CHAPTER – IV

HRD ACTIVITIES IN THE SELECTED BANKS

"When you are not practicing, remember, someone somewhere is practicing, and when you meet him he will win."

- Ed Macauley
CHaPTER – IV
HRD ACTIVITIES IN THE SELECTED BANKS

This chapter presents the information on contemporary and practical aspects of human resource development in the Indian banking sector. Besides, it also examines the HRD activities being practiced by the two selected banks. Since, workplace rules have a lot of bearing on the HRD climate of an organization an attempt is made to review the 'service conditions' applicable to officers and clerks in the two banks under study.

Significance of HRD in Banking Sector:

The Human Resource Development assumes greater significance in the banking sector, which is labor intensive. In India, public sector banks have shown a good deal of interest in designing and using HRD systems and mechanisms for improving the effectiveness of their employees. In these banks, the focus of Human Resource Development effort is to develop versatility and ensure flowering of potential of the individuals through innovations. They have also given special attention to establish the divisions of Human Resource Development during the recent period. The division is entrusted with the task of preparing long-term schemes for the development of employees.

With a view to bring more objectivity, some public sector banks have designed a new performance appraisal system for officers. In this system, the practice of self-evaluation has been incorporated according to which appraised and appraiser both identify the key performance areas
along with the specific function. The performance evaluation is done on the basis of employees' contribution or efforts with respect to these areas. Therefore, the modified performance appraisal system is intended to lead to all-round development of employees. Effective steps have also been taken in some banks to reassess staff requirement so as to ensure optimum utilization of available manpower and also to eliminate surplus pockets, wherever possible. There has also been a strategic change in staff-development, by relating it to workload, with a view to increasing staff productivity at branches and administrative offices.

By and large, banks have come to recognize that HRD is meant for more than training programs and training is one of the components of HRD. Therefore, other aspects of the HRD system like performance appraisal, job rotation, career planning, organization development, etc. have also come into practice.

**Organizational Goals - Role of HRD:**

HRD activities contribute to the achievement of overall HRD goals of an organization. For example, performance appraisal helps the individual develop his existing skills and knowledge. It enables employees to understand their strengths and weaknesses. Potential appraisal identifies the employee's likely future roles within the organization. Training is a means of developing the individual effectiveness or ability to perform his/her present and future jobs. Training also strengthens interpersonal relationships and increase teamwork and collaboration through management and leadership training, and team building.
programs. Organization development is the mechanism for developing team collaboration and self-renewing skills. Efforts to promote employee-welfare and ensuring the quality of work life, along with honors and awards, promote a general climate of development and motivation among employees².

**HRD Mechanisms in Indian Banking Sector:**

In the following paragraphs various HRD techniques that are commonly practiced by Indian banks are discussed. The major areas of HRD are Manpower Planning, Performance Appraisal, Training, Job Rotation, Career Planning, Role Analysis, Potential Appraisal, Feedback and Employee Counseling, Succession Planning, Organizational Development, Rewards and Quality Circles.

**(i) Manpower Planning:**

Manpower planning includes plans for both the demand and supply of manpower. Manpower planning is a set of interrelated plans to ensure that the right number of employees of right type is available from within and outside at right time for right job/role to achieve short and long term goals of the organization. Besides the equality of demand and supply of manpower, the definition also highlights several supporting activities which are commonly practiced in banking industry such as job analysis, appraisal, personnel inventory, promotion, placement, job rotation, career planning, training and organizational planning. The definition also underlies the need to integrate these activities with one another and with business planning³.
(ii) Performance Appraisal:

Performance appraisal is defined, as the systematic evaluation of the individual with respect to his performance on the job and potential for development. Senior officers in banks (viz., Managers, Chief Managers, Assistant General Managers, Deputy General Managers, General Managers, Chief General Managers) continuously assess the contributions and abilities of their subordinates, to make decisions regarding pay, placement, transfer, promotion, training and development and the like. Performance appraisal is a systematic and planned device in order to find out hidden talents, as they are mostly uncovered. Thus, this device minimizes the likelihood of capable people being overlooked for pay-rise, promotion, training and development, etc. As a matter of fact, Confidential Reporting System of Performance Appraisal is still prevalent in Indian Banking Industry giving endless scope to favoritism.

(iii) Training:

Training is defined broadly to include a wide range of learning needs, job knowledge and skills, methods of training, further education and career training. Traditionally, banks recruit young school-leavers, and their initial training is either long apprenticeship or on-the-job or formal training in basic routine operations. Aspirants to management position are encouraged to qualify professionally through the 'Associate Program' of the Institute of Bankers or an equivalent qualification.

Right now banks are offering new products and services to their customers with the help of available new technology in the industry. This
new intelligent technology demands fresh skills in the human resources of the banks. If proper training is not provided to their employees, these banks may collapse and the competitors may eventually surpass them. Hence, in the light of these technological changes training has become an important HRD function in the Indian banking industry not only for newly recruited employees but also for the existing and unskilled ones.

(iv) Job Rotation:

Job rotation is the most prevalent method of job training in banking industry. It is a structured exposure of a trainee to the job requirements in specified time. Mostly it is associated with clerical posts. This technique is applied among the employees in banks to make them all-rounder in various activities. This technique is also found to be very useful in some bank branches where employee absenteeism is a regular phenomenon. However, with the advent of computerization and single window system this method gradually loses its importance.

(v) Career Planning:

Career planning essentially means helping the employees to plan their career in terms of their capacities within the context of organizational needs. It is a management technique for mapping out the entire career of young employees in higher skilled, supervisory, and managerial positions. As the setting up of new bank branches is at a rapid pace in banking industry, existing capable personnel are pushed to higher levels against mounting vacancies.
(vi) Role Analysis:

Role analysis is used to define the role more clearly so that ambiguity in the expectations may be avoided. Role clarity is an important component of the HRD system. Matching role to person's capability is bound to be satisfying both to the individual and the organization, thereby resulting in minimum human resource wastage and maximum productivity.

(vii) Potential Appraisal:

Potential appraisal is highly essential in view of the continuous development of the organization, expansion, diversification, introduction of technological changes, etc. It is a periodical assessment of employees to find out their suitability to the changing requirements of the present job for the future requirements. The knowledge about performance and potential of personnel helps in taking appropriate steps for their career development.

(viii) Succession Planning:

Succession planning ascertains the individuals who would be leading the organization in years to come. The potential candidates are selected based on their performance, trained and developed over a period of time so that they have the required level of competency and skills to perform the future expected role.

(ix) Feedback and Employee Counseling:

Supervisors in a Human Resource Development system have the responsibility for ongoing observation and feedback to subordinates about
their strengths and weaknesses, as well as guidance in improving their performance capabilities. This is vital for banking industry because it improves superior-subordinate relationships, which is an important factor for effective collaboration of employees.

(x) Organization Development:

Organization Development attempts to develop the whole organization so that it can respond to change efficiently. It is an intervention strategy that uses group processes to focus on the whole culture of an organization in order to bring about planned change. It is concerned with working relationship as well as personal ones. The basic issues to which it is directed is that how do all of these parts work together to be effective.

(xi) Rewards:

Rewarding employee performance and behavior is an important factor in any organization. Appropriate rewards not only recognize and motivate employees but also communicate the organization's values to the employees. Typical rewards in banks include certificates of appreciation from superior officers, announcements in in-house meetings, honoring employees in official meetings/functions, special privileges, special increments, etc.

(xii) Quality Circles:

It is a group process to solve the work-related problems, thereby increasing the profitability of the organization. In the banking industry, the
presence of QC as a part of HRD has become a common phenomenon to concentrate on customer related issues. However, it is a bare fact that the number of quality circles is very less in the public sector banks in India and non-existent in private sector banks. To some extent, Quality Circles in public sector banks are existed only in main branches of the metropolitan cities.

**Human Resources Pattern in Selected Banks:**

The staff pattern in the selected banks is mainly classified into two categories viz., award staff and managerial Staff. The award staff comprises of cashiers, clerks cum typists and messengers, and the subordinate staff. The other category is the managerial staff, which comprises of officers at various levels of the banks.

**Structure of Personnel and HRD Department in SBI:**

Personnel and HRD department in State Bank of India is, a well structured one and the top management position is Chief General Manager (personnel and HRD) placed at the central office, Mumbai. He is responsible for all the matters pertaining to personnel and human resource development. Under his control, there is a Deputy General Manager in each of the Local Head Offices (LHO) situated all over India. There is an Assistant General Manager who assists the Deputy General Manager. After this position at LHO, there are Zonal Offices each headed by a Chief Manager who in turn is assisted by two officials in the level of deputy managers for personnel and HRD and SC & ST Cell respectively. The deputy manager (SC & ST Cell) independently works on the matters
relating to SC and ST category of employees. It is a separate wing under
the supervision of the Chief Manager (Personnel and HRD) in a Zonal
Office.

Among the personnel functions the major events which have been
taken place during the period of study are i) manpower planning for the
Bank with the assistance of the National Institute of Bank Management to
meet the requirement to re-skill and re-deploy the existing staff, ii)
constitution of an independent recruitment department, since the Banking
Service Recruitment Boards and the Central Recruitment Board of the
Bank were abolished, iii) collaboration of the bank's training establishment
with reputed training and management institutes in the country and iv)
setting-up Advisory Council consisting of senior HR practitioners from the
Banks and the experts form Indian Institute of Management and other
organizations.

In Andhra Pradesh the Local Head Office (LHO) of SBI is situated
at Hyderabad and under its control there are four Zonal Offices at
Hyderabad, Visakhapatnam, Tirupati and Vijayawada. Every zonal office
contains Personnel and HRD department. Each zonal office also has a
Staff Training Center (STC). The STCs in Andhra Pradesh are located at
Hyderabad, Vizianagaram, Tirupati and Machilipatnam respectively.
Chief General Manager
(Central Office, Mumbai)

Deputy General Manager
(Local Head Office)

Assistant General Manager
(Local Head Office)

Chief Managers

Zonal Office 1
Dy. Manager (SC&ST Cell)

Zonal Office 2
Dy. Manager (Personnel)

Zonal Office 3

Zonal Office 4

Figure 4.1: Structure of the Personnel and HRD Department in SBI
Functions of the Personnel and HRD Department of the SBI

The Personnel and HRD department in SBI is a versatile mechanism and it mainly deals with the personnel matters. The main functions of the Personnel and HRD department of SBI include;

a) Conducting training programs to the employees based on the need;
b) Conducting orientation programs to clerical staff from time to time in tune with the technological changes;
c) Conducting pre-promotion training programs to those employees who are required to be elevated in accordance with the future plans of the bank;
d) Conducting institutional training for probationary officers;
e) Designing training programs for mutual benefit;
f) Rewarding employees for their good contributions and achievements;
g) Making transfers if needed from one job to another;
h) Initiating disciplinary actions against the employees who manifest erratic behavior;
i) Placing a right person in a right job;
j) Promoting employees for higher levels bases on their performance;
k) Conducting Performance Appraisal tests to elevate higher position;
l) Determining the vacancy position; etc.

As far as the clerical staff recruitment is concerned, there is a Regional Recruitment Board at circle level and for the recruitment of probationary officers there is a separate board at all India level. But, a clerk is promoted to the next higher level, if he or she completes four years
of service in the bank. Similarly, a junior officer who completes 6 years of service is put in the promotion panel. However, as per the SBI rules and regulations every officer is required to work in the rural area for a minimum period of two years.

The Personnel and HRD department conducts the performance appraisal once a year. Every employee is assessed through confidential reports and in the case of clerks usually, the branch manager is the reporting authority and the Assistant General Manager is the receiving authority. In case of an officer, the Deputy Manager (Personnel and HRD) appraises and submits the report to the Chief Manager (Personnel and HRD). After reviewing the report, the Chief Manager sends the report to the Deputy General Manager, who is the zonal head. The zonal head then conducts a brief interview with the officer who was appraised and finally prepares a report.

There is one more function of the personnel and HRD department of the zonal office, directed by the Local Head Office to identify and recommend the prospective employees especially officers for foreign postings. The officers who were thus recommended would be posted in the bank branches operated in several countries. Also in case of an employee leaving the bank, the Deputy General Manager of the zone conducts 'Exit Interviews' in order to know the shortcomings and weaknesses of the organization and also the drawbacks if any, with respect to the policies of the management.
As a part of the HRD there are also welfare measures initiated by the Personnel and HRD department. At the outset, this department provides medical facilities to all the employees irrespective of their cadre. In addition to the medical benefits, it also provides scholarships to the children of the employees who are desirous of pursuing higher studies. Canteen facilities are also provided and a fund towards this purpose is arranged permanently. Apart from this, the department also provides recreation facilitates to the employees. Moreover, every year sports and games events are also conducted in the zone and subsequently at the state level and national level. The department also supports the employees with benefits at the time of retirement well in advance of six months to the date of their actual retirement. The retired employees are eligible for getting a monthly pension, a whole some gratuity and even medical benefits for their rest of the life. The department also conducts a pension meet once in six months with the retired employees to seek their suggestions and also to recognize the practical problems in dispensing the pension. In addition to this the meeting also discusses about the living conditions of the retired employees.

For every quarter of a year, the Personnel and HRD department conducts a general meeting with the employees. This department acts as a negotiating council and coordinates between the management and employees of the bank in various issues. In these meetings there will be an agenda. Usually several problems faced by the employees are recorded in the minutes of this meeting and according to the satisfaction of
the department, a feasibility report is sent to the LHO for necessary action in this regard.

As far as the 'awards and rewards' are concerned a virtually fair system of awards and 'rewards and recognition scheme' is prevalent in the State Bank of India. A fine performer gets incentives and also an employee who completes 25 years of his service is honored with Silver Jubilee Award. As a motivational factor, sometimes a dinner is also arranged with the Chief General Manager, in due recognition of the employees' contribution. In some cases, a cash prize of rupees five thousands, a trophy and a certificate is also given. This certificate is taken into account at the time of promotions. In this process, altogether every employee if strongly contributes for the well being of the bank, has an opportunity for recognition and development. Apart from this, there are certain rewards for 'the best branch manager' and 'the best field officer' in the region and zonal level too. The business issues like loan recoveries, advances, deposits, etc., are taken into consideration while declaring such rewards. There are certain magazines of SBI, to praise the accomplishments like recognition, prizes, awards and rewards grabbed by the employees. Moreover, "Colleague" an in-house journal of the bank, which is circulated nation wide, "Hyderabad News Letter" circulated Statewide and other News Bulletins cover such kind of news and tend to produce lot of motivation for creating a convenient work culture in the bank.
Apart from the above mentioned, there is a separate wing to look into the matters related to disciplinary actions against employees called 'Disciplinary Procedures Cell'. This cell probes into the matters leading to the erratic behavior of the employees during their duties.

Current Status of HRD System in State Bank of India:

The stated values of SBI with respect to its human resource (i) the bank has to respect all individuals and they should feel wanted and valued in this organization, (ii) the bank believes in the creation of an "Enabling" culture whereby individuals have opportunities to grow to their full potential.

The HRD philosophy of the bank is that it is a continuous process, movement and direction to enable every individual, as a member of an effective team and the State Bank Community to realize and activate his potential so as to contribute to the achievement of the bank's goals and derive satisfaction.

The objectives of the HRD of State Bank of India are:

i) to create a climate of openness and trust;
ii) to build a collaborative culture- and team spirit;
iii) to promote human capabilities and competencies;
iv) to bring about integration of the individual and organizational goals;
and
v) to improve quality of work life.
The main components of the HRD system of the SBI are:

i) incorporating a Manpower Planning System with quantitative and qualitative models, techniques, etc.,

ii) a Performance Appraisal System- which focuses on the individual growth;

iii) a well defined Career Path Program;

iv) a vibrant and effective Training System; and

v) Organization Development- aimed at promoting problem solving and coping capabilities and more importantly in enabling them to anticipate and manage change.

Following are the various HRD mechanisms being practiced by State Bank of India.

A. Quality Circles:

The quality circle consists of a group of individuals, who do the same work or similar work, meet regularly, and voluntarily to identify, analyze, discuss and solve work-related problems. The philosophy of the quality circle in the SBI is to develop team building, leadership qualities and to bring out extraordinary qualities and inherent strengths.

Objectives of Quality Circles:

- Facilitates everyone to fully develop his or her potential;
- Promotes human relationship in the enterprise;
- Contributes to happiness and satisfaction of the employees;
- Encourages fair play and openness;
- People educate themselves by sharing experiences;
The Japanese concept of Quality Circle is being followed in the SBI. 'Quality Circle' is composed of 10 members and employees' community possesses a major share in the membership. However, a facilitator from management side becomes a member of the quality circle who provides infrastructure including financial assistance and sanctions if any in consultation with the management. There is a leader and also a deputy leader to head the quality circle. In fact, 'Srujana' is currently aimed at improving the awareness of the customers.

**B. Training:**

Training System in SBI is now recognized as one of the best in the country. The training philosophy of SBI is "Training in State Bank of India is a Proactive, Planned and Continuous Process as an integral part of Organization Development. It seeks to impart Knowledge, improve skills and reorient attitudes for individual growth and organizational effectiveness."

With four national level Apex Training Colleges and 54 learning Centers spread all over the country the Bank is continuously engaged in skill enhancement of its employees. The Bank is also attempting to change old mindsets, attitudes and take all employees together on this exciting road to Transformation. In a recently concluded mass internal communication program termed 'Parivartan' the Bank rolled out over 3300 two day workshops across the country and covered over 130,000
employees in a period of 100 days using about 400 Trainers, to drive home the message of Change and inclusiveness.

The main features of Training System in SBI are:

(i) Existence of a proper training structure.

(ii) Division of training areas between the Staff Colleges and the Training Centers- the Staff Colleges conduct Management Development Programs and are in the nature of the Institutes of higher learning. Whereas, the Staff Training Centers conduct programs in the basic functional areas.

(iii) Specialized institutions have been created- one for Rural Development and the other for Information and Communication Management.

(iv) Existence of systems for assessing training needs and training evaluation.

(v) Linkage of training to the corporate plans.

(vi) Linkage of training to career plans.

(vii) Focus of programs in specialized areas, and conduct of special programs like stress management - role transition programs, etc.

(viii) Existence of systems of over-viewing the training function.

The bank through its own staff colleges and staff training centers is imparting a process of education and information to its employees. An appropriate communication intervention in the form of booklets, and lecture sessions are also conducted in these institutions. Seminars are
also arranged to spell out HRD aims, objectives and processes and in these seminars several of employees' doubts are clarified.

The bank also introduced the Visiting Faculty Scheme, whereby training packages are delivered at branches. The SBI designed special programs in areas like International Banking, Merchant Banking, HRM, Computer Systems Management, etc. Role transition programs have been designed to enable persons smoothly move from one role to another. And various special Programs have also been designed for the top management groups.

In today's context, it is difficult for executives to be well informed in respect of the developments in the economic, financial and technological fronts. There is information explosion- but there is also a need to be informed. The State Bank of India, therefore, started a system of supplying their executives with 'Education Briefs' and 'Transcriptions Services'. In fact, the training efforts in SBI are basically focused on building the right type of technical and managerial competencies among the employees.

For SBI, training has been a highly dynamic area and the training system has played a critical role in facilitating the following functions:

a) Ushering in change.

b) Handling employees' issues, anxieties and fears.

c) Providing valuable feedback on organizational climate.

d) Improving problem-solving and coping capabilities of the employees.

e) Building the right perspectives.
f) Promoting and building human competencies.

g) Generating experimental data.

h) Enabling people to be creative.

In fact, State Bank of India is spending more money on training. As expressed by a trainee officer, the fund allocation for training in SBI is sometimes equal to the profits earned by other banks in India. However, it is believed that the results of the training in SBI are not satisfactory.

C. Employee Counseling:

Usually, at the branch level, the branch manager counsels the employees. During this counseling, branch manager arrives to know the difficulties faced by the employees in attending the work. The branch manager helps the employees to become more aware of their strengths and weaknesses and helps them grow or improve further on the strong points and overcome weaknesses. Interestingly, employee counseling is also conducted occasionally by Assistant General Managers during their visits to the branches.

D. Job Rotation:

Job rotation in SBI is a regular phenomenon and that it is usually with the mutual understanding of the unions the rotation of jobs are decided in SBI. As per the ‘office order’ an employee is transferred from one job to another job for every six months. However, the unions negotiate with the management and give suggestions to the latter with respect to the rotation of jobs, keeping in view of the issues like left over work, leave reserve, etc. With the introduction of ‘Single Window System’ in the Bank
the importance of job rotation as a HRD technique has been gradually diminishing.

E. Career Development:

In the SBI there is a policy to permit any employee to attend a promotion test, if he/she obtains the professional qualification i.e., CAIIB after 4 years, prior to the date of the promotion test. Further, every employee who completes 15 years of service is eligible to write the promotion test. A senior officer in the management cadre conducts the interview after the written examination to decide the candidate's eligibility for promotion. However, clerks have very limited opportunities for any elevation in SBI, as commented by a union member in a branch.

F. Performance Appraisal:

Performance Appraisal System is a very critical component of HRD in any organization. Earlier, SBI too, as was the case in most of the organizations, had a system of 'Confidential Reporting'. The essential features of a confidential reporting system are (i) it reflects the views and the perceptions of the appraiser, (ii) there is no process of discussion between appraiser and appraised, (iii) this is an instrument more used for taking promotion decisions, (iv) there is no scope for providing feedback to the appraised on his performance, (v) growth and training needs do not get reflected in this system, and (vi) there is minimal use of data about a person's performance.

The essential features of the latest performance appraisal system of SBI are (a) a data based appraisal system- reducing subjectivity to the
minimum, (b) a system where a person can develop clarity about his role, (c) a system which involves the appraised in the goal setting process, (d) a mechanism whereby, it is possible for the supervisor and subordinate to share each other’s expectations, (e) a system of providing feedback on performance, and (f) a system which facilitates the process of identification of growth needs of employees.

The components of the performance appraisal system of SBI are:

(i) Identification of Key Performance Areas by appraisers and also the specific tasks in respect of each KPA.
(ii) Description of the parameters by which one could measure performance and supports needed.
(iii) A process of joint discussions between appraiser and appraised and joint settlement of KPAs.
(iv) Joint review of performance.
(v) Identification of growth needs of individuals.
(vi) Arriving at development plans.
(vii) Counseling.

Usually, the branch manager appraises an employee’s performance and behavior through a report. A senior employee, in one of the branches visited by the researcher, felt that the performance appraisal is not being conducted in SBI on a continuous basis and that favoritism is still playing a role in assessing the performance of employees.
Structure of Personnel and HRD Department in KVB

At the apex level, the deputy general manager, personnel & HRD who is located in the head office, heads the personnel department. He oversees all the personnel and HRD matters at the organizational level. An assistant general manager (Personnel & HRD) assists him in the same office. Further, in the hierarchy chief manager in the divisional office assists this rank 2 official in the head office. In fact, an assistant general manager heads the divisional office but the chief manager under intimation to AGM performs specialist tasks. The chief manager in turn assisted by a deputy manager (Personnel & HRD) who is entrusted with the routine personnel matters. A specialist officer and four clerks in the department at divisional office further assist the deputy manager in the matters pertaining to the department.

Functions of the Personnel & HRD Department of the KVB

In fact, Personnel and HRD department in KVB looks after routine personnel matters. For instance, this department at divisional level oversees leaves, transfers and promotions of the employees. It settles travelling allowance bills, medical bills, loans, etc. Apart from these, the department also assists the officials of the Reserve Bank of India who visit the bank for regular inspection. However, recruitment, postings, retirements, termination of service are looked after by the personnel and HRD department located at the head office. Moreover, the salaries of the employees have been centralized. Hence, it is evident that the department involves in only administrative activities not in HRD, in true spirit. However,
Deputy General Manager  
Head Office, Karur  

Assistant General Manager  
Head Office, Karur  

Chief Manager  
Divisional Office  

Deputy Manager  
Divisional Office  

Officer  
Divisional Office  

4 Clerks  

Figure 4.2: Structure of the Personnel and HRD Department in KVB
the Bank has a Staff Training College at Head Quarters, which serves the human resource training needs of the Bank.

**HRD System in Karur Vysya Bank:**

The Bank's Human Resource Development (HRD) policy aims at bringing in new talent to meet the growing challenges in dynamic scenario in banking industry. Building people capacity is an inherent part of the HRD system at KVB as it enhances the value of the business. Recognizing the value of the human resources, the Bank has been focusing its attention to motivate them for better performance as also upgrading their knowledge in the light of the sweeping technological changes that are taking place in the industry.

The Bank believes that human resources are the most sustainable competitive assets. The challenge is to develop a culture that aligns individual interests of staff members with those of the organization and its customers. Keeping this in view, KVB has a clear training policy, as learning is a continuous process to sustain the corporate drive towards financial innovation in furtherance of corporate goals. The Bank is developing its people by providing them with ample opportunities to face challenges of the future as a strong and knowledgeable workforce. Various HRD mechanisms being practiced by Karur Vysya Bank are described below:

**A. Training:**

KVB has been giving continuous training to its personnel viz. on-the-job training besides imparting training in the Staff Training College of
the Bank. To supplement the in-house training facilities, the Bank has been regularly deputing its Executives/officers to participate in the various training programs, workshops and seminars conducted by other institutions such as NIBM, SIBTC, BTC, FEDAI, etc. The number of personnel trained during the fiscal 2005-06 was 1821. Attempts have also been made for lateral recruitment of skilled and professional candidates and imparting training to upgrade their skills.

In fact, the bank follows the RBI's guidelines in giving training to its human resources. Accordingly staff is imparted training once or twice in a year. The duration of the training will be one week in each instance. Usually training is given to the personnel to familiarize with the contemporary changes in software, bank norms, etc. Besides, Scale II officers are given extraordinary training by sending them to external training agencies located in neighbor states viz., Bangalore and Mumbai. However, such officers who underwent training are required to enter into an agreement with the bank that they stay with the organization for a minimum period of three years. However, the purpose of training in KVB is to develop business and provide better customer service rather than focusing on individual development.

B. Performance Appraisal:

The system of appraising the performance of the personnel in KVB is that of confidential reporting which is more traditional. This is done once in a year. The criteria considered for assessing the performance are educational qualifications, accomplishment of work, receiving customers,
business development, relations with staff, etc. Usually, branch managers appraise the performance of the personnel working in branches. The report is forwarded to the head office through divisional office for taking decisions in respect of promotions or transfers of the appraised. The divisional office has a minute role to play in this system of appraisal.

C. Job Rotation:

Job rotation in this private sector bank is more frequent than the public sector bank. Since, 'Single Window System' is not yet introduced in this Bank the counters are usually specialized in their respective tasks. Therefore, very frequently employees are moved from one job to another in this Bank due to reasons like lack of manpower, training, leave, transfer, promotion, etc. Hence, job rotation in this Bank facilitates development of multiple skills.

D. Career Development:

KVB plans on regular basis for the career development of its human resources. In fact, the development is at very rapid pace in this Bank for the personnel who work hard with commitment and loyalty. Depending upon the need personnel are promoted to the next higher level. Unlike SBI, clerks in this private sector bank have enormous opportunities to develop themselves. In addition, employees are allowed to improve their professional qualifications. In fact, there is no hard and fast rule for developing the personnel in this Bank.
E. Quality of Work Life:

KVB focuses attention to motivate its human resources for better performance. The Bank pays annual ex-gratia (bonus) to its personnel out of profits earned by it. But as a rule, bonus is not paid to personnel whose salary exceeds Rs. 10,000. Apart from this, the Bank sanctions tea and coffee allowance to its employees and pays newspaper bills. Officers are paid newspaper bill allowance of Rs. 200 and clerks are paid Rs. 120. All other working conditions are negotiated by trade unions and are common for both the public and private sector banking organizations.

Service Conditions of Personnel in the Selected Banks:

An attempt is also made here to examine the service rules of the personnel working in State Bank of India and Karur Vysya Bank. An important fact is that the implied meaning of 'employees' is 'award staff' or 'workmen' in banks. Award staff comprises both clerical cadre employees and subordinate employees (simply put sub-staff). There are various types of designations in the SBI in respect of clerical cadre. These are Special Assistants, Senior Assistants, Head Assistants, Assistants and Junior Assistants. However, the present study did not cover the sub-staff because they do not experience Human Resource Development Climate in the two banks under the present study. Here, 'OFFICERS' means all the personnel working in junior management grade, middle management grade and senior management grade. These are the supervising personnel in the selected banks. The actual and purposeful designations prevailed in the two banks in respect of supervising personnel are viz.
Junior Officer, Senior Officer, Assistant Manager, Deputy Manager, Manager, Chief Manager, Assistant General Manager, Deputy General Manager, General Manager, Chief General Manager and so on. However, 'officers' are fundamentally classified on the basis of different types of 'Scales' in these banks. Also, there are separate 'Scales of Pay' for clerical cadre employees.

The nature of work of these two categories of personnel in the banks varies in several ways. Several aspects like wages, hours of work, the degree of responsibility, transfers, retirement, allowances, etc. differ. Further, the working conditions of any organization influence the attitudes of the personnel associated with it. Upon realizing the fact that no study concerning human resources is meaningful without having an interpretation on the service regulations, an attempt is made to present a brief discussion on the service conditions of the personnel working in the selected banks. The discussion is held under two separate heads viz. 'service conditions of officers' and 'service conditions of clerks'.

I. Service Conditions of the Officers:

i) Grades and Scales of Pay:

There are three management grades designed for officers working in State Bank of India and the Karur Vysya Bank Limited. The existing 'Scales of Pay' are presented beneath each grade. These scales are effective from 1.11.2002 and currently operative in the banks under study. Apart from these, officers are paid a specified percentage of dearness allowance prescribed by the central government from time to time.
(A) Junior Management Grade:
   Scale I - 10,000-470/6-12,820-500/3-14,320-560/7-18,240

(B) Middle Management Grade:
   Scale II - 13,820-500/1-14,320-560/10-19,920
   Scale III - 18,240-560/5-21,040-620/2-22,280

(C) Senior Management Grade:
   Scale IV - 24,140-620/4-26,620
   Scale V - 26,620-680/4-29,340
   Scale VI - 29,340-680/2-30,700-900/1-31,600-1000/1-32,600

Besides, officers working in public sector banks are granted a special package allowance as they attend government work in addition to the regular business. Consequently, there will be a slight variation in the emoluments being received by the officers of public sector banks and private sector banks of the country.

ii) Stagnation Increments:

Officers of Scales I, II and III are entitled to earn two 'stagnation increments' one each for every completed three years of service after reaching maximum.

iii) Additional Allowances:

Further, officers are also paid City Compensatory Allowance, House Rent Allowance, Fixed Personal Allowance and Mid-academic Year Transfer Allowance. Besides, they are also eligible to the following additional allowances depending upon the situation. These include, special area allowance, project area compensatory allowance, deputation
allowance, professional qualification allowance (for completing CAIIB Rs. 300 after one year; Rs. 750 after two years), closing allowance, officiating allowance, split duty allowance, halting allowance to joint custodian, Hill and Fuel allowance, conveyance allowance, discomfort allowance, and so on.

Besides, officers are also granted leased residential accommodation, furniture and curtains for their interior homes needs, expenses towards cleansing material, casual labor (domestic servant), brief cases, newspapers and magazines, entertainment expenses, club membership fees and leave fare concession or home travel concession.

iv) Other Benefits:

Officers are also eligible for getting money against their surplus leaves, transportation and incidental charges and medical aid. Besides, every officer on completion of his 25 years of service is conferred with silver jubilee award. Beautiful mementos are also presented to the superannuating officers. Moreover, they are also eligible to get housing loans, loans for housing repairs, renovation, extension, etc.; festival advance; advance against provident fund; conveyance loan to purchase new motor vehicles including cars; consumer loan; residential telephones; out of pocket expenses; reimbursement of medical expenses incurred; personal loans; and so on.
v) Kinds of Leave

Subject to the grant of leave by the competent authority, being determined by the exigencies of service, officers are eligible for the following kinds of leave.

(a) Casual leave;
(b) Privilege leave;
(c) Sick leave;
(d) Study leave;
(e) Maternity leave;
(f) Extraordinary leave on loss of pay;
(g) Special casual leave & special leave.

a) Casual Leave: An officer shall be eligible for casual leave on full emoluments for 12 working days in a year provided that not more than 'four days' casual leave may be availed of at any one time. Further, casual leave shall not be granted in combination with any other kind of leave.

b) Privilege Leave: An officer shall be eligible for privilege leave computed at one day for every 11 days of service on duty provided that at the commencement of service no privilege leave may be availed of before completion of 11 months of service on duty. Provided that maximum period of privilege leave admissible to an officer at any one time shall be 4 calendar months. An officer on privilege leave shall be entitled to full emoluments for the period of leave. The period of privilege leave to which an officer is entitled at any time shall be the period which he has earned, less the period of leave availed of. Privilege leave may be accumulated up
to not more than 240 days except where leave has been applied for and it has been refused. An officer desiring to avail of privilege leave shall ordinarily give not less than one month's notice of his intention to avail of such leave.

c) **Sick Leave**: An officer shall be eligible for 30 days of sick leave for each completed year of service subject to a maximum of 18 months during the entire service. Such leave can be accumulated up to 540 days during the entire service and may be availed of only on production of medical certificate by a medical practitioner acceptable to the bank or at the bank's discretion, nominated by it at its cost. In respect of the period of sick leave, an officer shall be eligible to receive one half of the full emoluments. The bank may require any officer desiring to resume duty on the expiry of sick leave, to produce medical certificate saying that he is fit for duty. Where an officer has put in a service of 24 years, he shall be eligible to obtain additional sick leave, at the rate of one month for each year of service in excess of 24 years, subject to a maximum of 3 months of additional sick leave.

d) **Study Leave**: An officer may be granted study leave for such period and on such terms and conditions as may be decided by the Central Board or the Executive Committee.

e) **Maternity Leave**: Leave up to a period of three months at a time may be granted by way of maternity leave if the request is supported by sufficient medical certificate. This including in respect of post-natal period or at the time of miscarriage or abortion, so however, that not more than
12 months of such leave shall be available during the entire period of service of the officer. An officer on maternity leave shall be entitled to full emoluments for the period of leave.

f) Extraordinary Leave: An officer shall be eligible for extraordinary leave on loss of pay, for not more than 360 days during the entire period of service. Such leave may not be availed of except for sufficient reasons on more than 90 days at a time, provided that in very special circumstances, the competent authority may grant extraordinary leave on loss of pay to an officer up to a total period of 720 days and further that the extraordinary leave granted under this rule shall not count as service for pension.

g) Special Casual Leave and Special Leave: An officer may be granted special casual leave and any special leave by the competent authority in accordance with the guidelines issued in this regard.

vi) Lapse of Leave:

All leaves shall be lapsed on the death of an officer or if he ceases to be in the service of the bank. Provided that where an officer dies while in service, they shall be payable to his legal representative, sums which would have been payable to the officer if he had availed of the privilege leave, that he had accumulated at the time of his death. Provided further that where an officer retires from the bank's service, he shall be eligible to be paid a sum equivalent to the emolument of any period of privilege leave that he had accumulated.
vii) Recall for Duty:

An officer on leave may be recalled to duty by the competent authority whenever the bank deems fit to do so; but if the officer is at that time out of station, the officer shall be eligible to be paid the actual expenses incurred by him.

viii) Furnishing Leave Address, Overstaying Leave, etc.:

An officer who has been sanctioned leave and leaves his place of duty shall furnish to the bank the address at which he can be contacted while out of station. An officer who overstays his leave, except in circumstances beyond his control, shall not be entitled to any salary or allowance for the period of his absence without leave and shall also be liable to penalties.

ix) Terminal Benefits:

a) Provident Fund and Pension:

Subject to the provisions of the rules of the State Bank of India Employees' Provident Fund and the State Bank of India Employees' Pension Fund, every officer of the SBI shall become a member and bound by the rules of these funds.

KVB has no separate pension fund. Unlike SBI, officers in this bank become members of the Employees Provident Fund Organization, an autonomous body under the Ministry for Labor, Government of India. There is a scheme called ‘1995 Pension Scheme’ maintained by the
trustees of the EPFO. Like any other industry in India, officers of KVB get pension if they exercise such option under the above said scheme.

b) Gratuity:

An officer shall be eligible for gratuity on retirement or death or disablement, resignation or termination (after completion of ten years of continuous service).

The amount of gratuity payable to an officer shall be one month's pay for every completed year of service, subject to a maximum of 15 months' pay. Provided that where an officer has completed more than 30 years of service, he shall be eligible by way of gratuity for an additional amount at the rate of one half of a month's pay for each completed year of service beyond 30 years.

x) Transferability and Duty Time:

a) Transferability and Deputation: Every officer is liable for transfer to any office or branch of the banks or to any place or deputation to any other organization in India.

b) Duty Time: Every officer shall be available for the bank's duties at any time of the day.

xi) Promotions:

Promotions from one Scale to another shall be as per the guidelines of the Reserve Bank of India issued from time to time and the promotion policies operative in the two banks. Selection for such promotions shall continue to be from amongst eligible officers, without giving any weight for length of service.
xii) Retirement:

Irrespective of their cadre, the retirement age of the personnel working in State Bank of India is 58 years whereas a different method is being followed in Karur Vysya Bank. Interestingly, in KVB officers retire at the age of 58 and clerks retire at the age of 60 years.

xiii) Conduct, Discipline and Appeal:

a) Conduct:

(1) Every officer shall, at all times, take all possible steps to ensure and protect the interest of the bank and discharge his/her duties with utmost integrity, honesty, devotion and diligence and do nothing which is unbecoming of a bank official.

(2) No officer shall, except with previous sanction of the competent authority, engage directly or indirectly in any trade or business or undertake any other employment.

(3) No officer shall use his position or influence as such officer, directly or indirectly, to secure employment for any person related whether by blood or marriage to the officer's wife or husband, whether such a person is dependent on the officer or not.

(4) No officer shall take an active part in politics or political demonstration, or stand for election as member for a municipal council, district board or any legislative body.

(5) No officer shall, except with the previous sanction of the competent authority, receive any complimentary or valedictory address or accept any
testimonial or attend any meeting or entertainment held in his honor, or in the honor of any other employee of the bank.

(6) No officer shall accept or permit any member of his family or any person acting on his behalf to accept any gift.

(7) No officer shall bring or attempt to bring any political or other outside influence to bear upon any superior authority to further his own interest in respect of matters pertaining to his service in the bank.

(8) No officer shall draw his salary in advance of the date on which it is payable without the previous sanction of the competent authority.

(9) No officer shall speculate in any stocks, shares, securities, commodities, or valuables of any descriptions or shall make investments, which are likely to embarrass or influence him in discharge of his duties.

(10) Every officer shall, on his first appointment, either by direct recruitment or by promotion, submit a return of his assets and liabilities.

(11) No officer shall enter into, or contract, a marriage with a person having a spouse living; and no officer having a spouse living shall enter into, or contract, a marriage with any person.

(12) An officer shall strictly abide by any law relating to intoxicating drinks or drugs in force in any area in which he may happen to be posted for the time being.

b) Misconduct:

A breach of any of the provisions of these rules shall be deemed to constitute misconduct, which is punishable.
c) Discipline:

1) Penalties: Without prejudice to any other provisions contained in these rules, any one or more of the following penalties may be imposed on an officer, for an act of misconduct or for any other good and sufficient reason.

2) Minor Penalties:
   - censure;
   - withholding of increments of pay with or without cumulative effect;
   - withholding of promotion;
   - Recovery from pay or such other amount as may be due to him of the whole or part of any pecuniary loss caused to the bank by negligence or breach of orders.

3) Major Penalties:
   - reduction to a lower grade or post, or to a lower stage in a time scale;
   - compulsory retirement;
   - removal from service;
   - Dismissal.

The Disciplinary Authority may itself, or shall when so directed by its superior authority, institute disciplinary proceedings against an officer. The Disciplinary Authority or any Authority higher than it may impose any of the penalties referred to above on an officer. However, no order imposing any of the major penalties specified above shall be made except after an inquiry is held.
4) **Suspension:**

An officer may be placed under suspension by the Disciplinary Authority where a disciplinary proceeding against him is contemplated or is pending; or where a case against him in respect of any criminal offence is under investigation, inquiry or trial. An order of suspension made under this rule shall continue to remain in force until modified or revoked by the authority which made the order. No leave shall be granted to an officer under suspension. However, an officer who is placed under suspension shall be entitled to receive during the period of such suspension subsistence allowance equal to half his substantive salary and such other allowances as the competent authority may decide.

d) **Appeal:**

An officer may appeal to the Appellate Authority against an order imposing upon him any of the penalties specified above or against the order of suspension.

xiv) **Vigilance Matters:**

The State Bank of India consults the Central Vigilance Commission, wherever necessary, in respect of all disciplinary cases having vigilance angle. On the other hand, the top management of Karur Vysya Bank deals all disciplinary matters. An independent body called ‘Vigilance Cell’ looks into these matters before the top management of the bank hears the disciplinary matters.
II. Service Conditions of the Clerical Cadre Employees:

The terms and conditions of the service of clerical staff are agreed and declared by bipartite settlement from time to time. The regulations currently in force were accepted by mutual agreement of employees unions and management association on 2nd June 2005.

i) Definition of ‘Pay’:

‘Pay’ for the purpose of DA, HRA and superannuating benefits shall mean Basic Pay, Stagnation Increments, Special Pay, Graduation Pay, Professional Qualification Pay and Officiating Pay, if any.

ii) Scales of Pay:

With effect from 1st November 2002 the scales of pay in respect of clerical staff shall be as under:

<table>
<thead>
<tr>
<th>4410</th>
<th>5055</th>
<th>6060</th>
<th>7940</th>
<th>9440</th>
<th>11680</th>
<th>12650</th>
<th>13210</th>
</tr>
</thead>
<tbody>
<tr>
<td>215</td>
<td>5055</td>
<td>335</td>
<td>6060</td>
<td>470</td>
<td>560</td>
<td>970</td>
<td>12650</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>970</td>
<td>1</td>
<td>560</td>
<td>1</td>
</tr>
<tr>
<td>9440</td>
<td>560</td>
<td>6060</td>
<td>7940</td>
<td>500</td>
<td>970</td>
<td>12650</td>
<td>13210</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

iii) Stagnation Increments:

Clerical employees are eligible for six stagnation increments on reaching the maximum in their scales of pay at the rate of Rs. 560/- and at frequencies of 3 years and 2 years respectively, from the dates of reaching the maximum of their scales mentioned above.
iv) Dearness Allowance:

From 1st February 2005, Dearness Allowance shall be payable at 0.18% of Pay. DA in the above manner shall be paid for every rise or fall of 4 points over 2288 points in the quarterly average of the All India Average Working Class Consumer Price Index (General) Base 1960=100. There shall be no ceiling on Dearness Allowance. Dearness Allowance shall be calculated and paid on Basic Pay, Special Pay, Graduation Pay, Professional Qualification Pay and Officiating Pay, if any.

v) Additional Allowances:

In addition to the 'Pay' and 'DA' the clerical staff are eligible to receive City Compensatory Allowance, House Rent Allowance, Transport Allowance, Special Pay, Hill and Fuel Allowance, Fixed Personal Pay, Overtime Allowance, Halting Allowance, Washing Allowance, Cycle Allowance, Split Duty Allowance, Project Area Compensatory Allowance, Special Area Allowance, etc.

vi) Other Benefits:

Apart from the above mentioned regular allowances clerical employees are also granted Medical Aid, Leave Fare Concession, Hospitalization Expenses, Compensation for losses due to breakage or damage to goods on Transfer, Reimbursement of Expenses on Road Travel, Graduation Pay (two additional increments on acquiring graduate/post-graduate qualification). Also, certain employees are granted
‘Special Leave’ for attending meetings and conferences of trade unions of bank employees.

vii) Provident Fund:

With effect from 1st November 2002, the rate of Provident Fund shall be at 10 per cent of 'Pay'.

viii) Pension:

The Central Board of the State Bank of India has established a Pension Fund for the benefit of the employees of the Bank in pursuance of Clause (0) of sub-section (2) of section 50 of the SBI Act 1955 which is known as "SBI Employees' Pension Fund Rules". The bank shall contribute 10% of the 'Pay' of each member towards the pension fund. No contribution is to be made by any member towards Pension Fund. Pension is computed with the help of the following formula:

\[
\text{Average substantive salary drawn during the last 12 months} \times \frac{\text{pensionable service} \times \text{No. of years (+ months)}}{\text{Pensionable service} \times 60}
\]

However, Karur Vysya Bank employs similar regulations that are applicable to its officers. Hence, clerical employees also get pension through the '1995 Pension Scheme' of EPFO as an option.

ix) Payment of Gratuity:

The terms and conditions governing payment of gratuity to clerical staff are detailed in the 'Desai Award', the 'Bipartite Settlements' and the 'Payment of Gratuity Act, 1972'.

a) Gratuity Payable under Desai Award and Bipartite Agreements:
SBI: Service Gratuity is payable to an employee who is not a member of
SBI Employees Pension Fund or if he is not eligible for payment of
pension. The amount of Gratuity shall be equal to one month's pay for
each completed year of service, subject to a maximum of 15 months' pay.
Where, however, an employee has put in service of over thirty years, an
extra amount by way of additional gratuity will become payable at the rate
of additional half month's pay for each completed year of service beyond
thirty years. To that extent, the maximum provided above will stand
increased.

b) Gratuity Payable as per the Payment of Gratuity Act, 1972: In terms
of Section 4 of the Payment of Gratuity Act, 1972 and Payment of Gratuity
(Amendment) Act, 1998 (no. 11 of 1998) gratuity shall be payable to an
employee (subject to a maximum limit of Rs. 3,50,000/-) with effect from
24.9.1997, if he has rendered continuous service for not less than five
years. This regulation is applicable for both the banks under the present
study.

Gratuity is calculated at the rate of 15 days wages for each
completed year of service or part thereof in excess of 6 months on the
basis of 26 working days in a month as per the following formula:

\[
\frac{\text{Wages} \times 15 \times \text{No. of years of Service}}{26}
\]
This method is used for calculating Gratuity for officers and clerks. However, Gratuity is exempt from attachment in execution of any decree or order of any civil, revenue or criminal court. Further, Gratuity paid under the payment of Gratuity Act, 1972 will be fully exempt from Income Tax.

x) Special Pay for Graduation and Professional Qualification (payable after reaching maximum in the scale of Pay)

<table>
<thead>
<tr>
<th></th>
<th>Graduation</th>
<th>Rs. Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>On completion of 1 year after reaching maximum in the scale of pay</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>On completion of 2 years</td>
<td>400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Professional Qualification</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Part I of CAIIB / JAIIB after 1 year</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>Part II of CAIIB:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) After 1 year</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>b) After 2 years</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>c) After 3 years</td>
<td>600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Graduation &amp; Professional Qualification</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>Graduation / NDC/ Part I of CAIIB / JAIIB:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) After 1 year</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>b) After 2 years</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>c) After 3 years</td>
<td>600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Graduation and / or NDC and both parts of CAIIB:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>a) After 1 year</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>b) After 2 years</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>c) After 3 years</td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>d) After 4 years</td>
<td>795</td>
</tr>
<tr>
<td></td>
<td>e) After 5 years</td>
<td>995</td>
</tr>
</tbody>
</table>
xi) Leave Rules:

The 'Leave Rules' in respect of clerical employees provide for:

a) **Privilege Leave:** One month for every completed service of 11 months on full pay and can be accumulated up to a maximum of 8 months.

b) **Casual Leave:** Twelve days in each calendar year on full pay.

c) **Sick Leave:** One month on half-pay for each year of service subject to a maximum of 18 months during the entire service and can be commuted to 9 months leave on full pay. Additional 3 months' sick leave on half-pay after 24 years of service at the rate of 1 month per year, which can also be commuted to one and half months on full pay.

d) **Extra-Ordinary Leave:** Twelve months during the entire period of service. Not eligible for pay and allowances.

e) **Maternity Leave:** Not exceeding 6 months on any one occasion and twelve months during the entire period of service on full substantive pay.

f) The rules further provide for additional Special Casual Leave, Quarantine Leave, Rural Service Leave, Duty Leave, etc.

xii) Hours of Work and Overtime:

The actual hours of work of clerical staff, exclusive of recess period, shall be as specified below:

<table>
<thead>
<tr>
<th></th>
<th>Weekdays (excluding Saturdays)</th>
<th>Saturdays</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Hours per day)</td>
<td></td>
</tr>
<tr>
<td>Workmen other than members of the subordinate staff</td>
<td>6½</td>
<td>4</td>
</tr>
</tbody>
</table>
The standard business hours of banks except Saturdays are from 10.00 AM to 2.00 PM. On Saturdays from 10.00 AM to 12.00 PM. However, in some branches of Karur Vysya Bank the business hours are from 10.00 AM to 4.00 PM and in some from 10.00 AM to 3.00 PM. There is no uniformity in the span of the business in KVB. It varies from branch to branch. The researcher observes that the customers of KVB still want to approach branches even after these extended timings.

But in State Bank of India, the Staff Federation has agreed to increase the business hours at all fully computerized branches in respect of all transactions for two hours on regular days and one hour on Saturdays. They also agreed to introduce ‘Seven-day banking’, Shift System and ‘Round – the - Clock Banking’ at all fully computerized branches.

The move towards increasing the business hours and introducing seven-day banking may ensure all round business development of the banks and also improve customer service. But naturally it produces lot of anxiety.

xiii) Retirement:

The retirement age of the clerical employees in both banks is now 60 years (58 years prior to 1998).

xiv) Voluntary Retirement:

A scheme has been introduced in the State Bank of India for voluntary retirement of the staff members during the year 1986. In terms of the said scheme, an employee may be permitted to retire from the Bank's
service on completion of 20 years' service, on proportionate pension, subject to giving one month's notice (in case of clerical employee) in writing or pay in lieu thereof. The Competent Authority to approve voluntary retirements, in respect of Award Staff working in the Circle, shall be the General Manager at Local Head Office (LHO). On the contrary, Karur Vysya Bank has not yet offered any form of voluntary retirement scheme to its employees.

xv) Career Progression Scheme:

In State Bank of India there is a policy for appointment to special allowance carrying positions in the clerical cadres. With effect from 1st April 1999, the following higher special allowance carrying positions within the cadre will be replaced by new positions as given in the following table:

**Table 4.1: Special Allowance Payable to New Positions**

<table>
<thead>
<tr>
<th>Existing Positions</th>
<th>New Positions</th>
<th>Special Allowance Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Assistants (Accts)</td>
<td>Senior Assistant</td>
<td>Rs. 750/- per month</td>
</tr>
<tr>
<td>Head Assistants (Cash)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teller</td>
<td>Special Assistant</td>
<td>Rs. 1,213/- per month</td>
</tr>
<tr>
<td>Workmen Head Cashier</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Similarly, the technical and maintenance staff performing specialized jobs such as Pharmacists/ Nurses/ Armourers/ A.C. Plant Operators/ Control Room Operators/ Telephone Operators is re-designated as Senior Pharmacists/ Senior Nurses/ Senior Armourers/ Senior A.C. Plant Operators/ Senior Control Room Operators/ Senior
Telephone Operators, on completion of 10 years service. However, on completion of 25 years of service in the cadre, they will be paid a special allowance of Rs. 1,213/- per month.

In Karur Vysya Bank there are no different designations in respect of clerical cadre employees. All employees are designated simply as clerks. As such clerks are not entitled for any special allowance.

xvi) Policy for Promotion from Clerical to Junior Management Grade in SBI and KVB:

a) Regular Channel (Merit-cum-Seniority):

i) **Eligibility:** All clerical cadre employees with a minimum qualification of matriculation and with a minimum service as under will be eligible to appear the written test.

ii) **Minimum Service:** General: 14 years, SC: 12 years, ST: 6 years

iii) **Upper age limit:** General: 50 years, SC/ST: 55 years

iv) There is no limit on the number of chances. A candidate may appear for the test any number of times till he reaches the prescribed age limit.

v) **Allocation of Marks:**

<table>
<thead>
<tr>
<th>Written Test</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Appraisal</td>
<td>10</td>
</tr>
<tr>
<td>Interview</td>
<td>10</td>
</tr>
<tr>
<td>Length of Service</td>
<td>20*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
</tr>
</tbody>
</table>

* 2 marks for every completed year of service **beyond 15 years** subject to a maximum of 20 marks.
To qualify for an interview, a candidate has to secure a minimum of 24 marks (out of 60) in the written test. One bonus mark will be added for every completed year of service put in by the candidate in a rural branch (as defined by RBI) subject to a maximum of 5 marks (for 5 years' of rural service).

b) **Seniority Channel:**

10 per cent of the posts earmarked for promotions under Merit-cum-Seniority channel will be set aside for an exclusive seniority channel. Promotions against these posts will be made through an interview to be conducted for the candidates who cross the stipulated upper age limit of 50 or 55 years, as the case may be.

c) **Merit Channel – Trainee Officers:**

i) **Minimum Service**: 4 Years

ii) **Minimum Qualification**:

   a) Graduation or Part I of CAIIIB or
   b) Matriculation with both parts of CAIIIB or
   c) Graduation with a pass in Intermediate examination of ACA/ICWA/ACS or
   d) ACA/ICWA/ACS

iii) **Upper age limit**:

   General: 40 years, SC/ST: 45 years

iv) There is no limit on the number of chances. A candidate may appear for the test any number of times till he reaches the prescribed age limit.
v) **Allocation of Marks:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written Test</td>
<td>70</td>
</tr>
<tr>
<td>CAIIB Part II</td>
<td>5</td>
</tr>
<tr>
<td>Additional Professional Qualifications such as</td>
<td></td>
</tr>
<tr>
<td>ACM/ ICWA/ MBA/ ACS</td>
<td>5</td>
</tr>
<tr>
<td>Performance Appraisal</td>
<td>10</td>
</tr>
<tr>
<td>Interview</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

vi) Based on the performance in the written test, candidates will be called for interview in the ratio of 3 candidates for every 2 vacancies, from among the candidates who secure the qualifying marks of 28 (out of 70) in the written test in the order of merit.

d) **Specialist Channel (Computer Programmers-cum-Operators):**

i) **Minimum Service** : 4 Years

ii) **Minimum Qualification** : Graduation

iii) **Upper age limit** : General: 40 years, SC/ST: 45 years

iv) There will be no limit on the number of chances. A candidate may appear for the test any number of times till he reaches the prescribed age limit.

v) Candidates will be subjected to an ‘Aptitude Test’ to be administered by a Professional Organization in the field (such as IBPS), a written test in General banking/General Knowledge and interview. Only those candidates who are found suitable in the Aptitude Test securing a minimum of 55% marks will be considered
and their written test papers evaluated. All other candidates will be eliminated.

vi) Based on the performance in the written test, candidates will be called for interview in the ratio of 3 candidates for every 2 vacancies, from among the candidates who secure the qualifying marks of 28 (out of 70) in the written test in the order of merit.

vii) Allocation of Marks:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Written Test</td>
<td>70</td>
</tr>
<tr>
<td>CAIIIB Part II</td>
<td>5</td>
</tr>
<tr>
<td>Additional Professional Qualifications such as</td>
<td></td>
</tr>
<tr>
<td>ACA/ ICWA/ MBA/ ACS</td>
<td>5</td>
</tr>
<tr>
<td>Performance Appraisal</td>
<td>10</td>
</tr>
<tr>
<td>Interview</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

xvii) Transfers:

Clerical cadre employees will be eligible to apply for request transfer up to a maximum of six Centers. 'Center' for the purpose of this policy shall mean all the Branches/Offices located in a town/city/place where same rates of HRA are payable to them.

However, the subject of transfer of clerical staff is dealt within the Sastry Award. According to this Award periodical transfers of this staff are desirable for the following reasons:

a) for their own career development,

b) to ensure against creation of vested interest and
c) to man new offices and to meet other administrative needs for 
redeployment of surplus staff.

Clerical staff members with 5 years or longer stay at one office were 
covered for transfer within the same center. The policy does not cover 
single branch centers. This policy is also applicable to employees due for 
in-cadre promotion. However, for transfers on promotion to any outside 
station, Local Head Offices in consultation with the Circle Unions should 
frame a policy.

For all these types of transfers clerical staff is entitled for 
reimbursement of travelling and other expenses in connection to transfers.

xviii) Award of Educational Scholarships:

Scholarships will be awarded to the children of employees 
(including those of permanent part-time employees) who secure marks as 
under in class III and above eligible for scholarships from the next class 
onwards.

<table>
<thead>
<tr>
<th>Category of employees</th>
<th>Aggregate of Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Clerical and Supervising Staff (other than SC/STs)</td>
<td>60% or more</td>
</tr>
<tr>
<td>b) Clerical and Supervising Staff (SC/STs)</td>
<td>55% or more</td>
</tr>
</tbody>
</table>

Amount – Fees, etc.

Reimbursement of Admission and Tuition Fees is permitted to 
eligible children of employees of the following categories:
i) All workmen staff whose basic pay does not exceed Rs. 10880/-
(VII Bipartite Agreement)

ii) All officers (JMGS-1) drawing basic pay not exceeding Rs. 12540/-
(Top of JMG Scale – I; 01/07/1993 Scales)

If both husband and wife are employees of one bank and if either of them draws basic pay higher than the basic pay prescribed here in above, admission and tuition fee will not be reimbursed. However, any correspondence course is excluded form the purview of this scheme.

<table>
<thead>
<tr>
<th>Study</th>
<th>For Day Scholars Rs. per month.</th>
<th>For Boarders Rs. per month.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) For 4th &amp; 5th Standards</td>
<td>45/-</td>
<td>150/-</td>
</tr>
<tr>
<td>2) For 6th, 7th &amp; 8th Standards</td>
<td>60/-</td>
<td>150/-</td>
</tr>
<tr>
<td>3) For 9th &amp; 10th Standards</td>
<td>75/-</td>
<td>200/-</td>
</tr>
<tr>
<td>4) At Intermediate level</td>
<td>90/-</td>
<td>375/-</td>
</tr>
<tr>
<td>5) At Graduate level for ordinary courses viz., B.A., B. Com., B.Sc., LL.B, and other courses</td>
<td>105/-</td>
<td>375/-</td>
</tr>
<tr>
<td>6) At Graduate and Post-graduate level for professional courses in Medicine/Engineering/Management studies, etc.</td>
<td>200/-</td>
<td>525/-</td>
</tr>
<tr>
<td>7) At Post-graduate level M.A., M.Com., M.Sc., etc.</td>
<td>150/-</td>
<td>450/-</td>
</tr>
</tbody>
</table>

On the other hand, Karur Vysya Bank provides Rs. 100 per month as educational scholarship for its personnel irrespective of the program
pursued by their children and it is further subjected to a maximum number of two children.

**xix) Motivational Aspects**

In State Bank India there are several kinds of opportunities for employees to be motivated.

i) SBI pays incentives for employees passing recognized examination in Hindi.

ii) With a view to encourage employees to acquire knowledge in Marketing Management, Managerial Accounting, Management Information Systems, Computer Programming, Operations Management, etc., there is a scheme for reimbursement of tuition, examination and prescribed fees/charges and payment of honorarium in the Bank.

iii) As a part of State Bank Day Celebrations, an essay competition is being organized for the staff members every year since 1994 and the following would be the list of prizes offered for the competition.

<table>
<thead>
<tr>
<th></th>
<th>At LHO Level</th>
<th>At Central Office Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Prize</td>
<td>Rs. 1,000/-</td>
<td>Rs. 2,500/-</td>
</tr>
<tr>
<td>2nd Prize</td>
<td>Rs. 750/-</td>
<td>Rs. 2,000/</td>
</tr>
<tr>
<td>3rd Prize</td>
<td>Rs. 500/-</td>
<td>Rs. 1,500/-</td>
</tr>
</tbody>
</table>

iv) There is a scheme to encourage clerical staff to take up short term Certificate/Diploma courses in the computer area. On successful
completion of the courses, the employees would be reimbursed the
tuition fees, etc., and also be paid an honorarium.

v) With a view to promoting the small family norms among the
employees, special casual leave is granted, medical expenses are
reimbursed and a lump sum reward of Rs. 500/- is granted to those
employees of the Bank who undergo sterilization operation.

vi) Festival Advance is treated as salary advance and it is interest-free.
Festival advance may be granted once in a year, to the members of
staff.

vii) The clerical employees including Part-time employees who work for
more than 6 hours a week may be permitted to avail conveyance
loan for purchase of bicycle on confirmation in service.

viii) Employees in the clerical cadre, who are drawing a basic pay of
Rs. 3910/- p.m. will be eligible for conveyance loan for purchase of
Scooter/Motor Cycle/Moped, provided they have put in a minimum
of 3 years of confirmed service in the Bank.

ix) In addition to the above, SBI allows its employees to avail
Consumer Loan, Gold Loan, Loan from Provident Fund, Housing
Loan, Personal Loan, Loans to employees affected by
Flood/Drought/Cyclone, etc.

x) Besides, SBI pays Bonus to its employees as sanctioned by the
Central Board.

More or less the above motivational aspects are applicable to the
employees of the Karur Vysya Bank. For example, this bank gives
incentives to its personnel on the grounds of branch wise performance. Incentives are given corresponding to the hierarchical level of the personnel right from the branch manager to sub-staff. Hence, KVB does not take into view any individual performance. Also, KVB does not conduct any competitions at the divisional level. During the recent celebrations marking its 90 years of existence, competitions were held only at Karur. Hence, it is understood that KVB is not particular of uniform motivation in the bank.

In respect of payment of bonus, at present KVB is not paying any bonus to its personnel. But the fact is that earlier the Bank paid bonus to its personnel and later this system was discontinued. But for the last six years ex-gratia is being paid in place of bonus. Now, even this ex-gratia has been abolished by KVB. Therefore, it is understood that this effort of the KVB suppresses the rights of its personnel and is in noncompliance to the 'Payment of Bonus Act, 1965 of Indian system of social security.

xx) Conduct of Employees:

With regard to the factors like Conduct, Discipline, Appeals, Grievance, Penalties, Suspension, etc. of the Award Staff, more or less the same provisions have been established in the two selected banks, as in the case of Officers.


6 Biswajeet Pattanayak, op. cit., p. 115.

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