CHAPTER V

PERSONNEL MANAGEMENT IN URBAN CO-OPERATIVE BANKS – A REVIEW

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Chapter-V
PERSONNEL MANAGEMENT IN URBAN CO-OPERATIVE BANKS- A REVIEW

5.1 Introduction

The management structure of the Urban Co-operative Banks consists of the general body, the board of directors, and the chief executive. The ultimate authority in all matters relating to the administration of the urban co-operative bank rests with the general body of members. However, the strategic management of the UCBs is vested with the board of directors. The member of the board of directors are elected on democratic basis of the general body from among the member of the UCBs. The general managers, functions as chief executive officer of the bank. He is accountable to the board of directors. The board of directors must assume full responsibility for decision making while, for expert advice the chief executive provides suggestions. The board should lay down the major policies to ensure the achievement of the objectives of the bank, set down goals to be achieved and change the operational policies from time to time in the light of changing banking scenario and in era of liberalization, privatization, and globalization.

In Urban Co-operative Banks, policy decisions are at present, taken by the board of director's based on circulars of co-operative societies within the framework of the Maharashtra Co-operative Societies Act 1961 and rule and bylaws of the bank. In this chapter the functions of personnel management, as practiced by the Urban Co-operative Banks have been reviewed.

5.2 Organisation structure

'Organisation' is a group of people working together co-operatively under ‘authority’ toward achieving goals and objectives that mutually benefit the participants and the organisation.¹
5.2.1 Organisation process:

The organisation process is the forming of structural inter-personnel relationship. This process involves eight steps, viz.: 

I. Determination of organisational goals or objectives to be strived for; 
II. Determination of the task requirements (i.e., the amount of skills, effort and knowledge) necessary to achieve the goals; 
III. Derision of tasks into different jobs to find out how many personnel will be needed for the complete tasks; 
IV. Integration of jobs into departments or other work groups efficiency; 
V. Selection of personnel to fill jobs; 
VI. Assignment of work positions to the individuals; 
VII. Grouping the authority to the people to carry out the duties of their jobs and. 
VIII. Determination of superior subordinate relationships for facilitating the performance evaluation.

5.2.2 Hierarchy of formal organisation.

In any organisation there is what is termed a 'hierarchy'. Hierarchy refers to various levels of authority in an organisation, ranging from the board of directors at the top to the operating workers at the bottom.†
5.2.3 Organisation Setup of a Bank

Any bank has to carefully organise its set-up for efficient handling of its business, particularly the lending operations. What was previously regarded as the art of bank lending, has now become also the science of lending. The traditional security-oriented and need-based approach insatiable cases. The role of a bank is no longer regarded merely as a supplier or credit on usual business terms, but also as a developmental agency. This not only involves a deep study and thorough appraisal of the advance proposal before granting them, but also requires subsequent follow-up and a vigilant watch on the business prospectus of the borrowers. A proper organisational set-up in a banking institution from the top level at which important financial and policy decisions are taken, down to the level at which these decisions are implemented is, therefore, of vital importance.3

5.23.1 Board of Directors

In a banking organisation, at the top is the Board of Directors. Policies pertaining to all important matters and business activities in relation to deposits, investments and advances, and services receive attention of the board. The policies are framed within the orbit of the Memorandum and Articles of Association and the laws of the land particularly the Companies Act, 1956, The Banking Regulating Act, 1949, the Reserve Bank of India Act, 1934, and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, where applicable.

Likewise, the Board of ensures that proper and adequate steps are taken to implement in letter and spirit, the directions and guidelines issued by the Reserve Bank of India from time to time. Review of the current working of branches, grant of large advances and their overall periodical review, purpose-wise and area-wise development of business, are also matters which the Board keeps under its close watch. The rectification of defects disclosed by inspection reports of the Reserve Bank of India as also the reports by
statutory auditors, are matters, which receive the attention and guidance of the Board.

In the case of banking companies in the private sector, the directors are appointed under their respective Memorandum and Articles of Association subject to the provisions of the Banking Regulation Act, 1949, particularly section 10A. At least fifty-one per cent of the total number of members of the Board of Directors should have special knowledge or practical experience in respect of one or more of the following matters, namely: accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, small-scale industry, etc. Further, out of the aforesaid directors, not less than two have to be persons with special knowledge or practical experience in respect of agriculture and rural economy, co-operation or small-scale industry, to ensure proper composition of the Boards of Directors of banking companies, powers are vested in the Reserve Bank of India to reconstitute the board of any banking company and also to appoint additional directors by a special order, if necessary, in the interest of the banking company, in the public interest or in the interest of the depositors an act of negligence, it should be more blamable than that. The director does not become liable except where one can establish a nexus between negligence and loss.

5.2.3.2 Chairman

Next in the organisation hierarchy is the Chief Executive Officer who is directly responsible for executing the policies of the Board of Directors and efficiently running the bank. To enable the Chief Executive Officer to discharge his functions effectively and efficiently, he is vested in various matters with reasonable power which he exercises without undue interference by the board or its members.

He is, however, required to function under the overall supervision and guidance of the Board and has to desist from exercising any power in excess of those delegated to him. He places before the board adequate information regarding the bank's working at each meeting or at suitable intervals to enable
the Board to keep itself fully in know of all important developments and to
discharge its functions effectively.

The status of the Chief Executive Officer of a Banking Company was
raised to that of the Chairman of the Board of Directors under the social
control measures initiated by passing the Banking Laws (Amendment) Act,
1968 (vide Section 10B of the Banking Regulation act, 1949). Every banking
company has now to have a whole time Chairman of its Board of Directors
who will be entrusted with the management of the whole of the fairs of the
banking company. The Chairman will, however, exercise his powers subject
to the superintendence, control and direction of the Board of Directors. The
Chairman has to be a person who has special knowledge and practical
experience of the working of a banking company.

The duties of the Chairman and Managing Director are multifarious and
challenging. He has to ensure the laying of policies in conformity with the
provisions of the Act under which he has been appointed. He has also to
follow proper policies in regard to national interests and social objectives. A
number of times he has also to take urgent decisions in anticipation of Board’s
confirmation. He has to ensure that the bank woks smoothly, efficiently and
profitably.

To enable the Chairman/Managing Director to carry out his functions
efficiently and effectively, he is assisted by a panel of senior executives at the
head office, consisting of Executive Director, General Manager, Joint, Deputy
and Assistant General Managers. The work at the head office which is of a
varied nature is properly sectionalized by constituting different departments,
and the flow of work from these departments is co-ordinate before cases are
put up to the Chairman, Managing director, Executive Director, the Board of
Directors or the Committee of Directors for final decision.
5.3.2.3 General Manager

The General Manager is responsible for implementation of the policies laid down by the Board of Directors and the Chairman/Managing Director. In order that the day-to-day administration is carried on smoothly, the Board of Directors and Chairman/Managing Director delegate to General Managers certain powers for sanctioning loans and advances, making staff appointments, promotions, transfers, etc. He is expected to exercise his power without fear or favour. He serves as a link between the Chairman/Managing Director, Executive Director and the Board of Directors on the one hand, and the senior officers and staffs on the other.

The General Manager ensures that the departmental heads and branch agents follow a prudent policy in all matters including advances so that no undue risk are taken and bad debts are kept at the absolute minimum. He has to devise a system of controls and checks so that irregularities, frauds and defalcations are prevented or minimized. The systems and procedures to be evolved have to follow at the head office as well as the branches.

In the interest of efficient administration, some banks have more than one General Manager.

5.2.3.4 Branch Managers

While the head office mainly functions as an administrative and controlling office and is responsible for laying down the policies, methods and procedures through issue of circulars and compilation of manuals, the actual banking operations are conducted by or through the branches. The quality and quantum of operations at branches are both important for a successful functioning of the institution as a whole. Among the branch staff, the accountant plays a crucial role. The normal practice followed at branches of banks is that the Loan officer attends to more important items of business, such as granting of loans and advances and supervision over them, submission of loan proposals to Head Office for approval/renewal,
development of branch business by contacting new constituents, etc. the branch Manager is usually delegated with powers to sanction loans and advances up to certain limits depending upon the size of the branch. In most of the banks, the manager is required to spend three-fourths of his time in communicating either directly or indirectly with the staff or with the customers, communication forms a major part of a manager's job. A manager is expected and required to mobilise human resources entrusted to him, in order to get the best of them.4

The accountant looks after the day to day work of the branch such as proper maintenance of accounts, payments and the collection of cheques, balancing of books, submission of returns, preservation of office records, etc. He is expected to consult the branch manager in all-important mattes under his charge.

5.2.4 Types of Organisation

Organisation which is a structural relationship between the factors of an enterprise involves the determination of duties and their assignments among the various personnel of the enterprise and coordinating all such activities for accomplishing the objective of the enterprise in words of Kimball and Kimball, "the problem of organisation is to select and combine the efforts of men of proper characteristics so as to produce the desired results."5

Broadly speaking, there are four types of organisations. They are:

1. The line or military organisation.
2. Functional organisation
3. Line and staff organisation.
4. Committee organisations

An enterprise may adopt one or the other type of organisation or it may combine more than one types of origination on the basis of actual needs.
5.3 Personnel Department

In small organisations, the personnel functions are usually performed by general manager. When his job becomes complex he may require a specialized to perform the personnel functions. Thus, in a medium or large organisations with a large number of employees, a separate department, namely, personnel department is set up for performing personnel functions. It is essentially a staff department and it assist the top management in formulating personnel policies, developing schemes and monitoring schemes and assist other departments in managing the personnel functions. However, within the personnel department, the personnel manager has the line authority over his subordinate.

5.3.1 Functions and Objectives of the Personnel Department

The functions of the personnel manager and his department can also be divided, in terms of the management process into the planning, organizing, staffing, motivating and controlling aspects. 

(I) Planning Manpower Requirements

a) Anticipating Vacancies
   Objective:
   ♦ To anticipate and provide for future openings.
   ♦ Anticipating deaths, dismissals, retirements and resignations.
   ♦ Anticipating future promotions.
   ♦ Anticipating future transfers.
   ♦ Estimating future vacancies from above causes.

b) Recruitment
   Objective:
   ♦ To seek and attract qualified applicants to fill vacancies.
   ♦ Preparing job analysis.
   ♦ Preparing man specification.
   ♦ Analysing sources of potential employees.
II) Organizing Manpower Resources

a) Organisation Planning

Objective:
♦ To determine the organisation structure and manpower needed to meet effectively the firm's objectives.
♦ Analysing organisation structure.
♦ Forecasting manpower requirements.
♦ Recommending organisation changes.
♦ Analysing key position requirement.

b) Selection

Objective:
♦ To analyse applicants qualification for determining their suitability.
♦ Preparing questionnaire
♦ Weeding out undesirable through analysis of questionnaires.
♦ Interviewing the applicants.
♦ Testing psychologically the applicants, where necessary.
♦ Investigating their reference.
♦ Arranging medical examination, if necessary.
♦ Evaluating the applicants and making the final selection.

c) Classification of employees

Objective:
♦ To assign officially each employees to an appropriate position clearly defined regarding its responsibilities.
♦ Preparing of job description.
♦ Assigning of proper title to each job position.
♦ Reviewing periodically correctness of job descriptions.
III) **Staffing**

*d) Induction*

Objective:
- To ensure that new recruits are provided with appropriate training and information to enable them to perform their duties effectively.
- Orienting new employees into their jobs.
- Ascertaining training requirements of such employees to make them more competent for the jobs.
- Reviewing their performance in the future.
- Providing facilities for their further education and development.

*c) Transfer and Promotion*

Objective:
- To further provide for increasing the utilization of the employee's capabilities.
- Continuously analysing job descriptions.
- Evaluating employee qualification.
- Determining further training requirements.
- Promoting to position for which developed.

*d) Manpower Development*

Objective:
- To provide for the individual employees' development.
- Developing performance standards.
- Appraising performance.
- Planning individual development programmes.

*e) Training*

Objective:
- To arrange programmes as required for developing existing personnel.
- Planning and preparing training programmes.
- Providing training staff and needed faculty.
IV) Motivating

a) Rate Determination
Objective:
♦ To set rupee values on job position that are fair and equitable when compared with the other positions in the Pujari Ltd. As well as what prevails outside.
♦ Analysing jobs given in job descriptions.
♦ Evaluating such jobs.
♦ Developing rate scales.

b) Recreation
Objective:
♦ To provide facilities for employee's enjoyment off he job and make the organisation more attractive and satisfying as a work place.
♦ Conducting social activities.
♦ Conducting athletic activities.
♦ Providing recreational facilities for employees.

c) Communications
Objective:
♦ To provide the needed exchange of information throughout the enterprise.
♦ Developing channels and media for information presentation to employees.
♦ Introducing and administering suggestion scheme.
♦ Conducting opinion surveys.
♦ Developing grievance procedures.
d) **Collective Bargaining**  
Objective:  
♦ To build up rapport with officially recognized and legally established employees organisations in the best interests of both the organisation and its employees.  
♦ Negotiating agreements.  
♦ Interpreting and administering such agreements.

e) **Employee Discipline**  
Objective:  
♦ To develop effective work regulations and harmonious working relationships.  
♦ Establishing rules for conduct.  
♦ Administering disciplinary measures, where necessary.

V) **Controlling**  

a) **Performance Evaluation**  
Objective:  
♦ To appraise objectively each employee's performance in relation to the duties and responsibilities assigned.  
♦ Developing performance evaluation.  
♦ Conducting performance evaluation interviews.  
♦ Analyzing performance evaluation results.

b) **Employees Counseling**  
Objective:  
♦ To help employees solve their personal problems.  
♦ Selecting and training counsellors.  
♦ Arranging counselling interviews.  
♦ Assessing extent of help actually rendered.

c) **Safety**  
Objective:  
♦ To develop facilities and procedures for prevention of on-the-job accidents.
• Establishing safety rules.
• Investigating accidents.
• Conducting safety inspections.
• Preventing or eliminating hazards.

d) Medical Services
Objective:
• To prevent diseases and physical ailments as well as care for diseases, ailments and injuries incurred by employees on the job.
• Developing and administering prevention programmes.
• Examining employees and job applicants.
• Providing medical treatment.
• Education in health matters.

e) Protection and Security
Objective:
• To provide precautionary measures for safeguarding the company and its property from that, fire, etc.
• Developing and administering security regulations.
• Organizing fire-fighting service.
• Providing guard or watchmen service.

f) Personnel Research
Objective:
• To develop improved employee attitudes and conditions of work.
• Analysing personnel problems.
• Recommending improved practices.

The UCBs in India, in the beginning, had no systematic and scientific personnel management functions with growing size and increasing number of employees they felt the need for greater attention to personnel functions, which are normally discharged by the board of directors with the assistance of general manager. The board of directors of the UCBs enjoys ultimate personnel functions that take major decisions in respect of total requirement of personnel, their selection, remuneration, disciplinary action, promotion etc.
In the process of banking reforms and in era of competitiveness, the UCBs realizing the importance of personnel management, many UCBs have started streamlining their organisation structure by creating personnel department for performing the personnel functions. They are in the process of adopting scientific personnel functions, and steps have been taken to create a separate personnel department headed by chief executive officer in certain Urban Co-operative Banks.

5.4 Personnel department in Urban Co-operative Banks

The Urban Co-operative Banks studied had no separate personnel department. However, functions are carried out by manager, is a part of the administrative thing in operations of the bank. The head office is generally responsible for performing training, fixation of pay scales, sanction facilities, promotion, transfer, welfare records, employee grievances, diplomacy actions, and deputation and performance appraisal.

5.5 Personnel policies in Urban Co-operative Banks

In Urban Co-operative Banks, the personnel, the G.M. on the basis of instructions of the registrar of co-operative societies from time to time formulates policies. The special by laws. (The by laws are the written document of a bank on the basis of which it is registered and function as legal co-operation body. It is desired as the rules and regulations for internal works of the bank.)

Relating to the service conditions of the employees in framed based upon the model by laws of the Government and it is amendment from time to time and the basis of the circulars / orders issued by the registrar of co-operative societies.

Even though the UCBs have to function within the legal framework of the amend the special by laws and make subsidiary regulations not inconsistent with the special by laws Act and rules.
The special bylaws of the UCBs is consisting of the strength of establishment recruitment and selection, training, performance appraisal, leave facilities, regulations for fixation of salary, probation, employee discipline and disciplinary action and retirement benefits.

As per the special bylaws relating to service conditions of employees, a copy of the special bylaws should be given to each employee and an undertaking shall be taken for the special bylaws as existing and as amended from time. If there is any amendment in the form of correcting or omission or addition, it is communicated to each employee through circular. It is understood that in the UCBs there is very little scope for the individual banks and their top management to formulate personnel policy, as the registrar issues circular and act and rules a special bylaws take care of every aspect of personnel management.

5.6 Manpower Planning

Personnel management plays a vital role in a service industry, like banking. The quantity and quality of service in a bank depends entirely on a competence, attitudes and behaviour of the staff. The person behind the counter is the back for a customer. Efficient management of human resources and maintenance of harmonious industrial relations are essential not only for the progress of a bank but also for the growth of the entire economy.

Manpower planning or human resource planning is the process of determining requirements for human resources and the means for meeting these requirements so as to carry out the plans of the organisation. It is concerned with the estimating of manpower needs both in terms of the number of employees and the type (qualification, experience, etc) of employees requirement in future to carry on the work of the enterprise human resources planning has been defined as “the process by which a firm ensures that it has the right number of people, and the right kind of people at the right place and at the right time, doing things in the organisation.”
5.6.1 Process of manpower planning in banks

Manpower planning in banks involves the following main steps.8

I. Estimating manpower needs:

First of all the overall manpower needs of the bank are estimated. Occupation category and skill wise estimates at different levels of the bank's hierarchy, (head office, division office, branch offices etc.) are made. In order to estimate the future manpower demand in terms of knowledge, skills, aptitudes, etc a banker must determine the quantity and quality of work to be performed the total number and kind of personnel required, therefore, depend on the long term and short term goals, plans, programmes and budgets of the bank.

Thus, the manpower needs of a bank depend on the following factors.

a) Branch expansion programme;

b) Deposit mobilization schemes.

c) Deployment of credit to priority and conventional sectors.

d) Improvement or changes in the quality and quantity of customer service.

e) Endues of credit

f) Improvement s in the recovery performance.

g) Education of depositors and borrowers r

h) Reserve bank of India regulations

i) Changes in the economy and society

j) Computerization and other technological changes

k) Work-study to find out the basic manpower needs for each operating.
I) Work gambling approach

m) Projection of basic manpower ratios

n) Planned service targets of future

o) Existing practices in other banks.

p) Planned productivity ratio.

II. Analyzing current inventory of manpower;

The supply of manpower depends on the inventory, possible changes in the inventory and external factors e.g. local population, unemployment level, local educational facilities, housing transport and other public working population, training facilities, social and cultural factors, social security measures etc. The current manpower inventory may be analyzed in terms of the following aspects:

a) Head counts - total, department wise, sex wise, design action wise, skill wise, zone wise, branch wise, job size,

b) Job family - grades A, B, C, D, or managers, officers, clerks, peons etc

c) Age inventory - superannuating data

d) Inventory of qualification data training, experience, skill, aptitude etc.

e) Inventory of salary grades

f) Inventory of performance

g) Inventory of potential.

III. Determining changes in inventory:

Possible changes in the current manpower inventory are forecasted. There changes may arise due to promotions, transfers, resignations, retirement, deaths, dismissals, layoff, career planning, succession charts, etc. the total manpower needs are compared with current inventory to find out the difference between the two
IV. Preparing Manpower Programme:

Action Programme is prepared to correct the imbalance between demand for and supply of human resources. These programmes relate to recruitment, selecting, training, promotion and transfer etc.

5.6.2 Manpower planning in UCBs

In UCBs, scientific manpower planning does not exist. The current and future demands of personnel are decided by the board of directors an basis f circulars. Due to lack of scientific human resource planning UCBs are not able to utilize the human resources available in the bank effectively.

5.7 Recruitment

Once the manpower requirement of a bank/branch is determined, people are recruited to fill up vacancies. Recruitment is the recess of searching for prospective employees and stimulating them to apply for jobs in the bank.

Recruitment i9s a process of attracting people, selecting is a peaces of choosing a few among those who have been attracted. The end of the recruitment process in the beginning of the selection process. The selection process starts only after performing the recruitment process. It starts with the screening of applications received from applicants, and ensuring that the job descriptions and job specifications made in the advertisement or communication sent seeking the suitable applicants conform to the qualifications of applicants. The selecting process generally examination and tests administered to the applicants, reference cheek conform applicant, interviewing the applicant to know their capability, face top face and verification of the relevant documents and examination of physical fitness of the applicants. The selections of the candidate is done temporarily and he is placed ads a probationer for a period of not less than one year to test his ability and temperament in doing his job in the long run.
5.7.1 Sources of recruitment.

The sources of recruitment can be broadly classified into two types, viz., internal and external. Most organisations depend on both the sources of recruitment and the management decides the extent to which it should depend on internal and external sauces on the basis of such factors as

a) Management policy towards recruitment, whether it emphasizes outside sources or internal sources of recruitment,

b) The level of training and specialization required of employees,

c) Attitude of trade unions towards management's recruitment policy etc.

5.7.1.1 Internal sources

Under these sources, personnel needs are filled through promotions, or transfers. Sources of recruitment in many organisations, it is applicable only for jobs above the entry level for entry level jobs, the bank has to depend on outside sources only.

5.7.1.2 External sources

If the bank feels that the needed human resources are not available within the bank, it will have to depend on outside sources some of the popular external sources are

1. Advertising:

   Advertisement is inserted in newspapers, journals, etc stating the particulars of the jobs, available, qualifications and experience required for the jobs. This is one of the popular methods used by banks to recruit personnel.

2. Employment Exchange

   Employment exchanges are also an important external source. Job seekers register their names with these exchange and the names of these persons will be supplied to bank an requires.
3. Unsolicited Application / Casual Applications:

Unsolicited applications received by the bank in the mail box and mail are also one of the sources of recruitment.

4. Present Employees:

This is also one of the sources for recruiting personnel the present employees may be encouraged to recommend suitable persons among their friends and relatives for employment in the bank in which they are working.

5. Other Sources:

Personnel consultants, etc. are the sources of recruitment of personnel.

5.7.2 Source and employment in UCBs is depicted in table 5.1

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Source of Employment</th>
<th>Officer</th>
<th>Clerk</th>
<th>Sub-staff</th>
<th>Total</th>
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<td>1</td>
<td>Advertisement</td>
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<td>32</td>
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<td></td>
<td></td>
<td>(57.14)</td>
<td>(59.30)</td>
<td>(59.30)</td>
<td>(59.30)</td>
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<tr>
<td>2</td>
<td>Employment Exchange</td>
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<td>14</td>
<td>--</td>
<td>18</td>
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<tr>
<td></td>
<td></td>
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<td>(25.90)</td>
<td>(25.90)</td>
<td>(25.90)</td>
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<td>08</td>
<td>04</td>
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<tr>
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<td>Any Other</td>
<td>--</td>
<td>--</td>
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<td>06</td>
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<td>54</td>
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<td></td>
<td></td>
<td>(100)</td>
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</table>

Source: field survey
Figures in bracket indicate percentage to total.

The details of the sources of employment for entry post exhibited in table (5.1) show that 46.60 per cent of the sample employees were recruited through advertisement, 19.42 per cent through casual application, 17.48 per cent through employment exchange, 10.68 per cent has not given the
response and 5.82 per cent through other sources such as recommendation. Therefore, it may be concluded that through advertisement (46.60 percent) and causal application (19.42 percent) was the principal source of recruitment in the Urban Co-operative Banks. Thus there is no specific recruitment policy in Urban Co-operative Banks.

5.8 Selection

Selection is a long process, commencing from the preliminary interview of the applicants and ending with the contract of employment, Figure 5.1 shows a generalized selection process. In practice, the process differs among organisations and between two different jobs within the same organisation. Selection procedure for senior managers will be long-drawn and rigorous, but it is simple and short while hiring shop-floor workers.9

5.8.2 Selection in Urban Co-operative Banks

Selecting involves choosing personnel to fill specific jobs in the organisation on the basis of educational qualification, training, skill, abilities and personality of the persons available for the jobs. Selection starts only after an adequate number of applications have been secured through different sources of recruitment. The selection process involves screening and selecting of candidates who have applied for the jobs in the bank, selection is necessary because some of the candidates applied may not be suitable for the jobs in the bank. Further, the number of applicants who are suitable for the jobs may be more that the number of vacancies to be filled.
Figure 5.2

Selection Process
5.8.2.1 Educational qualification for various class of post in Urban Co-operative Banks

In most of the Urban Co-operative Banks the educational qualification for various posts are similar, as per service rules the educational qualification required for different posts in UCBs are:

A. **Executive class**

Graduate of any recognized and possessing banking or accountancy qualification i.e. G.D.A, G.D.C. & A or C.A.I.I.B. will be preferred, provident that the educational qualifications may be relaxed if an applicant has at least 15 years experience of service with a financial institution recognized by Reserve Bank of India.

B. **Class One**

A graduate or its equivalent and possessing banking qualification provided that the educational qualification may be relaxed if any applicant has at least 5 years experience of service with a financial institution recognized by RBI.

C. **Class Two**

A graduate or its equivalent a person possessing banking qualification and or banking experience will be preferred.

D. **Class Three**

A graduate or equivalent a person possessing typing experience educational qualification may be relaxed for typist in necessary cases.

E. **Class Four**

In the case of peon and attendant VII class pass required; in case of technical personnel like Driver, watchman, electrician etc possession of requisite technical qualification /experience is essential.
5.8.2.2 Examination and interview

The Urban Co-operative Banks holds a written test and interview or by holding interview only by the board of directors of the bank. The written test can be conducted by the bank. Or by any agency authorized by the bank. The interview generally conducted by board of directors, staff committees or person authorized by the bank.

5.8.2.3 Reservation Criteria for Appointment

In most of UCBs reservation criteria is followed for selecting on the basis of government orders. Likewise recruitment of the staff, the backlog of backward class is not fulfilled as per the norms.

5.8.2.4 Cash and fidelity securities.

All the employees of Urban Co-operative Banks in the categories except class four were asked to furnish cash security of Rs. 10000/- before joining the duty. And thereafter a monthly deduction will be made from the salary of the employees as follows.

1) Executive class one and class two Rs.50/- p.m.
2) Class two Rs.30/- p.m.
3) Class three Rs.20/- p.m.

This amount is adjusted towards any amount fund recoverable by the employee at any time. The amount of credit to the fund can be recovered by the employee after six months of his leaving the service of the bank. The interest will be credited to the amount by the bank according to rules and directives of the RBI.

5.8.2.5 Pre-conditions for appointments

In most of Urban Co-operative Banks the age limit for appointment is that the candidate should not be below eighteen years and he or she shall not
be more than 30 years, in exceptional cases the relaxation is given by the board and it is recorded in writing.

Another condition is that the employee has to produce the medical certificate from certified and qualified medical practitioner approved by the bank to be of sound mind and medically fit.

5.8.2.6 Probation period:

In Urban Co-operative Banks the chief – executive officer issues the appointment order. The recruited person will be appointed as an "apprentice" for a period of one year. After successful completion of apprentice period, said apprentice shall given a probation period of three months, if necessary three months probation can be extended. After successful completion of period of probation, the may be confirmed in the scale of post concerned, the bank pays the stipend as per boards decision to the candidate appointed as an 'apprentice'.

5.8.2.7 Regulations Relating to Appointment of Employees Dying in Harness / Retirement.

The regulation as per appointment of dependent of employee dying in harness or to dependent of employee who retires from services and an medical invalidation i.e. permanent incapacitation which is not directly due to irregular of temperate habits of employees can applicable to those who die in case of natural death or death by murder/accident. And recruitment can be made to class three and class four posts and only one dependent can be eligible. Such eligible dependent can be posted suitable class according to his academic qualification.
5.9.3 Selection Criteria in Urban Co-operative Banks

The selection criteria in Urban Co-operative Banks as perceived by employees is shown in Table 5.2.

**TABLE 5.2**

**EMPLOYEES SELECTED ON THE BASIS OF FACTORS**

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Factor responsible for selection</th>
<th>Officer</th>
<th>Clerks</th>
<th>Sub-staff</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Qualification</td>
<td>18</td>
<td>34</td>
<td>--</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(64.28)</td>
<td>(63.00)</td>
<td></td>
<td>(50.49)</td>
</tr>
<tr>
<td>2</td>
<td>Work Experience</td>
<td>04</td>
<td>--</td>
<td>--</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(14.28)</td>
<td>(14.28)</td>
<td></td>
<td>(3.90)</td>
</tr>
<tr>
<td>3</td>
<td>Qualification and work experience</td>
<td>06</td>
<td>--</td>
<td>--</td>
<td>06</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(21.42)</td>
<td>(14.28)</td>
<td></td>
<td>(5.82)</td>
</tr>
<tr>
<td>4</td>
<td>Ready to work for low pay</td>
<td>--</td>
<td>10</td>
<td>07</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(18.5)</td>
<td>(33.35)</td>
<td>(16.50)</td>
</tr>
<tr>
<td>5</td>
<td>Reservation criteria</td>
<td>--</td>
<td>10</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(18.5)</td>
<td>(19.04)</td>
<td>(13.60)</td>
</tr>
<tr>
<td>6</td>
<td>No response</td>
<td>--</td>
<td>--</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(47.61)</td>
<td>(9.70)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>28</td>
<td>54</td>
<td>21</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Source: Field survey

*Figures in bracket indicate percentage to total.*

The table 5.2 reveals that most of the employees were selected on the basis of qualification i.e. 50.49 per cent, 16.50 per cent employees were selected for reason who are ready to work for low pay, 13.6 per cent employees selected on the basis of reservation criteria, 9.70 per cent has not given response, 5.82 per cent has selected on the basis of both qualification and experience, any 3.90 per cent employees selected on he basis of work experience as per level by the employees.

It can be concluded that the selection criterion in Urban Co-operative Banks is Qualification of the candidate.
5.9 Training and Development

Training is the process of increasing the knowledge and skill of an employee for learning activities cried on for helping the employees of a bank to acquire and apply the knowledge, skills and employees knowledge, skills aptitude and behaviour. It bridges the gap between job requirements and qualifications of employees. Employee training is different from executive development. The formal involves training employees in the area of operations, technical, marketing and allied areas. An other hand, the latter is concerned with areas of management, administration, organisation and allied areas. Training is job oriented where as development is carried bound.

5.9.1 Induction (Orientation or Preliminary Training)

Induction is the welcoming process to make the new employee feel at home and generate in him a feeling of belongingness to the organisation. It is concerned with problem of introducing or orienting a new employer to his work-group, supervisor and the organisation. It is the beginning of the fusion process, which helps integration between the organisation goals and the personal goals of the new employee. After selecting compatible personnel, the organisation must communicate to the new employee its philosophy, policies, customs and practices. Planned induction welcomes the new employee, creates a good attitude, reduces labour turnover and the employee feels at home right from the beginning.

When a new employee reports for work, he must be helped to get acquainted and adjusted with the work environment and the fellow employees. It is better to give him a friendly welcome when he joins the organisation, get him introduced to the organisation, working conditions, etc. of the organisation. Induction may also be viewed as the socialising process by which the organisation seeks to make an individual its agent for the achievement of its objectives and the individual seeks to make an agency of the organisation for the achievement of his personal goals.
5.9.2 Employee training

The bank and the individual should develop and progress simultaneously for their survival and attainment of mutual goals. So every modern bank management has to develop the bank through human resource development. Human resource development in its turn heavily if not wholly depends on employee training. Employee training is a specialized function and is one of the fundamental operative functions of personnel management.

Every bank, big or small, commercial or co-operative or regional rural bank or development bank, old or newly-established should provide training to all employees, irrespective of their qualification, skill, suitability for the job, at all times. Thus, no bank organisation can choose whether or not to train its employees.

Employee training is distinct from management development or executive development. While the former refers the training given to employees in the area of operations, technical and allied areas, the latter refers to areas of management, administration, organisation and allied areas.

Thus, training bridges the difference between job requirements and employee's present specifications

This can be shown as follows

Training Needs = Job Requirements Minus (-) Employee's present specifications.¹¹
5.9.3 Need For Training In Banks

In banking industry, need for employee training arises out of the following factors.¹²

1) Matching Talent with Job:

There is usually a gap between job requirements and the employee's knowledge and skills. Training is required to fill this gap. Employees can be made to fit the jobs and bank's needs through proper training.

2) Productivity and Profitability

A bank's survival and progress depend upon its productivity and profitability. Training increases employee knowledge and skill which in turn help to improve the quantity and quality of work. Systematic training helps to achieve the bank's objectives through human resources.

3) Bank's Stability and Flexibility:

A reservoir of human talent must be related to meet the loss of key environment depends on its ability to adjust to the changing environment. Such requires personnel with, multiple skills trained threats. Training provides continuity to the bank's organisation and development.

4) Technological Process:

In order to improve efficiency in handling the screaming volume of work, bank have to adopt mechanization, automation and computerization. Adoption of latest technology requires staff with skills to operate be sophisticated machines and equipment. Therefore, Banks must train their employees in new technology.

5) Employee morale:

Training provides a sense of security and self-confidence to employees. By matching skills with jobs requirements, rising helps to improve
jobs satisfaction and employee morale. Trained employees require. Supervision and cause lesser wastage of resources.

6) Growth and Diversification:

There has been tremendous increase in the volume of work and functions of banks. Such expansion and growth makes organisation more complex and co-ordination more difficult. Training is necessary to the bank staff to handle these problems effectively.

7) Customer Service:

Job knowledge and specific skill are important for dealing with customers. But proper attitudinal orientation of bank staff is equally important. An important reason for indifferent service to customer is inadequate job knowledge and lack of consciousness. Therefore, training programmes of bank should lay special emphasis on customer service, courtesy, public relations skill, telephone matters and Grievance handling, etc. in addition to importing job knowledge.

8) Human Realities:

Training in human relations is necessary for bank managers to deal with alienation, interpersonal and intergroup conflicts and other human problems.

Training is also required when an employee is promoted and transferred.

5.9.4 Benefits of Training

a. To provide job knowledge and skill to new employees.

b. To prepare the employees to meet the present and changing requirements of the job and the bank.

c. To expose employees to latest information and technology.
d. To build up a second line of competent officers who can occupy more responsible positions.

e. To develop the potential and mental horizon of employees.

f. To promote sense of responsibility, moral and industrial relations.

5.9.5 Methods of training

The methods general used for training clerical and supervisory personnel in banks are given below: 13

1. On-the-job-training:

In this method, the trainee is placed on a regular job and he learns by doing the job he is thought the skills required to perform the job. The trainee learns under the guidance and supervision of a qualified worker or his supervisor. The main forms of one-the-job-training are.

a) Coaching:

It involves teaching, demonstrating and assisting the trainee. The trainee is placed under a supervisor who functions as the coach. The coach provides feedback to the trainee and offers him suggestions for improvement. The advantage of coaching is that training takes place on the actual job environment and the trainee is motivated to learn. But the trainee may not have the freedom or opportunity to express his own ideas.

b) Understudy:

The trainee is appointed as the successor to the employee who is going to retire shortly. The trainee learns by observing the supervisor. He shares some of the duties and responsibilities of the sensor and prepares himself to occupy the superior position when the vacancy occurs.
c) **Job Rotation:**

This method involves movement of the trainee from one job to another. The trainee receives job knowledge and gains experience in each different job assignment. For example, a bank clerk may be rotated from one counter to another (saving deposit, current deposit, recurring deposit, fixed deposit, etc.) in this way the knowledge skills and mental outlook of the trainee are widened. Job rotation also improves interdepartmental co-operating and organisational flexibility. It provides scope for comparative performance appraisal. It is also used for training bank managers in different areas of management. Job rotation may, however, cause dislocation and dislocation and disruption in the work routine of the bank/branch.

### 5.9.6 Employee Training and Development in Co-operative:

Employee training and development is a critical element of HRM program in any business organisation. It is widely held that periodic training can do much more than mere polishing of skill for the worker. It can enrich the workers personality and pave the way for a better organisational culture. Training centers with proper infrastructure and training curriculum with relevant components are an integral feature of any modern organisation.

Cooperatives are clearly a distinct set of Organisations. As members driven voluntary organisations they have a different organisational environment as compared to corporate entities. Obviously the role of a cooperative employee too is distinctly different from that of a corporate employee. He is to directly serve the members needs.

A co-operative employee may even become a member of the same co-operative itself. Given this background, training and development programs should develop along with skills other important aspects such as cooperative consciousness and adherence to cooperative values. Such programs need to have pragmatic view of the training needs, the ability of the employees to
comprehend and the possibility of cooperative units to depute the employees for training. In all it has to be an exercise of making the workers a complete cooperative personality.

5.9.7 Cooperative Training and Development Arrangement in India:

Employee training and development in Indian Cooperatives is officially organised and coordinated by NCCT through a set of Regional and State level institutions. Major portion of employee training needs are catered through these institution.

However, there are large numbers of other independent initiatives, which are taking up employee training, especially the ones with short duration. The State cooperative federations / unions arrange from time to time training programs / orientation programs / refresher courses to the staff of the cooperatives as well as the cooperative departments. There is separate provision for the cooperative training centers at the district level to conduct collaborative training programs on various functional aspects of cooperative business. Some large cooperatives in the country have their own training centers to cater to their employees. Sometimes they impart training to the employees of other cooperatives also.

Apart from these institutional arrangements, there exist a wide range of independent initiatives taken up by apex or primary cooperatives in each sector. The DCC Bands, Marketing federations as well as certain primary cooperatives often invite experts to train their own employees. There are also instances of a few primary cooperatives joining together to arrange collaborative training activities.

5.9.8 Training in Urban Co-operative Banks.

There are no efficient arrangements for internal; training, training of the employees of urban co-operation banks are arranged through a number of
training institutions, namely, Vaikunth Mehta National Institute of Co-operative Management (VMNICM) Pune for Senior Personnel, Dhananjayrao Gadil Institute of Co-operative Management, National Federation of Urban Co-operative Banks and Credit Societies Ltd., Dr. Vithalrao Patil Co-operative Management Society, Pune, Devgari Nagari Sahakari Bank Employees Training Center, Aurangabad, National Institute for Co-operative development and Rural management etc. for other employees. The training institution; thus cater to the training needs at different levels, namely to executive, middle management and supervisory personnel. The training sources in all the three levels include core or foundation course and specialised sectional and school oriented training programmes. Some of the UCBs are given the training at their head offices with arrangement of experts in this field.

The training course is announced by the training institutions well in advance, say about two months before the commencement of the course with a view to providing adequate time to the urban co-operative banks for sponsoring employees for training. The notification carries the information's regarding duration of the courses, subjects thought, training techniques, eligibility for admission, facilities to trainees and nomination form.

Table 5.3 shows the employees who have undergone training during the service period in Urban Co-operative Banks.

**TABLE 5.3**

**NUMBER OF EMPLOYEES UNDERGONE TRAINING DURING THE SERVICE PERIOD**

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Category</th>
<th>Number of Respondents Undergone Training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Officer</td>
</tr>
<tr>
<td>1</td>
<td>Yes</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100)</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>3</td>
<td>No Response</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100)</td>
</tr>
</tbody>
</table>

Source: field survey.

Figures in bracket indicate percentage to total.
It is evident from the table (5.3) that 71.85 per cent of the bank employees received training during their services period only 7.76 per cent of the employees to clerical cadre did not received any training and 20.39 per cent employees has not given any response to the training undergone. These employees are sub-staff. It reveals that 71.85 percent of the bank employees in UCBs receives training. Thus majority of the employees are given training i.e 74 in Urban Co-operative Banks.

5.9.9 Areas of Training

Training is given to an employee in the following areas: 14

1. Bank policies and procedures.

This area of training is to be provided with a view to acquaint the new employees with the bank rules, practices, procedures, traditions, management, organisation structure, environment and services that are rendered by the bank.

This acquaintance enables the new employees to adjust himself to the changing situations. Information regarding bank rules and policies creates confidence of the new employee in the bank and its services as well as it develops in him a sense of respect for the existing employees of he bank and the like. The bank also provides first-hand information to the employee about the skills needed by he bank, its development programmes, quality of services and the like. This enables the new employee to know his share of contribution to the bank's growth and development.

2. Training in particular skills:

This area of training is to enable the employee to become more effective on the job. The trainer trains the employee regarding various skills necessary to carry out the actual job. For example, the clerk in a bank should be trained in the skills of making entry correctly in the ledger, skills of arithmetical calculations, quick comparison of figures, entries and the like.
Similarly, the technical officers are to be trained in the skills of project appraisal, supervision, follow-up and the like.

3. Human relations training:

Human relations training assumes relations training assumes greater significance in banks as bank employees have to maintain human relations not only with other employees but also with their customers. Bank employees are to be trained in the areas of self learning, interpersonal competence and relations, treating the people as human beings rather than as machines, treating the human being as social and psychological man rather than as economic man, and the like. This training enables the employees to achieve better teamwork, which leads to improved efficiency and productivity of the bank.

Most of the bank problems are common to the officers/managers engaged in the same activity at different levels of the bank like branch, regional office and central office. Further, some of the problems of different managers may have the same root cause. Hence, bank managers may have the same root cause. Hence, bank management may call together all managerial personnel to discuss common problems so as to arrive at effective solutions across the able. This not only helps solve problems but also serves as a forum for the exchange of ideas and information that could be utilized. The trainer has to organize such meetings, train and encourage the trainees to participate actively in such meetings.

4. Managerial and supervisory training:

Even non-managers sometimes perform managerial and supervisory functions like planning, decision-making, organizing, maintaining interpersonal relations, directing and controlling. Hence, management has to train the employees in managerial and supervisory skills.
The Urban Co-operative Banks gives training to their employees in various areas. The employees were asked what type training provided by Urban Co-operative Banks. The table 5.4 shows the percentage of employees who are provided training in the areas as discussed earlier. It reveals from the table that 33.01 per cent of employees have got the training in compter proficiency, 26.21 per cent were not provided any training, 22.33 per cent employees given training about the bank policies & procedures, 6.79 per cent in Managerial and Supervisory skills, 3.85 in problem solving skills, 4.85 per
cent in particular skills (other) and only 2.91 employees got training about Human Relations.

It is concluded that majority of employees (33.01 per cent) got training in the area of computer field, which is very important now a days because the RBI has directed the UCBs for computerisation. Where as only 2.91 percent of employees were given training in area of human relation. So there is urgent need to provide the training to the employees in human relation.

5.9.11 Staff Development in Urban Co-Operative Banks

The Urban Co-operative Banks are giving the various incentives for the staff development. Those banks that are implementing the service rules for the employees provide the staff development facility.

The banks are encouraging its employee to acquire higher professional qualification such as H.D.C., G.D.C.&A, C.A.I.I.B. and such other professional qualifications and provide the necessary facilities to acquire such qualifications for their training, during the period of apprenticeship either in bank itself or by deputing them for suitable training organised by the Association or Co-operative Training Institute. Employees are also provided with an opportunity for on the job training during the period.

Those employees who require professional qualifications for their career development while in service are given a special increment as under:-

2. C.A.I.I.B (part-I) - One Increment
3. C.A.I.I.B (part-II) - Two Increments

An employee sent for training, bank pays their normal salary and special grant for purchase of books and stationery as may require by the Training Institute. The book purchased by the employee has to deposit in the library of the bank after training.
Special increments are also given to the employees who successfully complete the training as follows.

1. Training of three months and above - One Increment
2. Training of six months and above period - Two Increments

As a staff development measure, the Urban Co-operative Banks may be deputed for training on conditions specified by the Board of Directors.

The Urban Co-operative Banks motivate their employees to participate in sports activities and finance the same as per the Board's decision.

5.10 Promotion

The term "promotion" denotes the ideas of advancement of an employee to a higher post with more responsibilities and prestige, higher status and enhanced responsibilities. To fill up the higher posts, which fall vacant from time to time, bank can depend either on outside sources or promote the existing employees in the organisations who are working in lower positions. If higher posts are filled up by promoting the existing employees, the morale of employees will be high, they will be loyal to the bank and they will put in their best on the other hand, if the higher posts are filled up from outside sources, the employees would be come dissatisfied and they get frustrated and lose all interest in the bank. Hence, every bank needs a systematic programmed of promotion.

Promotions have a salutary effect on the satisfaction of the promoted person's needs for system, belonging and security. They also afford an opportunity for greater self-actualization through more varied and challenging assignments.15

5.10.1 Promotion policy

The usual policy is to take merit into consideration. Sometimes length of service, education, raining courses completed, previous work history, etc., are factors which are given weight while deciding on a promotion, merit,
honesty, many informal influences are powerful determinates of a promotional policy.\textsuperscript{16}

For higher posts, the top executives pick persons:

i. Who think and feel just as he does:

ii. Who value loyalty to him and to the organisation; and

iii. Who have social, political, economic and religious interests similar to his own.

5.10.2. Seniority versus merit:

"Seniority" refers to length of service in the company or in its various plants, or in its departments, or in a particular position. Under straight plant-wise seniority in all jobs, promotions go to the oldest employees, provided that he is fit for the job. Occupational seniority may be within a department, within a division or in the entire plant.

Seniority offers certain rights and benefits these are:

a. Some rights are based on competitive seniority among employees. Rights to promotion, transfer, lay-off and recall are such examples.

b. Other benefits have nothing to do with one man relative to another, e.g.,

A man may be entitled to have 15 days' causal leave in a year, a pension after 30 years and a certain amount of sick leave after month's service.

There is a great controversy on the question of whether promotions should be given on the basis of seniority or ability. Trade unions are of the view the promotions should be given on the basis of seniority, while management favors promotion on the basis of merit and ability.
If a promotion is given to a qualified man in recognition of his performance or with a view to creating an incentive for him, then it should be based on his ability.

If on the other hand, promotions are given to recognise and reward senior employees, it should be on the basis of seniority.

The most widely used basis for promoting combines both ability and seniority. The best policy would be to ensure that whenever there are two employees of equal seniority, ability or merit should be the deciding factor in a promotion. Where, however, there are two employees of almost equal competence, seniority should be the decisive factor. Such a policy would satisfy the management which prefers ability, and trade unions which prefer seniority.

**5.11 Promotion Policy in Urban Co-Operative Banks:**

Procedure for promotion followed in Urban Co-operative Banks in Nanded District is as follow-up.

**A) Promotion from ‘Class four’ to ‘Class Three’**

Employees in Class IV shall be eligible for promotion to class III, only when he fulfils the conditions.

i) He should posses minimum required academic qualification before one year at the time of promotion.

ii) He must have rendered five years service in category IV.

iii) And he should fulfill the further stages mentioned in the bye-laws/service rules.

**B) Promotion from ‘Class Three’ to ‘Class two’**

i) Applications will be called from all the employee of the class three for purpose of promotion.
ii) Written Test shall be conducted either by the bank or by the Agency authorised by the bank.

iii) An interview shall be conducted by the Board/Staff committee appointed by the Board, of the successful candidate in written test.

iv) The confidential record and the working performance and the behaviour of the employee are called from the Chief Executive Officer.

v) The merit list of the successful candidate is prepared and the promotion to the upper class is given taking into consideration the merits of the successful candidate.

vi) The Board of Directors of the Banks shall take the decision of the promotion.

C) Promotion from 'Class Two' to 'Class one'.

i) Applications will be called from all the employee of the class two for purpose of promotion.

ii) And all the mentioned stages in the service rules, and as above (B) are followed.

D) Promotion from 'Class One' to 'Executive Class'

i) For the promotion from class one to executive class, the Board of Directors will have the power to take the decision in this regard.
When the promotion opportunities shrink, many employees may not be promoted even once in their service period, therefore, employees were asked whether they could get the promotion during their entire service period. The study reveals that 72.82 per cent of the sample employees were not given promotion during their service period (Table 5.5) and the 27.18 per cent employees were got promotion during their service period. Comparatively speaking, the promotion opportunities of officer were for better than that of clerks, because 71.40 per cent of the former got promotion while it was only 22.20 per cent amount the latter. Thus there is no uniformity in the promotion policy of the banks.

TABLE 5.6
NORMS OF PROMOTION AS PERCEIVED BY EMPLOYEES

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Number of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Officer</td>
</tr>
<tr>
<td>1</td>
<td>Seniority</td>
</tr>
<tr>
<td>2</td>
<td>Merit</td>
</tr>
<tr>
<td>3</td>
<td>Seniority cum merit</td>
</tr>
<tr>
<td>4</td>
<td>Qualification</td>
</tr>
<tr>
<td>5</td>
<td>No Response</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
</tr>
</tbody>
</table>

Source: Field survey.
Figures in bracket indicate percentage to total
The table (5.6) reveals that most of the employees of UCBs are not given the response to the norms of promotion i.e. 72.82 per cent, 13.65 per cent employees perceived the promotion norms as seniority cum merit and 7.77 per cent employees perceived promotion norms as seniority, 3.88 per cent employees says that qualification is the norms and only 1.94 per cent said that merit is the norms for promotion. Thus majority of employees not responded i.e. 72.82 percent about the norms of promotion, it means that they are not aware about the promotion policy of the banks.

5.12 Transfer

5.12.1 Purposes of transfer:

Transfers are generally affected to build up a more satisfactory work team and to achieve the following purposes: 17

a) To satisfy such needs of an organisation as may arise out of a change in the structure; the introduction of new lines of production, the dropping of existing product lines, the reallocation of, or reduction in the work force due to a shortage or a surplus in the same section so that lay-offs may be avoided; filling in of the vacancies which may occur because of separations or because of the need for suitable adjustments in business operations. Such transfers are known as production transfers flexibility transfers, or organisation. They are generally controlled centrally through and by the personnel department.

b) To met an employee’s own request, when he feels uncomfortable on the job because of his dislike of his fellow workers, or because better opportunities for his future advancement do not exist there, or because of family circumstances which may compel him to change the place of his residence. Such transfers generally have their root in faulty selection and erroneous placement, and are known as personal transfers. They enable employees to feel at home in the work of their choice.
c) To utilize properly the services of an employee when he is not performing satisfactorily and adequately and when the management feels that he may be more useful or suitable elsewhere, where his capacities would be better utilized. Such transfers are called remedial transfers. They act as a flow-up measure of the selection-and-placement procedure and help employees to adjust themselves to suitable jobs.

d) To increase the versatility of the employee, by shifting him from one job to another so that he may have ample opportunities for gaining a varied and broader experience of work. Such transfers are known as versatility transfers. They make it possible for an employee to enjoy the facility of job enrichment, which in turn gives to the management a more effective and experienced employee for a higher job.

e) To adjust the work force of one plant with that of another particularly when one is closed down for reasons beyond the control of the employer. Such transfers are known as plant transfers and are generally affected on humanitarian grounds to ensure that persons who have been long in service of an organisation are not thrown out of employment.

f) To replace a new employee by an employee who has been in the organisation for a sufficiently long time. Such transfers are known as replacement transferred from night shift to morning shift or from the first to the second shift (as in the case of women workers who may like to look after their children and do the necessary domestic work in the morning hours). Such transfers are known as shift transfer.

g) To penalize the employee transfers are also done, under which either a difficult trade union activist or intriguer or sea lawyer may be transferred to a remote branch or office where he cannot continue his activities. In government organisation, this practice is widespread, and
is also preferred by the employee to the grim alternative of disciplinary action.

h) Transfer for the maintenance of a tenure system in senior administrative services of the Government and also in industries, or where there is a system of annual intake of management trainees such transfers are common. Here the employee holds a certain job for a fixed tenure but his is made to move from job to job with a view to enabling him acquire a variety of experience and skills and also to ensure that he does not get involved in politicking informal groups

Transfers are classified are:

i. The convenience of the company

a) Temporary transfers arising from temporary absenteeism; shifts in the work load; vacation;

b) Permanent transfers arising out of shifts in the work load; vacancies which need the special skill or ability of the transferred employee.

ii. The convenience of the employee:

a) Temporary transfers arising from the ill health of, or an accident to an employee; for family reasons or for taking care of some private affair;

b) Permanent transfers arising out of ill health or accident; out of outside interest—for example, for the purpose of attending a professional school or similar activities; out of family consideration; out of a desire to learn a particular skill.

5.12.2 Transfer policy

Every organisation should have a just and martial transfer policy which should be down to each employee. The responsibility for affecting transfers is usually entrusted to an executive with power to prescribe the conditions under which requests for transfers are to be approved.
For successful transfer policies, it is necessary to have a proper job description and job analysis. Care should be taken to ensure that frequent or large-scale transfers are avoided by laying down adequate selecting and placement procedures for the purpose.

i. Specifically clarify the types of transfers and the conditions under which these will be made;

ii. Locate the authority in some officer who may initiate and implement transfers;

iii. Indicate whether transfers can be made only within a sub-unit or also between departments, divisions/plants;

iv. Indicate the basis for transfer, i.e., whether it will be based on seniority or on skill and competence or any other factor;

v. Decide the rate of pay to be given to the transferee;

vi. Intimate the fact of transfer to the sake of transfer only.

In making transfers, the usual policy that is fooled is to pay to the employee the actual cost of moving the household to the place of transfer.

5.12.3 Procedure for transfer

Intra-departmental transfers or transfers within the same section of the same department are decided by the foreman or plant manager, and these are affected without the issue of any transfer order to the employee. He may be given oral instructions. The personnel manager, however, must be informed of such transfers.

Inter-department transfers or transfers from one department to another are decided by mutual consultations among the departmental heads/plant managers when such transfers are of a permanent nature or of long duration. Written orders, signed by the personnel manager are issued to the employee.
Transfers from one place or unit to another place or unit, involving a considerable change in working conditions and cost to the company, have to be made in writing, after giving due notice to the employees. But, as far as possible, such transfers are generally discouraged.

5.12.4 Separations

"Separating" means cessation of service with the organisation for one or their reason. The employee may be separated from the pay roll of a company as a result of:

1. Resignation;
2. Discharge and dismissal;
3. Suspension and retrenchment; and
4. Lay-off.

5.12.5 Resignation

Resignations may be put in voluntarily by the employees on grounds of health, physical disability, better opportunities elsewhere, or maladjustment with company policy and officers, or for reasons of marriage (frequent in case of young girls); or they may be compulsory when an employee is asked to put in his resignation if he wants to avoid terminating of his services on the ground of gross negligence of duty on his part, or some serious charge against him.

5.12.6 Discharge

A discharge involves permanent separation of employees from the pay roll for violation of company rules or for inadequate performance.

A discharge becomes necessary:

1. When the volume of business does not justify the continuing employment of the persons involved;
When a person fails to work according to the requirements of the job either because of incapacity or because he has deliberately slowed down on work, or because there is no suitable place where he can be transferred.

iii. When an individual forfeits his right to a job because of his violation of a basic policy often involving the safety of others, the morale and discipline of a group.

5.12.6.1 Courses of discharge:

A discharge seldom arises from a single impulsive act. Many causes may account for it. Some of these are:

a) Frequent Causes: in inefficiency, dishonesty, drunkenness, carelessness or indifference, violation of rules.

b) Infrequent causes: accidents, insubordination, personal conduct, unseemliness, infracting of rules, destructive negligence, wastefulness, and physical unfitness.

c) Other causes: carelessness, lack of co-operation, laziness, tardiness in starting work, frequent absences without leave, dishonesty, lack of specific skill, preventing promotion, adverse attitude towards the organisation.

5.12.6.2 Discharge Procedure:

To avoid unnecessary grievances arising from discharges, proper rule should be framed to govern them.

To demonstrate that a discharge is justified and does not arise out of unfair discriminating or personal prejudice or the supervisor, following evidence needs be produced:
I. Permanent records of all merit ratings made by the supervisors;

II. Permanent records or rating of the defendant's traits maintained by persons other than the foreman;

III. A memorandum bearing on the efforts made by the foreman to help the defendant to overcome his weakness;

IV. A copy of any warning than had been sent him;

V. The letter of discharge, especially if the letter states the cause of the discharge.

Discharge is generally made in accordance with the standing orders. The action taken should bonfire and is neither a punitive measure nor a case of victimisation.

The following elements should be present in a discharge programme:

I. The reasons for discharge should be clearly stated.

II. The individual concerned should be adequately informed about the reasons for his discharge.

III. The supervisor, in charge of initiating discharge action, should be fully conversant with rules and regulations of the organisation.

IV. The facts regarding the violations of the rules and regulations should be carefully analysed.

V. Line officials should handle the discharge affairs.

VI. The re should be a well-thought-out procedure for setting the discharge case.

VII. Adequate provision should exist for review fo the discharged employee's case.
A discharged employee needs a reasonable notice or an equivalent of pay in lieu of notice. It carries with it certain penalties, such as difficulty of re-employment, loss of benefits and, in certain cases, the loss of a part of the provident fund, etc.

5.12.7 Dismissal

A dismissal is the termination of the services of an employee by way of punishment for some misconduct, or for unauthorized and prolonged absence from duty.

Before his service is terminated, an employee is given an opportunity to explain his conduct and to show because why he should not be dismissed. The general rule is that in this process, there should be no violating of what is known as the principle of natural justice, which ensures that punishment is not out of all proportion to the offence.

5.12.8 Suspension

This is a serious punishment, and is generally awarded only after a proper enquiry has been conducted. For reasons of discipline, a workman may be suspended without prejudice during he course of an enquiry. During suspension, the employee receives a substance allowance.

15.12.9 Retrenchment:

It means a permanent termination of the services of an employee for economic reasons in a going concern. The Industrial Disputes Act, 1947, defines retrenchment as the “germinating by the employer of the services of workmen for any reason.”

It must be noted that terminating of services as a punishment given by way of disciplinary action, or retirement either voluntarily or on reaching the age of superannuating, or continued ill-health, or on the closure and winding up of a business does not constitute retrenchment. The term is applied to
continuing operations where a part of the work force is found to be superfluous.

A worker can be retrenched if the following conditions are satisfied:

a) He has been given 3 months' notice in writing, indication the reason for retrenchment, and the period of notice has expired; or he has been paid wages in lieu of such notice for the period of the notice;

b) The worker has been paid, at the time of retrenchment, compensating which is equivalent to 15 days' average pay for every completed year of continuous service or any part thereof in excess of 6 months;

c) Notice has been served on the appropriate government authority and the permission of such authority has been obtained if required.

5.12.10 Transfer in Urban Co-operative Banks

When the number branches are opened by UCBs, transfer of employees was done by the chief executive officer and chairman of the bank, within the bank from department to department or from one branch to another branch. If the employees transferred, they will give the notice to join and leave the branch. If the employee is transferred from out of city, then he will be given 7 (seven) days to join and the transfer allowances for taking necessary articles for family shifting the bank will pay the allowances. Another important issue in the transfer policy of UCBs is that if the employee is promoted and transferred, and if the employee rejects the transfer then it is assumed that he rejected the promoting and for next three years he will not be promoted as per the service rules. The transfer is done with the consent of CEO, general manager, chairman and trade union president.
Table 5.7 reveals that 42 employees constituting 40.78 per cent of the total employees of 10 UCBs had been transferred in the range between 1 to 3 times within the bank or to branches of this 64.28 per cent officer, 29.63 per cent clerks, and 38.09 per cent sub staff were transferred, it is significant to note that 1/3rd of employees of the sample were never got transferred, i.e. 36.89 per cent, 10.67 per cent employees were not given responses and only 5.83 per cent employees transferred in change between 4 to 5 times in their service period. Thus, 40.78 percent of the employees transferred in the range of 1 to 3 times in their service period.

### 5.13 Salary Administration

#### 5.13.1 Principles of salary administration

The generally accepted principles governing the fixation of wages and salary are:
i. There should be definite plan to ensure that differences in pay for jobs are based upon variations in job requirement, such as skill effort, responsibility or job or working conditions, and mental and physical requirements.

ii. The general level of wages and salaries should be reasonably in line with that prevailing in the labour market. His labour market criterion is most commonly used.

iii. The plan should carefully distinguish between jobs and employees. A job cries a certain wages rate, and a person is assigned to fill it at that rate. Exceptions sometimes occur in every high-level jobs in which the job-holder may make the job large or small, depending upon his ability and contributions.

iv. Equal pay for equal work, i.e., if two jobs have equal difficulty requirements the pay should be the same, regardless of who fills them.

v. An equitable practice should be adopted for the recognition of individual differences in ability and contribution. For some units, this may take the form of rate ranges, with i-grade increases; in other, it may be a wage incentive plan; in still other, it may take the form of close integrated sequences of job promotion.

vi. There should be a clearly established procedure for hearing and adjusting wage complaints. This may be integrated with the regular grievance procedure, if it exists.

vii. The employee and the trade union, if there is one; should be informed about the procedure used to establish wage rates. Every employee should be informed of his own position, and of the wage and salary structure. Secrecy in wage matters should not be used as a cover-up for haphazard and unreasonable wage programme.
viii. The wage should be sufficient to ensure for the worker and his family reasonable pro standard of living. Workers should receive a guaranteed minimum wage to protect them against conditions beyond their control.

ix. The wage and salary structure should be flexible so that changing conditions can be easily met.

x. Prompt and correct payments of the dues of the employees must be ensured and areas of payment should not accumulate.

xi. For revision of wages, a wage committee should always be preferred to the individual judgment, however unbiased, or a manager.

xii. The wage and salary payments must fulfill a wide variety of human needs, including the need for self-actualization. It has been recognized that "money is the only form of incentive, which is wholly negotiable, appealing to the widest possible range of seekers. Monetary payments often act as motivators and satisfiers interdependently of other job factors"

5.13.2 Salary in Urban Co-operative Banks

There was no uniform policy with regard to salary of the employees in the UCBs due to their autonomous character. The settlements regarding pay scales and other allowances are made between the employees' union and management of the bank concerned under section 12(3) of the Industrial Disputes Act, been issued by the registrar of co-operative societies to all UCBs with regard to the budget allotment sanctioned by the general body, the scale of pay admissible shall be fixed from time to time in the banks with the approval of the registrar. Of co-operative societies
5.13.3 Pay scales of employees in Urban Co-operative Banks

The pay scales indicate the series of rates that are established in the organisation for the different categories of personnel. There may be fixed scales of pay where in the minimum, maximum, the annual incremental rate and the total spread over are fixed either as a result of understanding between employees and management of the bank. One of the obvious limitations of the pay scales of the UCBs in Nanded district was that there was no uniformity. In all 10 UCBs in Nanded 7 have not implemented the service rules 3 UCBs have implemented the service rules for their employees. And remaining banks were giving the salary on consolidated basis on the recommendation by the general body budget approval.

**TABLE 5.8**

MINIMUM AND MAXIMUM BASIC PAY SCALES OF THE
EMPLOYEES OF THE NANDC MERCHANTS
CO-OPERATIVE BANKS LTD.
As on 01-04-2001

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Scale Name</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Manager / Manager</td>
<td>5000 – 225 / 2 – 6125 – 250 / 5 – 7375 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>275 / 10 – 10125 – 300 / 10 – 13125.</td>
</tr>
<tr>
<td>2</td>
<td>Assistance General Manager</td>
<td>4700 – 175 / 5 – 5575 – 200 / 5 – 6575 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>225 / 10 – 8825 – 250 / 10 – 11325</td>
</tr>
<tr>
<td>3</td>
<td>Branch Manager</td>
<td>4500 – 150 / 5 – 5250 – 175 / 5 – 6125 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>200 / 10 – 8125 – 255 / 10 – 10375</td>
</tr>
<tr>
<td>4</td>
<td>Accountant</td>
<td>4300 – 100 / 3 – 4600 – 125 / 2 – 4850 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>160 / 5 – 6600 – 175 / 10 – 7350 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>200 / 10 – 9350</td>
</tr>
<tr>
<td>5</td>
<td>Clerk</td>
<td>3500 – 80 / 5 – 3900 – 100 / 5 – 4400 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>120 / 10 – 5800 – 140 / 10 – 7000</td>
</tr>
<tr>
<td>6</td>
<td>Peon</td>
<td>2700 – 50 / 5 – 2950 60 / 5 – 3250 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>75 / 10 – 4000 – 90 / 10 – 4900 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>105 / 5 – 5425</td>
</tr>
<tr>
<td>7</td>
<td>Security Guard</td>
<td>2000 – 25 / 5 – 2125 – 30 / 5 – 2275 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 / 5 – 2475 – 50 / 5 – 2725 – 60 / 5 – 3025</td>
</tr>
</tbody>
</table>

Source: field survey
**TABLE 5.9**

**PAY SCALE GIVEN BY THE BHAGYA LAXMI MAHILA SAHAKARI BANK LTD. NANDED.**

As on 01-04-2000

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Scale Name</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chief officer</td>
<td>1755 - 150 / 10 - 3275 - 200 / 10 - 5275 -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>300 / 10 - 8275</td>
</tr>
<tr>
<td>2</td>
<td>Accountant</td>
<td>1350 - 75 / 10 - 2100 - 100 / 10 - 3100 -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>125 / 10 - 4350</td>
</tr>
<tr>
<td>3</td>
<td>Asst. Accountant</td>
<td>1175 - 60 / 10 - 1775 - 70 / 10 - 2475 -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>90 / 10 - 3375</td>
</tr>
<tr>
<td>4</td>
<td>Clerk</td>
<td>1050 - 50 / 10 - 1150 - 60 / 10 - 2150 - 75 / 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2900</td>
</tr>
<tr>
<td>5</td>
<td>Peon</td>
<td>852 - 40 / 10 - 1225 - 50 / 10 - 1725 -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>60 / 10 - 2325</td>
</tr>
</tbody>
</table>

Source: field survey

**TABLE 5.10**

**PAY SCALE OF THE EMPLOYEES OF JAI SHIVRAI NAGARI SAHAKARI BANK LTD., NANDED**

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Scale Name</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Manager (Executive Class)</td>
<td>2000-100-2500-EB 125-3125-150-3825-200-4875.</td>
</tr>
<tr>
<td>2</td>
<td>Manager (Executive Class)</td>
<td>1800-75-2175-EB 100-2675-125-3300-150-4060.</td>
</tr>
<tr>
<td>3</td>
<td>Deputy Manager (Class I)</td>
<td>1600-70-1950-EB 80-2350-100-2850-125-3475.</td>
</tr>
<tr>
<td>4</td>
<td>Assist manager chief account (Class I)</td>
<td>1400-50-1750-EB 60-2050-70-2400-85-2875-3325.</td>
</tr>
<tr>
<td>6</td>
<td>Accountant/senior clerk (Class II)</td>
<td>1000-30-1150-EB 40-1350-50-1600-60-1900-75-2275.</td>
</tr>
<tr>
<td>7</td>
<td>Clerk (Class III)</td>
<td>800-25-925-EB 30-1075-40-1275-50-1500-60-1800.</td>
</tr>
<tr>
<td>8</td>
<td>Peon (Class IV)</td>
<td>500-15-575-EB 20-675-25-800-30-950-45-1175.</td>
</tr>
<tr>
<td>9</td>
<td>Attendant (Class IV)</td>
<td>1200 – consolidated for one year further as per board decision.</td>
</tr>
</tbody>
</table>
TABLE 5.11
PAY SCALE OF THE OTHER URBAN CO-OPERATIVE BANKS

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Designation</th>
<th>Consolidated Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Manager</td>
<td>10000/-p.m.</td>
</tr>
<tr>
<td>2</td>
<td>Manager</td>
<td>5500/-p.m.</td>
</tr>
<tr>
<td>3</td>
<td>Accountant</td>
<td>4500/-p.m.</td>
</tr>
<tr>
<td>4</td>
<td>Cashier</td>
<td>3900/-p.m.</td>
</tr>
<tr>
<td>5</td>
<td>Clerk</td>
<td>3500/-p.m.</td>
</tr>
<tr>
<td>6</td>
<td>Peon</td>
<td>2700/-p.m.</td>
</tr>
</tbody>
</table>

Source: field survey

It may be observed that there had been a vast difference in the minimum and maximum basic pay in the pay scale of the employees table (5.8. to 5.11) for instance the minimum basic pay in pay scales of General manager was Rs.2000 in Jai Shivari N.S.B. Ltd, while it is Rs.5000 in NMCB, Nanded and 1775 in BMSB Ltd, Nanded like wise there was also disparity in the maximum basic pay of the employees belonging to same cadre. For instance, the maximum basic pay of Accountant was Rs.2275 in JSNSB, Rs.9350 in NMCB Ltd. and Rs.4350 in BMSB Ltd. Nanded. Another noteworthy feature was that each bank followed its own basic pay and no two banks had same pay scales for comparable cadre. This kind of complete lack of uniformity conformity with the rationality and equitableness in the pay and would adversely affect the morale of the employees of UCBs and the remaining 7 banks are giving consolidated salary ranging between (table 5.11) Rs. 10000 to Gen. Manager up to Rs. 5500 for manager, up to Rs.4500 to Accountant, up to Rs.3900 to cashier, up to Rs. 350 to clerk and up to Rs.2700 to peons. Thus there is no uniformity in salary administration of UCBs in Nanded District.
5.14 Allowances and other Benefits

Besides pay, allowances and benefits have significant place in the compensating system. Generally, these allowances and benefits are provided to promote employee loyalty to the organisation, to compensate against the increasing cost of living, to motivate the employee for better performance, to encourage him to face the risk involved in the job and to share the bonus in the form of bonus. Table 5.12 depicts various allowance and benefits provided by Urban Co-operative Banks to the employees.

TABLE 5.12

ALLOWSANCES AND BENEFITS TO THE EMPLOYEES

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Benefits and Allowances to Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dearness allowances.</td>
</tr>
<tr>
<td>2</td>
<td>House Rent allowance</td>
</tr>
<tr>
<td>3</td>
<td>City compensatory allowance</td>
</tr>
<tr>
<td>4</td>
<td>Medical allowance</td>
</tr>
<tr>
<td>5</td>
<td>Cash allowance</td>
</tr>
<tr>
<td>6</td>
<td>Typing allowance</td>
</tr>
<tr>
<td>7</td>
<td>Traveling ad daily allowance</td>
</tr>
<tr>
<td>8</td>
<td>Transfer allowance</td>
</tr>
<tr>
<td>9</td>
<td>Washing allowance</td>
</tr>
<tr>
<td>10</td>
<td>Bonus allowance</td>
</tr>
<tr>
<td>11</td>
<td>P.F.contribution</td>
</tr>
<tr>
<td>12</td>
<td>Cash risk allowance</td>
</tr>
<tr>
<td>13</td>
<td>Closing allowance</td>
</tr>
<tr>
<td>14</td>
<td>Festival allowance</td>
</tr>
<tr>
<td>15</td>
<td>Gold keeper allowance</td>
</tr>
<tr>
<td>16</td>
<td>Cash allowance</td>
</tr>
<tr>
<td>17</td>
<td>Clearing allowance</td>
</tr>
</tbody>
</table>

5.14.1 Allowances and other Benefits given by Urban Co-operative Banks

The Allowances and other Benefits given by Urban Co-operative Banks are differ from bank to bank, as per the service rules of Jai Shivaral Nagari Sahakari Bank Ltd., Nanded, Allowances and other Benefits are as follows:
1. **Dearness Allowance**

D.A is 200% of the Basic Pay or as per Board of Directors decision from time to time.

2. **Medical Allowance**

All permanent employees are given medical allowance at the rate of Rs.50/- per month.

3. **House rent Allowance**

All the permanent employees are given house rent allowance as under.

<table>
<thead>
<tr>
<th>Class</th>
<th>Allowance per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Classes</td>
<td>Rs.175.00</td>
</tr>
<tr>
<td>Class One.</td>
<td>Rs.150.00</td>
</tr>
<tr>
<td>Class two.</td>
<td>Rs.125.00</td>
</tr>
<tr>
<td>Class three.</td>
<td>Rs.100.00</td>
</tr>
<tr>
<td>Class four.</td>
<td>Rs.050.00</td>
</tr>
</tbody>
</table>

4. **Typing Allowance**

Clerk assigned the work of typing is getting typing allowance at the rate of Rs.40.00 per month.

5. **Cash Allowance**

1) For main branch Rs.100 per month.

2) For other branches. Rs.50 per month.

* Clerk assigned cash handling work is getting cash allowance as shown above.

3) Cash allowances are paid during the leave period of the cashier.
4) Cash allowances also are paid on prorate basis to an employee who works as a cashier temporarily during the absence of the cashier. This allowance shall be paid Minimum Rs.05/- per day.

6. **Gold Keeper Allowance**

A permanent employee assigned the custody of gold ornaments is paid allowance of Rs.50.00 per month.

7. **Working Allowance**

A employees who are sent for clearing are work getting Rs.60/- per month.

8. **Godown Keeping Allowance**

A permanent employee assigned the work of keeping the pledge godwon is getting Rs.50/- per month.

9. **Travelling and Daily Allowances**

Staff members who are sent for out station duties are eligible for the allowance as under:-

A) **Travel by Railway**

1. Managing Director - Second class fare with
2. General Manager - Sleeping birth accommodation
3. Manager - Second class fare with
4. Other staff. - Accommodation.

B) When the Journey is under taken either by bus or private service, actual fares are paid.
10. Daily Allowances

Any employee on duty out of Head quarter are getting daily allowance at the rates shown as under.

1) Managing Director Rs.100 per day
2) General Manager Rs.100.00 per day
3) Manager Rs.75.00 per day
4) Deputy Manager Rs.60.00 per day
5) Asstt. Manager Rs.50.00 per day
6) Accountant/Br. Manager Rs.40.00 per day
   Senior Clerk.
7) Clerk Rs.40.00 per day
8) Peon & Attendant Rs.30.00 per day

Daily allowance should be charged as under.

1) If the employee is out of head quarter for more than 12 hours to
   24 hours, he is eligible for full daily allowance for one day.
2) No daily allowance is allowed for journey below 6 hours.
3) Half daily allowance for journey for more than 6 hours but upto
   12 hours.
4) Full daily allowance is allowed for the period more than 10 hours
   provided he halt at night out of Head quarter.
5) In case the travelling is under taken.
   a) Outside the District. 11/2 time D.A.
   b) For corporation cities 2 time D.A. plus
      (Other than Bombay) Rs.10/- per day as
      and Pune and Nagpur) conveyance charges.
6) For the purpose of calculating allowance, journey-starting timing
   will be taken account.
7) Actual lodge rent is paid on Production of Receipt.
11. **Washing Allowance**

   All the permanent class IV employees are provided once in two years 2 sets of uniforms.

   The washing allowance for these dresses shall be Rs.15/- Per month. Not wearing of uniform while on duty is considered as misconduct.

12. **Closing Allowance**

   Closing allowance are paid for each of the closing work as follows.

   1) Executive class and Class one Rs.100.00 p.m.

   2) Class two and Class three Rs.100.00 p.m.

   3) Class four Rs.50.00 p.m.

13. **Record Keeper Allowance**

   The employees whom record-keeping duty is assigned are paid Rs.30.00 per month as record keeping allowance. He is responsible for the record of the bank.

14. **Festival Advance**

   Festival advances are paid once in a year to the employees on the festival shown below.

   1) Diwali 2) Ramzan Idd.

   This advance is under.

   a) Permanent employee - One month pay (Basic +D.A.)

   b) Temporary employee - One month’s total emoluments.
This advance is paid, only once in a year and for one festival only. Such advance is paid not earlier than one month of the respective festival and are recovered from the salary of the concerned employee in Eleven (11) equal installments commencing from the next month of the festival.

15. Temporary Transfer Allowance

The employee-transferred temporary to branches eligible for daily allowance as under.

1 to 10 days. Full daily allowance
Next 10 days. ¾ daily allowance
Next period onward. ½ daily allowance.

16. Transfer Allowance

The employees who are permanently transferred are entitled for the travelling expenses as follows.

Actual travelling expenses of his own and of his dependents (i.e. spouse, dependant parents, dependent children. In case of female employee mother father-in-law and monger-in-low)

An employee on transfer has entitled for joining period of four days, however, during this period he is not entitled for daily allowance.

5.15 Welfare Measure

Welfare means the adopting of measure to promote the physical, social, psychological and general well-being of the working people. Welfare services may be classified into two groups Viz., facilities within the establishment and welfare measures outside the establishment. The facilities within the establishment include sanitary facilities, rest shelters, canteen, drinking water etc. welfare measures outside the establishment include medical facilities. The employees may undertake Educational and cultural
facilities, housing facilities, transfer etc., these measures rise the employees' morale and reduce employee turnover and absenteeism. They help in building a positive image of the organisation and facilities in dealing with the trade unions.

5.15.1 Welfare policies in Urban Co-operative Banks

As per the chapter II Rule No. 8 of the Maharashtra co-operative societies rules 1961, in matters in respect of which registrar of co-operative societies may direct to the bank to make by laws or and allowances of salaried officers and servants of the society / bank. This rule inter alia specifies entitlement of various kinds of leave, service conditions of employees which were governed by the provisions contained in the by laws relating to the service conditions of the employees. But the labour laws give certain protections to the employees and according to which the rights, privileges or benefits already available and enjoyed by the employees cannot be curtailed or taken away arbitrarily.

5.15.1.1 Leave in Urban Co-operative Banks

As per the service rules every employee of UCBs is entitled for the following leave facilities.

1) Casual leave not exceeding 15 days in a year.

2) Privilege or earned leave 30 days for every 11 months of service provided that such leave may be accumulated up to the maximum period of 240 days. Leave in excess of 240 days shall lapse.

3) Sick leave on any reasonable ground and this shall be regulated as indicated below.

   a) Every confirmed employee on completion of tone year service in the bank shall be entitled for 15 days sick leave during the year.
b) The sick leave for five days can be availed without any medical certificate excess of 5 five days the employee s has 5 days the employees has to produce the medical.

c) The sick leave can be accumulated up to 180 days and leaves in excess of 180 days will laps.

4) Half pay sick leave.

A sick employee will be entitled to avail half pay sick leave at the ratio of 20 days for each completed year of his service subject to maximum of 180 days and only when there is no balance of sick leave at his credit. For availing half pay sick leave an employee shall have to submit medical certificate or R.M.O.

5) Surrendered leave:

a) The employee who is having credit balance of privilege leave of 60 days is entitled for surrender leave.

b) Surrendered leave can be obtained once in 2 years.

c) The privilege leave account will be debited by 60 days. The first 30 days will be for actual available of leave and next 30 days for its encashment.

6) Maternity leaves.

The regular married woman employees of the bank are entitled for maternity leave with full pay and allowances for a period of 90 days (Basic+DA) on one occasion. This leave is available in case of first two maternity's only for lady employee.

7) Leave without pay

a) If there is no other leave available to the credit of the employee and leave is required in extra-ordinary circumstances the C.E.O. at
his discretion grant leave without pay up to 15 days and beyond 15 days and further up to 30 days in consultation with the chairman.

b) The board will decide the leave without pay for more than 30 days.

5.15.1.2 Non statutory welfare measures

Non-statutory welfare measures relate to those activities, which are undertaken voluntarily by employees over and above statutory measures. These may include housing facilities, recreation facility, transformation, etc.

Welfare facilities and social security measures provided by UCBs.

TABLE 5.13
WELFARE FACILITIES AND SOCIAL SECURITY MEASURES.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Welfare facilities and social security measures.</th>
<th>Number of banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Housing loan</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>Recreation facilities</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Medical facilities</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Housing quarters</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Canteen</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Libraries</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Cycle sheds.</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>Uniforms</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>Drinking water facilities</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Rest room</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>Lunch room</td>
<td>04</td>
</tr>
<tr>
<td>12</td>
<td>Free coffee/tea</td>
<td>10</td>
</tr>
<tr>
<td>13</td>
<td>Consumer loan</td>
<td>10</td>
</tr>
<tr>
<td>14</td>
<td>First aid appliances</td>
<td>9</td>
</tr>
<tr>
<td>15</td>
<td>Festival advances</td>
<td>10</td>
</tr>
<tr>
<td>16</td>
<td>Employees co-operative society</td>
<td>-</td>
</tr>
<tr>
<td>17</td>
<td>Safety measures</td>
<td>10</td>
</tr>
</tbody>
</table>

5.15.2 Working condition and environment

An employee spends most of his working time in the office. As such he has every right to expect that the environment of the work place should be conducive to do work the work place should be free from noise, pollution,
congestion odour, high temperature, excess heat and humidity, etc, the employer must accept the responsibility or assuring or providing pleasant, congenial healthy working palace for the employees as the condition of the work place has direct bearing on the productivity of the employees. The lighting, ventilating, noise, sanitation, furniture, coloring, enough space to work, clean and attractive office premises are the essential requirements of the work environment. Providing conductive environment in the work place is also considered as another important motivating factor of an employee. Employees, and their contribution to the organisation, are affected by conditions in their work environment.\(^\text{19}\)

5.15.3 Working conditions and environment in Urban Co-operative Banks.

Only 3 Urban Co-operative Banks except one had their own premises for their offices in the headquarters. However, they had proposals to construct new office building? It is also observed that in 40.00 percent of the banks did not have sufficient natural light due to either outmoded construction or due to their location. To overcome the problems, these banks had tried to provide artificial light and fans and cooler in summer.

The colour of the building was not attractive and pleasing in 70.00 percent of the banks. In some of these banks, white washing has not been done for years together.

The sanitary conditions of the office building of the banks was not to the expected standard toilet is not provided sedately for woman employees in a few banks absence of modernization, negligence in maintaining the toilets and lack of employees' co-operation were some of the reasons responsible for this unsatisfactory sanitary condition of the bank. 80.00 per cent of the banks were located in noise place. The remaining 20.00 per cent of the banks were located in noiseless place. Most of the banks were located in the shopping center or road-side or market place where the employees had to work in noisy surroundings.
With regard to the furniture, in 30.00 per cent of the banks employees were provided with good furniture as a result employees were heaping the files on the table which effects efficient handling of files. Further, than would lead to the problem of society of files maintained by the employees.

Thus, the fact remains that in majority of the banks the working conditions and environment were not conducive for the employees to work.

5.16 Performance appraisal

Evaluation of one human being by another is as old as civilization however, formal evaluating of job performance is of relatively recent origin. Now most of the organisations have installed systems for formal and systematic evaluation of employee performance every officer and manager in a bank is expected to judge the performance of his/her subordinates. Such appraisal is known by different names, e.g. performance evaluation, performance appraisal, merit rating employee appraisal etc.

Managers must continuously judge the contributions and abilities of their subordinates as they have to make decisions regarding pay, placement, transfer, promotion, training, development and the like. Performance appraisal is a systematic and planned device in order to find out the hidden talents as they are mostly uncovered. Thus, this device minimizes the likelihood of capable people being overlooked for pay-rise, promotion, training, development, etc.

Performance appraisal is defined as the systematic evaluation of the individual with respect to his performance on the job and potential for development. Generally, supervisors and potential for development. Performance of their subordinates which would normally be reviewed by their immediate supervisors. "Performance appraisal is the systematic, periodic and an impartial rating of an employees' excellence in matters pertaining to his present job and of his potentialities for a better job."
5.16.1 Methods of performance appraisal

The following methods are used for evaluating employee performance in banks.\(^2\)

1. **Confidential Reports:**

Under this method the immediate supervisor writes a confidential report about each subordinate. He sends the report to his superiors. This is the oldest and the simplest method. However, it is out dated and highly subjective.

2. **Free form Essay:**

This method requires the evaluator to write down his impression of the individual employee on a sheet of paper. He makes comments under different headings such as job performance, employee baheviour, development needs for the future, etc. it is a simple and economical method. But it is very subjective and unscientific.

3. **Employee ranking**

This method, the supervisor compares an employee with all other employees in the group ion the basis of their job performance. The best employees are given the first rank, the second best the second rank and so on. All employees are ranked on overall basis. This is the simplest and the oldest method. But this method does not reveal the degree of difference between individuals. Another defect in these methods is that the rater has to consider the whole man and, therefore, his judgment may come subjective. Ranking method is appropriate only for very small and simple organisations.

Modified form of ranking method is known as paired comparison method. Under it, each employee in a work group is compared with every other employee. The results of these comparisons are tabulated and a rank for each person is determined according to the name of times each employee is considered superior. The number of comparisons would be This method
gives a more reliable ranking that the ranking method ut it is more tedious to construct and use. Then the number of persons to be rated is large it becomes too lengthily and complicated.

4. Graphic rating scales:

In this method, a continuous graphic scale is established which measures different degrees of a quality or factor to be rated. Generally several degrees are used for each factor, ranging from highest to lowest. The rater can estimate the degree to which each quality or trait is present in an employee by observing his the degree to which each quality or trait is present in an employee by observing his behaviour on the job. The factors rated include quality and quantity of work, dependability, job knowledge, leadership, decisiveness, emotional stability, etc. various types of rating scales may be used, e.g. reversed scales, discontinuous scales, etc. a specimen graphic rating scale is given below:

**Graphic Rating Scale**

<table>
<thead>
<tr>
<th>Qualities</th>
<th>excellent</th>
<th>Good</th>
<th>average</th>
<th>poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quantity of output</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Quality of output</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Knowledge of the job</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Judgment and imitative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Dependability and loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Capacity to get along with people</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This method is also simple to use. It gives more reliable rating than ranking method because there is a continuum along which degrees of a quality ar5e measured. But equal importance is given to each factor while the role of different factors in the job may not be identical. Moreover, there is heavy burden on the rater as he has to evaluate persons for ten degrees each
for every factor. He might be asked to five example of rater’s behaviour to justify high ratings. The rater may be asked to give example of rater’s behaviour to justify his ratings. The rater may be biased. If he considers an employee excellent in one quality he may regard him excellent in all qualities. This is called “halo” effect. In practice ratings tend to cluster on the high side of the scale. For fear of being accused he may rate most employees as just average or very good.

5. Forced distribution method:

Under this method, the raters are forced to distribute the ratings into predetermined scales. Employees are rated on the basis of overall performance. The ratings must be distributed in such a way that a normal frequency distribution is created. In other words, the appraiser is asked to distribute the ratings as 10% in ‘poor’, 20% ‘below average’, 40% ‘average’, 20% ‘above average and 10% ‘outstanding’.

This method eliminates the subjective judgment or has on his part of raters so that ratings do not cluster around a particular point on the rating scale. It is also easy to understand and administer. It has an advantage over the paired comparison method as two or more employees can be given equal rating. But the assumption of normal distributing is open to criticism because such distribution is not found in work groups particularly when the group is comparatively small.

6. Weighted checklist method;

This method is also known as ‘forced choice method’. Psychologists for the U.S. Army in World War II developed it. It combines ratings with scoring system. Under it, the asked to check two of the four statements about a persons./ the rater is asked to check two of the four statements one which he feels is the most and the other least characteristic of the person being rated. Each statement is given a weight or value. The final score is obtained by averaging weights of the checked statements. The rater does not know the
scoring key or the items that count. For example, a forced choice block or checklist may be as follows:

<table>
<thead>
<tr>
<th>Most</th>
<th>Least</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>He is hard working</td>
<td></td>
<td></td>
</tr>
<tr>
<td>He is cool headed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>He is indifferent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>He understands instructions easily</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This method eliminates human bias in rating because the rater is required to think in terms of specific kinds of behaviour. But this method involves a lengthy and time-consuming procedure. A separate procedure has to be established for each job. The raters do not like this system, as they do not know the relative ratings they are giving. Their choice is also restricted as they have to choose from a small number of statements. This method is also costly because experts are required to prepare the checklist and weighing scale.

7. Critical incidents methods

In this method, the rater is required to record exceptional (critical) events and the behaviour of each employee during such events. Employees are rated on the basis of whether their behaviour was proper or not. For example, the behaviour of five workers to be rated during a fire might have been as follows:

<table>
<thead>
<tr>
<th>Worker</th>
<th>Behaviour</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Informed his supervisor</td>
<td>3</td>
</tr>
<tr>
<td>B.</td>
<td>Used fore fighting equipment</td>
<td>5</td>
</tr>
<tr>
<td>C.</td>
<td>Rang up the fire equipment</td>
<td>4</td>
</tr>
<tr>
<td>D.</td>
<td>became anxious of loss</td>
<td>2</td>
</tr>
<tr>
<td>E.</td>
<td>Ran away from the place</td>
<td>1</td>
</tr>
</tbody>
</table>
Scores are assigned according to the extent to which the behaviour was considered satisfactory. The method has the advantage that ratings are based on concrete evidence. The behaviour patterns indicate traits like judgment, initiative, loyalty, presence of mind, etc. The main problem with this method is that the critical incidents happen so infrequently that there is no continuity in appraisals. If the critical event does not occur, it will be difficult to rate an employee. Moreover, it may be difficult for a supervisor to decide what the critical incident is. Human bias may be involved in recording the critical incident.

5.16.2 Evaluation criteria used in banks

Banks evaluate the performance of their employees on the basis of the following criteria:

1. Amount of deposits mobilized.
2. Deployment of credit to different sectors.
3. Recovery of advances.
4. Foreign exchange business earned.
5. Balancing of account books
6. Submission of control returns in time.
7. Audit efficiency
8. Control of overtime expenditure
9. Redressed of customer complaints. Control of sticky accounts
10. Control of sticky accounts.
11. Maintenance of cordial employee relations
12. Decision making skills
13. Correspondence skills
14. Project appraisal skills
15. Public image of the branch

Advantages: Appraisal by results has the following merits:

1. The judgment and bias of the rater are eliminated because appraisal is based on clear and time bound objectives.

2. This approach leads to greater satisfaction, more agreement, greater comfort and less tension and hostility among employees. The supervisor plays the role of helper and adviser rather performance will be measured. It is a more operational system.

3. This system facilitates self-appraisal. The subordinates know their goals and the standards by which their performance will be measured. It is a more operational system.

4. This is a problem solving rather that a tell and sell approach. The focus is on training and development of subordinates. Appraisal is only last step in the whole process.

5. Fixation of goals through mutual consultation between superior and subordinate leads to more realistic standards and improves the motivation of sub units to achieve them.

5.15.1 Performance appraisal system in Urban Co-operative Banks

Every bank has a system of appraisal made once in a year for the period commencing from April of any year to March of the succeeding year in the manner indicated in the guidelines. In 60.00 per cent of the Cubs uses the confidential reports as a system for performance appraisal and 40.00 per cent of the banks uses other methods as employee ranking graphic rating scale for performance appraisal.
5.16 Discipline

Discipline implies orderliness or the opposite of confusion and chaos. According to Dr Sprigel, “discipline is the force that prompts an individual or group to observe certain rules, regulations and procedures that are deemed necessary to the attainment of objectives. It is the force or the fear of a force that restrains individuals or group from doing things that are deemed destructive of group objectives”. Thus, discipline is related to individual or group. Discipline may be positive or negative. Positive discipline or self-discipline prevails when employees willingly follow the established rules and regulations. It originates from the inner self of a person. It is a natural state of mind of an individual or group to do the right things at the right time. Negative discipline implies that employees follow the rules and regulations to avoid the penalties for violations of rules and regulations. Positive discipline is always preferable to negative discipline. Punishment should be used only when all the advisory and persuasive efforts fail to maintain discipline. "While observance of stricter discipline both on the part of labour and management is a matter which cannot be imposed by legislation, it has to be achieved by organisation of employees and workers by of rank indiscipline require to be brought of.

Discipline is essential in all walks of human life. Banking being a service industry, discipline among bank staff is all the more important. Disciplined staff can provide better customer service. In a absence of discipline, productivity and profitability of banking industry can not be high. Disciplined staff can enhance the image of a bank and the bank can attract more customers. Without discipline no bank can achieve its targets or objectives.

5.16.1 Causes of indiscipline in banks

Since nationalization of banks, bank employees have become indifferent and careless. Main reasons for growing indiscipline in banks are as follows:
1. **Non placement of right person on the right job**

   Since nationalization people with higher qualifications have joined banks and they are very sensitive towards the work situation. When jobs suited to their qualifications, training and experience are not allocated to them, they get frustrated and such frustration leads to indiscipline.

2. **Undesirable behaviour of officers and executives:**

   There are some officers who expect third subordinates to follow particular patterns of behaviour. This leads to infringement of rules.

3. **Faulty evaluation of work:**

   Nepotism and favoritism the performance evaluation of employees breeds indiscipline in banks.

4. **Incompetent and weak leadership:**

   A manager who shirks his responsibility or distrusts his subordinates causes indiscipline. A bank manager has to be himself disciplined in order to maintain discipline amongst his subordinates.

5. **Untrained supervisors:**

   Many supervisors are lacking in to skills of motivations, team work, grievance redressed. Some of them cannot impart proper instructions to their subordinates. Supervisors who are in the habit of criticizing frequently on minor points pave the way for indiscipline amongst his subordinates.

6. **Lack of upward communication:**

   When employees are not given the opportunity to convey their grievances, feelings and reactions to higher authorities, indiscipline arises. In some cases employees are not provided feedback on their performance.
7. **Errors of judgment:**

When officers and managers commit errors in their decisions concerning promotion, transfer, etc. employees may violate rules and regulations.

8. **Lack of amenities:**

Absence of proper working conditions and amenities for daily work is also a cause of indiscipline.

9. ** Discrimination:**

When employees are discriminated on the basis of caste, sex, language, region, etc. indiscipline may arise.

10. **Multiplicity or rules:**

Complex and rapidly changing rules and regulations may confuse employees leading to unintended violations.

11. **Militant trade unions:**

Growing unionization of workers in banks has become a major cause of indiscipline. Unions protect their guilty members through pressure and protective labour legislation. Managers seek short-term solutions and ignore indiscipline to buy pace.

12. **Lack of responsibility:**

The responsibility of a bank employee is not clearly defined. As a result there is disobedience and indiscipline.

13. **Ineffective disciplinary proceedings:**

The prevailing disciplinary proceedings in banks are not effective enough to curb indiscipline.
5.16.2 Measures for improving discipline

The following steps may be taken to maintain discipline in banks:

I. Human relations method:

This method is based on the assumption that indiscipline way of life is not the normal behaviour of human beings. People in general are honest, sincere and loyal. They violate rules and regulations due to certain abnormal factors. It is therefore necessary to identify and analyze the factors that have prompted an employee to defy the authority and to adopt abnormal behaviour. Bank management has to take appropriate corrective steps to avoid indiscipline.

II. Human resources method:

Unlike physical resources, human resources can think, react, create and communicate. Banks spend huge amounts of money on the training and development of human resources so that they may do their jobs efficiently and effectively. In order to make optimum use of human resources, bank management should provide proper guidance and leadership. Effective leadership will remove negative attitudes, which cause indiscipline. Upward communication should be encouraged to improve mutual trust and understanding.

III. Superiors' behaviour method:

Employees at lower levels emulate the behaviour of their bosses. Therefore, bank officers and managers should set examples by strictly observing the norms of discipline. When they scrupulously observe the rules and regulations in performing their duties, employees will follow suit. For instance, a branch manager who expects his staff to come in time must himself be punctual. Management style should be such that it creates both competition and competence.
IV. Leadership method:

Authority is meaningless unless one is able to exercise it effectively. Bank mangers are often unable to enforce their authority door to resistance from bank staff and their unions. Therefore, they should drive their authority from the willing consent of their subordinates. Managers having leadership skills can earn this authority and thereby enforce rules and regulations.

V. Legal method:

This method should be used when all other methods have failed to curb indiscipline. Under it punitive measures are used whenever rules and regulations are violated. Such primitive measures may be necessary to deal with incorrigible cases. However, discipliner Acton should be initiated in an unbiased manner. Bank management should deal with the unions with sincerity and firmness.

5.16.3 Principles of disciplines

Whole formulating principle for maintaining discipline, bank managers should keep in mind the following guidelines:

1. Efforts should always be made to adopt the policy of positive discipline rather than negative discipline.

2. A code of conduct in the form of a handbook should be prepared and distributed among the employees also that they may consult it from time to time.

3. Rules and regulations should be formed in consultation with employee unions.

4. The rules of discipline should be flexible.

5. All rules and regulations should be enforced uniformly and objectively.
6. Penalties for violation of rules should be notified to the employees well in advance so that they know and understand these penalties.

7. Managers should discourage any tendency to ignore the rules of discipline.

8. In order to avoid any unilateral or discriminatory action against the employees, provision for appeal should be unbiased and non-discriminatory.

9. Disciplinary action should be unbiased and non-discriminatory.

10. All rules and regulations should be reviewed and revised at regular intervals of time.

5.16.4 Misconduct

Any of the following acts and commission on the part of an employee shall amount to misconduct in Urban Co-operative Banks.

1. Willful insubordination or disobedience, whether or not in combination with another, of any lawful and reasonable order of a superior.

2. Going on an illegal strike or abetting, incepting, instigating or acting in furtherance thereof.

3. Willful solbing doing in performance of work or abatement or instigation thereof.

4. Attempting or committing of theft, fraud or dishonest in connection with the business or property or affaires of the bank or its customers.

5. Failure to account for or delivered, when they come into his hand or concealment, misappropriation or conversion of cash,
securities, bonds, deed or other property of the bank or its customers.

6. Giving or taking or attempting to give or take a bribe or illegal gratification to or from customer or an employee of the bank.

7. Habitual absence without leave or absence without leaves for more than 5 consecutive days.

8. Habitual late attendance or late attendance for more than 3 occasions in a month.

9. Habitual absence from his headquarter on Sunday. Weekly holidays and public holidays.

10. Habitual departure before the closure on more than 3 occasions in a month.

11. Repeated breach of any law applicable to the bank or any rules made thereunder or studding orders.

12. Attempting to collect or collecting without the permission of the bank, except in so are as permissible under prevalent law.

13. Speculation in stocks, shares securities or any commodity whether on his account or that of any other person.

14. Engaging in any trade, business or occupation within or outside the premises of the bank.

15. Doing any act or engaging in any business prejudicial to the interest of the bank.

16. Drunkenness or riotous, disorderly or indecent, behaviour on the premises of the bank or of its officer or on duty otherwise.
17. Commission of any act, subversive of discipline on the premises of the bank or in connection with the working of the bank within the premises of the bank.

18. Habitual neglect of work or gross negligence in work.

19. Unauthorised disclosure or divulgence or attempt thee to of information regarding the affairs of the bank or any of its customers or any person connected with the business of the bank which may come into the possession or knowledge the employee in the course of his employment.

20. Wilful damage to any property of the bank or its customers.

21. Holding or attempting to hold or attending meeting in the premises of the bank without the previous permission of the C.E.O.

22. Gambling or betting or attempting to gamble or bet in the premises of the bank.

23. Failure or refusal to wear uniform of the bank.

24. Failing to maintain cleanliness of person and dress.

25. Sleeping during office hours or working hours or during the period of assigned duty.

26. Loitering, idling or wasting time during working hours or within the bank, after authorized hours of work without permission or without sufficient cause.

27. Doing private or personal work within the bank with or without tools or materials belonging to the bank without previous permission of the C.E.O.

28. Engaging in other employment while in service of the bank.
29. Refusal to accept a charge sheet, order, notice or other communication attempted to be served in accordance with Standing Orders.

30. Knowingly or wrongfully interfering with the record of attendance or means of recording attendance of himself or any employee.

31. Distributing, exhibiting within the bank and bills, pamphlets, posters or causing to be displayed by means of sings or writings or other visible representations any matter without previous sanction of C.E.O.

32. Claiming or attempting to claim false money by way of expenses incurred by employee in connection with the work entrusted to him or in the course of his routine work including expenses in connection with transfer, touring journey undertaken in connection with bank's work.

33. Resorting to or abetting instigating or otherwise canvassing for a pen-down strike.

34. Preaching of inciting to violence.

35. Habitual money lending.

36. Giving false information regarding one's name, age, father's name, qualification or previous services of the time of employment.

37. Leaving work without permission or sufficient reasons.

38. Commission of any act subversive of discipline of the make premises or while on duty or otherwise.

39. Causing loss in daily business transaction of the bank due to negligence.
40. Destroy or attempt to destroy official record or to manipulate the record against the interest of the bank or customer or to take ledgers and other important records, outside the premises of the bank and or its office.

41. Using bank’s property for private purpose without permission from the competent authority.

42. Not to convey in time to registered office (Head-office) regarding incidents detrimental to the interest of the bank or to customer of the bank.

43. Taking part in political activities of any sort.

44. Canvassing or supporting candidature if any person in bank’s election either in premises or outside.

5.16.5 Punishment for Misconduct in Urban Co-Operative Banks

An employee on being found guilty of one more acts of misconduct may be warded any of the following punishments, depending upon the gravity of the misconduct and the past record of the delinquent employee shall also be considered in warding such punishments.

i) Stoppage of one or more increments with or without cumulative effect.

ii) Reduction to a lower stage in his scale of pay for not more than one year.

iii) Debarring from promotion for not more than three years.

iv) Demotion to a lower post for not more than three.

v) Discharge.

vi) Dismissal.
5.17 Grievance

An organisation, as Barnard has pointed out, is a form of co-operative system. The maintenance of co-operation, it is generally agreed, is a major task of management. On the other hand, conflict is an inevitable part of human nature. An individual cannot rise above conflict. He can merely respond to it in varying ways. The management, therefore, develops many upward channels of communication to know about these responses. One such channel is grievance procedure. It is perhaps the most significant means of discovering and resolving an individual’s conflict. But it is not always an individual who is in conflict with something about the organisation. At time the organisation may also be in conflict with something about the individual. The organisation expresses its conflict in the, from of disciplinary action. Thus, both grievance and disciplinary action are manifestations of conflict though by different parties—in one case it is the individual, in the other the organisation. They are like two sides of a coin—one side depicting the dissatisfaction of the employee and the other depicting the dissatisfaction of the employer. The first part of this chapter deals with grievances and they’re redressed; in the second part are given the nature and kinds of disciplinary action.

5.17.1 Grievance Procedure

A grievance procedure is a graduated series of steps arranged in a hierarchy of increasing complexity and involvement. The numbers of steps in a grievance procedure vary with the size of organisation. A small organisation may have only two steps—the supervisor and the manager—but a big organisation may have as many as ten steps. The first and the last steps are almost always the same for all organisations. Though a labour union is not essential to the establishment and operation of a grievance procedure, one is assumed in the schematic diagram of a four-step grievance procedure, which is shown below.
A four-step grievance procedure

As is shown in the above diagram, the frontline supervisor is always accorded the first opportunity to handle grievances. He is the first rung of the ladder. If the concern is unionized, a representative of the union may also join him. This step is very necessary to preserve the authority of the supervisor because many of them involve issues or policies, which are beyond the limits of his authority. There may be some grievances, which he may fail to redress and find solutions for. Hence provision is made for a second step in handling grievances. This second step may be the personnel officer himself or some
middle-level line executive. If the concern is unionized, some higher personnel in the union hierarchy may join him. It should, however, be remembered that by injecting the personnel officer into the procedure at this step and by giving him authority to overrule and reverse the decision of the supervisor the fundamental principle of line and staff relationship is violated. A third step is constituted by the top management to handle grievance involving company-wide issues. In this step the top union representatives join. The redressed of grievances becomes complex and difficult because by now they acquire political hues and colours.

5.17.2 Handling Grievances

Grievances are a natural phenomenon and arise in every work place. These are the result of self-consciousness on the part of employees who want to protect their interests. Unless the employees are given the opportunity to ventilate their grievances and the grievances are redressed efficiently and promptly, there may be frustration, low morale, labour absenteeism and turnover in the organisation. Effective grievance redressed is therefore essential for maintaining sound industrial relations.

Grievances is a formal complaint or representation by some employees or group of employees arising out of employment. It has been defined as "any of anything connected with the company that employee thins, believes or even feels it is unfair, unjust or inequitable".

In banks, grievances arise due to several reasons e.g. indifferent attitude of management, intrusion rivalry, lack of sound interpersonal relations, delay in solving minor problems, absence of infrastructural facilities at the place or work lack of knowledge about personnel policies, lack of employee consoling, etc.
5.17.3 Types of grievances in a bank / branch

Grievances of bank employees generally relate to the following:

1. Nonpayment of various class of employees in time, e.g. medical, T.A. bills, overtime etc.
2. Improper allotment of work or assignment of duties.
3. Bad working conditions and lack of physical facilities in the office.
4. Transfer and positing of various categories of staff.
5. Effective promotion policy.
6. Increase in workload due to shortage of staff or increase in number of transactions.
7. Inefficient / non co-operative managers and officers.
8. Ambiguity in rules and conditions of service
9. Refusal of leave or favoritism in sanctioning leave,
10. Differences or disputes with the bank's customer.

5.17.5 Grievance redressal system in Urban Co-operative Banks

The UCBs did not have effective grievance redressed procedure. In the absence of any defined procedure, it was observed that employee with grievances approached their immediate superior for redresses. Most of the grievances of the employees were in connection with the salary, promotion, transfer, working conditions and welfare measures.

5.17.6 Procedure for Redressal of Grievances in Urban Co-operative Banks

Any employee desirous of the redress of a grievance arising out of his employment or relating to unfair treatment or wrongful exaction on the part of a
superior, shall submit a complaint to the Chief Executive officer or any officer appointed by the C.E.O. in this behalf.

An appeal against any punishment shall lie before the Board of Directors, provided that a complaint relating to assault or abuse by any person holding a supervisory position or refusal of an application of urgent leave shall be enquired into immediately by the C.E.O. or such officer as he may appoint in this behalf.

The number of sample employees their grievances to their higher authorities is shown in the table (5.14)

### TABLE 5.14

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Details</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Officer (%)</td>
</tr>
<tr>
<td>1</td>
<td>Expressed the grievances</td>
<td>12 (42.85)</td>
</tr>
<tr>
<td>2</td>
<td>Did not express the grievance.</td>
<td>16 (57.15)</td>
</tr>
<tr>
<td>3</td>
<td>No Response</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>28 (100)</td>
</tr>
</tbody>
</table>

Source: field survey

Figures in bracket indicate percentage to total.

Table 5.14 shows as much as 43.68 per cent of the employees reported that they expressed their grievances. On the hand 42.72 per cent of them never expressed any grievances to the higher authorities. And 13.60 per cent of employees have not given the any response. This suggests that near about 43.68 percent the same number of employed express, and 42.72 percent doesn't expressed the grievance to the authority. Thus in Urban Co-operative Banks under study have the half of the employees don't express the their dissatisfaction in any matter.
5.18 Employee's Union- Management Relationships.

Closely related with the problems of grievance redressal is the maintenance of healthy relationships between the employees? Union and the Management of an organisation. An employees union is an organisation of workers form to promote, protect and improve through collective actions, the social, economic and political interest of its members. The dominant interest with which the union is concerned is economic, in which demands for improved wages, hours, hours of work and working conditions being foremost.26

There may be numerous causes for the strained relationship between the employees union and the management. As far as co-operative enterprises or concerned, they uphold many social values such as eliminating exploitation, establishing social harmony between various sections of society. These tasks can be accomplished only when cordial and healthy relationship exists between co-operatives and their employees.

TABLE 5.15
MEMBER OF EMPLOYEES UNION

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Member of Employees Union</th>
<th>Officer</th>
<th>Clerk</th>
<th>Sub-staff</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>10</td>
<td>20</td>
<td>09</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(35.71)</td>
<td>(37.03)</td>
<td>(42.86)</td>
<td>(37.86)</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>18</td>
<td>37</td>
<td>10</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(64.29)</td>
<td>(62.97)</td>
<td>(47.62)</td>
<td>(60.20)</td>
</tr>
<tr>
<td>3</td>
<td>No Response</td>
<td>—</td>
<td>—</td>
<td>02</td>
<td>02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
<td>(09.52)</td>
<td>(01.94)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>28</td>
<td>54</td>
<td>21</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
</tbody>
</table>

Source: field survey
Figures in bracket indicate percentage to total.

It is significant to note that majority of the employees had not become the members in any one of the unions. 60.20 percent of the respondents had no membership of the union and only 34.86 percent of the employees had became the members of the union (table 5.15). It was observed that generally 60.20 percent of the Urban Co-operative Banks don't have the union in their
banks, due to small strength of the staff. Only two Urban Co-operative banks i.e. BMSB Ltd., NMCB Ltd., Nanded have the union.

The relationship between the employer and the employees is affected not only due to the dissatisfaction of the employees but also due to the dissatisfaction of the management with the employee's performance. The dichotomy of interests between the management and employees may lead to the problem of unemployment, retrenchment, lockout and layoff for employees and higher labour turnover, absenteeism, stoppage of production, financial constraints, low productivity of laborers, dissatisfaction among the customers etc. Therefore, the interests of the employer and employees should be bridged towards common objectives of developing satisfied and satisfactory employees by creating a congenial atmosphere for both employer and employees by means of negotiations and mutual trusts.
REFERENCE


2. Ibid p.113


8. Ibid—7.4


12. Gupta C. B- op. cit. p-7.73.
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16. Ibid. p- 254.
17. Ibid. p-258.
18. Ibid. p-261
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23. Quoted from C. B. Gupta, op.cit p. 7.20 ,
24. Tripathi P.C.: (1978) "Personnel Management (Theory and practice)”, Sultan Chand & Sons, New Delhi. p-
25. C.B. Gupta: op.cit. p-7.32