

# **CHAPTER I**

## **INTRODUCTION**

### **1. Introduction:**

Agricultural Development Bank Limited (ADBL) was established in 1968 under Agricultural Development Bank Act 1967 as a development bank with the major objective of improving the socio-economic status of rural populace. ADBN Act 1967 was replaced with the enactment of Bank and Financial Institution Act (BAFIA) and established itself as a public limited bank having A-class operational license from Nepal Rastra Bank (Central Bank) in accordance with the provision of BAFIA. This provides the bank sufficient opportunities to operate full-fledged commercial banking activities. Moreover, the bank has wide range of credit services and provided all facilities to meet the entire banking need.

### **1.1. Brief history of Agricultural Development Bank Limited (ADBL)**

With the main objective of providing institutional credit to enhance the productivity of the agricultural sector in the country, Agricultural Development Bank, Nepal was established in 1968 under the ADB/N Act 1967, as successor to the cooperative Bank. The Land Reform savings corporation was merged with ADB/N in 1973. Subsequent amendments of the Act empowered this Bank to expand the scope of financing cottage industries and other enterprises. The amendments also allowed the bank to involve in commercial banking activities for the mobilization of rural deposit as domestic resource. Agricultural Development Bank Limited is an autonomous organization largely owned by Government of Nepal. The bank

has been working as a premier rural credit institution for the last three decades, having more than 65% institutional credit supply contribution in the nations. During the beginning period rural finance is the principle operational area of ADBL. Besides this bank also executing Small Farmers Development program (SFDP) this program was initiated to finance small formers on group liabilities in order to uplift the socio-economic condition of rural poor. In 1984, the amendment of the Act also permitted ADB/N to execute commercial banking activities so as to mobilize urban resources in the rural areas of the country. In 1993, ADB/N initiated farmers' managed co-operative approach by converting SFDP into the small Farmers' cooperative Limited (SFCL).

The enactment of Bank and Financial Institution Ordinance (BAFIO) in February 2004 abolished all Acts related to financial institutions including the ADB/N Act, 1967. With the BAFIA, ADBL has been incorporated as a public limited company on July 14, 2005. Thus ADBL stands "A" class financial institution under the legal framework of BAFIA and the company act, 2053. ADBL is the only one financial institution in the country with three major windows namely Development financing, Commercial Banking and Small framers development program. Through this program bank contributes institution credit to the rural populace by strengthening its network in the entire geographical region ie, mountains, Hills and the Tarai. ADBN operates as an autonomous body under the Ministry of finance. The bank has in total 13 billion (1300 Crore) rupees of an authorized capital, by which Rs.9.60 billion (960 Crore) rupees is issued capital and Rs 9.43 billion (943 Crore) rupees is paid-up Capital. This figure proves the banks bears highest authorised and paid up capital in the country.

## **1.2. Vision of the Agricultural Development Bank Limited (ADBL)**

ADBL aims to be a mass-based complete bank serving from Urban to Rural

## **1.3. Mission of the Agricultural Development Bank Limited (ADBL)**

To deliver comprehensive banking solution strengthening its extensive network

## **1.4. Objective of the Agricultural Development Bank Limited (ADBL)**

- ) To provide quality banking services
- ) To adopt market driven strategy and
- ) To obtain sustained and competitive return on investment.

## **1.5. Corporate Conduct of the Agricultural Development Bank Limited (ADBL)**

- ) Comply with all relevant legislation, code of conduct and standard of good corporate governance.
- ) Conducts its operations in an open and transparent manner
- ) Put local resources to work for local development
- ) Provide a full fledge banking products and services that satisfies the needs of the customer.
- ) Be vigorous in building reputation for professionalism, competitive pricing, reliability and quality of service using an appropriate technology.
- ) Work together with its employees to develop their capabilities for the achievement of the bank's objectives, promoting excellence, rewarding achievement and providing them the opportunity to share in the bank's success
- ) Maintaining good relationship with government and other stakeholder respecting best banking practices
- ) Ensure interest of shareholders through sustainable return on investment.

- ) Measure the bank's performances on the basis of profitability, total deposits, net worth, portfolio volume & quality, geographic outreach and public image.
- ) To contribute economic environment of the nation.

## **1.6 Major Function of the ADBL**

- ) Provide a full and balanced range of financial products and services that satisfies the needs of the customers on a profitable and sustainable basis.
- ) Strive constituting to provide improved products and services to its clients at reasonable cost using modern banking communication and information technology.
- ) Execute full fledged commercial banking functions.
- ) Provide short, medium and long term agricultural credit to individual clients, small farmers groups and co-operative societies.
- ) Provide project loan for agricultural business, cottage and small scale industries, alternative energy based on feasibility study.
- ) Provide credit on non - agricultural business and other marketing facilities.
- ) Develop mutually acceptable relationship with government in the pursuit of improvement in living standards in rural areas while respecting best financial practices.
- ) Provide credit to support the poverty alleviation program of Government of Nepal.
- ) Develop competent and professional human resources.

Now days, Agricultural Development Bank Ltd is a rural based commercial bank and trying to expand its banking activities in urban sector with wide variety of financial services in Nepal. ADBL is facing challenges to operate modern commercial banking from traditional development banking. ADBL caters three major resources that are equity, borrowing and deposit which are 943 Crore(21%), 230 Crore (5%) and 3246 Crore (74%) respectively. Among many other sources deposits is the main source of lending in ADBL which mainly comprises three components viz fixed deposits (30.35%), Current deposits (7.23%) and saving deposits (62.42%). To sustain existing in the competitive financial market for the financial institution like ADBL facing major challenges in low cost deposit collection. The bank needs to diversify deposit products and services that increased market share and minimize the cost of fund. Similarly, the bank needs to focus clients' satisfaction and their retention as well.

### **1.7. Statement of the Problem**

Previously Deposit collection of ADBL shows an increasing trend and now it is in declining, the CD ratio shows the reality of its business. In order to survive and sustain in new of financial environment, ADBL must identify effective resource mobilization strategy, implementation modality and reasonable management practices. Apart this deposit collection in an extremely competitive business and requires intensive to find the proper correction measures that satisfy the customer interest.

Furthermore, ADBL is currently holding more than two hundred thousand of clients in different loan portfolio. This much of borrower leads high demand of credit which needs to raise source of fund regularly for satisfying high demand of loan.

## **1.8. Objective of the Study**

This research aims to explore the comparative analysis of internal and external factors affecting the deposit collection performance of ADBL. The main objectives of this research are:

- ) To study internal factors such as educational background of managers and counter staff, experiences of managers and counter staff, no. of staffs, strategy implemented by the branch offices that affects amount of deposit collection in branch offices.
- ) To explore the external factors such as competitive environment, interest rate, policies and strategies implemented by other commercial banks.
- ) To recommend the strategic suggestions to the management and concern department for the promotion of deposit collection.

## **1.9. Rationale of the Study**

For survival and making profit in competitive financial market, ADBL must identify effective resource mobilization strategy with proper implementation modality and appropriate deposit management procedure. Further ADBL needs to realise that governs effect the deposit marketing and volume as well.

Previously, Deposit collection of ADBL remained increasing trend and now is in declining. The CD ratio shows the reality of its business. According the NRB directives CD ratio should be maintained at 80 percent. At present bank is not being able to keep it in this standard. This shows that an alarming situation and needs to increase its deposit substantially. Not only

to attain overall satisfactory growth of an organization but also to meet the requirement of the Nepal Rastra Bank, ratio must substantially directed by improving deposit collection.

**Table 1: Five years trend of ADBL indicators**

*Crore*

S.N.	Indicators	Fiscal Year					Average Yearly Increment
		2062/63	2063/64	2064/65	2065/66	2066/67	
1.	Loan Outstanding	3331	3444	3661	3830	3938	4%
2.	Deposit	2821	3249	3255	3515	3246	3%
3.	NPA %	18.3	14.97	10.4	8.8	8.22	-30%
4.	Profit	47	145	162	124	145	14%
5.	Staff Productivity	0.93	0.97	1.06	1.08	1.12	5%

*Source: ADBL Annual Report*

**Table 2: Five years trend of Deposit Collection and Loan Investment**

*Crore*

Deposit Collection	2062/63	2063/64	2064/65	2065/66	2066/67
Fixed	1045.71	1252.83	1215.51	1185.67	985.31
Current	128.10	140.29	227.22	258.86	234.67
Saving	1647.19	1855.88	1812.27	2070.47	2026.02
<b>Total</b>	<b>2821</b>	<b>3249</b>	<b>3255</b>	<b>3515</b>	<b>3246</b>
Loan Outstanding	3331	3444	3661	3830	3938
C/D Ratio	118.08	106.01	112.47	108.96	121.32

*Source: ADBL Annual Report*

Table given above of five years trend on deposit collection and Loan outstanding also shows the ratio of deposit collection and loan outstanding are not in a compatible mode. The deposit collection in FY 2062/63 has

increased from 2821 Crore on to 3246 Crore in FY 2066/67. However, loan outstanding has increased from 3331 Crore to 3938 Crore during that period. This demonstrates constrain in resources not only for investment but also to congregate other financial expenses. With this scenario, this study is expected to be worthwhile for developing some concrete possible connection measures to maintain financial health of ADBL.

### **1.10. Scope of the Study**

This study has broad scope of its implement ability especially to address the factors that influence the deposit collection as a whole. In the course of action, this study also has the scope to address the problem and prospects especially in the area of strategy implementation for deposit collection of ADBL.

### **1.11. Methodology**

The research aims to explore the comparative analysis of internal and external factors affecting the deposit collection performance of ADBL.

To accomplish this study, deposit collection ADBL branches is choose as dependent variable with a set of internal factors such as education background of managers and number of staff as independent variables. Likewise, competitive environment of the branch offices may be another independent variable that shows the relationship with interest rate, policies and strategies of other bank that affect deposit collection.

#### **1.11.1. Population**

The population of this study is defined as the selected 20 outlets of ADBL available in Kathmandu valley. 20 respondents are selected from

branch offices, 20 of them are managers, and 20 are teller assistant or front desk assistant (counter staffs) who interact directly to the customers. While selecting sample the whole population is divided into 3 clusters viz sub-branch, branch office and main branch offices. During the sample selection procedure, a Simple Random Sampling technique is used so that probability of selecting each branch office is equally.

Similarly, close competitors of ADBL such as Nepal Bank Ltd, Rastrya Banijya Bank, Nabil and Nepal Investment Bank (NIBL) are selected for analyzing competitive environment. For the analysis of competitive environment secondary data is used as a source of information.

### 1.11.2. Sample Framework

Table 3: Sample Framework

Managers	Sample size	Teller/ Front desk assistant	Sample Size	Total Sample
20	20	20	20	20

### 1.11.3. Data Collection

Sets of questionnaire have been prepared so that the questionnaire can be interviewed with managers, supporting staff (teller/ Front Desk assistant). Questionnaire comprises of demographic information, performance of office, attitude of the managers and counters staffs. Program, policies and guidelines of other bank should be reviewed as a secondary data to analyze external factors that affect deposit collection.

### **1.12. Limitations of the Study**

The major limitation of the study is the target population. Since target population of this study is too narrow, only 19 in case of managers and 18 in case of counter staff response the questionnaire out of 20 each, there may be broad chances of limited information for the study. This is because of respondents were selected from Kathmandu valley as per proposed proposal. Finally, there are many other factors which can influence deposit collection such as Service quality performance, Image, Technological skills, Network, Financial resources etc; however, these are not considered because of the simplicity of the research.

### **1.13. Organization of the Study**

This study has been organized in to five chapters in the following order.

Chapter 1: Introduction

Chapter 2: Review of Literature

Chapter 3: Research Methodology

Chapter 4: Presentation and Analysis of Data

Chapter 5: Summary, Recommendation and Conclusion.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

Without clear concept on subject matter the study can't be completed in a smooth and right way. So that for the development of conceptual foundation of research it is needed to have reviewed of various literatures related to the study. It provides the basic guidelines to carry out the research work and helps for generating and refining tour research ideas. There are various studies held on the field of commercial banks in various aspect related to fund management and deposit mobilization. To avoid the duplication of any other research works various relevant studies related to deposit mobilization have been reviewed below to make justice towards the research work.

#### **2.1. Conceptual Review**

A bank deposit is amount of money deposited in a financial institution with the purpose of safe and security. This amount of money provides institution for possible investment to earn some reasonable interest. Different types of bank accounts are available in different product, and customers can choose the appropriate account that suited their needs. Banks should carefully to maintain detailed records for the benefit of customers and financial regulators. Now day's deposits are also being insured, ensuring that if the bank fails or gates some accidents can able to get back their deposit amount.

In banking deposit account be current account, savings account or other type of bank account and allows money to be deposited and withdrawn by the

account holder. These transactions are recorded on the bank's books and the balance is mentioned as the form of liability for the bank.

Deposit is the main financial source of the bank. Without deposit bank can not run smoothly. Bank deposits create credit and money supply into the financial market. Many challenges being exist in deposit collection area after the recessions. Continuous increased change of interest rate affects capital cost of the bank and unhealthy and unfair practices create the problem in deposit retention.

Deposit transaction influence by income level of the nations, economic activities, trade and commerce, employment level, consumption pattern, development activities, remittance condition along with political stability. According to the NRB report total deposit of the countries comes to be about 6 kharb 32 arba and 75 Crore and credit is near about 6 kharb 51 arba and 59 Crore (in Falgun 2067) which is not compactable for sustainable development in banking business. During the last same period deposit was 5 kharb 72 arba and 45 Crore and credit is near about 5 kharb 82 arba and 59 Crore. It is essential to increase 25 to 30 Percent deposit for comfortable in banking business.

ADBL keeps only 3 percent (table 1) increment in deposit. It clearly shows that there is some constraint in resources to lunch the business smoothly, this narrow down its profitability and effect in future. Here this study concern to find out to the deposit collection challenges and recommend the best possible way. The near about contribution of the ADBL deposits only five percent of the national average and same in the lending.

## **2.2 Review of Books**

Hitt, Middlemist, and Mathis (1986) discussed these same basic characteristics when looking at the decision-making and resource mobilizing environment in an organization. They discussed the importance of the number of persons involved in the implementing / decision-making process as well as the potential influence on the strategy formulation process of such factors as age, education, and overall experience of the persons involved with the process.

Daft and Marcic (1998) state that decision making choices depends upon a managers personality factors and willingness to accept risk and uncertainty. Again, characteristics such as age, education, and others previously mentioned may have a significant influence on the personality characteristics of a manager. When dealing with these managerial/organizational characteristics, and there was overall agreement among the firms responding to their survey that resource mobilization was an important part of the management process for any firm.

Donnelly, Gibson, and Ivancevich (1998) referred to several characteristics of management which may have some influence on the resource mobilization and decision-making process. They stated that factors such as the educational level of the managers, the age, and the number of persons involved in implementation / decision-making process may have some influence on the overall performance.

Banking operations, Sikkim Manipal University (Revised Edition: Fall 2009) mention, According to history, Babylonians had developed a banking system. The great temples were powerful as the Greek banking institutions. In ancient Greece and Rome, the practice of granting credit was widely prevalent people used cheques and drafts to settle their accounts. A public bank was established in the Barcelona in 1941. During 1407, the Bank of Genoa was established. The Bank of Amsterdam was established in the Year 1609 to meet the needs of merchants of the city. It accepted deposits which could be drawn on demand. In India, banking existed even during Vedic period. The books of Manu contain references regarding deposits, Pledges, Policy of loans and rate of Interest. United Kingdom, banking development preceded industrial development and in USA, the banking development followed the industrial development. But in many countries including India, the development has almost been Simultaneous.

A Text Book of Banking, Radha Swamy & Vasudeven, 1979: 231) mention, A large part of loan granted by bank is covered in the shape of deposits. Hence the loan causes an increase in the total amounts of deposits. Writers also expressed the views that the liquidity position of the bank is an important aspect which must be taken in to the consideration during the availability of the loanable fund. So the Bank should collect and distribute its fund in such a way as to get a sound balance between liquidity and profitability of the bank

### **2.3 Review of unpublished Thesis/ unpublished Dissertation**

The development of banking in Nepal is relatively recent. Landlords, moneylenders, merchant, goldsmith etc are the ancient bankers of Nepal. Crude banking practice even in the ancient time. It was recorded that the new era known as Nepal Sambat was introduced by Shankhadhar, a sundry merchant of Kantipur in 880 A.D. after having paid all the outstanding debts in the country. This shows the basis of money lending practice in ancient Nepal. “Tejarath Adda” during the year 1877A.D. was the first step in institutional development of banking sectors in Nepal. Tejarath Adda did not collect deposit from public but granted loans to public against the collateral of bullions. The major parts of the country remain untouched from these limited banking activities. Nepal bank limited was established under Nepal Bank Act in 1937 A.D. as a first commercial bank of bank of Nepal with 10 million authorized capitals.

Modern banking practices emerged with the establishment of Nepal Bank Limited in 1934 A.D. However the stand of Nepal Bank Limited alone in total monetary and financial sector was sufficient and satisfactory. Thus Nepal Rastra Bank was set up on 1956 A.D. (2013.01.14) as a central bank under Nepal Rastra Bank Act 1956 A.D. (2012 B.S.) Similarly on 1966 Rastriya Banijya Bank (RBB) was established as a fully government owned commercial bank. With the emergence of RBB, banking service spread to both the urban and rural areas but customers failed to have taste of Quality/competitive service. For industrial development, Industrial Development Centre was set up in 1956 A.D. (2013 B.S.) which was converted to Nepal Industrial Development corporation (NIDC) in

1959 A.D. (2016 B.S.) Similarly Agricultural Development Bank (ADB) was established in 1976 A.D. (2033 B.S.) with an objective to provide agricultural products so that agricultural productivity could be enhanced through introduction of modern agricultural techniques.

In 1990 A.D. after the restoration of democracy in Nepal, the government took the liberal policy in banking sector. As an open policy of the HMG's to get permission to invest in banking sector from private and foreign investor under Commercial bank Act 1975 A.D. ( 2013 B.S. ), different private banks are getting permission to establish with the joint venture of other countries. Nowadays, there are 31 commercial banks operating in Nepali financial Market.

Ojha K. (1997), has given conclusion in the thesis, "A study on priority sector investment of commercial banks (with reference to Rastriya Banijya Bank)" that bank was unable to meet the 12% of required lending in the priority sector as set under NRB directives. During the five years study period, the researcher further found that low interest rate in priority sector but increasing trend of overdue and miss-utilization. The researcher recommended in improving supervision and evaluation of borrowers paying capacity and reducing the overdue through integrated program of priority sector loan.

The researcher studied about investment on priority sector of RBB and showed that the bank is unable to invest as NRB directive percentage on priority sector. But it should be kept in mind that commercial banks are profit oriented organization and they invest more on highly return sector to long

life banking business and are responsible to develop economy. So they must invest on other sectors too.

Thapa S. (1999) has conducted a study entitled “A comparative study on investment policy of Nepal Bangladesh Bank Ltd. and other joint venture banks (Nepal Arab Bank Ltd. and Grindlays Bank Ltd.)”.The researcher’s main objective of study was to examine the fund mobilization and investment policy of NB Bank Ltd. through off balance sheet and on balance sheet activities in comparison to other two banks and to evaluate the growth ratios of loan and advances and total investment with respective growth rate of total deposit and net profit.

Ms. Thapa has found that NBBL is not in better position regarding its on balance sheet as well as off balance sheet activities in compare to NABIL and NGBL and its does not seem to follow any definite policy regarding the management the management of its assets. The researcher has stated that

NBBL has maintained high growth rates on comparison to other banks though it is not successful to make enough investment and NBBL is success in increasing its sources of funds and its mobilization. The researcher has concluded that the position of NBBL in regards to utilization of the funds to earn profits is not better in comparison to NABIL and NGBL, NBBL has collected funds in comparatively higher cost and playing 6% to 7.75% interest rate in various deposits. Further NBBL does not seem to have adequate recovery rate. The researcher has compared Nepal Bangladesh Bank Ltd. with other joint venture banks (NABIL & NGBL). Her study is based on five years period from 1994/95 to 1998/99. It would not be

responsible to analyze investment policy of any bank as success or unsuccessful by study of only five years data.

## **2.4 Review of Journals/ Articles**

The Banking Commission (1972): viewed that proximity of institutions to the depositor and availability of varying schemes tailored to suit the liquidity and other considerations, which weigh with the depositors, the return on deposits appeared to be of some significance. Deposits need to be studied carefully and a well thought out comprehensive approach to the question of the structure of interest rates on deposits worked out. It is necessarily for banks to take into account the motivation for savings to attain a larger measure of success in deposit mobilization from small persons. While the efforts that the banks have been taking to mobilise deposits have to continue, it is important to see that the standard of services for the existing depositors is also maintained at a high level.

The availability of ancillary banking services also influence the choice of the depositors, particularly in smaller towns. The Commission further stated that efficient service and courteous and personalised attention have been found to be among the most important considerations in depositor's choice of a bank and recommended waiting time of customers at the cash counters be reduced by procedural adjustments and introduction of teller system. Hence the effects of administered interest rates on bank

In their report, the PEP Committee (1977) opined that the rationale behind the need for a business plan or performance budget is that banking

operations should be re-oriented to provide better service and to obtain the maximum business growth by adopting a market approach. Banks world over have been making increasing use of Marketing approach. It is recognised that in market segmentation leads to better quality customer services. The Committee warned that if diversity of market is ignored, possible that market opportunities represented by unfulfilled customer needs might be ignored and lost.

Vancil and Lorraine (1975) trying to determine if there is any correlation between several managerial / organizational characteristics and the overall performance of the organization. Most basic management texts refer to several factors of management and organizational features that may have some bearing on the planning and decision-making process within the organization.

The working group on customer service (1977) noted that there was considerable importance about the facilities and services offered by banks and the roles they were required to play. Most bank customers are unaware of various schemes and services offered by banks. The group recommended educational camp again to be carried out by banks illustratively and every customer of bank should be provided a booklet containing the range of services offered by banks. The survey conducted by the working group pointed out that by and large less educated people and females are far away from banks. Since developing banking habits is not a strategy for social uplift only but is equally important a strategy for bank marketing in the long run the committee took serious note on this finding.

In order to improve operational efficiency, quality of customer service and to speed it up, the Committee on public Sector banks (1978) "recommended the use of computers for selected services of banks. Apart from an increase in efficiency, it will reduce the load of routine and repetitive work and leave sufficient time for staff to provide better customer service.

Wood and La Forge (1979) segregated fifty (50) large banks into three categories; non-planners, partial planners, and comprehensive strategic planners. They found that the banks that had a comprehensive long-range strategic plan performed significantly better in terms of resource mobilization than those that did not have a comprehensive plan.

Sapp and Seiler (1981) in a study similar to that of Wood and La Forge, compared bank performance to the level of planning. They grouped banks as non-planners, beginning planners, intermediate planners, and sophisticated planners. They found that increased levels of strategic planning were related to increased bank performance.

Bajracharya B. (1990) in the article, "Monetary policy and deposit mobilization in Nepal" has concluded that mobilization of domestic savings is one of the prime objectives of the monetary policy in Nepal. Commercial Banks and financial intermediary for a accepting deposit of private sector and providing credit to the investor in different sectors of the economy. The writer added that the public deposit is the major resources of credit and investment of the commercial banks in Nepal.

Pyakuryal B. (1987), in the article, “Workshop on Banking and National Development” writes “the present changing context of the economy calls for a substantial revitalization of the resources. How much they have gained over the years depends chiefly on how far they have been able to utilize of resources is as much crucial as the mobilization. The under utilization of resources not only results in loss of income but also goes further to discourage the collection of deposits.”

Thus in his paper, he has emphasize on proper utilization of mobilization resources and profitability increment. The researcher further indicates that under utilization of resources in an opportunity loss of the banks and commercial bank will not be motivated to collect public deposit.

Hopkins and Hopkins (1997) looked at a fairly wide array of financial institutions and their strategic planning processes related to the financial institutions performance. They found that the relationship between the intensity of the organizations strategic planning process and its financial performance was very strong. They found that the level of intensity (sophistication) that firms used in their planning process was typically a function of various managerial factors, specifically if managers believe that strategic planning leads to superior financial performance, they will tend to focus on the strategic planning process with greater intensity. There is a reasonable basis for opposition to the empirical support for a positive relationship between a firm's performance level and the degree of sophistication of the strategic planning process used.

However, the literature cited above does not explain the deposit collection in terms of bank's performance, it gives an idea that the banks overall performance is directly or indirectly related with the strategic planning.

Amable, Chatelain, and Bandt, (2002) explains that in several less developed countries, depositors' lack of confidence in the financial system is an acute problem which inhibits the collection of savings and may contribute to the persistence of poverty traps.

The foundation of a customer's relationship with a retail banking institution is shaped through the account opening process, as the vast majority of new account openings still take place face-to-face in a branch. From the customer's perspective, critical first impressions of the institution's quality, capabilities and trustworthiness are established. In large part, the institution's brand promise is personified by the skills displayed by the front-line employee. From the institution's perspective, the account-opening event provides the best, and possibly only, opportunity to comprehend customers' needs and educate them on the appropriate financial solutions.

However, some executives acknowledge that they ultimately need to cope with a deeper issue front-line employee selection to improve their organizations' abilities to maximize the new account opening opportunity. Nearly eight out of 10 bankers surveyed responded that their staffs lack the adequate sales skills. Bankers broadly recognize that many of the employees hired for front-line branch positions lack the life experience and soft skills required conducting credible conversations with customers about their financial goals. Banks are fine-tuning their recruitment procedures to attract employees who have natural aptitudes for customer service, consultative

selling and multi-tasking. Potential employees with prior retail sales experience are often sought.

Geiss, W.C. (2003) in her study found that there was no relationship between the financial performance, as measured by the Return on Assets, the Return on Equity, and the Net Interest Margin, and the level of planning conducted by the financial institutions. It also found that there was no relationship between the managerial/organizational characteristics: Average Educational Level of managers, Average Number of staff, Average Age of managers, and Average Number of Years of service. Likewise, the study found no relationship between the level of strategy implementation of the financial institutions and the resource mobilization of the financial institutions.

Basu, Blavy and Yulek (2004) explain that the importance of deposit collection in the development of microfinance services has arisen from the fact that the poor value both deposit and lending services. Surveys have shown that small entrepreneurs seeking micro financing for their projects constitute a relatively smaller subset of the poor population than the segment interested in accessing deposit services. They have identified three main barriers to the use of the deposit facilities commonly offered by banks: (i) high opening and minimum account balances, (ii) high travel time and transport costs involved in making deposits and withdrawals at the bank branch, and (iii) lack of familiarity with bank branch operations and procedures

Dr. S. Mohan (2005), Reader in Commerce, SKSS Arts College perspectives of deposits mobilization: Mobilization of deposit is one of the main functions of banking business and so an important source of working fund

for the bank. The District Central Cooperative Banks (CCB) has to increase their financial resources by way of deposit mobilization. Deposit mobilization is an indispensable factor to increase the source of the CCBs to serve effectively. The importance of deposits of the cooperative banking structure to provide satisfactory service to any programme of agricultural production and industrial manufacturing hardly needs to be over emphasised. Several committees and commissions have stressed that the CCBs must tap deposits from urban and rural areas so that they may be able to provide funds in large amounts to primary societies for farm and non-farm development. The success of the banking greatly lies on the deposit mobilization performance of the bank as the deposits are normally considered as a cost effective source of working fund. The bank is operating various deposit schemes such as current, savings, fixed, recurring and other special schemes to meet the varying requirement of the customers. One of the important objectives of the CCBs is the mobilization of rural savings. It helps to expand loaning operations. The philosophy of cooperation emphasises that cooperative institutions should function only with the funds pooled from members and not to rely largely on external financial accommodation. The All India Rural Credit Survey Committee (1954), Mehta Committee (1960) and Banking Commission (1972) have recommended that the CCBs could engage in the mobilization of deposits for improving the internal resources. Contrary to this principle, the concessional finance available to the CCBs from the RBI made them indifferent to the function of mobilization of deposits. To mobilise deposits, the CCBs are given some encouragement by the RBI and apex institutions such as subsidy for branch expansion, states' participation in share capital,

permitting the CCBs to offer 1/2 per cent interest higher than the commercial banks and application of deposit insurance scheme.

The CCBs, which are the backbone of cooperative finance, must become self-sufficient and self-reliant. The All India Rural Credit Committee and the Mahajan Committee have emphasised that with a view to enhance the savings, CCB must tap deposits from the urban areas so that adequate finance will be available for agricultural development in rural areas. The Mahajan Committee has made its observation as (1) since the interest offered by the banks on public deposits is quite attractive, the state cooperative banks and CCBs must offer competitive rate of interest. They must review the present rates and bring them in line with the rates prevailing in the money market. And (2) the local bodies, educational institutions, trust, etc. should be permitted to make deposits of their funds with the well managed and sound cooperative banks. Mobilization of deposits for a bank is as essential as oxygen for human being. In the post liberalisation scenario, the number of players in banking industry has increased considerably which developed competition in bank marketing. 'The survival of the fittest' has made applicable for the banks. To enhance profitability, banks take steps to minimise the interest paid expenditure and so banks are forced to mobilise low cost deposits. In the present context bank's efficiency is measured based on the deposit mix and on the quantum of low cost deposits in the mix. In the selected CCB, deposits form around 40 to 60 per cent of its working funds. In the present context of competition and with the emergence of private and multinational banks, an ideal mix of deposits for the CCBs is a must to survive. Since the interest paid on deposit forms a big burden on

bank, the mobilization of low cost deposits, like current account and savings bank deposit is the urgent need for the bank.

To mobilise deposits, the cooperative banks depend on individual depositors as well as cooperative societies. All the registered primary cooperative societies have to deposit all their appropriations out of profits with the CCB concerned. It is a statutory obligation. Thus a part of the deposits for the selected CCB is from societies, which is considered as compulsory. Mobilization of such deposits needs least efforts. Therefore any improvement in the deposits from societies does not reveal the real effectiveness of the bank's efforts towards deposit mobilization. The second source of deposit is from individuals. This could be a voluntary source. Mobilization of deposits under this category would be the result of continuous publicity, effective marketing management, convincing and courteous service of the bankers. The source-wise analysis of deposits will throw light on the performance of the selected CCB on deposit mobilization.

The deposits of the selected bank project positive trend but the deposit mix is not healthy as it consists higher percentage of high cost deposits. Efforts are to be oriented towards the mobilization of more savings bank deposits and current accounts. In case of deposits an added advantage available to the bank is to improve clientele base. In case of borrowings such an advantage does not exist. The increased number of deposit customers and the increased number of individual membership provide a comfortable clientele base for the bank to choose good borrowers to whom the bank can provide credit facilities. Good borrowers with integrity are as important to the bank as the depositors. Raising individual membership, mobilising more low-cost

deposits and avoiding high-cost borrowings are the strategies to be followed by selected CCB for the improvement of viable working funds.

V.V Bhatt (2005): Some aspects of deposit mobilisation. Special articles:

The banking system is unlikely to be position to meet the demand for bank credit, from the priority sectors\_ agriculture and small scale industry - unless a concreted policy is persuaded to raise the rate of saving generally and the rate of saving in the form of deposits in particular.

So far, agriculture and small industry have been largely relying on borrowing from the unorganized market. To some extend to which the banking system is able to be supplant this market, latter's resources would be released for other purposes. Unless, therefore, the banking system can attract these released resources as deposits, it would not be able to meet the demand for credit that is likely to be generated.

Of course, it should be possible to induce borrowings in the organized sector to restrict their demand for credit to some extend and these needs to be done. But such switching has its limits. From a long run point of view, the banking system can be viable only if it can mobilize deposits at the required rate. And this can be done only by making a bank deposit more attractive as financial assets than private lending in the unorganized market.

It is the purpose of this article to suggest certain deposit schemes which can serve the purpose of raising the saving rate in general and the rate of deposit expansion in particular.

There has been considerable discussion recently with regards to the decline in the growth rate of deposits during 1969-70 as compared to the previous year. These year to year fluctuations in the growth rate however, are quite normal and depend largely on the rate of creation of reserve money or the monetary liabilities of the reserve bank. Anyway, the 1969-70 growth rate of deposit is more or less the same as the average growth rate since 1964-65.

The problem, however, is different since nationalization of the 14 major banks in July in 1969, there has been a fairly substantial policy directed expansion in advance to agriculture and small sectors of industry, trade and transport - sectors which hitherto were by and large neglected by the banking system. The order of expansion in such advances was about rupees 225 crores between July 1969 and June 1970. This increase was by and large met by the commercial banks borrowings from the reserve bank (Rs 119 Crores), running down of cash and balances with the reserve bank (Rs 40 crores) and withdrawal of money it calls (Rs 40 Crores). Deposit expansion clearly was inadequate to meet this additional demand for bank credit.

Now, bank credit to these priority sectors is likely to rise at a high rate in view of the expected growth rates in agriculture output and the investment in the small sector. The banking system cannot meet this demand adequately without a corresponding rise in the growth rate of its deposit. And this is how the problem deposit mobilization has become urgent. And it is from this point of view that the previous year's deposit expansion was inadequate.

The question, then, is it likely that bank deposit would expand, in the climate of reasonable price stability, at the required rate without additional measure

to mobilize deposit? In agriculture and small industry sector (Define to include retail trade, small transport, etc), the saving income ratio is smaller than the average ratio in the urban sector. As a result the cash balance to income ration is also smaller, further, a large number of transaction in these sectors are unlikely to be such magnitude as required payment by cheque; this is in fact the reason why currency has expanded at a faster rate in 1969-70 (July- June) than the expansion rate of demand deposits. These sectors, again, are unlikely to keep a part of their saving in the form of fixed deposit; they would rather plough back their saving in their own business.

All these imply that the growth rate of deposit would in fact be smaller than what it has been in the past, when the growth rate of the organized industrial sector was much higher than that of agriculture sector. Since, during the fourth plan period, the growth in agriculture incomes and output is likely to be higher than in the past, one should expect on a priori reasons a relatively smaller growth in deposit and a relatively faster growth in currency. So far, the currency deposit ratio has been declining at a steady rate one could expect some reversal in this trend on the basis of the factors discussed earlier.

It is clear, therefore, that the banking system is unlikely to be in a position to meet adequately the demand for bank credit from the priority sectors- agriculture and the small industrial sector- unless a concerted effective policy is pursued to raise the rate of saving generally and the rate of saving in the form of deposit in particular.

Let us discuss this problem in a different way. Agriculture and the small sector are likely to be net borrowers from the banking system as are all efficient businesses; they, therefore, would not be in a position to increase the resources of the banking system. Now, so far these sectors were relying on borrowing from the unorganized market, to the extent to which the banking system is able to supplant this market the latter's resources would be released for other purpose. Unless, therefore, the banking system can attract these released resources as deposits, it would not be able to meet the demand for the bank credit that is likely to be generated of course, it should be possible to induce the organized sectors' borrowers to restrict their demand for credit to some extent and this needs to be done. But such switching has its limits. From long run point of view.

## **2.5 Conceptual Framework**

Reviewing the literature, it is empirical to state that the literatures are focused on the financial indicators which are very much in alignment with the prudential practices. Some literatures emphasize that the variables such as institution's quality, capabilities and trustworthiness and skills displayed by the counter staff have significant relationship with financial performance of the bank. Some other literatures show that level of planning are responsible for the financial performance of the banks and financial institutions. In the meantime, some literatures suggest that there was no relationship between the managerial/organizational characteristics: Average Educational Level of managers, Average Number of staff, Average Age of managers, and Average service period and performance of the financial institutions. However, the literature cited above does not explain the deposit collection in terms of bank's performance; it gives an idea that the banks overall performance is directly or indirectly related with the amount of deposit collection. This study tries to see the implication of factors affecting deposit collection as this is the major driving force

that leads the organization in resource mobilization including financial performance.

It is in light of this background this study was undertaken. Questions which were examined are:

- ) Is there a relation between the deposit collection and internal factor such as educational background of the managers and counter staff, experience of managers and counter staff, no. of staffs, the strategy implemented by the of ADBL's branch offices?
- ) Is there a relation between the deposit collection and the external factors such as interest rate, fast service, location of the branch offices, interior design of the branch offices and the security assurance?

## **2.6 Research Gap**

There are various research conducted in the field of banking business such as credit deposit relation, deposit composition, relationship with difference ratio, managing difference performance, balance sheet performance in assets and liabilities and profitability also. But challenges in deposit collection research are nominal. At present volatile liquidity condition and liquidity crunch in banking business are seen simultaneously. In Nepal organised study can not be seen by reputed professional researcher in this field. In ADBL it is found that some small case study and team work are conducted in this field. So that as a student of the management faculty and for the fulfilling partial requirement of MBS this subject is selected. It is believed that it will be helpful to support ADBL deposit status in competitive deposit market as well.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction:**

Research Methodology is a systemic way to solve the research problem. Previous chapters have provided the conceptual, inputs and basis of this study. Research methodology describes the methods and process applied in the entire study. It also refers to the various steps to be adopted by the researcher in studying the problem with certain object in view. It is also the set of various instrumental approaches used in achieving predetermined objectives.

It counts on the resource and techniques available and to the extent of their reliability and validity in the research. The research methodology adopted in the chapter follows some limited but crucial aimed to achieve the objectives of the research. This study is descriptive cum analytical and the research is quantitative and descriptive.

#### **3.2 Research Design**

Research design is the plan, structure and strategy of investigations conceived so as to obtain answer to research question and to control variance. The research design allows the researchers to take an appropriate measure and direction towards the predetermined objectives. The research design is analytical and descriptive in nature. Research design is the plan,

structure and strategy of investigation. A research design, bearing the techniques and systematic steps of research, help to collect various information' required to researchers. This study entitles Challenge of deposit collection in Agricultural Development Bank Ltd is the descriptive research has been applied in some primary information and analytical research is applied for the analysis of collected information.

### **3.3 Population and Sample**

Agricultural Development Bank Ltd of Nepal is one of the largest development banks of Nepal. The bank has in total 13 billion rupees of authorized capital, of which Rs. 9.60 billion is issued and Rs 9.43 billion rupees is paid-up Capital. This figure proves the banks bears highest authorised and paid up capital in the country. As like bank have total 248 offices including 232 business offices, 10 Regional offices, 5 training institute and a head office.

32 business outlet of ADBL available in Kathmandu valley, due to resource and time constrains total 40 respondents are selected out of randomly selected 20 branch offices, 20 of them are managers, and 20 are counter staff (teller assistant or front desk assistant) who interact directly to the customers. To select the sample, initially the whole population is divided into 3 clusters as ADBL has 3 category of branch offices viz sub-branch, branch office and main branch offices. During the sample selection procedure, a Simple Random Sampling technique is used such that probability of selecting each branch office is equally likely in the process.

Table 4: Sample Framework

Managers	Sample size	Counter staff	Sample Size	Total Sample
20	20	20	20	20

Similarly, close competitors of ADBL such as Nepal Bank Ltd, Rastrya Badijya Bank, Nepal Bank Ltd, Nabil and NIBL are selected for analyzing competitive environment. For the analysis of competitive environment Program, policies and guidelines of other bank are used as a secondary data source of information.

### **3.4 Data Collection Procedure**

This study aims to explore the comparative analysis of internal and external factors may affect the deposit collection performance of Agricultural development bank limited (ADBL). Since the entire research is based on the primary and secondary data were collected.

#### **3.4.1 Primary data**

To conduct this study, deposit collection of Agricultural development bank limited (ADBL) branches is taken as dependent variable with a set of internal factors such as education background of managers, educational background of counter staff, experience of Managers, experience of counter staff, no. of staff, age of managers, age of counter staff and planning process as independent variables. Likewise, competitive environment of the branch offices could be another

independent variable that shows the relationship with interest rate, policies and strategies of other bank that affect deposit collection.

Five scale questionnaire (1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= strongly agree) is distributed among the 20 managers and 20 counter staff of the 20 different branch offices of Kathmandu valley that have been selected randomly. This questionnaire is designed to assess the most significant component of the factors affecting deposit collection.

The questionnaire for manager set-1 comprises of 46 questions in 7 component on five scale and questionnaire for counter staff set-2 comprises of 47 questions in 7 component which starts with the general information of the respondent such as age, present designation, work experience in ADBL, educational qualification etc. The questionnaire then tries to penetrate on the major issues. The first eleven questionnaires are designed to assess perception of the respondents as the deposit collection is viewed as major financial indicators or not. The next nine questions are designed to assess the significant of components of deposit collection.

Further the questionnaire also helps to intensify the in-depth knowledge about these major components. The major themes in the questionnaire are:

- ) Component of the factor affecting deposit collection
- ) Educational Background of Managers
- ) Educational Backgrounds of Counter staff

- ) Experience of Managers
- ) Experience of Counter staff
- ) Age of Managers
- ) Age of Counter staff
- ) Strategy related
- ) Competitive environment related

In this segment, eleven questions for perception of the respondents as the deposit collection, eight questions educational background of managers and nine questions counter staff, five questions deal with experience of the managers and counter staff, five questions age of managers and counter staff, four questions deal with number of staff related, six questions deal with strategy and seven followed by environmental related.

### **3.4.2 Secondary data**

All the secondary data are studied as per additional information of the related problem. The sources of data collection are as follows:

- ) Annual and quarterly financial reports of ADBL
- ) ADBL's publications i.e., Bank Samachar, Agricultural Credit, Bio-annual Journal. Etc.
- ) Annual Budget of ADBL of difference fiscal year
- ) Unpublished records of Agricultural Development Bank.
- ) Magazines and News Papers.

- ) Published and unpublished data of the related matters of the various financial organization
- ) Monetary policy and its mid term review

### **3.5 Data Period Covered**

This study covers a period of Five years trend analysis from FY 2062/63 to 2066/67, in deposit collection and Loan outstanding and other related matter.

### **3.6 Method of Analysis**

Analysis of the data has been carried out by the means of mean analysis and graphical presentation. The data collected through the structured questioner are divided into two sates one for managers and other for counter staff. The response from these questioner were tabulated and mean are analysed by the means of excel. The means are then incorporated into the graphical presentation to analyse the findings in a more precise way.

## **CHAPTER IV**

### **PRESENTATION AND ANALYSIS OF DATA**

#### **4.1 Presentation and Analysis**

Analysis of this research comprises of two parts, first part is the analysis of internal factors such as Educational Background of Managers, Educational Backgrounds of Counter staff, Experience of Managers, Experience of Counter staff and Strategy Implemented by the branch office. Second part of analysis is the comparative analysis of the ADBL and its major competitor i.e Nepal Bank Ltd (NBL), Rastrya Badijya Bank (RBB), NABIL and Nepal Investment Bank Ltd (NIBL). Comparative analysis is carried out in terms of interest rate, service provided, less number of Branch Offices, Security Assurance and Prime location.

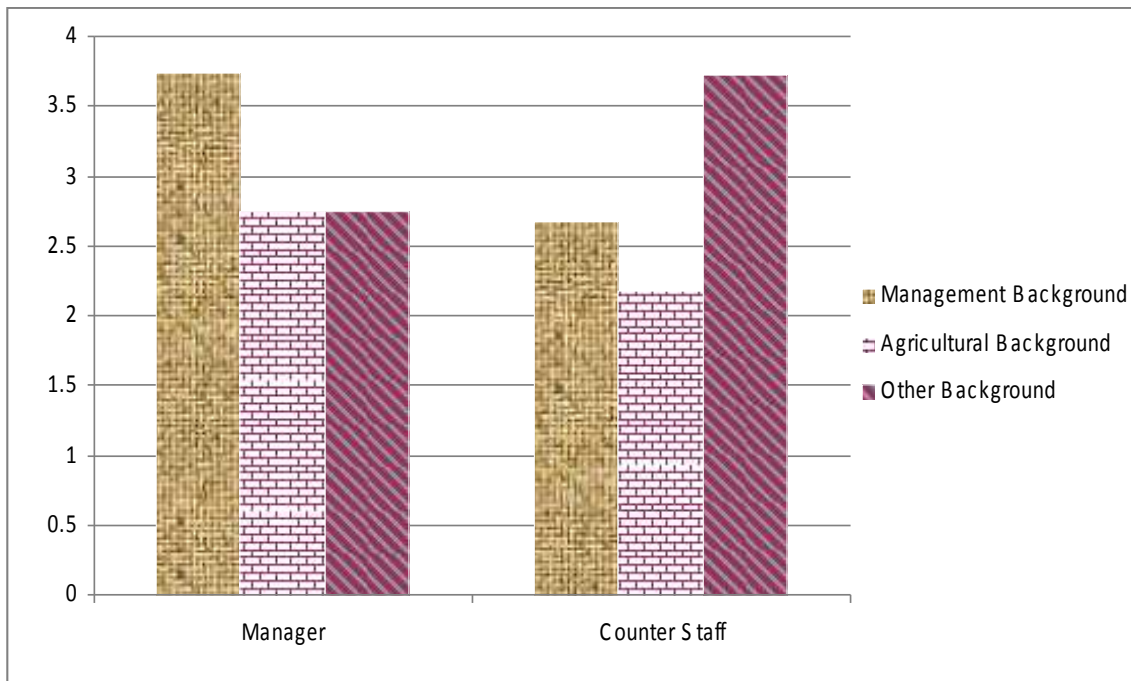
#### **4.2 Educational Background**

While assessing the educational background of managers and Counter Staff two major dimensions are measured that are discipline and qualification. Management and Agricultural background and different level of qualification are measured with the 20 different branch managers and Counter Staff that were selected randomly. Agricultural background is selected because presently ADBL have around 40% employee having agricultural background. The result below shows that Manager preferred the manager with management background which has average score of 3.74 as compared to the managers with the agricultural background and any other background that have average score of 2.74 in each. Counter Staff however,

does not have any particular choice on educational background. It Score highest in any other background followed by management background. Counter Staff with agricultural background scored lowest score of 2.17.

**Table 5: Role of Education Background in Deposit collection**

Respondent	Management Background	Agricultural Background	Other Background
Manager	3.74	2.74	2.74
Counter Staff	2.67	2.17	3.72



**Chart 1: Role of Educational Background in Deposit Collection**

Likewise, the qualification of managers and Counter Staff are also assessed from the participating employee. Table 6 shows SLC level is least preferred by managers followed by Intermediate and Bachelor degree scoring 2.21, 2.32 and 2.68 respectively. Masters degree is more preferred having the

highest average score of 2.89. In case of Counter Staff Bachelor Level is most preferred than Masters Degree whereas SLC level is least preferred with lowest score of 1.94.

**Table 6: Role of Qualification of Managers in Deposit Collection**

Respondent	Masters	Bachelor	Intermediate	SLC
Manager	2.89	2.68	2.32	2.21
Counter Staff	2.11	2.39	2.17	1.94



**Chart 2: Role of Qualification of managers in Deposit collection**

**Table 7: Staff by Educational Qualifications**

Qualifications	Number of Staff	Percent
PhD	3	0.03
Masters Degree	390	11.17
Graduate	850	24.22
Certificate	1163	33.14
SLC	1103	31.43
Total	3509	

Source: Human Resource Management Division, ADBL

**Table 8: Staff by Educational Background**

Educational Background	Number of staff	Percentage
Staff with Management background	1254	35.74
Staff with Agricultural background	1028	29.30
Staff with other background	1227	34.97
Total No of staff	3509	100

Source: Human Resource Management Division, ADBL

Analysing the qualification of the existing staff, nearly 65% staff have acquired academic qualification either certificate or below where as 35% staff have acquired qualification graduate and above. In the current financial market, certificate level is not considered qualified level of academic qualification taking into account the current cut throat competition and the challenges of the financial market. In the nutshell, ADBL seems to be below

par in the academic qualification when comparison with other financial institutions comes into picture. Similarly, nearly 36% of staff has educational background of Management, 30% have agricultural background and another 35% have educational background in various subjects.

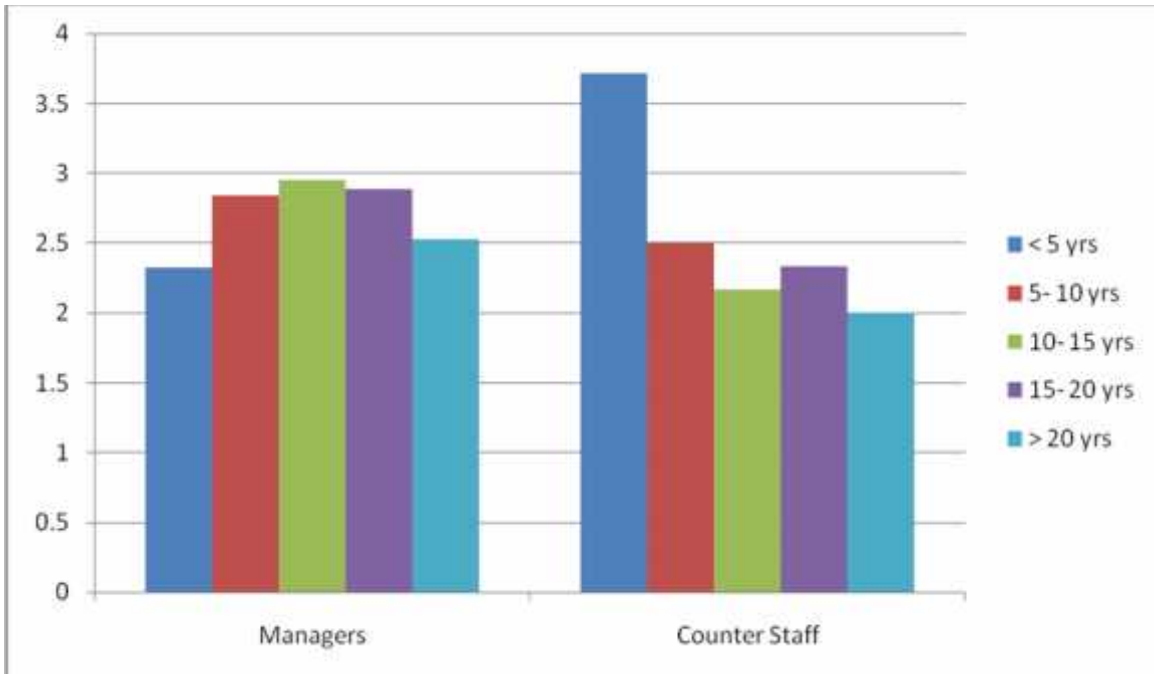
Hence, ADBL should aim to have appropriately skilled and experienced employees, both currently and into the mid to long term future, in order to meet the objectives of ADBL Strategic Plan. The positions held by the employee and their qualification and job experience should be in line with the job requirement, if not it could not justify that right people are in right place.

### 4.3 Experience

To assess the significance of role of experience of managers and counter staff to increase deposit collection, the variable is divided into five categories viz; below 5 years, 5 to 10 years, 10 to 15 years, 15 to 20 yrs and above 20 years. Results are presented in the table below.

**Table 9: Role of Experience in Deposit Collection**

Respondents	< 5 yrs	5- 10 yrs	10- 15 yrs	15- 20 yrs	> 20 yrs
Managers	2.32	2.84	2.95	2.89	2.53
Counter Staff	3.72	2.50	2.17	2.33	2.00



**Chart 3: Role of Experience in Deposit Collection**

The table 9 and the chart 3 above show that managers having experience of 10- 15 years is most preferable as compared to the managers having job experience of 5 to 10 years, 15 to 20 years and above 20 years. Experience of less than 5 years is less likely to prefer as the average score is least in this category. From the data above it could be observed that the preference of managers is decreases as the years of experience increases after certain level. This may be due to the fact that the energy level and enthusiasm of the staff will not remain same after certain years of working in the same organization or in the same position.

Similar study is carried out in case of Counter staff to assess the role of Experience of counter staff to increase deposit collection. Results are presented in the table above.

The results in case of Counter Staff are found quite different than in case of Managers. The respondent prefers fresh counter staff with experience less than 5 years. This means experience with less than 5 years have a highest score of 3.72 as compared to the score of experience of 5 - 10 years, 10-15 years, 15–20 years and above 20 years which are 2.5, 2.17, 2.33 and 2.00 respectively. The experience here represents the job experience in the banking sector.

**Table 10: Staff by Number of years of service**

Years of Experience	Number of staff	Percent
< 25 years	323	9.20
20-25 years	1427	40.67
15-20 years	351	10.00
10-15 years	426	12.14
< 10 years	982	27.99
Total	3509	

Source: Human Resource Management Division, ADBL

From the above information it can be concluded that more than half the ADBL staff have been with ADBL for more than 20 years of work experience. Of the total workforce 2398 are over 40 years of age and 17% of the total workforce is over the age of 50.

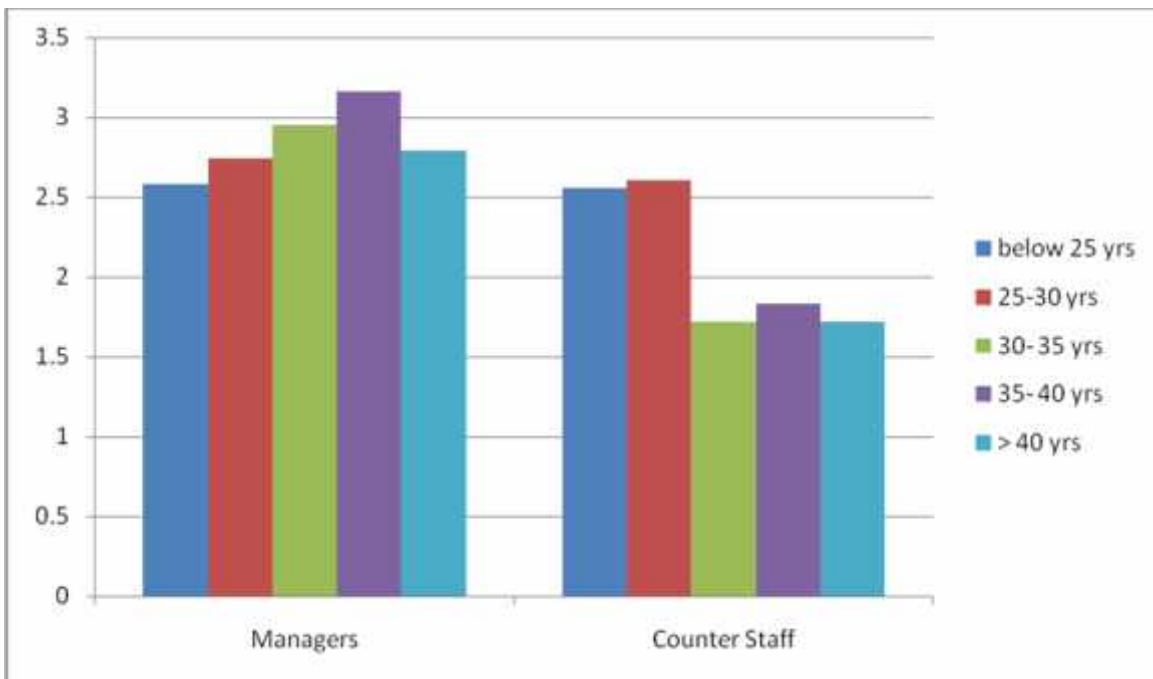
#### **4.4 Age Group**

To assess the significance of role of age of managers and counter staff to increase deposit collection, the variable is divided into five categories viz;

below 25 years, 25 to 30 years, 30 to 35 years, 35 to 40 yrs and above 40 years. Results are presented in the table below.

**Table 11: Role of Age in Deposit Collection**

Respondents	below 25 yrs	25-30 yrs	30- 35 yrs	35- 40 yrs	> 40 yrs
Managers	2.58	2.74	2.95	3.16	2.79
Counter Staff	2.56	2.61	1.72	1.83	1.72



**Chart 4: Role of Age in Deposit Collection**

The table 11 and the chart 4 above shows that managers of age group 35- 40 years are most preferable as compared to the managers of age below 25 years. Similarly Managers with age group more than 40 years are also less likely to prefer as the average score is least in this category. From the data above it could be observed that the preference of managers is increases as

the years of age increases up to certain level. This may be due to the fact that mature managers are bolder and can make a quick decision than younger managers.

Similar study is carried out in case of Counter staff to assess the role of age of Counter staff to increase deposit collection. Results are presented in the table above.

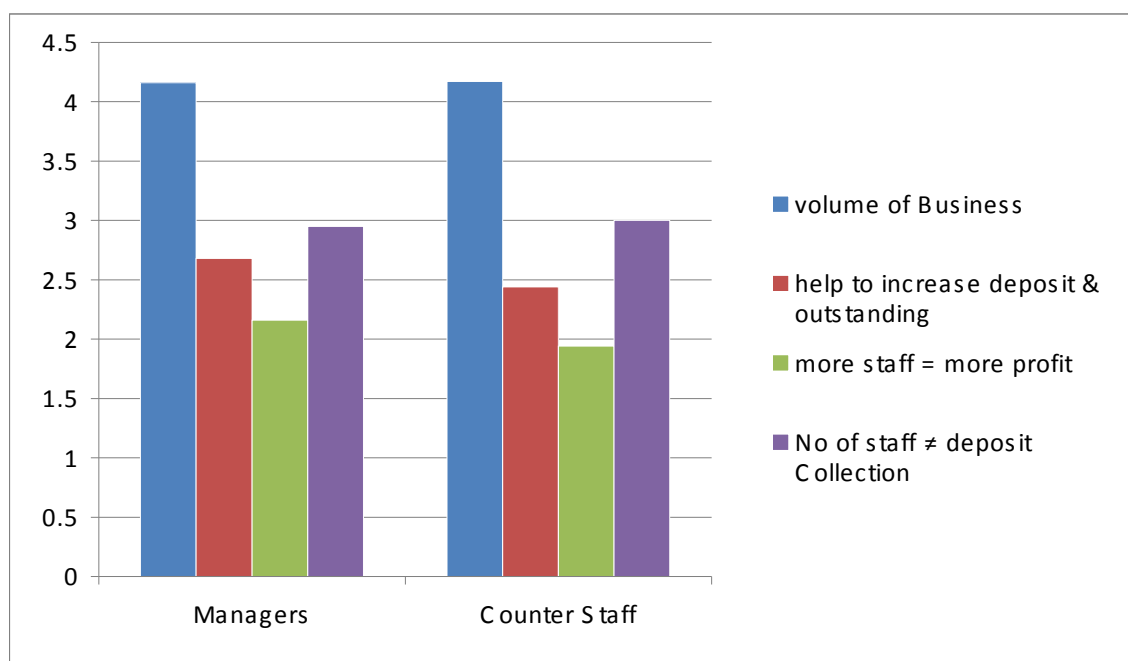
The results in case of Counter Staff are found quite different than in case of Managers. The respondent prefers counter staff with age group 25 -30 years followed by below 25 years. From the data it could be observed that the preference of Counter experience is decreases as the years of age increases up to certain level.

#### **4.5 Number of Staff in the Branch Offices**

The respondent viewed differently on the enquiry about the role of number of staff to increase deposit amount in the branch offices. Four questions related to role of number of staff in the branch offices are asked to the respondents in a scale questioner model. Results are presented in the table 12 below.

**Table 12: Role of No of Staff in Branch offices to increase deposit collection**

Respondents	volume of Business	help to increase deposit & outstanding	more staff = more profit	No of staff deposit Collection
Managers	4.16	2.68	2.16	2.95
Counter Staff	4.17	2.44	1.94	3.00



**Chart 5: Role of No. of Staff in Branch offices to increase deposit collection**

The data analysis shows surprising results in case of role of number of staff in Branch office to increase deposit collection. Four questions were asked to respondents to assess the role of number of staff in branch offices to increase deposit collection viz. does the increased number of staff help to increase the volume of business?, does it helps to increase deposit and outstanding? does

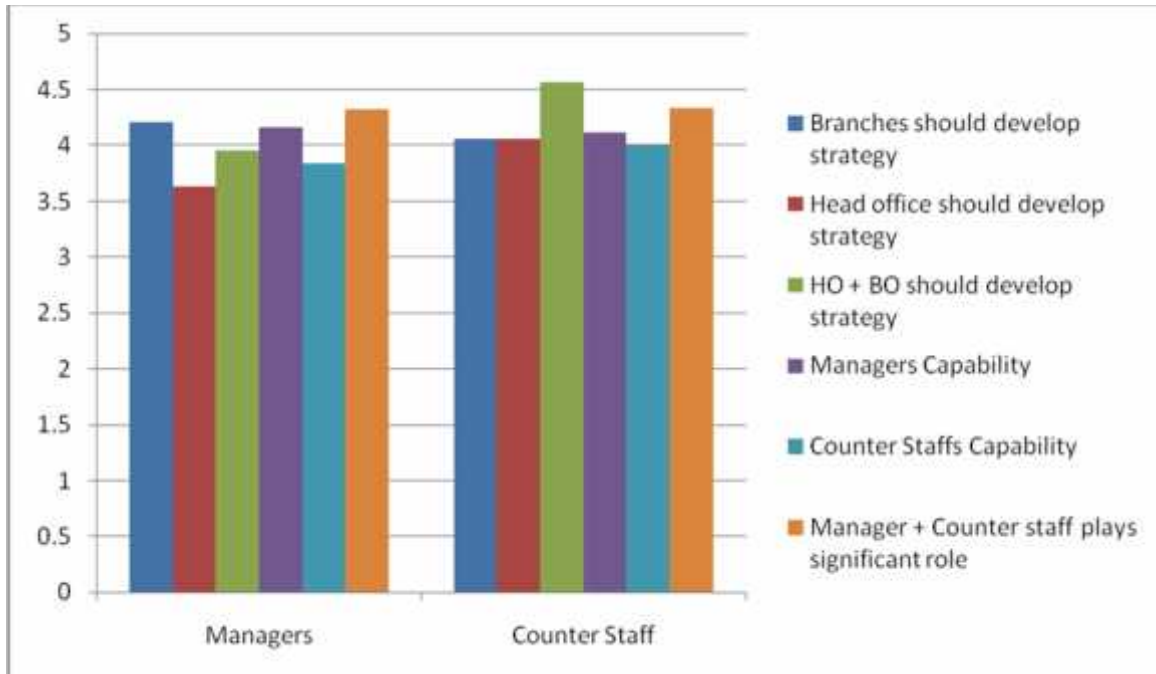
more number of staff means more profit for the organization? or does the more staff means fast service? Mixed kind of responses is observed. Highest score of 4.16 and 4.17 in managers and Counter staff is observed in "no of staff help to increase volume of business" and lowest score is observed in case of increased number of staff will help to increase profit for the organization. This indicates that increased number of staff helps to increase volume of business and work efficiency to some extent however it does not have any influence on profit and deposit collection.

#### 4.6 Strategy Implementation

Respondents have relatively similar kind of responses in case of strategy Implementation. Results are presented in the table below.

**Table 13: Role of Strategy Implementation to increase Deposit Collection**

Respondents	Branches should develop strategy	Head office should develop strategy	HO + BO should develop strategy	Managers Capability	Counter Staffs Capability	Manager + Counter staff plays significant role
Managers	4.21	3.63	3.95	4.16	3.84	4.32
Counter Staff	4.06	4.06	4.56	4.11	4.00	4.33



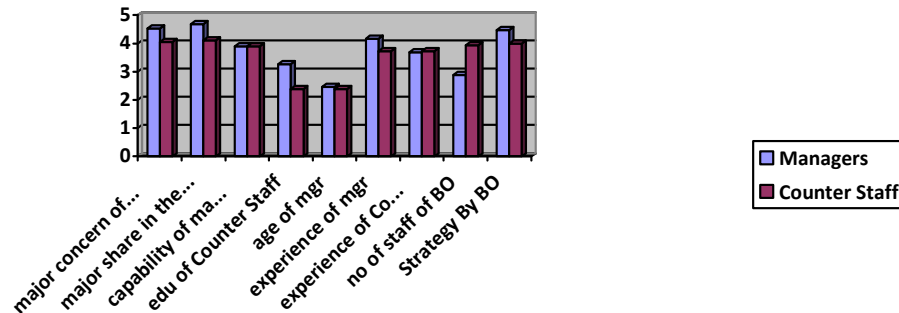
**Chart 6: Role of Strategy Implemented to increase Deposit Collection**

Here, the data shows that the manager prefers the view that manager and counter staff plays significant role in deposit collection with an average score of 4.32. Whereas Counter staff prefers the strategy that is developed by head office and branch office jointly with an average score of 4.56. Strategy developed by Head Office is least preferred by the respondents with an average score of 3.63 in case of managers and 4.06 in case of Counter staff. Similar kind of responses are observed in strategy implementation should be based on a managers and counter staffs' capabilities. However the data shows that there are no variations in all these aspects of strategy implementation which means that all of them are equally important.

A set of questioners was designed to observe the most significant components among the factors affecting deposit collection as studied above. Results are presented in the table below.

**Table14: Most Significant components of factors affecting Deposit collection**

Respondents	major concern of mgmt	major share in the financial resources	capability of managers	edu of Counter Staff	Age of mgr	age of Counter Staff	experience of manager	experience of Counter Staff	no of staff in BO	Strategy By BO
Managers	4.53	4.68	3.89	3.26	2.47	3.68	4.16	3.68	2.89	4.47
Counter Staff	4.06	4.11	3.89	2.39	2.39	3.50	3.72	3.72	3.94	4.00



**Chart 7: Most Significant components of factors affecting Deposit collection**

The data shows that among the different factors that affect deposit collection Strategy Implementation plays significant role in deposit collection with an average score of 4.47 followed by experience of managers with an average score of 6.10. A capability is perused as a leadership style of managers. Experience of manager is in a third rank with an average score of 6.07 followed by education of managers and education of front desk staff with an average score of 5.47 and 5.13 respectively. Number of staff in Branch Offices is the least preferred factors affecting deposit collection with the average score of 4.50.

Furthermore, for the better understanding of the factors affecting deposit collection Regression analysis is carried out.

## 4.7 Comparative Analysis

The unedited Quarterly data of ADBL along with its major competitors RBB, NBL, NABIL and NIBL are analysed along with its major competitive factors. Table below shows the quarterly data of two respective fiscal year that exhibits the growth rate and growth rate percentage of the deposit over the two year period.

**Table 15: Deposit Growth rate of ADBL and its Major Competitors (Rs in million)**

Major Competitors	II Qtr FY 2065/66	III Qtr FY 2065/66	IV Qtr FY 2065/66	I Qtr 2066/67	II Qtr FY 2066/67	III Qtr FY 2066/67	IV Qtr FY 2066/67	I Qtr FY 2067/68	Quarterly Growth rate	Quarterly Growth %
NBL	4311.0	4260.0	4463.0	4463.0	4320.0	4080.0	4241.0	4083.0	-35.51	-0.87
RBB	6226.0	6067.0	6809.0	6565.0	6310.0	6121.0	6862.0	6266.0	23.05	0.37
NABIL	3385.0	3578.0	3735.0	4117.0	4402.0	4252.0	4641.0	4635.0	189.30	4.08
NIBL	3891.0	4248.0	4670.0	4851.0	4734.0	4767.0	5009.0	4886.0	130.29	2.67
ADBL	3305.0	3309.0	3515.0	3367.0	3344.0	3090.0	3246.0	3096.0	-36.62	-1.18
National Total	47846.0	50256.0	55514.0	57677.0	58656.0	58600.0	63128.0	61950.0	2063.39	3.33

Source:www.nrb.org.np

The quarterly data for the last two years meticulously shows that deposit of ADBL decreases from Rs. 3305.0 million in Second quarter of FY 2065/66 to Rs. 3096.0 million in First quarter of FY 2067/68 registering the average annual growth rate of Rs. -36.62 million (Decreases by -1.18%). During the study period, the deposit collection has decreased in almost all banks as well as the National total which may be due to the global crisis and liquidity crunch in the country. However, decreases in deposit collection almost by 1.18% revealing the fact that the decreasing trend is highest in case of

ADBL among its major competitors. The decreasing trend has a negative impact on overall financial growth of ADBL. In that case, the only option to compensate this decreasing trend is either explore new income generating sources by expanding the business or by substantially develop new policy to lure deposits from general public.

In the mean time, market share of ADBL and its competitors in case of deposit collection has been studied. The following Table 16 shows the quarterly data of two consecutive fiscal year that show the market share of ADBL and its major competitors in case of deposit collection.

**Table 16: Market Share of ADBL and its competitors in case of Deposit Collection**

Market Share (%)								
Major Competitors	II Qtr FY 2065/66	III Qtr FY 2065/66	IV Qtr FY 2065/66	I Qtr FY 2066/67	II Qtr FY 2066/67	III Qtr FY 2066/67	IV Qtr FY 2066/67	I Qtr FY 2067/68
NBL	9.01	8.48	8.04	7.74	7.36	6.96	6.72	6.59
RBB	13.01	12.07	12.27	11.38	10.76	10.45	10.87	10.11
NABIL	7.07	7.12	6.73	7.14	7.50	7.26	7.35	7.48
NIBL	8.13	8.45	8.41	8.41	8.07	8.13	7.93	7.89
ADBL	6.91	6.58	6.33	5.84	5.70	5.27	5.14	5.00

Source: [www.nrb.org.np](http://www.nrb.org.np)

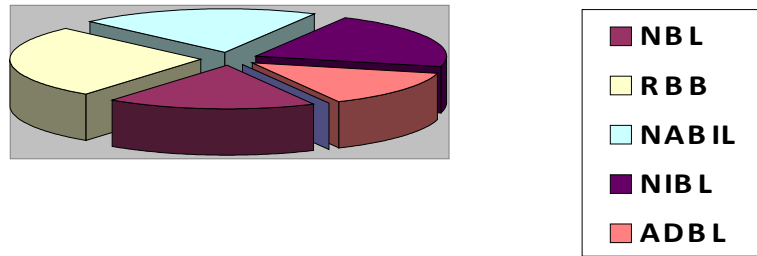
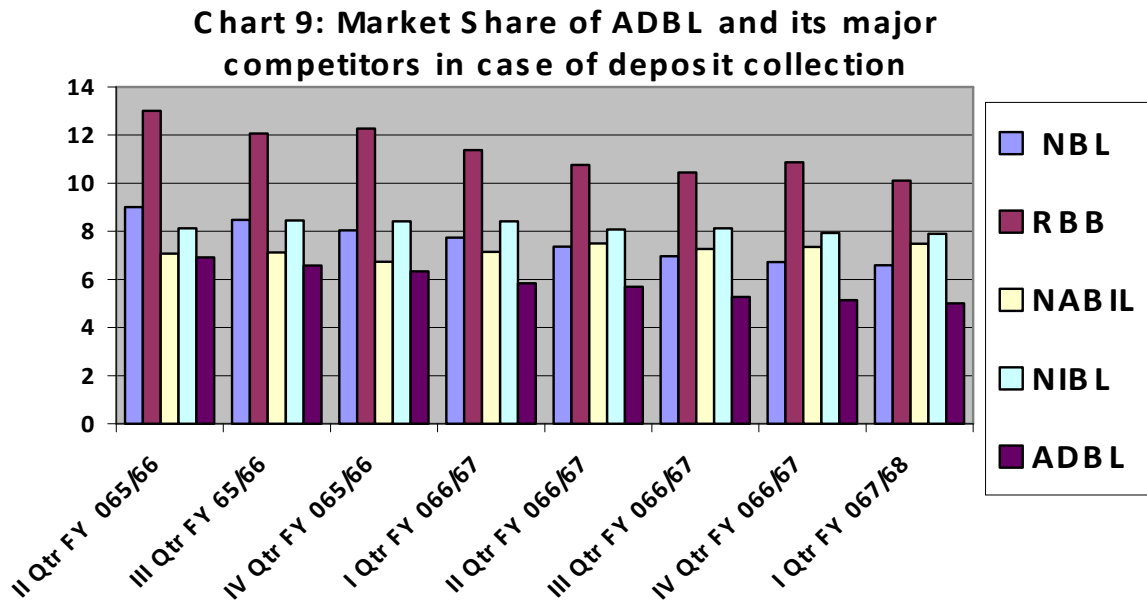


Chart 8: Market share of ADBL and its major competitors in 1st qtr of FY 067/68



The above table and the pie chart shows that RBB has a major share of deposit among five participating organization over the study period of two years whereas ADBL has a lowest share of deposit. On the other hand, NABIL and NIBL has relatively consistent market share over the period of time.

Furthermore, external environment is also accessed to find out the most influential factors that affect deposit collection. Among the external competitive forces five factors such as interest rate, prompt service, prime location interior decoration of the branch offices and security assurance are selected. The unexpected results are presented in the table 17 below.

Table 17: External factors that affect deposit collection

	interest rate	fast service	reducing BO	prime location	security assurance	Personal relationship of Managers	Personal relationship of Counter Staff
<b>Manager</b>	3.53	4.05	2.05	4.00	4.11	4.11	3.89
<b>Counter staff</b>	4.11	4.67	2.11	4.17	4.11	4.50	4.06

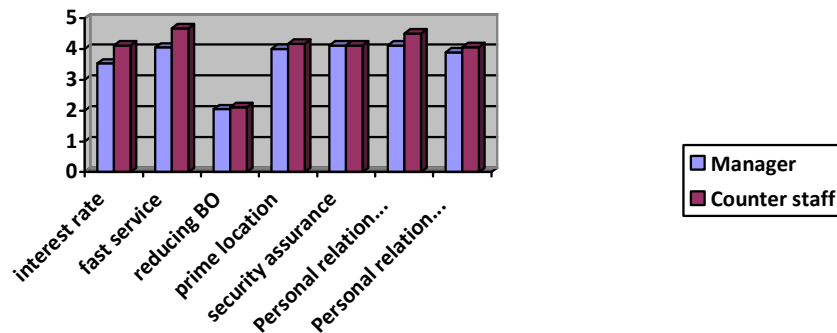


Chart 10: External factors that affect Deposit Collection

The results above shows that the security assurance and Personal relationship of managers with depositors are most preferred among other external factors affecting deposit collection with an average score of 4.11 each in case of Managers. Whereas Fast service is considered as a most influential factor that affect deposit collection in case of Counter staff with an average score of 4.67. Likewise interest rate and reducing number of

Branch offices are the least preferred with the average score of 3.53 and 2.05 in case of managers. Whereas Personal relationship of counter staff and reducing number of Branch office are the least preferred with the average score of 4.06 and 2.11. The results in the above table are said to be unexpected because the interest rate and reducing branch offices which are considered as a prime factors by the management have a least preference by the branch offices. Instead the security assurance, personal relationship of managers with depositors which is not even noticed by the management top the priority list.

## **CHAPTER V**

### **SUMMARY, RECOMMENDATION AND CONCLUSION**

#### **5. Major Findings**

##### **5.1 Findings in Internal Factors**

From the study above it was found that the Manager with management background have more important role in deposit collection than the managers with Agricultural and any other background. Likewise it was also found that the managers with masters' degree could play important role to increase deposit collection in branch offices. From the secondary data it was found that among the qualification of the existing staff, nearly 65% staff have acquired academic qualification either certificate or below where as 35% staff have acquired qualification graduate and above. Similarly, only 36 % of staff has educational background of management whereas other 65% have a different educational background.

In another similar study of educational background of Counter staff, it was found that the Counter staff with management background could have better influence in collecting more deposit than the educational background with agricultural background and any other discipline. Likewise, it was also found that Counter staff with Bachelors' degree could perform well to increase deposit collection in branch offices.

From the study it was also found that the preference of managers is decreases as the years of experience increases after certain level. This may be due to the fact that the energy level and enthusiasm of the staff will not

remain same after certain years of working in the same organization or in the same position. Experience of less than 10 years in the banking sector is the most ideal for better performance while the most experienced managers of the experience with more than 25 years have the lowest performance in terms of deposit collection. Similar kind of observation was found in case of Counter staff as in case of Managers which explains that the Counter staff having experience with less than 10 years could perform better than the experience with more than 25 years. From secondary information it was found that more than half the ADBL staffs have been with ADBL for more than 20 years of work experience.

From the study it was also found that the preference of managers is increases as the age of the manager increases up to certain level. This may be due to the fact that the maturity of the staff will counts more for making bold decisions and for getting more responsibilities. Age group of 25- 30 is the most ideal for better performance while the more older managers of the age group more than 40 years have the lowest performance in terms of deposit collection. Similar kind of observation was found in case of Counter staff as in case of Managers which explains that the Counter staff having age group of 25 - 30 years could perform better than the age group more than 40 years. In another observation it was found that the increased number of staff helps to increase volume of business to some extent however it does not have any influence on profit and fast service.

In case of the study of strategy implementation, it was found that the strategy developed by head office and branch office jointly could be more relevant as compared to the strategy developed in central level.

Experience of manager is in a third rank to increase deposit collection in branch office followed by education of managers and education of counter staff. Number of staff in Branch Offices is the least preferred factors affecting deposit collection.

## **5.2 Findings in External Factors**

During the study period, the deposit collection has decreased in almost all banks as well as the National total which may be due to the global crisis and liquidity crunch in the country. However, decreases in deposit collection almost by 1.18% revealing the fact that the decreasing trend is highest in case of ADBL among its major competitors. Likewise it was also found that among five participating organization over the study period of two years ADBL has a lowest share of deposit. On the other hand, NABIL and NIBL has relatively consistent market share over the period of time.

Among the various external factors that affect deposit collection security assurance is most preferred whereas interest rate and reducing number of Branch offices are the least preferred variables. The interest rate and number of Branch offices which are considered as a prime factor by the management have a least preference by the respondents. Instead the security assurance which is not even noticed by the management top the priority list. From the analysis it was found that depositors' tendencies to choose financial institutions for deposit depends on the security assurance of their hard earn money. The second crucial variable among the five is the location factors which simply mean the accessibility of the financial institutions at the time

when they are needed. In addition to these, the interest rate on the deposited amount and reducing branch offices shares very nominal effect on the deposit collection endeavour.

### 5.3 Conclusions and Recommendations

From the study and findings above it is recommended for the senior manager to set a criteria for new entrance exclusively from management background only for managers and Counter staff. For the existing staffs that have different background should provide with MBA program for managers and diploma in management for Counter staff.

Reviling from the fact that the young employee are more energetic and creative it is recommended to release old or the employee having enough experience in the same field by introducing VRS (voluntary Retirement Scheme) program.

It is also recommended to develop a policy to provide authority to the young and less experienced (experience less than 10 yrs) employee as a managers.

ADBL really lacks implement able policy to assess the requirement of staff for operating the standardized volume business. In the other financial institutions, especially in private and joint ventures bank, they have been operating a branch office with the help of 6/7 table worker staff. It is suggested to adapt standardized criteria for the operation of the outlets as shown in the table 18 below.

**Table 18: Business Operation Standard**

Category of Office	Outstanding Loan	Staff
Main Banking Office	Excess of Rs. 400 million	22
Type A Branch	Between Rs. (200-400) million	18
Type B Branch	Between Rs. (100-200) million	15
Type C Branch	Between Rs. (50-100) million	12
Type D Branch	Less than Rs. 50 million	7

It is also recommended that the planning process and the strategy for the deposit collection should be developed in branch offices rather than imposing by the head office.

Capabilities of managers in terms of leadership should be developed by providing leadership development training and exposure.

The decrease in market share of ADBL has been on the back of improvements in its customer service, product range and distribution network. ADBL should offer a wider product range through a broader distribution channel mix. It should increase its branch expansion, which in turn will attract retail deposits. Strong deposit franchise will aid the bank to attract retail deposit. Continuous improvement in service quality, innovative product portfolio and increased distribution network could help ADBL to continuously increase its market share. The bank should focus on consumer banking (current account, savings account, children's account, super accounts, fixed deposits, call account, personal loans, cards, etc.), corporate banking (project finance, trade finance, overdraft, revolving credit facilities, etc.), treasury & investments (funds, etc.), international banking (correspondent banking, payments, collections, cash management and foreign exchange transactions, etc.).

Likewise, ADBL should focus more to provide security assurance to the depositors, by marketing not only the ADBL's products and services but also by exposing its financial structure such as ADBL has a more than 50 % government share, it has a largest paid up capital so the Capital Adequacy is high in case of ADBL. It won't be bankrupted by minor changes in market policy and liquidity crunches.

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Respondents: Managers

**To access the most significant component of compitative environment**

No of respondents	interest rate	fast service	reducing BO	prime location	security assurance	Personal relationship of Managers	Personal relationship of Counter Staff
Total	67	77	39	76	78	78	74
<b>Average</b>	<b>3.53</b>	<b>4.05</b>	<b>2.05</b>	<b>4.00</b>	<b>4.11</b>	<b>4.11</b>	<b>3.89</b>

Respondents: Counter Staff

**To access the most significant component of compitative environment**

No of respondents	interest rate	fast service	reducing BO	prime location	security assurance	Personal relationship of Managers	Personal relationship of Counter Staff
	1	2	3	4	5	6	7
1	4	3	4	4	3	4	3
2	4	4	2	5	5	4	4
3	4	5	2	5	5	4	4
4	4	4	2	4	5	4	4
5	5	4	2	4	4	4	4
6	5	5	2	4	4	4	4
7	4	5	2	4	4	4	4
8	4	5	2	4	4	4	5
9	4	5	2	4	4	5	4
10	4	4	2	5	4	5	5
11	4	5	2	4	4	4	4
12	4	5	2	4	4	5	4
13	4	5	2	4	4	5	4
14	4	5	2	4	4	5	4
15	4	5	2	4	4	5	4
16	4	5	2	4	4	5	4
17	4	5	2	4	4	5	4
18	4	5	2	4	4	5	4
Total	74	84	38	75	74	81	73
<b>Average</b>	<b>4.11</b>	<b>4.67</b>	<b>2.11</b>	<b>4.17</b>	<b>4.11</b>	<b>4.50</b>	<b>4.06</b>

## Appendix- 2

### Questionnaire for Managers Set-1

#### Information of the respondents

Present Designation..... Work experience in year.....Age.....

Education: Tick in one

Masters level	Bachelor level	Intermediate level	SLC level

Profit of the Fiscal Year 2066/67 in Rs..... Loan outstanding  
of the Fiscal Year 2066/67 in Rs.....Amount of the deposit  
Fiscal Year 2066/67 in Rs.....

**Please tick the number which is right in your opinion:**

**A) Access the most significant component of the factors affecting in  
deposit collection:**

1. Decreasing trend of deposit collection is the major concern of the management.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

2. Deposit is a major share in the financial resources of the bank.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

3. Deposit collection of this office depends upon capability of the Managers.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

4. Deposit collection is mostly depended upon the educational level of the counter staffs.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

5. Deposit collection is mostly depended upon the age of the Managers.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

6. Deposit collection is mostly depended upon the age of the counter staffs.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

7. Deposit collection is mostly depended upon the experience of the Managers.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

8. Deposit collection is mostly depended upon the experience of the counter staffs.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

9. Deposit collection is mostly depended upon the no. of staffs in branch.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

10. Deposit collection is mostly depended upon the strategies taken by branch.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

11. If any others  
.....

**B) Access the most significant component of education background of Managers.**

1. Manager with management background to bring more Deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

2. Manager with Agricultural background to bring more Deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

3. Manager with other educational background to bring more Deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

4. Manager with Masters Degree to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
5. Manager with Bachelors Degree to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
6. Manager with Intermediate degree to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
7. Manager with SLC to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
8. If any others  
.....

**C) Access the most significant experience of Managers.**

1. Managers of below 5 years of experience are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Managers of 5-10 years of experience are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Managers of 10-15 years of experience are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. Managers of 15-20 years of experience are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
5. Managers above 20 years of experience are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

**D) Access the most significant age of Managers.**

1. Managers of below 25 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Managers of below 25-30 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Managers of below 30-35 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. Managers of below 35-40 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
5. Managers of above 40 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

**E) Access the most significant no of staffs.**

1. No of staffs required for the bank branches is depending upon volume of its businesses.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Increased no. of staff can increase deposit and outstanding.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Increased no. of staff can increase profitability.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. There is no relationship between no. of staff and deposit collection.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

## **F) Strategy related Questionnaire.**

1. Branch office should develop its own strategy to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Head office should develop its branches strategy to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Head office and Branch office need to develop strategy jointly to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. Managers capability can play significant role to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
5. Counters staffs capability can play significant role to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
6. To Increased deposit Managers and Counter staffs play significant role jointly.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

## **G) Most significant component of competitive environment related Questionnaire.**

1. Volume of deposit could be increased through increasing interest rate.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Volume of deposit could be increased by providing fast service.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Volume of deposit could be increased by reducing its branches.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. Volume of deposit could be increased by increasing its outlet in prime location.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

5. Volume of deposit could be increased by assuring security to depositors.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

6. Volume of deposit could be increased by personal relationship of Managers with depositors.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

7. Volume of deposit could be increased by personal relationship of counter staffs.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

**Questionnaire for Counter Staffs  
Set-2**

**Information of the respondents**

Present Designation..... Work experience in year.....Age.....

Education: Tick in one

Masters level	Bachelor level	Intermediate level	SLC level

**Please tick the number which is right in your opinion:**

**A) Access the most significant component of the factors affecting in deposit collection:**

1. Decreasing trend of deposit collection is the major concern of the management.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

2. Deposit is a major share in the financial resources of the bank.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

3. Deposit collection of this office depends upon capability of the Managers.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

4. Deposit collection is mostly depended upon the educational level of the counter staffs.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

5. Deposit collection is mostly depended upon the age of the Managers.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

6. Deposit collection is mostly depended upon the age of the counter staffs.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

7. Deposit collection is mostly depended upon the experience of the Managers.  
 1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
8. Deposit collection is mostly depended upon the experience of the counter staffs.  
 1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
9. Deposit collection is mostly depended upon the no. of staffs in branch.  
 1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
10. Deposit collection is mostly depended upon the strategies taken by branch.  
 1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
11. If any others  
 .....

**B) Access the most significant component of education background of counter staffs.**

1. Counter staff with management background to bring more deposit.  
 1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Counter staff with agriculture background to bring more deposit.  
 1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Counter staff with educational background to bring more deposit.  
 1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. Counter staff with educational background to bring more deposit.  
 1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
5. Counter staff with other educational background to bring more deposit.  
 1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

6. Counter staff with Masters Degree to bring more deposit.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

7. Counter staff with Bachelors Degree to bring more deposit.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

8. Counter staff with Intermediate to bring more deposit.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

9. Counter staff with SLC to bring more deposit.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

**C) Access the most significant age experience of counter staffs.**

1. Counter staffs of below 5 years of experience are more competent to bring more deposit.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

2. Counter staffs of below 5-10 years of experience are more competent to bring more deposit.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

3. Counter staffs of below 10-15 years of experience are more competent to bring more deposit.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

4. Counter staffs of below 15-20 years of experience are more competent to bring more deposit.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

5. Counter staffs above 20 years of experience are more competent to bring more deposit.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

**D) Access the most significant age of counter staffs.**

1. Counter staffs of below 25 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Counter staffs of below 25-30 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Counter staffs of below 30-35 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. Counter staffs of below 35-40 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
5. Counter staffs of above 40 years of age are more competent to bring more deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

**E) Access the most significant no of staffs.**

1. No of staffs required for the bank branches is depending upon volume of its businesses.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Increased no. of staff can increase deposit and outstanding.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Increased no. of staff can increase profitability.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. There is no relationship between no. of staff and deposit collection.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

## **F) Strategy related Questionnaire.**

1. Branch office should develop its own strategy to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Head office should develop its branches strategy to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Head office and Branch office need to develop strategy jointly to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. Managers capability can play significant role to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
5. Counters staffs capability can play significant role to increase deposit.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
6. To Increased deposit Managers and Counters staffs play significant role jointly.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

## **G) Most significant component of competitive environment related Questionnaire.**

1. Volume of deposit could be increased through increasing interest rate.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
2. Volume of deposit could be increased by providing fast service.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
3. Volume of deposit could be increased by reducing its branches.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree
4. Volume of deposit could be increased by increasing its outlet in prime location.  
1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

5. Volume of deposit could be increased by assuring security to depositors.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

6. Volume of deposit could be increased by personal relationship of Managers with depositors.

1. Strongly disagree 2. Disagree 3. Neither agree nor disagree 4. Agree 5. Strongly agree

7. Volume of deposit could be increased by personal relationship of counter staffs.

1. Strongly disagree 2. Disagree