CHAPTER VII
FINDINGS, CONCLUSION AND SUGGESTIONS

Cooperative banking occupies a pivotal place especially in the rural economy. Cooperative banking structure in India comprises of urban cooperative banks and rural cooperative credit institutions. Urban cooperative banks consist of a single tier structure, i.e., primary cooperative banks or UCBs. The rural cooperative credit structure has been divided into short & medium-term and long-term credit banks. The short & medium-term cooperative credit institutes have three-tier structure consisting of State Cooperative Banks (SCBs) at state level, Central Cooperative Banks (CCBs) at district level, and Primary Agriculture Credit Societies (PACSs) at village level. The long-term cooperative structure is two-tiered i.e., State Cooperative Agriculture and Rural Development banks at state level and Primary Cooperative Agriculture Rural Development Bank at tehsil level. The present study has been conducted in the short & medium-term rural cooperative credit banks in the state of Haryana. Followings are the major findings of the study.

7.1 PROFILE AND ORGANISATIONAL STRUCTURE OF COOPERATIVE BANKS IN HARYANA

- HARCO Bank is the apex cooperative credit institution that came into existence on 1st November, 1966 after the separation of Haryana from Punjab. It is registered at Ambala and has its headquarters at Chandigarh. It appeared in 2nd Schedule of RBI Act in 1969 and had been granted a license under Banking Regulation Act, 1949 in 1991 to carry on necessary banking activities in the state.

- The management of the HARCO Bank consists of managing director, general managers, deputy general managers and
assistant managers. Board of Directors (BODs) of HARCO Bank includes chief general manager of NABARD, one representative of 19 central cooperative banks, Registrar Cooperative Societies Haryana, managing director, one nominee from government and two professional directors.

- In Haryana, there has been a three-tiered rural cooperative credit structure. HARCO Bank works as an Apex bank, and Central Cooperative banks (CCBs) and Primary Agriculture Credit Societies (PACSs) come down the operating chain of it. HARCO Bank exercises control over the CCBs through general manager and assistant manager of CCBs, who are of the common cadre and posted by the HARCO Bank. Similarly, the secretaries of the PACSs are appointed by the CCBs. HARCO Bank grants loan to the CCBs which in turn lends funds to PACSs. So, CCBs work as a link between HARCO Bank and PACSs. HARCO Bank has 13 branches and 2 extension counters at Chandigarh and Panchkula. There are 19 CCBs and 634 PACSs working under the control of HARCO Bank as on 31st March, 2012.

- Organisational structure of the HARCO Bank has been divided into 8 departments. i.e., Administration, Non-Agriculture Credit, Construction & Maintenance, Banking, Monitoring and Planning, Agriculture Credit, Audit & Inspection, Non-Farm Finance, and one Staff Training College. Management of human resources in the HARCO Bank is carried out by the Administration Department. There is no separate department for managing the human resource affairs. BODs, managing director, general managers, deputy general managers, managers and assistant managers are the managerial officials of the bank; and senior accountants, junior accountants, clerks and sub-staff employees come under the supervision of assistant managers.
• It was also found during the survey that in HARCO Bank, out of 599 sanctioned posts, 149 posts were lying vacant. As many as 25 posts of assistant managers/development officers, 14 posts of junior accountants, 46 posts of clerks/cashiers, and 25 posts of peons were lying vacant as on 31st March, 2012.

• The results showing the financial position of the HARCO Bank reflect that its profits declined over the period of study. Profits of the bank declined to Rs. 18.69 crore in the year 2011-12 from Rs. 39.67 crore in the year 2002-03. In the year 2009-10, the bank suffered a loss of Rs. 17.94 crore.

• In HARCO Bank, profit per branch also declined to Rs. 1.44 crore per branch in the year 2011-12 from Rs. 3.05 crore per branch in the year 2002-03. However, all the branches of the bank showed profits over the study period except one branch which was loss to the tune of Rs. 23.32 crore in the year 2009-10.

• The staff strength of the HARCO Bank declined over the study period which resulted in a decline in profit per employee. It declined to Rs. 0.042 crore per employee in the year 2011-12 from Rs. 0.067 crore per employee in the year 2002-03. In the year 2009-10, there was loss of Rs. 0.035 crore per employee.

• The operational performance of the HARCO Bank has not been as good as is evident from the operational results of the bank during the period 2002-03 to 2011-12. Deposits of the HARCO Bank increased to Rs. 2130.90 crore in the year 2011-12 from Rs. 940.75 crore in the year 2002-03 listing an exponential growth rate of 9.85 per cent over the study period, whereas total loans issued increased to Rs. 4676.69 crore from Rs. 2671.82 crore representing an exponential growth rate of 3.60 per cent. Loans outstanding also increased to Rs. 4515.33 crore in the year 2011-12 from Rs. 1828.37 crore in the year 2002-03, representing an exponential growth rate of 9.80 per cent. The
recovery performance of the HARCO Bank increased to 99.95 per cent in the year 2011-12 from 99.41 per cent in the year 2002-03 listing an exponential growth rate of 0.001 per cent.

- In Haryana, 19 CCBs with 595 branches have been working as a link between PACSs and HARCO Bank. They have been providing sufficient funds to the PACSs to cater the needs of rural areas.

- The organizational structure of CCBs shows that its general body of the CCBs includes board of directors, managing director/chief executive officer, and general managers. Apart from it, the officers down the operating chain of general body are assistant managers/development officers. Senior accountants, junior accountants, record keepers and other sub staff come under the supervision of assistant managers. Establishment officers and branch managers of CCBs also come under the supervision of assistant managers. The organisational chart of the CCB has been divided into six departments i.e., Establishment section, Accounts section, Planning and Development, Enforcement cell, Banking, and Non-Farm Finance. Establishment section deals with the HRM matters; and there is no separate department for this purpose.

- With regard to the financial position of the CCBs, it was found that CCBs suffered losses during the study period. Majority of the branches of these banks were in profit, but over the study period, number of loss incurring branches increased. The number of such branches increased to 199 in the year 2011-12 from 96 branches in the year 2002-03. The profit per branch of the CCBs was Rs. 0.074 crore per branch in the year 2002-03, but by the year 2011-12, the branches were incurring losses and there was a loss per branch of Rs. 0.034 crore.

- Further, it was also found that profit per employee of CCBs was Rs. 0.006 crore per employee in the year 2002-03; and by 2011-
12, there had been a loss per employee of Rs. 0.006 crore as a result of decline in staff strength of these banks.

- The operational performance of CCBs has not been good as is evident from the operational results for the period 2002-03 to 2011-12. The deposits of CCBs increased to Rs. 5364.95 crore in the year 2011-12 from Rs. 2028.75 crore in the year 2002-03 listing an exponential growth rate of 11.63 per cent over the study period, whereas total loans issued increased to Rs. 8619.29 crore from Rs. 3741.35 crore showing an exponential growth rate of 6.58 per cent. Loans outstanding also increased to Rs. 7561.64 crore in the year 2011-12 from Rs. 3559.94 crore in the year 2002-03, representing an exponential growth rate of 8.08 per cent. The recovery performance of CCBs was unsatisfactory as it depicted a negative exponential growth rate of 1.37 per cent over the period of study.

- The results also highlighted that CCBs in Haryana had been suffering from shortage of employees. Out of 5949 sanctioned posts, only 3437 posts were incumbent, while 2512 posts were lying vacant as on 31st March, 2012. Out of total sanctioned posts, 42.23 per cent posts were lying vacant. It was also found that Sirsa CCB, Sonepat CCB, and Yamunanagar CCB suffered more as to the shortage of employees than other CCBs. In most of the CCBs of Haryana, the posts of clerks/cashiers were lying vacant. Out of total 1703 sanctioned posts of clerks and cashiers as many as 1066 posts were lying vacant as on 31st March, 2012.

- The performance evaluation of Staff Training College (STC) showed that 434 courses were conducted by it. As many as, 1434 assistant managers/development officers, 2088 accountants, 2057 clerks/cashiers and 1408 secretaries were trained by it during the period 2001-02 to 2011-12. STC also started on location training to the employees like capacity

7.2 HUMAN RESOURCE MANAGEMENT POLICIES IN COOPERATIVE BANKS OF HARYANA

- HRM policy in cooperative banks in the state of Haryana is a part of the staff service (common cadre) rules of the cooperative banks. These rules are well-designed and framed by the Registrar Cooperative Societies (RCS) of Cooperation Department in the state of Haryana. There has been a separate cadre rule for the HARCO Bank and CCBs in Haryana. These cadre rules are “The Haryana State Cooperative Apex Bank Staff Service (Common Cadre) Rules 1988.” and “The Haryana State Central Cooperative Bank Staff Service (Common Cadre) Rules 1975”.

- As far as the recruitment policy of HARCO Bank and CCBs is concerned, the board is the appointing authority for all categories of posts in these banks. Manpower planning in cooperative banks is done by Board of Directors which determines the staff strength of the bank and sends it for the approval of RCS. After the approval, the appointments in the cooperative banks are done through direct recruitment and promotion. All the direct appointments are made after proper advertisement in at least one of the leading newspapers in Hindi and English, mentioning the qualification required and grade of pay and other particulars of posts. In CCBs, direct recruitment can be made by obtaining names through Employment Exchange also. Reservation for reserved categories i.e., scheduled castes and tribes, backward castes; ex-serviceman etc. is provided in the direct recruitment as per government instructions applicable to Haryana government employees.
In HARCO Bank, all the posts of farm guidance officer, stenotypist, PBX operator, and librarian, driver, peon and chowkidar, sweater, gunman and gardener followed by 90.00 per cent posts of record keepers and clerks and 33.33 per cent posts of assistant managers, junior accountants and steno-graphers can be filled through direct recruitment, while in CCBs, all the posts of secretaries of the societies can be filled through direct recruitment. Only 25.00 per cent posts of senior accountants and junior accountants; and 85.00 per cent posts of clerks can be filled through the same method. It was also found that staff strength in both HARCO Bank and CCBs declined since 2001, and no fresh recruitment in CCBs was made beyond this year.

With regard to the promotion policy of cooperative banks, a seniority based promotion policy is followed in both types of cooperative banks in Haryana, and seniority is determined on the basis of merit list prepared by the appointing authority at the time of selection of employees in direct recruitment. If the date of joining of two or more employees in a category of service through direct recruitment and promotion is same, the one born earlier will be senior. All the posts of general managers, deputy general managers, assistant general managers, managers, senior accountants, and head gunmen followed by 66.67 per cent posts of assistant managers/development officers, junior accountants and stenographers can only be filled through promotion. Only 10.00 per cent posts of clerks and record keepers may be filled through promotion in HARCO Bank while in CCBs, all the posts of daftris, 75.00 per cent posts of senior/junior accountants and 15.00 per cent posts of the clerks can be filled through promotion out of daftris, peons, drivers and gunmen who have matriculation qualification with five years experience at the job. For the promotions of accountants, an integrated seniority list of all the senior accountants of CCBs and accountants of HARCO Bank was
being prepared. The persons fulfilling the minimum qualifications fixed for promotion were considered for the promotion on the basis of integrated seniority-cum-merit list.

- As per the training policy of the cooperative banks, staff has to undergo general or special training in any institution as may be prescribed by the RCS or manager of the bank. An employee deputed for training to any cooperative institution, will execute a bond and agreement undertaking to serve the bank at least for a period of 3 years from the successful completion of training, failing which he will be liable to pay expenses of training incurred by the institution on his/her training, and if any employee fails to complete the training successfully or pass the prescribed examination, will have to do the training again or take the examination as per rules of training institution at his own expenses. Employees of the HARCO Bank and CCBs are given training at the Staff Training College (STC) at Panchkula and various national institutes prescribed by the RCS, i.e., National Institute of Bank Management (NIBM), Bankers Institute of Rural Development (BIRD); Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM); Regional Institute of Cooperative Management Chandigarh (RICM), etc.

- STC equipped the employees of cooperative banks with the necessary capabilities to keep pace with the changing banking environment; and training programmes were re-oriented to meet the challenges of the changing banking scenario. Methodology adopted at STC was a class room teaching and group discussions with trainees. Besides this, senior existing/retired officers of NABARD, commercial and cooperative department were invited as guest faculty. The objectives of these training sessions were to equip the employees with latest developments in banking. Moreover, the concept of HRD orientation programmes was also introduced from the year 2008-09 in the
training calendar of the cooperative banks. During the training period, newly appointed employees were paid stipend by the STC.

- With regard to the transfer policy, it was found that in HARCO Bank, the managing director is the competent authority to transfer any employee of common cadre from HARCO Bank to CCBs. But in CCBs, the manager of CCB is the competent authority to transfer any person within the district jurisdiction of the bank. However, in HARCO Bank, general managers and deputy general managers can never be transferred from the head office, while other employees like assistant managers and development officers can be transferred to the CCBs; and senior accountants, junior accountants, clerks and other sub-staff employees can be transferred to the head office and branches of the HARCO Bank at Chandigarh and Panchkula. In CCBs, an apprentice secretary will not be transferred and he will be required to serve the society for which he has been recruited until becomes eligible to be absorbed as a regular secretary. The employee transferred from one station to the other are entitled to Travelling Allowance (T.A.) as per the T.A. rules of government but no T.A. will be paid for joining service at the place of first positing in case of new direct appointment under the direct recruitment policy of the bank.

- Under the performance appraisal policy of these banks, an annual character roll or confidential report (ACR) has been used as per the proforma prescribed by the manager. This report, in writing is kept confidential in the custody of the manager. In the case of HARCO Bank employees, whenever any adverse remarks are recorded in the report of an employee, the entire remarks including the adverse portion are communicated to the employee concerned within 6 months of the recording of such remarks. The concerned employee has the right to represent
against the report within a period of 6 months. But in CCBs, if
the adverse remarks have been recorded in respect of any
employee, these are communicated to the concerned employee
within a period of 6 months. An appeal against adverse remarks
can be made by the concerned employees within 30 days from
the receipt of such communication. The appeal is considered by
the appointing authority for decision whose decision will be final
and binding. In HARCO Bank a separate proforma relating to
the performance of bank is used for the assessment of branch
managers and chief executive officers of CCBs.

- With regard to the salary management of the cooperative banks,
  rules of Haryana government apply. Dearness allowance,
  travelling allowance, transfer allowance, house rent allowance,
  compensatory allowance, and conveyance allowance are given to
  the employees of these banks as per the Haryana government
  rules. Pay of the employees is revised as per the government
  rules after every 10 years in these banks. The latest pay revision
  of the employees was made in the year 2006.

- The welfare facilities such as gratuity, provident fund,
  conveyance, housing, and marriage loan are given to the
  employees of cooperative banks as per State government rules.
  These rules are amended from time to time with the approval of
  RCS. Further, the present employees, who have experience up
to 10 years, can claim 12 casual leaves, while those falling in
the 20 years experience and more than 20 years experience
categories get 15 and 20 casuals leaves respectively. However,
female employees of the cooperative banks can claim 20 casual
leaves per annum. Earned leave at the rate of 33 days per year
is also allowed to the employees of CCBs and HARCO Bank. The
facility of sick leave and study leave is only meant for
permanent employees of CCBs and HARCO Bank. Further,
there has been a provision of maternity leave under which the
female employees are entitled to get such a leave for a period of 3 months up to 2 children only.

7.3 HUMAN RESOURCE MANAGEMENT PRACTICES FOLLOWED BY COOPERATIVE BANKS IN HARYANA

- As per the survey results, the recruitment of staff was made by these banks mainly on the basis of advertisement given in leading newspapers. The role of Employment Exchange is quite limited in these banks. Very few employees i.e., clerks and sub-staff were recruited through Employment Exchange in these banks. It was also found that as increase in the level of educational qualification of employees resulted in decreasing the role of employment exchanges in recruitment. The value of chi-square reveals that significant differences exist in the responses of employees belonging to different categories of educational qualification and designation, but no significant differences exist in the responses of employees belonging to different banks regarding source of recruitment used by the cooperative banks.

- The survey also reveals that the interview method was used more in cooperative banks to select new employees than other methods of selection. Majority of the matriculates and below, graduates, sub-staff employees, accountants and employees of all the cooperative banks under study were of the similar view. It was also found that most of the respondent employees serving in these cooperative banks for a long period of time, entered the service in these banks on the basis of interview method. But now-a-days written test followed by interview method for selection is used for the selection of new staff in cooperative banks. Majority of the employees supported the written test followed by interview method for selection in these banks. Majority of the employees with higher educational qualifications
and designations also supported the same method but sub-staff employees favoured only the interview method for selection. Hence, educational qualification-wise, designation-wise and bank-wise, significant differences were seen in the response of employees.

- It was also found that seniority based promotion policy was followed in these cooperative banks. Majority of the respondents placed at the lower level of the hierarchical set-up having the basic qualifications supported the seniority based promotion policy but those with the higher designations and more educational qualifications i.e., managers and accountants favoured the merit-cum-seniority based promotion policy. The study further provided that that majority of the employees lamented that they were never promoted in cooperative banks with the current promotion policy. Managers and accountants were mostly promoted but clerks and sub-staff employees were given fewer promotions in these banks. It was also found that CCBs gave more promotions to its employees than the HARCO Bank. Hence, a significant difference existed in the responses of the employees with respect the promotions in these banks as per educational qualification-wise, designation-wise and bank wise.

- With regard to the transfer practices of cooperative banks, it was found that majority of the employees were transferred by these banks in its jurisdiction. Further, the transfer of managers and accountants took place more frequently in comparison to clerical and sub-staff of these banks. Majority of the respondent employees stated that political pressure played a great role in their transfers. A similar view was held by majority of the employees placed in the clerical and sub-staff. But, majority of the managers held a different view in this regard. They believed that their transfers were effected keeping in view
the larger interest of the bank. In this way, significant differences exist in the opinions of the respondent managers, accountants, clerks, and sub-staff employees of these banks under study with regard to the transfer. However, educational qualifications of the respondents showed an insignificant difference in this regard.

- The study also reveals that these banks commonly used Annual Character Role or Annual Confidential Report for performance appraisal of the employees. Majority of the employees thought that these reports were prepared to know the individual performance at the job and most of the employees with diploma and any other qualifications, managers and employees of HARCO Bank held the similar view. Here, significant differences were seen in the responses of employees due to their educational qualifications, designations and banks.

- With regard to the financial return of the employees in these banks, majority of the employees surveyed thought that they were moderately remunerated by these banks while (16.00 per cent) respondent employees considered the financial return as rather poor. However, it was found that majority of the managers stated the financial return as fairly remunerated, while accountants, clerks and sub-staff expressed the different view. They thought that they were moderately remunerated by these banks. Weighted Average Score showed that only managers and the employees of Panchkula CCB were of the opinion that they were fairly remunerated and others expressed it as moderately remunerated.

- The survey also reveals that pay of employees was revised in time by the cooperative banks under study after every 10 years as per state government rules, but majority of the employees’ suggested that pay should be revised after a period of six years instead of normal 10 years period in this inflation era.
• Cooperative banks in the state of Haryana provided some of the basic welfare facilities like housing loan, conveyance loan, gratuity, casual leave, study leave, medical re-imbursement, maternity leave, etc. to its employees. Majority of the employees surveyed thought that these banks took interest in the welfare of employees by providing them some sort of facilities and all the managers and majority of the employees of Panchkula CCB were of the similar view, but some clerks surveyed were of the negative view in this regard. Further, majority of the employees held the view that welfare facilities provided by these banks were moderately commendable. Weighted Average Score showed that managers and the employees of Panchkula CCB considered the welfare facilities as fairly commendable, while others expressed these as moderately commendable.

• About the training policy of the bank, it was found that these banks followed a cadre based training policy for new and old employees and there was no training programmes for the sub staff employees. They were given only counseling programmes, but not any proper training. It was found that these banks imparted more and more training to managers, accountants and clerks, but no sub staff employees were sent for training by these banks and these employees did not feel the need of any training relating to their job, while others i.e., managers, accountants and clerks favoured the training programmes of cooperative banks.

• Majority of the employees surveyed expressed that they were imparted training on the basis of job problems i.e., risk and management, customer service, latest banking techniques, computer application, business operation & development, auditing, common accounting system, credit appraisal, and others operational problems, while some employees were sent on the seniority basis for the training. Majority of the employees
surveyed were imparted training at STC and it was also found that majority of the managers were also sent to the various national level institutes for training, while most of accountants and clerks were imparted training at STC. Hence, designation-wise and bank-wise, significant differences in the responses of employees were seen, while educational qualification-wise insignificant differences were seen in this regard.

7.4 EMPLOYEES’ SATISFACTION AND PROBLEMS WITH REGARD TO EXISTING HUMAN RESOURCE MANAGEMENT SYSTEM

- The study reveals that majority of the employees held the view that there was a shortage of manpower in these banks and no serious efforts were made to fill the vacant posts which revealed that manpower planning practices in cooperative banks were not taken up with full spirit by the board of directors and RCS. It was found that clerks, sub-staff employees and accountants agreed more than the managers with the shortage of manpower in cooperative banks which indicated that there was a shortage of operational staff in these banks. Value of F indicates that bank-wise significant variations were seen in the responses of employees, but educational qualification-wise and designation-wise insignificant variations were found in the responses of employees with regard to the shortage of employees in cooperative banks. It was also found majority of the employees expressed that reservation policy was followed strictly in cooperative banks, but, it was found that majority of the employees were found dissatisfied with the recruitment practices followed in these banks. Clerks and sub staff employees expressed more dissatisfaction than accountants and managers with regard to recruitment practices. Weighted Average Score shows that employees surveyed were indifferent
with the recruitment practices. Here, bank-wise results showed the significant variation in the responses of employees while educational qualifications and designations depicted the insignificant variation in the responses of employees.

- Some of the employees of CCBs, those were found dissatisfied with regard to recruitment practices; suggested that employees in CCBs should be selected from the same district, not from the other districts because these banks were known as district bank. But it was not in practice during the recruitment process and most of the employees were recruited from outside the districts. Employees were also dissatisfied due to the state political interference in the recruitment and selection process. Some employees expressed dissatisfaction due to the shortage of manpower in cooperative banks, because, every year, many employees were retiring and no serious efforts were made by the CCBs to fill the vacant posts since 2001. There was a job stress among employees due to the shortage of manpower. It adversely affected the operational functions of these banks which resulted in either decline in profit or loss.

- From the opinions of employees, it was found that majority of employees expressed dissatisfaction with the current seniority-based promotion policy. They thought that current promotion policy did not give ample opportunity to the employees having good qualifications and talent, because the person with the longer experience were considered first for promotion; even if, they were less qualified. It was also found that majority of the managers and accountants were found more dissatisfied than clerks and sub staff employees. Majority of the sub-staff employees were found satisfied and clerks were indifferent with the current promotion policy. Hence, educational qualification-wise, designation-wise and bank-wise, significant variations in the responses of employees were seen with regard to satisfaction
to the current promotion policy. Further, it was also found that promotional avenues in cooperative banks were inadequate. Majority of the employees were either indifferent or dissatisfied with the promotional avenues. Managers and accountants were found satisfied, while clerks and sub-staff employees were found either dissatisfied or indifferent with the promotional avenues. It was the reason that clerks and sub-staff employees got fewer promotions in these banks, and further, their chances of promotions were very few that’s why they had articulated dissatisfaction in this regard. They expressed that promotional opportunities in cooperative banks were very scarce as compared to the other commercial banks. Weighted Average Score indicates that employees were indifferent with the promotion policy. Here, designation-wise and bank-wise, significant variations were seen in the responses of employees while educational qualification showed insignificant variations in the responses of employees in this regard.

• With regard to the transfer in cooperative banks, it was found that majority of the employees were of the opinion that transfer policy of the cooperative was fair. Employees of HARCO Bank were transferred to head office; the branches of HARCO Bank and to the CCBs. Employees of CCBs were transferred only within the jurisdiction of district. That’s why, majority of the employees were found satisfied with the transfer policy. Here, designation-wise and bank-wise, significant variations were found in the responses of employees, while educational qualifications showed the insignificant variations in the responses. Employees surveyed expressed that there were less transfers in cooperative banks than commercial banks. But, majority of the employees viewed that more transfers by these banks adversely affected the motivation level of the employees, because if, they were transferred again and again, then it became more difficult for them to adapt to the new environment.
and culture of transfer destination. It was also found that majority of the employees surveyed expressed dissatisfaction with the transfer practices of these cooperative banks. Weighted Average Score also highlights that employees surveyed were dissatisfied with the transfer practices. Here, educational qualification-wise, designation-wise and bank-wise, insignificant variations were seen in the responses of employees with regard to the satisfaction with the transfer practices. Employees surveyed expressed that the transfer practices were done in the cooperative banks as per the transfer policy, but political pressure played an important role in the transfer of the employees. Managers and accountants also thought that transfer practices in the cooperative banks were not fair. There was no strict or hard rule for the transfer of employees when the employees were promoted in these banks. Some employees got their favourite destination, while some were transferred without any reason to other places. Generally, very few transfers of employees were done to the place where the shortage of employees was found. Many branches of cooperative banks suffered from the shortage of manpower and few branches had surplus employees, but the employees of these branches were not transferred due to their political approach.

- With regard to the performance appraisal, majority of the employees were of the view that the present ACR based performance appraisal system provided them an opportunity to review their performance at the job. Majority of the managers and accountants held the same view. But, it was also found that majority of employees thought that appraisal was not taken seriously by the management. The accountants, clerks and sub-staff employees held the similar view; they expressed that it was just a formality while managers agreed that the management took the appraisal system seriously. Weighted Average Score depicts that employees were indifferent in this regard. Here,
designations of the employees depict the significant variations in the responses of employees, but educational qualification-wise and bank-wise, insignificant variations were seen in the responses of employees.

- It was also found that majority of employees were found satisfied with the current appraisal system of the cooperative banks, but those who were indifferent or dissatisfied with the appraisal system, wanted some improvement in it to fix the accountability of the employees. The present appraisal system was based on the qualitative and behavioural measures of employees like their attendance, devotion to duty, intelligence, personality, integrity, behaviour towards superiors; etc. But the present appraisal system lacked in motivation for the employees to vie for high standards to be achieved. Only the performance of Chief Executive Officer (CEO) and branch managers was measured in quantitative terms in HARCO Bank. It was also found that present appraisal system did not help the employees for future promotions and the assessment of training needs in these banks.

- With regard to the salary management in cooperative banks, it was found that majority of the employees were of the opinion that salary in cooperative banks was lower than other commercial banks. Majority of the employees of different educational qualifications and designations lamented that commercial banks provided better salaries to its employees than cooperative banks. They expressed that there were more chances of having handsome salary package in commercial banks rather than these banks. As per the opinions of employees, it was also found that majority of the employees thought that present pay did not give any significant improvement in their living conditions. Matriculates or below, sub staff employees and accountants felt very bitter about it.
Further, it was found that pay of employees was revised in 2006 as per 6th Pay Commission, but majority of the employees were indifferent with the present pay scales. Weighted Average Score also depicts that employees were indifferent with the revised pay scales. Here, educational qualification-wise, designation-wise and bank-wise, insignificant variations in the responses of employees were seen. It was also revealed that managers were found satisfied, while accountants, clerks and sub staff employees were indifferent with the revised pay scales. These employees were of the view that they were only moderately remunerated by these cooperative banks. Employees expressed that cooperative banks were the important part of our financial sector controlled by RBI and Banking Regulation Act 1949, but the salary of employees in cooperative banks was determined as per state government rules, unlike other commercial banks, inspite of performing all the banking functions as per the said acts.

- With regard to the welfare facilities, majority of the employees were found neutral that the present welfare facilities of the cooperative banks improved their efficiency. Managers and accountants agreed, while clerks and sub staff employees were either neutral or disagreed in this regard. Employees of lower hierarchy level of these banks expressed that cooperative banks did not make much effort for the welfare of employees; there were no unions in these banks, which could take the responsibility of employees’ welfare. Further, it was also noticed that majority of the employees were found indifferent with the welfare amenities provided by these banks, but majority of the managers were found satisfied, while accountants, clerks and sub staff employees were either indifferent or dissatisfied with the welfare facilities provided by these banks. Weighted Average Score highlights that employees were indifferent to the welfare facilities provided by the cooperative banks under study. Here,
educational qualification-wise, designation-wise and bank-wise, insignificant variations in the responses of employees were seen. It was found that cooperative banks provided gratuity, provident fund, earned leave, study leave, maternity leave, medical leave & re-imbursement, loans to staff members; etc. But some of the basic amenities, like canteen, bus service, crèches, rest shelter, subsidised food, rent free accommodation, sports and holiday home facilities were not provided by cooperative banks, while some of these were provided by the commercial banks.

- With regard to the training practices, it was found that majority of the employees were imparted training at STC. They expressed that STC occupied adequate training facilities and majority of the managers and accountants agreed that training college provided better facilities to impart training the employees. It was also found that majority of the employees expressed that the existing training and development programmes of these banks were need based and appropriate. Further, it was also found that majority of the employees also opined that the present training programmes were very useful and were organised as per the requirements of the job which was very important in changing banking scenario in Indian context. The managers and accountants expressed that they tried at the job what they have learnt from training. They adopted the practical approach of the training programmes. With regard to the training practices of the bank, it was found that majority of the employees were found satisfied with the training programmes of the cooperative banks. The managers and accountants expressed more satisfaction than clerks. Weighted Average Score depicts that employees were indifferent to the training practices followed in these cooperative banks. Here, educational qualification-wise, designation-wise and bank-wise, insignificant variations in the responses of employees were seen with regard to the satisfaction for the training practices followed by these banks under study.
• But, some of the employees those were found dissatisfied, expressed that training programmes were just a formality at STC, it was like a class room teaching, no serious efforts were made to solve the individual employee’s problems relating to job. They opined that training led to no improvement in their efficiency. Their own methods of improvisation and doing work were better to solve the problems rather than training techniques. One of the reasons of the employees dissatisfaction was that training was not provided by the experts or professionals and those trainers who impart training, were not aware of the employee’s problems. Due to it, some employees did not display interest in these programmes. They viewed that it was just wastage of time on these training programmes. Some employees stated that bank should also focus on the national institutes to impart training to the employees of cooperative banks, so that employees can know, what was happening in cooperative banks at national level. The employees of these banks should also be provided training like commercial banks.

7.5 SUGGESTIONS

The following suggestions emerge out of the findings of the present study:

1. Organisational structure of the cooperative banks needs to be reframed. There should be a separate HR department to perform the activities related to it. The work of manpower planning, recruitment, selection, promotions, training, transfer, appraisal of the employees, salary management and employees’ welfare which is currently being performed by the Administration Department in HARCO Bank and the respective Establishment Sections in CCBs should be transferred to HR department after its formation.
2. There is a need of proper assessment of the manpower in HARCO Bank and CCBs in Haryana. As the profitability per employee of HARCO Bank and CCBs declined over the study period due to the shortage of manpower in these banks. So, there is a immediate need to fill the vacant posts. Board of Directors should take the manpower planning seriously as to curtail the stress found in the employees of cooperative banks. Political influences in recruitment of staff should also be eliminated for attracting talented and well-qualified people in these banks. These banks need to be regulated only under the Banking Regulation Act. Recruitment in cooperative banks should also be made through the Employment Exchanges in the state. Campus placements can also be considered for this purpose.

3. The prevailing written test-cum-interview method adopted for the recruitment of the employees in these banks under study demands to be more fair and transparent. Some of the employees expressed that the bank should recruit employees of the respective CCB from the same district rather than other districts. It will help to liberate the recruitment process of political influence in cooperative banks.

4. The cooperative banks need to have a fresh look on their promotion policy because the current promotion policy does not provide adequate chances of promotions to the qualified and deserving employees. So, promotions only on merit or merit-cum-seniority basis should be given. There is also a need to focus more on career planning, because promotional avenues are quite limited especially in the case of clerks and sub-staff employees. These employees got fewer promotions as compared to managers and accountants. So, there is a need to develop the promotional avenues for the employees in cooperative banks on the pattern of commercial banks.
5. The transfer practices of the cooperative banks need to be more transparent in order to eliminate the political interference from it. Moral counselling provided to the employees from time to time can help them to work with greater zeal and also establishing a better relationship with the management. The banks should also focus on the branches which suffer from the shortage of manpower so that surplus employees of other branches can be transferred to these branches in the larger interest of these banks.

6. Performance appraisal system needs to be improved by setting standards for the employees rather than merely measuring their character roll or behavioural approach towards these banks. The management should take the performance appraisal of the employees seriously. There is a need to fix the accountability of employees in these banks. These banks should create such an appraisal system which may help the employees to get promotions and enable them to assess their training needs. The adverse remarks of the performance appraisal should be communicated to the concerned employees without any delay, so that they can rectify their weaknesses in time.

7. Cooperative banks should be given enough autonomy by the state government to control salary management of the employees. The pay of their employees should be revised on the pattern of commercial banks. More incentives should be given to the employees for better performance.

8. Although many welfare facilities are provided to the employees of cooperative banks under study, yet some of the basic facilities such as canteen, bus service, crèche, rest shelter, subsidised food and rent free accommodation demand attention of the management. Such incentives will enthuse the employees to hone their skills.
9. Training programmes should also be arranged for the sub-staff employees. STC should formulate such training programmes which may help them to perform their duties in an efficient manner and so that these subordinate employees must not feel abandoned.

10. Training programmes of the cooperative banks need re-orientation; and these banks should organize seminars and conferences in regular way to solve individual job problems. Further, emphasis should be laid on practical training of the employees rather than theoretical training. For this purpose, more and more employees can be sent to national level institutes. Training can also be imparted to the employees in collaboration with the training institutes of commercial banks in order to meet the latest banking challenges.

11. There is a need to open nodal training branches by these cooperative banks in few districts, so that in case of any immediate need, employees can go to there to find solution of their problems.

12. It is believed that employees are the true assets of any organisation. So, there is a need to develop such an organisational culture. The sharing of ideas and openness help to find new ways to tackle the problems of these banks more efficiently and effectively.

### 7.6 SUMMARY OF THE STUDY

It can be concluded from the study, that HRM is the neglected area in the cooperative banks of Haryana inspite of performing major role in the development of rural areas and achieving the objectives of financial inclusion in the state. HRM policies and practices were found to be flawed to some extent and the work of the management of human resources was not taken with full spirit by the cooperative banks. Banks also suffered due to the state control and political
interference. Due to it, manpower shortage in cooperative banks emerged as the major issue of HRM. So, there is a need to develop a sound HRM system in these cooperative banks.

### 7.7 SCOPE FOR FUTURE RESEARCH

While conducting the present study, certain aspects could not be dealt in view of the study objectives and other constraints of time and cost. Besides, findings also provide certain clues on the basis of which the following areas can be selected for future research.

- Comparative study of HRM practices in cooperative banks of different states.
- Intensive study of HRM practices of HARCO Bank and CCBs.
- Comparative study of HRM practices of all CCBs in Haryana.
- Training and Development in cooperative banks of Haryana
- HRD in CCBs of Haryana
- HRM practices covering others aspects like career planning, executive development, social security, management of grievances, worker participation and quality of work life in cooperative banks can also be conducted.
- Total quality management in cooperative banks.
- Human Resource Management in urban cooperative banks of Haryana.
- Human resource Management in Haryana State Cooperative Agriculture and Rural Development Bank.
- Comparative study of HRM practices followed in commercial and cooperative banks.