

CHAPTER – 2

THE STUDY

After the liberalization of the banking sector, banking institutions have been facing severe competition from various players in the market. Consequently manpower planning plays a crucial role in service organization like banks. The creative abilities, capabilities and knowledge of human resource are significant in case of service organizations, where the very nature of functioning, needs all these qualities of employees. The aspect of manpower planning also assumes importance in present day conditions in banks where there is severe competition among them and as the spectrum of functions of these organizations are widening. The banks in particular are entering into various innovative areas of services of their customers. This enlargement of jobs needs enhancement of capabilities and potentialities of employees.

Improved performance of bank through enhanced capabilities of its employees leads to the improved social image of the bank. This in turn satisfies social needs of employees. So, employees are to be given a chance to develop their capabilities like skills and knowledge through various means like carrier planning, growth and training. Enhancement of capabilities leads to better performance of the job.

2.1 Review of the Literature

The concept of manpower planning gained importance along with the introduction of large scale production. The introduction of new technology added significance to the concept of manpower planning. Since 1991, along with the changes in global scenario, the finance and service sectors are playing a vital role in the process of economic development. The growth of technology in terms of e-business, e-commerce, e-banking, has revolutionized the banking system, which in turn necessitated the transformation and structuring of the banking business.

In this context, the manpower planning has to play a pivotal role in tuning the performance of the banking sector in relation to the needs of the business. Various

studies, with different dimensions of manpower planning, have been made over a period of time.

A survey of some of these studies is briefly presented here.

Chadda Anil (1979)¹ in his study on New Bank of India, identified the mismatch between the staff on roll and staff requirement.

Sundaram, P (1979)² in his study on Manpower planning and development in Indian Bank, suggested an ideal composition of staff in a new branch in the process of manpower planning.

Kher, A.C (1980)³ has made a study on the methodology of manpower planning in Indian Overseas Bank, he opined that a proper manpower planning will reduce the cost of human resources and its effective use will increase the productivity. He observed that there is a continuous increase in the size of the clerical cadre in relation to the total manpower and the study emphasized the effective utilization and deployment of clerical staff.

Sambre Neena (1980)⁴ in her study about alienation among banking employees has found that dismal human resource management practices and policies will lead to minimum creativity in the performance level of employees.

Merchant R. Y (1980)⁵ has done a study on human resource development plan for State Bank of India, he stressed in his study the role of people management skills particularly for key positions like Regional Manager, Branch Manager and Staff Officers. The research holds that human resource are an important asset of an organization and human beings have their own aspirations, expectations as well as needs for growth and are motivated by providing monetary comforts.

Khandekar, N.C (1981)⁶ in his research on job and employment expectations and values of Bank men observed that bank employees are not experiencing conducive climate for their better performance. Further he holds, that their level of satisfaction with other rewards received by them and relations with their unions is higher than the satisfaction derived with their interpersonal relationships.

Palanichami, M (1984)⁷ have studied the utilization of Administrative Officers in Bank of Baroda. The study observed that generally the bank officers hailing from rural family back ground by and large show greater awareness about rural development.

Somasundaram. K.N. (1984)⁸ has conducted a research on personnel in Indian Overseas Bank. He suggested that the bank should be aware of individual perceptions, expectations and talents, so that challenging assignments could be given to them.

Bhide.S.S (1985)⁹ has done a study on manpower planning and development in Bank of Maharashtra. This study has identified the problems in the existing system of manpower planning namely quick promotions in spite of inadequate work experience due to rapid branch expansion, high manpower cost due to wage revision as well as inflation and declining productivity. He holds that effective manpower planning will undoubtedly improve the performance of the bank.

Chander.J.K (1985)¹⁰ has made a study on the people management issues with reference to computerization in Bank of Baroda. The study points out that in the face of technological growth, selection and training of personnel receives highest priority and will facilitate development of systems and software well in advance.

Suryanarayana.T (1985)¹¹ has done a study on manpower planning and development in Allahabad Bank. The study is mainly concerned with the process of recruitment to the officers post. He observed that till 1976, no direct recruitment of officers was permitted in Allahabad Bank and later as per the government directives, upto 25% of the officer vacancies are being filled through direct recruitment and 75% through in service promotions.

Christopher Orpen, Professor of Management at Deakin University, Australia (1985)¹², in his research article on A Managerial Prospective of Human Resource Planning published in Vikalpa, Vol.10, No.1, Jan-March 1985, focused on the practices in human resource planning must change to be responsive to the needs of today, in order to improve the effectiveness of the organization. The article has spelt out some of the way in which planning exists, how it must alter in order to bring

desired results. Underlying the specific points must be the realization that it is planning ahead which is vital for firms to survive and prosper.

Diwan. V.L. (1986)¹³ has studied the HRD functions with special reference to performance appraisal in Bank of Maharashtra, the study viewed that the existing employee performance review form is trait based rather than performance based.

NIBM, Pune (1986)¹⁴ has focused on the training system in Punjab National Bank. The study observed that in spite of well organized and well established training process followed by the bank, the lack of learning culture in the organization is a major hurdle.

Arvindekar.U.V (1987)¹⁵ in his study on computer assisted manpower planning in commercial banks observed that improper deployment and distribution of manpower is a common problem in banks. Further, the study holds that improper training, lack of proper orientation and quick promotion policies diluted the quality of service.

Bhatnagar Deepthi (1987)¹⁶ in her study on the effectiveness of personnel functions at regional level (A case study of Central and South Gujarat zone of Bank of Baroda) found that lack of knowledge of the personnel policies, among the employees resulted into the employee dissatisfaction and increase in grievances.

Krishna Prasad. P.S (1989)¹⁷ in his study on the personnel policies and practices in Union Bank of India (UBI) holds that majority of the respondents are of the opinion that the transfer policies of the bank are not in right direction as they are largely discriminatory and arbitrary.

Joshi. M.S (1990)¹⁸ in his research work on career path planning for officers in Bank of Maharashtra holds that career planning is not an end, but a process which needs continuous examination of the goal, the strategy to be chosen, the resources and limitations on the part of the individual organization and environment.

Manpower study (1990)¹⁹ under taken by the study team of Bank of Baroda, Mumbai reveals that the measurement of productivity in the banking industry is not an easy task and it is a complicated process because of lack of specific indicators of input and output.

Shah.R.R (1990)²⁰ in his research work for manpower study in Bank of Baroda at the main office of Baroda, Ahmadabad, has found that customer service is not upto the mark, marketing concept in the bank is totally missing and walk- in business is the main strategy of business development.

Bose. P.K (1991)²¹ has conducted a study on the existing training system in United Bank of India with particular reference to development of new skills for banks future operations. The study points out the needs for proper management information system for identification of training needs, initiation of faculty development programmes.

Dash. S (1991)²² has conducted a study on the human resource management problems in the Eastern Sector of Canara Bank. The study focused on the response of the employees to the implementation of changes. In this context, it is observed that most of the employees are co-operative and adjustable to the changes and very few are resistant to the changes. The officers are forced to spend more time and energy to regulate these few people, who are against the change.

Nandeshwar.R.L. (1991)²³ in his doctoral thesis titled “Performance of banks in relation to jobs satisfaction, job stress and organizational commitment of Branch Managers” has found that the performance of the banks is positively related to the level of job satisfaction of the bank managers.

Pakala Krishnaji (1991)²⁴ has studied the performance appraisal system for officers in Syndicate Bank and holds that present self appraisal system is being subjective, not assessable in quantitative terms.

Ranga Rao. P (1991)²⁵ in his study on effective of bank branches – The role of leadership behaviour of Branch Managers in Andhra Bank, has brought out the role of leadership in the effective operations of the banks and suggests that a comprehensive training programme for Branch Managers to inculcate personal values, beliefs and behavioural skills.

Seshan.M. Ramachandran (1991)²⁶ has conducted a research on manpower planning in Bank of India. The author describes that the training centre as a temple of learning, set of knowledge, power house of ideas, broadcasting stations for corporate philosophy, centre of creativity, laboratory of experiments, store house of information

and platform to spread corporate culture. He believes that change in the work culture of banks is essential for productive and efficient work practices.

Srinivasan. D (1991)²⁷ has conducted a study to evolve norms for manpower assessment of rural and semi- urban branches in Indian Bank.

Mathew.T. Thomas (1992)²⁸ has identified the reasons for non aspiring promotions by the employees such as transfer on promotions, fear of higher responsibilities, insignificant salary differentiation, inadequacies in promotion processes, long intervals between promotions, non challenging nature of officer job, involvement in some other income generating activities and stake in the local area.

Rostami Mahrukh (1992)²⁹ in her study on organizational commitment among bank employees has found that public sector bank officers are least committed to the work.

Subramanyan.G (1992)³⁰ has made a study the bilateral productivity and performance comparison of public sector banks in India and found that increase in productivity is not only from technological developments but also from managerial competence and efficiency.

Gopinathan.E.K (1994)³¹ in his study on human resource development plan for Corporation Bank (Strategies for implementation) has clearly observed that there is no set pattern for selection and identification of training needs, unawareness among the employees regarding the criteria for training nomination and less significance of training needs in the performance appraisals.

Sridhar.M.K. (1994)³² in his doctoral thesis titled “Job attitudes among employees of Commercial Banks” has arrived at the findings that achievements, interpersonal relations among subordinates and recognition are the major contributors of positive job attitudes of bank employees.

Varkey Biju (1994)³³ has done a study on human resource management policies and practices in nationalized banks and observed that the traditional practices and conventions which have been developed over a period of time is mainly influenced by external forces and fails to integrate the human resource management sub systems in

order to provide a holistic approach. There are some in built contradictions within and between the sub systems.

Avantika Chandra (1996)³⁴ has done a study on the role of human resource development in business promotion on Bank of Baroda and stressed the need of training to the employees for developing human resources, further, he suggested to include a more exhaustive training programme with material, more emphasis on practical aspects with latest techniques, strengthening the skills to cope up with the increasing in volume of work and compulsory on the training.

Kundu.N.D & Mankikar.R.S (1997)³⁵ have conducted a study on the development issues related to information technology professionals in banking industry and concluded that there is no well defined career path for the information technology personnel and the knowledge of modern technology is poor among information technology staff.

Neena Agarwal & Sapna Bajpai (1997)³⁶ have studied the officers attitude in Bank of Baroda and found that the attitude of the officers towards training, communication, promotion policy and superiors were moderate.

Moogan Gouda N (1998)³⁷, thesis on the rural banks and IRDP has explained the role of RRB, specifically then called TGB in implementing the IRDP schemes, sponsored by the Government to eliminate rural poverty. He concluded that RRB's will go a long way to promote rural development.

Alice Sincliar (2004)³⁸, in her study on workforce planning – a literature review stressed the need for the workforce planning which gained importance since 1960's and concludes that there is no uniform technology, strategy, model, or a software for the workforce planning. It depends on the context under which the organization functions.

G. Venkateswaran and N. Shivraman (2004)³⁹, in their research paper Manpower Planning in the 21st Century presented at the National Seminar on Technical Manpower Planning in India – Issues & Concerns held on 5-7th Sept. 2004 at JNTU, Hyderabad, holds that the workforce planning effort must be evaluated continuously and adjusted as conditions require.

K. Raghuram & Anitha Kumar (2004)⁴⁰, in their research paper manpower planning in the 21st Century presented at the National Seminar on Technical Manpower Planning in India – held on 5-7th Sept. 2004 at JNTU, Hyderabad – the impact of globalization on contemporary manpower planning in India, holds that effective human resource planning with strong culture can be the workable solution for the Indian industry to face the onslaught of globalization and its ill effects and to capture the opportunities thrown by the environment.

V. Ramadevi and K. Anil Kumar (2004)⁴¹, in their research paper manpower planning in the 21st Century presented at the National Seminar on Technical Manpower Planning in India – held on 5-7th Sept. 2004 at JNTU, Hyderabad – Revisiting manpower planning in the wake of globalization points out the increasing emphasis on recruiting multi-skilled and adaptive workforce. Now, human resource management systems and skills, new incentive, new selection techniques and new appraisal methods are required to select and train such employees and to win their self-discipline and commitment.

B. Raghavendra and Mrs. Tejovathi S Prabhu (2004)⁴², in their research paper manpower planning in the 21st Century presented at the National Seminar on Technical Manpower Planning in India – held on 5-7th Sept. 2004 at JNTU, Hyderabad – Manpower planning for global success, stressed the role of R&D and Innovation in manpower planning, they opined that grooming of manpower has become a core of the winning formula for global success. Further, they hold that technology should be used in a big way to bring desired changes.

G. Nijaguna, T.S. Devaraj & B.K. Narendra (2004)⁴³, in their research paper manpower planning in the 21st Century presented at the National Seminar on Technical Manpower Planning in India – held on 5-7th Sept. 2004 at JNTU, Hyderabad – Manpower planning at international level for developing and developed countries holds that traditional manpower planning consisting in forecasting future requirements in labour skills, is on the decline as a tool for designing HR interventions instead “Labour Market Analysis is taking over”.

Devasia M.D. (2005)⁴⁴, in his thesis on economics of human resource planning with special reference to higher education in Kerala, Cochin University of Science and

Technology, Kochi. The study stressed on the role of human resource planning for the success of any organization in general and its higher relevance in the field of education wherever manpower planning will go along in the transformation of society in terms of productivity.

Anil Kumar Singh (2005)⁴⁵ in his study on HRD practices and philosophy of management in Indian organization in the journal *Vikalpa*, Vol.30, No.2, April-June 2005, made an attempt to identify the relationship between human resource practices and the philosophy of management of the Indian Business Organization. The findings of the study indicate that the variable of human resource practices such as; planning, recruitment and selection were highly but negatively related to the philosophy of management in the private sector organizations. He concluded that the successful combination of committed people and a benevolent organization could well be the way for organizations in this competitive environment.

Prof. E.I. Okaye, E.I. Ogbanda and Sule G.H (Jan. 2007)⁴⁶, in the *International Journal Series on tropical issues* Vol.8, and No.1, in their study on job analysis in manpower planning of business organization – an assessment of the significance holds that the major factor that needs for effective manpower planning is job analysis which does two things. Firstly, the personal manager gets to know about the job itself, which is termed as job description. Secondly, it describes the skills, abilities and other characteristics needed to do the job which is termed as job specification. Thus the study concludes the job analysis is source of information needed for effective manpower planning.

Ashish Kumar Nandi (2007)⁴⁷, in his article *Revamping Indian Banks through dynamic HR policies – A Seminar on Indian Banking Today – search for a better tomorrow*, National Level Seminar conducted on 5-6, May 2007, at Bhagalpur, considers human resource management as a corner stone for success of the banks in appreciation of the reform exercises and technology absorption in a big way. The various functional roles of human resource need to be oriented towards the business strategies departing from its traditional reactive role.

Shankar Prasad Singh (2007)⁴⁸, in his article *the new flavor of HRM in banks – A Seminar on Indian Banking Today – search for a better tomorrow*, National Level

Seminar conducted on 5-6, May 2007, at Bhagalpur, holds that increasing computerization expansion of new business activities and diversification of manpower planning has assumed greater importance in banks and he opines that the human resource development in the banks has to play a more proactive role in shaping the employees to fight-out the challenges by enhancing their willingness, competence and skills.

Vinod Shankar Vyas and Jyotish Kumar Sihna (2007)⁴⁹ in their article HRM policies & procedures in banks – A Seminar on Indian Banking Today – search for a better tomorrow, National Level Seminar conducted on 5-6, May 2007, at Bhagalpur, holds that it is increasingly being realized by banks that harnessing the human resource in all its process and systems is the only sustainable source to bring about transformational change in the banks in the present context.

Dr. P.K. Manoj (Feb. 2008)⁵⁰, the Indian Banker in his study on human resource management in banks – some strategic imperatives analyzed the need for knowledge management and developed a frame work for a typical knowledge management, architecture for a bank that can support a knowledge centric human resource management. He holds that there is a need for a separate management policy as well as a specialized top level executive viz., chief knowledge officer appears to be vital requirements for any progressive bank.

Vishwas N Wadekar (April 2008)⁵¹ in his study customer expectations from banks – a paradigm shift holds that customer expectations will always increase with every improvement in the customer service by banks and stressed on the basic requirements of adequately training manpower on the counters to enhance the performance level.

Naipal Singh (Aug. 2008)⁵² in his study managing attrition factors – ways to augment human capital reveals that human resource management is the heart of the organization but this department is still waiting for its identity in the banking industry, which results into higher role of attrition. He holds that an effective human resource management and efficient manpower planning will solve the problem of attrition in banking industry.

Dr. K.K. Ammannayya (Oct. 2008)⁵³ in his study transformation in Indian Banking – post reform development and challenges ahead holds that in Indian Banking there is a stress on objective manpower planning and adoption of scientific methods for evaluating the contribution of manpower and he suggests the recruitment of younger persons with good educational background with IT skills and a suitable comprehensive training programme.

Mrs. Tanvir Kagam (2008)⁵⁴, in her thesis on challenges of HRD to pace with globalization, National University of Modern Languages, Islamabad, the study highlighted the challenges thrown by globalization which requires proper manpower planning and human resource development to strengthen the performance of the organization. The study is specifically related to the field of education.

Naipal Singh in his article Manpower Planning in Banks – useful techniques published in the Indian Banker (Nov. 2008)⁵⁵ opined that the basic rationale for making manpower forecasts in banking sector is the long term development in the production of skilled personal, which in turn facilitate planning of training in the endeavour to ensure that the manpower required is available at the time when needed.

Dr. R.K. Uppal & Rosy Chawla, (Nov. 2008)⁵⁶ in their Study Customer Service in Banks – meeting customer expectation in the Indian Banker analyzed the widening gap between customer expectations and availability of banking services and recommended for effective manpower planning to bridge the gap.

Naipal Singh (Feb. 2009)⁵⁷, in his study on analyzing training needs – a critical tool to enrich human resources highlighted the significance of training as an important sub-system of human resource management. Identification of training need process is aimed at identifying organizational goals and effectiveness in achieving this goals, the gaps between available skills and those required for doing the current job effectively and the gap between current skills and the skills needed to perform the job successfully in the future.

Kaveri Bansal and Mona Bansal (Dec. 4th 2009)⁵⁸, in their article ‘Banking sector needs consolidation’ published in Deccan Herald daily, analyzed the pros and cons of banking sector reforms on the Indian Banking System and stressed on the need for

integration of the heterogeneous work cultures of the workforce. They focused on the views of the employees towards the changing banking sectors, management styles, training, leadership are to be considered in a critical manner. The valued aspects of work environment, if not handled properly, may lead to resentment and shrinkage in productivity.

Khandelawala. A.K. (2010)⁵⁹, report of the committee on human resource issues of public sector banks focused on the relevance of manpower planning and its impact on the performance of the public sector banks. The report reveals that in the face of technological development, the bank should have both short and long term projections of manpower planning. Further, the study stressed on a detail and structured manpower planning for a fixed duration. A road map of officer – clerk ratio for rural, urban and semi urban branches, a study on staff – cost ratio, outsourcing of non core activities, re-designation of clerical and sub staff, increase in the standard of recruitment method, higher stress on information technology skills, incentive facilities to the rural staff and lateral recruitment on term appointment to be made for specialized positions. The report also focused on training in the face of changing technology measures, to improve the performance, reward management, succession planning and leadership development, employee engagement and motivation and professionalization of human resource management.

B. Mohammed Ghouse (2011)⁶⁰, in his research thesis “HRD Practices in regional rural banks - A study with a reference to Andhra Pradesh Pragathi Gramina Bank” has focused his attention on the process of recruitments, promotions and career path of the employees and holds that employees participation and incentives are essential measures to improve the performance.

Dr. Rayagouda M Patil (2011)⁶¹, in his study on HRM – a case study of Vijaya Bank in Prabhanveshana – a journal of commerce and economics – Jan-June, 2011, emphasized re-engineering process to bring improvements in human resources. The study concludes that in 21st Century the distinctive competencies lie not in the products or technologies but in the distinctive expertise and knowledge pool skills of the human resources. Re-engineered process will not bring improvements unless the top management ensure that their human resources mindsets are also re-engineered.

The survival, development, and performance of an organization depends on the quality of human resources.

G.C. Hansen (2011)⁶², in his thesis human resource and working life – efficient manpower planning at a public hospital, University of Aalborg, Denmark. The thesis focuses on the importance of an efficient manpower planning and the challenges to enhance the performance in the service sector in general and hospital management in particular.

Krones & People Matters (2012)⁶³, has conducted a survey on workforce productivity India – 2012, brought out the relationship between profitability, as well as productivity and workforce management and concluded that workforce productivity and effective workforce management can improve the return of the organization. A proper workforce management system can help in manpower planning on the basis of demand drivers, forecast human resource plans and then automatically support in allocating optimal workforce against such plans.

Dr. K.C. Chakrabarti, Deputy Governor, RBI, HR Conference of Public Sector Banks at Mumbai (**June 1st, 2012**)⁶⁴ holds that management of people and management of risk are two key challenges facing the banks and efficient risk management may not be possible without efficient manpower planning. Further, he stressed that the entire spectrum of HR practice requires revolutionary changes, if the banks have to survive.

2.2 Need for the Study

Banking is the epicenter of economic development and a sound, efficient, effective, vibrant and innovative banking system stimulates economic growth. Earlier, money was considered only as a medium of exchange. But in the modern world, it is an important and power energy of economic development. The financial system with its network of institutions and agencies supplies fuel to the economic system.

The financial system is fundamentally based on the foundation of trust. As “Crowther” rightly puts it, as long as the skies is clear the banking system will runs smoothly. When a patch of cloud appears on the horizon, the entire banking system

will collapse. Before the new economic policy, the banking system in India was very simple and its functions were confined only to few, namely accepting deposits, lending loans and other services to customers. But the banking system underwent structural transformation under the influence of globalization, deregulation, technological advances and institutional and legal reforms.

The liberal environment has opened new avenues of business for banks and has led to competitive environment. To survive under the changing situation, the banking system has been progressively aligned with innovations, diversification and sharpening their banking skills with international practices. The management practices are re-oriented and re-invented to excel and the corporate governance framework in banks has also been strengthened. The factors involved in restructuring of banking system are information technology, marketing and innovation of new products, competition and manpower planning and management.

Under the changing system of the banking sector, the rural banking system occupies a significant position in the structure of the Indian banking system. Being an agrarian economy with more than 50% of the population depending on agriculture for their livelihood, rural banking has acquired increasing relevance in the recent past. With the establishment of Regional Rural Banks in 1975 and NABARD in 1982 by Government of India, the policies developed by the RBI laid a strong foundation for establishing a rural banking system to act as a catalyst in the process of accelerating agriculture growth, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs.

The reformation in the banking and financial system has witnessed a phenomenal expansion in the geographical coverage and functional spread of the banks, inclusive of both private and public sector and the rural banks are not an exception. The rural banks has to gear up for the major areas of transformation i.e. risk based management, competition, efficiency parameters, value added services, mergers and acquisitions, information technology initiatives, focus on quality aspects, corporate governance, financial inclusion and human resources.

So, in view of the changing economic policy, in the present context, the survival and development of an organization is largely dependent on the quality and commitment of human resource. The human resource plays a crucial role in the development process of modern economy. No doubt, the exploitation of natural resources, availability of physical and financial resources play a prominent role in the growth of modern economy, none of these factors is more significant than efficient and committed manpower. Therefore, a lot of stress and significance is on objective manpower planning and adoption of scientific methods for evaluating the contributions of manpower.

2.3 Statement of the Problem

The new millennium has exposed the entire banking system to new challenges of competition and struggle for survival. The era of liberalization, deregulation, globalization and privatization has let loose a close race for competition in the banking sector and the Darwin's concept of the survival of fittest is emerging as a trend.

The rapid use of information technology and its spread have brought in a paradigm shift in banking services. The financial sector reforms brought the issue of customer focus to the forefront. The competitive innovations undertaken by the banks made the customers more concerned with the money value, and the surrounding changing environment with higher expectations of service provided by the banks. Today the banks have to evolve new approaches and products to keep pace with growing expectations of the customer preferences. It is quite challenging and tough for the banks to retain the existing customer base and win new customers. The new banking scenario has given a new direction and dimensions to the banking functions. The entry of foreign banks, introduction of various multiple products and multidimensional services provided by the banks to attract the customers, growth of capital market and participation of the banks dealing with securities and changed technologies in terms of online banking services, enhanced competition in terms of skills and talents of the manpower working with the banking sector.

The focus of the present banking sector in the face of competition is to have a well defined and well designed manpower planning. No doubt, the well established

banks operating at the international and national level are already assessed with the required manpower. But, the rural and co-operative banks, serving nearly 60% of the population are also making their effort by restructuring on par with the established banks by modern technology and are facing an acute problem of manpower in terms of quantity and quality.

Hence, the present study is an effort to identify existing position of the banks in terms of manpower and a futuristic approach of manpower planning to improve the quality of manpower to enhance the competitive strength of the rural banks.

2.4 Objectives of the Study

The main purpose of the study is to examine and analyze the strategies and challenges of manpower planning in Pragathi Gramina Bank. To achieve the main purpose of the study, the following objectives are set forth.

1. To study the strategies of manpower planning before and after amalgamation of Pragathi Gramina Bank, Bellary.
2. To examine the impact of amalgamation of Regional Rural Bank sponsored by Canara Bank in various districts on manpower planning.
3. To study the strategy of re-aligning and re-allocating the staffing pattern keeping in view of the new work culture and technology.
4. To evaluate the training programmes organized to the employees in the face of changing technologies and its impact on manpower planning.
5. To study the impact of technological changes on the employees and on the process of manpower planning in the organization.
6. To study the role and response of trade union in manpower planning process.

2.5 Hypothesis

1. H_1 : There is a positive correlation of manpower in relation to total deposits, advance disbursement, total business and profit of PGB before and after amalgamation.

H_0 : There is no correlation between manpower in relation to total deposits, advance disbursement, total business and profit of PGB before and after amalgamation

2. H₁: The existing manpower has positive impact on the total volume of business after amalgamation of PGB.
H₀: The existing manpower has no impact on the total volume of business after amalgamation of PGB
3. H₁: The training programmes are effective in satisfying and improving the performance of the employees of PGB.
H₀: The training programmes are not effective in satisfying and improving the performance of the employees of PGB.
4. H₁: There is a significant impact of technological changes on the man power planning process of PGB.
H₀: There is no significant impact of technological changes on the man power planning process of PGB.

2.6 Methodology & Sampling

The present study is based on both primary and secondary data. The primary data has been collected by framing a questionnaire consisting of the functioning of human resources in the selected branches pertaining to the objectives of the study. Apart from this interviews and discussions were held with employees and executives of the banks. The secondary data has been collected from different sources such as records of the Pragathi Gramina Bank, RBI bulletins, periodicals, journals, articles, thesis, press reports and annual reports of Pragathi Gramina Bank and NABARD.

Sampling

The operations of RRBs are spread across the country. There are as many as 84 RRBs in India. Pragathi Gramina Bank in Karnataka state has been selected for the study purposefully. The operations of Pragathi Gramina Bank sponsored by Canara Bank is spread over eight districts, namely Bellary, Raichur, Koppal, Davanagere, Chitradurga, Shimoga, Kolar and Chikkaballapur with its head office at Bellary. All the eight districts are covered for the study.

Pragathi Gramina Bank has been operating with 371 branches. These branches are classified into 32 urban, 60 semi-urban and 279 rural branches. The region-wise branches are given in table 2.1.

Table 2.1

Branch Network Region-Wise

Branches	Urban	Semi-urban	Rural	Total
Bellary	11	10	47	68
Raichur	06	13	35	54
Koppal	02	08	33	43
Chitradurga	03	05	58	66
Davanagere	03	05	37	45
Kolar	02	10	47	59
Shimoga	03	04	14	21
Chikkaballapur	02	05	08	15
Total	32	60	279	371

(Source: PGB Annual Report)

Out of this total branches, a sample of 1 urban branch, 1 semi urban branch and 2 rural branches from each district, comprising of 8 urban, 8 semi urban and 16 rural branches have been selected on random basis for the study. The total sample comes to 32 branches. The details of selected branches are given in table 2.2.

Table 2.2

Selected Pragathi Gramina Bank Branches

Urban	Semi-urban	Rural
Bellary	Sandur	Siddammanahalli Hosahalli
Raichur	Manvi	Budihal camp Dhadesugur
Koppal	Kushtagi	Ginigera Hitnal
Chitradurga	Molkalmuru	Hanagal Talak
Davanagere	Harihara	Rampura Bethur
Kolar	Maluru	Vemagal Narasapur
Shimoga	Theerthahalli	Holehonnur Salur
Chikkaballapur	Bagepalli	Basattihalli Dibbur

(Source: PGB Annual Report)

There are as many as 1964 employees working in all the branches and they have been classified category-wise, such as officers, office assistants and sub-staff.

Out of the total number of employees i.e., 1964, only the officer cadre and office assistants are taken for the study, which comprises of 1648 employees. The sub-staff are ignored as most of them are uneducated and under educated and unable to respond to the questionnaire. A sample of 20% of employees is selected on the basis of stratified random sampling method. The sample consists of 184 officers and 146 office assistants. Hence, the total sample comes to 330 employees.

2.7 Statistical Tools Used

The averages, percentages are used to analyze the data collected and to test the hypothesis framed for the study, the following statistical tools are used.

- t-test
- Chi-square
- Correlation
- Regression Analysis

2.8 Study Period

The present study is confined to the time period of 2005 to 2011. The questionnaire survey has been conducted during August 2012 to March 2013. The study period has been selected keeping in view the amalgamation of all the banks sponsored by Canara Bank named as PGB in the year 2005 and the amalgamation process resulted into consolidation of branches and the workforce.

The changing financial policy of RBI towards the rural development with specific preference of credit facilities to farming sector and the growth of small and medium entrepreneurship, change in technology and the role of financial sector in the overall development of the economy and therefore, the period selected has been considered suitable for the study.

2.9 Limitations of the Study

The present study has the normal limitations of time and other difficulties commonly in evitable in the research process.

1. The present study is confined only to the problems pertaining to the existing manpower planning and manpower planning strategy required in the changing scenario of the banking sector.

2. Much is not covered about the problems of human resource management relating to training, education, performance and development activities.
3. Wherever the flow of information is less, in the process of interaction and discussion with the employees, authorities and Trade Union Members, indirect methods of personal nature are used to gather the information.
4. As the area of study is covering eight districts of Karnataka state , time was a constraint.
5. Another limitation is the unwillingness to respond and lesser co-operation from the respondents due to time constraint.
6. The present study is not dealing with the comparative analysis of the strategies of manpower planning in public and private sector banks, as it is confined only to Pragathi Gramina Bank.

2.10 Chapterization

The present study has been divided into eight chapters as given below.

Chapter 1: Introduction:

The first chapter provides a theoretical framework for the study and includes historical background and significance of manpower planning in banks.

Chapter 2: The Study:

This chapter deals with the review of literature, need for the study, objectives of the study, methodology and sampling, study period and limitations.

Chapter 3: Banking System in India

The third chapter deals with the total banking system and innovative financial services offered by the banking institutions.

Chapter 4: Regional Rural Banks in India and Profile of Pragathi Gramina Bank

It deals with the profile of Regional Rural Banks in India and Pragathi Gramina Bank, Bellary.

Chapter 5: Strategies of Manpower Planning in Pragathi Gramina Bank:

It deals with the strategies of manpower planning, the adequacy and optimum use of manpower and the impact of technological changes on the employees and on the process of manpower planning in the organization.

Chapter 6: Procurement and Development of Employees in PGB:

It deals with the methodology of recruitment, selection, training programs adopted in the organization and the process of re-aligning and re-allocating the staff in the face of new dimensions of the business.

Chapter 7: Impact of Amalgamation and the Role of Trade Union in Manpower Planning in Pragathi Gramina Bank:

It deals with the impact of amalgamation of RRBs sponsored by Canara Bank and the role of trade unions in the process of manpower planning.

Chapter 8: Summary and Suggestions:

It deals with the summary of the study with the findings and suggestions so as to make the manpower planning more efficient and effective in Pragathi Gramina Bank.

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