

A Study on Problem Faced by Pradhan Mantri Jan Dhan Account Holders In Punjab

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Abstract

Financial untouchability creates the problem of social discrimination. Most of the Indian-population is living in rural areas that is why they have less access to formal banking sector. Financial inclusion means providing financial products and services to that section of society, which do not have basic banking facilities so the new scheme Pradhan Mantri Jan Dhan Yojana launched by the Honorable Prime Minister of India, Shri Narendra Modi on 28th August, 2014. This scheme was announced on 15th August, 2014. The scheme has been started with a target to provide universal access to banking facilities starting with basic banking accounts with overdraft facility and rupay debit card with inbuilt accident insurance. It is taken up as a challenge to provide financial inclusion to all the citizens of the country. In the present study an attempt has been made to analyse the problem faced by beneficiaries in accessing the banking facility. The data and information has been collected through structured questionnaire by using interview method. Period of study is September 2018 to Feb 2019. The data for the present study have been collected from 450 Pradhan Mantri Jan Dhan Yojana account holders of Punjab state. There are number of chances that the scheme beneficiaries may face some problem in availing the benefits of this section. The researcher used some variables to identify problem faced by beneficiaries. The Factor analysis test results has reduced these variables to four problem factors namely the employee's non supportive attitude, disinclination towards work, the delay in processing, lack of support from employee regarding awareness about PMJDY is another source of problems encountered by scheme beneficiaries. Study further suggested that bank employees need to be trained on a regular basis which will help them in assisting the people more effectively.

KEYWORDS- Pradhan Mantri Jan Dhan Yojana, rupay debit, RBI, financial inclusion, ATMs. Business correspondent.

Introduction

A number of schemes such as the nationalization of banks, building up of a wide branch network of scheduled commercial, cooperatives and regional rural banks, priority sector lending, lead bank scheme, formation of self help group, micro finance etc. have been launched from time to time in order to reach the large section of the financial excluded population. However, in the recent years the RBI and the government has been pushing the concept and idea of financial

inclusion. In India financial inclusion was introduced by KC Chakraborty in 2005. Financial inclusion is the delivery of financial services at affordable costs to large sections of disadvantaged and low income society (for example no frill account). In 2006, the RBI permitted commercial banks to make use the services of NGOs/SHGs, micro finance institutions and other civil organization as intermediaries for providing financial and banking services. However, illiteracy, lack of branches and the low income, saving in rural areas continue to be a road block to financial inclusion in India. According to World Bank global financial inclusion survey (2012), only 35 per cent of adults in the Nation had access to a bank account and only 8 per cent borrowed from institutional and formal sources. There are many activities of financial inclusion still pending.

Review of literature

Sharma, Kukreja (2013) studied the current status of financial inclusion and highlighted the progress of state cooperative banks in financial inclusion. The study showed that in 2010 only 4 per cent of adults used a mobile phone. There was a big gap between financial inclusion and the rural people need. The study revealed that in state cooperative bank number of business correspondent, no frills account, the number of rural branches, Kisan credit card increased from 2010 to 2012. The survey stated that the government initiated many steps in a positive direction and financial inclusion showed an immense growth, which could make the life of many rural villagers easy and steady. RBI initiated various measures in order to achieve the greater financial inclusion such as relaxation of KYC norms, the use of technology, adoption of EBT, simplified branch authorization etc.

Poorne, Saravanan (2015) studied the customer perception regarding the PMJDY scheme at Coonoor Taluk of Nilgiri district. A survey was conducted by researcher among 100 respondents. The study revealed that there was no association between age of respondents and level of satisfaction towards PMJDY scheme. The Majority of the surveyed respondents prefer PMJDY at UCO and Vijay bank followed by its Syndicate bank, Bank of India, State bank of India, United Bank of India, Bank of Baroda, Central Bank of India, Indian Bank, Union Bank of India, Canara Bank and Corporation Bank. The study further suggested that government should take various initiatives for providing life insurance, and encourage regular transaction through this bank account.

Mohite (2016) measured the awareness towards PMJDY analysed the impact of this scheme on respondent. A survey was conducted by researcher on 20 respondents. The study

revealed that 40 per cent respondents were fully aware about PMJDY and more than 70 per cent respondents were about PMJDY through media advertisement. The study highlighted that 80 per cent respondent were eager to learn new banking transaction and system. On the other hand remaining 20 per cent respondent would not like to the same because of their schedule illiteracy. The study highlighted that 20 per cent respondent were highly satisfied with benefits and service provided under this scheme. The study highlighted that 55 per cent respondent would like to invest in different schemes under PMJDY. The study further revealed that PMJDY is good initiative started by the govt through there are a lot of things to be done.

Need of the study

Although, government of India has repeatedly taken some measures in the direction of financial inclusion, but most recently launching of PMJDY in 2014 has given a ray of hope to Indian citizens. Hence, many studies have not been available on PMJDY. Some studies have also been conducted by researchers on impact, implications and new direction of Jan Dhan Yojana towards the financial inclusion. But the problem faced by respondent regarding this scheme is neglected yet. Keeping this aspect in mind the present study ``A study on problem faced by pradhan mantri jan dhan account holders in Punjab" is being undertaken to explore the difficulty in accessing the Pradhan Mantri Jan Dhan Yojana account in Punjab.

RESEARCH METHODOLOGY

RESEARCH OBJECTIVES

To study the problems faced by beneficiaries of Pradhan Mantri Jan Dhan Yojana.

SCOPE OF THE STUDY

The scope of the study encompasses financial inclusion with special reference to Jan Dhan Yojana in Punjab.

Population: The present study shall be confined to those people who have opened their account under the Jan Dhan Yojana Scheme in Punjab.

Sample Size: The sample for the present study will be confined to the state of Punjab (Malwa, Doaba & Majha). A sample of 450 respondents (150 from Malwa, 150 from Doaba & 150 from Majha) will be selected from Punjab.

Data Collection: Primary data shall be used to achieve the desired objectives of the study by using random sampling and the Secondary data shall be collected from websites, journal, books, newspaper and from various related studies.

Statistical Tools: The collected data will be classified, processed and analyzed with the use of factor analysis.

Limitations of the study

Respondents were found lethargic towards responding answers relating to banking services, it may be due to lack of awareness regarding bank.

Data analysis and interpretation

Demographic Profile Analysis

Demographic variable analysis includes the analysis of the various demographic profiles like area, qualification, age, gender, marital status. Total 450 respondents have been included for this study and responses have been analyzed on basis of demographic variables. Below mentioned table exhibits the frequency of responses and the percentage on the basis of the demographic profile.

Table 1: Demographic Profile

		Count N	Count N%
Area	Rural	236	52.4%
	Urban	214	47.6%
Marital Status	Married	258	57.3%
	Unmarried	192	42.7%
	Separated	NIL	0.0%
	Others	NIL	0.0%
Gender	Male	192	42.7%
	Female	258	57.3%
Qualification	No Schooling	46	10.2%
	H.Sc	82	18.2%
	S.Sc.	85	18.9%
	Graduate	141	31.3%
	Post-graduate	96	21.3%
Age	Under 25 years	85	18.9%
	26 to 35 years	154	34.2%
	36 to 45 years	106	23.6%
	above 45 years	105	23.3%

From the table 1 it has been observed that out of the total respondents to 236 are from rural areas and 258 respondents are married while 258 respondents are female. From the qualification analysis of the respondents it has been observed that 46 (10.3%) respondent have received no schooling, 82 (18.3%) respondents has gained education till HSC, 85 (19%) respondents has passed Senior Secondary School. 141(3.15 %) respondent have completed their graduation and 94 respondent (21%) has received education till post graduate level. Moving onto the age analysis it has been seen that maximum respondent who has participated in the survey are in the age group of 26

to 35 years as 153 respondents 32.4 % are in age group of 26 to 35 years.

Problem faced by beneficiaries regarding PMJDY scheme

To study the problems faced by beneficiaries of Pradhan Mantri Jan Dhan Yojana the respondents has been asked to provide their opinion on five point likert scale ranging from Strongly agree-5, Agree -4, Some What agree -3, Disagree -2, Strongly Disagree- 1. The table mentioned the problem variables employed in the research to analyse the problem factor faced by beneficiaries of PMJDY.

List problem variables employed in the research

Behaviour of employee not good
Delay in processing
Lack of agent support
Inadequate information
Lack of awareness among employees
Banker reluctant to open your account
Delay in issue of rupay card
Delay in issue of passbook
Banker did not provide any advice regarding the use and safety of Rupay card
Lack of information on PJMDY website
Lengthy process
Shortage of ATM in your location
No literacy camp was conducted

This section highlights the main problem factors which are faced by beneficiaries of PMJDY. The Factor analysis approach has been adopted. This technique extracts maximum common variance from all variables and puts them into a common score. As an index of all variables, we can use this score for further analysis. KMO and Bartlett's

Test is used which indicates the proportion of variance in the selected variables which might be caused by underlying factors. It expresses how suited the collected data is for factor Analysis.

KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.557
Bartlett's Test of Sphericity	Approx. Chi-Square	536.835
	Df	45
	Sig.	.000

The KMO value for the variables measuring the problem faced by respondents regarding Pradhanmantri Jan Dhan Yojna is .557. Also Bartlett's Test of Sphericity value is 0.00 which is less than the significance level. it explain that the

data is fit for factor analysis and the variables used to measure the various problems faced by beneficiaries are appropriate.

Table 3 Total Variance Explained

Total Variance Explained									
Component	Initial Eigen Values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.975	19.749	19.749	1.975	19.749	19.749	1.682	16.823	16.823
2	1.751	17.515	37.263	1.751	17.515	37.263	1.527	15.269	32.092
3	1.270	12.698	49.961	1.270	12.698	49.961	1.496	14.958	47.050
4	1.073	10.733	60.694	1.073	10.733	60.694	1.364	13.644	60.694
5	.965	9.650	70.344						
6	.803	8.032	78.376						
7	.643	6.428	84.804						
8	.582	5.824	90.629						
9	.514	5.140	95.768						
10	.423	4.232	100.000						

According to Kaiser Principle, factors which have Eigen value of 1 or more than one are chosen. These 4 factors out of 13 variables have been extracted on the basis of the association or correlation of the variables. The extracted

factor represents the total of 60.694% variance.

Table 4 Rotated Component Matrix^a

	Component			
	1	2	3	4
Inadequate information	.791			
Lack of agent support	.620			
Banker did not provide any advice regarding the use and safety of Rupay card	.549			
Delay in processing	.548			
Lack of awareness among employees		.830		
Banker reluctant to open your account		.729		
Delay in issue of rupay card			.847	
Delay in issue of passbook			.838	
Lack of information on PJMDY website				0.659
Lengthy process		0.678		
Shortage of ATM in your location			.765	
Behavior of employee not good				.771
No literacy camp was conducted				.674
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 6 iterations.				

Rotated Component Matrix explains that the total 13 variable which have been used to measure the various problems faced by the respondents of Pradhan Mantri Jan Dhan Yojana scheme has been reduced 4 factors. The table highlights the variables and its factor loading represents Association of the variable with respect to the specific factor.

The above table represents the Rotated Component Matrix. The coefficients are the factor loadings which represent the correlation between four factors and the thirteen variables.

Variable with the factor loading of more than .50 has been selected. The above table represents the correlation of the various variables with the four extracted factors. On the basis of the association of the various variables with the factors, it has been clubbed together and named accordingly. The correlation of the variables indicates the strength of the variables with the respective factor. Higher the factor loading value, stronger is the association of the variable with the respective factor.

Table 5 Factor Loadings for Factor 1

Nonsupportive Attitude	
Variables	Factor Loadings
Inadequate information	.791
Lack of agent support	.620
Banker did not provide any advice regarding the use and safety of Rupay card	.549
Delay in processing	.548
% Variance	19.74
Cumulative %	19.74
Cronbach's Alpha	0.522

The factor first represents the association of variables inadequate information factor loading .791, lack of Agent support factor loading .620, banker did not provide any advice regarding the use of and safety of rupay card .549 and delay in processing factor loading .548. On the basis of the similarity of the variables it has been named as Non

Supportive attitude. It indicates lack of support from Bank employee and bad work quality. The percentage variance explained these variable this 19.74% and a cumulative of 19.74%. Cronbach's Alpha for this variable comes out to be 0.522.

Table 6 Factor Loadings for Factor 2nd

Disinclination towards work	
Variables	Factor Loadings
Lack of awareness among employees	.830
Banker reluctant to open your account	.729
Lengthy Process	0.678
% Variance	17.515
Cumulative %	37.263
Cronbach's alpha	0.546

The 6 table represents the association of the variables lack of awareness among employees factor loading .830 and bank reluctant to open your account factor loading .729 and lengthy process has factor loading 0.678. On the basis of their inter relationship the variable has been named as disinclination towards work. The % Variance explained is 17.515% and a cumulative of 37.263%. The Cronbach's alpha for the variables is 0.546. This factor represents the unwillingness of the employees towards the work they are

expected of do timely. The respondent in the study has expressed their feeling over the bank employees working attitude. They said it has been noticed that bank employees themselves lack knowledge regarding PMJDY schemes. They are hesitant to open the customer's bank account under this scheme. Also the respondents said the whole process of opening an account is a lengthy one. They consider it an issue while availing the benefit of the PMJDY scheme.

Table 7 Factor Loadings for Factor 3rd

Delay in processing	
Variables	Factor Loadings
Delay in issue of rupay card	.847
Delay in issue of passbook	.838
Shortage of ATM in your location	0.765
% Variance	12.698
Cumulative %	49.961
Cronbach alpha	0.639

The table 7 represents the factor loadings of the variables delayed issue of Rupay card factor loading of .847, delaying issue of passbook factor loading of .838 and shortage of ATM in your location sector loading 0.765. The variables represent the percentage variance of 12.69% and a cumulative of 49.961%. The Cronbach's alpha represented by this variable is 0.639. On the basis of the

association of the variable it is termed as delay in processing. The respondents in the study felt that the processing or the working of the concerned bank employees is very slow. This is causing a problem for them. Many a times the pass book or rupay card is not issued to them timely or it has been issued after they have asked for it many times.

Table 8 Factor Loadings for Factor 4

Lack of support from employee regarding awareness about PMJDY/ Lack of awareness.	
Variables	Factor Loadings
Behavior of employee not good.	.771
No literacy camp was conducted	.674
Lack of information on PJMDY website	0.659
% Variance	10.733
Cumulative %	60.694
Cronbach alpha	0.652

The table 8 represents the factor loading for the variables behaviour of employees not good as a factor loading of .771, no literacy camp was conducted factor loadings .674 and lack of information on Pradhan Mantri Jan Dhan Yojana website has a factor loading of 0.659 .the percentage variance explained by this factor is 10.73% and accumulated of 6.694%. The Cronbach's Alpha value presented by these variable is 0.652. On the basis of their similarity the factor is termed as lack of support. It reflects that the beneficiaries are not happy with employees as they said that they don't receive up to date awareness about Pradhan Mantri Jan Dhan Yojana. The bank employees does not support them if they are lacking some knowledge about the PMJDY. The behaviour of the employee's is blunt and rude. They admit that they literacy camp should be arrange for them to educate them about benefits of PMJDY. But presently there concerned bank is not organizing the literacy camp for them.

Finding of the study

Factor analysis is used to understand the problem faced by people to access the jan dhan yojana account. The variables are under consideration are divided in four factors. Out of the factors Non supportive Attitude has 19.74% of total variance. 4 statments are associated with it.

It is followed by Disinclination towards work with 17.51% of total variance. It has 3 variables namely lack of awareness among employees, banker reluctant to open your account, and lengthy Process.

The next factor is Delay in processing with 12.69% of total variance. it has 3 variables namely delay in issue of rupay card, delay in issue of passbook, shortage of ATM in your location.

The last factor is lack of support from employee regarding awareness about PMJDY/ lack of awareness with 10.73% of total variance. it has 3 statments namely behaviour of employee not good, no literacy camp was conducted, lack of information on PJMDY website.

Conclusion- Study conclude that banker does not provide any advice regarding used in safety of rupay cards and lack of awareness among employees is a prominent reason which is creating a problem in their path to avail the benefits of the PMJDY. On the other hand the process of issue of rupaycard and passbook is very slow. This behaviour prevents them in taking the advantage of the PMJDY scheme timely. Further study suggested that there is need to conduct financial literacy camps and bank staff needs to be trained on regular basis which will help them in assisting the people more effectively.

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