GLOSSARY

- Acquisition- the process of buying or acquiring assets. The term can refer to the purchase of a block of stock or, more often, to the acquisition of an entire company.
- Bank Rate- it refers to the rate of interest at which the Central Bank lends short-term loans to Commercial Banks.
- Banking Ombudsman Scheme - enables resolution of complaints of Bank customers relating to certain services rendered by Banks.
- Board of the Reserve Bank of India constitute of - official directors (full-time: Governor and not more than four Deputy Governors); and non-official directors (nominated by Government: ten Directors from various fields and one government) official) and others (four directors - one each from four local boards).
- Budget- is a financial or monetary plan. It lists down the resources available and cost of each programme. Budget helps the management in planning for its expenses and setting cost limits using the available resources.
- Business Ethics - defined as principles of conduct within organizations that guide decision-making and behaviour.
- Business Policy- usually occurs at the business unit or product level and it emphasizes improvement of the competitive position of products or services in the specific market segment served by that business unit.
- Business Strategy- is to determine how the firm will deploy its resources within its environment to satisfy its long-term goals, and to organise itself to implement that strategy.

- Capital to Risk Weighted Assets Ratio (CRAR) - is arrived at by dividing the capital of the Bank with aggregated risk weighted assets for credit risk, market risk, and operational risk. The higher the Capital to Risk Weighted Assets Ratio of a Bank the better capitalized it is.
- Cash Reserve Ratio (CRR) - is the amount of mandatory funds that Commercial Banks have to keep with Reserve Bank of India. It is always fixed as a percentage of total deposits.
- Commercial Banks- these are joint stock Banks which receive deposits from the public and business firms. They provide short- term and medium- term loans to customers. These Banks carry on all kind of Banking functions within the framework of the Banking Regulations Act, 1949 in India. Commercial Banks are classified into two board categories- Scheduled Banks and Non-scheduled Banks.
- Competitive Advantage**-** ability of an organization to perform activities exceptionally well and gaining an edge over rivals when competing.
- Corporate Policy- describes a company's overall direction in terms of its general attitude towards growth and the management of its various businesses and product lines.
- Corporate Strategy -refers to decisions on what business to enter, what businesses to retain in the portfolio and which ones to exit.
- Deregulation- is the removal or simplification of government rules and regulations that constrain the operation of market forces.
- Downsizing - describes an approach to increase organizational efficiency by reducing the number of people employed in the business and therefore reducing the costs associated with their employment.

- Efficiency- set of standards of conduct and moral judgement that help to determine right and wrong behaviour.
- Egalitarian Pay- structure, the range of pay from the lowest paid employee to the highest paid employee is not much.
- Empowerment- sharing varying degrees of power with lower level employees to better serve and display.
- Environment- in Human Resource Management is more likely to refer to the social, political, and legal environment of the business.
- Fast Track Promotions- a programme that encourages young managers with high potential to remain within an organization by enabling them to advance more rapidly than those with less potential.
- Financial Inclusion- the delivery of financial services at an affordable cost to vast sections of disadvantaged and low-income groups. Financial services include the provision of savings, loans, insurance, payments and remittance facilities by the formal financial system to those who tend to be excluded.
- Flexibility- is something managers try hard to achieve and trade unions and the legal system try to limit.
- Flexitime- The practice of permitting employees to choose, with certain limitations, their own working hours.
- Frauds- have been classified as under, based mainly on the provisions of the Indian Penal Code
    a) Misappropriation and criminal breach of trust.
    b) Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property.

c) Unauthorised credit facilities extended for reward or for illegal gratification.

d) Negligence and cash shortages.

e) Cheating and forgery.

f) Irregularities in foreign exchange transactions.

g) Any other type of fraud not coming under the specific heads as above.

- Health- a general state of physical, mental, and emotional well-being.
- Human Resource Information System- computerized system that offers current and accurate data for purpose of control and decision-making.
- Human Relations School - a school of thought that developed in the 1930's as a reaction against the perceived mechanical thinking of Scientific Management. It aimed to develop high productivity by concentrating on the well-being of the individual worker and the surrounding social relationships in the workplace, with an emphasis on adapting the task to the worker rather than adapting the worker to the task.
- Human Resources Strategy- the plans, programmes and intentions to develop the human capability of an organization to meet the future competitive challenges in order to generate superior economic value.

  or

  Building a strategy, organization, and action plan focused on making the Human Resource functions and Departments more effective.
- Identity – the feeling that you belong to a company, that you are a valuable member of a working team.
- Internal mobility- the lateral or vertical movement of an employee within an organization.
- Job sharing- a concept that permits two or more people to share a single full time job.

- Key positions – are positions that have a direct impact on the achievement of business strategy and objectives.
- Line Manager- authorized to direct the work of subordinates they are always someone’s boss. In addition, line managers are in charge of accomplishing the organization’s basic goals.
- Lines of Credit- an arrangement between a financial institution, usually a Bank, and a customer that establishes a maximum loan balance that the Bank will permit the borrower to maintain. The borrower can draw down on the line of credit at any time, as long as he or she does not exceed the maximum set in the agreement
- Local Area Banks- the idea behind setting up of new local banks with jurisdiction over two or three nearby districts was to help the mobilization of rural savings by local institutions and make them available for investment in the local areas. These were introduced to bridge the gaps in credit availability and to strengthen the institutional credit framework in the rural and semi-urban areas.
- Managing Diversity- ascertaining a heterogeneous workforce to perform to its potential in an equitable work environment where no member or group of members enjoys an advantage or suffers disadvantages.
- Merger- defined as a combination of two or more companies in the single company where one survives and the others lose their corporate existence.
- Microfinance- is Banking the unbankables, bringing credit, savings and other essential financial services within the reach of poor people.
- Mortgage - is a written pledge of property that is used as security for the repayment of a loan.

- No Frills Accounts- Bank account with no or low minimum balances as well as charges. The basic idea behind this was to extend the banking services to lower income groups.
- Non-Performing Assets - an asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.
- Non-Scheduled Bank- Banks, which are not included in the second schedule of the Reserve Bank of India. They are classified into four groups:
  a) Banks with paid-up capital and reserves in excess of Rs. 5 lakhs ;
  b) Banks with paid-up capital and reserves ranging between Rs. 50,000 and one lakh of rupees;
  c) Banks with paid-up capital and reserves ranging between one lakh of rupees and five lakhs ;
  d) Banks with paid-up capital and reserves below Rs. 50,000.
- Organizational Capability- the previous experience, productive capacity, and other resources, which indicate that the applying organization can carry out a proposal.
- Organizational Culture – shared values and beliefs a company's identity.
- Organizational Effectiveness- the capacity of the organization to adapt rapidly to its external environment and to meet market and other external demands with good resulting business performance and thus economic value.
- Outsourcing- when companies contract their work to other companies.
- Policy - is a broad guideline for decision-making that links the formulation of strategy with its implementation. Companies use policies to make sure that employees throughout the company make decisions and take actions that support the company's mission, objectives, and strategies.

- Quality Circle- a small group of employees who meet periodically to identify, analyze, and solve quality and work related problems in their areas.
- Return on Assets (ROA) -is a profitability ratio which indicates the net profit (net income) generated on total assets. It is computed by dividing net income by average total assets.

  Formula- (Profit after tax/Av. Total assets)*100
- Return on Equity (ROE) - is a ratio relating net profit (net income) to shareholder’s equity. Here the equity refers to share capital reserves and surplus of the Bank. Formula- {Profit after tax/(Total equity + Total equity at the end of previous year)/2}*100
- Safety-protection of person’s physical health.
- Scheduled Bank -is Bank included in the second schedule of the Reserve Bank of India Act, 1934. Reserve Bank of India in turn includes only those Banks in this schedule that satisfy the criteria laid down vide section 42 (60 of the Act). It must fulfil three conditions:
  a) Paid- up capital and reserve of at least Rs. 5, 00,000.
  b) Reserve Bank of India must be satisfied that its affairs are not conducted in a manner detrimental to its depositors
  c) Corporate form of organization
- Security- protection of employer facilities and equipment from unauthorised access and protection of employees while on work premises or work assignments.
- Social Security- the protection given by society to its members against contingencies of modern life like such as sickness, unemployment, injures etc.

- Specialist- may be a Human Resource executive, manager, or non-manager who typically is concerned with only one of the functional areas.
- Statutory Liquidity Ratio (SLR) -is the portion that Banks need to invest in the form of cash, gold, or government approved securities. The quantum is specified as some percentage of the total demand and time liabilities of the Bank and is set by the Reserve Bank of India.
- Strategic Group - are the group of firms which compete within an industry by deploying similar configuration of resource bundles. Thus, there are some Banks competing in terms of deposit base, some on loans outstanding base, and some in terms of assets. This leads to strategic grouping.
- Strategic Human Resource- translating Business Strategies first into organizational capabilities and then into Human Resource Practices.
- Strategic Intent - could be briefly described as a long-term vision of future achievement. Strategic intent is formed by an idea of a firm's ultimate purpose and projects a desired leadership position. It sets a target that is perceived as worthwhile by all employees and deserves personal effort and commitment.
- Strategy Formulation -is the development of long range plans of a company in order to gain effective and efficient business procedure. Strategies are formulated by keeping in view the long-term prospective of a firm.
- Strategy Implementation- is the step in which the plans and policies are actually implemented through the help of programmes, budgets, and procedures.
- Synergy- This concept states that the whole is greater than the sum of its parts
- The Banking Regulation Act, 1949- 'Banking Company' means any Banking company as defined in section 5 of the Banking Companies Act, 1949, and includes the State Bank of India.

- The Reserve Bank of India (Amendment and Misc. Provisions) Act, 1953- an Act further to amend the Reserve Bank of India Act, 1934, and to make special provisions in respect of certain high denomination bank notes.
- The State Bank of India Act, 1955- an Act to constitute a State Bank for India, to transfer to it the undertaking of the Imperial Bank of India and to provide for other matters, connected therewith.
- Trust- reciprocal faith in others intentions and behaviour.
- Underwriting- refers to the process that a large financial service provider (bank, insurer, investment house) uses to assess the eligibility of a customer to receive their products (equity capital, insurance, mortgage, or credit).
- Variable Remuneration- to pay employees to some measure of individual, group, or organizational performance.