CHAPTER 8
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FINDING & SUGGESTION

FINDINGS

Human resources management in S.B.I. has been brought to light in the preceding chapters, concluding observations and suggestions may lead to repetition of the observations. But an integrated view of the pros and cons of the whole discussion is useful and is, therefore, endeavored here.

ROLE AND FUNCTIONS OF S.B.I

S.B.I has come to be recognised as one of the largest public sector bank in providing employment to people. Apart from recruiting persons each year, S.B.I. has the ability to create and to distribute money. They provide facilities for the pooling of savings and make them available for economically and socially desirable purposes. In making credit available, S.B.I. is rendering a great social service. Through their actions production is increased, capital investments are expanded, and a higher standard of living realised. In addition to providing services of safe-keeping of valuable, S.B.I. performed the function of providing for a payments mechanism and other activities associated with the issuance and redemption of stocks and bonds.

PERSONNEL AND ORGANISATION

H.R.M. is of critical importance for improving efficiency and customer service in the S.B.I. Human resource management has come a long way today. The twentieth century has witnessed it stemming from mere nothingness to a position of central position. Even in a developing economy like ours, the setting up of a Ministry of Human Resource Development is a manifestation of the fact that Human Resource Management required wide recognition.
Since then it has grown in personnel strength and organisational size. The bank has five-tier administrative systems which comprises the Board of Direction, Head Office, Zonal Offices, Regional Offices and Branch Offices. This sequence reflects the line of authority and division of work. The composition of the board of directors shows that the majority of its members are the representatives of the government. In the meetings of the Board of Directors, these government representatives influence the important policy decisions. This results in interference in the domain of the chief executive which affects his efficiency.

PROBLEM OF DEVELOPMENT AND UTILISATION OF HUMAN RESOURCES

Human Resources are the most vital component of the organisation. Achievement of the organisational goals and objectives will depend to a large extent on the motivation, commitment and involvement of the personnel at all levels.

State Bank of India have made rapid strides in staffing their banking services, particularly in the area of general administration. Nonetheless, many of them continue to suffer from lack of managerial, technical and professional personnel. A desirable way in which to solve this problem is through long-range personnel planning for the banking services in the context of growing business. To be meaningful, such planning has to include provisions for the broad categories of professional, technical, managerial and supervisory personnel required for the banking services and an indication of the educational and professional standards deemed necessary for various categories and for different levels of staff.

Banking industry also suffers from excessive delays in the process for the banking services. The study bring to light the fact that such delays drive better qualified candidates to other employment and, in any case, visit hardships on aspirants wishing to join the banking services. Recently the Central
Government and the Reserve Bank of India have insisted on commercial bank including S.B.I to slow down the pace of branch expansion and to concentrate more on improving efficiency and customer service. They have also placed a ban on further recruitment by banks.

Since the evaluation of merit of the candidates seems to be more subjective than objective, the study reveals that the weightage for viva-voce works to the disadvantage of the candidates who obtain high marks in the written examination. Further it is observed that some employees are placed on the jobs to which they are not best suited. With a view to improving and maintaining the quality of S.B.I. personnel, a system should be established to ensure that recruitment is base on merit. The core design of a progressive recruitment policy should be the reduction, if not the elimination of favouritism, nepotism and incompetence in the selection process.

IN SERVICE TRAINING

Training courses are overwhelmingly biased towards traditional functional areas. Perhaps, the coverage is far too less in the newer direction that are emerging. Also it is mainly the problem of attitude that really makes the functioning of the S.B.I far-flanked from the desired efficiency. If this be the truth, the training system requires overhauling in the right perspectives. With the expansion of the banking industry, training designs must obviously be geared to take note of the newer directions. Banking now means doing brisk business. On the one hand, it is incumbent upon the banking industry to deal with the newer varieties of expanding banking business, like underwriting, Investment consultancy, tax planning, government work and so on, besides its usual traditional domestic banking. On the other hand, the functioning of the S.B.I has been increasingly exposing itself to the most sophisticated types of international banking that were hinder to unknown to the Indian banking system. In the domestic banking itself, and in the area of lending in particular, the changes that are occurring are by no means insignificant.
So as to meet the emerging needs, computerised technology has already been adopted as a matter of policy not with standing the fact that issues centering on its employment remain vexed as yet. The employees at large who would be the users of the new technology, have not so far developed the mind to accept it in good spirit. Changing their climate is, therefore, a difficult task ahead and must necessarily be achieved through a systematised process of induction and training.

What is more important is the changed socio-economic conditions, which led to the generation of a newer order of aspirations, expectations and work-values, affecting working climate, directly or indirectly. Also all are in the know that it is mainly deterioration of behaviour that really makes the banking service far from satisfactory.

Against the foregoing perspective, six major areas in the ambit of training may be identified as follows:

1. Orienting the new entrants in such a way as to enable them to get on with newer directions emerging into the banking industry.
2. Building skills of the existing work force in functional disciplines and systematically orienting them in management functions to enable them capable of assuming higher responsibilities.
3. Inculcating occupational skill and knowledge to make them familiar with the objectives of the banking sector.
4. Creating a spirit of participation and raising productivity through motivation and positive involvement.
5. Building organisational climate for bringing about necessary change in response to changes of conditions and making changes in systems, procedure and technologies acceptable to the workforce.
6. Imbining a spirit of innovation and positive contribution towards the achievement of organisational goals.

It has been stressed that training should be by objectives. Such training should focus on how to make oneself visible in the organisation and how to build one's own chiefdoms within the kingdoms of organisations.

PROMOTION

In the S.B.I service, promotion has an important bearing on the employee's self-development. It avoids the generation of frustration among those, already in the service. The system of promotion, although appears to be sound, yet still it is not appreciated by the employees in the bank. Most employees and various associations do not subscribe to the idea of merit in the S.B.I and they look upon this idea with suspicion.

In S.B.I. today, for promotion in the officer cadre, more weightage is given to performance appraisal and potential. However, in the case of subordinate and clerical staff, more emphasis is on seniority, job knowledge (by written test) and performance (by confidential report). The study reveals that promotion from subordinate to clerical and from clerical to officer cadre, on the basis of seniority takes a pretty long time. This kills the spirit of devotion and even results in a large turnover of staff. If the S.B.I. organisation wants to retain the services of its personnel, it must provide its personnel with adequate opportunities for promotion.

DISCIPLINE

A discipline employee is an asset to a banking organisation. The present disciplinary procedures, while adequate in the overall, prove extremely tardy and time-consuming even in the matters of elementary discipline like punctual
attendance. To take care of this situation, every branch manager or head of office should be authorised to take disciplinary action in respect of minor misconduct if he is already not one.

Secondly, unhealthy work practices or behavioural patterns which cause dislocation and distraction resulting in indifferent customer service should be identified and contained.

Thirdly, promotion policies of the banks should take into account performance of employees—lapses and errors in work committed, complaints received and good work done—all should be given due weightage.

Fourthly, adequate attention should be paid proper workdivision and workflow at all offices so as to ensure that every employee has a 'full day's work'. Keeping this principle in view, transfers of managers and field staff should not be effected frequently.

Fifthly, branch manager's capability and leadership is a critical factor in good customer service. Every effort must, therefore, be made to enhance his capability and leadership skills by giving due importance to branch manager, by equipping him suitably for his job, decision-making, etc, and gradually increasing his discretionary power.

Sixthly, award of punishment alone is not enough to correct a defaulter. There should be a follow-up action to determine whether the punishment has an effect on the concerned defaulter or not.

CONDITIONS OF SERVICE

In S.B.I., the issue that has emerged is that of conditions of service for the bank employees. The issue has multiple facets. At one level the problem is analysed in terms of salary and allowances for staff in the banks relative to
those prevailing in the private sector. In other cases the issue has generated industrial disputes due to inequities in the levels of pay within the same organisation or functional area. This is said to cause dissatisfaction among personnel.

No organisation can function efficiently and effectively without taking into account the welfare of the employees. Personnel system in the SBI to be meaningful, steps must be taken to improve the conditions of service of its personnel. Although the banks have made efforts to improve the welfare of their employees but still much more is desired. For instance, in all the four branches of S.B.I. in imphal, facilities like lunch room, restaurant, canteen etc. are lacking. Poor working conditions and poor welfare activities sap the vitality of employees, render them inefficient and make them psychologically unwilling to work. Therefore, the bank management must provide more attention on the recreational and welfare activities and should give more financial assistance for meeting the expenses of such activities.

INDUSTRIAL RELATIONS

It may be inferred that a variety of reasons including the absence of a legal framework, employees' associations are not functioning effectively. Unless the job is made more interesting and attractive, it is not possible to have work commitment from the employees. If job enrichment cannot be made, then some ways must be found out to take drudgery of routine out of the job. One of the ways to do so is to increase and diversify the business of the branch. Since nationalisation, the quality of business has undergone much change. Branch manager should try to develop new types of business in the branch. It is often found that a branch does not embark upon new field but continues to have the traditional business only. In such branches employees should know what they ought to know within a short period. As they have nothing more to know they feel drudgery of routine out of the job. Once disenchanted from the work of the branch, the workmen try to seek interest elsewhere.
However, union activities come handy to them and their entire energy is channelised there. Besides acting as an organised body for collective bargaining, the unions become the abode for employees who have been disgruntled with the bank. As too much energy is channelised to the union they can no longer hold themselves to collective bargaining only. Part of this energy is directed toward negative work manifested in restrictive work practice, widening the conflict area and discrediting the management.

Moreover there is a feeling that at the branch level balance of power rests with the union. Conflict and chaos arise when the branch manager initiates action to correct certain process which has set in the branch. Unions regards this as a show of authority to change the balance of power. In order to retain their own balance of power they adopt pressure tactics which are often humiliating for the manager. This frustrates him and resort to a false steps toward creating a chasm in the rank of the employees. Although he is able to create break away unions, yet later on, he becomes victim of his own creation it is always better to have a sole bargaining agent who can bind the employees by agreement with the management than to have multiple unions.

CUSTOMER SERVICE

One of the major problems of customers is delay in obtaining bank services. Unwanted lengthy and cumbersome procedures could be one of the causes of the delays. To cite a few, all counter services to depositors and borrowers, issue and encashment of drafts, bills transactions, processing of loan proposals and specifically, opening of an account require a good deal of attention.

Such matters as not keeping the passbook ready on due date or using abbreviations in writing the entries and not providing a key to them are important to the customers. It is also important to work out very efficient system for
executing standing instructions, informing customers in advance of maturity of their fixed deposits, effecting remittances quickly and collection of outstation cheques and local drafts. Designing delivery of bank services to suite to the requirement of customer is very essential. The five elements of good delivery are "speed, timeliness, accuracy, courtesy and concern".

Customer service is largely influenced by the behaviour and attitude of the banking personnel. The cold indifferent attitude of the personnel has been brought out rather distinctly as a major problem. Today customers like doctors, teachers, engineers, students, retired persons and others like businessmen and illiterate suffer badly due to the cold indifferent attitude of the banking personnel.

It is, therefore, important and emergent to work out ways and means to tackle it effectively. It will be very useful from the customer service angle if banking personnel take interest in the problems of the customers, give them advice on banking issues, give personalised service and in general develop cordial relations with them. Today Customers from all groups look for these matters. There is the need to re-orientation here. Although in the past few years, banks have taken steps to meet the situation, and more and more trained employees are becoming available to banks. What, however, needs to be done is that the training facilities not only keep pace the growing requirements but also are geared to progressively bring down the gap.

Many customers have difficulty in understanding the exact purpose of calling for certain information while processing loan proposal. This information is at times very difficult to get and is sometimes too confidential to pass on. The customer carries a feeling that unnecessary information is asked for at his cost. Again many customers are unhappy about the service charges levied by the bank. Safe deposit lockers rental, bank commission for collection of cheques, etc. cause dissatisfaction to customers. If banks have a systematic reasoning
behind calculation of these service charges, it is vitally important to make the customers see the Logic of the service charges and educate them in obtaining bank services. Banks should jointly undertake, customer education campaigns to develop in customers and general public a greater awareness and understanding about the business of banks and their role.

SUGGESTIONS

With a view to make human resource management in SBI more effective in the four branches of the bank, the following suggestions are put forward:

1. Strategies for better performance:

   In view of the importance of the SBI, the good performance of them is very essential. The performance of the banks need to be judged on the basis of rendering social service through their actions, financing of the agricultural, commercial and industrial activities, profitability, and quality of customer service. New human resource management strategies need to be evolved by the banks to maintain the pace of business growth.

2. Change in organisational chart:

   State banks in general are highly departmentalised. Departmentalisation in banking as in other business organisation result from the inability of one person to do all the activities connected with one group or tasks. It is an out growth of a need to assemble the expertise that developed from an increasing volume and from the complexities of bank operations and the varied services render to the customers. Departmentalisation enables improve and expand services to customers, develop more efficient officers and other employees and reduced the cost of banking operations.

   Although in the organisation of the SBI, the principle of decentralisation has been adopted, for quick and efficient disposal of business and administrative matter, yet the organisational levels have not been given
adequate powers in their administrative matter independently. One of the most important loop-hole in the administrative set-up of the board is decentralisation of authority and an over-whelming concentration of power at the Head office. Too much centralisation of authority does not created a healthy impression and gives a smell of nepotism and red-tapism. To over come these problems of too much centralism, each level of the tier should be clothed with sufficient power of initiatives over certain vital matters. This will help eliminate the fear of responsibility among the managers.

3. Development and utilisation of HRM:
   Since state banks organisation, there is a need in keeping talented men as its employees in different capacities, it must provide its men with adequate opportunity for promotion for which the following suggestions has put forward.

   Some of the suggestions with regard to promotion are as follows:

   i. Greater avenues of promotions including grant of promotions to those who have reached the top of their pay scale.

   ii. The time period between two promotions should be reduced particularly in the case of clerical and subordinate staff.

   iii. Elimination in the blockage on the basis of age, caste, sex, class, status and state of origin from the general service to the professional.

   iv. Seniority within the organisation should not constitute in itself a factor of consideration for development except in those specific cases in which it is not possible to make a distinction between two or more candidates on the basis of qualification and merit. In such cases, the candidate with greater year of service should be given weightage.
v. To avoid biases following degree of importance should be attached to
the promotion criteria: (i). Medium importance to seniority, (ii). Medium
importance to educational qualifications; (iii). High importance to job
knowledge (by written test); and (iv). High importance to performance by
confidential report.

vi. Interview used in the selection process should be conducted in such a
way as to maximise objectivity and to prevent overall personality related
assessment which can be open to prejudice.

vii. The basis of judgment for confidential report should be made known to
the employees. Data filled in the confidential report should focus on the
job performance.

4. Training:

For training to be meaningful the training structure should do better if
the major aim is directed towards orienting the managers and supervisors.
For, it is the effectiveness of this cluster of work-force that counts a lot in
terms of functional efficiency and the organisation's goals. It is this layer of
management, further that determines the quality of performance belonging to
the people down-the-line, to a very large extent. Stress obviously is on
formation of strategy that lays stress on the on-the-job training.

This would permit imbibration of continuous reinforcement of the knowledge
generated. Unfortunately, however, on-the-job training is virtually non-existent
in the banking industry. And where it is in existence in morbid conditions, so
to say, its linkage with other subsystems is rarely disconcerted.

Even today, training function continues to remain isolated from the other
sub-systems, such as recruitment, promotion and other career development
programmes in the organisation. Linking the training function with the other
systems is very important for effectiveness of training activities. Secondly, it is found that the line management does not feel involved in the training function. Thirdly, effective use of training facilities and activities is a rare occasion. To get the impact of training, it is imperative for the line management to be more objective in the utilisation of training activities and facilities and to make an adequate follow-up.

5. Improvement in the conditions of service:

It is observed that, the number of dissatisfy employees (particularly clerical staff) is higher then the number satisfied. Some of them suggests that these should be full re-imbursement of medical expenses, implementation of collective insurance scheme and introduction of pension scheme. Majority of the subordinate staff has expressed about their dissatisfaction over their conditions of service. There are still employees who have suggested that the bank should either provide accommodations to them. For achieving harmonious relationship between the bank management and its employees it is requires that a good deals of attention is paid towards the employees conditions of service. Today, even in these scientific age when machines are replacing men, the human element has become more important to achieve better result for effective and efficient running of bank services.

As such, management has to take necessary steps to improved working conditions and welfare activities, so that the employees feel themselves that they are important in the bank and they are vital for providing effective services to the customers.

6. Establishment of better industrial relations:

It may be inferred that for a varieties of reasons including the absence of legal framework, employees' association are not function effectively. Unless the job is made more interesting and attractive, it is not possible to have work commitment from the employees. If job enrichment cannot be made
than some ways must be found out to take drudgery of routine out of the job. One of the ways to do so is to increase and diversify the business of the branch. Branch managers should try to create the employees more and more committed to their respective duties. By making the job more potential of their career development. Branch managers should also try to develop new types of business in the branch. Moreover, so as to avoid conflict and chaos in between the employees due to inter-union and intra-union rivalries, attempts should be made by the management to have a sole bargaining agent who can bind the employees by agreement with the management then to have multiple unions.

All necessary decisions should be taken in the best interest of the administration and though victimisation is intended. Employees must know from the action of the manager that he is not interfering in their activities unnecessarily. Any decision reached objectively should not be change under pressure. But manager should always have an open mind to discuss the issues and try to solve them. In the face of multiplicity of union, there is no point in keeping the small union outside the purview of negotiated settlement. Effort should be made to create a representative bargaining agency at the apex level by inducting the minority union. If this is difficult then they can be made parties to all India agreements as has been try by IBA. The same agreement can be made at the bank level as well. If issues at the regional or branch levels are settle objectively and without any biases than industrial relations at the regional and branch levels will improves to a large degree. While deciding on issues involving industrial relations, the manager should try to enlist the co-operation of the representative of all the unions.

As already pointed out that multiple unions have become a part of out party system and it is almost impossible to do away with inter-union or intra-union rivalry, manager must follow certain principles of action to live with it. First principle is that the manager should steer clear of union rivalries.
Second principle is that decisions should be taken in the best interest of the administration and no victimisation is intended. Employees must know from the actions of the manager that he is not interfering in their activities unnecessarily. Third principle is that any decision reached objectively in the above manner should not be changed under pressure. But managers should always have an open mind to discuss the issues and try to solve them.

In the face of multiplicity of unions, there is no point in keeping the small unions outside the purview of negotiated settlement. Effort should be made to create a representative bargaining agency at the apex level by inducting the minority unions. If it is difficult, then they can be made parties to all-India agreements as has been tried by I.B.A. The same agreement can be made at the bank level as well. Though majority union may oppose such a move but if an objective approach is made towards a better industrial relations, and the banks show firmness in their stand, then this will not be a barrier. It should be understood by parties that unless an agreement can cover and bind all employees of the bank, it looses its significance.

At the regional or branch levels where mostly local issues are discussed for settlement, it is almost incumbent to form a negotiating body consisting of one representative from each union. If issues are settled objectively and without any bias then industrial relations at the regional and branch level will improve to a large degree. While deciding on issues involving industrial relations, the managers should try to enlist the cooperation of the representatives of all the unions. At present such a body does not exist at these levels. Simple creation of this body will help improve industrial relations considerably.

It must borne in mind that the strongest motivating forces in human history are neither material benefits nor honours and awards but those important ideas (such as nationalism, democracy. Socialism etc) for which men and women are
willing to fight and even to die. Perhaps the most concrete incentive is to make
the job challenging and stimulating by linking it with broad national goals. This
encourages a deep sense of commitment and enthusiasm, a sense of dedication
which often enables employees to achieve the 'improbable'. To put it in another
way, one important way to motivating S.B.I. employees is through the identification
of their own objectives with national objectives so that they can find great personal
satisfaction in achieving the national goals.

For promoting industrial relations, the existing machinery should be
reorganised and procedure streamlined. It should be the primary responsibility
of the management to initiate and achieve participation in its true spirit.

7. Providing satisfaction to the customers:

State banks as social organisations should remain alive to the aspirations
and total needs of the community and endeavour to satisfy these needs by
themselves and in co-ordination with other community-based organisations.
They should, be creating awareness through customer education, encourages
generation of new needs among the customers.

This is necessary to make a meaningful appraisal of customer service.
Good service as perceived by the banker does not automatically lead to
customer satisfaction. However, it is necessary to continually assess and
re-assess of customers perceive bank with a view to improving bank service.

There is also need in the improvement of discipline and attitudes amongst
the bank employees. So that, it will be helpful to tackle the problem concerning
customer's very efficiently and effectively. The quality of customer service
can be improved to a considerable extent if the required experienced and
training and other facilities are given to the staff together with a conducive
office atmosphere. In these respect what needs to be taken care of is that
the training facilities not only keep pace with the growing requirement but
also are geared to progressively reducing the gap.
In addition to the above, the management should understand that systems and procedures of their bank are an aid for promotion of customer satisfaction. As such, there is a need to be emphasised that re-orientation of systems and procedures should strike a fine balance between advantages of improved customer service and risks of reduced safety for bank funds.

Each branch must have an enquiry counter at the entrance attended to at all times by a well-behaved and knowledgeable employee. Further each branch should undertake a customer relations programme by meeting customers in a group at least twice a year. This will not lead to the creation of a healthy banker-customer relationship but will also improve the quality of customer service. It has been suggested that a permanent steering committee on customer service should be set up by banks on the national plan to coordinate and monitor, on the continuous basis, customer service rendered by public sector banks. This committee should concern itself with continuous review of the delivery of customer service rendered by nationalised banks vis-à-vis the expectations of customers in a changing environment and perform advisory function to improve the quality of customer service.

Last but not the least, customer service committees should be formed at every branch with representatives of employees to improve the quality of customer service in banks.

To conclude, it may be mention that the ability of SBI to perform its tasks efficiently, effectively and in harmony with our socio-economic goals depend is largely measure on the efficient human resource management. Providing the necessary human and material infrastructure and good customer service in the state bank depend critically and to a large extent on the capability, motivation and performance of personnel's in the banking industry.
It is therefore important to recognise the bank workforce on manpower as an indispensable element in the country development. State banks, as being public sector industries, have made rapid strides in staffing their banking service particularly in the area of simple administration. Nonetheless, many of them (branches of SBI) continue to suffer because of lack of managerial, technical and professional personnel's. In certain cases, the situation arises because they did not have the basic educational and professional institutions to train personnel in the requisite disciplines and skills.

Moreover, educational infrastructure although it was developed for certain purposes, was not successful in geared to produce the necessary expertise and the skills, which are necessary for managing banks in a better way. A positive approach in which to solve this problem is through long-range human resource planning for the banking service keeping in mind the socio-economic goals of our country. To make it more purposeful, such planning has to include provisions for the broad categories of professional, technical, managerial and supervisory personnel which requires an essential for the banking services and indication of the educational and professional standard deemed necessary for various categories and for different levels of staffs.