6: Findings, Conclusions and Suggestions

1. Finding

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1. Finding

On the basis of data analysis the findings are following:

Part I: For Bankers

1. Majority of bankers are of the opinion that business environment is highly competitive.

2. Nearly half of the bankers say the competition is faced from public, private, cooperative and foreign banks.

3. Majority of bankers find very difficult to survive, grow, stabilize and excel in banking business.

4. For doing banking business effectively the strategies adopted are use of advance technology, changes in working process and improving bank performance.

5. Out of resources used in banking business the manpower is most important and money is ranked second.

6. Nearly three-fourth of banks agreed that the major advantages of higher performance to banks are quality and quantity improvement, high productivity, employees’ satisfaction and higher profitability.

7. More than half of bankers said that management of banks is highly interested to manage performance of employees consistently.

8. More than half of bankers said that the major functions performed by performance management are setting goals and performance standards, communication, coaching feedback, performance appraisal and development planning for future.
9. Two third majority of bankers opined that the benefits of performance management to banks are financial, nonfinancial and effective management control.

10. Majority of respondents said that managers, supervisors and reviewers or exports all play important roles in performance management process.

11. Exactly half of bankers agreed that management is highly interested and one third said interested to improve productivity of employees.

12. Nearly two third of respondents said that the performance is carried out regularly in their banks.

13. More than half of respondents opined that traditional and modern both methods are being used and nearly one fourth said that the modern methods are used mainly for performance appraisal.

14. 60% of respondents said the performance appraisal is beneficial whereas quarter of respondents opined that it is beneficial but sometimes for the whole organization.

15. Majority of bankers said that the objectives of measuring productivity are to search for suitable technology, improving working efficiency, reducing operating costs and improve overall profitability and goodwill.

16. More than two-third of respondents agreed that physical working conditions use of technology, training and development adequate compensation and favourable management attitude affect the employee’s productivity.

17. Two-third majority bankers opined that the factors affecting productivity improvement are setting missions, goals and performance standards, motivation of employees, training and development, performance appraisal, and future performance development banks.
18. Half of the respondents said that employees play very crucial and one third opined crucial role in getting competitive edge over competitors.

19. Nearly 60% of respondents strongly agreed and more than one-third agreed that the employees are service providers, organization for customers, brand and marketers.

20. Two-third of bankers opined that the future of banks with higher employee’s productivity and performance is very bright.

21. Half of the respondents opined that all banks are conscious about higher productivity and performance of employees.

**Part – II: For Customers**

22. Majority of customers are holding saving accounts and others are fixed deposits and current account holders.

23. Mainly more than one-third of customers visit to banks as and when required and one-fourth of customers visit fortnightly.

24. Majority of customers feel normal and one-fourth feel happy when they visit to banks for transactions.

25. Mainly the customers are convinced by goodwill and employees of banks to open a new account.

26. More than one third of customers take 10-20 minutes and nearly one third take up to 10 minutes for a bank transaction.

27. Slightly more than half of the respondents said that average attention and one-fifth of them said high attention is paid by employees for customers.
28. Nearly two-third of the customers said that the employees are interested in the jobs.

29. Nearly half of respondents opined average level and one third opined high level of competencies the employees have to perform their jobs.

30. More than half of customers said sometimes and one-fourth said rarely the employees faced difficulties in performing their jobs.

31. Less than half of customers agreed rarely and one third said sometimes the arguments take place during transactions.

32. Nearly half of the customers observed that employees showed willingness to shoulder the responsibility to handle customers sometimes.

33. Nearly two-fifth of customers found employees sometimes and one-fourth of them found often motivated while performing their jobs.

34. Nearly half of customers found employee behaviour cooperative and one-fourth of them found employees very cooperative.

35. Nearly half of the customers often found employees convincing the customers during difficulties and one-fourth of them found employees always convincing.

36. More than two-third of customers agreed often and nearly one third agreed sometimes the employees take initiative to solve the problems while dealing the customers.

37. More than one third customers found employees often satisfied and same percentage also found sometimes satisfied during their meetings.
38. More than one third of customers found average level of satisfaction of employees and more than one-fourth found high level of satisfaction.

39. Employees are products, brand, organization for customers and marketers for customer agreed often by nearly half of the customers and one third said always.

40. More than two-third of customers agreed that the employees contribute in achieving the higher profitability and business, competitive advantage and goodwill of the banks.

41. More than one-third said crucial and less than one-third said very crucial is the role of employees in banking service in present scenario.

42. More than three fourth of customers said the impact of employees productivity is very high on performance of banks, its profitability, progress and goodwill in the market.

2. Conclusions and Suggestions

On the basis of study of finding the following conclusion and suggestions are given:

1. The present business environment for banking is highly volatile and uncertain. It is highly competitive and every bank is finding difficult to service grow, stabilize and excel in banking business. Further, for better performance management must keep watch on the emerging trends in business environment. The proper and timely strategies are to be adopted to improve efficiency of the whole organisation

2. Competition is faced from public, private, foreign and cooperative banks. They have adopted the strategy for effective workings are use of advance technology and changes in working procedure. No doubt performance has been improved but manpower is not maintained and utilized properly. For improvement in human resources, special focus should be given on selection, training, motivate career opportunities or employees etc.

3. Manpower is considered as the most important resource but it is day to day dealing efforts are found for the sufficient efforts are not found for improvement of competencies and motivation of employees. It is suggest that in this direction strong steps are to be taken.
4. Bank management is interested for performance of employees on paper. When questions come for implementation and monetary terms the half hearted efforts are put. There is need to change the mind set of management further and tune them as per the need of the hour.

5. Performance management functions are available on papers but actually these functions are not performed or performed partially. The effectiveness of performance management is below expectation. Performance management functions should be assigned to a separate cell under HR Head so that effectiveness of it would improve.

6. The awareness regarding benefits of performance management to banks is not very high. There is a scope for improvement. The awareness regarding this should be created further through discussion, circulars and lectures by experts.

7. The employees’ productivity in average is not high in banks. There is a lot of scope for further improvement and awareness about it should be created through discussion, meeting and guidance on job among employees working on different jobs and levels.

8. Management of banks is interested for productivity improvement. This is half of the way. A big gap is found between actual position and expectations. Willingness to should the responsibility for productivity improvement is partly missing. Top level management involvement and support can boost the efforts in right direction.

9. Performance appraisal planning and methods used are rightly available on papers. Regularly appraisals are not carried out properly. The improper appraisal is creating problems for further actions. Head of HR Department should look into this, take help of experts and implement the performance appraisal strongly. A lot of irregularities would be overcome.

10. The bankers are aware about the factors affecting productivity improvement. In private and foreign banks the factors affecting are managed properly but in public and cooperative banks the situation is of average. These factors are to be management without any lapse so that productivity can be improved.

11. Due to higher productivity the profitability of banks specially private and foreign banks is increasing whereas public and cooperative banks are lagging behind. No doubt in average total profit amount has increased but output per employee did not increase .Special efforts
should be taken for training, motivation and guidance on job of employees in and cooperative banks.

12. The time taken for banking transaction is in average is more. More waiting time is involved. Mainly the waiting time in public banks and ICICI bank out of private banks is more than other banks. Especially management of public bank should focus on prompt response and reducing waiting time.

13. After visit to banks the customers feel normal. In public banks its slightly lower than foreign and private banks. There is a scope for development to make customers happy. The management should carry out the work study and work measurement to cut down unwanted activities and time taken for performing banking jobs. The reduction in cost time and efforts should be the objectives.

14. Attention paid to customers and interest taken in jobs by employee is of average level management should focus to motivate employees to take more interest in jobs and proper attention to give to customers while dealing particularly public and cooperative banks.

15. The employees faced difficulties while performing their jobs with advance technology. In public and cooperative banks aged employees are not much comfortable with computer and internet technology. They are to be trained to improve competencies. If they are not willing to improve then they may be asked to take VRS.

16. For creating new accounts in bank goodwill and employees of banks play important role. The focus of management should be there on employees’ selection, training and development, motivation, appraisal and career opportunities and motivation of employees. Automatically the goodwill of banks would improve.

17. In case of motivation, behaviour, willingness to shoulder responsibility, convincing customers, initiative to solve problems and satisfaction are of average to good. A big gap is found to work out management should gear up and specially cooperative and public banks to plan and act smartly to improve these points.

18. Employees are the most important resource for banks. They contribute in achieving higher profitability, business, competitive advantage and goodwill of the banks.
Management should treat them as business partners. The mindset of past is not going to work out in present scenario. They should be discussed, consulted, motivate and participate to accomplish tasks and meet performance standards.

19. Finally, it the only manpower that makes the difference. The impact of employees is very good on performance, profitability, progress and goodwill of banks. In future it can be improved further because there is a scope for further improvement. With higher productivity and performance of employees the future of banks is going to be bright definitely.

3. Conclusion

We are in the era of globalization and the business environment is very turbulent. It is changing drastically. In present environment nothing is permanent except changes. Changes are likely to take place but with different pace at different time. External environmental factors like social, cultural, economic, legal, government policies, technology and competition are uncontrollable. Due to these, it has become very difficult to carry out the business activities effectively and efficiently. It is an uphill task to stabilize, grow and excel in the business performance. In this situation, the need for higher level of knowledge and skills are needed. Every organization whether big or small, is using manpower, machine, money and materials. To carry out its tasks these are needed and without these the tasks cannot be completed. In present scenario under liberalization, privatization and globalization the companies are facing stiff competition.

It has become very difficult to survive, grow, stabilize and excel in the business. The companies performing better and before others are taking the lead in business. To do so the skilled and motivated employees are strongly needed. They can give more output per person. Their performance can be measured with the help of labour productivity concept. The labour efficiency can be measured with the help of productivity concept. Nowadays, it is concerned of everybody to utilize the labour force properly so the output can be increased. This contributes in progress of employees, employers and the nation as a whole. Higher level of labour productivity satisfies employers and employees psychologically. It gives a great impact on performance of people and progress of business.
Banks play very important role in the economic life of the nation. The health of the economy is closely related to the soundness of its banking system. Although banks create no new wealth but their borrowing, lending and related activities facilitate the process of production, distribution, exchange and consumption of wealth. In this way they become very effective partners in the process of economic development. Today, modern banks are very useful for the utilization of the resources of the country. The banks are mobilizing the savings of the people for the investment purposes. The savings are encouraged and saving rate increases. If there would be no banks then a great portion of a capital of the country would remain idle. At present the Indian financial system consists of public, private, cooperative, development and foreign banks. Reserve Bank of India is the central controlling authority for all banks in India.

This study is relating to labour or human resource and its productivity in banking sector in India. Further, the relation of labour productivity and its impact on business performance of bank will be studied. It can be summarized that this study scope will include the areas of productivity, labour productivity, impact on performance and progress of banking sector in India. The main objectives of this research study are to understand the concept of human resource or employees, performance management, appraisal, productivity, employees’ behaviour, strategy for improving the productivity and performance, impacts on banking performance and profitability. Further to find out the practices adopted, difficulties faced in implementation of performance management functions, productivity measurement and suggest ways for further improvement in performance and productivity of bank employees.

Research methodology explains the method of conducting research and shows the logical sequences of the steps involved in research. Research methodology includes the identification of problems, objectives of the study, sources of data, data collection methods, type of research, universe for study, sampling, data analysis and testing of data. These steps are arranged in logical sequence.

To carry out the research study the following limitations have been faced are:

(a) Availability of secondary data from banks may be difficult.
(b) Employees may avoid or hesitate to give relevant data.
(c) Management may not like to share their views on the topic.
(d) Time, cost and location factors may cause difficulties.
(e) Sample size may not be exact representative of the universe.

However sincere efforts will be put to overcome the expected limitations.

Every organization performs its task with the help of resources as men, machine, materials and money. Except manpower other resources are non-living but manpower is a live and generating resource. Manpower utilizes other resources and gives output. If manpower is not available then other resources are useless and cannot produce anything. Out of all the factors of production manpower has the highest priority and is the most significant factor of production and plays a pivotal role in areas of productivity and quality.

The human resource is critical and difficult to manage. It is because human behaviour is highly unpredictable. It differs not only from individual to individual but often on the part of same individual at different points of time. In spite of biological and cultural similarities, human beings not only differ in their appearance but also in their capabilities based on their background, training and experience. Human resource or a person at work is the most important component of the undertaking. This will have great impact on the total production, sales, profit, progress and market position of the company in the market. Various factors like skills, training, motivation, dedication, welfare, management policies, fringe benefits, salary and packages, promotion, communication etc. are responsible to encourage the people to work sincerely and give their best output. The importance of employees’ performance must be understood by the management and sincere efforts must be put in that direction. The management of the company taking timely steps in that direction will be in position to develop and motivate the people to do so. Finally the company may take the lead the market and grab the opportunities available in the market.

Performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on performance of the organization, a department, processes to build a product or service, employees, etc. Armstrong and Baron (1998) defined it as “A strategic and integrated approach to increasing the effectiveness of organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors” It helps in creating good working environment of openness, mutual trust, cooperation and team spirit. People work with
their high degree of motivation and without work stress. In healthy working environment people work in team and that leads to multidimensional benefits to individuals, teams, departments, sections, divisions and organisation as a whole. The benefits of it are numerous and these are financial and non-financial both. Managing employee or system performance facilitates the effective delivery of strategic and operational goals.

The performance management process requires many ongoing activities in the organization. This includes identifying and prioritizing goals, defining what constitutes progress towards goals, setting standards for measuring results, and monitoring performance, counseling, coaching, communication, motivation and feedback of performance to employees, review of performance, development plans, implementing effective goal-oriented activities, and intervening to create improvements when needed. For effective working of this process, business performance management software is mainly used in organizations.

*Productivity* is a measurement of the output produced using a quantity of inputs. The production process is a representation of the relationship between outputs and the inputs used to produce them. –Diane Huber. Labor productivity is the amount of goods and services that a labourer produces in a given amount of time. It is one of several types of productivity that economists measure. Labour productivity can be measured for an individual, a firm, a process or a country. Labour productivity is the measure of efficiency at which the inputs are converted into output through various manufacturing processes. To know the relative worthiness the measurement is necessary. This measurement is very helpful for the management for future planning and actions. The measurement can be carried out as per the need of the organization.

Measurement of productivity involves the problem of expressing the related factors numerically to arrive at the mathematical expression of productivity. The main objective behind productivity measurement is to provide management with a concise and accurate base for comparison of actual result with expected levels of productivity. It shows the relative worth of employee to the organization. Next the factors like technology, working conditions, location of work, rules and regulations, management approach, business environment etc affect the working of persons. These are to be taken care of. This should not be ignored. Productivity can be improved through different management processes like following scientific management principles. Specifically It includes, production planning, and control, production cost, inventory control, operation
research, specialization, cost control, budgetary control, marketing research, matching demand and supply, replacement of old technology, preventive maintenance etc. contribute in improving productivity.

It is quite necessary to understand as to what extent employees have been successful at their jobs for achievement of their goals. This information will be available when the performances of employees have been evaluated at the end of the year. If it is not done then the management will not come to know the exact position about the targets achieved. They will be in the dark and there will be chances of planning failure. The planning is done in the beginning of performance management process. The performance appraisal is an important stage in this process. It shows as per planning of objectives, performance standards and behaviour the communication, counseling, coaching, motivation and feedback have been given or not. Finally to see what is the impact of these planning and action on the performance of the employees.

The performance appraisal is the evaluation process in which the information are gathered, recorded, measured and analysed relating to the performance of the employees. A set of activities are arranged in a logical sequence to perform the task of evaluation. It includes the steps as establishment of performance standards, communication of performance standards and expectations, measurement of performance, comparison, appraisal feedback, corrective, motivation and development action. There are a number of methods that are used to evaluate employee's performance. It may be evaluated on the basis of his traits and attributes as well as on the basis of his work or results and objectives achieved by him. Thus his performance may be measured in terms of standards of his traits and general behaviour on the job or in terms of results and goals. Each method has its merits and demerits but one thing is clear that the technique employed has to evaluate mainly his job related performance. The appraisal methods can be classified as individual appraisal, group appraisal and other methods, traditional and modern methods.

Commercial banks offer a wide range of financial services that address the specific needs of the customers. The functions of banks are divided into two categories: (i) Primary functions (ii) Secondary functions. Primary functions include accepting deposits and lending money. Loans given by banks are: Short-term loan and long-term loans. Banks grant short-term loan to its customers by way of cash credit, overdraft, discounting of bills. Banks accepts deposits from the
public and their customers in the form of Current deposit, saving, deposit, fixed deposit, and under other deposit schemes. Banks grant loans to customers as demand loan and term loan. The ancillary services of banks are agency services and general utility services. Agency services are rendered as agent of customers, whereas general utility services are rendered to the general public. The Indian banking can be broadly categorized into nationalized (government owned), private banks and specialized banking institutions. The Reserve Bank of India acts a centralized body monitoring any discrepancies and shortcoming in the system. Since nationalization of banks in 1969 the public sector banks or the nationalized banks have acquired a place of prominence and has since then seen tremendous progress. The need to become highly customer focused has forced the slow-moving public sector banks to adopt a fast track approach.

Employees are the most important resource for banks. They contribute in achieving higher profitability, business, competitive advantage and goodwill of the banks. Management should treat them as business partners. The mindset of past is not going to work out in present scenario. They should be discussed, consulted, motivate and participate to accomplish tasks and meet performance standards. Finally it is manpower that makes the difference in performance. The impact of employees is very good on performance, profitability, progress and goodwill of banks. In future it can be improved further because there is a scope for further improvement. With higher productivity and performance of employees the future of banks is going to be bright definitely.