

**Study on  
Service Delivery System of Commercial Bank of ADBL**

**A Thesis  
Submitted to Central Department of Rural Development in Partial  
Fulfilment of the  
Requirements  
for the Award of the Degree of Master of Arts  
in Rural Development**

**DEV HARI SUBEDI  
Exam Roll No.: 3674 (2061-63)  
T.U. Regd. No.: 60809-88  
Central Department of Rural Development  
Faculty of Humanities & Social science  
Tribhuvan University**

**Kathmandu, Nepal  
February 2011**

## APPROVAL CERTIFICATE

This is to certify that the thesis entitled **Study on Service Delivery System of Commercial Bank of ADBL** written and submitted by Mr. Dev Hari Subedi has been examined. It has been declared successful for fulfilment of the academic requirements towards the completion of Masters of Arts in Rural Development.

### THESIS COMMITTEE

.....  
External Examiner

.....  
Thesis Supervisor

.....  
Head  
Central Department of  
Rural Development

## **RECOMMENDATION**

This is to certify that Mr. Dev Hari Subedi has prepared the thesis entitled **Study on Service Delivery System of Commercial Bank of ADBL** under my supervision and guidance. I hereby forward this thesis for final evaluation and approval.

.....

**Suman Baskota**

**Supervisor**

**Central Department of Rural Development**

**Tribhuvan University**

**Kritipur, Kathmandu Nepal**

## ACKNOWLEDGMENTS

Efficient service delivery system is an integral and esteem concern of every business organization. In the context of Smooth operation, one wouldn't think to accomplish its objective without addressing the clients' prime concern and contentment. ADBL as a major financial institution also can't smoothly run its business activities without addressing and materializing the improved system in service delivery mechanism especially in the commercial banking areas. This research study is a noble attempt to find the way out for delivering services to the depositors and clients efficiently thereby addressing various sectors directly concerned to the clients' impression such as layout of the office, front desk management, efficiency of counter staff, capability of the managerial staff, mode of office management etc.

To accomplish this study prolifically the present study “**Study on Service Delivery System of Commercial Bank of ADBL**” has been pursued for the partial fulfilment of Degree of Master of Arts in Rural Development. At the out set, I would like to express my deep sense of indebtedness to my respected research advisor, Suman Baskota(Central Department of Rural Development Tribhuvan University), for his valuable suggestions, keen guidance and kind cooperation. I also acknowledge my deepest gratitude to respectable teacher **Prof. Dr. Pradeep Khadka**, Head of Department for his kind co-operation and inspiration.

My respect is due to all my honourable teachers and staff of Central Department of Rural Development Tribhuvan University for their appreciation and help.

I would like to express my hearty thanks towards all of my family who always created good environment and regularly promoted for this study. In addition, my appreciation goes to all my friends who helped me for this research study especially Mr.Ganga Datta Acharaya, Mim Lama and Rajendra Darai.

Staffs of the ADBL who helped me providing valuable information, are heartily acknowledged. It will be injustice from my part if I don't cherish a memory to my friend & staffs of ADBL, for their help in filling the questionnaire and providing information related to research work.

This research report is not complete and satisfactory. There are several shortcomings and limitation. I am fully alone responsible for all those.

Dev Hari Subedi

February 2011

## **Abstract**

*During the study, observation has been made by visiting 10 (nine valley branches and one Banepa branch) commercial branches of ADBN. Interactions were made with 63 counter staff (both section officers and assistants) and 10 Managers of the branches. The interaction was accompanied by formal and informal questions. The informal questionnaire was directly related to the observation of researcher on points like office lay out, customer dealing, staff efficiency and logistic support in the branches of ADBL. The formal questionnaire was intended to seek response from Managers and Front line staff with regard to work experience, work performance, training profile, job satisfaction, problem faced and suggestions to improve the performance.*

*While the informal questionnaires led to the branch specific matters which could be addressed on branch to branch basis, the responses on formal questionnaires revealed following main points:*

*Sixty five percent of the staffs were above 44 yrs age and only 23 percent below 34 yrs age.*

*Most (73%) of the staff are either local or of adjoining areas of the Kathmandu valley.*

*Seventy percent of the staff possess services period more then 10 yrs in the bank with experience mainly in cash department.*

*Almost 63 percent of staff has undergone various training program in the bank.*

*All managers interacted were above 45 yrs with 80 percent in above 50 yrs age category. The minimum job period was 15 yrs in bank.*

*Though the job period was very long, the experience on commercial banking was very short and up to three yrs only for most (70%) of the managers.*

*Most (90%) of the incumbents possess qualification of graduation /or above with locals beings 80 percent of the incumbents.*

*Seventy percent of the incumbents possess job satisfaction with citing problem of lack of competent manpower in 20 percent instances.*

*The major constraint in better front line service delivery system in the bank is indifferent attitude and approach of the counter staff. The reasons are age factor and complacency factor. It is therefore felt necessary to keep young age (up to 30 yrs) staff at the counter by replacing the older age staff that can be placed in other divisions. Further, in order to have uniformity in all the branches of ADBL, all the front line staff must be in the*

*official dress with hanging of office ID card in the office during office time. In addition to these, all the staff in the office should be given job description with clear responsibility and benchmark for the work performance. The performance should be reviewed on regular basis with clear policy of reward (Incentive, good placement, promotion) and punishment (demotion, transfer to rural offices) in the bank.*

*Cheque payment tellers should be equipped with a PC having scanned Signature Verification module to provide speedy and reliable service to the customers. For double checking purpose, the Head Teller should also be equipped with the PC having interconnected scanned Signature Verification module. This will pave the way for smooth continuation of existing double control operating system of the bank in cash area.*

# TABLE OF CONTENTS

CHAPTER	TITLE	PAGE NO.
	Title Page	i
	Thesis Approval	ii
	Recommendation	iii
	Acknowledgements	iv
	Abstract	v
	Table of Contents	vii
	List of Tables	ix
	Abbreviations / Acronyms	x
<b>I</b>	<b>INTRODUCTION</b>	<b>1-8</b>
	1.1 Background	1
	1.2 Main Functions of the ADBL	4
	1.3 Statement of the Problems	5
	1.4 Objectives of the Study	6
	1.5 Significance of the Study	6
	1.6 Limitation of the Study	7
	1.7 Organization of the Study	7
<b>II</b>	<b>LITERATURE REVIEW</b>	<b>9-12</b>
	2.1 Introduction	9
	2.2 Basic Operational Areas	11
	2.2.1 Agricultural and Rural Finance	11
	2.2.2 Commercial Banking	11
	2.2.3 Micro-Finance	12
	2.3 Institutional Development Program and SFCLs	12
	2.3.1 Small Farmers Development Bank	13
	2.4 Organization of Management	13
	2.5 ADBL a Changing Regime	14
<b>III</b>	<b>RESEARCH METHODOLOGY</b>	<b>15-19</b>
	3.1 Study Area	15
	3.2 Research Design	15
	3.3 Nature and Sources of Data	16
	3.4 Research Procedure	16
	3.5 Population and Sampling Procedures	16

	3.6 Data Collection Techniques	17
	3.7 Data Analysis Tools	18
	3.8 Validity and Reliability	19
<b>IV</b>	<b>STUDY FINDINGS</b>	<b>20-37</b>
	4.1 Findings of formal visits	20
	4.1.1 Assessment of Counters Staffs' performance	20
	4.1.2 Assessment of Managers' performance	32
	4.2 Findings of informal visits	36
	4.3 Best Practices of Commercial Banking of ADBN	37
<b>V</b>	<b>CONCLUSIONS AND RECOMMENDATION</b>	<b>38-42</b>
	5.1 Conclusions	38
	5.1.1 Matters to be addressed in organizational level	38
	5.1.2 Matters to be addressed in branch level	39
	5.2 Recommendations	39
	5.2.1 Office management	40
	5.2.2 HR management	40
	5.2.3 Front desk management	40
	5.2.4 Concerning Divisions and Their Accountabilities for Execution of Recommendation	41
<b>VI</b>	<b>Reference</b>	<b>43</b>
<b>VII</b>	<b>Appendices</b>	<b>44</b>
	Checklist for the informal visits	
	Checklist for the formal visits	
	Specific Checklist	

## LIST OF TABLES

Table No.	Title	Page No.
1	Sample office and respondents	20
2	Rank of counter staff	21
3	Working Unit of the Counter Staff	21
4	Age grouping of the staff	22
5	Residential Scenarios of Commercial Banking Staff at Kathmandu Valley	23
6	Staff's Service Category	24
7a.	Scenario of Staff experiences	24
7b.	Scenario of Staff Experiences	25
8	Staff Experiences on ADBN's Various Unit	25
9	Staff's Participation Level in Training	26
10	Credit Management and Enterprises Development Training	26
11	Participation Level on Computer Training	27
12	Academic Qualifications	27
13	Level of Job Appropriateness	28
14	Signature Verification per day	28
15	Competences of Staff	29
16	Nature of Problems Faced by Staff	29
17	Barriers of Effective Delivery System of Commercial Banking	30
18	Suggestion for Improvement of Service Delivery System	31
19	Age Grouping of the Staff	32
20	Year of Service Period	32
21	Address of the Staff	32
22	Overall Work Experience	33
23	Commercial Banking Experience	33
24	Training Profile	33
25	Academic Profiles	34
26	Job Satisfactions	34
27	Problem Encountered	34
28	Barriers for Efficiency Improvement	35
29	Suggestions for Improvement of Service Delivery System	35
30	Findings of Informal Visits	36

## ABBREVIATIONS/ ACRONYMS

ADBL	Agricultural Development Bank Limited
C.B.	Commercial Bank
CBS	Central Bureau of Statistics
CTI	Central Training Institute
Dept.	Department
FY	Fiscal Year
Govt.	Government
HR	Human Resource
ID	Identification
NBA	Non Banking Asset
NPA	Non Performance Assets
Nrs.	Nepalese Currency
RRA	Rural Rapid Appraisal
Yrs	Years

# CHAPTER-ONE

## INTRODUCTION

### 1.1 Background

Nepal is a small developing country with a unique geographical feature. It is a land locked country surrounded by India in the East West and South and by China in the North. It covers an area of 54,326 sq. miles and runs along 500 miles from the east to the west and 80 to 150 miles from North to South. The most important productive assets of the country include the land with wide climate and attitudinal variations, the perennial rivers and the Himalayas. According to the census data published in 2058 B.S the total population of Nepal is 2 crores 31 lakhs 51 thousand 4 hundred and 23. A sound banking system is a precondition for a healthy macro economy and efficient macroeconomic policy formulation. Bank plays a critical role in the working of market economy. An efficient banking system becomes a top priority as country moves towards a free market economy. A good working banking system allows private sectors saving to be retained in the country, which further promotes investment needed for growth. In addition, an effective banking system allows for price stabilization and positives real interest rates making deposit money more attractive as compared to cash (Census, 2058).

The economic development of the country is guided by the central bank. The bank has played important role in developed countries but much more so in case of underdeveloped countries. Because, in the developing countries growth factor is more important than developed country. Financial development and economic development go side by side and the need for policies to raise the level of saving through the development of the money and capital market as a prerequisite for the growth has been generally recognized. The development of an efficient financial system often referred to as the process of financial deepening involved the design and diversified financial structure with coordinated money and capital markets and maintain monetary stability. This economic environment should permit maximum savings to be mobilized through financial institution and maximum utilization of these savings in productive investments (Poudel, 2005).

Financial institution like banks to collect scattered money saving and put them into productive channel. In the absence of such institution, it is possible that the saving will not be safely and profitably utilized with in the economy and profitability utilized abroad or channelled into unproductive consumption including real estate speculation. Financial institution and commercial banks through the creation of network of their branches can act as the medium for mobilization the idle resource and providing the credit facilities to the needy. This also helps to lessen the regional economic imbalances which are significant for its financial viability; the role of central bank becomes crucial (Shrestha,2007).

The central bank has to help in the process of capital formation by encouraging mobilization of domestic saving in the economy. Since most under-developed economies are rural oriented where agriculture is the source of livelihood for the masses. The modernization of agriculture is essential for these countries to get out of the trap of underdevelopment. This cannot be done in the absence of provision of adequate credit facilities at cheap cost for agriculture credit.

The central bank is essential in the building up of financial infrastructure in the country. Financial infrastructures are much more important because in the absence of financial infrastructure no resource could be diverted and channelized into productive sectors. As a result growth does not occur.

The economic development of a developing country like Nepal is generally based upon the economic growth of a country. The central bank has necessarily to play a more positive and dynamic role in the development of the sound commercial banking system and the money and the capital markets in the economy.

In the history of banking system in Nepal the establishment of "*Kaushi Tosha Khana*" in the regime of king Prithvi Narayan Shah and "*Tejarath Adda*" in the regime of prime minister Ranoddip Singh was the milestone for the development of banking system in Nepal. In commercial scale, Nepal bank Ltd, the first commercial bank of Nepal is the foundation of modern financial system in the country. Currently, Nepalese financial system comprises of a central bank, Nepal Rastra Bank, 23 commercial banks, 58 development banks, five rural development banks, 79 finance companies, 17 saving and cooperative and 47 NGOs, insurance companies, Nepal stock exchange citizen investment trust, employee's provident fund and postal saving services ([www.nrb.org.np](http://www.nrb.org.np)).

Nepalese financial system is still in evolutionary phase. The existence of unorganized money market consisting of landlords, shahukars, shopkeepers and often indigenous individual money lenders are the barriers for development of financial institution mostly in the urban areas makes the preserve of unorganized money markets in the rural area.

In Nepal economic growth and development has been considered as an primal objective of economic planning since the beginning of the first five year plan in 1956. Objectives of the plan were to increase production, employment, and to improve the living standard of the people. To fulfil these objectives of planning it was necessary that banking activities especially to loan was to be regulated as per priority. Thus, Nepal Rastra Bank as the central bank of Nepal was established under the first five year plan, in 1956 A.D. The Nepal Rastra Bank as the Nepalese central bank is a friend, philosopher and leader of the overall banking and financial institution. The role of the NRB as a central bank is related with the financial system in particular and the economy in general.

Agricultural Development Bank Limited (ADBL) was established in 1968 with the major objective of improving the socio economic of rural populace. With the enactment of Bank and

Financial Institution Ordinance (BFIO), ADBN act 1967 was repealed and the operation of ADBL is now governed by the BFIO. Concurrently with its commercialization/ restructuring process, ADBL has established itself as a Public Limited Company with an A-class operational license from Nepal Rastra Bank. This new identity provides ample opportunities for the bank to reach under coverage areas with more potentiality for full banking activities. Further, the Bank has broadened its range of credit services and provides all facilities to meet the entire banking need of the enterprises and the household purely based on the feasibility of the ventures and the repayment capability of the borrowers (CTI, Annual Report, 2006/07).

Despite the enactment of BFIO, the role of ADBL in the rural finance is still crucial because of its substantial outreach and expertise in the rural areas. As a result, the tenth plan places a heavy responsibility on ADBL to meet the credit needs of the agricultural and the rural sector. Of the total projected credit demand of Rs. 1000.75 billion for the plan period, ADBL is expected to deliver 52.7percent. In the perspective, ADBL has made its identity as a pioneer rural financing institution covering around 71 percent of the total formal credit. In the mean time, looking within the domestic arena, especially in the financial sector, ADBL maintains its articulate position on the way of providing better services to its client. However, in a changes financial environment and impressed cutthroat competition, ADBL needs to be competent to cope with the challenges for providing better services to the clients more effectively and efficiently to sustain tin the long run (CTI, Annual Report, 2006/07).

Prior to the establishment of ADBL in 1968, Co-operative Bank establishment in 1963 was considered as the prime institution providing agricultural credit, Land reform Savings Corporation (LRSC) establishment in 1966 was also active to handle the compulsory savings collected under the land reform program. But, later on, these institutions could not mark their identity up to the expectation due to limited agricultural financing scopes. Consequently, the Cooperative Bank with border scope of extended credit to cooperatives, individuals & corporate bodies engaged in agricultural activities & agro based enterprises. Later in 1973, the LRSC was also merged with the ADBL. In 1984, the amendment in the Act permitted ADBL to extend commercial banking activities to mobilize urban resources in the rural areas. Following this, ADBL became a sole financial institution in the strengthening its network in all the geographical regions- the Mountains, the Hills and the Terai (CTI, Annual Report, 2006/07).

ADBL as a major socio economic development agent shows a high propensity to concentrate on some targeted credit programs to lift the poor out of economic hardships in the form of Small Farmers Development Program (SFDP). This program was introduced with the major objective of uplifting the socio-economic condition of the rural populace. Later in 1993, ADBL initiated farmers' co-operative approach by transferring SFDP into the Small Farmers Co-operative Limited (SFCL) as a graduation process. This approach was initiated w with the view of strengthening institutional management capacity to implement SFDP. Now ADBL as a

commercial bank with “A” class license is meant to execute its new vision, mission and objective:

**A) Vision**

ADBL aims to be the preeminent bank, providing banking services throughout Nepal.

**B) Mission**

To deliver comprehensive banking and financial services capitalizing on its extensive network with particular reference to the development of the rural economy.

**C) Objective**

To provide quality banking and financial services to clients through the adoption of a market-driven strategy delivering sustained and competitive return on investment.

## **1.2 Main Functions of the ADBL**

The main functions of the ADBL are to:

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

On the way of executing its main function in the financial market, the bank gives its priority on building reputation for professionalism, competitive pricing, reliability and quality service and innovation. In addition, the bank fasters its operation in accordance with the best banking practice, acting with financial prudence and keeping in mind the need to balance profitability with asset preservation and liquidity and to safeguard depositors funds (CTI, Annual Report, 2006/07).

### **1.3 Statement of the Problems**

A paper presented by Mr. Krishna Bahadur Kunwar at the workshop of executive Officers of ADBN for formulation of implantation strategies held on Bhadra 25-27 at Godavari, Kathmandu envisaged the need of conducting a study on dealing of employees with the costumers, office environment and efficiency of staff and data updating and service delivery systems (Kunwar, 2004). External experts pointed-out that deposit collection has been rising rapidly due to the good image of ADBL in banking sectors. It is good opportunity for ADBN to collect financial resources from urban areas thereby invest in the business activities of countryside. So far, data shows that use of fund in "other category" by other commercial banks is in between 11 percent to 16 percent while ADBL has contributed as high as 46 to 50 percent. It means that one-third to two fifth of the total deposit of ADBL has been invested in rural areas. Although, ADBL has not been mobilized its total deposit fully. On the other hand, commercial banking of ADBN has collected fixed deposit of about 35 percent only. Therefore, this amount is not adequate for 55 long-term investments. As a result, investment stood at 1.5 percent in long-term loan whereas 55 percent is invested in short term and 43 percent in medium term. In the commercial banking, capital to credit ratio has found 7 percent, which is very low compared to 15 percent in the developing countries keeping the depositors at high risk. Repayment rate of commercial banks should maintain almost 100 percent from the investment. On the contrary, its position is almost 60 percent, which is less than the national average.

Rising NPA and NBA are other major problems of commercial banking of ADBL. Strong monitoring cell at the central level of ADBL is needed to address this problem. Psychology of clients shows that ADBL is extending credit from the subsidized or donor's fund. Due to such misunderstandings, repayment has become low so that ADBL should educate the people correctly before investing. Such type of practice is not found in ADBL field offices. On the other hand, commercial banks of ADBL have been providing credit through traditional approach of "hold collateral and leave alone". Therefore, ADBL has to face great challenges to compete with other private banks in advancing loan from hire purchase to service. In conclusion, commercial banking window of ADBL needs to keep itself away from traditional culture, improve efficiency in its services, invest deposit in profitable projects, improve repayment rate, and reduce overhead cost as well (Pokharel, 2004).

### **1.4 Objectives of the Study**

Major objective of the study has been undertaken as to improve the service delivery system of commercial banking window of ADBN. Other specific objectives of the study are as follows:

- J To assess the appropriateness of desk arrangement and client service environment to perform the banking operation, dealing with clients and efficient services.
- J To assess the adequacy of logistics(Computers, Calculators, tailors machines etc.)
- J To check whether the job responsibilities of each staff is assigned and assess their performance as per job assignment.
- J To assess the rewards and punishment system adopted in order to maintain trust and attraction and

## **1.5 Significance of the Study**

Despite the enactment of BAFIO, the role of ADBL in the rural finance is still crucial because of its substantial outreach and expertise in the rural areas. As a result, the tenth plan places a heavy responsibility on ADBL to meet the credit needs of the agricultural and the rural sector. Of the total projected credit demand of Rs.1000.75 billion for the plan period, ADBL is expected to deliver 52.7percent. In the perspective, ADBL has made its identity as a pioneer rural financing institution covering around 71 percent of the total formal credit. In the mean time, looking within the domestic arena, especially in the financial sector, ADBL maintains its articulate position on the way of providing better services to its client. However, in a changes financial environment and impressed cutthroat competition, ADBL needs to be competent to cope with the challenges for providing better services to the clients more effectively and efficiently to sustain tin the long run.

## **1.6 Limitation of the Study**

Observation of the ADBN commercial banking has taken major approach for this study. Observations have taken account of both formal and informal type.

So far, the functional area of the ADBL is very big. It has different sectors function. The present study focuses only on ADBL's changing service delivery system of the bank. Therefore, this study will not represent the total restructure of bank. The study main base on primary & secondary information. The study will not be able to show the total life picture of the bank.

## **1.7 Organization of the Study**

The whole study will be divided into the following five chapters:

### **Chapter-I: Introduction**

This chapter included introduction, Brief overview on the ADBL, Statement of the problem, objectives of the Study, Significance of the study and Limitation of the Study.

## **Chapter-II: Review of Literature**

This Chapter denotes conceptual frame works, Agricultural Development Bank's operation area, its management organization and restructuring program, Major empirical studies, Review of research, Work by reviewing some project of relating fields, identifying their findings.

## **Chapter-III: Research Methodology**

This chapter explain the methodology of research. The study main base on primary & secondary information.

## **Chapter- IV: Presentation and Analysis of Data**

This chapter is the most important of this study. This is present and analysis relevant data and applying useful tools. Tables are interpreted to accomplish the objective of the study.

## **Chapter-V: Summary Conclusion and Recommendations**

This final chapter is the major consideration of this study. Findings, Conclusions and Recommendations are mentions in this chapter. It represents and denotes all thoughts of the research, which must be useful for the welfare of ADBL, Researcher and Concerned parties.

# CHAPTER- TWO

## LITERATURE REVIEW

### 2.1 Introduction

In earlier chapter, something about ADBL has been already highlighted. Now, in this chapter what others have stated and written regarding ADBL research, they are available from libraries documents collection centre and others information managing bureaus. Therefore, I have made an attempt to review useful literature relevant to my study as they provide Ideas, Policies and Data inputs to my analysis. This will help me to avoid duplication and provide guidelines to update and improve my study. This chapter includes review of the following relevant literature.

Agricultural Development Bank limited (ADBL) is an "A" class financial institution licensed by the Nepal Rastra Bank, which is the central bank of Nepal. In the early days of business, it was a statutory company, which was operating under the Agricultural Development Bank Act, 1967. Furthermore, it replaced the then Cooperative Bank Act, 1957. Therefore, this bank has been through different turning points in its own business cycle. Similarly, ADBL is developing different products and services to satisfy the needs of the customer in different points of time (Regmi, 2007).

Being a pioneer rural financial institution of Nepal, ADBL has a long history even though the bank is slow and steady about both product design and service delivery mechanism. Conceptually, the bank is very much positive about change and reform but there is a little gap in practice. In this ground reality, the interest of both customer and the bank will not easily be achieved. Therefore, the current paradigm shift is vital and important in real sense. Everyone in the organization (stakeholders) such as customer, investor, management, employees and others need to perceive the mode of change in a proper way. This will robust the organizational growth and development in the days to come (Regmi, 2007).

In a changing context, the slow and steady will lose the business whereas the fast and consistency is the preliminary requirement to be successful in the current business world. Designing new products, evaluating existing products and repositioning of the old products are very important in business. Similarly, product delivery mechanism should also be analyzed and evaluated regularly and corrective measures should be applied for betterment. All these activities must be done with a focus on the customers' needs and expectations in a proper period. The customers' taste, needs, wants and expectations are changing frequently in the business world. Therefore, everyone in the business world is very sensitive about market opportunities. Similarly, ADBL also needs to be customer-centric in product designing and repositioning to exploit the market opportunities and develop the bank as a "financial supermarket", where the customer can fulfil their all thrust (Regmi, 2007).

The varieties of products mean the availabilities of many choices to the customer, which will always encourage ADBL is also operating a Central Training Institute (CTI) at corporate head office and five Regional Training Centers (RTCs) with residential facilities in five development regions. The CTI and RTCs conducts training and seminars particularly for enhancing abilities and skills of organizational members.

Agricultural Development Bank, Nepal has been implementing its financing activities since 1968 for ameliorating the socio-economic status of rural populace. As per its major objective, it has been imparting credit services across the country through its main branches, branches, sub-branches and depot offices. ADBN amended its policy in 1984 by getting approval for operation of commercial banking window in order to collect deposits from the urban areas and mobilize the same in the rural areas of Nepal. For this purpose, ADBN had initiated commercial banking branches since 1984. First branch of commercial banking window was open in Ratnapark. Observing the positive impact of Ratnapark branch, ADBN has opened other commercial banking branches in the main centre of urban areas such as Kathmandu, Lalitpur, Bhaktapur, Narayanghat, Hetauda, Birgunj, Bhairahawa, Nepalgunj, Dhangadi, Janakpur, Rajbiraj, Dharan, Ithari, Biratnagar, and Birtamod etc. Total number of commercial banks, which is call in in-house "banking branch offices" reached to 54 in F/Y 2007/08 (Regmi, 2007).

In the present market with the introduction of BAFIA, overall banking activity follows single dimensional paradigm and tries to govern all financial institution under a single Act. In this new entity, all banks and financial institutions can carry out their business based on capital formation and category licensed by Nepal Rastra Bank. This new entity in financial market has opted ADBL to change its operational status especially operating development and commercial business using one door system and making no demarcation in commercial and development financing business. As such, ADBL now is executing its entire financial business focusing on full-fledged banking activities and has propagated its business around Rs.34.40 billion.

This progress is mainly accompanied by portfolios like:

- ) Agricultural business Loan
- ) Production Loan
- ) Wholesale Loan
- ) Service & Consumption loan

As a visible outcome, the lending and collection portfolio of the banking portfolios also tuned to Rs.30.6 billion and Rs.29.4 billion respectively as of mid July 2007 (CTI Annual Report 2006/07).

## **2.2 Basic Operational Areas**

- J Agricultural and Rural Finance
- J Commercial Banking
- J Micro-Finance

### **2.2.1 Agricultural and Rural Finance**

The bank provides credit services broadly on short, medium and long term basis to individuals, co-operatives and corporate bodies. Short-term loans are provided for the period of maximum 2 years for the activities such as production, working capital, marketing and non-farm activities. Medium-term loans are extended for the period of 2 to 7 years for irrigation, farm mechanization, agro/cottage industries (fixed investment) and agri-business including livestock. Long-term loans are provided for the period of more than 7 years for the purposes like warehouse, cold storage, tea/coffee and horticultural crops having long gestation period.

In addition to providing rural and agricultural credit, the bank accepts saving from borrowers in the form of Client Security Fund. Moreover, the bank is also involved in technology promotion particularly in the field of surface and ground water irrigation, micro-hydro and alternative energy including biogas as well as solar power (CTI Annual Report, 2006/07).

### **2.2.2 Commercial Banking**

With the primary objective of mobilizing urban resources to the rural sector, the bank is undertaking commercial banking operations since 1985. The activities of commercial banking operation broadly include deposit collection and lending operation. Besides, services related to guarantee and fund transfer through draft, fax, inward bill collection, outward bill collection etc. are also provided to clients. Deposit services are made available for demand deposit (current account), saving and term deposits. In lending operation, the bank has concentrated on commerce, industry, overdraft (general and industrial), contract, hire-purchase (construction and transportation), service loan (tourism, health, secretarial services etc), demand loan, educational loan, house loan, project loan and agriculture loan.

### **2.2.3 Micro-Finance**

Small Farmer Development Program (SFDP): The SFDP was initiated in 1975 with the objective of improving socio-economic conditions of the rural poor including women by bringing them into the mainstream of development process. Group approach is the fundamental basis for program implementation. Households having per capita family income of less than or equal to Rs. 2500 and /or a land holding size up to 0.5 ha. are categorized as small farm families for providing financial and non-financial services through SFDP.

Credit is provided for different purposes related to production, marketing, and other income/employment generating activities. To develop saving habit among small farmers, group saving and its mobilization is also being undertaken as an integral component. As complementary input to credit and saving services, the target groups of the program are also trained in different areas such as group management and its functioning, saving mobilization, income generating activities etc. Moreover, social and community development activities are also being undertaken for the welfare of rural people (CTI Annual Report, 2006/07).

## **2.3 Institutional Development Program and SFCLs**

In view of the few shortcomings of SFDP such as high operating cost and slow growth in outreach, an alternative approach of empowering the target groups was initiated within SFDP framework through Institutional Development program (IDP). Under this approach, small farmers are encouraged to build up autonomous and viable institutions owned, managed and controlled by themselves. Such autonomous body is named as Small Farmer Co-operative Limited (SFCL) which is registered under co-operative Act. The beneficiaries of SFCLs are provided intensive training in different areas such as office management, book keeping, group functioning etc for capability development and the SFDP's assets and liabilities are ultimately handed over to the SFCL. After the completion of hand over process, the bank provides wholesale credit to these institutions from which loans are provided to the target groups.

The initial results of SFCLs are noted to be positive particularly in the areas of financial viability, leadership development, participation and internal resource mobilization and expansion as well as diversification of program activities. Some of the SFCLs are emerging with notable outcome and are capable of replicating Institutional Development Process on their own. Moreover, 11 SFCLs are carrying-out limited banking operation under the supervision of the central bank. One of the remarkable features of SFCLs is low level of operating expenses i.e. only 2.3% of loan portfolio. As per the study carried out by GTZ, these grassroots level institutions have maintained high growth rate in saving collection and continuously increased quality of loan portfolio (CTI, Annual Report, 2006/07).

### **2.3.1 Small Farmers Development Bank**

To provide qualitative and effective financial and non-financial services exclusively to SFCLs, ADBN established Small Farmers Development Bank Limited (SFDBL) as its subsidiary development bank in 2002. SFDBL is owned by the Government, ADBN, two commercial banks and SFCLs. However, as per the plan, the shares presently owned by ADBN and the Government will be gradually off loaded to SFCLs. ADBN has envisaged that after next five years, SFCLs will own majority of shares of SFDBL. Consequently, these institutions will be in a position to control the management of this apex level bank.

## 2.4 Organization of Management

The Board of Directors is the apex body of the bank. It formulates policies as well as strategies and provides guidance to the management. The Board comprises a total of eight members; three members representing Ministry of Finance, one member each representing the Ministry of Agriculture as well as the Ministry of Land Reform and two members representing individual shareholders. Besides, one member is nominated by the Board as per the BAFIA. Audit Committee and Governance Committee in the area of internal control and good governance respectively support the board.

The Chief Executive/General Manager executes the day-to-day operation of the bank. The Chief Executive/General Manager is closely assisted by two Deputy General Managers and 12 Division Chiefs. Moreover, General Manager is supported by Asset and Liability Committee for various activities related to risk management.

The bank has three-tier organization structure consisting of Head office, Regional offices (ROs) and field offices. Field offices are further categorized into four levels; main branch, branch, sub-branch and depot depending particularly upon their volume of business. The head office is the policy making body at the top, field offices are implementing units at the bottom and ROs with monitoring and supervisory role are in between (CTI, Annual Report, 2006/07).

## 2.5 ADBL a Changing Regime

ADBL after receiving a new dimension of governing body and having been registered under BAFIA provision, its status has changed drastically. Its entity is not only changed in terms of legal framework but also in terms of capital structure and business execution. ADBL is now complying to execute all the 16 directives issued by the NRB, regulation of Company Act 2062 and International Best Practices.

### ADBL then and now

ADBL THEN	ADBL NOW
Established under special ADBN Act 1967	Established under company Act 2053 BS and BAFIA Provision
Public limited company under the supervision of Ministry of Finance	Public limited bank under the supervision of Nepal Rastra Bank
Responsible towards government	Responsible towards Shareholders
Needs to take the consent of Ministry of Finance for approval of major decisions, rules & regulations	Decision of Board of Directors and Annual General Meeting in Ultimate.
Appointing entire team of Board Members from government	Appointing only representatives by govt. General Manager and Chairman appointed from Board of Directors
No transaction of Share in Nepal Stock Exchange	Transaction of Share in Nepal Stock Exchange after issuing share for public.
Performing development financing and only	Can executive all sort of modern banking

traditional banking activities	activities like FOREX,L/C,ATM and others
No provision of Share for employee	Provision of 5 percent share for employee at the time of issuing share for public
Authorized Capital of Rs.2 billion	Authorized capital of Rs.12 billion

*(Source: CTI, Annual Report, 2006/07)*

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

Research in common parlance refers to search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. Some people consider research as a movement, a movement from the known to unknown. It is actually a voyage of discovery. According to Clifford woody research comprises defining and redefining problems, formulating hypothesis or suggested solutions collecting, organizing and evaluating data: making deductions and reaching conclusions and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis (Kothari, 2002) Research methodology refers to the various sequential steps (along with a rational, if each step) to be adopted by a researcher in studying a problem with certain object/objects in a view, It would be appropriate to mention that research projects are not susceptible to anyone complete and inflexible sequence of steps and the type of problems to be studied will determine the particular steps to be taken their order too. However, the following steps provide a useful procedural guideline so for as research methodology is concerned (Kothari, 1990).

#### **3.1 Study Area**

The functional area of the ADBL is very big. It has different sectors function. The present study focuses only on ADBL's service delivery system of the bank. During the study, observation has been made by visiting 10 (nine valley branches and one Banepa branch) commercial branches of ADBL. Therefore, this study will not represent the total restructure of bank.

#### **3.2 Research Design**

The formidable problem that follows the task of defining the research problem is the preparation of design of research project; popularly known as the research design. "A research design is the arrangement of conditions for collection and analysis of data in a manner that aim to combine relevance to research purpose with economy in procedure" (Kothari, 2002) In fact the research design is the conceptual structure within which research is conducted; it constitutes the blue print for collection, measurements and analysis of data the research design of this study is descriptive as well analytical. A research design is the specification of methods and producer for acquiring the information need. It is the overall operational pattern of framework of the project that stipulates what information is to be collected from it will ensure that the information obtained is relevant to the research questions and that it was collected by objective and economical procedure.

Observation and questionnaire of the ADBL commercial banking has taken major approach for this study. Observations and questionnaire have taken account of both formal and informal type.

So far, the functional area of the ADBL is very big. It has different sectors function.

### **3.3 Nature and Sources of Data**

The process of information generation involves a combination of various research methods and techniques. These techniques vary from one research study to another. There is no standard set of techniques that can be used in all circumstances, and a deliberate selection of a combination of tools should be used. Nonetheless, data must be collected from secondary as well as primary sources, different techniques should be used, and these will vary with the research objectives. The present study focuses only on ADBL's changing service delivery system of the bank. Therefore, this study will not represent the total restructure of bank. The study main base on primary & secondary information.

### **3.4 Research Procedure**

The collected data has been managed in chapter Four. The following procedures have been taken in this research study:

- ) The important books are collected.
- ) Both primary and secondary data are used.
- ) Data are described in the light of theoretical aspects or basis.

### **3.5 Population and Sampling Procedures**

To achieve desired information in research, sampling process should be scientific and appropriate for the study. Stratified random sampling techniques were applied for Sampling of ADBL commercial banking branches. This Stratified random sampling was used to select the respondents. Ten ADBL Branch offices and Sixty-three employee were interviewed as respondents for the study.

### **3.6 Data Collection Techniques**

In this research paper Rapid Rural Appraisal (RRA) technique was employed by conducting focus group discussion, interaction with key clients and discussion with staff to collect the necessary information.

#### **A. Secondary Data Collection**

Collection of information from secondary sources is vital prior to the initiation of actual field work. Various secondary sources should be tapped, depending upon the objectives of the particular research. Secondary sources include:

- ) Review papers on the issue for the particular region under study.
- ) Published government data/statistics.
- ) Discussions with selected experts from various disciplines.
- ) Informal discussions with selected key-informants.

## B. Primary Data Collection

- ) **Semi-Structured Interviews** at best these are conducted by developing an outline or a guideline in order to maintain the direction of the interview. Such a guideline should indicate the major issues to be covered in the interview and should be referred to frequently during the process of the interview, which is an informal one. The interviewee is allowed to put forward his/her views on a particular issue and the role of the interviewer is to listen and maintain focus and direction to prevent the conversation from going off on a tangent.
- ) **Group discussions** have a special advantage over personal interviews in that a larger body of information can be collected, covering larger groups of people, in a short time. Group discussions are also useful to cross check information. Also, certain information that may be sensitive is more easily obtained in larger gatherings where the source cannot be pinpointed to one individual alone. Participants for focus group discussions may be selected at random, following brief interviews.
- ) **Direct observations** of all major activities may not be possible with RRA. However, taking the time to just walk around in the community, observing activities and asking questions at opportune moments, may yield important information. Lack of correlation between actions and beliefs may sometimes be revealed through such observations.

As necessary following tools and technique are applied in data collection

<b>Technique</b>	<b>Tools</b>
) Survey	Questionnaires
) Interview	Interview guide
) Observation	Checklist
) Focus group discussion	Checklist
) Key informant interview	Checklist

### 3.7 Data Analysis Tools

The bulk of the work in the field is generally carried out through a series of semi-structured interviews. During the course of these interviews, or to supplement them, a variety of communication tools can be utilised to facilitate communication between researchers and related people. The results of these interviews and the various exercises used during them are fed back into repeated workshops during the course of the RRA so that the whole team's understanding is constantly updated. In these workshops, the topics for investigation are reviewed, and the techniques being used checked. New or alternative techniques can then be discussed and the coverage of topics and different disciplines taken into account.

This combination of tools, together with repeated workshops to assess what has been learnt and what needs to be investigated further gives the RRA approach considerable flexibility and an ability to follow up unexpected lines of enquiry and understand processes which may not be immediately apparent. The combination of different viewpoints and disciplines in these workshops, together with the new learning being acquired from a variety of different information-gathering techniques in the field, allow the team to build up a progressively more complex picture of whatever it is that is being investigated.

#### RRA TOOLS

- ) Thematic mapping,
- ) Historical transects,
- ) Topical interviews
- ) Intermediate workshop (team members) (Beebe, 1987)

Communication and learning tools can be used directly to analyse and present information. The process of analysis and presentation of RRA findings is accelerated by the use of tools which present information clearly and can be used directly for analysis and reporting. This, combined with the use of repeated workshops, means that RRAs can produce a concise and useful output considerably quicker than a traditional formal survey.

By the help of statistical tools like table measurement of central tendency, mean, median and mathematical calculation, proportion and percentage had been applied for quantitative data as per necessary and descriptive method had been used for qualitative data.

### 3.8 Validity and Reliability

- ) This study is conducted under the supervision guidance of a thesis supervisor, assigned to supervise by the Central Department of Rural Development, T.U. Kritipur Kathmandu.

- ) A well knitted interview schedule was developed for the interview purpose.
- ) The respondents were requested and encouraged to give fact information while taking information.

## CHAPTER - IV

### DATA PRESENTATION AND ANALYSIS

#### 4.1 Formal Visits

##### 4.1.1 Assessments of Counter staff performance

###### Overview of study office and respondents

This chapter attempts to analyze the information received from the questionnaires, observations, case study, field survey and informal discussions. Especially analysis process and contents are determined as per set of objectives for the study. Study of Service Delivery System of ADBN Commercial banking was confined at ten offices such as Ratna Park, Thamel, Chabahil, Kalimati and Lagankhel from the main branche offices while Kalanki, Soyambhu, Jorpati, bhaktapur and Banepa from branch offices located in Kathmandu valley and its adjoining district. Among these, Seven offices selected from kathmandu district, rest three offices selected from Lalitpur, Bhaktapur and Kavrepalnchowk district.

**Table: 1**  
**Sample office and respondents**

S.N.	Commercial Office	Banking	Respondents(Counter Staff)			Percent
			Male	Female	Total	
1	Ratnapark		5	4	9	14.28
2	Kalimati		0	5	5	7.93
3	Chabahil		7	4	11	17.46
4	Themal		0	10	10	15.87
5	Lagankhel		6	6	12	19.04
6	Kalanki		2	0	2	3.17
7	Soyambhu		1	4	5	7.93
8	Jorpati		3	1	4	6.34
9	Banepa		2	0	2	3.17
10	Bhaktapur		3	0	3	4.76
	Grand Total		29	34	63	100.00
	Gender Proportion		46%	54%		

*Source: Field Survey 2010*

A large number of staff (19.04%) has participated from Lagankhel branch office while the lowest involvement(3.17%)was found from Banepa and kalanki branch office (table 1) in the proportion of gender, female participation(21.13%) was found from Chabahil follows by Lagankhel (20.68%), Ratnapark (17.24%), Bhaktapur and Jorpati (10.34%) likewise kalanki and Banepa participated 6.89 percent and involment from Soyambhu was found one percent only. In the context of female participation, a large number of female involment (29.41%) was found in Themal. However, the rest stood 17.64 percent from lagankhel, 14.70 percent from

kalimati, 11.76 percent each from Ratnapark, Chabahil, Soyambhu and 2.94 percent from Jorpati.

#### Rank of Counter Staff

**Table: 2**  
**Rank of counter staff**

S.N.	Designation	Total Numbers	Percent
1	Section Officer	10	15.87
2	Office Assistant	39	61.90
3	Account Assistant	3	4.76
4	Steno	4	6.34
5	Statistical Assistant	2	3.17
6	Clerk	4	6.34
7	Women Group Organizer	1	1.58
	Total	63	100.00

*Source: Field Survey 2010*

Higher number (61.90%) of involvement in this research study was found from Office Assistants whereas negligible participation (1 to 4 %) was found from Women Group Organizer, Statistical Assistants, Account Assistants, Steno and Clerks (Table.....). This proportion pointed out that Agricultural Development Bank; Nepal has heterogeneous staff working in the commercial banking sector too.

#### Working unit of the Respondents

**Table: 3**  
**Working Unit of the Counter Staff**

S.N.	Working Unit	Numbers	Percent
1	Cash counter	44	69.84
2	Signature Verification	5	7.93
3	Fixed Deposit	2	3.17
4	Remittance/OBC/IBC/Fax/Draft	8	12.69
5	Cashier	3	4.76
6	Counter Journal	1	1.58
	Total	63	100

*Source: Field Survey 2010*

A large number of the staff (69.84%) involved in this research study from cash counter followed by remittance/ IBC/Fax/Draft (12.69%), signature verification (7.93%), Cashier (4.76%) fixed deposit (3.17%) and counter journal staff (1.58%).

## Age Scenario of the Staff

**Table: 4**  
**Age grouping of the staff**

<b>S.N.</b>	<b>Age Interval</b>	<b>Nos.</b>	<b>Percent</b>
1	50-54	4	6.66
2	45-49	12	20
3	40-44	23	38.33
4	35-39	7	11.66
5	30-34	4	6.66
6	25-29	7	11.66
7	20-24	3	5
<b>Total</b>		<b>60</b>	<b>100</b>

*Source: Field Survey 2010*

Age of the staff working in the commercial banking has found heterogeneous ranging from 24 to 54 yrs. Maximum numbers fell under the category of 40 to 44 yrs (38.33%) followed by 45 to 49 yrs. (20%), 35 to 39 yrs. (11.66%) and 25 to 29 yrs. (11.66%). Over the age 50 and below 30 yrs stood very little (table 5)

## Residential Location of Commercial Banking Staff

Table: 5

### Residential Scenarios of Commercial Banking Staff at Kathmandu Valley

SN	Staff's Residential Zone	Staff's Residential District	Local	Adjoining District	Outside District	Total
1.	Mechi	Jhapa	0	0	1(6.25%)	1(1.69%)
2.	Koshi	Sannkhuwasabha	0	0	1(6.25%)	1(1.69%)
		Morang	0	0	2(12.5%)	2(3.38%)
		Sunsari	0	0	1(6.25%)	1(1.69%)
3.	Bagmati	Kathmandu	24(77.41%)	0	0	24(40.67%)
		Lalitpur	7(22.58%)	0	0	7(11.86%)
		Bhaktapur	0	1(8.33%)	0	1(1.69%)
		Kavreplanchowk		2(16.66%)	0	2(3.38%)
		Sindhuplanchowk		1(8.33%)	0	1(1.69%)
		Nuwakot		6(50%)	0	6(10.16%)
		Dhading		2(16.66%)	0	2(3.38%)
4.	Narayani	Chitwan			2(12.5%)	2(3.38%)
5.	Gandaki	Gorkha			1(6.25%)	1(1.69%)
		Kaski			1(6.25%)	1(1.69%)
		Syangja			1(6.25%)	1(1.69%)
6.	Dhaulagiri	Parvat			1(6.25%)	1(1.69%)
		Baglung			2(12.5%)	2(3.38%)
7.	Rapti	Salyan			1(6.25%)	1(1.69%)
		Jajarkot			1(6.25%)	1(1.69%)
8.	Mahakali	Achham			1(6.25%)	1(1.69%)
	Total		31(100%)	12(100%)	16(100%)	59(100%)
	Proportion		(52.54%)	(20.33%)	(27.11%)	

Source: Field Survey 2010

A Large number of the staff working in commercial banking were found from the Kathmandu district (40.67%) followed by Lalitpur (11.86%), Nuwakot (10.16%) Morang, Chitwan, Kavreplanchowk, Dhading and Baglung each stood (2%) and Jahapa, Shankhuwashaba, Sunsari, Gorkha, kaski, Parbat, Salyan, Jajarkot and Achham revealed few numbers (1.69%) from each.

## Service Category

**Table: 6**  
**Staff's Service Category**

S.N.	Service Year	Staff Number	Percent
1	Above 30	1	1.58
2	25-29	6	9.52
3	20-24	18	28.57
4	15-19	18	28.57
5	10-14	1	1.58
6	5-9	9	14.28
7	1-4	10	15.87
	Total	63	100

Source: Field Survey 2010

A large number of staff fell under the category of 15 to 19 and 20 to 24 years service period (28.57%) followed by 1 to 4 years (15.87%), 5 to 9 (14.28%), 25 to 29 years (9.52%), 1 to 4 years and above 30 years service period stood (1.58%). All respondents (100%) were permanent job holders.

## Staff Experiences

**Table: 7 a.**  
**Scenario of Staff Experiences**

S N	Experience Years	Counter	Guarantee	OBC/IBC/Draft Remittance	Signature Verification	Journal Ledger	Fixed Deposit
1	1-3 yrs	14(22%)	4(6.34%)	8(12.69%)	7(11.11%)		3(4.76%)
2	4-6 yrs.	15(23.80%)	1(1.58%)	1(1.58%)	1(1.58%)	1(1.58%)	1(1.58%)
3	7-9 yrs.	6(9.52%)	1(1.58%)		1(1.58%)		
4	Above 10 Yrs.				1(1.58%)		

Source: Field Survey 2010

As per the experience of teller staff, large numbers (23.80%) of staff have gained experiences between 4 to 6 years followed by 22 percent between 1 to 3 years and 9.52 percent between 7 to 9 years experiences. Similarly, on the loan guarantee sector, 12.69 percent acquired experiences of 1 to 3 years and 1.58 percent staff gained experiences of 4 to 6 years. Similarly, on the OBC/IBC/Draft and Remittance, 12.69 percent staffs have gained experiences of 1 to 3 years; however, 1.58 percent staff enriched the experiences of 4 to 6 years. Likewise, on the signature verification, 11 percent staffs have gained experiences 1 to 3 years while 1.58 percent staff acquired experiences of 4 to 10 years. Finally, 4.76 percent staff received 1 to 3 years experiences on fixed deposit while 1.58 percent staff have acknowledged of 4 to 6 years.

**Table:7 b.**  
**Scenario of Staff Experiences**

<b>S N</b>	<b>Experience Years</b>	<b>Administratio n</b>	<b>Account</b>	<b>Loan</b>	<b>Statistics</b>	<b>Typing</b>
1	1-3 yrs	15(23.80%)	15(23.80%)	7(11.11%)	5(7.93%)	
2	4-6 yrs.	5(7.93%)	6(9.54%)	1(1.58%)	1(1.58%)	3(4.76%)
3	7-9 yrs.	2(3.17%)	2(3.17%)	1	0	
4	Above 10 Yrs.	0	11(17.46%)	0	0	

*Source: Field Survey 2010*

In the administration sector, 23.80 percent staff acquired experiences between 1 to 3 years. In addition, 7.93 percent accessed experiences of 4 to 6 years whereas 3.17 percent staff received between 7 to 9 years' experiences. Similarly on the experiences of account, 23.80 percent have enriched experiences between 1 to 3 years followed by 9.54 percent staff between to 6 years, 3.17 percent staff between 7 to 9 years and 17.46 percent have gained experiences of above 10 years. Likewise, on the experiences of loan, 7.93 percent staff got experiences between 1 to 3 years whereas 1.58 percent staff acquired between 4 to 6 years. Similarly on the statistics, 7.93 percent staff enriched experiences of 1 to 3 years wheres 1.58 percent staff acquired experiences between 4 to 6 years. Besides, 4.76 percent staff have gained typing experiences between 4 to 6 years.

#### **Staff Experiences on ADBN's Various Unit**

**Table: 8**  
**Staff Experiences on ADBN's Various Unit**

<b>SN</b>	<b>ADB Institutions</b>	<b>Commercial Banking</b>	<b>Development Banking</b>	<b>SFDP</b>	<b>Regional Office</b>	<b>Head Office</b>
1	1-3 yrs	12(20%)	21(33%)	4(6.3%)	3(4.76%)	3(4.76%)
2	4-6 yrs.	16(27%)	5(8%)	2(3.17%)	2(3.17%)	6(9.52%)
3	7-9 yrs.	11(19%)	4(6%)	3(4.76%)	2(3.17%)	2(3.17%)
4	10-12 yrs.	3(5%)	4(6%)	0	0	2(3.17%)
5	13-15 yrs.	0	5(8%)	0	0	0
6	15 yrs. Above	18(30%)	1(1.58%)	0	0	0
	<b>Total</b>	<b>60</b>	<b>40</b>	<b>9</b>	<b>7</b>	<b>13</b>
	<b>Percentage</b>		<b>63%</b>	<b>14%</b>	<b>11%</b>	<b>20.63%</b>

*Source: Field Survey 2010*

Out of the total staff, 30 percent staff have acquired experiences of commercial banking over the 15 years followed by 26 percent staff between 4 to 6 years, 18 percent between 7 to 9 years and 5 percent between 10 to 12 years experiences. On the other hand, Commercial Banking Staff have enriched experiences of Development Banking (63 %) followed by Head-Office (20.63 %), SFDP (14 %) and Regional Offices (11%).

### Banking Training

**Table: 9**  
**Staff's Participation Level in Training**

S.N.	Training	Frequency	Percent
1	Pre-Service training (10 to 30 days)	9	14.29
2	Banking Training (7 to 30 days)	12	19.04
3	Front Desk Training (3 to 15 days)	19	30.16
4	OBC Training (1 to 7 days)	2	3.17
5	Counter Training (7 days)	1	1.59
6	IC Intro. Training (1 day)	2	3.17
7	Data Mgmt. Training (1 to 7 days)	7	11.11
8	Treasury Mgmt. Training (7 days)	1	1.59
9	Remittance Training ( 1 day)	1	1.59
10	Note Identification Training (1 day)	2	3.17
11	Account Training (3 to 7 days)	3	4.76
12	Effective Customer relation (3 to 7 days)	4	6.35
13	Effective communication (3 to 15 days)	3	4.76

Source: Field Survey 2010

Participation of the staff in training programs was found highly encouraging. One staff has participated more than two training programs. A large number of participation were found in the front desk training (18.09%) followed by banking training(11.42 %), pre-service training (8.51 %), and data management training (6.66 %).

### Credit Management and Enterprises Development Training

**Table: 10**  
**Credit Management and Enterprises Development Training**

S.N.	Training	Frequency	Percent
1	Loan Training (5 days)	1	1.59
2	Credit Appraisal Training (7 to 30 days)	7	11.11
3	Micro Enterprises Training (7 to 21 days)	7	11.11

Source: Field Survey 2010

Credit appraisal training is one of the major aspects of commercial banking particularly to identify profitable projects by analyzing financial viability, screening managerial appropriateness, determining marketing potentiality and institutional capabilities etc.

However, staffs participation in credit appraisal and credit management was found 6.66 percent in each.

### Computer Training

**Table: 11**  
**Participation Level on Computer Training**

S.N.	Training	Frequency	Percent
1	Computer Basic Traing(30 to 90 days)	17	26.98
2	Computer Software Training ( 3 to 15days)	9	14.29
3	Hardware Basic Training (7 days)	1	1.59

*Source: Field Survey 2010*

Computerization in banking sector is one of the major prioritized activities of ADBN. However, this study shows that ADBN is on the proper path to enhance knowledge and skill of its staff in computer science. Hence, 16.19 percent staff received basic computer courses whereas 8.57 percent acquired software courses and 0.95 percent gained hardware training courses.

### Academic Qualifications

**Table: 12**  
**Academic Qualifications**

S.N.	Academic Level	Frequency	Percent
1	S.L.C.	5	8.47
2	I.Com	8	13.55
3	I.A.	18	30.50
4	I. Sc.	1	1.69
5	B.Com	7	11.86
6	B.A.	12	20.33
7	M.Com	3	5.08
8	M.A.	5	8.47
	Total	59	

*Source: Field Survey 2010*

Majority of staff (30.50 %) have passed I.A followed by B.A.(20.33 %), I.Com(13.55 %), B.Com (11.86 %) and M.A.(8.47%) .

## Job Appropriateness

**Table: 13**  
**Level of Job Appropriateness**

S.N.	Description	Frequency	Percent
1	Appropriateness	54	87.71
2	Inappropriateness	4	6.34
3	Not response	5	7.93
	Total	63	100

*Source: Field Survey 2010*

Most of the staffs are satisfied with their job. This study reflects that a large number (87.71 %) of staff were highly satisfied with their job whereas 6.34 percent staff revealed dissatisfied because their qualifications were not counted for promotion and higher responsibilities.

## Signature Verification

**Table: 14**  
**Signature Verification per day**

S N	Signature Verification
1	300
2	300
3	400
4	102
5	400
6	90
7	150
8	150
9	200
10	300

*Source: Field Survey 2010*

On an average 240 cheques were verified by a staff per day. Fifteen percent staffs are involved for this purpose. Most of the staff under this sector are untrained and ignorance for verifying signature correctly.

## Competency of Staff

**Table: 15**  
**Competences of Staff**

S.N.	Description	Frequency	Percent
1	Actively perform responsibility	59	93.66
2	Not perform responsibility actively	4	6.34
3	Problem in job	13	20.63
4	No faced problem in job	50	79.37
5	No need support	34	53.96
6	Support needed	29	46.03

*Source: Field Survey 2010*

A large number (93.66%) of staff performed work actively while 6.34 percent found inactive in their job. Moreover, 79.37 percent staff have not faced any problems whereas 20.63 percent had encountered problems in their job.

## Nature of Problems Faced by Staff

Major problems (18.75%) encountered in signature verification. However, other problems faced by the staff were lack of knowledge on computer, problems of fraud cheques and lack of effective communication (12.5%) in each.

**Table: 16**  
**Nature of Problems Faced by Staff**

S.N.	Nature of problems faced in job	Frequency	Percent
1	Computer not operating properly	1	6.25
2	Lack of Knowledge on computer	2	12.5
3	Problem on IC identification	1	6.25
4	High Risk	1	6.25
5	Lack of training on signature verification	3	18.75
6	Lack of effective communication	2	12.5
7	Over loaded	2	12.5
8	Fraud Cheques	2	12.5
9	Lack of Signature scanning	1	6.25
10	Limited authority delivery	1	6.25
	Total	16	

*Source: Field Survey 2010*

A large number (93.66%) of staff performed work actively while 6.34 percent found inactive in their job. Moreover, 79.37 percent staff have not faced any problems whereas 20.63 percent had encountered problems in their job.

## Major Barriers of Effective Service Delivery System

Table: 17

### Barriers of Effective Delivery System of Commercial Banking

S.N.	Barriers	Frequency	Percent
1	Lack of effective operation	6	10.34
2	Lack of good management	3	5.17
3	Lack of banking environment	11	18.96
4	Lack of counting machine	1	1.72
5	Lack of air cooler	1	1.72
6	Lack of good computer	1	1.72
7	Lack of signature scanning	5	8.62
8	Lack of Knowledge of IC identification	1	1.72
9	Lack of timely promotion	8	13.79
10	Lack of full computerization	13	22.41
11	Lack of account training	2	3.44
12	Lack of map verification training	1	1.72
13	Lack of legal training	4	1.72
14	Unclear rules and regulation	4	6.89
	Total	58	100

Source: *Field Survey 2010*

Major barriers of effective delivery system were found as lack of full computerization (22.41%) followed by lack of banking environment (18.96 %) and ineffective banking operation (10.34%).

## Suggestions for Improvement of Banking Delivery System

Table: 18

### Suggestion for Improvement of Service Delivery System

S.N.	Suggestions	Frequency	Percent
1	Timely promotion	8	5.67
2	Clear rules and regulation	4	2.83
3	Participatory management	2	1.41
4	Computer software training in banking	32	22.69
5	Signature verification training	6	4.29
6	Fax machine	1	0.70
7	Full computerization	9	6.38
8	Posting hardware staff	1	0.70
9	Seat arrangement	3	2.12
10	Develop banking professional staff	12	8.51
11	Organize hardware training	2	1.41
12	Television for clients	1	0.70
13	Staff rotation in counter	5	3.54
14	Support from higher rank staff	3	2.12
15	Strong management	12	8.51
16	Increase physical facilities	13	9.21
17	Increase incentives	6	4.25
18	ATM Facilities	3	2.12
19	Scanning of signature verification	5	3.54
20	Customer friendly environment	5	3.54
21	Provide Training frequently	8	5.67
	Total	141	100

Source: Field Survey 2010

Major suggestions provided by the staff in improving service delivery system of commercial banking are need to be organized computer software training in banking (22.69 %), physical infrastructure improvement (9.21 %), banking professional development (8.51 %), strong management with prompt decision (8.51 %).

#### 4.1.2 Assessment of Managers' Performance

##### Age scenario of the Staff

**Table: 19**  
**Age Grouping of the Staff**

S.N.	Age Interval	Nos.	Percent
1	Above 55	1	10
2	50-54	7	70
3	45-49	2	20
	<b>Total</b>	<b>10</b>	<b>100</b>

Source:  
Field

Survey 2010

Age of the Managerial staff working in the designated commercial banking offices has been found above 45 years. The details are given in following table.

##### Year of Service Period

**Table: 20**  
**Year of Service Period**

S.N.	Service period	Nos.	Percent
1	Above 30	2	20
2	25-29	5	50
3	20-24	1	10
4	15-19	2	20
	<b>Total</b>	<b>10</b>	<b>100</b>

Source: Field Survey 2010

The service period of the incumbents has been found minimum 15 yrs with details as given in following table.

##### Address of the Staff

**Table: 21**  
**Address of the Staff**

S.N.	Status	Nos.	Percent
1	Local	8	80
2	Outsider	2	20
	<b>Total</b>	<b>10</b>	<b>100</b>

Source: Field Survey 2010

Eighty percent of the incumbents are found to be having permanent address in valley as mentioned in following table.

## Overall Work Experience

Table: 22  
Overall Work Experience

S.N.	Experience	Frequency	Percent
1	Commercial banking	1	10
2	Development banking	1	10
3	Head Office	2	20
4	Above all	3	30
5	HO,RO,CB,DB.	1	20
6	CB & DB	2	20
	<b>Total</b>	<b>10</b>	<b>100</b>

Source: Field Survey 2010

The work experience has found in all sectors of bank. For reference, the details are given in table in below.

## Commercial Banking Experience

Table: 23  
Commercial Banking Experience

S.N.	Service period	Nos.	Percent
1	1-3 yrs.	7	70
2	4-6 yrs.	2	20
3	13-15 yrs.	1	10
	<b>Total</b>	<b>10</b>	<b>100</b>

Source: Field Survey 2010

The study has shown that though the officials possess good amount of experience in ADBN, the very experience in Commercial banking is not long as evident from below given table

## Training Profile

Table: 24  
Training Profile

S.N.	Training	Frequency	Percent
1	External	1	10
2	Internal	2	20
3	Both	7	70
	<b>Total</b>	<b>10</b>	<b>100</b>

Source: Field Survey 2010

There has not been lack of opportunity for training for the managerial staff as evident from below given table.

## Academic Profiles

**Table: 25**  
**Academic Profiles**

S.N.	Qualification	Frequency	Percent
1	Master	4	40
2	B.Com	2	20
3	BA and Equal	3	30
4	Missing	1	10
	<b>Total</b>	<b>10</b>	<b>100</b>

Source: Field Survey 2010

Forty percent of the officials are found to be having master degree as far as academic qualification is concerned. The details are as below in table.

## Job Satisfaction

**Table: 26**  
**Job Satisfactions**

S.N.	Job Satisfactions	Frequency	Percent
1	Appropriate	7	70
2	Inappropriate	1	10
3	General	1	10
4	Missing	1	10
	<b>Total</b>	<b>10</b>	<b>100</b>

Source: Field Survey 2010

Most (70%) of the staff seem to be satisfied with the job with following details as mentioned in table below.

## Problem Encountered

**Table: 27**  
**Problem Encountered**

S.N.	Problem	Frequency	Percent
1	None	3	30
2	Managerial Problems	1	10
3	Lack of computer staff	2	20
4	Above all	2	20
5	Loan/NPA collection	1	10
6	Missing	1	10
	<b>Total</b>	<b>10</b>	<b>100</b>

Source: Field Survey 2010

Substantial number (30%) of officials feel that there is no problem for execution of the job while 20% feel that there is a lack of competent staff in their branch. The above given table 27 explain the details:

#### Barriers for Efficiency Improvement

**Table: 28**  
**Barriers for Efficiency Improvement**

S.N.	Problem	Frequency	Percent
1	Not mentioned	4	40
2	Lack of staff in lending	1	10
3	Lack of defined job description and authority	1	10
4	Lack of timely promotion	1	10
5	Staff training	2	20
6	Missing	1	10
	<b>Total</b>	<b>10</b>	<b>100</b>

*Source: Field Survey 2010*

The study shows that the major barrier for the efficiency improvement is lack of effective Human Resource practices in the bank. The details are as below:

#### Suggestions for Improvement of Service Delivery System

**Table: 29**  
**Suggestions for Improvement of Service Delivery System**

S.N.	Types	Frequency	Percent
1	Not mentioned	5	50
2	Reward & Punishment	1	10
3	Above all	1	10
4	Missing	3	30
	<b>Total</b>	<b>10</b>	<b>100</b>

*Source: Field Survey 2010*

During the study, the main suggestions for improvement of Service Delivery system in the bank are related to Human Resource aspect with details as above.

## 4.2 Findings of Informal Visits

The findings are presented on branch-to-branch basis on tabular form as below:

**Table: 30**  
**Findings of Informal Visits**

SN	ADB Branches	Observations
1	Main Branch, Ratnapark	<ol style="list-style-type: none"> <li>1. The awkward location with no bank board on the main road.</li> <li>2. The main problem of the Branch Manager is to ensure manpower in the Teller area. This is because during peak season, staffs often abstain from coming to office to work as a teller. The reason for this is lack of enough incentive to work in the cash area and there is no provision in HR policy for encashment of Casual or Sick leave.</li> </ol>
2	Main Branch Chabahil	<ol style="list-style-type: none"> <li>1. The teller area can be segregated with golden bar and the flooring &amp; furnishing can be bettered.</li> </ol>
3	Main Branch Thamel	<ol style="list-style-type: none"> <li>2. Cash department &amp; cashier room should be connected.</li> <li>3. A board should be kept to show the customers a direction to different departments in the bank.</li> <li>4. Foreign exchange transactions should be started at the branch (for this, one staff &amp; a computer should be provided.)</li> </ol>
4	Main Branch, Lagankhel	<ol style="list-style-type: none"> <li>1. The building is not appropriate for the due to three reason; one, the entrance is on the back &amp; very awkward, second, there is restaurant on the ground floor, which disturbs the environment of the building with its food odor and third, there is a grave concern from security point of view.</li> <li>2. Golden bar can be kept for segregation the teller area.</li> </ol>
5	Branch, Jorpati	<ol style="list-style-type: none"> <li>1. The teller area should be furnished well with keeping of a cloth for cleaning thumbs.</li> <li>2. Parking space not available. One security guard should be added to the branch.</li> </ol>
6	Branch, Banepa	<ol style="list-style-type: none"> <li>1. One of the best branches among the 10 branches visited.</li> <li>2. Training is needed at the level of Branch Manager.</li> </ol>
7	Branch, Kalanki	<ol style="list-style-type: none"> <li>1. A board should be kept at the entrance of the bank.</li> <li>2. The teller area can be made clean and better with some care.</li> </ol>
8	Branch, Bhaktapur	<ol style="list-style-type: none"> <li>1. One board should be kept showing way to ADB office, which is on the first floor.</li> <li>2. Foreign currency transaction should be allowed in the branch.</li> <li>3. Well maintained and clean office.</li> </ol>
9	Branch Soyambhu	<ol style="list-style-type: none"> <li>1. The branch as a whole can be made more clean and tidy.</li> <li>2. The teller area can be segregated with a bar though it is not felt necessary by BM due to low transaction volume.</li> </ol>
10	Main Branch, Kalimati	<ol style="list-style-type: none"> <li>1. The branch as whole can be made more clean and tidy with keeping a Tea Table in the teller area for the customer to write on.</li> <li>2. Training to the front desk staff seems required.</li> </ol>

### Customers' Perception towards Commercial Banking of ADBN

Most of the interviewers are moderately satisfied with the banking practices of ADBN. Major reason behind the satisfaction are due to the operation of the account in ADBN from

long time, familiarity with staff, good trust towards the institution, comfortable feeling, nearest from the residence, no any trouble in deposit and withdraw. In addition, Customers experienced that banking practices of ADBN are improving positively than the previous time. Major changes they have found that computerization of their deposit account is prime one and operation of one window teller system for deposit and withdraw is another. Ultimately, they realized that banking services have been improved swiftly.

As per their feeling towards the staff of commercial banking of ADBN they pointed out that most of the staff have characterized with forthright and obliging towards the customers. They added further that staff's behaviour and manners are improving than the previous time. Major changes reflected on the staff are mainly responsiveness, accountable and obedient towards the customers.

Despite the improvement on service delivery system of commercial banking of ADBN, customers however recommended some sort of suggestions for the further improvement. Most of the interviewers they suggested that interest rate on their saving should increase on the one hand and working hours of the counter also need to be increased on the other. In case of working hours, they suggested that counter should open at 12 noon on Saturday also.

### **4.3 Best Practices of Commercial Banking of ADBN**

- ) Computerization process has been initiated.
- ) One window teller system is operating for deposit and withdraws.
- ) Signature scanning has begun in most of the branches
- ) Counter staff are found qualified and long experience
- ) Fifty two percent staff are local
- ) Gender balanced in counter
- ) Some banking are operating in own building
- ) Interest rate setting is accomplished as per the demand and supply principle
- ) Well- trained staff
- ) Many training opportunity provided to the staff
- ) New products introduced such as remittance, OBC, IBC etc as per the demand of the customers
- ) Simplicity in operation

# CHAPTER- FIVE

## CONCLUSIONS AND RECOMMENDATION

### 5.1 Conclusions

The inferences made through direct interactions with branch managers and other staff along with the responses received for the formal questionnaire put forward suggestions both in macro level and branch level for improvement of the service delivery system in bank. These can be categorized as below:

#### 5.1.1 Matters to be addressed in Organizational Level

Following matters are recommended to be addressed in organizational level.

- J Ensuring the best location, office space and the manpower size commensurate with the business of the branch. This is mentioned especially based on our findings wherein it has been observed that the location of some branches (like Lagankhel, Ratnaprk, Thamel etc.) are not in proper place compared to the associated business.
- J Implementation of existing Human Resource Procedures of the bank
  - Assigning job responsibility and accountability to every staff with commensurate delegation of authority. This should be done by making the jobs in the department homogenous. For instance, in cash & Remittance area, the job profile at assistant level will be Assistant -Cash & Remittance department and all the staff (Assistants - Cash & Remittance department) will be given respective job responsibilities (Teller, Remittance; Fax, Draft). While giving the job description, primary and secondary tasks should be segregated and the concerned staffs will be supposed to carry out the assigned jobs as set in the priority.
  - Review of job performance followed by appropriate reward and punishment. The performance Review Committee to be impartial and effective for the best judgement. The reward and punishment system should be implemented by giving for instance, better job placements for the staff who perform well and by transferring the poor performing staff to rural areas where there is lesser work pressure.
  - Promotion/demotion system to be made fair and in the interest of the organization.
  - A complete training program for every specific job (like Cash & Remittance, Credit Management, Loan Management, Account Management, Letter of Credit & Guarantee) should be prepared and all the staff of respective department should be given respective training. For effective result from the training program, it is suggested that the training program be segregated into types like overall orientation training (for nw staff), on the job training (after identifying the placement of new staff,) specific job training in detail.

- J Formulation and implementation of Leave Encashment Policy in the bank such that accumulation of Casual /Sick leave is possible and this could be encashed on a yearly basis. This will result in doing away with abstinence tendency among the staff in the peak seasons.
- J Full computerization at the branch level if possible and if not possible, at least in cash area. During the observation, it was found that there are two systems in the branch; first one is automated as far as cash payment by debiting the account is concerned whereas signature verification and other accounting system (in Account department) are on manual basis. This helping in improving the profitability of the organization nor improving the customer service quality in the bank.

### **5.1.2 Matters to be addressed in Branch Level**

Following matters are recommended to be addressed in branch level.

- J Increasing visibility in the branch by putting up a Glow Sign board at the branch.
- J Maintaining the branches clean and tidy with focus on providing comfort to the customers.
- J Making proper arrangement in the Front line area by keeping golden bar wherever possible.
- J Making mandatory for every staff in the branch to wear official dress in the office time with hanging training the official ID card.
- J Providing General computer Knowledge training to all the staff in the branch.

## **5.2 Recommendations**

The researcher understands that it is necessary to explain the type of research work being undertaken and the objective associated with the study. The study is research type study on service delivery system of commercial banking offices and the researcher is responsible to put forward recommendations which are supposed to be implemented in 3 selected C.B. offices of ADBN. Thus, the conclusions made as aforementioned on the basis of visits and responses r from the employees of ADBN have justified making recommendations both on organizational level and branch level. However, considering the associated objective, the emphasizes following suggestions which can be implemented at the branch office immediately and leaves the suggestions at organization level for necessary work at for by the management of the bank its convenient earliest:

### **5.2.1 Office Management**

The branches should be made clean and tidy with necessary arrangements like keeping ADBN boards and golden bars on the teller area wherever possible. It should be also ensured

that there will be optimum utilization of office, manpower and available logistics in the branch.

### **5.2.2 HR Management**

The major constraint in front line service delivery system in the bank is indifferent attitude and approach of the counter staff. The reasons are age factor. It is therefore felt necessary to keep young age (up to 30 yrs) staff at the counter by replacing the older age of ADBN, who can be placed in other divisions. Further, in order to have uniformity in all the branches of ADBN, all the front line staff must be in the official dress with hanging office ID card in the office during office time. In addition to these, all the staff in the office should be given job description with clear responsibility and benchmark for the work performance. The performance should be reviewed on regular basis with clear policy of reward (Incentive, good placement, promotion) and punishment (demotion, transfer to rural offices) in the bank. For better performance, all the staff at branch level should be given General Computer Knowledge Training.

### **5.2.3 Front Desk Management**

Cheque payment tellers should be equipped with a PC having scanned Signature Verification module to provide speedy and reliable service to the customers. For double checking purpose, the Head Teller should also be equipped with the PC having interconnected scanned Signature Verification module. This will pave the way for smooth continuation of existing double control operating system of the bank in cash area.

### 5.2.4 Concerning Divisions and Their Accountabilities for Execution of Recommendation

Following Divisions of Agricultural Development Bank Nepal will be expected to implement recommendations of the research.

S.N	Responsible Divisions of ADBN	Work to be Performed
1	Human Resource Management Division	<ol style="list-style-type: none"> <li>1. Manage staff in the banking counter below 30 years strictly.</li> <li>2. Assign Job responsibility and accountability to every staff with commensurate delegation authority.</li> <li>3. Make job homogeneous such as Assistant- cash and remittance department in such designation like banking Staff of assistant cash and remittance should make full responsible to the work of teller, remittance ,fax and draft etc.</li> <li>4. Organize performance review of an individual staff periodically; along it, HR division should execute reward and punishment system strictly. For instance, those staff who performed better performance, in that case ADBN should provide monetary incentives, best performing reward, in house and abroad training, promotion and also make the placement in urban areas for that best performers whereas those staff who does not perform assigned job perfectly he/she should be transformed to rural areas where work load is very few and work pressure exists lesser.</li> <li>5. Make provision of cash payment for casual and sick leave.</li> <li>6. Make compulsion to every staff strictly for wearing of uniform dress with keeping identification card apparently.</li> </ol>
2	Banking division	<ol style="list-style-type: none"> <li>1. Provide clear rules and regulations Decentralize authority</li> <li>2. Conduct monitoring and follow-up periodically</li> <li>3. Initiate ATM facilities in the potential banking</li> <li>4. Provide provision for foreign exchange counter in the potential banking such as Thamel, Bhaktapur, Banepa etc.</li> </ol>
3	Management Information System	<ol style="list-style-type: none"> <li>1. Provide technical assistance for making the computerization of banking branches fully. If it is not possible. At least each cash counter should be fully computerized.</li> <li>2. Develop at least one trained hardware manpower in each banking so that small hardware problems can be solved at the concerning branches immediately.</li> <li>3. Develop banking software packages as per the banking requirement.</li> </ol>

4	General Service Division	<ol style="list-style-type: none"> <li>1. Manage furnishing facilities at least in the counter.</li> <li>2. Provide enough computer, cash counting machine, ATM machine etc.</li> <li>3. Provide golden bar for lining,</li> <li>4. Provide standard design of office board and arrows for find- out office building etc.</li> <li>5. Give strong direction for establishing of the banking offices in proper location including standard spaces for counter and other units.</li> </ol>
5.	Central Training Institute	<ol style="list-style-type: none"> <li>1. Organize pre-service training for the new banking staff on introductory banking training.</li> <li>2. Organize computer software training to the counter staff as per their requirements.</li> <li>3. Organize front desk training to all the counter staff.</li> <li>4. Organize signature verification training for all the counter staff.</li> <li>5. Organize marketing promotion and business development training to the officers of banking.</li> <li>6. Provide training on planning, portfolio management, credit management, risk management and human resource management to the managers of commercial banking.</li> <li>7. Organize software banking training to all the staff including Managers of Commercial banking fully.</li> <li>8. Manage banking training to all the staff as per the requirements of their career path development.</li> </ol>

## REFERENCE

- Beebe, J. (1987). *Rapid Appraisal: Evolution of the concept and the definition of Issues*. In: *Proceedings of the 1985 International Conference on Rapid Rural Appraisal Thailand*: Khon Kaen University. P. 47.
- CBS (Central Bureau of Statistics) (2058). *Resilience Amidst Conflict, Kathmandu*.
- Champak Pokharel (2004). Commercial Banking by ADBN: Impacts and Issues. *Agricultural Credit Bi-annual Journal* vol 37, Jan 2004, CTI ADBN PP.9-11.
- Country Studies (P.iii,ix.)*. Kathmandu: ADB.
- CTI Annual Report (2006/07) *Agricultural Development Bank Ltd. Central Training Institute*. Ramshahpath, Kathmandu
- CTI Annual Report (2007). *A Agricultural Credit Annual Journal*. Ramshahpath, Kathmandu. Vol. 40.
- Kothari C.R. (2002). *Quantitative Techniques*. New Delhi: Vikash Publishing House Pvt. Ltd.
- Kothari, C.R. (2002). *Research Methodology*. New Delhi: Vikash Publishing House Pvt. Ltd.
- Krishna Bahadur Kunwar at the workshop of executive Officers of ADBN for formulation of Implantation Strategies Bhadra 25-27.
- Kunwar, K.B. (2003) *The Himalayan Poverty Prosperity through Rural Development*. (2<sup>nd</sup> Ed.). Kathmandu: Mina Prakashan.
- NRB (2006). *Banking and Financial Statistics*, Kathmandu: NRB.
- Pokharel, Chanpak (2004). "Commercial Banking by ADBN: Impacts and Issues" in *Agricultural Credit Bi-Annual Journal* (Vol.37, Jan. 2004), CTI, ADBN, PP.9-11
- Poudel, N.P. (2005), *Financial System and Economic Development*, in *Nepal Rastra Bank in 50 years*, Nepal Rastra Bank, Kathmandu, P176.
- Prakash Kumar Shrestha (2007). CTI Page12-13m Challenge, *Agricultural Credit* Vol. 40.
- Regmi, Yogendra (2007). *ADBL Product Analysis*. Kathmandu: *Agricultural Credit*. PP. 71-73.
- Subedi, Dev Hari (2002). *Revenue and Expenditure of Agricultural Development Bank (A Case Study on Commercial Sectoral)*. An Unpublished Master's Degree Thesis, Nepal Commerce Campus T. U. Kritipur , Kathmandu.

### Websites:

[www.adbl.gov.np](http://www.adbl.gov.np)

[www.nrb.gov.np](http://www.nrb.gov.np)

## Appendices

### Check List or Informal Field Visits

A. Service Delivery System

1. Please observe about location of banking offices

1.1 Are banking offices located in proper place?

1. Yes

2.No

1.2 If no please comments/suggests on office location?

1.3 Please observe about lay-out of banking unit

1.3.1 Are there managed banking nits properly?

S.N.	Descriptions	Properly located	Not properly located	If not please make your remarks
1.	Reception			
2.	Banking Counter(Tailors)-			
3.	Lane for withdrawers/depositors			
4.	Signature verification Section			
5.	Manager Room			
6.	Fax/Draft section			
7.	Account\Administrative Section			
8.	OBC/IBC Section			
9.	Loan Section			

2. Please observe about the banking system regarding lane management, teller facilities, banking environment and depositors/ withdrawers pressure etc.?

3. Please observe about the staff dealings towards the withdrawers/depositor/Client?

S.N.	Descriptions	Highly satisfied	Moderately Satisfied	Not Satisfied	Please comment on your ratings?
1.	Receptionist				
2.	Counter staff				
3.	Signature Verification Staff				
4.	Manager				
5.	Fax/Draft Section Staff				
6.	OBC/IBC Section Staff				
7.	Account/Admin. Staff				
8.	Loan Section Staff				
9.	Peon				
10.	Guards				
11.	Others if any				

4. Please observe about the staff efficiency?

S.N.	Descriptions	Highly efficient	Efficient	Poor	Please Comment on your Ratings?
1.	Receptionist				
2.	Counter Staff				
3.	Signature Verification Staff				
4.	Manager				
5.	Fax/Draft Section Staff				
6.	OBC/IBC section				
7.	Account/Admin. Staff				
8.	Loan Section Staff				
9.	Peon				
10.	Guards				
11.	Others if any				

5. Please observe about the availability of computer, bill/note machine fax, e-mail, telephone and other accessories and their use.

6. Please conceptualize about core problems for improving the service delivery system of ADBN commercial banking.

7. Please sketch- out further for detail study?

**Check list for the Formal Visit**

**ADB Commercial Banking: Sub branch/ Branch/ Main Branch.....**

1.Questionnaire for staff

1.1 General Information

1.1.1 Name

1.1.2 Designation:

1.1.3 Permanent temporary Daily wages

1.1.4 Would you please explain about you work experiences and training profiles?

1.Work Experience

S.N.	Sub branch/ Branch/ Head Office	Job Responsibilities	Year	Duration
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

2. Training

S.N.	Training types	Year	Duration	Organization
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

3. Academic Profile

S.N.	Academic Degree	Passed Year	Division	University
1.				
2.				
3.				

1.2 Job Satisfaction

1.2.1 How did fell you job?

1. Appropriate 2. Inappropriate

1.1.2 Please give your remarks on your above choice?

If you feel "Appropriate" give your reasons	If you feel "Inappropriate" give your reasons

1.3 Work performance

1.3.1 Please could you mention about your work performances, are performed in a day?

S.N.	Activities	Volume of work	Easily performed	Difficult to Performed	Please give your remarks on your ratings?

1.3.2 Have you faced any problems to perform your assigned job?

1. Yes 2. No

If "yes" please mention what are they?

- 1.
- 2.
- 3.
- 4.
- 5.

1.3.3 What are the majors problems have you been realized in your profession?

- 1.
- 2.
- 3.
- 4.
- 5.

1.3.4 How do you feel to improve your work performance further?

1. Yes 2. No

1.3.5 Please give reasons on above choices

If "yes" please give reasons	If "no" Please give reasons

--	--

1.3.5 What types of support are required to improve your work performance further?

- 1.
- 2.
- 3.
- 4.
- 5.

**General Opinion**

1.4.1 In your opinion, what are major handicaps of service delivery system of banking operation regarding efficiency improvement?

- 1.
- 2.
- 3.
- 4.
- 5.

1.4.2 How do you feel regarding banking efficiency improvement in future, is it possible?

- 1.Yes                    2.No

If “yes” mention your creative suggestions?

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

1.4.3 Please point-out any further suggestions for the improvement of efficiency of service delivery system of commercial banking?

1.4.3 Please point-out any further suggestions for the improvement of efficiency of service delivery system of commercial banking?

## Specific Check-list

For Manager

### A. About Receptionist

1. Is receptionist needed in bank?

1. Yes                      2. No

2. Please give reasons?

3. What types of characteristics are needed in receptionist?

1.

2.

3.

4.

5.

4. Does your receptionist have such characteristics?

1. Yes              2. No

5. IF "No" what are the reasons that not fulfilled yet?

### B. Counter Staff

1. How many tellers are managed in your banking?

1. One    2. Two    3. Three    4. Four    5. ....

2. How many staff are associated in one teller?

1. One    2. Two    3. Three

3. If more than one staff deputed? Please could you mention that why you deputed more than one staff in one teller?

4. Who does collect the Cheque in Counter?

1. Peon    2. Teller staff    3. Others.....

5. Why did not follow single system for payment regarding cheque collection, signature verification and payment?

6. How do you manage the staff in counter at the time of absent of regular counter staff?

7. Do you have followed job rotation of the staff?

8. What types of characteristics/ qualification / training are needed for the counter staff on order to improve the efficiency?

Characteristics	Qualifications	Training

12. What is the practice for deposit; withdraw, loan collection and bonds?

S.N.	Description	Please ( ) in using practice	Give reasons for using this practice	Remarks
1.	By one teller system for deposit and withdraw			
2.	In counter(deposit teller only)			
3.	Out counter (withdraw teller only)			
4.	Teller for loan collection and bond only			
5.	Others			

13. Are all the counte staff are familiar in code regarding cash out, deposit and other general code?

1. Yes                    2.No

14. If no, what are the reasons for unknowing of code?

15. Are your counters staff perfect in computing operation?

1.Yes                    2.No

16. If "No" why they are not perfect in computer operation?

17. What types of staff combination are being managed in counter?

S.N.	Description	Please ( ) in using practice	Give reasons for using this practice	Remarks
1.	Male only			
2.	Female only			
3.	Mixed			

18.Is your staff maintained secrecy of pass word?

1. Yes    2. No

IF yes please explain what type of authorities provided to your particular staff for using the pass word?

S.N.	Level	Authorized activities by using the pass word	Reasons for provident such password?
1.	Manager		
2.	Counter Staff		

3.	Account Staff		
4.			
5.			

19. What are the reasons for delaying of cash in and out from counters?

Reasons for delaying payment from counter	Please give appropriate solutions

20. What types of information are recorded for the cash In and out purpose?

1. Computer

Cash Deposit	Cash withdraw	Loan collection	OBC/IBC	Fax/Drift	Others

2. Manual Recording

Cash Deposit	Cash withdraw	Loan collection	OBC/IBC	Fax/Drift	Others

21. Is there stopped any dishonors account?

1. Yes                      2.No

22. If “Yes” please give the total numbers and also reasons for dishonor?

23. Have you get any problem in counter?

1. Yes              2. No

24. If yes, please give details?

Problems happened due to the negligence of counter staff	Problems from account holders(public)
Problems happened due to the negligence of signature verification staff	
Problems happened due to the negligence of	

other staff.....	

**C. Signature Verification Staff**

1. Which system do you have in signature specimen?

1. Card system                      2. Computerization

2. if you have card system, why did not computerize?

1.  
2.  
3.

3. What types of practice have you been followed for signature verification?

S.N.	Descriptions	Reasons for using such practice
1	Single person For signature verification and payment	
2	Different Person for signature verification and payment	
3	Others.....	

4. Please could of you explain about the authority of specific staff for signature verification?

S.N.	Level	Authority(Amount limit)	Remarks
1.	Chief manager		
2.	Section chief		
3.	Officer		
4.	Office assistant		
5.	Others		

5. How many staff are involved for signature verification?

S.N.	Level	Rank of the staff	Involved Numbers
1.	Saving account		
2.	Current Account		
3.	Fixed Deposit account		
4.	Others.....		
5.			

6. What mechanism did you followed for verification of thumb print signature?

1.  
2.  
3.  
4.

7. What type of mechanism did you followed for receiving and payment of cheque?

### 1. Receiving of Cheque

S.N.	Descriptions	Reasons for using such practice
1.		
2.		
3.		
4.		
5.		
6.		

### 2. Payment of Cheque

S.N.	Descriptions	Reasons for using such practice
1.		
2.		
3.		
4.		
5.		
6.		
7.		

### D. Accounts and Administrative

1. Is there managed separate unit for fax/drafe/bond/OBC/IBC activities?
2. If yes please give the reason for separating of units?