CHAPTER - VIII

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Introduction

This chapter provides a summary of the findings on various aspects of HRM in the banking industry and the UCO Bank. It also offers a few suggestions that may help both the management and the employees of the UCO bank in formulating appropriate strategies to improve their HRM practices. Finally, a few points have been indicated for further research in HRM in the banking industry.

After nationalisation, the UCO Bank has made a substantial progress in branch expansion, staff strength and total business. But its financial performance has been showing a downward trend since 1990. According to the management of the Bank the loss suffered was not on account of improper human resource management but due to the introduction of prudential norms of accounting by the RBI, unwarranted borrowings, improper cash management, directed investment, directed credit programmes of the government and so on. However, the researcher observed during his visits to the sample branches that the employees in most of the branches were not sincere in their work.
Conclusions

The UCO Bank has a well defined HRM policy like other nationalised banks of the country. The corporate office of the Bank consults the Zonal and Divisional Offices while estimating staff requirement. Human resource planning is made on the basis of job analysis.

The Bank has changed its recruitment policy after nationalisation. BSRBs have been formed to recruit the clerical staff and officers of the Bank. Sub-staff employees are recruited through the Divisional Offices as per the guidelines of the Personnel Department of the corporate office.

After recruitment and selection, the officers and the award staff (Clerical staff and Sub-staff) are kept under probation for two years and six months respectively, before their confirmation in service. In case of in-service officers, the probation period is one year.

The Bank organizes different training programmes for its employees in its staff training centres and also deputes its employees to different institutions to acquire knowledge on advanced technologies in the field of bank management. But after training, the employees hardly get any scope to utilise the knowledge acquired in their jobs.

The performance appraisal of the employees of the Bank is made as per the procedure laid down by the Corporate Office. As regards the promotion of the employees the policy formulated by the Bank is not strictly adhered to.
Prior to 1966, there were widespread disparities in the salaries of the employees (award staff) of the Bank. The signing of the First Bipartite Settlement in 1966 brought uniformity in the pay structure of employees in the banking industry, including the UCO Bank.

As regards officers, different pay structures had been existing for the same categories till 1979. Uniformity in the pay structure was achieved made after the Pillai Committee report for rationalisation of pay structure of officers.

The emoluments and other service conditions of the employees (both officers and award staff) have increased substantially over the years. But the increase in real earnings (both basic pay and DA) has been slower as compared to money earnings.

Besides the emoluments, the employees of the Bank get several benefits and allowances.

Among the three actors of industrial relations in the banking industry, namely, the unions, the IBA, and the Government, the unions play a dominant role.

The trade union movement in the banking industry started in 1946 when the AIBEA was formed. Gradually several unions of the award staff and officers were formed at the national and regional/state levels. Thus, the banking industry witnessed a multiplicity of unions.

The bank unions are financially and organisationally sound. Most of the unions and federations are organised independent of political parties though some of them have unofficial political
affiliations. There is stability in the union leadership, and all the union leaders are insiders.

Inter-union rivalries, which exist in the banking industry for a variety of reasons, give scope to the management to support the unions of their choice depending upon the situation. By and large, the trade union scenario in the banking industry presents a negative input for the industrial relations system. The branch level managers find themselves under constant threat from the unions of the award-staff; and this impels them to take compromising positions to protect themselves against insecurity. The Officers' Association of the UCO Bank, Bhubaneswar Division is located at Bhubaneswar. As such, for a branch manager who is stationed outside Bhubaneswar it is practically not possible to approach the association office frequently for help and protection. As a result, he tends to compromise with the award staff members in the day to day operations of the branch office.

Collective bargaining in the banking industry is made to settle important issues like revising the salaries and bringing improvement in the service conditions etc. of the award staff. Besides industry-level bargaining, collective bargaining also takes place between the management and unions at the Bank level and Zonal level to settle issues that could not be taken up at the industry level. The unions having majority support are invited to the negotiations. Most often, union militancy manifested in the form of strikes, work to rule, etc., plays a major role in the outcome of the bargaining.

Participative management is an important component of human resources management in the banking industry in India. The board level participation hardly serves the purpose for which it was
introduced. Other techniques of participative management such as quality circles and employee suggestion schemes do not work properly, reportedly due to the lack of initiative on the part of the management.

The UCO Bank has a formal grievance procedure but it is not elaborate and time bound. In actual practice, the formal procedure is not strictly adhered to. Personal whims of the officers in charge of handling grievances and unions' influence play an important role in grievance handling. The approach of the management in matters of grievance redressal is far from satisfactory. The management does not seem to utilise the grievance machinery as a supportive mechanism for harmonious employee-management relations.

Normally strikes in the banking industry including the UCO Bank take place before any revision/fixation of salaries and for improvement in the service conditions. The strikes cause heavy financial losses not only to the banking industry but also to the customers, the general public, and the national economy.

The problem of employee indiscipline exists in the sample branches of the UCO Bank. Undue delay in the disposal of cases and the inconsistent and somewhat arbitrary approach of the management while handling cases of indiscipline are among the factors responsible for the persistence of indiscipline in the Bank.

Communication is an important aspect of HRM. The downward communication and the horizontal communication have been satisfactory in the UCO Bank. However, in the upward communication the unions appear to have been playing a dominant role instead of allowing their members to communicate directly with
the management in respect of the issues concerning them. Besides the formal channels of communication, the employees of the banking industry, including the UCO Bank, use informal channels, although at times these informal channels distort communication.

Good customer service assumes paramount importance in a service industry like banking. It is observed in the study that customer service in the banking industry, including the UCO Bank has been rather poor. Appointment of inefficient persons under compulsions of the Government's recruitment policy, disparity in the workload distribution among employees and the absence of proper training are some of the factors responsible for poor customer service. Customer service in the urban branches appears to be relatively better than that in the rural branches. The awareness of customers about various facilities available to them is greater in urban than in rural areas.

The opinions of most of the employees (both officers and award staff) of the sample branches of the UCO Bank have largely substantiated the above findings. Thus, on the whole, it may be concluded that the human resource management in the UCO Bank is only marginally satisfactory.

Suggestions

1. In the context of liberalisation, privatisation and globalisation, the banking industry of our country has inevitably to face competition from foreign banks and other financial institutions. It is obvious that only the best managed banks can remain in the race for attracting the customers. Consequently the management
and the unions of the UCO Bank have to devise appropriate human resource management strategies and practices.

2. As a result of professionalisation of management, the traditional managers and clerical staff promoted to managerial posts may not be competent unless they acquire adequate knowledge of scientific management. Further, the recruitment policy of the Bank should be devised in such a way that it would enable the recruitment of people possessing post-graduate degree in Business Administration with specialisation in HRD/finance/marketing/investment management for different managerial posts.

3. Junior-level managers and branch managers should be delegated with more power and freedom in decision-making, as this would help them in solving day to day problems at the branch level and also in tackling different situations while discharging their functions. Further, in order to ensure effective result oriented performance by the officers and the branch managers their jobs have to be properly defined. Whenever guidance is sought from their superiors, it should be made available expeditiously.

4. Human resource training and development should be given due importance by the Bank because the present huge investment on training and development without tangible results will do no good to the organisation. Further it may lead to organisational obsolescence.

5. The practice of providing employment to the female dependents of deceased employees should be stopped (as they are found to be unproductive surplus labour) and the scheme of
"Golden Handshake"¹ should be introduced. The details of the scheme should be fully worked out and communicated to the employees.

6. While promoting an employee to a higher post seniority and merit should be considered. Other considerations such as minority or economically-and socially-backward categories, etc.; should not be entertained as these would affect the very spirit of the employees to work efficiently.

7. It has been found that there is considerable delay between the expiry of an old agreement and commencement of a new wage agreement. To avoid this delay and the resultant discontentment of employees, negotiations should be planned well ahead of the expiry of the agreement. This will ensure continuity in the tradition of bargaining.

8. The union and the management should change their confrontational attitudes and come forward in maintaining harmonious industrial relations. They should realise that the success of their organisation depends on sound industrial relations.

9. Performance incentive schemes should be introduced as they would motivate the employees to give their best for achieving the goals and objectives of the Bank. Furthermore employees with innovative skills must be duly rewarded.

10. While handling the cases of indiscipline, the management of the Bank should follow scrupulously the principles of natural

¹ The term "Golden Handshake" implies the payment of heavy compensation to deserving cases instead of giving employment to people whose services are not actually needed.
justice. It should not be biased while handing the cases. Further, cases of indiscipline must be disposed as promptly as possible. It may not be out of place here to suggest that branch managers should be empowered to deal with all cases of 'minor misconducts' at the branch level.

11. In order to make the participative schemes meaningful, the management should come forward with an open mind and involve the employees at all levels. The government, as a regulator of industrial relations, should inculcate a participative culture among the partners of the scheme (employees and management), by providing appropriate training to them so as to facilitate an attitudinal change which is essential for the success of any participative scheme.

12. In matters of grievance redressal, the management should change its present policy and the grievance handling machinery should be utilised as a supportive mechanism for harmonious industrial relations.

13. Customer service has to be given top priority by the Bank as without the goodwill of the customers the Bank cannot have a competitive edge in the industry. It would be a prudent management technique to introduce Sunday banking, change the working hours to suit the customers and introduce 'single window' services.

14. The UCO Bank employees and their unions should let the management experiment freely with new ideas, new services and new products and move ahead with the changing times. Unless they do so and cooperate in this endeavour, the Bank is bound to become obsolete, and their jobs may imperilled.
Pointers for Further Study

The present study has covered different aspects of HRM in the nationalised banking industry. There is ample scope for further research on HRM in private sector banks.

Future researchers may also undertake empirical studies on different aspects of HRM, as elaborate studies have been rarely attempted in the Indian banking industry. There are several aspects which may be taken up for further study at the macro level (industry level). Some of these are: (i) Wages and Productivity (ii) Human Resource Acquisition and Development (iii) Management Culture (iv) Managerial Unions (v) Industrial Relations (vi) Industrial Indiscipline and (vii) Customer Service.

Thus, there is ample scope for further research in HRM in the Indian banking industry.