CHAPTER II
THE DESIGN OF THE STUDY

Introduction

Efficient utilisation of resources in terms of money, material and machinery depends upon the efficiency of personnel operating and handling the resources. The employees' perception of management and the relations between management and workers are dependent on the management policies and their bearing on human relations. A statement of management intentions concerning people or formulation of a policy on personnel is thus, needed in every organisation. A good personnel policy motivates employees to work hard and produce more; and at the same time helps the management to utilise the human resources to the optimum level. It also establishes harmonious relationships between the management and the workers. An efficient management, thus, should not only have good personnel policy but see that these policies are practised so as to achieve the organisational objectives.

As in any other organisation, employees are considered as the most important resource in cooperative institutions. Central Cooperative Banks, being pivotal institutions in agricultural and rural credit, personnel management is of vital impo'tance. Their performance, among other things, depends upon the quality of performance and team spirit of their personnel. As the business of Central Cooperative Banks involve social outlook, development orientation and personalised

services, personnel acquires greater significance in cooperative banks than in other commercial banks.

In the Central Cooperative Banks, the personnel management has three-fold objectives of maintaining good relationship within the organisation, motivating the individual employee to contribute his or her best to the achievement of organisational goals and taking steps for their employees' welfare. In order to accomplish these objectives, various functions of personnel management have to be performed which include manpower planning, recruitment and selection, training and development, promotion, transfer, salary administration, employee welfare measures, ensuring good working conditions and environment, performance appraisal, employee discipline, grievance redressal, employees' union and management relationship. The proper performance of these functions requires appropriate policies and programmes. Being district level organisations staffed with hundreds of employees, Central Cooperative Banks should have suitable personnel policies and implement them in practice. Further it is imperative that there should be uniformity in personnel policies and practices among the central cooperative banks throughout the State.

In the above context, it is pertinent to empirically examine the following issues: What are the policies of the District Central Cooperative Banks relating to the personnel management functions? To what extent are they implemented in actual practice? What are the

procedures followed by these banks in implementing these policies and the practical problems faced by them in following these procedures? What is the background of the personnel employed in the banks? What is their attitude towards personnel policies and practices of these banks? Is there cordial relationship between the management and the employees, and what is the role of employees union in it? Several Committees and Commissions have been appointed to look into the problems of cooperatives and to give their suggestions. But no committee was appointed to study personnel management in the cooperatives. This study is an attempt in this direction.

Review of related studies

Many studies on personnel management have been made in the past. But most of these studies related to private and public sector enterprises. A few studies have also been made on cooperatives. Some of the important studies conducted on personnel management are reviewed here.

3

Beer conducted a survey of personnel management problems, policies and practices in 42 marketing and purchasing associations located in 18 states of U.S.A. Information was gathered on selection of employees, training, pay, performance appraisal, stabilisation of employment, health, safety and physical working conditions, employee welfare, relations with other employees etc.

Beer, R.G., Personnel Management in Farmers' Cooperatives, Kansas City: Director of Information and Extension, Farm Credit Administration, May, 1942.
Rudrabasavaraj made an attempt to study personnel management practice in a cross section of public, private and cooperative enterprises. The study covered in all 32 organisations - 6 in the public sector, 12 in the cooperative sector, and 14 in the private sector. The study threw light on various aspects of personnel management in the country such as manpower recruitment, selection, training, policies of promotion, transfer, performance appraisal and career development, communication within the organisation, employee morale, wage and salary administration, employee welfare and services, union management relations and personnel organisations.

Taiyab Shaikh studied the personnel administrative policies and practices of 20 urban cooperative banks in Bombay and Pune. Data were collected through primary sources like Urban Cooperative Bank and Government Officers by using questionnaires. Secondary data had also been collected from Library, Government reports. Urban Banks registered prior to June, 1972 and employed about 20 employees, were alone selected for the study. Totally 102 employees belonging to different cadres were also interviewed by administering questionnaire for knowing their views on various personnel matters.


Bhabatosh Sahu conducted field studies in Indian organisations in public and private sectors between 1979 and 1981. The views of trade union leaders, office bearers of different management associations and Government officials were also taken into consideration for the study by administering questionnaires. The responses were also obtained through personal interviews. In all 637 respondents of different categories were covered by the study. The study mainly focussed on the participative management.

Gopalji 7 made an attempt to examine the place of "personnel" as a function in Indian manufacturing industries and to survey the entei—prise practices relating to various personnel related functions. The study was made in 31 private and public sector manufacturing industries of 10 years of existence and had a paid-up capital of Rs.50 lakhs or more in and around Bombay, Pune, Ahmedabad, Baroda in western region and Allahabad, Kanpur, Ghaziabad, Meerut, Faridabad and Delhi in northern region of India. The study was based on unitwise survey through four sets of questionnaires meant for different cadres followed by personal interviews with the management and a cross section of different categories of employees. In all, 115 subordinate employees were selected to elicit necessary information, particularly with regard to their attitudes and opinions on personnel policies and practices. Information was also elicited from 37 supervisory staff as regards their


Gopalji, op. cit.
attitude towards job factors in terms of responsibility, recognition, achievement, etc., besides their status in the organisation. Representatives of employees' union had also been covered by the survey, mainly, with a view to ascertaining their perception of personnel policies and practices in their own units.

Suryakumar Srivastava conducted a study covering 100 employees of Hindustan Aeronautics Limited (Kanpur division) to examine the effect of various internal and external factors on the employees levels of job satisfaction. These employees were administered job satisfaction scale.

Anuradha Sharma analysed, in her study a number of psychological factors that are related to the level of job performance of the skilled workers in Indian Industrial Organisations. Based on the pioneering works of Lewin and Vroom, a cognitive approach to workers' motivation for job performance has been emphasised in this study. Keeping 'ability' a constant factor, job performance has been conceived as a resultant factor of worker's personality and his perception of the work situation. Data were collected from 397 workers of private and public sector undertakings in Faridabad, Bhopal and Haridwar by administering questionnaires and adopting interview methods.


Jyothi made an attempt to study on personnel management practices and industrial relations in selected cooperative enterprises in Visakhapatnam district. The objectives of the study are: (a) to review personnel policies and practices in the selected cooperative sector units; (b) to study the socio-economic background and attitudes of the employees towards their work, management and organisation; (c) to analyse the union-management relationship in the selected units and (d) to suggest a framework for the effective utilisation of human resources and creation of desirable work environment. Data was obtained from four selected units of Visakhapatnam district. The study was based on primary and secondary data. Primary data were collected from 407 employees selected on the basis of a stratified random sampling. Various techniques such as questionnaire, interviews, discussions and observation were adopted by the researcher for the collection of primary data.

Uma Sekaran investigated paths to job satisfaction taking into consideration certain critical factors that employees face within the workplace on a daily basis. A sample of 307 employees was drawn from nine banks in Bombay, Madras and Hyderabad. One each from among the big, medium and small sized banks in each city was randomly selected for the survey. Arrangements were made to include in the


sample a fair representation of employees at the clerical, supervisory and managerial levels from each bank; and questionnaires were administered to them.

Sapru examined the role of banking institutions in public sector and how the personnel management within it can be revamped for the improvement of its performance. It examined the organisational set-up, recruitment, in-service training, discipline and service condition and industrial relations in the banking industry, with particular reference to the Chandigarh Zonal Office of the Central Bank of India. Attempt was also made to study the quality of customer service in the selected bank. The study was based on the analysis of both primary and secondary data. The primary data were collected through personal interviews, discussion, field survey and interview schedule. Structured questionnaire was administered to 60 officers and 50 clerical staff of the Central Bank of India (Chandigarh). The main source of the secondary data were the rules and regulations, annual reports of the Banks and books on personnel management.

Pawan Karara undertook a micro-study entitled "Management of a complex organisation with special reference to the Punjab State Cooperative supply and Markering Federation Limited". This study was based on case study and survey method. The data were collected


through several sources such as office records, observations, questionnaires, interview schedules, etc., from 200 office employees and 110 plant employees. Besides, 250 consumers were also contacted and interview schedules were administered for finding out the popularity and marketability of federation products. For exploring and analysing some of the significant management issues, certain case studies were conducted. They include 50 deputationists to study four variables viz., status of deputationists, their parent department, method of selection and their stay in the federation; 50 employees to find out the number of promotions they got since their appointment in the federation; and one of the processing plants to ascertain the managerial and operational problems.

Anand Kumar Sinha\textsuperscript{14} examine the factors which influence the job satisfaction. The study was undertaken to analyse the nature of relationship between various socio-psychological factors and job satisfaction of the bank employees. It is a comparative study of the private and public sector banks and it tries to examine four clusters of variables in relation to job satisfaction of the bank employees, organisational variables, individual and background factors, social environment of the employees, and workers’ perception of and expectation from the job in terms of desired and attained job characteristics. On the basis of size determined by the number of

employees working in the bank, the banks under study have been categorised into three size groups: large; medium and small. Banks employing more than 100 employees belong to the first category, those employing between 50-100 employees to the second category and less than 50 employees to the third category. Altogether 350 employees including 80 officers; 190 clerical staff and 80 subordinate staff were contacted to collect data, with the help of interview schedule.

Apparao aimed at studying the methods that are usually followed by the small industries for selecting different categories of employees, the training facilities available for the employees, the wage structure, and wage differentials, the welfare measure provided, nature and extent of absenteesism among the workers, the problem of labour turnover, the nature and the extent of unionisation among the workers and the causes and results of strikes in small industries. The study covered 98 industries, i.e., 11.02 per cent of the total number of units in Kurnool district of Andhra Pradesh. Two per cent of the total number of workers had also been selected for the study. Two different types of questionnaires had been used for collecting data from the workers and management.

Vadivelu made an attempt to study the personnel management policies and practices in selected Central Cooperative Banks in

Tamil Nadu. The objectives of the study are: to examine the existing personnel policies followed by the Central Cooperative banks and to assess their adequacy or otherwise in relation to the objectives set forth and jobs prescribed and actual performance; to examine their personnel administration practices and to suggest ways for a more rationalised approach towards personnel organisation and management of the Central Cooperative Banks. The researcher adopted both descriptive and exploratory methods. Three District Central Cooperative Banks each representing A, 13, C audit classification were selected for the study. Primary data were collected from the banks.

Srinivas conducted a micro-level study to examine the selected weak Central Cooperative Banks in Andhra Pradesh. The main objectives of his study were to examine the problems involved in the organisation structure and to evaluate the performance of managements of the bank in relation to its objectives and goals. The study confined to 13 year period from 1968-69 to 1980-81, and the management of the Central Cooperative Bank.

The above review shows that most of the studies on personnel management have been carried out in public and private sector undertakings and that a few studies made on cooperatives have not covered Central Cooperative Banks except the studies of Vadivelu and Jyothi. Even these two studies were based only on a limited sample.

and their findings cannot be generalised. The present study is an attempt to fill in the research gap in this area. This study with its coverage of all Central Cooperative Banks and a larger sample of employees representing all banks in the state and indepth analysis throws more light on the various issues connected with the personnel management policies and practices in Central Cooperative Banks in Tamil Nadu.

Objectives

The objectives of the present study are:

1. To study the organisational set-up for personnel management functions in the Central Cooperative Banks in Tamil Nadu;

2. To review the personnel policies and practices relating to various personnel management functions such as:
   a) Manpower planning
   b) Recruitment and selection
   c) Training
   d) Promotion
   e) Transfer
   f) Salary administration
   g) Welfare measures
   h) Working conditions and environment
   i) Performance appraisal
   j) Employee discipline
   k) Grievance redressal
   l) Employees' Union and Management relationship.
3. To study the background of the personnel and their attitude towards personnel policies and practices, and

4. To identify the practical problems faced in implementing the personnel policies and offer suggestions for improving personnel management in the Central Cooperative Banks.

Operational Definitions of Concepts

Personnel Management Policy: Personnel Management Policy means written guidelines on personnel management functions for action, issued by the Registrar of Cooperative Societies, Tamil Nadu from time to time and specified in the Cooperative Societies Act and Rules and special bye-law relating to the service conditions of the employees of the Central Cooperative Banks, which provide the basis for action by the concerned authorities of the bank.

Personnel Management Practices; Personnel Management Practices mean the actual implementation of the personnel management policies by the banks.

Appraisal: Appraisal means assessing the performance of the banks and attitudes of the employees towards personnel management policies and practices.

Officers: Officers mean all permanent employees of the bank working in the cadres of secretaries/assistant secretaries/Assistant Executive Officers, Managers/Field Managers.
Clerks: Clerks mean all permanent employees of the bank working in the cadres of Assistant Manager, Senior Supervisor, Senior Assistant, Junior Supervisor and Junior Assistant.

Subordinate Staff: Subordinate staff mean all permanent employees working as peons, messengers, drivers, sweeper, watchman and attender.

Attitude: Attitude denotes a persistent tendency of an individual to feel, believe and react in a particular way towards some object. In the context of the present study, the term attitude describes the feelings, beliefs and opinions of the employees towards the personnel management policies and practices of the Central Cooperative Banks.

Job Satisfaction: Job satisfaction indicates a set of attitudes about the work. Thus, the term job satisfaction for the purpose of the study connotes the attitudes of the individuals to things related to work or job factors.

Geographical Area

The study is confined to Tamil Nadu. As the researcher is working in a University located in Tamil Nadu and as a matter of convenience and social responsibility. Tamil Nadu was a natural choice for this study.

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19 Ibid., p. 261.
Reference Period

Data regarding the profile of banks were collected for the years from 1978-79 to 1987-88; direct recruitment of the employees and tenure of special officers for the period from 1976-77 to 1987-88; employee turnover and training for only five years from 1983-84 to 1987-88. The period referred for promotion and cases of indiscipline was only for three years from 1985-86 to 1987-88. For estimation of vacancies, social class, deputation of employees, transfer of employees, number of employees in terms of total salary, salary structure, allowances and other benefits and welfare facilities, data were collected for the year 1987-88 only.

Methodology

The study is an empirical research based on survey method. First hand information was collected from the personnel working in the establishment section and from the records such as standing orders/circulars, regulations, special bye-law relating to the service conditions of the employees, Cooperative Societies Act and Rules, text of various agreements and annual reports of the selected Central Cooperative Banks. Primary data were collected from a sample of employees through mailed questionnaires. The office bearers of the employees’ union, special officers, secretary, assistant secretary (Administration), Manager (Personnel) and other officials from the personnel/establishment section of the banks besides the Registrar of Cooperative Societies, Additional Registrar of Cooperative Societies in Madras were contacted for collected necessary information. Further the
DISTRICT CENTRAL COOP BANKS SELECTED FOR THE STUDY

LEGEND
- District Central Coop Bank
technique of observation was also used as a method of data collection to find out the working conditions and environment and inter-personal behaviour of the employees in the head office of the Bank.

The researcher took nearly ten months from September, 1989 to June 1990 for collecting data from the banks and the employees selected for the study.

Sampling

The study is confined to Central Cooperative Banks and their employees in Tamil Nadu. All the 17 Central Cooperative Banks in Tamil Nadu were selected for the study. With regard to the employees, all permanent employees of the banks were categorised into three cadres vi/..., (a) Officers (b) Clerks and (c) Subordinate Staff. The name lists were separately prepared by referring to the seniority lists of the bank for all permanent employees of the officer and clerical cadres. The subordinate staff were not included in the list deliberately as the researcher was sceptical in getting responses from them through mailed questionnaire taking into account their low level of education and poor comprehension of personnel management problems. In total 1235 employees i.e., 20 per cent of the employees of both cadres, namely, officers and clerks were selected from the lists by adopting simple random sampling technique (see table 2.1). For selecting employees from the lists, random number table was used. In spite of best efforts, only 648 employees i.e., 52.5 per cent of them responded. The response rate of officers was 54.9 per cent of the sample as
against 52.0 per cent among clerks. This constituted 10.5 per cent of the total number of employees of all Central Cooperative Banks in Tamil Nadu.

Table 2.1

Employees' Sample Size

<table>
<thead>
<tr>
<th>SI. No.</th>
<th>Category of Employees</th>
<th>Actual strength of the employees*</th>
<th>Sample size of 20% of the actual strength</th>
<th>Response received</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No. of employees % to sample size % to actual strength of employees.</td>
</tr>
<tr>
<td>1</td>
<td>Officers</td>
<td>652</td>
<td>131</td>
<td>72</td>
</tr>
<tr>
<td>2</td>
<td>Clerks</td>
<td>5538</td>
<td>1104</td>
<td>576</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>6190</td>
<td>1235</td>
<td>648</td>
</tr>
</tbody>
</table>

* Excluding Secretary, sub-staff, suspended and retired employees and employees on long leave.

Questionnaire studies with a fairly wide population base have reported the percentage answering as from 20 per cent to 70 per cent. Therefore, the response rate in the present study may be considered high. The bankwise sample distribution of employees is given in the Appendix 11.2,1.

The following steps were taken to get more response from the employees selected for the study:

1. The self-addressed stamped cover was sent along with the Questionnaire.

2. A covering letter with particulars regarding objectives of the study, permission given by the registrar of Cooperative Societies, Tamil Nadu was enclosed with the questionnaire.

3. The employees were given option to choose the language of their choice, either English or Tamil, according to their convenience while answering the questionnaire.

4. A circular of the Special Officer of each bank instructing the employees of his bank to fill-up the questionnaire and send it directly to the researcher was attached with the questionnaire.

5. The reminders were sent to remind those employees who had not sent their responses which had its effect in generating more response from the employees.

6. Employees working in the head office were requested personally by the researcher to expedite their response.

7. An assurance was given by the researcher that the identity of the employees responding to the questionnaire would not be revealed. With a view to maintaining the confidentiality, the respondents were requested not to mention their name anywhere in the questionnaire.

Tools for data collection

Keeping in view the objectives of the study (1) a schedule for the banks and (2) a questionnaire for collecting data from their employees were drafted. They were finalised after pretest. Wherever possible questions were structured to facilitate speedy completion.
The schedule for banks aimed at seeking data relating to the origin of the bank, membership, capital structure, employee strength, overdue position, profitability, audit classification, organisational set-up of the personnel functions, personnel policy, manpower planning, recruitment and selection, deputation, training, promotion transfer, salary structure, allowances and benefits, welfare facilities, performance appraisal, employee discipline, grievance redressal, employees' union and its relationship with the bank (see appendix I. 2.1.).

The questionnaire for the employees of the banks aimed at collecting data relating to their job particulars, attitude on personnel policies and practices - and personal profiles as age, sex, marital status, religion, native district, educational qualification, dependants, living accommodation and family income (see appendix 1.2.2)

Limitations of the Study

Any study having a bearing on personnel policies and practices is likely to be subject to certain constraints because of the nature of the subject itself. A study which is partly based on responses to questions on attitude is further subject to the limitation of bias. The present study suffers from the following limitations:

1. The size of the sample employees was fixed at 20 per cent of the total number of employees of the banks. But the actual respondents accounted for 10.5 per cent, despite various efforts taken to increase the response rate. However, the effective sample is adequate enough for drawing valid generalisation from the survey.
2. Incomplete and wrong information and non-responses to some questions could not be avoided. As the respondents were spread over the entire state, it was not possible for the researcher to contact the respondents personally to rectify such omissions and commissions.

3. Since records were not maintained properly in most of the banks, data could not be collected for the entire period of the study as planned. Therefore, the period of study had to be redefined on the basis of the responses received from the banks and conclusion was drawn only on the basis of data available for the study.

Framework of Analysis

The study is primarily a descriptive one. The data relating to the personnel policies and practices collected from all Central Cooperative Banks in Tamil Nadu were compiled and analysed for the entire state as a whole. Similarly, the data collected from the employees of all Central Cooperative Banks were used to analyse their background and their attitude on personnel policies and practices of the banks. Averages and percentages were the principal tools of analysis. Percentage to row as well as column total are indicated in the respective tables. Besides, observation technique was also used for studying the working conditions and environment of the employees of the Banks. Statistical technique like chi-square test was used to identify the possible association between the satisfaction of employees and personnel policies and practices.
Chapter Scheme

The report is presented in six chapters.

The profile of the Central Cooperative Banks covering their origin, organisational set-up, branches, membership, capital structure, share-capital, deposit mobilisation, borrowings, advances and overdue position, volume of business, and working results is presented in the third chapter.

In the fourth chapter, the personnel management policies and practices relating to organisation, planning, recruitment, selection and training have been reviewed.

Development and motivation aspects of personnel management policies and practices have been dealt with in the fifth chapter.

The sixth chapter deals with the profile of the bank employees, their attitude towards personnel policies and practices, and their job satisfaction.

In the seventh chapter, a summary of the findings and suggestions is presented.