



BANKERS FAMILIARITY AND PREFERENCE TOWARDS FINANCIAL INCLUSION IN SIVAGANGA DISTRICT

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Abstract: *The stark reality today is that most poor people in the world still lack access to sustainable financial services, whether it is saving, credit or insurance. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector. Therefore the banking institutions are more responsive to fulfil the needs of the public. For the purpose of attaining the goal of Financial Inclusion (FI), the bankers should have the familiarity towards all the FI products. This paper cover the bankers familiarity of the Financial Inclusion which include profile of the respondents, bankers opinion towards No-frill account, services of BC, issue of Kisan Credit Card and so on. In order to analyse the familiarity and preference of the bankers towards FI products ANOVA and Friedman test has been applied. The researcher found that age, experience and types of the bank working by the respondents are significantly differed with the FI product offered by the bankers.*

Keywords: *Financial Inclusion, No-Frill Account, Business Correspondents, Business Facilitators, Kisan Credit Card, General Credit Card*

INTRODUCTION

Financial Inclusion is the strategy of banks located across India. To accelerate the growth and development and condense the income inequality and poverty, access to safe, easy and affordable credit and other financial services to the poor and vulnerable groups, are recognized as a pre-condition. The aim of financial inclusion is to delivery of banking and financial services in a fair, translucent and impartial manner at reasonable cost to the vast sections of disadvantaged and low income group. Now-a-days, however, financial inclusion is seen to be something more than opening bank branches in unbanked areas to take formal financial services across the length and breadth of the country. It is considered to be the



core objective of many developing nations to eradicate the poverty through FI. Financial inclusion is an attempt to provide financial access and services to weaker sections and low income groups, thus eliminating poverty. An inclusive financial sector development makes two complementary contributions to poverty alleviation: financial sector development is a driver of economic growth which indirectly reduces poverty and inequality and offer appropriate, affordable, financial services for poor people can improve their welfare.

OBJECTIVE OF THE STUDY

1. To study the familiarity of bankers towards financial inclusion products.
2. To study the preference level bankers in offering the financial inclusion services.

METHODOLOGY

The present study is based on the primary data. The primary data were collected from the sample respondents of the study area. It is an empirical study based on survey method. A structured interview schedule has been used for finding out the respondent's opinion of the public and private sector bankers towards FI. The researcher met the sample respondents in person to collect the primary data.

SAMPLE DESIGN

Public and private banks have opened branches in all localities such as rural, semi-urban and urban areas. In the study area Sivaganga district there are 201 bank branches located in eight taluks with 1230 employees. For the data collection purpose the researcher has selected all these 201 bank branches under census method and there are 199 employees selected at random in order to obtain the bankers opinion towards FI services offered. That is one employee from each branch was selected. The selected one employee might be manager or officer or clerk of the concerned branch.

ANALYSIS AND INTERPRETATION

Socio-economic profile of the respondents plays an important role in every research. The researcher selected the gender, age, marital status, educational qualification and so on. Table 1 shows the socio-economic profile of the respondents.



Table.1

Socio-economic profile of the respondents

Variable	Attributes	No. of respondents	Percentage to Total N=199
Gender	Male	162	81.4
	Female	37	18.6
Age	Below 25	58	29.1
	25 to 35	60	30.2
	35 to 45	44	22.1
	45 to 55	25	12.6
	Above 55	12	6.0
Marital Status	Married	151	75.9
	Unmarried	48	24.1
Educational Qualification	Under Graduate	130	65.3
	Post Graduate	51	25.6
	Professional Degree	18	9.0
Designation	Officer	61	30.7
	Deputy Manager	54	27.1
	Branch Manager	38	19.1
	Others	46	23.1
Experience	Below 5 years	29	14.6
	5 to 10 years	49	24.6
	10 to 15 years	36	18.1
	15 to 20 years	44	22.1
	Above 20 years	41	20.6
Employment	Public	147	73.9
	Private	52	26.1

Source: Primary Data

About 81.4 per cent of the respondents are male's and the rest are females.

About 81.4 percent of the respondents are males rest of them are females. Based on the age, 29.1 per cent of the respondents fall in the age group of below 25 years, and least 6.0 per cent are in the age group of above 55 years. 75.9 percent are married and 24.1 percent are unmarried. Educational qualification wise classification of the respondents, 65.3 percent of the employees are having UG qualification 25.6 per cent being with PG degree. The designation of the respondents 30.7 per cent of the respondents are working as officers, 27.1 per cent are deputy managers, 23.1 per cent are working with other designations and 19.1 percent are working as branch managers and the 24.6 per cent of the respondents are having the experience of 5-10 years. Based on the employment nature of the respondents, 73.9 percent of the sample employees are working in public sector banks and remaining



26.1 respondents are in private sector banks

PROFILE OF THE RESPONDENTS TOWARDS THE FAMILIARITY OF FI SERVICES – ANOVA

FI is concerned with providing financial and banking services with affordable costs to the weaker section and underdeveloped people of society. It is a process which ensures the access of timely, adequate credit and financial services where needed by vulnerable groups such as weaker sections and low income groups. Bankers should have a good knowledge about the FI products and services and then only they can create awareness and instruct the customers to use the financial inclusion products such as No-frill account (NFA), Business Correspondent (BC) and Business Facilitator (BF) and Financial Literacy (FL) services. The personal factors like gender, age, marital status, education qualification and occupation are have high influence on the level of awareness about the FI. In order to assess the impact on profile of the respondents towards the level of awareness also FI products, the ANOVA has been used.

The ANOVA is a method which separates the variation ascribable to one set of causes from the variation ascribable to another set of causes. Moreover, ANOVA is a method of splitting the total variation of a data into constituent parts which measures different sources of variations. The total variation is splitted up into two components such as variation within subgroup of samples and variation between the subgroup of the samples. These variations are tested for their significance by the F-test. The null hypothesis is that, there is no significant difference between the personal factors and the level of awareness of the respondents towards the FI services.

Table 2

Profile of the respondents towards Familiarity of FI services

SI No	Variables	Particulars	Sum of Squares	Df	Mean Square	F	Significant Level 0.05	Result
1	Gender	Between Groups	0.001	1	0.001	.003	0.373	No Significant
		Within Groups	86.059	197	0.437			
		Total	86.060	198				
2	Age	Between Groups	1.734	3	0.578	11.337	0.026	Significant
		Within Groups	84.326	195	0.432			
		Total	86.060	198				



3	Marital Status	Between Groups Within Groups Total	0.289 85.771 86.060	1 197 198	0.289 0.435	.665	0.551	No Significant
4	Education	Between Groups Within Groups Total	0.545 85.515 86.060	2 196 198	0.273 0.436	.625	0.434	No Significant
5	Designation	Between Groups Within Groups Total	1.608 84.452 86.060	3 195 198	0.536 0.433	.876	.373	No Significant
6	Experience	Between Groups Within Groups Total	1.765 84.295 86.060	4 194 198	0.441 0.435	3.017	.015	Significant
7	Types of Bank	Between Groups Within Groups Total	18.536 67.524 86.060	1 197 198	18.536 0.343	54.078	.004	Significant

Source: Primary Data

Five per cent level of significance

Table 2 shows that the null hypothesis is rejected for age, experience and types of bank with respect to familiarity on FI. It means age experience and types of bank have a significant difference on the familiarity of FI. On another side, gender for marital status, educational qualification and designation the null hypothesis is accepting at 5 per cent level of significance. That is, there is no significance difference between factors like gender, marital status, educational qualification and designation of the respondents with the familiarity on FI product.

PREFERENCES OF THE FI OF THE BANK - FRIEDMAN TEST

The Government of India and the Reserve Bank of India has taken a number of steps to include all the people for the use the financial services. The financial products are framed based on the needs and changing trends of the economy in order to enable greater access to financial services of the customers. Customers can utilise the FI services such as No-frill account, Business Correspondent, Kisan Credit Card, Financial Literacy, Business Facilitator and General Credit Card based on their needs. The current banking systems have been doing wonderful service to their customers. The banks are taking effect to give quality and modern services to the customer.

Based on the services offered by the banks and which segments received high amount of subsidies under the FI services, the researcher has applied Friedman test. It is a non-Parametric test. This test can be used to find out the mean ranking of the six services



offered by the commercial bank to the customers. The null hypothesis is that there is no significant difference among the rank provided by the respondents.

Table 3
Preferences of the financial services - Friedman Test

Particulars	Mean	Std. Deviation	Mean Rank	Chi-Square	Significant Level at 0.05 (N=199)
No-frill account	3.46	1.741	5.60	627.256	0.001*
Business Correspondent	3.24	1.581	4.31		
Kisan Credit Card	3.12	1.819	4.24		
Financial Literacy center	4.37	1.346	3.04		
Business Facilitator	4.16	1.695	2.18		
General Credit Card	3.31	1.874	1.64		

Note:* denotes that the significance @ 1 per cent level

Source: Primary Data

Table 3 shows that the P value is less than 0.05, the null hypothesis is rejected at five per cent significant level. Hence it is concluded that there is significant difference between mean ranks towards the services offered by the banks under this FI. Based on the mean rank, it is found that No-frill account (5.60) received better services under the FI, followed by the Business Correspondent (4.31) and Kisan credit card (3.21) is getting second and third ranks respectively.

FINDINGS

1. Majority (81.4 per cent) of the respondents are males.
2. Out of 199 respondents, about 60 respondents belong to the age group of 25-35 at the 30.2 per cent.
3. Out of 199 respondents, about 75.9 per cent of the respondents are married.
4. As far as the educational qualification of the respondents is concerned 65.3 per cent of the respondents are Under Graduate.
5. Out of 199 respondents, about 30.7 per cent of the respondents are officer level of the bank employee.
6. Regarding the respondents 24.6 per cent of the respondents are having the experience of 5-10 years,
7. Majority of the respondents (73.9 per cent) employee are working as the public sector banks.



8. The ANOVA, it is found that, age experience and types of bank have a significant difference on the familiarity of FI. On another side, gender for marital status, educational qualification and designation are accepting the null hypothesis at 5 per cent level of significance. That is, there is no significance difference between factors like gender, marital status, educational qualification and designation towards the familiarity on FI product.
9. Through Friedman test, it is found that, there is a significant difference on the mean ranking of six services offered by the commercial bank to the customers. Based on the mean rank, it is found that No-frill account (5.60) received better services under the FI, followed by the Business Correspondent (4.31) and Kisan credit card (3.21) is getting second and third ranks respectively.

CONCLUSION

In the global arena India has to look upon a remarkable place for its inclusive growth. FI is becoming increasingly apparent that addressing financial exclusion will require a holistic approach on the part of the banks in awareness about financial services. The banks would have to evolve specific strategies to expand the outreach of their services in order to promote FI.

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