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UNDEBENDING SUSTAINABLE MANAGEMENT PRACTICES OF BANKING CONCERNS TOWARDS MEMBERS: A CASE STUDY OF URBAN COOPERATIVE BANKS

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ABSTRACT
Sustainable development requires utilisation of resources in such a way that it not only satisfies the needs of present generation but also that of future generations. Likewise, in managing an organisation efficiently, the available resources are to be diverted in such a way that concerned stack-holders contribute maximum in flourishing the organization in question. Diverting resources towards their welfare can be one such practice followed towards maintaining sustainable relations with the stack-holders.

When it comes to banking concerns in general and Urban Cooperative Banks in particular, one of the important stack-holders are members. The maintenance of good relationship with this stack-holder requires diversion of resources towards their welfare as a sustainable management practice.

Present paper is an attempt to understand nature and size of resources diverted towards maintaining sustainable relations with their respective members by Urban Cooperative Banks functioning in Thane.

Keywords: Urban Cooperative Banks, Sustainable Management Practices, Thane

INTRODUCTION
Among various challenges that an organisation faces, one of the important challenges is developing healthy relationship among members and employees. For this development of healthy relationships, some sustainable management practices are used by the firms.

Sustainable development requires utilisation of resources in such a way that it not only satisfies the needs of present generation but also that of future generations. Likewise, in managing an organisation efficiently, the available resources are to be diverted in such a way that concerned stack-holders contribute maximum in flourishing the organization in question. Diverting resources towards their welfare can be one such practice followed towards maintaining sustainable relations with the stack-holders.

When it comes to banking concerns in general and Urban Cooperative Banks in particular, two important stack-holders are members. The maintenance of good relationship with these stack-holders requires diversion of resources towards their welfare as a sustainable management practice.

Present paper is an attempt to understand nature and size of resources diverted towards maintaining sustainable relations with their respective members by Urban Cooperative Banks functioning in Thane.

OBJECTIVES
Following are the objectives of the study-
1. To understand banking concerns’ relationship with their members.
2. To understand existing management practices followed by selected banking concerns to maintain healthy relationship with their members in the form of resources diverted for their welfare.
3. To make suggestion for change in existing practices for improving the management of relationship with their members.

RESEARCH METHODOLOGY
1) Description of sample
The present research work involves sample of five Urban Cooperative Banks functioning in Thane district of Maharashtra viz; The Dombivli Nagrik Sahakari Bank ltd., The Kalyan Janata Sahakari Bank Ltd; The Parsik Janata Sahakari Bank Ltd., The Thane Janata Sahakari bank ltd; The Thane Bharat Sahakari Bank Ltd.

2) Study Period
The research work involves comparative study of two particular years viz, financial year 2012-13 (ending as on March, 2013) and year 2018-2019 (ending as on March, 2019) and thus the gap of six years is considered for the comparison purpose.
3) Data Collection
The research work is based on primary as well as secondary sources of data. The primary sources of collection involve schedules and observations while secondary sources of data involves Annual report concerned cooperative banks, research articles and so on.

4) Limitations of the study
The research work is limited to above selected Urban Cooperative Banks located in Thane district only, hence, all other types of banks located in other than selected area is excluded from the study.

Urban Cooperative Banks and Relationship with Members
Urban Cooperative Banks, being a cooperative organisation, the share capital is being subscribed by obtaining membership. Such membership can be regular membership or can be nominal membership. Thus, member mechanism helps UCBS to generate required funds for their functioning and hence, maintaining good relationship with members is one of the important aspects of sustainable maintenance practice.

Thus, for cooperative banks in particular and other business organisations in general, maintaining a good relationship with important stake-holders is key to success. Therefore, Sustainable Management Practices is required to be developed and implemented with proper allocation of resources towards welfare schemes.

Nature of welfare funding of selected UCBS towards members
The welfare funding of selected UCBS are meant for the welfare of members and also for some specific purposes. The allotment of the funds towards member welfare activities of UCBS are grouped as Member Welfare Fund:

Member Welfare Fund - This kind of allotment is meant for the welfare of the members of the UCBS and spending are diverted towards schemes like Free Health Check-up camp for members, Death Benefit schemes, and other schemes for members and their families of the family.

Profit Earning and member welfare spending by selected UCBS
Divergence of resources towards maintaining good relationship with members is made out of profits being earned as a certain percentage of the same. For the analysis of the member welfare spending by the UCBS it is important to understand the profit earnings by the selected UCBS and their contribution towards the different member welfare activities. The table given below highlights such spending by the selected UCBS.

Member Welfare Fund is an important but unique component of the social welfare spending of UCBS. UCB are democratic cooperative institutions / organisations. They are run by the members and members also participate in the elections of the board. The separate Member Welfare Fund is designed to fund various member concerned activities like: Free Health Check-up camp for members, Death Benefit schemes, and other schemes for members and their families etc. The table given below deals with the fund allotment towards Member Welfare Fund out of profit for social welfare spending by UCBS.

<table>
<thead>
<tr>
<th>Bank/Year</th>
<th>2012-2013</th>
<th>2018-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Profit (in Rs.lakh) (A)</td>
<td>Member welfare fund (in Rs.lakh) (B)</td>
</tr>
<tr>
<td>DNS</td>
<td>2800</td>
<td>0.5</td>
</tr>
<tr>
<td>KJSB</td>
<td>1508.2</td>
<td>15</td>
</tr>
<tr>
<td>PJSB</td>
<td>2275.2</td>
<td>30</td>
</tr>
<tr>
<td>TBSB</td>
<td>516.52</td>
<td>0.3</td>
</tr>
<tr>
<td>TJSB</td>
<td>7499</td>
<td>10</td>
</tr>
<tr>
<td>Avg.</td>
<td>2919.78</td>
<td>11.16</td>
</tr>
</tbody>
</table>

DNS= Dombivali Nagri Sahakari Bank Ltd.
KJSB= Kalyan Janata Sahakari Bank Ltd.
PJSB= Parsik Janata Sahakari Bank Ltd.
TJSB= Thane Janata Sahakari Bank Ltd.
TBSB= Thane Bharat Sahakari Bank Ltd.

Source: Annual Reports of the respective UCBs.
From the above table it becomes clear that different proportion of the net profit is allotted towards Member Welfare Fund by the UCBs and hence there is no homogeneity. The proportion of the net profit allotted towards Member Welfare Fund varies from 0.02% to 1.32%. The Parsik Janata Sahakari Banks has contributed highest (1.32% of Net Profit) among the other UCBs towards the Member Welfare Fund out of net profit earned in 2012-13 but in 2018-19 it is Thane Bharat Sahakari Bank which is the highest (1.19% of Net Profit) contributor. On an average each UCB has spent 0.50% of their net profit towards Member Welfare Fund in 2012-13 while 1.19% in 2018-19. Thus there is decline in spending towards member welfare funds in relative terms however; same has increased from 11.16 lakhs in 2012-13 to 12.2 lakhs on an average over a period of time in absolute terms.

**Member welfare activities undertaken by selected UCBs**

As it has been observed above all the UCBs have contributed towards member welfare spending and hence, it is important to understand a kind of activities undertaken by them for the welfare of the members. The table given below deals with nature of activities undertaken by UCBs for the same.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Activities</th>
<th>2018-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNS</td>
<td>1. Financial help for illness, injuries etc.</td>
<td>1. Financial help for illness, injuries etc.</td>
</tr>
<tr>
<td></td>
<td>2. Rewards to children of members achieving success in studies</td>
<td>2. Rewards to children of members achieving success in studies</td>
</tr>
<tr>
<td>KJSB</td>
<td>Rewards to children of members achieving success in studies</td>
<td>Rewards to children of members achieving success in studies</td>
</tr>
<tr>
<td>PJSB</td>
<td>1. Free medical health check up camp</td>
<td>1. Free medical health check up camp</td>
</tr>
<tr>
<td></td>
<td>2. Financial help for pursuing higher studies to the children of members</td>
<td>2. Financial help for pursuing higher studies to the children of members</td>
</tr>
<tr>
<td></td>
<td>3. Financial help for illness, injuries etc.</td>
<td>3. Financial help for illness, injuries etc.</td>
</tr>
<tr>
<td>TBSB</td>
<td>Not Mentioned</td>
<td>Not Mentioned</td>
</tr>
<tr>
<td>TJSB</td>
<td>Not Mentioned</td>
<td>Not mentioned</td>
</tr>
</tbody>
</table>

DNS=Dombivali Nagri Sahakari Bank Ltd.  KJSB= Kalyan Janata Sahakari Bank Ltd.
PJSB= Parsik Janata Sahakari Bank Ltd. TBSB= Thane Bharat Sahakari Bank Ltd.
TJSB= Thane Janata Sahakari Bank Ltd.

*Source: Annual Reports of the respective UCBs*

From the above table it becomes clear that the UCBs are not keen to bring in innovativeness in use of Member Welfare Fund. There seems to be monotony in activities meant for members. Even two of them have not mentioned such activities in their respective annual reports.
CONCLUSIONS
From the above analysis it is understood Urban Cooperative Banks are not only ‘of the people’ organisations but are also involved in the activities which is beneficial ‘for the people’ concerned. The UCBs are making regular provisions out of their profit earned for the member welfare activities. The allotment of fund is made keeping in mind their members’ variety of needs. The allotment towards the member welfare activities is in the form of Member Welfare Fund. In the annual reports and in the accounting statements, clear mention about the same is made for general public, stack holders and concerned by selected UCBs.

SUGGESTIONS
- From the analysis, it was also found that even though there has been clear mention of allotment for the various member welfare activities under earlier given broad headings, some of the UCBs have not given activity-wise -specific spending and because of which it does not becoming clear if the allotted of funds are fully utilised for the purpose or not and further how it has been utilized is also unclear. So, the detailed reporting of such spending is suggested along with innovativeness in spending for enhancing welfare of members.
- Secondly, none of the UCBs have revealed about the excess unutilised funds in description under reporting and hence, the funds unutilised for the UCBs are found to be piled up in the accounting statements and no clear strategy for the utilisation of the same is being mentioned. Thus, a suggestion is given to form a special committee to design, plan and impelent such spending and for periodic review of the same.
- There is need to expand the activities under member welfare spending to include recreational and other facilities, Development of Sports, Cultural Development, Woman and Child Development etc.
- Further, there is need to have systematic categorisation / grouping of member welfare activities with identifiable variables. This will help in comparative analysis, documentation, systematic reporting and policy making. For this the cooperatives should come together and formulated common member welfare policies and prepare guidelines for the same. Federation of UCBs can play a leading vital role here.
- Finally, it was observed that the Auditors” Reports and Statements do not mention anything about the CSR spending. This indicates that auditors do not audit CSR spending. Thus, there is need to audit the CSR spending by the external-independent auditors to avoid misuse and underutilisation of allotted funds.

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