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## SOCIAL TRANSFORMATION THROUGH FUTURISTIC BANKING– A CONCEPTUAL STUDY

**W.ROSELIN PRABHA**

Ph.D. Full Time Research Scholar  
 PG & Research Department of Commerce  
 Thanthai Periyar Government Arts and Science College, Tiruchirappalli  
 (Affiliated to Bharathidasan University, Tiruchirappalli-24)

### Abstract

*Social transformation is possible only when the people empower financially with Sustainable lively hood, Therefore, economic empowerment is the back bone of overall development of the nation with this view, many process has been initiated since independence like nationalization of Commercial banks, establishment of various investment and development banks, Restructuring, Co-operative banking system, introduction of social banking, Priority Sector lending Scheme, Educational loan Scheme and So on. First five year Plans Focus on Agriculture Development with the help of Liberalized bank loans and advances. This Paper made an attempt to discuss the Conceptual background of the Social transformation activities through Commercial banks in general.*

**Keywords:** Indian Banking, technological changes, financial inclusion, social banking, Priority Sector lending, Educational loan.

### INTRODUCTION

Social transformation is possible only when the people empower financially with Sustainable lively hood, Therefore, economic empowerment is the back bone of overall development of the nation with this view, many process has been initiated since independence like nationalization of Commercial banks, establishment of various investment and development banks, Restructuring, Co-operative banking system, introduction of social banking, Priority Sector lending Scheme, Educational loan Scheme and So on. First five year Plans Focus on Agriculture

Development with the help of Liberalized bank loans and advances.

Seventh five plans focus on Self Sufficient economy through liberalized financial assistance, eight five year Plans initiated new Economic Policy Which help to implementation of LPG and Computerization of banks and establishment of new generation Private Sector banks. Eleventh five year plan & Concentrates inclusive growth with financial inclusion Strategy. And National Institution for Transforming India (NITI) Aayog transform the banking and financial sector into new dimension with the help of technology and innovation. This Paper

made an attempt to discuss the Conceptual background of the Social transformation activities through Commercial banks in general.

### LITERATURE REVIEW

Banking is one of the Emerging part of the Socio- economic Development of the Country Which Consists of Circulation of Money from One hands to another. Social Banking System transform the Sustainable and inclusive way of banking into more Social Development. With this there is a need of understanding about the futuristic banking towards Social transformation.

Review of literature provide a platform to understand the back ground knowledge of the issues and its relevance in the existing Practical field. This part consists of extensive literature review to predict the research Problem.

**Paramasivan.C(2011)** Information Technology Plays a key role in the modern world which meets the day to day activities of the human being directly or indirectly associated. Commercial activates particularly banking and financial sectors may not function without proper information technology. Commercial banks and information Technology are inseparable and interrelated segment which provides immense services to the customers and make them satisfied.

**Ramayah, Rahim Mosahab (2010)** concluded that customer service has been evaluated long time ago, but it is still one study that banks must continue to conduct in order to meet the changes in the banking industry. New technologies must be incorporated as a factor to measure service quality in future researches. Researches and related questionnaires must also be accommodated with the new banking requirements of the customer.

**Goyal K. A, and Vijay Joshi (2012)** Concluded that it has been observed that clouds of trepidation and drops of growth are two important phenomena of market, which frequently changes in different sets of conditions. The

pre and post liberalization era has witnessed various environmental changes which directly affects the aforesaid phenomena. It is evident that post liberalization era has spread new colours of growth in India, but simultaneously it has also posed some challenges.

**Virender Koundal (2012)** concluded that the paper concludes that although various reforms have produced favourable effects on commercial banks in India and because of this transformation is taking place almost in all categories of the banks. It has also realized that the profitability of the public sector banks appears to have started improving but despite this, the foreign and private sector banks take a big share of cake.

**Radha Krishna (2015)** concluded that the banking sector today is re-defined and re-engineered with the use of Information Technology and it is sure that the future of banking will offer more sophisticated services to the customers with the continuous product and process innovations. Thus, there is a paradigm shift from the seller's market to buyer's market in the industry and finally it affected at the bankers level to change their approach from "conventional banking to convenience banking" and "mass banking to class banking.

**Sanjay Sakariya (2017)** revealed that Indian banking industry has shown tremendous growth in volume and complexity during the last few decades. Despite making significant efforts and improvements in terms of policy initiatives, technology upgradation, financial viability, profitability and competitiveness there are concerns that banking services still do not reach a vast segment of the population, especially the low-income underprivileged segments of the society in rural, semi-urban and urban areas due to various demand-and supply-side barriers.

**Vikas Kumar (2017)** concluded that The Banking system remains the focal point in its financial set-up and as such

banks are regarded as special in view of their specialized functions in the financial intermediation and payment system of a country. With the advent of Universal banking concept in the Indian banking sector, commercial banks – both in the public sector as well as private sector are focusing on product innovation to meet customer satisfaction effectively.

**Badri Singh Bhandari (2018)** concluded that Social protection or social security is a set of human rights designed to reduce or prevent poverty and vulnerability throughout the life cycle and includes benefits for children and families, maternity, unemployment, employment injury, sickness, old age, disability, survivors, and health protection provided to citizens by a mix of contributory schemes (social insurance) and non-contributory tax-financed benefits, including social assistance.

**Karthikesan.P& Hema C, (2018)** concluded that banking environment has become highly competitive today. The Banking sector is undergoing the process of radical transformation due to excessive competition of foreign and private players and changes in tastes, preference and habits as well as expectations of customers for newer products. The traditional view of business which was the right product must be available in the right place at the right time is replaced now by a more dynamic and flexible concept that any product should be available at anytime and anywhere.

**Paramasivan. C (2018)**, revealed that Digital financial inclusion is one of the innovative and effective mechanisms which help to provide financial services to unreached and uncovered people in the country. Providing financial services to the needs people is a part of financial system of the country that promotes socio economic developments. Therefore, there is a need of understanding the impact of financial inclusion in India with respect to the application of modern communication technology.

**Pappu Rajan A, and Allen Rose Shamini (2018)** concluded that digital banking services help that customers may access their accounts whenever need from anywhere in the world. Banks should provide services to the customers by several distribution channels through online. The study concluded that all the banking service delivery channels are almost known by customers and in use among the people in Tiruchirappalli district expect the video conference banking channel.

**Varda Sardana and Shubham Singhania(2018)** concluded that there are not many inventions that have changed the business of banking as dramatically as the technological revolution. Banks in different parts of the world are revamping their long term-strategies in order to harness the opportunities offered by digitization. It is not surprising that the banking industry was one of the very first to utilize information technology back in the 1960s, and has thus a record of influencing the development process through technology.

**Vijayendra and Gupta (2018)** concluded that Banking and financial services have always been extremely formal in nature, and for good reason. However, things are, rapidly transforming in the digital era. It is as important that the banks remain as transparent, as their customers remain authentic. The main objective behind integrating banking services with technology is, undoubtedly, convenience.

**Manoj.P.K(2019)** revealed that the concept of social banking has been gradually losing significance in the ongoing era of financial sector reforms in India initiated in the early 1990s. Accordingly, the norms relating to Priority Sector Lending (PSL) are being followed by 'Traditional' banks viz. Public Sector Banks (PSBs), Old Private sector Banks (OPBs), and even the Foreign Banks (FBs)– the target being 40 percent; but not by the New generation Private sector

Banks (NPBs). In this context, this paper looks into the relevance of social banking from a historical perspective, the growing prominence of NPBs in the reforms era.

**Zhiheng Li 1, Shuangzhe Liu (2019)** The present study aimed to assess the competition in the Indian banking sector overall and within the three bank groups by ownership, that is, state-owned, foreign-owned, and privately-owned. Unbalanced panel data for the period 2005–2018 available at the Reserve Bank of India website was used.

**Sapana Gupta1 K.S Thakur2(2020)** Financial system is considered as the basic concept for the development of a nation since it provides adequate and smooth flow of finance to the needed parts. As the Indian Economy is growing at a very fast pace there is need of a smooth, wide and technologically advance financial system all over India Inclusive growth in the economy can only be achieved when all the weaker sections of the society .

**Sylwester Kozak1, Bartosz Golnik (2020)** concluded that Digitization is a common phenomenon in many sectors of the economy, including banking sector. It simplifies the process of obtaining and processing information and contributes to lower operating costs, shortening the time of banking operations and increasing their availability for customers. Transferring to the digital world significant amount of data on customers and their financial operations increases banks' exposure to cyber-attacks.

## CONCLUSION

Socioeconomic development of the Country depends on how people are able to avail financial services and products which are provided by the government. India lives in villages and they encompass a major portion of the Indian Population. Financial Inclusion will be complete if banking services are made available at ease to the people who are totally ignorant of its benefits and are too poor to start with a minimum balance requirement. The

conventional banking practices in India has marginalized a large section of the poor population of the country. The Concept of social banking was to provide banking for the poor population, working for their developmental needs, providing them with easy formal credit, minimal requirements to open accounts, ease of access and friendly staff etc. Thus, broadly stating, banking system in which banks subsidize the provision of banking services to poor and the orientation is towards serving the masses is known as social banking. Now Social banking transformed and targeted with the help of information technology banks habitually ensure to incorporate new technologies in their business and operations. ATMs, Online banking, mobile banking, point – of-sale machines were early technologies that banks adopted.

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