

Strategies for digital initiatives and corporate planning

M .Mallika ,K.Harshitha , M.Deekshitha

Associate Professor^{1,2,3}

Librarian KLE Society S. Nijalingappa College Rajajinagar,

Abstract

In today's global economy, the financial system is crucial. Individuals deposit their funds with banks, which then provide loans to entrepreneurs and manufacturers. Loans from banks are a boon to the economy. Loans from financial institutions help manufacturers pay for things like raw materials and working capital. Putting money in a bank is a secure option. It's also a good way to rack up interest. As a result, people are more motivated to save, and they put away more money. The funds spared may be invested in the creation of further capital equipment. In this way, banks contribute to economic development by providing a source for additional money. The systems that control the bank's operations are what create and compound the savings. Therefore, research has been conducted to examine the KVB's business strategies and its banking sector management.

Key words: Subsidy Program, Reliable Service, Participation Plan, and Activators

Introduction

Domestic and foreign commerce are both aided by the banking system. Much business is conducted on credit. In order for businesses to provide credit terms to their clients, they rely on bank references and guarantees. This is especially crucial in international commerce, when buyers and sellers may be located in completely different nations and be completely unfamiliar with one another. Banks serve both local and foreign clients by connecting them to a wide variety of deposit and withdrawal options. KVB's bank activators include;

Corporate and Institutional Group (CIG)

Working Capital funding, Term Loans, Specialized Corporate funding products, Trade and Transaction Banking Services, and Liquidity Management Solutions are

just some of the services offered by KVB's Corporate and Institutional Group (CIG).

Commercial Banking Group (CBG)

The bank would maintain a steady supply of credit for small and medium-sized enterprises (SMEs) and dealers with credit needs of up to 25 billion rupees. The Bank has adapted its offerings to better meet customer needs and industry standards, making the center more adaptable and valuable. In accordance with RBI directives from February 21, 2019, it has begun offering interest subsidies to micro, small, and medium-sized businesses. Starting on November 2nd, 2018, for the fiscal years of 2018-2019 and 2019-2020, all micro, small, and medium-sized enterprises (MSMEs) that are GST registered are eligible for an interest subvention of 2% under this Scheme for loans of up to Rs.100 lakhs.

Personal Banking Group (PBG)

With the introduction of KVB NEXT, KVB has used digital technology for the whole cycle of retail loan processing, streamlining the experience for borrowers. KVB NEXT is the first of its type in the Indian banking market; it uses a tab-based application to handle retail loan requests, and it may provide in-principle loan approval to qualified consumers in as little as 15 minutes and complete loan distribution in as little as three days. KVB NEXT generates a score card for loan applicants by using data from many sources, including Goods and Services Tax (GST) returns, Income Tax (IT) filings, Annual Reports, and Credit Information Bureau (CIBIL) scores. During the fiscal year, it has expanded its lineup of Retail Loan options to include the following:

- Personal Loans with Prior Approval, available to current CASA clients
- KVB Digital Top Up Mortgages (Refinancing, Assumption, and Refinancing)
- Online Home Loans

Four-wheeler and two-wheeler financing using digital means

Digital Private Loans.

On March 31st, 2019, the bank's retail portfolio of advances was at 11,278 Cr, or 22.28 percent of total advances. Advances totaled from IBPC transactions & Direct Assignments (7.15%), Home Loans (7.15%), Mortgage Loans (3.38%), Vehicle Loans (2.06%), and Personal Loans (0.83%).

The following retail liability products were offered by the bank during the 2018-19 fiscal year:

- "KVB Co-Op" was released on June 12th, 2018, with the co-operative societies as its intended audience.

In an effort to offer 'Cashless hospitalization against fixed deposit,' KVB introduced the "KVB Arogya Card" for senior citizen clients on August 23, 2018, and has already distributed 4,697 Arogya cards to eligible individuals.

On October 2, 2018, KVB introduced the "KVB Fleet" Current Account to serve the requirements of transportation and fleet operators; as of the same day, 3,656 new fleet accounts had been established.

- On September 4, 2018, KVB debuted the DLite SB Account, a paperless, digital alternative to creating a bank account, and 57,849 new DLite SB accounts have been established since then.

CASA

Seven million eight hundred ninety-three new CASA accounts were established at the bank in 2019. The CASA base of the bank was \$17,914.98M as of 31 March 2019, comprised of the current account balance of \$5,813.59C and the savings account balance of \$12,101.39C. The rate of growth of savings was 10.01 percent, while the rate of growth of current assets was 5.01 percent. As of March 31, 2019, the CASA to Gross Deposit ratio was 29.92%, up from 29.14% on same day in 2018.

POS

Bank deployed 4,672 new Point of Sales (POS) machines during the year, taking the total number of machines deployed to 21,959. Total number of transactions through the machines during the year was 314.11 lakh with a volume of 4,860.73 Cr.

FASTag

The Bank has been certified by NPCI to issue FASTag along with few other banks in the industry and

subsequently launched FASTag for the public with the prime objective to adopt "Cashless Payment" at toll plazas. During 2018-19, the bank issued 36,546 tags and the number of transactions through FASTag at Toll plazas is 48.84 lakh.

Transaction Banking Group (TBG)

Banks Transaction Banking Group is offering Cash Management Services (Collection and Payment) on electronic platform. KVB is providing customized MIS and a customer front end (CBX – Customer Business Exchange) portal to CMS clients. Bank is leveraging the CMS capabilities to improve the current account portfolio by on boarding mid and large sized corporate.

Digital Transformation Journey

Digital Banking is an adoption of various existing and emerging technologies by the banks, in concert with associated changes in internal operations as well as external relationships for providing superior customer services and experiences, effectively and efficiently. The new innovative digital technologies and futuristic thought processes have given birth to whole new businesses opportunities. Currently, there are several technologies, infrastructure and processes available to enable banks to provide efficient and dependable

service.

Information Technology

Technology in the banking industry is highly dynamic, and KVB continues to leverage the latest of these technologies to address the changing needs of customers. Bank has been constantly upgrading its IT infrastructure and implementing new process, systems and structures for improved customer experience, and to ensure the safety and integrity of the institution. Bank has embarked upon digital transformation journey to offer value added services to the customers and enhance customer experiences.

Analytics department

Banks Analytics department is further strengthened during the year 2018-19 to increase the use of analytics and to promote greater understanding of data across the bank. Analytics Department also supports Risk Management Department on Retail Credit Policy formulation, portfolio tracking, scorecard development and data management.

Risks & Concerns

A robust risk management system will ensure long term financial security, stability and success of the Bank. Risk Management Department of the Bank has been taking initiatives on a continuous basis for fine tuning the functioning and to further strengthen the

risk management framework. The major risks namely Credit, Market, Liquidity and Operational risk are managed through following Committees viz:

- Risk Management and Asset Liability Management Committee of the Board (RM&ALM),
- Credit Risk Management Committee (CRMC),
- Asset and Liability Management Committee (ALCO),
- Operational Risk Management Committee (ORMC) and
- Market Risk Management Committee (MRMC).

Cyber Risk

Data-driven decision-making, cloud adoption, digital transformation, mobility, and integration of other new technologies are integral to how bank functions today. The concept of a secured Data Centre (DC) is fast changing to an environment where data is spread across DC and cloud - hybrid clouds are the industry norm allowing banks the flexibility of

operating within the security of their own DC, and the ability to scale,

Internal Control systems and their adequacy

The Bank has in place a well-established independent audit system and structure to ensure adequate internal control for safe and sound operations. The Banks Inspection and Audit Department (IAD) perform independent and objective assessment to monitor adequacy, effectiveness and adherence to internal control systems and procedures laid down by the management and extant regulations. This function supports the Banks role in safeguarding its assets.

Training & Development

Developing the knowledge, skills and attitude of employees to perform to their potential and to face the challenges in the market are the main objectives of training programs.

**Table No.1.1
Training/E-Learning conducted during 2018-2019**

S.No.	Program Type	No. of Programs	No. of Learners
1	Internal Programs at Staff Training College	338	5004
2	External Training Programs at various institutes	172	1235
3	Internal Programs conducted at Branches/Offices	953	9437
4	E-Learning on KYC & AML	NA	3482
5	E-Learning on Cyber Security Awareness	NA	4321

New Initiatives

- Various new processes are introduced

during the financial year such as Learning Diary, Group Discussion, Online Quiz, In Camera Role Plays,

Team Way Review, Business Management Games etc. for improving and helping the new employees in the bank.

- Fresher's are assigned with a seasoned senior as a mentor for career guidance and seamless integration with the organizational culture.
- Talent Tagging for Employees are done based on the special skill sets of the individual employees.

Capacity Building

- Capacity Building is implemented in Bank to improve the quality of work and for efficiency in the specialized departments such as Credit, Forex, Treasury, Accounting and Cyber Security.
- As per RBI instruction, employees working in Commercial Business Group, Corporate and Institutional Group, Central Loan Processing Cell, Corporate Business Unit, Divisional Office Credit Processing, and Business Banking Units are insisted for Certified Credit Professional Certification.
- Employees working in Risk Management Departments, Central Forex Processing Cell, Treasury, Accounting and Cyber Security Departments are insisted to do Risk in Financial Services Certification, Forex Certification, Certified Treasury Professional, Certified Accounting and

Audit Professional, IT Security & Cyber Security Certifications respectively within a specified time span. Course fee reimbursements are also provided by Bank for the special certifications mentioned above.

Objectives

1. To study the demographic profile of the employees of Karur Vysya Bank in Erode District.
2. To analyse the Corporate schemes and its returns towards Karur Vysya Bank
3. To identify the digital management systems and its control by the employees of Karur Vysya Bank in Erode District.

Scope of Study

The progress of the banks determines how far the corporate schemes are functioning. The RBI reflects with number of corporate schemes to the public through banking sectors. It is by how it passes towards the customers and the output has to be scanned and rated every year to check the operational ability of the bank. These schemes are also undergone with cost free digital subscriptions by the customers. The employees of the bank in turn have the responsibility of depositing the schemes to the customers in a reach. The employees are also

focused on the digital implications towards these schemes. Hence, to study about the corporate schemes and engagement strategy of managers towards digital initiatives is essential.

Research Methodology

The methodology adopted in the survey consists of the following:

Primary data was collected specifically for the purpose of the research needs at hand.

Secondary data was collected based on corporate schemes enrolment and its applications.

Research instrument: The questionnaire consisted of 4 specific issues pertaining to demographic profile of the managers, the Corporate schemes and its returns, digital management systems and its control by the employees of Karur Vysya Bank in Erode District.

Sampling Details: The sampling unit of this study comprises of 150 employees working in Karur Vysya Bank in Erode District. The study includes the managers of all segments of bank affairs. The respondents were selected as per the convenience of the researcher in

random.

Statistical Tools: Statistical tools applied for analyzing the data were - simple average, chi-square and percentage analysis.

Limitations of the study

- ❖ The study is limited to the genuineness of the responses collected.
- ❖ Time constraint.
- ❖ The study is restricted to 150 respondents

Analysis of the data & Findings Demographic

Profile of Employees

To analyse the employee's intention and deploying schemes with digital applicability the researcher has collected the data from the employees of the bank. The bank manager's demographic profile helps to study about the age factor with sincerity in work, educational background to see how deep they could enrol with their personal skills and talents, Designation to check the managerial ability, mode of appointment to retrieve their success traits and experience to analyse the corporate understanding towards digital transform.

Table No.1.2
Demographic Profile of Employees

Personal and Occupational profile Variables	Respondents Details	Number of Respondents	Percentage of Respondents
Age	21-30	36	24
	31-40	33	22
	41-50	39	26
	Above 50	42	28
Total		150	100
Educational Background	Post graduates	105	70
	Under graduates	6	4
	Professional qualified	39	26
Total		150	100
Designation	Senior Managers	6	4
	Managers	144	96
Total		150	100
Mode of appointment	Managers	111	74
	Promoted as Managers	39	26
Total		150	100
No. of years of experience	0-5 years	15	20
	6-10 years	24	16
	11-15 years	18	12
	16-20 years	33	22
	Above 20 years	60	40
Total		150	100

- ❖ a. Educational Background of the Respondents: 70% of the respondents were Postgraduates, 26% of the respondents were professionally qualified and 4% of the respondents were Graduates.
- ❖ b. Age Group of the Respondents: 28% of the respondents were in the age group of above 50 years of age, followed by 26% respondents in the age group of 41-50 years, 24% of them were in the age group of 21-30 years and 22 % of them were in the age group of 31-40 years.
- ❖ c. Designation: 96% of the respondents were managers and 4% of the respondents are senior managers.
- ❖ d. Mode of Appointment: 74% of the respondents were directly appointed as managers and 26% of the respondents were promoted as managers.
- ❖ e. Number of years of experience of the respondents: 40% of the respondents have above 20 years of experience, 22% of them have 16-20 years of experience, 16% of them have 6 to 10 years of experience, 12% of them have 11 to 15 years of experience and 10% of them have less than five years of

experience.

Digital Management Systems

The Digital Management System has to function with the corporate schemes then and there. The employee plays a major role in its fortunes. Hence, the study on the employee's attitude towards age wise is in need. The employees work with full sustain if they are paid with good salary package. They should be awarded and recognised for their work where they get towards reach of the rural customers towards corporate affairs. Learning and Development attitude make them to envisage more with digital initiatives. Hence an analysis has been given below.

Hypothesis

Ho: There is no association between the age of the employees and the engagement strategy of employees towards Digital Initiatives

Table No.1.3
Digital Management Systems – Age wise Factor

Age of the respondents	Salary and package	Awards and Recognition	Learning and Development attitude	Digital Initiatives	Total
21-30	16	2	10	8	36
31-40	8	3	20	2	33
41-50	15	4	10	10	39
Above 50	9	24	5	4	42
Total	48	33	45	24	150

Pearson Chi-square	
Value	18.909
Df	3
Asymp. Sig.	0.002

Since the significance value is less than the tabulated value, the null hypothesis is accepted, which indicates that, both the variables (Age of the respondents and engagement strategy of employees towards Digital Initiatives) are not associated. The chi-square value 18.909 and $p = 0.002$ are statistically significant at 5% level. Therefore it can be concluded that there is a close association between the age of the managers and their engagement strategy towards Digital Initiatives. The above table clearly shows that respondents in the age group of above 50 prefer awards and recognition as an engagement strategy in comparison to other engagement strategies. This shows that their recognition make them to move towards smart options.

Suggestions and recommendations

1. Majority of the customers of the bank are from urban and semi urban back ground. The employees feel that the customers from rural areas are less.
2. The corporate schemes are followed by banks and they try to depict the same towards the business affairs. They feel that only 40% of the customers take the schemes properly. It would be better if all the customers try to adhere the schemes in future.
3. The employees feel that 56% of the customers get confused on the corporate schemes. They advise them that any disclosure they can contact the employees for their clarity.
4. The managers feel that the digital initiations lead for

smart sustainability. The bank employees have to be trained with the applications. The managers arrange revamping course for all segments of employees of the bank.

Conclusion

The money coming in and going out of a company is what sets the overall direction. Managers continue operations with due appreciation for funding. Effective time management that doesn't drain the bank is crucial. Therefore, the Audit Committee of the Board (ACB) gives the managers high-level advice and direction on the control elements. Keeping ahead of the competition requires adopting and implementing costly global technology, infrastructure, and procedures.

References

1. Hussein M —Hiring and Firing with ethics, Hum. Resourc. Manage. Digest 17 (4); 37-40
2. Cheloha, R., & Swain, J. "Talent management system key to effective Succession planning". Canadian HR Reporter, vol.18 , No.17, pp.5-7.
3. Robert J Vance employee engagement and commitment, - A guide to understanding, measuring and increasing engagement in your organisation, A SHRM foundation publication
4. <https://www.business-standard.com/company/karur-vysya-bank-2722/news>
5. <https://economictimes.indiatimes.com/Karur-Vysya-Bank-Ltd/stockupdate/companyid->