

Corporate Governance : Strategic Issues

➤ P Kallu Rao & Robita

The significance of Corporate Governance was felt in recent past by most of the countries in the world. It is, mainly, focused to address various issues to enhance the returns through increased accountability. The issue of corporate governance has become a focal point of corporate culture in day-to-day management.

An attempt has been made in the present paper to highlight the significance of corporate governance globally and the issues addressed by various committees in their respective countries. In India, SEBI addressed various similar issues to protect the investors. As we understand, the nature of corporate culture is dynamic, thus the principles of corporate governance should be changed accordingly. Proper implementation of standards of good corporate governance depends on ethics and values of management.

In fact, sathyam vada dharmam chara is the substance of corporate governance.

Cooperative Banking in India : Some Concerns

➤ K Ramesha

While the progress of urban banks in quantitative terms has been commendable till recently, their conduct of banking business often poses a number of challenges and among them high levels of loan delinquency and regulatory overlaps are perhaps more important. The analysis of the performance of credit cooperative movement with a special thrust on urban cooperative banks in this paper suggest that the movement has become weak during the post-reforms period. There are apprehensions as to whether these entities will be able to survive in the present increasingly competitive environment. It is imperative, therefore, that these banks take cue from other players and focus on good governance, professionalism and appropriate risk management systems. The best practices followed by some of the well-managed banks within the cooperative sector provide a ray of hope for others.

Managing Intangibles for Human resource Development

➤ S B Singh

Managing intangibles is seen as one of the critical areas for improved organizational performance. The developments in the financial system have also posed several challenges for those concerned with the management of intangibles. Managing human resources at intangible front is significantly different, if not completely, from their management at tangible front though both are complementary in nature. Management of human resources perhaps assumes greater significance as the organizations go for higher levels of technological sophistication. The management of intangibles at workplace in managing contemporary complex business organizations is increasing gaining the attention of the management thinkers and practitioners for achieving organizational excellence.

Retail Loan : Opportunities and Challenges for Public Sector Banks

➤ Shyam Ji Mehrotra

With the tightening prudential standards, growing disintermediation, intensifying competition and falling spreads, banks, particularly PSBs are in search of new avenues for sustaining their bottomlines. Due to increasing GDP and consequent increase in the disposable income of the enlarging middle class population in India, banks have realized the importance of retail segment. Along with growth in the retail market, competition has also intensified. Time has come for banks to position themselves in the retail market with strategies focussing on the customer needs, preferred delivery channels and managing service quality.

It is also high time that PSBs take a re-look at their existing approaches/strategies to position themselves in the fast growing as also changing retail market to be able to increase their exposure to retail segment.

SSI Financing : An Overview

➤ B L Chandak

To some extent, the slowdown in the growth of institutional credit to SSIs may be attributed to the financial vulnerability of trade and industry, which together resulted in higher levels of NPAs. At the same time, no attempts have been made to examine the non-institutional credit sources to SSIs, the importance of which needs no emphasis. Given the complementarities between institutional credit and non-institutional credit, measures to increase the supply of the former without addressing the systemic fragility of the latter will be short-lived. The success of the economy and especially industrial sector can be better ensured through a confident, reliable and efficient financial system in which both institutional and non-institutional credit sources can play mutually supportive roles.

Serfaesi Act : An Effective Recovery Tool

➤ Uday S Bose

The growing NPAs and its implications on the banking system needs no emphasis. While there have been several schemes in the past to facilitate the recovery from NPAs, the success of such efforts in terms of NPA reduction has been far from satisfactory. SERFAESI Act, it is hoped would greatly help banks in their efforts to reduce and recover money from NPAs. Nonetheless, the recent developments have also brought out the limitations of the act, thereby creating apprehensions amongst banks and financial institutions. Notwithstanding this, to take full advantage of the Act, the root causes of NPAs, which are evident in the system, may have to be addressed first. The author has made an attempt to provide a glimpse of the SERFAESI Act against this backdrop.

What ails Urban Cooperative Banks?

➤ Vasant Godse

Historically, the exponential growth of Urban Cooperative Banks was attributed to their much better local reach, personal interaction with customers, and their ability to catch the nerve of the local clientele. The erstwhile strengths are being challenged. The retail turf has many competitors, while regulatory prescriptions do not offer level playing field to these banks. Human resources and appropriate technology coupled with a responsive organizational structure and similar issues add to the problems of inadequate internal supervision. Political affiliations are another concern, reemphasizing the need for visionary leaders with mission. In any case, steps in right earnest and direction can still fulfill the dream of this sector.

Booknotes

➤ Bibha Ganguly