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Evaluating Institutional Performance through Employees' Perspectives: Evidence from Telangana Grameena Bank

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Abstract

Employee performance is a critical determinant of organizational success, particularly in financial service institutions where individual participation significantly influences operational effectiveness. This study examines employee perceptions of organizational performance in Telangana Grameena Bank (TGB), a regional rural bank operating across key districts of Telangana, namely Adilabad, Karimnagar, Nizamabad, Ranga Reddy, and Hyderabad. As of 31st March 2026, the bank had 300 branches, including area and head offices, within its operational jurisdiction.

A stratified random sampling method was adopted to select 65 branches proportionately across districts. The study is based on primary data collected from 312 employees, including Senior Managers, Managers, Assistant Managers/Officers, and clerical staff. The research focuses on assessing employee perceptions regarding key performance dimensions such as deposit mobilization, lending schemes, and loan recovery performance of bank branches. Additionally, the study evaluates employees' views on the bank's contribution to socio-economic development in its service areas.

The analysis also incorporates the socio-economic profile of employees by considering variables such as age, educational qualifications, work experience, and job location. The findings provide insights into how internal stakeholders perceive operational efficiency and developmental impact, highlighting strengths and areas requiring improvement. Overall, the study underscores the importance of employee perception as a valuable indicator for enhancing institutional performance and achieving sustainable growth in regional rural banking.

Keywords: Employee Perception, Organizational Performance, Telangana Grameena Bank. Deposit Mobilization, Loan Recovery

1. Introduction

The performance of employees plays a pivotal role in determining the success and sustainability of any organization. In service-oriented sectors, particularly banking, the efficiency, commitment, and perception of employees significantly influence operational outcomes and customer satisfaction. Financial institutions rely heavily on human resources for effective implementation of policies, delivery of services, and achievement of organizational goals. Hence, understanding employee perception towards institutional performance becomes essential for improving productivity and ensuring long-term growth.

Regional Rural Banks (RRBs) in India have been established with the primary objective of promoting financial inclusion and supporting rural development. In this context, Telangana Grameena Bank (TGB) plays a crucial role in extending banking services to underserved and rural populations across districts such as Adilabad, Karimnagar, Nizamabad, Ranga Reddy, and Hyderabad. The bank's performance in areas like deposit mobilization, credit delivery, and recovery of loans directly contributes to regional economic development.

Given the importance of employee involvement in banking operations, this study focuses on analyzing the perception of employees regarding the performance of DGB. It examines key functional areas such as deposit performance, lending schemes, and recovery mechanisms, while also considering the socio-economic impact of the bank's activities. Additionally, the study evaluates the demographic and professional profile of employees, including age, education, experience, and job position, to understand how these factors influence their perceptions.

By exploring the viewpoints of employees at different hierarchical levels—ranging from senior managers to clerical staff—the study aims to provide a comprehensive understanding of internal performance evaluation. The insights derived from this research are expected to assist policymakers and bank management in formulating strategies to enhance efficiency, strengthen service delivery, and promote inclusive growth through improved employee engagement.

Telangana Grameena Bank

Telangana Grameena Bank is a prominent Regional Rural Bank in India, sponsored by State Bank of India and headquartered in Hyderabad. Established in 2006 as Deccan Grameena Bank and later renamed in 2014, it caters to both rural and urban populations by offering a wide range of banking services. The bank is jointly owned by the Government of India (50%), SBI (35%), and the Government of Telangana (15%). As of March 2026, it has demonstrated strong financial performance with total business reaching ₹79,667 crore, comprising deposits and advances. It provides modern banking solutions including digital services, agricultural and retail loans, and ATM facilities, under the leadership of K Prathapa Reddy.

2. Review Literature

Earlier studies on Regional Rural Banks (RRBs) highlight their significant role in promoting rural development through deposit mobilization and credit expansion. Literature indicates that effective deposit mobilization strategies and clearly defined targets contribute to improved financial inclusion and resource generation. Several studies emphasize that proper utilization of loans by borrowers is crucial for enhancing income levels and ensuring timely repayment. Prior research also reveals that recovery performance is influenced by factors such as economic conditions, borrower behavior, and institutional follow-up mechanisms. Studies have identified key causes of overdues, including diversion of loan funds, natural calamities, and socio-political influences. Furthermore, existing literature suggests that trained field staff and continuous customer engagement improve recovery rates and credit discipline. Overall, earlier research concludes that RRBs play a vital role in generating employment, increasing rural income, and fostering socio-economic development.

3. Research Methodology

1. Nature of Study

- Descriptive and analytical research design.
- Focuses on evaluating operational efficiency and developmental impact of the bank.

- Covers key areas such as deposit mobilization, lending, recovery performance, and socio-economic impact.

2. Data Sources
- Primary data collected through a structured questionnaire.
- Respondents include bank employees at different levels (senior managers, managers, officers, clerical staff).
- Secondary data collected from annual reports, RBI publications, bank records, and academic literature.

3. Sampling Design
- Stratified random sampling technique adopted.
- Study area includes five districts: Adilabad, Karimnagar, Nizamabad, Rangareddy, and Hyderabad.
- Total sample size: 312 employees.
- Sample selected proportionately to represent each district.

4. Data Collection Tools
- Structured questionnaire covering key variables.
- Questions focused on deposit performance, loan utilization, recovery mechanisms, and socio-economic impact.

5. Statistical Tools Used
- Percentage analysis for distribution and trends.
- Tabular presentation for clarity and comparison.
- Comparative analysis across districts.
- Chi-square test for hypothesis testing and association between variables.

6. Key Variables Covered
- Socio-economic profile of employees (age, education, experience).
- Deposit mobilization and target achievement.
- Loan disbursement and utilization patterns.
- Recovery performance and causes of overdues.
- Impact of credit on income generation and employment.

7. Hypothesis Testing
- Null hypothesis formulated to test relationships between variables.
- Chi-square test used to determine statistical significance.

8. Limitations of Study
- Based mainly on employee perceptions.
- Limited to selected districts only.
- Time constraints may affect depth of analysis.

9. Overall Approach
- District-wise comparative analysis adopted.
- Results presented systematically using tables.
- Provides insights into both banking performance and rural development impact.

4. Result and Discussion

The results show that a majority of employees reported strong performance in deposit mobilization supported by effective outreach measures, trained staff, and high satisfaction levels, although district-wise disparities exist in loan utilization and repayment patterns. The discussion highlights that recovery performance remains moderate due to economic and external factors, while a significant proportion of employees perceive that bank credit has positively contributed to income generation and employment in rural areas.

Table 1: District and Location-wise Distribution of Employees of Telangana Grameena Bank			
Category	**Particulars**	**No. of Respondents**	**Percent**
District	Adilabad	90	28.8
	Karimnagar	78	25
	Nizamabad	65	20.8
	Rangareddy	65	20.8
	Hyderabad	14	4.5
	Total	**312**	**100**
Location	Metropolitan Cities	17	5.4
	Urban	84	26.9
	Semi-Urban	55	17.6
	Rural	156	50
	Total	**312**	**100**

Source: Compiled from questionnaire

The table indicates that the highest proportion of employees are from Adilabad (28.8%), followed by Karimnagar (25%), while Hyderabad has the least representation (4.5%). It also shows that a majority of employees (50%) are working in rural areas, highlighting the strong rural orientation of Telangana Grameena Bank.

Table 2: Socio-Economic Profile of Employees			
Category	**Particulars**	**No. of Respondents**	**Percent**
Age Group	< 25 years	50	16
	25–35 years	78	25
	35–45 years	126	40.4
	> 45 years	58	18.6
	Total	**312**	**100**
Gender	Male	202	64.7
	Female	110	35.3
	Total	**312**	**100**
Religion	Hindu	172	55.1
	Muslim	66	21.2
	Christian	74	23.7
	Total	**312**	**100**
Community	SC	74	23.7
	ST	97	31.1
	OBC	93	29.8

	OC	48	15.4
	Total	**312**	**100**
Education	Matriculate	60	19.2
	Intermediate	62	19.9
	Graduate	77	24.7
	Postgraduate	113	36.2
	Total	**312**	**100**

Source: Compiled from questionnaire

The table shows that the majority of employees belong to the age group of 35–45 years (40.4%) and are predominantly male (64.7%), indicating a mature and male-dominated workforce. It also reveals that a significant proportion of employees are well-qualified, with 36.2% holding postgraduate degrees, reflecting a strong educational background among staff.

Table 3: Employees' Perception on Target and Satisfaction of Deposit Mobilization in Telangana Grameena Bank

Districts	**Target Received (Yes)**	**Target Received (No)**	**Satisfaction (Yes)**	**Satisfaction (No)**	**Total**
Adilabad	48 (53.30)	42 (46.70)	60 (66.70)	30 (33.30)	90
Karimnagar	54 (69.20)	24 (30.80)	54 (69.20)	24 (30.80)	78
Nizamabad	45 (69.20)	20 (30.80)	45 (69.20)	20 (30.80)	65
Rangareddy	40 (61.50)	25 (38.50)	45 (69.20)	20 (30.80)	65
Hyderabad	12 (85.70)	2 (14.30)	12 (85.70)	2 (14.30)	14
Total	**199 (63.80)**	**113 (36.20)**	**216 (69.20)**	**96 (30.80)**	**312**

Source: Compiled from questionnaire

The table shows that a majority of employees (63.8%) reported receiving deposit mobilization targets, while a higher proportion (69.2%) expressed satisfaction with the achievement of these targets. It also indicates that satisfaction levels are relatively high across all districts, with Hyderabad showing the highest agreement (85.7%) for both target receipt and satisfaction.

Table 4: Rate of Achievement and Increase in Quantum of Deposits

Category	**>100%**	**80–99%**	**50–80%**	**<50%**	**Total**	
Rate of Achievement	108 (34.60)	82 (26.30)	73 (23.40)	49 (15.70)	**312**	
Category	**>50%**	**50–80%**	**80–99%**	**100%**	**>200%**	**Total**
Quantum of Deposits Increase	36 (11.50)	71 (22.80)	63 (20.20)	40 (12.80)	102 (32.70)	**312**

Source: Compiled from questionnaire

The table indicates that a significant proportion of employees (34.6%) reported achieving more than 100% of deposit targets, reflecting strong performance in deposit mobilization. It also shows that a notable share

(32.7%) observed more than 200% increases in the quantum of deposits, highlighting substantial growth in deposit expansion.

Table 5: Steps Taken and Popularization of Deposit Schemes					
Particulars	**Gram Sabha**	**Encourage Deposits**	**Visits**	**Advice Schemes**	**Total**
Steps for Deposit Increase	75 (24.00)	84 (26.90)	63 (20.20)	90 (28.80)	312
Particulars	**Yes**	**No**	**Total**		
Popularization by Field Staff	192 (61.50)	120 (38.50)	312		

Source: Compiled from questionnaire

The table reveals that advising saving schemes (28.8%) and encouraging deposits (26.9%) are the major steps taken by employees to increase deposits. It also shows that a majority of employees (61.5%) agreed that field staff actively popularize deposit schemes, indicating effective outreach efforts by the bank.

Table 6: Employees' Perception on Utilization of Loan (District-wise) – Telangana Grameena Bank

Districts	**Yes (Utilized Properly)**	**No (Not Utilized Properly)**	**Total**
Adilabad	36 (40.00)	54 (60.00)	90
Karimnagar	60 (76.90)	18 (23.10)	78
Nizamabad	50 (76.90)	15 (23.10)	65
Rangareddy	35 (53.80)	30 (46.20)	65
Hyderabad	6 (42.90)	8 (57.10)	14
Total	**187 (59.90)**	**125 (40.10)**	**312**

Source: Compiled from questionnaire

The table shows that a majority of employees (59.9%) believe that loans are properly utilized by customers, though a considerable proportion (40.1%) feel otherwise. It also indicates significant district-wise variation, with higher proper utilization reported in Karimnagar and Nizamabad (76.9%), while Adilabad and Hyderabad show lower levels of proper utilization.

Table 7: Employees' Perception on Lending Support & Advisory Services			
Particulars	**Yes**	**No**	**Total**
Trained Field Staff Available	215 (68.90)	97 (31.10)	312
Advice Offered to Customers	227 (72.80)	85 (27.20)	312
Area of Advice by Officials			
Sector	**No. of Respondents**	**Percent**	
Agriculture	107	34.3	

Industry	86	27.6
Services	119	38.1
Total	**312**	**100**

Source: Compiled from questionnaire

The table indicates that a majority of employees reported the availability of trained field staff (68.9%) and active advisory support to customers (72.8%), reflecting strong institutional support services. It also shows that advice is primarily focused on the services sector (38.1%), followed by agriculture (34.3%), highlighting the bank's diversified advisory approach.

Table 8: Employees' Perception on Loan Repayment Performance (District-wise) – Telangana Grameena Bank

Districts	**Not Paid**	**Partially Paid**	**Fully Paid**	**Total**
Adilabad	30 (33.30)	42 (46.70)	18 (20.00)	90
Karimnagar	24 (30.80)	36 (46.20)	18 (23.10)	78
Nizamabad	15 (23.10)	10 (15.40)	40 (61.50)	65
Rangareddy	25 (38.50)	25 (38.50)	15 (23.10)	65
Hyderabad	8 (57.10)	4 (28.60)	2 (14.30)	14
Total	**102 (32.70)**	**117 (37.50)**	**93 (29.80)**	**312**

Source: Compiled from questionnaire

The table shows that a majority of loans are either partially paid (37.5%) or not paid (32.7%), indicating moderate recovery performance across the bank. It also highlights district-wise differences, with Nizamabad showing the highest full repayment (61.5%), while Hyderabad has the highest proportion of non-payment (57.1%).

Table 9: Causes for Poor Recovery of Loans

Causes for Poor Recovery	**No. of Respondents**	**Percent**
Economic problems of borrower	99	31.7
Political influence	71	22.8
Natural calamities	57	18.3
Extremist influence	43	13.8
Inefficiency of bank staff	42	13.5
Total	**312**	**100**

Source: Compiled from questionnaire

The table indicates that economic problems of borrowers (31.7%) are the major cause for poor recovery of loans, followed by political influence (22.8%). It also shows that external factors like natural calamities (18.3%) and institutional issues such as staff inefficiency (13.5%) contribute to recovery challenges.

Table 10: Actions Taken on Willful Defaulters – Telangana Grameena Bank

Action on Willful Defaulters	No. of Respondents	Percent
Daily collection through agents	76	24.4
Charging high penal interest	73	23.4
Contact through phone	64	20.5
Frequent official visits	51	16.3
Sending frequent reminders	48	15.4
Total	**312**	**100**

Source: Compiled from questionnaire

The table shows that daily collection through agents (24.4%) and charging high penal interest (23.4%) are the most commonly adopted actions against willful defaulters. It also indicates that follow-up methods like phone contact (20.5%) and official visits (16.3%) are widely used to improve loan recovery.

Table 11: Reasons for Overdues and Steps for Improving Recovery Performance

Reasons for Overdues	No. of Respondents	Percent
Drought / Flood	87	27.9
Unproductive use of loan	84	26.9
Govt. sponsored programmes	73	23.4
Lack of borrower interest	68	21.8
Total	**312**	**100**
Steps to Improve Recovery Performance	**No. of Respondents**	**Percent**
One-time settlement	105	33.7
Conduct Grama Sabha	87	27.9
Regular contact with customers	48	15.4
Issue notices	42	13.5
Ensure regular repayment	30	9.6
Total	**312**	**100**

Source: Compiled from questionnaire

The table reveals that major reasons for overdues are drought/flood (27.9%) and unproductive use of loans (26.9%), indicating both external and borrower-related factors affecting recovery. It also shows that one-time settlement (33.7%) and conducting Grama Sabha (27.9%) are the most preferred measures to improve recovery performance.

Table 12: Employees' Perception on Impact of Credit on Income and Employment in Rural Areas – Telangana Grameena Bank

Districts	Yes (Positive Impact)	No (No Impact)	Total
Adilabad	66 (73.30)	24 (26.70)	90
Karimnagar	60 (76.90)	18 (23.10)	78
Nizamabad	45 (69.20)	20 (30.80)	65
Rangareddy	50 (76.90)	15 (23.10)	65
Hyderabad	6 (42.90)	8 (57.10)	14

Total	**227 (72.80)**	**85 (27.20)**	**312**

Source: Compiled from questionnaire

The table indicates that a significant majority of employees (72.8%) perceive that credit has a positive impact on income and employment in rural areas, highlighting the developmental role of the bank. District-wise analysis shows strong positive perception in Karimnagar and Rangareddy (76.9%), whereas Hyderabad records a comparatively lower positive response (42.9%), indicating regional variation in impact.

5. Findings of the Study

1. Telangana Grameena Bank has a strong rural focus, with half of its workforce serving rural areas and higher staff concentration in districts like Adilabad and Karimnagar.
2. The workforce is predominantly middle-aged and well-educated, indicating stability and capability in handling banking operations.
3. Deposit mobilization is effective, with most employees receiving targets and expressing satisfaction in achieving them.
4. A notable proportion of branches are exceeding deposit targets, reflecting strong financial performance and growth in deposits.
5. Promotional efforts such as customer advice and active field engagement play a crucial role in enhancing deposit mobilization.
6. Loan utilization is generally proper, but inconsistencies across districts indicate the need for closer supervision in certain regions.
7. Availability of trained staff and advisory support strengthens customer relations and service delivery.
8. Loan repayment performance is moderate, with many accounts being only partially repaid, signaling recovery challenges.
9. Borrowers' economic conditions and external influences are the primary constraints affecting loan recovery.
10. Banks rely on a mix of enforcement and follow-up strategies to deal with defaulters and improve recovery rates.
11. Overdues arise due to both environmental factors (like drought) and behavioral factors (like misuse of loans).
12. Remedial measures such as one-time settlements and community engagement initiatives are considered effective for improving recovery.
13. Bank credit is widely perceived to enhance income and employment in rural areas, demonstrating its developmental impact despite regional variations.

6. Suggestions

1. Strengthen monitoring systems to ensure proper utilization of loans, especially in weaker-performing districts.
2. Enhance financial literacy programs to reduce diversion of loan funds and improve repayment behavior.

3. Introduce district-specific recovery strategies based on local economic and socio-cultural conditions.
4. Improve risk assessment and credit appraisal mechanisms to minimize defaults.
5. Expand digital banking and tracking tools for better follow-up and transparency in loan accounts.
6. Provide continuous training to field staff to enhance efficiency in credit delivery and recovery.
7. Promote diversified income-generating activities to reduce borrower dependence on seasonal income.
8. Strengthen coordination with government agencies to mitigate the impact of policy-driven loan defaults.
9. Encourage community-based approaches like Grama Sabha for awareness and recovery improvement.
10. Develop flexible repayment options during natural calamities to reduce overdues.
11. Increase focus on underperforming regions like Hyderabad through targeted interventions.
12. Enhance customer relationship management through regular interaction and advisory support.

7. Conclusion

The study concludes that Telangana Grameena Bank exhibits strong rural orientation and operational effectiveness, supported by a well-qualified and experienced workforce. Deposit mobilization performance is commendable, with most employees achieving targets and expressing high satisfaction, driven by proactive strategies such as customer awareness and field-level engagement. Loan utilization is generally satisfactory, though regional disparities suggest the need for closer supervision in certain districts. The bank demonstrates adequate institutional support through trained staff and advisory services, contributing to customer engagement. However, recovery performance remains moderate, with a significant proportion of loans either partially repaid or overdue due to factors like economic difficulties, natural calamities, and misuse of funds. The bank employs multiple recovery mechanisms, yet challenges persist. Importantly, the study highlights that bank credit has a substantial positive impact on rural income and employment, reinforcing its vital role in regional socio-economic development despite some inter-district variations.

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