.

**Table -2 Awareness level of Core Banking Solution**

Awareness	Number of Respondents	Percentage
Yes	40	80
No	10	20
Total	50	100

Source: Survey Data

The above table shows that among 50 respondents, 80% of respondents are aware of the canara bank core banking solution.

**Table -3 Ranking on Core Banking benefits**

Benefits	Number of Respondents(40)	Percentage (%)	Ranking
Any where any time banking	35	88	2
Time Saving	30	75	4
Low Cost services	20	50	5
Easy transaction	32	80	3
More Convenient	38	95	1
Supporting Multi Currency operation	15	38	6

Source: Survey Data

The respondents were asked to rank the core banking benefits enjoyed by them from canara bank in the order of importance. The result shows that first, second ,third, fourth ,fifth and sixth ranks are respectively enjoyed by the benefits More Convenient, Any where anytime banking, Easy transaction, Time Saving, Low Cost services and Supporting Multi Currency operation.

**Table -4. Effectiveness of Core Banking Solution**

Particulars	Number of Respondents	Percentage (%)
Strongly effective	10	24
Effective	20	50
Neither effective Nor ineffective	5	13
Ineffective	5	13
Strongly ineffective	-	-
TOTAL	40	100

Source: Survey Data

From the above table it is clear that 50% of the respondents say that core banking solution of canara bank is effective

**Table- 5. Satisfaction on Core Banking Solution**

Particulars	Number of Respondents	Percentage (%)
Highly satisfied	15	37
Satisfied	21	52
Neither satisfied nor Dissatisfied	3	8
Dissatisfied	1	3
Highly dissatisfied	-	-
Total	40	100

Source: Survey Data

From the above table it is clear that 52% of the respondents are satisfied with the core banking solution of canara bank.

**Findings of the study:** The present study revealed the following findings:

1. Among 50 respondents, 80% of respondents are aware of the canara bank core banking solution .
- 2.As far as Core banking benefits enjoyed by the respondents who are aware of the core banking solution are concerned first, second, third, fourth, fifth and sixth ranks are respectively enjoyed by the benefits More Convenient, Anywhere any time banking, Easy transaction, Time Saving, Low Cost services and Supporting Multi Currency operation

3. 50% of the respondents say that core banking solution of canara bank is effective.

4 52% of the respondents are satisfied with the core banking solution of canara bank.

## Suggestions

On the basis of above findings the following suggestions are given to the canara bank for effective implementation of core banking solutions:

1. Since all the respondents of the bank are not aware of the concept of core banking solution, employees of the bank are suggested to conduct some awareness program for the customers with regard to core banking.
2. Customers should be educated with respect to all the benefits available under core banking.
3. All the details with respect to core banking should be displayed at the Counter hall so that the customers can come to know about the procedure instead of wasting their time.
4. Customer meet should be held in the branch to introduce the product and its utilization for customers as a mass practical campaign.
5. Detailed scheme brochures should be held at branch counters which help the customers to read leisurely.
6. The customer satisfaction level would further be increased if the bankers are given effective and complete training on core banking and also by increasing the awareness level of core banking solution to the customers of the bank.
7. Staff should be adequately trained to encourage face to face dealing.
8. Staff should be friendly and approachable.

## Conclusion

Core Banking Solution has been successfully implemented in all the banks everywhere in the country and canara bank is no exception to it. As CBS offers any time any where banking facility, customers are surely benefitted out of it and after the introduction of CBS the operational efficiency of banks has certainly improved. As far as canara bank is concerned it should try its level best to give core banking benefits to even last customer. If the suggestions given above are implemented by the canara bank then it can convert all of its customers into satisfied beneficiary of core banking solution

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