CHAPTER-V

Summary of Conclusions and Recommendations
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A thorough analysis of the human resource development in the banking sector of India with a special reference to executive development in State Bank of India has been undertaken in the preceding chapters. The study has brought to light several thought provoking conclusions which need immediate attention for improving the lot.

It has been found that the banking sector in India has undergone tremendous change since nationalisation of major commercial banks in 1969. One of the most striking features of the changing banking scene has been the decline in the number of commercial banks and a very remarkable rise in the number of branches. The process of weeding out sub-standard non-viable banks which started with the recommendations of the Travancore-Cochin Bank Inquiry Commission (1956) was accelerated after the failure of two scheduled banks in 1960. Thus, it will not be out of place to mention that previously branch expansion was the consideration, subsequently consolidation and provision of quality service was preferred.

The study further revealed that with the growing demand for new bank personnel and the imperative need for improving the effectiveness of banks, it is felt that a new breed of bank employees should be developed who will be tuned to work in banks in accordance with the changing scenario. Human resource development concept is essential for the development of the individual, the organisation, community, society and the nation. Introduction of the human resources development concept by the banks is very much essential looking to its character of service industry.

Human resource development in banks includes the development of executives. Executives in banks share major burden of work. Their talent is the most important asset an organisation has. It doesn't appear on our balance sheet, but, it will have more important effects on our progress, our profits and the price of stock, than any other assets we possess or can acquire.
The study reveals that executive development in the State Bank of India is a continuing process along with the development of human resources at lower levels. Training is one of the main components of executive development in the bank under study along with other components such as, appraisal system, Promotional policy, transfer system & organisational development exercise.

The study discloses that the bank has always taken care to provide new avenues and openings for its employees and seen to it that a reasonably satisfying career is available to the staff at all levels. State Bank of India has very well formulated placement, transfer and promotion policies. The career plan model in the Bank aims at enabling the individual to acquire different types of capabilities that he needs to have not only in respect of present assignment but more importantly in respect of that he wishes to hold in future.

Furthermore, the study reveals that the bank has not succeeded to the extent it desired, in achieving the objective of executive development. But the achievement of bank in executive development still seems to be satisfactory. Bank has recently adopted open system of appraisal. Once the experiences of State Bank of India are stabilised, it might become easier for the associate banks to revise and adopt the new system.

Besides the Bank has well devised policy for promotion of its executives. It was observed during the study that most of executives from JMGS level I (direct appointees) & SSMG level IV are cent percent satisfied with the banks promotion policy. On the other hand, executives from other scales are either not satisfied at all or are lesser satisfied, even though 70% of the supervising staff is inducted by departmental promotions to executive positions. It has also been observed during the study, that the bank under study is rigorously conducting various organisation development exercises with more and more attention on coping and renewal capabilities among the employees working in the bank. Some of the innovations initiated by the bank include, visiting faculty scheme, manager to messenger programmes, encouragement to the formation of quality circles, role analysis exercises and periodic climate surveys.
Since it has been observed, that executive development system is prevailing in the bank and as a result of which various training programmes are regularly being organised by the bank under study for the development of its executives, therefore, the hypothesis, i.e. "The executive development in State Bank of India has been left to open chance and no formal planning in this regard is done by the bank and most of the present executives of State Bank of India have no formal management training and education" has been rejected.

**SUGGESTIONS**

**Suggestions For Banking Sector Of India**

Following are the important suggestions, for improving executive development in the overall banking sector of India:

01) Banking industry requires personnel of high calibre to accept and carry out challenges ahead. The need of the hour is pre-employment selection of high calibre personnel and then equip them with proper education and training on the lines of engineering and medical professions. For this work, a high level Banking Service Commission or Banking Academy or Council for Banking Education may be created.

02) Proper and timely training of the concerned personnel is essential. For this, the selection of training programmes to meet with needs and requirements of the banks is most essential. It is as such suggested, that while selecting training programmes, due weightage should be given to flexibility, adaptability, effectiveness, economy and accessibility of training programmes.

03) There are many problems and issues which need to be resolved if performance appraisals are to succeed in Indian banks. For the success of performance appraisal in banks, the employees should be informed about their performance irrespective of the fact whatever rating he gets.

04) Specialised short-term training programmes should be conducted for middle and higher executives. The objectives of such training programmes should be to improve strategic effectiveness of the bank.
05) Rural bank branches are mostly manned by the staff primarily having urban background and snobbish outlook towards the problems of rural people. The only way to improve the situation is to create a separate cadre for rural branches and to recruit officers for this cadre from amongst the rural people.

06) The standard of management and the quality of expertise in a number of public sector banks is much below average with the consequences that the overall performance of these banks continue to suffer. One way to increase this disturbing state of affairs is to introduce a system of transferring capable, competent and experienced personnel from relatively well-managed banks to these banks, at least at senior levels, i.e., SSMG executives.

07) The transfers to unwanted areas should be backed by both monetary and non-monetary benefits and also proper orientation should be provided to the transferees to accept the challenging jobs for their betterment.

08) The general principles of transfer and placement should be worked out in detail and made explicit. These guidelines should be disseminated among executives. However, enough time must be allowed to the individual to get insight into the particular roles after being given specialised training. There is also a need for development of formal system and policies regarding job rotation both at the managerial level and at the award staff level.

09) Executive resource planning is perhaps the crucial element in an effective and successful executive development system and without this critical input, everything else proves fruitless. It is essential that efforts to develop executives are put into effect with thorough consideration of the probable growth and changes in various functions of banking sector.

10) Banks should take immediate steps to remove the frustration of the executives stemming from stagnation under the present time scale promotion policy (based on seniority) the banks should strike a balance between merit and seniority.
11) In order to bring about a close contact between the academicians and practical bankers for having proper understanding of the problems pertaining to the banking education and research. It is suggested that a scheme may be formulated under which the economists from universities may be sent on deputation for training to banks and the bankers in turn can be sent to the universities for a particular period of time to bring theory and practice together.

12) In order to improve the overall efficiency of the public sector banks, there should be a system of inter-bank transfer of senior banking executives.

**Suggestions for State Bank of India**

Following suggestions are put forth for State Bank of India for improving the development of its executives:

01) The management of the bank should make all out efforts to convert, 'Superior-Subordinate Relationship' into 'Friendly Informal Relationship' between the junior and senior executives. Efforts should be geared to strengthen the values of mutuality, trust, confidence, collaboration, loyalty, authenticity and so on.

02) Training system in State Bank of India would be strengthened further, if the training mechanism for sponsoring employees is reviewed and improved upon. The training system in the Bank should be geared to design innovative and highly specialised programmes as a measure to improve and provide skills, knowledge and expertise in functional areas.

03) The crux of the objectivity of an effective performance appraisal system lies in appraising performance and giving ratings (required in a formal set up). It is therefore, suggested that the appraisal and feedback system be strengthened in the bank under study by removing the various lacunae in the system. Besides, a proper rating system should be evolved to give a concrete picture to the appraisal conducted.

04) Bank should introduce a sound promotion policy in consultation with the
employees union where favouritism should find no place in promotion decisions.

05) In order to achieve executive development, objectives and implement management philosophy regarding executive development, there is need for State Bank of India to formulate policies that would provide guidelines to thinking and action. Various policy decisions will have to be taken with a view to programming executive development effort. The bank must attract high talent personnel at the early level as well as identify high talent personnel within and nurture and develop them to reach their maximum potentialities.

06) The research wing of the bank has to know what the expectations of operating staff are. This can be achieved by involving practical bankers with research functions and research wing working in close association and coordination with the operations staff. The executives of research wing have to execute policy decisions and guide and control various operating levels. The research wing should serve the executives with information and material based on an overall assessment of the situation.

07) State Bank of India has more than 8,800 branches now. In view of unsatisfactory customer service, increasing frauds in branches, both in number and amount, considerable amount of pending work, managerial incompetence, the time has come for consolidation of existing system and achievements rather than to add more branches.

08) Possession of adequate administrative powers by the branch manager and the maintenance of proper discipline in the branch office generally go together. In the interest of maintenance of discipline in the branch offices, therefore, the administrative powers of the branch managers should be increased.

09) Of the total branch offices of the State Bank of India, almost 70% are categorised as rural branches. The background of most of the staff being urban, there is a built-in hesitation on their part to be posted in rural branches, and quite frequently they resist such a posting by applying all the means
available to them. The result is that, quite often, the rural branches suffer without a full complement of staff. One of the ways to overcome this difficulty, is to make compulsory an experience of two years in rural branches before a person is considered for promotion to the next grade.

10) Indian rural economy represents about six lakh villages. Still there is not sufficient bank branches in rural areas to cover all the villages. Pending full coverage of the unbanked rural areas by regular branch offices, State Bank of India being one of leading commercial banks should introduce mobile banks to serve such areas.

**CONCLUSION**

The present study has been exclusively aiming at identifying the problems and prospects of executive development of Indian Banking Industry with special reference to the State Bank of India. It has been observed in the study that Indian Banking Industry faces certain problems in the implementation of various executive development programmes, such as inadequate training facilities, unsatisfactorily performance appraisal system, lack of conceptual clarity and roll ambiguity, lack of co-ordination, lack of commitment, defective executive resource planning, inadequate research and development, non-involvement of unions and lack of systematic orientation. However, in the State Bank of India though the position is not up to the mark, yet it has been noticed that the situation of executive development is comparatively on a better keel. The State Bank of India as well has certain inherent executive development problems which can be identified as, ineffective mobilisation and utilisation of human resources, lack of training facilities, selection of training faculty, inappropriate performance appraisal, lack of proper transfer policy, unsatisfactory promotion policy.

To overcome these problems the study has putforth certain suggestions separately for the overall banking sector of India and for State Bank of India. For the former it has been suggested that pre-employment selection test of high calibre executives, proper and timely training of the concerned executives,
proper performance appraisal, short-term training programmes be conducted for middle and higher level executives, separate cadre for rural branches, inter-bank transfers of capable executives, monetary benefits for transfers to unwanted areas and promotion be based on seniority at various levels. For bringing efficiency in the executive development area of the State Bank of India, the study recommends that training system in the Bank should be geared to design innovative and highly specialised programmes, various lacunas in the appraisal system should be removed to make it an effective exercise, sound promotion policy be introduced in consultation with the employees union and the research wing of the Bank should undertake various research projects on human resources management including executive development.