CHAPTER VI

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION
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India surges forward to emerge as one of the fastest growing economies in the world. Its vibrant service sector is fast evolving. Banking System is an important constituent of overall economic systems. It plays a crucial role in the attainment of macro economic objectives of the country. Indian public sector banks have played a significant role in the economic development of the nation.

The period of vertical growth receded in the late Eighties. The phase for consolidation of the banking system was felt. The technological advancements in telecom and information technology and the reforms in the banking sector towards the end of the century have driven the banks to caution because numbers have now become irrelevant. Now the banking has changed to technology oriented.

The Public sector banks are clearly over-weighed in terms of staff strength. The wage bill constitutes the second largest operating expense for the banks apart from the interest paid on borrowings. Therefore, in order to place the banks on the right track, Government had introduced banking reforms. For this purpose government had set up the Narasimhan Committee in 1991.

Both public and the private sector units started reducing their work force over the last one decade under ‘early separation schemes’ known as Voluntary
Retirement Schemes (VRS). Voluntary Retirement relates to a situation when a worker, for one reason or the other, resigns from his job and thereby terminates the employer-employee relationship prior to the maturity of terms and conditions of employment. It is a premature termination of employment.

OBJECTIVES OF THE STUDY

➢ To study the trends of the VRS before and after of its inception.
➢ To analyse the impact of VRS in select banks operations in terms of productivity, profitability and efficiency by select variables.
➢ To study the socio-economic status of the employees after opting for VRS.
➢ To identify the problems faced by VRS retirees and bankers after the implementation of VRS.
➢ To suggest the policy measures for better implementation of VRS.

METHODOLOGY IN BRIEF

The study is based on both primary and secondary data. Quota sampling techniques were adopted for this study. Tamilnadu state was purposively selected as the sample study area. The sample retirees are spread all over Tamilnadu in different areas namely urban, semi-urban and rural areas. The primary data were collected from retirees who were relived from the selected banks under the Voluntary Retirement Scheme. The secondary data were gathered from published select banks’ annual reports. Apart from this, books, journals, committee reports, IBA bulletin and RBI websites are used.
MAJOR FINDINGS OF THE STUDY

A. TRENDS OF GROWTH IN SELECT BANKS

1. The study has discovered that during the post VRS period, the CV of interest expended gone down to 5.38, 7.07 and 4.61 from 24.94, 23.16 and 22.22 for SBI, Canara Bank and CBI respectively.

2. The study has brought to limelight that there is a significant difference in the operating expenses before and after the implementation of the scheme.

3. The study indicates that during the post VRS period, due to reduction in wage bill of study banks, the CV of total expenses gone down from 22.08, 21.92 and 21.10 to 5.33, 8.65 and 2.30 for the study banks respectively.

4. It is inferred from the study that during the post VRS period, the AGR of interest income 14.53%, 14.80% and 14.88% has decreased to 4.78%, 8.22% and 3.75% for SBI, Canara Bank and CBI respectively.

5. The research inferred that the Standard Deviation of other income has been considerably increased during the post VRS period for the study banks.

6. It is discovered from the study that during the post VRS period, the CV of total income has decreased from 20.10, 21.02 and 21.08 to 8.87, 10.12 and 10.12 for the study banks respectively.

7. During the post VRS period, the Standard Deviation of spread has been increased from 833.30, 421.94 and 191.73 to 2750.87, 696.74 and 356.62 for the study banks respectively.

8. It is learnt from the study that during the post VRS period, the AGR of operating profit has been considerably hike from the pre VRS period for the study banks.
9. The study has brought to limelight that during the post VRS period, the Standard Deviation of provisions and contingencies has been increased to 1389.62, 278.13 and 283.81 for the SBI, CB and CBI respectively.

10. A significant finding of the study is that there is a significant difference among the average net profits during pre and post implementation of the scheme in select banks.

11. During the post VRS period, the Standard Deviation of working funds has increased to 59692.95, 23887.38 and 8805.40 for the study banks respectively.

12. The study points out that there is a significant difference among the pre and post VRS period in deposits of selected banks.

13. It is learnt from the study that there is no considerable changes in amount of capital during per and post VRS period.

14. It is discovered from the study that the amount of investment has considerably increased during the post VRS period form pre VRS period for the study banks.

15. The study indicates that the mean value of advances are hiked during the post VRS period for the study banks.

B. FINDINGS RELATING TO PROFITABILITY, PRODUCTIVITY AND EFFICIENCY OF THE SELECT STUDY BANKS

1. The study has brought to limelight that during the post VRS period, the mean value of Gross Profit Ratio has considerably increased from the pre VRS period for the study banks.
2. It is discovered from the study that during the post VRS period, the CV of Net Profit Ratio has gone down to 18.49, 15.75 and 50.10 for SBI, Canara Bank and CBI respectively.

3. During the post VRS period, the AGR of Operating Profit Ratio has been considerably increased from the pre VRS period and there is significant difference in the pre and post VRS period of SBI and Central Bank of India. But in case of Canara bank, it is not significant.

4. The research found that after implementation of VRS, the mean value of Operating Ratio has increased for the study banks.

5. As per the research result, there is a significant difference in Return on Equity Ratio during pre and post VRS periods in SBI and Canara Bank at 1% level. In case of Central Bank of India, it is significant at 5% level.

6. A significant finding of the study is that during the post VRS period, the Standard Deviation of Non-Interest Income / Working Funds has increased to 0.24, 0.42 and 0.32 for the study banks respectively.

7. It is found that after implementation of VRS, the AGR of Interest Income / Working Funds has gone down to 3.97%, 7.04% and 4.92% for SBI, CB and CBI respectively. As per the result of t test, in case of SBI and CBI, it is significant at 1% level and in case of Canara Bank, significant at 5% level in pre and post VRS periods.

8. The study has brought limelight that during the post VRS period the mean value of Operational Expenses/ Operational Income has decreased from pre VRS period.

9. A significant finding of the study is that, the CV of cost of deposits has considerably increased from the pre VRS period for the study banks.
10. The study reveals that there is no significant difference among the average spread in pre and post VRS period in SBI and CB. But in case of Central Bank of India, it is significant difference at 5% level.

11. A significant finding of the study is that the mean value of co-efficient of variation in spread as percentage of working funds has no considerable changes in pre and post VRS period for the study banks.

12. The study highlights that during the post VRS period, the Standard Deviation of net profit as percentage of total assets has gone down to 0.09, 0.14 and 0.27 for the study banks respectively.

13. The study highlights that the mean value of business per employee has been increased from pre VRS period for the study banks.

14. The researcher finds out that, in case of SBI and Canara Bank, there is a significant difference in profit per employee in the pre and post VRS periods. But in case of Central Bank of India it is not significant.

C. FINDINGS RELATING SOCIO-ECONOMIC STATUS

1. A good majority (41.2%) of the sample retirees were worked in the urban area when they are retired under the scheme and most of them are male.

2. The researcher finds out that majority (45.0%) of the sample retirees has studied upto college level.

3. It is inferred from the study 153 respondents out of 400, are maintains small family of four members and a majority (29.8%) of the voluntary retirees’ children are employed in Government offices.

4. The study has brought to limelight that 36.3 per cent of the sample retirees got annual income between Rs. 1,00,000 to Rs. 2,00,000 at the time of retirement.
5. It is discovered from the study that out of the total sample VRS retirees 147 of them have the house propriety worth Rs. 2,00,000 to Rs.4,00,000. At the same time, 135 sample retirees are invested in business worth ranging between Rs.2,00,000 to Rs.4,00,000.

6. The study indicates that 36.2 percentage of the sample VRS retirees got an experience between 26 to 28 years and 33.3 percentage of the sample retirees have drawn salary between Rs.10,000 to Rs.12,500 at the time of voluntary retirement.

7. The study reveals that 35.8 percentage of the sample VRS retirees received the VRS compensation amount ranging from Rs. 12,50,000 to Rs. 17,50,000.

8. It is learnt from the study out of 400 sample retirees, 122 retirees opted VRS due to their woke pressure in bank.

9. The study has brought to limelight that 41.0 per cent of the respondents have got VRS due to influence made by their management.

10. The study points out that 35.5 per cent of sample VRS retirees utilized less than Rs. 2,00,000 towards the education / marriage of their children and 15.7 per cent of sample retirees used the money to the tune of six lakhs and above for starting of businesses.

11. It is found that 29.8 per cent of the respondents are get employment in private organisation and 28.0 per cent of them concentrate on their businesses after availed VRS.

12. The study highlights that 34.5 per cent of the sample retirees earn Rs.10,000 to Rs.15,000 per month after their voluntary retirement.
13. A significant findings of the study is that more than half (52.0%) of the sample retirees pointed out that their life style is positive after retirement.

14. The study points out that out of 400 sample retirees, 169 of them spent their time in the proper way.

15. Out of total sample, 37.7 percentage of sample retirees noted that they have no change in the manner of expenditure after voluntary retirement.

16. The researcher finds out that majority of 44.8 per cent of the respondents have positive income support from their family members.

17. The study highlights that 62.3 per cent of the respondents are feel good and satisfied by voluntary retirement.

18. It is discovered from the study that out of the total sample VRS retirees, 31.8 per cent of them are managed by bundle of self earnings, VRS money and family member's earnings.

19. The study has brought to light that 75.3 per cent of the sample retirees had not given any positive or negative comments in opting VRS.

20. The research inferred that 51.5 per cent of the sample VRS retirees hold moderate property.

21. On the whole sample, 44.0 per cent of the sample VRS retirees get low utilization score indicate that the amount of compensation is not properly utilized.

22. The study points out that, 44.7 per cent of the respondents have moderate status in the society after their retirement.
D. HYPOTHESES AND THEIR RESULTS (Chi-square Test)

H₀₁ : There is no significant difference between the respondents in various places (Urban, Semi urban and Rural) influencing VRS decision.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀₂ : There is no significant difference between the respondents based on gender influencing VRS decision.

As the Chi-square value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H₀₃ : There is no significant difference between the respondents based on educational qualification influencing VRS decision.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀₄ : There is no significant difference between the respondents based on family size influencing VRS decision.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀₅ : There is no significant difference among the respondents based on annual income level influencing VRS decision.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀₆ : There is no significant difference among the respondents working in SBI, Canara Bank and CBI in the factors influencing VRS decision.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.
H₀⁷: There is no significant difference between the respondents based on their experience in banks influencing VRS decision.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀⁸: There is no significant difference between the respondents depending on the workplace in their current occupation.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀⁹: There is no significant difference between the respondents depending on the gender in their current occupation.

As the Chi-square value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H₀₁₀: There is no significant difference between the respondents depending on their education in their current occupation.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀₁₁: There is no significant difference among the respondents depending on the size of their family in their current occupation.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀₁₂: There is no significant difference between the respondents depending on their annual income level in their current occupation.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.
(H₀₁₃) There is no significant difference between the respondents depending on the bank in which they worked in their current occupation.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

(H₀₁₄) There is no significant difference between the respondents depending on their experience in their current occupation.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

(H₀₁₅) There is no significant difference between the respondents depending on their work places in their earning after voluntary retirement.

As the Chi-square value of the above hypothesis is less than the table value, the null hypothesis is accepted.

(H₀₁₆) There is no significant difference between the respondents depending on their gender in their earnings after voluntary retirement.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

(H₀₁₇) There is no significant difference between the respondents depending on their educational qualification in the earnings after voluntary retirement.

As the Chi-square value of the above hypothesis is less than the table value, the null hypothesis is accepted.

(H₀₁₈) There is no significant difference between the respondents depending on the size of their family in their earnings after voluntary retirement.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.
$H_{019}$: There is no significant difference between the respondents depending on their annual income before VRS in earnings after VRS.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

$H_{020}$: There is no significant difference among the respondents depending on the bank where they worked, in their earnings after voluntary retirement.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

$H_{021}$: There is no significant difference between the respondents depending on their work experience in their earnings after voluntary retirement.

As the Chi-square value of the above hypothesis is more than the table value, the null hypothesis is rejected.

E. HYPOTHESES AND THEIR RESULTS (ANOVA Test)

$H_{022}$: There is no significant difference between the respondents in overall satisfaction depending on the work place.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.

$H_{023}$: There is no significant difference between the respondents in the overall satisfaction level due to VRS depending on their educational qualification.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

$H_{024}$: There is no significant difference among the respondents in their overall satisfaction level due to VRS depending on their family size.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.
H₀25: There is no significant difference among the respondents in the overall satisfaction due to VRS depending on their annual income.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀26: There is no significant difference among the respondents in the overall satisfaction level due to VRS, depending on the bank which in they worked.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H₀27: There is no significant differences among the respondents in overall satisfaction level due to VRS depending on their work experience.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀28: There is no significant difference among the respondents in the overall satisfaction level depending on the salary received by them.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀29: There is no significant difference among the respondents in the overall satisfaction depending on the compensation amount received.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀30: There is no significant difference between the respondents in the overall satisfaction due to VRS depending on the factors that influenced them to get voluntary retirement.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.
H₀₃₁: There is no significant difference between the respondents in the overall satisfaction based on the property scores.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀₃₂: There is no significant difference among the respondents in getting overall satisfaction depending on their current occupation.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H₀₃₃: There is no significant difference among the respondents in getting overall satisfaction depending on their present earnings.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H₀₃₄: There is no significant difference among the respondents in getting overall satisfaction depending on their livelihood after voluntary retirement.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H₀₃₅: There is no significant difference among the respondents in getting utilization score depending on the work places of the respondents.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H₀₃₆: There is no significant difference among the respondents in the utilization scores depending on their educational qualification.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.
H037: There is no significant difference among the respondents in utilization scores depending on their family size.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H038: There is no significant difference among the respondents in getting utilization scores depending on their children’s status.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H039: There is no significant difference between the respondents in getting utilization scores depending on their annual income.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H040: There is no significant difference between the respondents in getting utilization scores depending on the properties held by them.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H041: There is no significant difference between the respondents in getting utilization score depending on the bank in which they worked.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H042: There is no significant difference among the respondents in getting utilization scores depending on the compensation amount received by them.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.
H_043 : There is no significant difference among the respondents in the status scores depending on their work places.

As the ANOVA value of the above hypothesis is less than the table value, the null hypothesis is accepted.

H_044 : There is no significant difference between the respondents in getting status scores depending on their educational qualification

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H_045 : There is no significant difference between the respondents in getting status score depending on their children's status.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

H_046 : There are no significant difference among the respondents in obtaining status scores depending on the properties held by them.

As the ANOVA value of the above hypothesis is more than the table value, the null hypothesis is rejected.

F. RESULTS OF HENRY GARRETT RANKING TECHNIQUES

It is discovered from the study that most of the sample VRS retirees faced the problem of over formalities in VRS procedure when they were relieved from concerned bank with a mean score of 40.90. Late payment of VRS compensation was ranked second with means score of 33.18.
SUGGESTIONS

On the basis of the analysis and discussion in the proceeding chapters the following suggestions are given to the study banks for corrective activities.

As far as the deposits are concerned all study banks have recorded a remarkable growth. This shows that the industry is booming. However, the rate of growth is low in the case of State Bank of India and Central Bank of India. But still, Canara Bank maintains a good growth during the post VRS period.

Productivity and quality often suffer when there is a change in the way of work done i.e., the same workload is redistributed among the survivors. When the key portion of the workforce is lost, with valuable contracts, knowledge and experience, an organization may lose all its future developments. Banks, that eliminate people, later, should face costly increases in overtime, temporary, and contract work expenses that can exceed the savings created by job cuts. Hence, the banks must ensure the excess staff strength before introduce the scheme in future. The problem of over staff strength can be avoided by the banks have proper man power planning systems.

It can be observed from the findings that gross profit ratio and net profit ratio pertaining to the study banks have shown higher growth. While evaluating them, the study banks have been observed to be performing well. At the same time, they have shown higher growth in profit per employee and business per employee during the post VRS periods. Moreover, the trends of operating expenses show in positive manner. Based on this, implementation of VRS is given more positive trends to the select banks.

The study has been undertaken, to point out the practical difficulties / problems that are encountered by the sample VRS retirees and their level of satisfactions after
their retirement; as per the research results most of them are satisfied in their retirement life. But when considered their debt problems they are still not getting total relief. So it is suggested that the banks may given workshops and seminars on financial planning to optees.

The research results clearly indicate that most of the voluntary retirees are placed in private organisation after their retirement. Hence, it is suggested that the select banks may provide some facilities before introduce the VRS for the optees who are ready to work in private organisation. The facilities such as on-line job search, software services and transition counseling, for the employee who had knowledge of information technology.

Everyone needs to have the same clear understanding of the work environment. In the research noted that a good portion of the sample retirees are came out from the bank, due to influence made by the concerned bank. The influence may create bad impression in retirees mind on the bank. Morale is lowered when there is no clarity regarding the reasons for the downsizing. It is suggested that the bank may give correct explanation of actual fact regarding over staff strength and its impact goes to downsizing in the way of VRS.

Through interactions with the sample retirees and through systematic studies, the researcher find out that at present the employees facing more work pressure in their concerned banks. It is suggested that training system can ascertain the areas to develop new skill and competencies need by the bank to function effectively in future. Especially this plan can take care where the bank branch suffering from loss of skill and non availability of sufficient skills amongst the remaining employees after VRS.
Through interactions with the bank employees, the researcher finds out that the remaining employees who have not opted for VRS may have lurking fear in their minds that in the next round it may not be voluntary retirement scheme and this can create certain degree of feeling of insecurity amongst them. This psychological state can adversely affect their work performance. So, the banks must clearly explain about VRS option in future.

It would be worthwhile to note that VRS introduced by the select banks complete in all forms but as per the findings some of the sample retirees feel that over formalities for relieving from bank. The banks may consider to eliminate certain formalities which the VRS retirees feel hard.

**CONCLUSION**

As per the research result, the voluntary retirees are having good earnings through employment opportunities in private organisation to meet their post retirement life expenses. Generally, retirees are satisfied in retirement life and they feel better in taking VRS at right time. The study banks’ trends analysis, profitability, productively and efficiency ratios are showing positive way. The Bankers’ work style is also good after the implementation of the scheme and introduction of technology banking system.

It is conclude from the research, that the Voluntary Retirement Scheme is fit to banking industry and the banks may implement the scheme time to time with the necessary changes arise thereon.