CHAPTER VII

CONCLUSION AND SUGGESTIONS

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Chapter-VII

CONCLUSIONS AND SUGGESTIONS

The conclusions that emerged from the study are presented hereunder.

The Urban Co-operative Banks at district level could be well compared with the Commercial Banks branches in respect of their business operations as both of them mobilise deposits, advance loans, extend banking services to their clients. However, they differ in their business philosophy and objectives. As such the employees of urban co-operative banks have to be competitive in their working coupled with ideological commitment.

7.1 Fulfillment of the Objectives of the Study

From the discussion in the chapters I to VI it can be seen that

1. The researcher has given the organisational set up for personnel management functions in the Urban Co-operative Banks.

2. The researcher has reviewed the personnel policies and practices relating to various functions in the area of personnel management such as manpower planning, selection and recruitment, training, promotion, transfer, salary administration, performance appraisal, grievances redressal, and employee relations prevailing in the Urban Co-operative Banks.

3. The researcher has given the socio-economic background of the employees.

4. The researcher has given the exact areas in the field of customer service, warranting improvement in systems and procedures and obtained the data on the quality of customer service in Urban Co-operative Banks.

5. The researcher has given the problems faced in implementing the personnel policies by Urban Co-operative Banks.
6. The researcher has suggested suitable measures for improving personnel management in Urban Co-operative Banks.

7.2. Conclusions

7.2.1 Working Profile of the Urban Co-operative Banks.

1. The period of existence of Urban Co-operative Banks spans to 100 years, from the enactment of Co-operative Credit Societies Act, 1904 in India.

2. In Nanded District The Nanded Merchants Co-operative Bank Ltd. is in existence from last four decades i.e. 40 years, and The Bhagyalaxmi Mahila Sahakari Bank Ltd. is in existence from 20 years, and other UCBs are one decade old.

3. As on 31st March 2003 there are 2104 UCBs in India, among them 490 UCBs are in Maharashtra.

4. In Maharashtra there is an increase of overall working of UCBs of the period under study. Number of UCBs increased by 61, Members by 1047310, Paid up Share Capital by Rs. 61154 lakhs, Deposits by Rs. 2757258 and Advances by Rs. 1573089.

5. There is an increase of 22040 members within a span of 5 years (2000-2004) by the UCBs in Nanded District.

6. During the period between 1999-2000 to 2003-2004 Deposits increased by 147 percent; Advances by 114 percent. The increase in deposits & advances is a healthy trend, which has been achieved by branch expansion and introduction of various attractive deposit schemes.

7. Researcher has calculated correlation coefficient (r) to know the relationship between deposits and advances. The value of r between deposits and advances has been found to be 0.84, which signifies a
very high degree of positive correlation between deposits and advances. It is concluded that increasing trend in respect of advances is positively connected with the growth of deposits.

8. There had been a substantial increase in the total capital of UCBs during the period under study and the growth of deposits was largely responsible for this increase.

9. The aggregate amount of loans and advances issued by UCBs had increased from Rs. 4139 lakhs in 1999-2000 to Rs. 15337 lakhs in 2003-2004. In a short span of 5 years, the loans and advances made by the banks had doubled, indicating a high growth potential.

10. The employees' strength had increased by 15 percent (i.e from 357 in 1999-2000 to 412 in 2003-2004). In two UCBs there are more than 100 employees and in eight UCBs the employees' strength was below 50.

11. The share of women workforce to the total workforce of the UCBs is 24 percent. The lower share of women employees in the total employees of Urban Co-operative Banks in Nanded district might be due to lack of trained women in the field of co-operation and attitude of the management towards employing women.

12. There is a considerable amount of branch expansion by the Urban Co-operative Banks.

13. There is an increase in total overdue position of Urban Co-operative Banks by 25 percent (i.e. total overdue position is 45.82% in 1999-2000 and it is 71.27% in 2003-2004). There is an urgent need to undertake various measures for collection of overdue of Urban Co-operative Banks.

14. There is a substantial improvement in the volume of business of the Urban Co-operative Banks. There is an increase of 132 percent in total volume of business during the period from 1999-2000 to 2003-2004.
On the other hand there is an increase of 140 percent in average volume of business per employee during the period (i.e from Rs. 44.24 lakhs per employee to Rs. 106.40 lakhs per employee), this suggests that Urban Co-operative Banks has increased considerably regarding volume of business.

15. The average amount of net profit earned per bank has increased from Rs. 10.08 lakhs in 1999-2000 to Rs. 38.71 lakhs in 2003-2004. It suggests that there is an increase in net profit per bank by 284 percent.

16. Nine Urban Co-operative Banks has achieved 'A' class status and only one bank has achieved 'B' status of the audit class, which indicates a qualitative improvement in the performance of the Urban Co-operative Banks.

7.2.2. Employees' Profile

1. Majority of the employees (54.37 percent) were in the age group 31 to 40 years. It is significant that eight Urban Co-operative Banks are in existence from last 10 years and due to the recent recruitment by the Urban Co-operative Banks under study.

2. Majority of the employees under study were married (88.35 percent).

3. Most of the sample employees in the banks under study were Hindus (84.60 percent) and other employees belong to Buddhist. Muslims and Christians are not adequately represented among the employees of Urban Co-operative Banks.

4. About 67.96 percent of the respondents are locals belonging to the respective urban area in which their banks are located. Thus, there seemed to be a strong preference for the candidates of urban areas in recruitment in Urban Co-operative Banks.

5. The educational standards of the employees of Urban Co-operative Banks are lower than that prevailing in Commercial Banks. The 47.57
percent of employees are graduates and only 19.42 percent are post-
graduates.

6. Majority of the employees lived in their own house (57.28 percent), the
Urban Co-operative Banks are don't have the bank quarters for their employees.

7. Majority of the employees has 3 to 5 dependents (i.e. 64.07 percent) officers has marginally less number of dependents as compared to clerical cadre employees.

8. Majority of the employees' total family income is in the range of Rs. 5000 to 10000. Monthly household income of 35.71 percent of officers are more than Rs. 10000/-, whereas only 11.12 percent among the clerks belongs to this category. This reveals that officers has larger household income than clerical cadre employees.

9. In respect of 47.58 percent of the employees has long tenure of experience in the bank, and among the total employees clerical cadre it is longer.

7.2.3 Personnel Department

1. None of the Urban Co-operative Banks under study has a separate personnel department. However, the establishment section at head office carries out personnel functions, which is a part of the Administrative Wing of the Bank, headed by the Chief Executive Officer.

7.2.4 Personnel Policy

1. The Chief Executive Officer has only advisory role in framing the personnel policy and he serves as communication link with the employees of the bank.
2. There is very little scope for the individual banks and their top management to formulate personnel policy as the Registrar's Circular and Act and Rules and Special By-Laws take care of every aspect of personnel management.

7.2.5 Manpower planning

1. In Urban Co-operative Banks, scientific manpower planning is not followed.

7.2.6 Recruitment and selection

1. Recruitment through advertisement and casual application is the principal source of recruitment in the Urban Co-operative Banks. As 46.60 percent of the sample employees are recruited through advertisement while 19.42 percent employees from casual application, 17.48 percent are recruited through Employment Exchange.

2. Sincere efforts are not taken to fill-up the vacancies reserved for scheduled castes and scheduled tribes. As a result, the Urban Co-operative Banks failed to fulfil the social obligations in this regard.

3. The qualifications prescribed are not strictly followed in respect of the employees of the banks and as such many are holding various categories of posts without the qualifications prescribed for the post.

4. Since there is no increase in staff strength commensurating with the increase in business of the Urban Co-operative Banks, the employees has to undergo hardship in the form of heavy work load. Barring a few cases in some Urban Co-operative Banks, generally there has no recruitment of the employees. This is a serious lacuna in the personnel management of Urban Co-operative Banks.

5. In Urban Co-operative Banks the selection criteria as perceived by the employees is educational qualification (i.e. 50.49 percent).
6. 67.96 percent of the sample employees are satisfied with the recruitment and selection procedures followed by the banks.

7. Majority of the sample employees, both officers and clerks expressed their opinion in favour of reservation of vacancies for scheduled castes and scheduled tribes and backward classes. However, there was a difference in perception between the officers and clerks as regards the reservation policy of the banks, as there were numerous supports for such a policy among the later than among the former.

8. The respondents who are given suggestions are of the pinion that recruitment and selection should be made through employment exchange, and by means of standardised procedure and talent test for the vacancies in the banks without any influence or interference.

9. There is no uniformity selection criteria in UCBs employees who are selected on the basis of work-experience, expects the higher salary like wise higher educational qualification, candidates also expects high salary, as per their experience and qualification. The researcher tried to find out the relation between the selection criteria (i.e. qualification, work experience, reservation etc.) and employees satisfaction with salary structure.

10. The researcher has calculated the value of chi-square, the value of $x^2$ works out to 16.18 for 6 d.f. as against the table value of 12.60 at 5 per cent level. This means that there is association of between the level of satisfaction of the employees with the selection criteria.

7.2.7 Training

1. 71.85 percent of respondents received post-recruitment training in various co-operative training institutes & at head office of the Urban Co-operative Banks.
2. There is a lack of planning in manpower training in the banks. Training needs are determined just to satisfy the Registrar of Co-operative Societies and Co-operative Training Institutions. This often led to the last minute decision to depute the employees without ascertaining their interest in and aptitude for training. The evaluation of training is not done. Most of the banks asks the employees to submit report after the completion of training.

3. The Urban Co-operative Banks has given training to their employees in various areas, 33.01 per cent of employees have got the training in computer 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.

4. The use of sophisticated technologies particularly by the foreign banks has sizeable increased the expectations of customers. In the years to come, we expect more sophistication in the information technologies. This is likely to bring about a radical change in the customer services by the banking industry in an age of electronic banking, the manually operated urban co-operative banks would find it difficult to service sophisticated technologies, not doubt, inject life and strength to our efficiency but the instrumentality of sophisticated technologies start turning sour if the human resources are not managed in a right fashion we can't deny the fact that if foreign banks/public sector banking, are performing fantastically, it is not only due to the sophisticated information technologies they use but the result of a fair synchronization of new information technologies would hardly produce the described results. In addition to the professional excellence, the employees working in the urban co-operative banks are generally not value based. Thus we accept the fact that generation of efficiency is substantially influenced by the quality of human resources and good
customer services. Only 2.91 employees got training about Human Relations in Urban Co-operative Banks.

Many of the branch managers of the banks agree that the employees of the branch count much of them as they constituents. This signifies the problem of staff relations in the UCBs, which have been causing a great deal of concern to the bank management.

However, majority of the employees (82.44 percent) felt that their work was improved after training given to them.

### 7.2.8 Promotion

1. Only 13.65 percent of respondents are promoted on the basis of seniority cum merit.

2. Majorities of the employees are not promoted (72.82 percent) during their entire service period and the same percent of employees are not aware of the norms of promotion followed by the Urban Co-operative Banks.

### 7.2.9 Transfer

1. Bank's need is the main factor leading to transfer of employees in all Urban Co-operative Banks. However, in the perception of the respondents, the transfer at the employees' request is fewer compared to those transfers made to meet bank's need.

2. Regarding to the number of transfers, majority of the employees (40.78) are transferred 1 to 3 times in their service period and 36.89 percent of employees are never transferred in their service period to various branches, however there is regular transfers within the bank from one department to another department.
3. Those who are transfereed has suggested that transfer may be made only after completion of a minimum period of service in a particular place.

7.2.10 Salary Administration

1. There is no uniformity in pay scales and other allowances despite the similar nature of work of the employees in the Urban Co-operative Banks.

2. There has been a vast difference in the minimum and maximum basic pays in the pay scales of the employees of different banks.

3. Each bank followed its own basic pay and no two banks has same pay comparable cadres. This kind of disparity in pay scales among Urban Co-operative Banks is not conformity with the rationality and equitableness in the pay and would adversely affect the morale of the employees of Urban Co-operative Banks.

4. Only three Urban Co-operative Banks i.e. The Bhagyalaxmi Mahila Sahakari Bank Ltd., The Nanded Merchants Co-operative Bank Ltd. and Jai Shivraje Nagari Sahakari Bank Ltd. are implementing the service rules and other seven Urban Co-operative Banks are not implemented the service rules in their banks, it indicates that the salary structure of the three banks is good as compare to those who are giving the salaries on consolidated basis.

5. All Urban Co-operative Banks are giving the allowances and benefits to their employees.

7.2.11 Welfare measures

1. All the Urban Co-operative Banks are giving welfare measures like; drinking water facilities, free coffee/tea during office hours, consumer loan, festival advance, housing loan. But there are eight banks that are not providing the non-statutory welfare measures.
2. The employees are by and large satisfied about the welfare measures, which confirms the earlier finding that the Urban Co-operative Banks have given adequate attention to the welfare programs for their employees.

7.2.12 Working conditions

1. The existing status of the office premises of the banks barring a few, is a far from satisfactory. In majority of the banks working conditions and environment are not conducive for the employees to work.

7.2.13 Performance appraisal

1. None of the banks has scientific performance appraisal system. The performance of employees is assessed by confidential reports (60.00 percent) and other methods (40.00 percent).

2. Majority of the employees both officers and clerks expressed their satisfaction with the existing appraisal.

7.2.14 Employees Discipline

1. The disciplinary procedures adopted by the Urban Co-operative Banks are neither uniform nor in consonance with the procedure as applicable to industrial employees even though the employees of Urban Co-operative Banks are entitled to the provisions of Industrial Disputes Act and various labour legislations.

2. The authority competent to impose various penalties generally rested with the Chief Executive Officer.

3. The principal punishment is withholding one or more increment.

7.2.15 Grievance Redressal

1. The banks are not having effective grievance redressal system. The board of directors is the competent authority to redress the grievances
of the employees relating to salary, promotion, transfer, working conditions and welfare measures.

2. Majority of the employees' (43.68) expressed their grievance to the authority regarding dissatisfaction with management for various problems related to their work or any of the above discussed matters.

3. Most of the employees who expressed their grievance are dissatisfied with the action taken by the higher authority for the redressal of their grievance.

4. Majority of the employees are not the members of union (60.20 percent). Only 37.86 percent of employees are the members of the union in Urban Co-operative Banks.

5. And the employees' union is not playing a vital role in redressal of employees' grievances in the banks. This is due to the small number of staff in eight Urban Co-operative Banks for which there is no union in the bank and two banks are having the unions.

7.2.16 Employees' Union – Management Relations.

1. The relationship between the employee's union and the management of the bank is cordial as only two banks have union.

2. Strikes and other forms of agitation's are not occur in the Urban Co-operative Banks, on such occasions the method of resolving disputes is efficient and timely.

7.2.17 Customer Service.

1. The Urban Co-operative Bank customers are constituted of various occupations, majority of the customers are businessmen.

2. Majority of customers (47.00 percent) complained about the bank services is about the delay in service.
3. Majority of the customers who complained (56.00 percent) about the services, attitude and behaviour of the employees to the higher authority, the complains are considered by the officers but not solved.

4. Majority of the customers (89.00 percent) is of the view that the services of the bank are improved after computerisation and mechanisation of the Urban Co-operative Banks.

7.2.18 Job satisfaction

1. Chi-square test was applied in order to ascertain any possible association between family income and employee satisfaction with salary structure. The value of $x^2$ is 39.52 for 6 d.f. while the value at 5 percent level is 12.60, calculated value is greater than table value. The test is proved to be significant. It is concluded that two variables namely, the family income and the level of satisfaction with the salary structure were positively associated.

3. The test also applied to know the relation between selection criteria and satisfaction of employees with salary structure. The value of $x^2$ works out to 16.18 for 6 d.f. as against the table value of 12.60 at 5 percent level. It concluded that there is relation between selection criteria and satisfaction of employees with salary structure

7.3 Testing of Hypothesis.

7.3.1 Recruitment and selection

1. Recruitment through advertisement and casual application is the principal source of recruitment in the Urban Co-operative Banks. As 46.60 percent of the sample employees are recruited through advertisement while 19.42 percent employees from causal application, 17.48 percent are recruited through Employment Exchange.
2. Sincere efforts are not taken to fill-up the vacancies reserved for scheduled castes and scheduled tribes. As a result, the Urban Co-operative Banks failed to fulfil the social obligations in this regard.

3. The qualifications prescribed are not strictly followed in respect of the employees of the banks and as such many are holding various categories of posts without the qualifications prescribed for the post.

4. Since there is no increase in staff strength commensurating with the increase in business of the Urban Co-operative Banks (see table 4.31), the employees has to undergo hardship in the form of heavy workload. Barring a few cases in some Urban Co-operative Banks, generally there has no recruitment of the employees. This is a serious lacuna in the personnel management of Urban Co-operative Banks.

5. In Urban Co-operative Banks the selection criteria as perceived by the employees is educational qualification (i.e. 50.49 percent).

6. 67.96 percent of the sample employees are satisfied with the recruitment and selection procedures followed by the banks.

7. The respondents who are given suggestions are of the opinion that recruitment and selection should be made through employment exchange, and by means of standardised procedure and talent test for the vacancies in the banks without any influence or interference.

8. There is no uniformity selection criteria in UCBs employees who are selected on the basis of work-experience, expects the higher salary like wise higher educational qualification candidates also expects high salary, as per their experience and qualification. The researcher tried to find out the relation between the selection criteria (i.e. qualification, work experience, reservation etc.) and employees satisfaction with salary structure.
9. The researcher has calculated the value of chi-square, the value of $x^2$ works out to 16.18 for 6 d.f. as against the table value of 12.60 at 5 per cent level. This means that there is association of between the level of satisfaction of the employees with the salary structure and selection criteria.

From the above conclusions, the hypothesis holds proved that the method of selection and placement of employees in the Urban Co-operative Banks needs be improved in the light of changing banking scenario.

7.3.2 Training and Development

1. 71.85 percent of respondents received post-recruitment training in various co-operative training institutes & at head office of the Urban Co-operative Banks.

2. There is a lack of planning in manpower training in the banks. Training needs are determined just to satisfy the Registrar of Co-operative Societies and Co-operative Training Institutions. This often led to the last minute decision to depute the employees without ascertaining their interest in and aptitude for training. The evaluation of training is not done. Most of the banks asks the employees to submit report after the completion of training.

3. The Urban Co-operative Banks has given training to their employees in various areas, 33.01 per cent of employees have got the training in computer 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.

4. The use of sophisticated technologies particularly by the foreign banks has sizeable increased the expectations of customers. In the years to come, we expect more sophistication in the information technologies.
This is likely to bring about a radical change in the customer services by the banking industry in an age of electronic banking, the manually operated urban co-operative banks would find it difficult to service sophisticated technologies, not doubt, inject life and strength to our efficiency but the instrumentality of sophisticated technologies start turning sour if the human resources are not managed in a right fashion we can't deny the fact that if foreign banks/public sector banking, are performing fantastically, it is not only due to the sophisticated information technologies they use but the result of a fair synchronization of new information technologies would hardly produce the desired results. In addition to the professional excellence, the employees working in the urban co-operative banks are generally not value based. Thus we accept the fact that generation of efficiency is substantially influenced by the quality of human resources and good customer services. Only 2.91 employees got training about Human Relations in Urban Co-operative Banks

5. Many of the branch managers of the banks agree that the employees of the branch count much of them as they constituents. This signifies the problem of staff relations in the UCBs, which have been causing a great deal of concern to the bank management.

6. However, majority of the employees (82.44 percent) felt that their work was improved after training given to them.

From the above conclusion, the hypothesis holds proved that the scheme of training and development in the Urban Co-operative Banks needs be reformulated in light of changing banking Technologies.
7.3.3 Other personnel policies and practices

7.3.3.1 Promotion

1. Majority of the employees are not promoted (72.82 percent) during their entire service period and the same percent of employees are not aware of the norms of promotion followed by the Urban Co-operative Banks.

7.3.3.2 Transfer

1. Bank's need is the main factor leading to transfer of employees in all Urban Co-operative Banks. However, in the perception of the respondents, the transfer at the employees' request is fewer compared to those transfers made to meet bank's need.

2. Regarding to the number of transfers, majority of the employees (40.78) are transferred 1 to 3 times in their service period and 36.89 percent of employees are never transferred in their service period to various branches, however there is regular transfers within the bank from one department to another department.

7.3.3.3 Salary Administration

1. Each bank followed its own basic pay and no two banks has same pay comparable cadres. This kind of disparity in pay scales among Urban Co-operative Banks is not conformity with the rationality and equitableness in the pay and would adversely affect the morale of the employees of Urban Co-operative Banks.

2. Only three Urban Co-operative Banks i.e The Bhagyalaxmi Mahila Sahakari Bank Ltd., The Nanded Merchants Co-operative Bank Ltd. and Jai Shivrai Nagari Sahakari Bank Ltd. are implementing the service rules and other seven Urban Co-operative Banks are not implemented the service rules in their banks, it indicates that the salary structure of
the three banks is good as compare to those who are giving the salaries on consolidated basis.

3. All Urban Co-operative Banks are giving the allowances and benefits to their employees.

7.3.3.4 Working conditions

1. The existing status of the office premises of the banks barring a few, is a far from satisfactory. In majority of the banks working conditions and environment are not conducive for the employees to work.

7.3.3.5 Performance appraisal

1. None of the banks has scientific performance appraisal system. The performance of employees is assessed by confidential reports (60.00 percent) and other methods (40.00 percent).

From above conclusions, the hypothesis holds proved that the personnel policies with reference to various aspects of personnel management in Urban Co-operative Banks need be streamlined with a view to enhance productivity and efficiency.
7.4 Suggestions

The study has identified the major and important problems of personnel Management in Urban Co-operative Banks in Nanded district has been facing. Their tackling is very much essential for the development of this sector, as well as for the bright future of Urban Co-operative Banks. This has also an impact on social development and the level of social welfare of the country in general and urban rural economy in particular. In this background, this study suggests the following policy implications and remedial measures for the healthy and all-round development of the Urban Co-operative Banks in India.

7.4.1 Personnel Department

In the context of the growing business transactions of the Urban Co-operative Banks, and growing significance of personnel function in these banks, there is an urgent need to create a full-fledged Personnel Department, which may attend to the personnel management functions, execute the personnel policies and exercise overall control over personnel matters. The Personnel Department should be headed by a Personnel Manager (in UCBs where the staff strength is more than 100 employees) who will be a staff specialist and assist the Chief Executive Officer as well as heads of various other departments in the bank. And in the other Urban Co-operative Banks (where staff strength is below 50 employees) the functions and authority should be vested to the CEOs. The post of Personnel Manager should be filled up through direct recruitment from among the candidates with Post-graduates Diploma in Personnel Management/HRM offered by a University or a recognised Institute.

7.4.2 Personnel Policy

Every Urban Co-operative Banks should have a uniform personnel policy. And the special bylaws including the service rules should be updated based on the circulars received from the Registrar of Co-operative Societies.
by making amendments. Further, at the micro-level, each bank should formulate its own personnel policy.

7.4.3 Manpower Planning

The present system of assessing the manpower requirements on the basis of work load and nature of work is not a sound basis. In planning the staff strength, the Urban Co-operative Banks should also forecast the demand and supply positions of employees taking into account the business expansion programmes and business development plan of Urban Co-operative Banks which hereafter will cover the vastly diversified business activities in the post liberalisation period, banking sector reforms. The manpower planning exercise also calls for laying down suitable productivity norms which would help not only to correctly estimate the quantitative requirements in various cadres but also will facilitate at a later for evolving a suitable criteria to judge the performance of the employees.

7.4.4 Recruitment and selection

There is a paramount need to make fresh recruitment, because most of the banks suffer from heavy workload due to increase in the volume of business and shortage of manpower.

The Urban Co-operative Banks should have clearly specified recruitment procedures with a view to ensure that right type of staff with requisite qualifications, background and aptitude are selected. An effective recruitment procedure should also spell out job specifications i.e what a person to be recruited is expected to perform. There should be standardised selection processes like clearly defining the qualifications and experience required, age limits, etc. The interview panel should consist of both inside and outside experts. The recruitment procedure should be such that it should not have any scope for favoritism, nepotism and incompetence in the selection process.
Before the people are actually inducted into the jobs. It would be desirable that they are given brief induction training. This induction training should help the recruits to understand the overall objectives, constitution, bank goals, and functions of various departments in the organisation. In short, they should be provided with a brief overview of the entire gamut of banks.

7.4.5 Placement

While placing people in various positions, the qualifications, aptitude of an employee should be taken into account to the extent possible with a view to ensure that a square peg is not put in a round hole and vice-versa. While ensuring that there is a job rotation, within the limits of such a rotation attempts could also be made to make people specialised in a particular branch of the organisation.

7.4.6 Promotion

The banks should attempt to devise career path for all its employees in various grades. While a minimum service in a particular grade should be prescribed for promotion to a next higher grade it should be ensured that people do not stagnate in a particular position for indefinite periods. Under the study majority of the employees of Urban Co-operative Banks are not promoted, such stagnation will kill the initiative and motivation of the employees and lead to frustration and resentment. The promotion policy should clearly define the attributes required, the results of his performance etc. Persons being promoted to higher cadres should also exhibit qualities of leadership and qualities to function effectively as a member of a team instead of working in isolation. In addition to conceptual and operational skills, the managerial skills of an employee should also be a valid consideration for promotion to higher grades. As far as possible, the people who are being promoted to higher grade should have had a minimum stint of field experience and operations.
While promoting adequate consideration should be given to the contributions made by an employee as reflected in his performance appraisal reports, his knowledge, ability to interact and communicate effectively with people at large as reflected in the interviews (for promotion) may also be taken into account in an agreed proportion. The seniority cum merit for the promotion followed by Urban Co-operative Banks should be decided on the basis of well laid down norms, without giving scope for disputes.

7.4.7 Transfers

A uniform transfer policy applicable to all Urban Co-operative Banks should be framed in consonance with the employees' union or where there is no union, with the consent of the employees.

Using transfers as a disciplinary action should be avoided.

The transfer policies should be objective and transparent. Undue favours and indiscriminate transfers should be avoided. The bank can set for itself a small percentage of the staff who should be transferred at the periodical intervals say yearly. As far as possible, transfer should be made between April and June so that the employees would not be put to inconvenience in getting admissions for their children in schools.

7.4.8 Training

The Urban Co-operative Banks should follow a clear-cut training policy. Training is an important segment of personnel management in any bank.

In fact, there is a growing feeling that many of the training programmes have become routinised activities with little impact on individual development.

One of the formidable tasks faced by Urban Co-operative Banks is to review their training programmes with view to improving their contribution to banking performance. In the first instance, all training programmes ought to
be derived from manpower plans, training technique needs to be given emphasis in order to improve the quality of training.

Effectiveness of training can also be increased by linking it to the policy on placement in order to ensure that bank employees are offered the jobs for which they are trained.

Training programmes of banks should emphasize on Human Relations, Customer Service and other related issues like importance of courtly and promptitude, public relation skills, telephone manners, management of complaints, etc., in addition to imparting job knowledge.

It may be desirable for the large Urban Co-operative Banks to introduce ‘management trainees’ schemes under which the Banks may plan its manpower requirement for the next 5 years and select them in advance by 2 years. They may be directly asked to complete the 2 years P.G.D.B.A. (co-operation) on the successful completion of which who may be absorbed in the regular managerial cadre.

The training needs of the employees should be estimated in advance, and arrangements must be made for providing training in collaboration with training institutes. The banks should make budgetary provision for imparting training to its employees on regular basis.

7.4.9 Wage (Salary) Policy

A uniform wage policy for the Urban Co-operative Banks should be framed in consonance with the employees of the bank and as per the guidelines issued by the Registrar of Co-operative Societies, by this measure, the disparities prevailing among Urban Co-operative Banks in respect of pay scales, allowances, annual increments, incentives, etc., can be eliminated.

7.4.10 Performance Appraisal

There should be a uniform system of performance appraisal system in Urban Co-operative Banks.
The performance appraisal should be multi-purpose and provide information for a variety of purposes such as transfer, promotion, training needs, job placement, job enrichment and enlargement, talent spotting and career planning.

7.4.11 Welfare Measures

As there are variations in the non-statutory welfare measures among the banks, uniform policy in this regard is an essential requirement.

7.4.12 Working Conditions

In some of the Urban Co-operative Banks under study the working conditions are poor. Poor working conditions and poor welfare activities sap the vitality of employees, render them inefficient and make them psychologically unwilling to work. Therefore, the bank management must provide proper ventilation, lighting, etc., to the employees. And steps must be taken to furnish the office premises, and for its maintenance and upkeep.

7.4.13 Grievance Redressal

With a view to maintaining proper morale among the employees, the Urban Co-operative Banks should institute an effective grievance redressal system. Such a system will make it possible for the management to become promptly aware of the grievance of employees, clear misunderstanding, if any, by a mutual dialogue and initiate measures for the quick redressal of their legitimate grievances.

7.4.14 Employer-employees' relation

The management of Urban Co-operative Banks should lay down a policy and approach which will help to build a harmonious relation with trade unions.
7.4.15 Customer Service

The behaviour and attitude of the banking personnel largely influence customer service. The cold indifferent attitude of the personnel has been brought out rather distinctly as major problem, customers like pensioners, businessmen, private employee suffer badly to the cold indifferent attitude of the banking personnel.

It is, therefore, important and emergent to work out ways and means to tackle it effectively. It will be very useful from the customer service angle if banking personnel take interest in the problems of the customers, give personalised service and in general develop cordial relations with them to day customers from all groups look for there matters.

There is the need for respondents-orientation in the customer services, this not only keep pace with the growing requirements but also are geared to progressively bring down the gap one of the major problems of customers is delay in obtaining bank services. Unwanted lengthy and cumbersome procedures could be one of the cause of the delay to cite a few, all counter services to depositors and borrowers, issue and encashment of drafts, bills transactions, processing of loan proposals and specifically, opening of an account require a good deal of attention.

The five elements of good delivery are "Speed, timeliness, Courtesy, Responsiveness, Assurance for discharge of obligations in letter and spirit."

Each branch should undertake a customer relation's programme by meeting customers in a group at least twice a year. This will not lead to the creation of a healthy banker-customer relationship but will also improve the quality of customer services.