Chapter – IV

Human Resource Development and Stress Management: An Overview
Chapter IV

HUMAN RESOURCE DEVELOPMENT AND STRESS MANAGEMENT - AN OVERVIEW

4.1 Introduction

4.2 Human Resource Development
   4.2.1 Historical Background - Genesis and Concept
   4.2.2 Objectives of HRD
   4.2.3 HRD Process and Assessing HRD Needs
   4.2.4 Strategies for HRD

4.3 Human Resource Management
   4.3.1 HRD in Service Sector
   4.3.2 Human Resource Management (HRM) in Regional Rural Banks
   4.3.3 Industrial Relations in Regional Rural Banks

4.4 Stress Management
   4.4.1 Whether Stress is Good or Bad?
   4.4.2 The Human Performance Curve
   4.4.3 Model of Human Stress
   4.4.4 Symptoms of Stress
   4.4.5 Sources of Stress
   4.4.6 Stress as an Opportunity
Chapter IV

HUMAN RESOURCE DEVELOPMENT AND STRESS MANAGEMENT - AN OVERVIEW

"The wind may blow from any direction, but the direction in which you go depends on how you set the sails."

The object of this chapter is to give an overview picture of the human resource development, objectives of HRD, HRD in service sector, HRM in RRBS, Industrial relations in RRBS, Stress management, Symptoms of stress and Sources of stress etc.

4.1 Introduction

Every organisation begins its operations with three major ingredients, viz. 1) Financial Resources, 2) Physical Resources, 3) Human Resources.

Resources are assets and are the factors for producing wealth. Of all the aforesaid factors of production, it is the human resource, which is indisputably the only animate and also the most valuable variable which utilises the other inanimate resources to his advantage for achieving organisation goals. Due to natural wear and tear, physical resources tend to be less productive and may turn out to be a zero-value asset (or scrap) at the end. On the contrary, a slighter carelessness in managing human resources makes them less productive first, then unproductive and then negative-productive asset, by being capable of instigating others also not to work or produce. Thus, a careless handling turns the performing human resources or asset into a non-performing assets first and
subsequently negative-productivity turning to liability later. These unique characteristic of human resources as compared to material resources needs to be carefully kept in mind while recruiting, selecting, orienting, managing and developing human resources of an organisation. An efficient and satisfied work force is the most significant factor in organisational effectiveness and managerial excellence.

Systematic investigations in industrial and service organisation have revealed that though individually Indian work force are as knowledgeable and efficient as their counterparts elsewhere in the world, their collective efforts fall short of corporate expectations. In our human resource, we have still the skills of ‘ARJUNA’, the power of ‘BHIMA’, the sagacity of ‘KRISHNA’, the tolerance of ‘GANDHI’, the vision of ‘NEHRU’. India does not, therefore, suffer from any resource gap, neither technology gap nor planning gap, the real gap, to be precise is the human resource management gap. Proper development and effective utilisation of human resources is at this juncture, the greatest challenge for India. The banks are also not exceptions to the need of human resource management.

4.2 Human Resource Development

4.2.1 Historical Background - Genesis and Concept

Historically the earliest recorded reference to Human Resource Development (HRD) is found in the Bible. In the Central Asia of 1300-1200 B.C., Moses, the Israeli people’s leader-cum-administrator, was advised by his father-in-law, Jethro, “Teach them (the people) the statutes and make them know what they must do... Choose able men, men who are trustworthy and who hate a bribe, and place them over the people as leaders of thousands, of hundreds, of fifties and of ten. And let them judge the people, so it will be easier for you and then you will be
able to endure.” Moses headed the advice and successfully led the Israeli people out of pharaonic captivity to the Promised Land of milk and honey.¹

**Genesis of HRD**

The theme of development of human resources has occurred during different periods at different places. There have been three stages in human resource development (HRD) in history. The first was the ancient stage in which India was the leader. The second was the medieval stage when human development failed to cope with the faster development of material world. The third stage is modern but until India became free, human factor was neither recognised as a resource nor as a power. It was only after independence that our leaders talked of national development by building a cohesive human system. Some futurologists consider a change in industrial culture scenario of the 21st century in favour of human resources rather than material resources.

**Concept of HRD**

HRD is a multi-disciplinary concept. Different authors have defined it from different angles. Economists described it from economic angles of capital asset, labour, skill and wages. They viewed human resource as accumulation of capital and their effective investment. A psychologist consider HRD from psychological dimensions of attitudes, aptitudes, values, intelligence, perceptions, aspirations and motivation. A sociologist’s perception of HRD moves around social relations ingredients like family, groupism, crowds, mob etc. An anthropologist looks at HRD keeping in view, the history of humanity and focus on several aspects of tradition, kinship, culture, myths and ceremonies. Political scientists explain HRD in the light of different political ideologies, which govern different societies. The discipline of
management explains HRD from behavioural science viewpoint. Organisation behaviour theory throws light on critical behaviour problems of organisations. In the western context, the concept of HRD is formally introduced in 1969 by Prof. Leonard Nadler in America at American Society for Training and Development Conference. In Indian context, Prof. T.V. Rao has made substantial contribution in the development of concept of HRD. In India, the first HRD exercise among private sector companies was undertaken by Larsen & Tourbro Ltd. in 1975 and among the public sector companies, it was BHEL which introduced this concept in 1980.

**Definition of HRD**

HRD believes that no human being is useless. Every person has inherent limitless potential to do remarkable things. HRD is the process of enabling every person to understand, develop and utilise his or her potential to the maximum. It deals both with the process of competency development in people and creation of conditions to help people in applying these competencies for performing present job in a better way and accepting future job challenges to the attainment of goals. HRD can be viewed from two angels:

a) At the micro i.e. Organisational level, and
b) At the macro i.e. National level.

In the organisation context, according to Prof. T.V. Rao, HRD is a process by which employees of an organisation are continuously helped in a planned way.³

i) To acquire capabilities (knowledge, perspectives, attitudes, values and skills) required to perform various tasks of functions associated with their present or expected future roles;
ii) To develop their general enabling capabilities as individuals, so that they are able to discover and utilise their own inner potential for their own and/or organisational development purposes; and

iii) To develop an organisational culture where superior-subordinate relationships, team work and collaboration among different sub-units are strong and contribute to the organisation’s health, dynamism and pride of employees.

In the national context, HRD is a process by which the people in various (age groups, regional group, socio-economic groups, community groups, etc.) groups are helped to acquire new competencies continuously so as to make them more self-reliant and simultaneously develop a sense of pride in their country. At the macro-level, HRD is concerned with the people’s development for nation’s well being. Human beings become an end of all development efforts at national level, whereas at organisational level it remains a means or resource among other resources. While public organisations including the government department play an important role as agents of HRD at the national level, the HRD departments play an important role at the organisational level.

4.2.2 Objectives of HRD

The main objective of HRD is to facilitate the growth and development of individuals in the organisation in a planned way, to integrate individual goals with organisational goals to improve performance of the individuals and the groups and the effectiveness of organisation as a whole.
Dr. Udai Pareek & Dr. T.V. Rao have identified the following objectives of HRD:

a) To provide a comprehensive framework and method for the development of human resources in an organisation;

b) To generate systematic information about human resources for purpose of manpower planning, placement, succession planning, and the like;

c) To increase the capabilities of an organisation to recruit, retain, and motivate talented employees; and

d) To create a climate that enables every employee to discover, develop, and use his or her capabilities, to a fuller extent, in order to achieve both individual and organisational goals.

Scope and Coverage

The focal point of HRD is optimum utilisation of human resources i.e. to maximise the contribution of human resources for the achievement of organisational goals of management and satisfying overall human needs of the men who works in the organisations at all levels from Chief Executive to operatives. The prerequisite of utilisation of human resources means how to establish a culture of working together, where people voluntarily contribute their time, talent and abilities for the organisation, i.e. inculcate a feeling of 'task is mine' and 'organisation is mine.' This means they contribute to design appropriate strategies to establish three things viz.:

a) Making work a pleasure (create conditions),
b) Make work a pleasure (task is mine),
c) Redesign work for pleasure (self-accomplishment).
HRD is desirable and essential in the following circumstances:

i) When the organisation plans for modernisation, diversification, and growth;

ii) When the organisation faces crisis like - falling market share, declining productivity, high rejection, increasing customer complaint and dissatisfaction, high wastage, increasing overhead cost, increasing industrial disputes, increasing absenteeism, high downtime of machine, not meeting time target of production, supply, etc.

iii) To maintain present position (status quo) of the organisation (i.e. market share, sale, profit, production level, industrial relations, etc.).

As these points are also applicable to Marathwada Gramin Bank, the study of Human Resource Development in present days is seems to be necessary and important also, in view of the overall development of staff and Bank.
4.2.3 HRD Process and Assessing HRD Needs

HRD Process

The role of HRD in human resource management can be best illustrated through HRD process in following Chart 4.1.

Chart 4.1
Role of HRD in HRM
Assessing HRD Needs

The purpose of assessment of HRD needs is to provide an objective analysis of the organisation's HRD requirements. There are two types of methods for ascertaining of HRD needs of an organisation:

a) At organisation level or macro-analysis for all category of employees.
b) At individual level or micro-analysis to intensify the knowledge and skills to perform the job.

Individual Level Method

There are two ways of task needs analysis to determine the HRD needs, viz.

i) Key Task Analysis

To identify the key tasks of the job holder and to analyse KAS (Knowledge, Attitude & Skill) requirement in carrying out the key task.

ii) Problem Analysis

It aims at identifying the problem the job holder is facing while performing the key tasks. The problems may be due to constraint of the organisation or of the environment or difficulty in performing the task due to deficiencies in KAS level of the job holder.

Man Analysis

There are two ways of individual needs analysis to determine HRD needs, viz.

i) Individual performance deficiencies may be identified either by comparing actual performance with expected standards of performance;

ii) By comparing an evaluation of individual proficiency of each required skill with the proficiency required for each skill. Annual
appraisal and performance records, exit interviews are the source of acquiring the individual performance deficiencies.

The Chart 4.2 explains the process of determining HRD needs.

Chart 4.2
Human Resource Development Needs

4.2.4 Strategies for HRD

HRD needs of an organisation will indicate the strategies for achieving HRD objectives. The strategies of HRD include the following:

1. The development of employees (from top to bottom) individually and in groups to make them more effective through training or through non-training or through both ways.

2. The development of the organisation structures and processes in relation to its environment and the needs of those who work within it, to make it more effective in the achievement of its goals.
Chart 4.3 indicates the strategies for HRD.

HRD - Through Organisation Development (OD)

The purpose of HRD is to develop together, the employees and the organisation in which they work, recognising that the organisation is constantly changing in response to environmental pressures. In OD intervention, the focus is on-going organisations and their improvement. In other worlds, the focus is on total/part structure, systems and strategy change, for the survival and growth of the organisation.

Organisational Development (OD), therefore, is a process of 'vitalising, energising, actualising, activating, and renewing of organisation.' OD process begins with diagnosing the roadblocks within the organisation and to take necessary reorganisation in structure, system and strategy for smooth running. The Chart 4.4 shows the necessary insight into the nature of OD intervention.
4.3 Human Resource Management

The Human Resource Management (HRM) has been an evolving discipline. In India, during the last four decades, it has witnessed radical shifts in its configuration and orientation. First it was existed as Welfare Department, then Personnel followed by Personnel and Industrial Relations, Organisation Development Department and now it is titled as Department of HRM or HRD.

In 1950, most enterprises used HR primarily to look after welfare of the employees. It had the responsibility to ensure that the workers received benefits promised by the company.

Establishment i.e. personnel administration was later added to HRM. It is the new incarnation industrial relations and personnel administration emerged as the major responsibility of HR function. Slowly annual appraisal, training and development become part of HRM and in course of time, recruitment, induction, performance appraisal in
company and external training and employee development were configured within HRs role and responsibility.

In the nineties, HR was entrusted with Organisational Development exercise, so much so that HR professionals emerged as change agents in corporations.

Towards the end of the twentieth century, HR was expected to develop total Performance Management System, responsible for introducing the high performance work system.

Currently, HR is seen as a partner aligned to business strategy, not only participating in setting performance objectives of an employee, but also creating development opportunities to achieve them. Aligning HR performance with the company's objectives and long term goals is emerging as the KRA for HRM.

Traditionally, HR in Indian enterprise was structured as an administrative and support function. HR was not seen as a partner in linking HR strategy with overall business strategy of enterprise, and ensuing people performance to enhance human capital in the company.

Post liberalisation in the early 90s, the Indian economy witnessed an upsurge and the corporate experienced unshackling of state controls. The WTO and internet speeded up the process of globalisation and enabled unaltered entry of multinational unsettled corporations, thus creating competitive environment. This woke up Indian corporations and pushed many enterprises to recognise the importance of HR in addressing new challenges. Business leaders could now source technology, even finance, globally, but they had to learn ways of enhancing and utilising human assets.

With the emergence of knowledge economy HR received further fillip and enterprises realised that human assets are real assets and
human capital is a powerful contributor towards generation of wealth for the economy. In the changing scenario, HR professionals are expected to acquire different kinds of competencies, particularly skills related to managing a flat and fluid organisation, job profiling has emerged an important task, competence mapping has become important skill for HR professionals and performance management as the key responsibility of HR management today.

Human Resource Management (HRM) world-wide includes various basic functions:

Firstly - It has to procure people for the organisation.
Secondly - It has to retain people by compensating them adequately.
Thirdly - It has to ensure the satisfaction of their biological, psychological and social needs through the provision of facilities and systems for the maintenance of a satisfying quality of life.
Fourthly - It has to ensure that the organisation’s human resources, unlike the physical resources appreciate over time through training and development.
& Lastly - The HRM has to create such organisational conditions that ensure the fuller utilisation of its human resources collective and individual potential.

These basic HRM functions are common to majority of the organisations everywhere, irrespective of location, size, type, nature of business etc. However, organisation may lay stress on one or the other functions differently, depending on local factors.

4.3.1 HRD in Service Sector

Economic theory traditionally looks at the society as consisting of three main sectors, namely- 1) Primary sector, 2) Secondary sector and 3) Tertiary sector.
1. **Primary Sector** - includes agricultural sector, comprising occupations and activities such as farming, forestry, fishing, mining and quarrying.

2. **Secondary Sector** - includes industrial sector comprising manufacturing and construction.

3. **Tertiary Sector** - includes service sector comprising occupations and activities like banking, insurance, transportation, communication and education.

Service sector occupies a crucial economic role in the society. Services create value by providing a bridge between the production and consumption segments.

Unlike agricultural produce or industrial products, a service is intangible and perishable in the sense that neither its provider nor its consumer can store a service. This characteristic has an important implication for the kind of human resources and human competencies required in the service industries. Hence, HRD in the service industry/sector besides having certain universal aspects, in addition, has certain aspects unique to it.

**Unique Aspects of HRD**

HRD aims at developing an individual, matching him to roles both by developing him and the role, and catalysing individual and the organisational renewal. Universally, HRD system in an organisation generally has the following sub-systems:

1. Role analysis
2. Selection & placement
3. Transfer & rotation
4. Reward & punishment
5. Performance & potential appraisal
6. Feedback and counselling
7. Training and development
8. Career planning and development  
9. Succession planning  
10. Quality of total life and employee welfare  
11. Human resource information system.

An organisation concerned with long-term viability harnesses the sub-system of role analysis, career & succession planning, quality of total life and welfare, human resource information system, etc. These are the HRD’s universal aspects applicable to all the organisations in all the circumstances.

Considering the unique aspects of HRD, the application of these aspects of HRD, it can be stated that, for long term viability of Bank, the role analysis, selection & placement, transfer & rotation, reward & punishment, performance & potential appraisal, training & development, career planning & development, succession planning & human resource information system etc. are the HRD’s more universal and vital important aspects, applicable in Marathwada Gramin Bank.

**Specific Aspects of the HRD and Service Industry Sector**

Designing and implementing the HRD systems, specifically for the service industry, calls for the consideration of certain specific aspects.

1. **Intangibility**

‘Service’ is a provision of value to a customer, without a physical product. This could create a lack of clarity about the tasks and erosion of self-confidence. HRD in the service industry therefore, has to create appreciation of client needs and pride the potency to meet those needs through the optimum use of organisational resources.
2. **High degree of public exposure**

A service organisation is much more exposed to its client base. Hence, its employees expressly need to develop human relations, skills and tolerance of public reaction.

3. **Size Constraints**

Majority of the service clients perceives themselves as being anonymous and insignificant and the organisation as being huge, slow and insensitive monolith. Since the link between the two is provided by the human individual at the interface, he/she should have clear understanding of his/her specific role, while interacting with the organisation and the client. HRD in a service organisation, therefore, has to pay particular attention to this aspect.

4. **Procedural and Technological Simplicity**

A service, together with its procedural and technological aspects, should be easily understandable by the customer. Conversely, the human interface between the organisation and the customer should be fully conversant with the power and the limitations of the organisation as well as also understand, the needs, expectations and limitations of the customer. HRD in a service organisation therefore has to pay particular attention to this aspect also.

5. **Knowledgeability**

Service organisation personnel are expected to be a few steps ahead of their clients in the knowledgeability of their particular service activity. It is also observed that the general and specialised education levels are relatively high in the service sector. In order to maintain the knowledgeability of its human resources at the higher plane, a service organisation has necessarily to change itself into a learning organisation.
The motivation of the knowledgeable human resources besides monetary rewards, also crave for the satisfaction of higher needs and richer quality of life. HRD, in such a situation, therefore, has to design and position an efficient monitoring system for ascertaining the emerging training and development needs as well as organisational and HRD climates.

6. **Tendency against Disintegration**

Service organisations world-wide have a marked tendency towards disintegration. Personal ambitions, bruised ego, perceived inequity and injustice, all contribute to the breaking away of the rebel groups and individuals from the mother organisation and forming new ones. HRD in such a volatile atmosphere needs to provide for more participation in planning and control, sharing of rewards, profits and organisational developments.

4.3.2 **Human Resource Management (HRM) in Regional Rural Banks**

The scheme of establishment of Regional Rural Banks was conceived and put into effect in a great hurry. The time integral between constitution of working group and set up of 5 RRBs was just three months. The working group had recommended that 5 RRBs be set up and further expansion of RRB network should be taken only after evaluating the experience gained from the working of RRBs. Apparently, Government ignored this recommendations and went ahead with the expansion of the RRB’s network. During the year 1976 alone, 34 RRBs were opened. Obviously the fast expansion of RRBs with a very scanty framework of personnel policies, created number of problems.

The human resource related issues in RRBs did not receive any priority and the issues of development always prevailed. RRBs staff
service regulations were introduced only in 1980. In the absence of regulations, adhoc practices prevailed in various RRBs and employees did not know the rules regarding service matters. Their confirmations were delayed, contribution to provident fund could not be initiated in time and above all no promotion policy announced. Clarifications issued by Ministry of Finance, Govt. of India were often delayed and in some RRBs number of adhoc practices started.

Thus it was during these initial years that the seeds of dissatisfaction were sown. Unions appeared in this atmosphere and the response was total. Thus it can be seen that lack of planning in personnel area and the overriding concern to expand without developing backup systems in personnel management brought RRBs in the same trap as of the nationalised banks. Most of the RRBs started on the borrowed strength of their sponsor bank and it was very difficult for them to keep away from the behavioural pattern of the RRB unions and the low motivation in the staff in general.

In the year 1984, the Govt. of India appointed committee under the Chairmanship of the then additional secretary (Banking) Mr. V K Dhar (replaced by Mr. Kelkar) to review the functioning of RRBs. However the issues of personnel policies have not been on the agenda of committee except a very brief mention of manpower and training aspects of RRBs. This negligence proved costly in the long run. Such problems, if allowed to foster can prove detrimental to the very viability of the RRBs.

The problem areas in Human Resource Management in RRBs are as under:
1. **Salary Structure**

The RRBs Act provides salary scales of RRBs staff at par with the salary scales of comparable staff in the State Government, Section 17(1) of the RRB Act 1976 reads as under:

"Remuneration of officers and other employees appointed by a RRB shall be such as may be determined by the Central Govt. and determining such remuneration, the Central Govt. shall gave due regard to the salary structure of the employees of the State Govt. and local authorities of comparable level and status in the notified areas."

Thus it can be seen that the Act itself provides for the salary scales of comparable staff in State Govt. This has been a major point of discontentment amongst RRB staff. Both clerical and officers staff have made a common cause in regard to pay scales and the RRB union have been demanded equal pay for equal work on the following pleas.

1. RRBs are established under statute with major share capital of Central Govt.
2. RRB staff performs the similar kind of work as performed by an employee of rural branches of commercial bank.

The union leaders and Chairman of many RRBs confirmed that there is great discontentment amongst RRB staff in the matter of pay scales and perhaps due to this reason, in some parts of the country. Unions started emerging in RRBs as in 1976-77.

In this context Bhabtosh Datta has remarked as under:

"The argument about cost structure involving pay scales and staffing pattern is not really very strong. It will be difficult to maintain for a long time two types of scales in each area for similar work. It will not be possible to get the work done only by local recruits and there will have to be a regular flow of personnel between the parent banks and their rural offices, whether these offices are direct
branches or subsidiaries. The problem is there and is not likely to be completely resolved by having a separate cadre for rural subsidiaries as has been experienced in other spheres, these will emerge seen a strong pressure for merging the cadres."

There is a consensus amongst the Chairman of RRBs about the need of uniformity of pay scales for RRB staff. These pay scales may not be necessarily the same as that of commercial banks. The low cost structure for RRBs is a necessity for their survival but the need for standardisation of pay scales of RRB in all the State is felt by all concerned.

While Dantwala committee avoided to comment on the salary level of RRB staff, the CRAFICARD made following observations on the issue.

"It has come to our notice that some employees of RRBs and their union have started demanding scales of pay and allowances and facilities available in the commercial banks or in the Government of India. In our view, this demand is inconsistent with the basic concept of RRB as a low cost institution. The RRB staff is recruited locally and their posting and transfers are within the bank’s area of operation, which is in limited districts (generally one or two districts). The need for maintaining the local ethos makes it imperative that the employment and other service conditions of the RRB staff should be in line with those obtaining for the State Govt. staff in comparable cadre who constitute bulk of salaried people in the area and with whom the farmer has to establish a close rapport for their day to day work, therefore the emoluments of the staff should be continued to be determined with due regard to State Govt. scales as now being done by the Govt. of India. It is obvious that the terms of service and facilities available to the Govt. staff (and hence to the RRBs staff) may differ from state to state. However, the terms and service conditions of the staff of RRBs operating within a state have to be uniform. There is no valid reason why the terms and conditions of the service should be uniform for all RRBs in the country disregarding the salutary
principles of parity and harmony between RRBs and the State with which they operate.”

The unions of RRBs had filed a writ petition in Supreme Court on ‘Equal Pay for Equal Work’. The petition was admitted by Supreme Court and appointed National Industrial Tribunal. The National Industrial Tribunal (NIT) passed award and settled the salary structure of RRB staff at par with commercial Bank staff.

2. Manpower Planning

In consequence with the low cost ethos of RRBs, it is quite pertinent that there is effective and proper utilisation of manpower and that the efficiency and working of RRBs do not suffer on account of shortage of manpower in different categories. This would mean proper manpower planning exercise by each RRB, as the man power recruitment depends on its area of operation, no. of branches, level of business etc. The staffing pattern should be such, which facilitates efficiency and arrests restrictive practices. The committee on control branches in RRBs appointed by RBI has suggested staffing pattern for RRBs. The working group had suggested that a branch of RRB may be manned by a manager, technical (agricultural) officer, a clerk-cum-cashier and a part time sweeper-cum-peon.

The conference of RRB Chairman made following recommendation about manpower planning:

a) Better man power planning can be achieved by laying down broad norms for staffing patterns related to business and certain degree of uniformity has to be achieved to keep parity in inter-institutional man power placement.

b) NABARD may undertake certain work studies in consultation with the sponsored banks and specialised agencies like NIBM
and recommend certain model staffing patterns having due regard to the business and location, specific needs of the organisation to develop business and to monitor operations.

c) One of the deputed officers from the sponsor banks with requisite experience can be entrusted initially with the job of manpower planning in RRBs. He may be assisted by an officer of the RRB who gets groomed to take over eventually the responsibility.

Recruitment

In initial period RRBs used to recruit following category of staff:

a) Officers
b) Field Supervisors/Accountant
c) Senior Clerks
d) Junior Clerks

The RRBs have been making appointment through the open competition both for officers and clerical cadres. Earlier the recruitment for the post of Field Supervisors/Accountants, Senior Clerks, Junior Clerks was confined to candidates belonging to area of operation of concerned RRBs. It has now then decided by the Govt. that the candidates from all over the concerned States should be treated as eligible for appointment to the posts in various cadres in RRBs viz. Jr. clerks-cum-cashiers, Field supervisors and officers. Most of the RRBs have entrusted the work of recruitment to Institute of Bank Personnel Selection (IBPS) Mumbai.

Turnover of Staff

There was a heavy turnover of staff in RRBs in initial period. The reasons were many, such as low pay scales, hard working conditions and rural working environment. This has created a number of problems in RRBs such as migration of trained personnel, wastage of cost on
training of employees etc. The study conducted by Shri. Anil K Khandelwal (Senior Core faculty of Bank of Baroda Staff College, Ahmedabad) on turnover of staff in RRBs has found that turnover was—

a) 10 to 15% in the case of officers
b) 20% in the case of clerical staff

The conference of Chairman of all RRBs (convened in 1982) has made following recommendations to reduce turnover of RRB personnel—

1. To prescribe a bond specifying a minimum period of five years of service failing which the employees concerned will be called upon to refund the training expenses.

2. To provide a good career path for RRB staff and opening channels for intake of RRB officers by sponsor bank/NABARD without diluting there standards to make certain relaxation in regard to age.

Shri. Anil K. Khandelwal has passed remark that, the problem of turnover should not unduly worry the RRBs. Once RRBs are able to provide good working environment coupled with progressive personnel policies, it is likely that turnover will automatically get reduced.

Promotion Policy

In order to sustain motivation in staff in any organisation, it is necessary that there are suitable promotional avenues in the organisation for its personnel. Sound promotion policy, which takes into account the merit of an employee, is a pre-requisite for human resources development.

RRBs were set-up in 1975 and a formal promotion policy was announced by NABARD only in December 1984. This long delay has caused wide spread agitation and frustration in RRBs. In some cases it also led to turnover of staff in RRBs. Many RRBs have adopted adhoc
promotion policy in order to meet branch expansion requirement. Promotion guidelines provides the creation of post of General Manager in RRBs, which have reached a minimum of 50 branches. It is also provides the creation of posts of Area Managers and Senior Managers.

**Training Needs for RRBs Personnel**

The RRBs have rapid strides and thus needed immense efforts to develop necessary competence in the staff. However, the efforts through existing agencies have been quite inadequate given the enormity of the task of training in RRB in initial period. The Committee on Training in Rural Development Through Credit (TRDEC)⁹ appointed by NABARD which examined in detail the training needs of the RRBs, have observed that 50% of the officers in RRBs are yet to be trained. It pointed out that most of the officers who have been trained, have received only induction training and have not been exposed to any functional course.

The NABARD has set-up a full fledged institution-Bankers Institute of Rural Development (BIRD) Lucknow (U.P.) to take care of training needs in the area of rural banking. The objective being to contribute to Human Resources Development, which can upgrade the rural areas through the intervention of credit. It is in this context NABARD considered the necessity to organise and set-up a central institute of its aim which will function as an apex institution for imparting training to rural banking in general and RRB staff in particular. The BIRD, Lucknow has been set-up in 1983 and since then it has been conducting a variety of programmes relevant to RRBs.

The training to staff of RRB is handled by following institutions:

1. National bank for agriculture and rural development (NABARD)
2. College of agricultural banking (CAB) Reserve bank of India, Pune.
3. Bankers Institute of Rural Development (BIRD), Lucknow.
4. Staff training college of sponsors banks.
5. Regional institutions sponsored by BIRD, (Bolpur Training Centre, Murshidabad and RRB Training Centre, Manglore)

In view of the existence of multiple agencies for providing training to RRB staff, the issues of distribution of training tasks amongst various agencies has been deliberated by the various committees:

1. The Review Committee under the Chairmanship of Shri. Dantwala (1977) recommended that a separate institute may be set-up to take care of the training needs of RRBs sponsored by all the bank.

2. The Kasbekar Committee (1980)\(^\text{10}\) recommended that the existing system of sponsored bank providing the induction courses to RRB personnel at their training centres may continue. It however, pointed out that in view of special character of RRB staff, such courses should be separated from the courses conducted for commercial banks staff. The committee further recommended that there is a strong reason for setting up region wise institutes for post induction courses as the problems faced by RRBs personnel would be mostly region specific and centralised institution cannot do full justice to the regional characteristics of the issues faced by RRBs.

The Kasbekar Committee thus considered it desirable to distribute the training of RRBs personnel as under:

i) Induction courses for clerical and officer staff at staff training centres/colleges of the sponsor banks.
ii) Advanced courses for clerical staff and rural financing
courses for Branch Managers of RRBs at regional centres to
be set up at different places.

iii) Specialised courses (two weeks) for Divisional (Area)
Managers at College of Agricultural Banking (CAB).

iv) Inspection courses for RRBs at bankers training college (RBI)
Bombay.

v) Seminars and conferences for top Management of RRBs.

3. The conference of Chairman of RRBs convened by NABARD in
the year 1982 had deliberated in detail the training management.
Their main recommendations are as under:

i) Having regard to the training needs of the personnel of
RRBs, there is need for establishment of regional training
institutes. The sponsor banks in that region may pour their
resources for establishment of these institutions. Training
may be imparted in local regional languages.

ii) The responsibility for the induction as well as the refresher
course should rest with the sponsor bank and they should
not withdraw this facility after five years of operation of the
RRBs sponsored by them.

iii) The present training arrangement in CAB, Pune should continue.

iv) The officers in Head Office and branches may be provided
appropriate training in the specialised fields by the apex
training institutions in all functional areas including
personnel management, performance budgeting, business
development and instructions etc. and concessional rate of
fees may be charged for RRBs.
v) Officers from RRBs may be sent for training to institutes imparting non-farm training.

vi) The training programme for RRB personnel should emphasise the need for interaction between Govt. officials and bankers, particularly in regard to implementation of IRDP/SGSY, so that both can work together in harmony.

vii) CAB, Pune or NABARD should organise a training course for inspectors of RRBs.

viii) NABARD may consider special courses for training of trainers (Inspectors) at the training centres of sponsor banks for the benefit of RRBs.

ix) The training centres for training of RRB staff should be established by the State Govt., in consultation and with the aid of RRBs in the State. This would help towards having a better involvement on the part of the State Governments and would also help in projecting State governments programme to the RRB officers.

Thus, it can be seen that different committees have deliberated the issue of training requirements in RRBs. The common feature of their observations has been the establishment of a central institution with regional wings.

In the year 1982, the NABARD appointed a committee on Training in Rural Development Through Credit (TRUDEC) which submitted its report in 1983. The recommendations of TRUDEC committee led to the establishment of BIRD as a central institute to take care of training needs in the area of rural development in general and RRBs in particular.
Training Needs of Chairman/General Manager

Shri. Anil K Khandelwal has opined that, about personnel function in RRBs is one of the most important area which should receive attention in the training of the Chairman of RRB. As a Chief Executive, the Chairman has multifarious responsibilities both in policy formulation and execution. This not only requires job competence possessing variety of skills but also leadership style, which can motivate people to perform. A Chairman of RRB on his appointment has to involve himself in institution building process. In his policy-making role, he has to initiate policies for both i.e. in regard to manpower management as well as business matters. He has to effectively conduct Board meetings and maintain liaison with various external agencies like RBI, State Govt., Central Govt. as also Sponsor Bank. He needs to be conversant with the corporate management function. In the banking context he needs to know the accounting procedures at head office level, portfolio management, inter bank reconciliation, finalisation of annual accounts, inspection and audit, control and supervision, preparation of special schemes, documentation, role as disciplinary authority etc.

In view of the various jobs, which are performed by the Chairman of RRBs, it is proposed that before they take their assignment as Chairman, they should be exposed to minimum two weeks programme on RRB management. Accordingly, BIRD, Lucknow is arranging various programme for top management like Chairman and General Managers, Middle Management viz Area Managers, Senior Managers and also for Branch Managers.

It is only through training development, the institute can survive and RRBs have a long way to go in achieving trained manpower at all the levels. The NABARD has advised that the sponsor banks should also help RRBs in their administrative matters.
4.3.3 Industrial Relations in Regional Rural Banks

The Industrial Relations (IR) in any organisation means industrial relationship between the management and the employees' unions for resolution of conflicts as well as creation of collaborative environment for work. At a given point of time, IR in any organisation depends upon number of external as well as internal factors like socio-economic climate, labour policy of the govt., type of unions and the organisational climate. Good IR just do not happen. Conditions have to be created to create good IR climate in an organisation, it is necessary to develop required competence among the managers at all levels and creating mechanisms for developing participative culture and resolution of employees grievance. In particular, the style of chief executive will have a considerable bearing on the IR environment. Managerial styles at different levels also contribute in creating either a conflict prone culture or collaborative culture.

I.R. is not only an arrangement for management of conflict but IR means management of conflict as well as collaboration. There, an organisation should focus on the factors, which contribute to collaboration. The good IR climate can act as a catalyst for achieving organisational goals. IR cannot be separated from business objectives of any organisation and therefore, the IR should not be seen as an impediment to business.

It is unfortunate that IR climate in most of the RRBs was not satisfactory in earlier period and some of the older RRBs are in serious grip of IR problem. Like commercial banks, RRBs are also labour intensive industry having to high degree of unionisation.
The studies conducted by Shri. Anil K Khandelwal, reveals that the following factors have contributed to deteriorating IR in RRBs.

1. Wage scales and service conditions different than commercial banks.
2. Delay in personnel decision making.
3. Non-uniformity in service conditions.
4. Ambiguities in regulations.
5. Lack of IR competence.
6. Lack of training and experience of top management.
7. Support from sponsor banks.
8. Role of State level co-ordination committee (committee for providing consultative machinery at state level to sort out through internal consultation certain problems of RRBs located in the state). NABARD issued guidelines in 1985. The SLCCs are to discuss staff matters, as special forum is formed at concerned regional office of NABARD.
9. Lack of pragmatism in personnel policies.

The personnel policies for RRBs should be to facilitate growth of RRBs and to smoothen the administration rather than obstruct its smooth functioning and create frustration in staff. The delays in dealing with the employee related matters are a cause of deteriorating IR in RRBs. In a service Industry like RRBs, union's involvement in achieving the goals of RRBs can go a long way.

RRBs being small institutions as compared to commercial banks, there is a lot of scope for improvement. It is, however, through cooperation of employees and their involvement that the tasks of development can be achieved. It is, therefore, imperative that efforts be made to design motivational strategies for creating satisfaction amongst staff. Periodical dialogue with unions and sharing of objectives of the RRB with staff can go along way in imparting climate at a RRB level. Within the same environment and constraints one RRB can do better than other due to creation of cultures that is conducive to growth.
4.4 Stress Management

Stress is the way you react both physically and emotionally to the change. People everywhere have long been interested in a wide range of phenomena called ‘Stress’.

Stress cannot be only imposed by external demands but can also be generated from within by our hopes, fears, expectations and beliefs. It follows that what is stressful to one person may be refreshing challenge to another, depending upon his perception of the situation as well as his perception to his ability to cope with that situation. In general, balance resulting from interaction of these four components – external demands, internal needs and values, personal coping resources and external resources or support – determines whether a particular situation will be stressful or not.

Once a situation has been assessed as demanding or frustrating, it will engender a comprehensive physiological response, which has mental, emotional, physical and behavioural components. The intensity of this stress-response varies and we may not always be consciously aware of it.

‘Stress’ is a specific response the body makes to all non-specific demands. A certain amount of stress occurs all the time. Stress is either be positive or negative. It may be the sense of heightened concentration you feel when faced with a new and challenging situation or it may be a continual sense of being geared up and unable to relax.

Stress can refer to physical effort as well as mental tension. All individuals feel stress, but each one feels it in different amounts and reacts in different ways. There is no life without stress. However, when people complain about stress, they are talking of too much stress or having symptoms of stress.

According to the United Nation’s international Labour Organisation, stress, the 20th century disease, has now reached epidemic proportions,
from waitresses in Sweden and teachers in Japan to bus drivers in Europe, workers are showing signs of increasing levels of stress.

In United States, it is estimated that stress-related absenteeism, illness, turnover, inefficiency and premature death cost American industry $200 billion annually.

The cause of work-place stress are all too familiar reorganisations, down sizing, reduced operating budgets, shifting priorities, escalating workloads and unclear expectations, to name just a few. Its effects area all too pervasive, impaired managerial effectiveness, strained communications and customer relations, poor decision making, compromised quality accidents and, in the extreme, burnt out and disability, added to this the stress in people's personal lives.

It is safe to say that all of us experience stress repeatedly as we confront today’s increasing complex, constantly changing and technologically advanced society. While it often feels as if we can’t live with stress, in truth, we can’t live without it. In its absence, individuals and organisations would stagnate. In fact, too little stress can be as detrimental as too much the key is learning how to harness the energy of stress – how to make stress work for, not against us.

Successfully managing stress will help them to live a healthier, happier and more productive life. Moreover, it will reflect positively in the way, they manage their staff.

4.4.1 Whether Stress is Good or Bad?

Some stress is essential for our very existence as well as for our continued personal growth. A completely unstressed person is as good as dead. A certain amount of stress gives us a jest for life and releases our creativity. Some amount of stress occurs all the time and a right amount of stress is desirable and productive. Some kind of stress helps us to stay alert, reflexive and proactive. Too few challenges make our
lives boring and frustrating. This can be unproductive and just as stressful as too many challenges. It has been said that finding the right balance is like adjusting the strings of a musical instrument, if too loose the tune will be ruined, if too tight and the strings will break.\textsuperscript{11}

Any situation which the individual perceives psychologically or physically and his demanding involves active coping, successful coping will improve performance up to a certain point, after which there is no further improvement, neither is there any deterioration; as coping efforts are matched to the person's tolerance level. However, if changes are too fast to allow adequate time to adopt for him, he may begin to experience warning signs that he is overstressed overburdened. If he continues his efforts and initial symptoms of fatigue or other stress indicators are ignored, he may reach a point where a breakdown in health or a 'burnt-out' syndrome is likely to occur.

4.4.2 The Human Performance Curve

The normal human reaction to stress is shown in Figure 4.1.

Figure 4.1
The Human Performance Curve
The human performance curve shows different performance at different stages viz. Too little stress, optimum stress and too much stress and breakdown.

**Too Little Stress**

In this situation there is insufficient challenge to achieve a sense of personal accomplishment. Skills are under-utilised. Lack of stimulation leads to boredom. There is a lack of purpose or meaning of life.

**Optimum Stress**

Life is balanced and, despite ups and downs, it is perfectly manageable. Job satisfaction and sense of achievement enable the person to cruise through daily work without many problems, pleasantly tired at the end of the day.

**Too Much Stress**

There is a constant feeling of having too much to do every day. Despite emotional and physical exhaustion, the person is unable to take time off to rest and play. He is in permanent overdrive but not achieves results as expected.

**Breakdown**

If efforts are continued, the person might develop chronic neurotic tendencies or one of several psychosomatic illnesses. Excessive stress may show up in excessive drinking or smoking on reliance on tranquillisers or sleeping pills. Accidents may occur at work or at home as the stressed individual is likely to be preoccupied with unresolved tensions. He may attack others or incite others to attack him. Sometimes opposite reactions may occur. As relationships deteriorate, the person may become withdrawn. If these signs are recognised by the individual or by those who surround him and appropriate steps are taken, he may pull himself out of disequilibrium and mental or physical tragedies will
be avoided. If, on the other hand he continues his efforts despite exhaustion he is likely to have mental or physical breakdown. Severe depression or coronary heart attack is examples of such breakdowns.

**Keeping the Balance of Stress**

Hens Selye, often known as the father of stress research, described the four stages of stress as- 1) Under stress, 2) Eustress, 3) Overstress, 4) Distress, and suggested that we need to recognise our own eustress, when our bodies and minds are in balance, when we feel energetic, adaptable, approachable and relaxed. When we cross the boundary, we are likely to feel tired, anxious, aggressive or defensive. We need a balance. Remember, life is not a short 2000 meter race, requiring a short spurt of intense effort to win. Life is a marathon, the more care you take over how you use your energy by making necessary adjustments, the less you waste it and the longer your reserves will last. Remember, all of us have one life. What is required is positive thinking.

**Stress can be Positive or Negative**

Anything that is new evokes a stress response as the body, mind and concentration prepares to meet the unknown challenge. However, some events are associated with positive emotions while other engenders negative emotions.

**Positive Emotions**

- e.g. pleasure, enthusiasm, mastery, excitement, confidence, happiness, joy, love, intellectual stimulation.

**Negative Emotions**

- e.g. fear, anxiety, hate, resentment, conflict, uncertainty, irritation, jealousy, frustration, guilt, rage, fury, boredom and dissatisfaction.
Who Experiences Stress

All of us encounter challenge, threat or annoyance in the course of daily life. Occasionally these can be life threatening but more often they simply threaten our pride, our prestige, our position at work, our place in the family or society, and our self image. Even though the popular image of an overworked or overstressed person is of a highly placed executive, research has shown that people who suffer from stress are scattered amongst all social classes, and are of both sexes and all ages. From the point of view, a burnt-out executive does not differ from a depressed, apathetic, prematurely aged unemployed person or assembly line worker. Following are the aspects that vary across people.

The Way Each Individual Perceives the Situation

Genetic background, past experience, family upbringing and cultural background, as well as present circumstances, all influence the way a situation is evaluated and thus responded to. We may call this the psychological programming of the person. What feels like an overwhelming situation to one person may be stimulating challenge to another and a mere trifle to a third.

How an Individual Copes with a Given Situation

Individual training and expectations of ourselves or others contribute to the way we cope. One person may be inclined to conform to the demands of society, another may rebel against all rules and regulations, and another may try to reform society, if necessary single-handedly.

The Actual Situation which Causes Stress

An administrator may be affected by quite different events to a work. However it is not the situation itself but its meaning that is important. External stressors, together with psychobiological programming, determine the occurrence of the stress response, which may lead to precursors of disease and then disease itself, unless appropriate step is taken.
How the Individual Experiences the Stress

Physically, mentally, emotionally or behaviourally, people differ in both the intensity with which they react to environmental factors and in the pattern of their reaction.

Where and When Does Stress Occur

Occasionally, a crisis occurs in life when stress is understandable and inevitable. Examples include bereavement or redundancy after twenty years of work. However, most stress is not related to life crisis. It is predominantly the energy we expend on trivia or relentless daily annoyances that make a major impact on our health and functioning.

What Causes Stress

Stress situation is a constant feature in today’s life. Whether traffic jams, deadlines at work or coping with family demands. This tense life style makes us physically, emotionally and mentally stressed. In the short term, stress causes disruptions like difficulty in studies, disturbed concentration at work, headaches etc. In the long term, stress can cause significant health problems like ulcers, depressions etc. Overcoming stress successfully in daily life plays a key role not only in our survival, but also in leading a successful life.

Result of Stress on Human Being

Stress is an unseen ailment, which disturbs the equilibrium. Stress can no longer be taken lightly as it has become an established medical problem affecting both body and mind. Our personality, behaviour and lifestyle influence our stress levels. Constant excessive demands in life, lead to an inability to cope with stress, which results in physical exhaustion, fatigue, poor concentration, impaired attention and stress-related illness like high blood pressure, heart attack, insomnia, hair loss, skin rashes, bowel disturbances etc.
Stress also disturbs the mental state of a person leading to anger, boredom and frustration. Stress becomes harmful to our body when we cannot control our responses or cope with it effectively.

4.4.3 Model of Human Stress

The model of human stress is described with the help of Chart 4.5.

**Chart 4.5**  
**Model of Human Stress**

- External stressors
- Internal needs and values

- Perception of stressful stim

- Coping resources  
  (actual or perceived)

- External support  
  (actual or perceived)

- Imbalance stress

- Stress response

- Emotional experience

- Mental response

- Psychological response

- Physiological reactions

- Behavioural reactions

- Final outcome
4.4.4 Symptoms of Stress

The stress symptoms can be identified with one or in combination of the following:

1. Digestive problems
2. High blood pressure
3. Nervousness and tension
4. Chronic worry
5. Inability to relax
6. Use of alcohol
7. Problems with sleeps
8. Un-co-operative attitude
9. Emotional instability
10. Anger

Every man wants happiness, he shuns pain and suffering. No one teaches any one to seek happiness. This desire is in born in him, it lies in his innermost nature, indeed, and happiness is the true nature of man.

The body is closely related to the mind. He who practices breathing exercises and body postures, in order to keep the body and mind strong and healthy, will also be successful in meditation and contemplation and can tread on the efficiently spiritual path.

Stress is an everyday fact of life. It is around all the time and none is immune to the damage it does. Stress is an inescapable part of life. Stress is complex process born out of internal viewpoint and external experiences.

4.4.5 Sources of Stress

The different kinds of stresses arised in every body’s life on account of the following broad (sources) reasons.

1) Personal Stress

1. Personal injury or illness
2. Noticeable ageing
3. Failure to meet personal goals
4. Not enough time for yourself
5. Problems with weight
6. Change in residence
7. Change in personal habits or schedule
8. Problems with drug or alcohol dependence
9. Involved in law suit or other litigations
10. To much privacy in life

2) Family Stress

1. Lack of communication with spouse
2. Difference in mutual interests
3. Recent financial problems
4. Sexual difficulties leading to frustration
5. Irrational jealousy
6. Serious illness in family
7. Divorce or re-marriage of children
8. Abortion, miscarriage or still birth
9. Inability to have children
10. Child with special needs.
3) Job Stress
1. Unclear goals
2. Change in work
3. Beginning new work
4. Lack of necessary skills
5. Over work
6. Un-co-operative co-workers
7. Too much responsibility at work
8. Promotion
9. Boredom with work
10. Trouble with boss.

5) Financial Stress
1. Not enough money to pay bills
2. Loss of income
3. Increased expenditure
4. Declining net worth
5. Major purchase
6. Business readjustments
7. New loan
8. Loss of credit
9. Inflation
10. Energy crisis
11. Unemployment
12. Business readjustment

4) Social Stress
1. Starting new relationship(s)
2. Ending old relationship(s)
3. High popularity
4. Feeling unwanted and alone
5. Lack of social stimulation
6. Death of a close friend
7. Close friend moves away
8. Feeling viction of prejudice
10. Disharmony with neighbours.

6) Environmental Stress
1. Income tax, stricter regulation
2. Hospital waiting lists
3. Problems with traffic, parking, transport
4. Problems with municipal services/utilities
5. Local politics or election results
6. Robbery/minor crime in neighbourhood
7. Ethnic or Religious Conflict
8. Lack of recreational facilities
9. Problem with land lords/tenant/roommate
10. Environmental pollution
11. International tension, educational policy
12. Nuclear arms issue, privatisation

Besides this, sometimes when jobs are boring, repetitive or monotonous, they provide insufficient mental stimulus and stifle creative energy. Lack of control over the work environment is another source of work stress.

The above mentioned six factors are the sources of stress, of which the job stress, financial stress, environmental stress are found to be more influencing the performance of the employees. However, the
intensity of various factors may depend upon the situation to situation, person to person and time to time.

4.4.6 Stress as an Opportunity

The advisor to big business groups Roger Evans who has management degrees from London and Toronto and Peter Russel recognised as a father of the TM technique says:¹²

"Stress is seen not only as a danger but also as an opportunity namely the opportunity of self-mastery."

In the light of the above discussion it would be more appropriate to shed light on the impact and level of stress on the selected Bank employees of Marathwada Gramin Bank.

From the above para, it can be concluded that, human resources are the most valuable assets of an organisation. The study of human resource management and human resource development will be completed only when the issues of stress management are studied and discussed. It is clear that, for effective and productive human resource planning, the study of stress management is inevitable. For achieving success and excellence in human resources management, it is essential to understand the amount of stress carried by the staff of Marathwada Gramin Bank in the very changing and challenging lifestyle, work conditions, increased expectations and job handled by staff.

From the above, it is evident that there exists a very close relationship between human resource development and stress management. Human performance cannot be accelerated unless we have optimum stress levels.
1) The Holy Bible, Book of Exodus, Chapter-18, Vv.20-23.
2) Rao P.S., Personnel Management.
3) Rao T.V., HRD Missinoary.
6) A Committee to Review Arrangements for Institutional Credit For Agriculture and Rural Development (CRAFICARD) was appointed by Reserve Bank of India in March 1979. Chapter on ‘Regional Rural Banks’.
7) Report of the Committee on Control over Branches of Regional Rural Banks, RBI, Rural Planning and Credit Cell, Mumbai, June 1981.
8) Conference of RRB Chairman, convened by NABARD, 1982.
10) Report of the Working Group to Review the Training Arrangements in Banks, RBI, 1980. The Chairman of the Group was Mr. P.D. Kasbekar, the then Director, NIBM.
12) The Hindu Speaks on Management, p.149.