CHAPTER - III

HUMAN RESOURCE ACQUISITION
AND DEVELOPMENT
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3.1. Introduction

Practice has no meaning unless it is guided with definite policy. Hence, it is imperative to study the broad human resource management policy of the UCO Bank before attempting to discuss the human resource management practices in the Bhubaneswar Division of the Bank. While the practices relating to human resource acquisition and development are discussed in this chapter, the practices relating to maintenance of human resources and related aspects are discussed in the subsequent chapters. The aspects that are covered under human resource acquisition and development are: human resource planning, recruitment, selection, placement, probation and confirmation, training and development, performance appraisal, and promotion. Before analysing these aspects, an attempt is made to understand the concept of human resource policy in general, and outline the human resource policy of the UCO Bank in particular.
3.2. Concept of Human Resource Policy

A policy is a plan of action. It is a statement of intention committing management to a general course of action.\(^1\) It is a statement of general aims and intentions of an enterprise and declaration of this kind is commonly found in respect of certain divisions of a business including personnel.\(^2\) Personnel policy is commonly understood to denote either decision making criteria\(^3\) or a statement of objective and definition of purposes relating to the human situation in an enterprise.\(^4\) As such, personnel policies constitute guides to personnel action and they are statements of an organisation's objectives or intentions with regard to personnel action.\(^5\) Policies are tools of translation of (corporate) goals into feasible strategies and programmes. They provide decision rules for decision making at strategic and operational levels. In a multilevel organisation spread all over the country, it helps in maintaining uniformity in decision making procedure and selection criteria so that micro decisions are in conformity with organisational goals.\(^6\) It is management guide and workers' charter.\(^7\) Practice is the ultimate

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action taken to implement or carryout policy. Thus policies are basis for procedure, programme and practice and also find expression in them.

3.2.1. Formal Policy Vs. Informal Policy

A formal policy is often codified, declared and inviolate. An informal policy on the other hand, is unwritten, implicit and flexible. Some organisations often claim that they have no policy. Having no policy is a policy by itself. No organisation escapes the need for policies and no organisation is without policies. It is often observed that organisations sustain and progress even without spelt out personnel policies. These organisation have in their procedures and long standing practices what can be called “felt in policies”.

A formal policy has an edge over an informal policy, when (i) the organisation has reached a size that requires many decision making centres that will act consistently, (ii) situations requiring decision occur frequently, and (iii) a record of decision making criteria is needed to evaluate the effectiveness of the criteria as the results of decisions become known. The written and inviolate nature of formal policy makes it rigid. Personal nature of formal policy makes it rigid.

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2 CH. Northcott, op.cit., p. 51.
Personnel actions learn from the past and look into the future. In this context, the applicability of a rigid policy helps in solving unconceivable and unpredictable future problems.

3.2.2. Explicit Policy Vs. Implicit Policy

An 'explicit policy' is declared and well communicated to those who are affected by it. In its formulation, implementation and review, the explicit policy requires participation of all. A sound communication system with sufficient feedback is a *sine quo non* of explicit policy. An explicit policy is more suitable in large organisations because of frequency of problem solving situation. An explicit policy helps in making the managements in intentions clear and concrete so that the workers and their union will view the management action in the right perspective and the industrial relations situation will be harmonious. Explicit policy is an index of democratic leadership of management.

On the other hand, the 'implicit policy' is uncodified, embedded in the procedures and practices of an organisation. Organisations old enough to count on their experience develop implicit policy, though sometimes they claim that they do not have a policy at all. An implicit policy is not “sold out” to the subordinates. It is only for the consumption of those personnel at the top level of authority. It does not believe in a communication system.

The implicit policy spells out the authoritative culture of management. Evidently, it does not work in large organisations.
3.2.3 Issues in Policy Formulation

Development of personnel policy requires careful efforts from management. Unless done properly, policies may mislead the organisations efforts. Some of the important policy aspects are: manpower planning, recruitment, induction training, wage and salary administration, promotion, employee's performance appraisal, incentives and employment benefits, collective bargaining, employee consultation and participation, discipline, grievance procedure, communication¹ and public relations.²

3.3 Human Resource Policy of the UCO Bank

The UCO Bank which is the successor of “The United Commercial Bank Ltd.” has brought about a radical change in its human resource policy after nationalisation. Being a public sector service organisation, it has a well developed formal human resource policy, clearly defined rules and regulations with the ultimate aim of integrating the employees goals with the goals of the organisation. The broad policy outlines of the UCO Bank are similar to those of the other nationalised banks of the country. The stated human resource policy of the Bank is as follows:

(i) For a service organisation like a bank the important resources are its human resources. Therefore, development of human resources is the key element of the Bank’s personnel policy and the Bank believes in the total involvement of all categories of its staff for achievement of its objectives.

(ii) Human resources are treated as invaluable assets for the institution and all the policies are designed to utilise the assets productively for mutual benefit of both.

(iii) The Bank believes that a disciplined, knowledgeable and highly motivated group of employees hold the future. Hence, it lays emphasis on the training inputs for skill development and more specifically behavioural inputs in order to bring about attitudinal change.

(iv) The Bank recognises the employees' aspiration for a bright future with scope for self-development and promotional opportunity.

(v) It is always the endeavour of the Bank to remain alive to the basic necessities of its staff and render justice.

(vi) To motivate the employees through regular meetings, interactions, effective communication and appreciation of good work.

3.3.1 Nature and Format of the Policy:

The UCO Bank has a well defined, formal, and explicit human resource policy which is in conformity with the other nationalised banks. The policy guidelines are clear and elaborate. A perusal of the policy reveals that the policy of the Bank is having organic unity with the Bank's broad objectives. Its multifaceted intention combines its efforts for the benefit of its employees, customers and the nation at large. Thus, its policy is comprehensive and elaborate.

Referring to its human resources the policy is explicit in the matter of recruitment, promotion, training and development, and industrial relations. Thus, the personnel policy encompasses a broad array of personnel functions.
3.3.2 Formulation of Human Resource Policy in the UCO Bank

The UCO Bank being one of the old and established banks in the country, formulated its personnel policies since its inception. The policy of the Bank has undergone a radical change after nationalisation. The Bank formulates its personnel policies within the broader scope of the personnel policies of the banking industry of the country, which are formulated from time to time by the Indian Banks' Association and Bank union federations. In other words, the personnel policy of the UCO Bank is more or less similar to that of other nationalised banks.

The officers, clerical staff and sub-staff are not directly involved in the policy formulation. The role of the Zonal/Divisional/Branch office is limited to the initiation are recommendation of its own activities.

3.4. Practices Relating to Human Resource Acquisition in the UCO Bank

The people are the greatest assets of the organisation. As such, the organisation has to give utmost importance to the human resource acquisition. Under its acquisition function the management ensures that it has the right number and kind of people, at the right places, and at the right times capable of effectively and efficiently completing the work required so that the organisation can achieve its overall objectives.

The acquisition function gets completed when the selected applicants are placed in the organisation and they have adopted to the organisation's culture and their work environment. Thus, acquisition comprises human resource planning, recruitment, selection, placement, probation and confirmation.
In the following paragraphs we shall discuss in detail the above aspects of human resource acquisition in the UCO Bank.

3.4.1. Human Resource Planning in the UCO Bank

Human resource planning is one of the most important elements in a successful human resource management programme. To ensure that people are available to provide continued development of the organisation, organisations engage in human resource planning.

The purpose of human resource planning is to assess where the organisation is, where it is going and what implications these assessments have on future supply of and demand for human resources.

Human resource planning is the process by which an organisation ensures that it has the right number and kinds of people, at the right places, at the right time, capable of effectively and efficiently completing those tasks that will help the organisation achieve its overall objectives.\(^1\) It is a process of determining and assuring that the organisation will have an adequate number of qualified persons, available at proper times, performing jobs which meet the needs of the entire enterprise and which provides satisfaction for the individuals involved\(^2\) under the manpower planning, the job study comprising of job description and job specification data,\(^3\) time study and work load analysis, human resource inventory and appraisal data etc. are commonly used as the

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bases of acquiring qualitative and quantitative resources of the organisation.¹ The lack of human resource planning in the organisations leads to either surplus or deficit manpower causing high labour cost with less productivity and less efficiency without having job satisfaction among the working groups.

As regards the human resource planning in the UCO Bank, the corporate office makes the overall human resource planning for the bank in consultation with the Zonal/Divisional heads. The Zonal/Divisional Heads are required (by the corporate office) to prepare manpower planning for their respective Zones/Divisions. The human resource plans thus submitted by the Zonal/Divisional Heads are compiled at the corporate office and a final plan is worked out for the entire Bank.

Every year the Personnel Department, Bhubaneswar division, makes human resource planning for all the branches falling under its jurisdiction. The manpower requirement is estimated at the branch level by job analysis method. While doing this, the volume of business is also taken into account. The divisional office sends its yearly requirements of manpower to the corporate office through the Zonal office for consolidation and review. It is evident from Table 2.13 that there was a deficit workforce of eight—two managerial and six clerical in the sample branches. However, there was no deficit in case of sub-staff employees. It is found that the Bank does not employ people either on contract or casual basis.

As mentioned earlier (in Chapter II), the span of control (managers:other staff) was 3:7 in the Bank, which is a reasonable

proportion. In addition to work load analysis, the forecasting of human resources makes room for such exigencies like superannuation, quits, sudden and unexpected separations on account of death, disability and sickness etc. The expansion of business is also taken into account in the computation of quantitative requirements of human resources. The projected strength of human resources is estimated in case of both officers and other staff by the corporate office.

There is no separate human resource Planning Department at the corporate office or at the Zonal/Divisional or Branch level. However, the Personnel Department at the corporate office, with the coordination of the Personnel Departments of Divisional and Zonal Offices, finalises the total quantitative requirements of human resources of each branch.

3.4.2. Recruitment in the UCO Bank

Once the human resource planning is made, the next step that follows in the process of human resource acquisition is the recruitment of the human resources. This activity makes the Bank possible to acquire the number of type(s) of people required to ensure the smooth and efficient functioning of the Bank.

Recruitment is the discovery of the potential candidates for actual or anticipated organisational vacancies. Or, from other perspective, it is a linking activity-- bringing together those with jobs to fill and those seeking jobs.¹

¹ David A. DeCenzo and Stephen P. Robbins, op.cit., p. 118.
It is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.¹

Employment Exchange is the main source for the recruitment of human resources in all organized sectors in India. Set up on the basis of Shiva Rao Committee, 1954² recommendations, the employment exchange regulate the recruitment practices for industrial employees. The recruitment practices are further influenced by social factors like sons of the soil, Scheduled Caste (SC) and Scheduled Tribes (ST) quota, physically handicapped quota, ex-army personnel etc.

The UCO Bank, like other nationalised banks, was devising its own recruitment policy as per the government guidelines before the formation of the Banking Services Recruitment Board (BSRB) in 1979.³ The BSRB was formed by an administrative order in 1978. The recommendation of the Pillai Committee⁴ for rationalisation of pay structure of bank officers, paved the way for setting up of the Board. While the officers of the UCO Bank, Orissa Zone are recruited by the BSRB, Calcutta (which looks after the recruitments in eastern India), the appointments for the posts of clerks, cashiers, and typists, clerk-cum-cashier and clerk-cum-typist⁵ are made through the BSRB, Bhubaneswar, which was established on April 1, 1986 for the State of Orissa. Advertisements for recruitment of both officers

² Also known as The Training and Employment Services Organization Committee (1952-54).
³ The BSRBs are established to regulate and maintain impartiality and uniformity in recruitments. However, it appears that this objective is not achieved, as many complaints of favouritism are being made by the public against the BSRBs.
⁴ The Pillai Committee was appointed by the Government of India in 1977 under the Chairmanship of V.R.Pillai to look into the salary and other service conditions of the officers of the banking industry.
⁵ All these posts are called as clerical posts in the banking industry.
and clerical staff are made by their respective Boards in widely circulated dailies both in English and vernacular languages.

The BSRB, Bhubaneswar is an autonomous body, managed by an independent Board consisting of five members including the Chairman. While two members represent the minority community (SC/ST) and State Bank of India, the other two represent the public in general. A Secretary, assisted by two officers, looks after the general administration of the Board.

The recruitment process of the Board starts once the vacancy lists are provided by the respective banks. While making the recruitments, the Board strictly adheres to the common procedural guidelines prescribed for the BSRBs. As per these guidelines, 15 per cent and 23 per cent of posts are reserved for SCs and STs respectively. The total reservations for different categories, including SCs and STs, however, should not exceed 50 per cent of the total vacancies in a single year.

The reserved category employees are given some concessions such as the reduced application fee, travel fare reimbursement, relaxation of qualification, age limit etc. Further, the BSRB arranges pre-recruitment training for SC and ST candidates.

The qualification necessary for clerical staff is either a bachelor’s degree in any discipline or pass with 50 percent marks in Higher Secondary Examination, or pass with 60 per cent marks in Matriculation/10th class under 10+2+3 pattern, from a recognised University/Board/Institution. However, for the post of typist besides requisite educational qualification, one must possess proficiency in
typing. For the clerical positions knowledge in local language is desirable.

In case of recruitment for officers’ grades, the minimum educational qualification required is a graduate in any discipline from a recognised university. The officers are recruited on all-India basis. Knowledge of regional language is not compulsory for them.

The recruitment of sub-staff who are the low paid employees of the Bank is made at the Divisional Office, and the candidates for the recruitment are drawn from the local employment exchanges. The minimum qualification required for sub-staff employees is class VIII. As a rule, all the vacancies in case of officers/clerical staff/sub-staff must be approved and permitted by the Personnel Department of the corporate office.

3.4.3. Selection in the UCO Bank

Once the manpower planning determines the quantitative and qualitative requirements of manpower, recruitment attracts candidates for screening, selection becomes next logical step. In the selection, all the information relating to the candidates is ascertained so as to match the profiles of the candidates with the requirements of the job.1 The candidates are divided into two groups-- those who are selected and those who are rejected.2 It is difficult to select bonafide employees in toto out of the positive recruitment process. But the increased deviations in the selection process may prove to be costly to the organisation. Hiring through selection is a negative process.3

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2 Dale Yoder, Personnel Management and Industrial Relations, op.cit., p. 291.
in that, it attempts to eliminate applicants, leaving only the best to be placed in the organisation. It includes the setting of hiring standards, administering the hiring standards and picking up accurate selection results. Such hiring standards sometimes are called as hurdles,\(^1\) passing through preliminary interview, application blank, selection test, selection interview, applicant's background investigation, medical examination etc.\(^2\) The above hurdles are differently used with job specifications. The successful and resourceful candidates come over these hurdles and touch the finishing line for real placement in their respective interests. The accurate decision on selection is to drop the largest number of disqualified applicants first narrowing down to the minimum candidates until a final list of job seekers is selected.\(^3\)

The BSRB, Bhubaneswar after the last date of submission of applications for the clerical posts makes a preliminary screening in order to find out the eligible candidates. The eligible candidates are called for a written examination conducted at 15 centres of Orissa. The written test covers the following sections.

(i) Test of Reasoning Ability
(ii) Test of English Language
(iii) Test of Numerical Ability
(iv) Test of Clerical Aptitude

The candidates qualifying in the written examination are called for personal interviews. In case of typist posts, the candidates are

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\(^1\) Dale Yoder, *op.cit.*, p. 298.


required to appear the proficiency test after qualifying in the written examination; and those who qualify in the proficiency test are called for final interview. Depending upon the number of vacancies, only a certain number of candidates from amongst those who qualify are called for interview. Final selection is made on the basis of the candidates' total performance in the written test and interview.

The selection procedure for recruitment of candidates for clerical posts from among the in-service sub-staff candidates is different from that of direct recruitment method. Out of the total vacancies in a year 30 per cent of the vacancies are filled from among the sub-staff employees of the Bank. The procedural guidelines for this purpose are issued by the Personnel Department of the Head Office through departmental circulars.¹

As mentioned earlier, the BSRB, Calcutta is responsible for conducting selection test for recruitment of officers. Out of the total vacancies for officers only 20 per cent of posts are filled through direct recruitment and the remaining 80 per cent are filled from among the clerical cadre (in-service).

The procedure for selection of officers is similar to that of the clerical posts. A preliminary screening is made out of the pool of candidates who have applied in response to the BSRB's advertisement. After preliminary screening, the eligible candidates are called for the written examination at different centres. The subjects for the written test are similar to that of clerical posts; but the questions put are of higher standard. Depending upon the number of vacancies a certain number of candidates ranking high in the merit are called for

¹ For details see promotion policy for clerical staff and sub-staff, Circular No. CHO/POS/17/93 dated 8.9.1993 of Personnel Department, UCO Bank, Calcutta.
interview/personality test. Personality tests are used to measure an individual's value system, relative moods, emotional maturity, courage, initiative etc.

The selection procedure for the recruitment of officers from among the in-service candidates is different from that of the direct recruitment method. Out of the total vacancies, 50 per cent of the posts filled through merit-cum-seniority basis; and 30 per cent are filled through seniority basis. Thus for filling the 80 per cent of the vacancies reserved for the in-service candidates, the criteria followed include both 'merit-cum-seniority' and 'seniority'. The procedural guidelines for this purpose are issued by the Personnel Department of the Head Office through departmental circulars.¹

Selection of sub-staff of the sample branches is made at the Divisional Office, Bhubaneswar. The Divisional Manager, Bhubaneswar, in consultation with the corporate office, works out all the rules and guidelines for the selection of sub-staff. The selection process starts with the screening of candidates sponsored by the local employment exchanges at the branch level to find out the eligibility. An interview board consisting of 3 to 4 members is constituted by the Divisional Manager. The Divisional Manager has the power either to nominate members from within the Bank or requisition the services of outsiders including academicians. After interviews, the Board recommends the names of the candidates for appointment.

### 3.4.4. Placement Practices in the Branches

Placement is otherwise known as "allocation" in which, a specific job is assigned or allocated to the employee commensurating

¹ For details see promotion policy of clerical staff and sub-staff (Award Staff), UCO Bank Employees' Association, 10 Barborne Road, Calcutta, 13 April 1988.
with his skill-- mental and physical ability, aptitude and interest. Placing the right man in the right job is the prime objective of placement. On the contrary, wrong placement leads to decrease in productivity, decrease in efficiency and skill, high labour cost, absenteeism, quits etc.

After receiving the lists of candidates selected by the BSRBs, the Personnel Department of the corporate office distributes the candidates among different Zones as per the requirements. While the respective Zonal heads are responsible for placement of officers (both technical and non-technical) in different branches, the Divisional heads are responsible for the placement of clerical staff and sub-staff in different branches.

3.4.5. Policies and practices relating to Probation and Confirmation in the UCO Bank

The employees of the Bank are classified into three categories: permanent, temporary, and probationers. The purpose of probation is to absorb a newly placed employee on his work in order to determine his operational as well as organisational worth. Hence, every employment offer is made on probation basis. Probation to some extent helps in the review of selection and placement. Normally, a probationer is an employee who is employed to fill a permanent vacancy, whereas a temporary employee is one for whom the vacancy is temporary. Each and every probation concludes in either of the three following ways, namely:

1. The services of the probationer can be terminated, if he/she is found operationally unfit.
2. The period of probation can be extended if the probationer shows that he has the potential to acquire the skill and improve his/her performance; and

3. The probationer can be confirmed in service thereby making his/her service permanent, if found suitable. Virtually this final step of employment is confirmation. A confirmed employee reserves the right to defend his/her job security even by resorting to legal action. Thus, confirmation provides the much sought after 'job security'.

The probation and confirmation of newly selected employees (officers, clerical staff and sub-staff) are made as per the circulars and policy guidelines issued by the corporate office from time to time. As per the latest policy guidelines for probation and confirmation, issued by the Personnel Department, UCO Bank, Calcutta, the probation period for officers is two years in case of fresh candidates, and one year in case of in-service candidates. This may be extended up to a total period of three years for freshers and two years for in-service candidates at the discretion of the Bank. Similarly, the probation period for clerical staff and sub-staff is six months. This may be extended up to a total period of nine months. Any defects or deficiencies observed during the period of probation are brought to the notice of the employee in writing so that he/she may have an opportunity to remove the defects/deficiencies and show sufficient improvement to merit confirmation. Where in spite of such opportunity being given, he/she fails to remove such defects or deficiencies and fails to show sufficient improvement, the Bank after giving due notice to him/her, terminates the service of the fresh candidates/reverts the in-service candidates to the previous posts.
While the policy guidelines simply stress the probation period, it is the management's discretion which decides the basis of converting the probationer into a confirmed employee. Normally, it is the efficiency of the probationer on his job which is taken as the basis for confirmation. However, such cognitive features like dependability, sincerity, affinity, amicability, integrity, loyalty etc. are also taken into account while confirming a probationer. The Personnel Department at the Divisional level collects and collates all the information pertaining to the probationer's performance and communicates the same to the corporate office to decide the confirmation of the probationers. While the Zonal Manager acts as the confirming authority for officers, the Divisional Managers acts as the confirming authority for the clerical staff and sub-staff.

3.5. Practices Relating to Human Resources Development in the UCO Bank

In the above paragraphs, we have outlined the practices relating to the human resource acquisition in the UCO Bank. In the following paragraphs, we shall outline the practices relating to the human resource development in the UCO Bank.

Planned human resource development programmes help the organisation in increasing productivity, heightening employee morale, reducing the costs and also in maintaining organisational stability; and flexibility both in structures and among the personnel to adopt to the changing external requirements. It also helps to meet the needs of individuals in their search for work assignments that can add up to life long career.¹

¹ Edwin B. Flippo, Personnel Management, op. cit., p. 199.
For the purpose of our study, the term 'development of human resources' includes: human resource training and development; and promotion. We shall discuss these aspects in the following paragraphs. Besides these aspects, we shall also cover a related aspect, 'performance appraisal' under the purview of 'development' as the performance appraisal is utilized as an instrument/method, among other things, to assess the training needs of employees as well as to judge the merit of employees seeking promotions.

3.5.1. Employee Training

Training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job. Training involves the changing of skills, knowledge, attitudes or social behaviour. It is a preliminary expenditure which is alternatively treated as economic investment in human resources to increase employees’ skill, knowledge and efficiency and also the productivity of the organisation. Thus, it renders two key goals of service so as to improve performance in the current job and to increase job responsibility by which the organisation and the potential employees get improved rate of returns. The individual is assured of the opportunity for performance success, security on the present job and expanded potential.

1 The justification for including 'promotion' under the scope of 'development' of human resources is that through promotion an employee gets elevated from his present job to a higher job, and thus gets motivated to contribute his best to the organization's development.


In the banking sector, the human resource training and development as an organized effort started way back in the 50s, and the same was basically aimed at developing operational skills among the employees. With the social control and subsequent nationalisation of major banks in 1969 and 1980, profound changes have come about in the environment; necessitating the banks to lay due emphasis on the training of the employees to enable them to acquire new skills such as computer operation, decision-making etc. With the rapid changes in the economic scene and the trend towards globalization of the country’s trade in the 1990s, the Indian banks are required to put more attention to the training of the employees in the new techniques and new ways of working with new concepts and knowledge.

Against this backdrop, let us discuss the training and development practices in the UCO Bank in general and the Bhubaneswar Division in particular.

3.5.1.1. Training Programmes in the UCO Bank

The UCO Bank organizes both on-the-job training and off-the-job training for all categories of employees officers/managers, clerical staff and sub-staff. These programmes are organized and administered as per the corporate officer’s directions. The Personnel Department of the concerned Zone/Division identifies the training needs and prepares the training programmes-- both on-the-job and off-the-job.

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On-the-Job Training

This is a method by which a new employee is given training on the job itself. An employee while performing his job is guided by his senior colleagues/managers about the intricacies of the job. On-the-job training is primarily concerned with (i) developing employee's skills and habits consistent with the existing practices of the organisation; and (ii) orienting him to his immediate problems. It places the employees in an actual work situation and makes them appear to be immediately productive. It is learning by doing and is most useful for jobs that are either difficult to stimulate or can be learnt quickly by watching and doing.

As per the guidelines of the UCO Bank, the Branch Manager undertakes the responsibility of training the newcomers and also the existing staff who are promoted to higher posts. The Branch Manager adopts job rotation method for training of the employees on-the-job. An employee of the Bank is made to move from job to job at certain intervals to learn different aspects of the banking job. Sometimes, the members of the STC, Bhubaneswar, under Faculty Basic Scheme visit the branches and impart on-the-job training.

Off-the-Job Training

The off-the-job training is provided by the Staff Training Centres (STCs) for officers/managers upto Scale II, clerical staff and sub-staff and by the Central Staff Training College, Calcutta to all the officers/managers belonging to Scale III and above.

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The STC, Bhubaneswar, was established in the year 1987. The Principal of the Centre, a Scale III officer of the Bank, organizes, regulates, and controls the training programmes. The Principal is assisted by three faculty members who are drawn from the staff cadre of the UCO Bank. The Principal of the Centre is accountable to the Principal of the Central Staff Training College, Calcutta.

The STC, Bhubaneswar organizes training programmes for 40 weeks in a year: 25 weeks for officers; 10 weeks for clerical staff; and 5 weeks for sub-staff employees. However, this period of training may be extended or reduced considering the requirement and the number of persons to be trained. On an average, every year about 500 officers, 300 clerical staff, and 200 sub-staff employees are given training. The training is mainly meant for refreshing the knowledge and improving the skills of the members and to make them fit to tackle practical problems while discharging their duties. Besides, the STC organizes the Executive Development Programmes from time to time by inviting experts from different fields to acquaint the managers with the latest developments in the banking business.

Special training is provided for the SC and ST employees which helps in their career advancement. Through informal discussions with a cross-section of officers, clerical staff and sub-staff at different sample branches, the trainees at the STC, Bhubaneswar and with some key officers at the Divisional and Zonal Officers, the researcher gathered that no tangible results are achieved from the training programmes although the Bank incurs a huge expenditure towards training. Admittedly, training has turned out to be a mechanical data churning activity and the training period is treated as some sort of paid holidays for the employees. It lacks, by and large, imagination, innovative approach, proper thrust and direction.
3.5.2. Management Development Programme in the UCO Bank

The probationary officers after being appointed are sent to the respective branches to which they are posted. They are given on-the-job training while performing their duties. Besides this, the officers in the scale III level and above are sent to the Central Staff Training College (CSTC), Calcutta for training. The CSTC is an advanced institute established at the corporate level to impart advanced skills, techniques and management know-how to top level managers. The college also invites eminent persons from different fields like RBI, National Institute of Bank Management (NIBM), Poona, academicians from renowned Universities and Institutes of India to familiarise the officers with the latest developments in trade, industry, commerce and banking.

Besides, some selected few top level officers (scale IV or above) are sent to the NIBM for acquiring the advanced knowledge. Sometimes, the officers are sent to specific institutes to acquire skills in communication, application of computer and various other managerial functions. Moreover, the officers are encouraged to acquire advanced knowledge and degrees at their own expenses.

Except the Branch Manager to Sahid Nagar branch, none of the Branch Managers of the sample branches comes under the scale III category of officers. Hence, no critical analysis of the Management Development Programmes has been attempted. However, our discussions with the Sahid Nagar Branch Manager and the Divisional Manager of the Bhubaneswar Division revealed that the various management training/development programmes are well organised and the qualify of training programmes is satisfactory. Due to lack of proper follow-up action in the back-home situations (in the branches
of the Bank), the training received by the managers proves to be of little value to the Bank.

3.5.3. Performance Appraisal in the UCO Bank

Performance appraisal is termed as merit rating and is the process of communicating an employee about his job performance and is a method of systematic, periodic and impartial rating of his excellence in matters concerning to his present job and his future potentialities. It is the process of evaluating the performance and qualification of the job for which he is employed for the purpose of administration including placement, selection for promotions, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from action affecting all members equally.

It helps in estimating and judging the value excellence qualities or status of an employee in an organisation. This is a result oriented control device which increases wage rates, creates promotions, transfers and layoffs, more responsibilities in the job process of the organisation. Hence, it is truly discriminating because of its judgemental nature.

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performance was the communication of ratings but at present it is stimulating the employees to analyse themselves and to set own objectives in line with job requirements. The ultimate goal of these is to place the right people in the right job to achieve organisational excellence.

In the UCO Bank the performance appraisal is done once in a year for all the employees. The clerical staff and sub-staff, and officers are appraised separately. The performance appraisal of clerical staff and sub-staff is done by the Branch Manager. The Branch Manager reviews the performance of the award staff and reports the same to the Zonal Manager in the performance appraisal form provided by the cooperate office. The performance appraisal forms are confidentially maintained by the corporate office. After the formal performance appraisal if there is any need to increase the efficiency of the employee, he/she is formally informed about the same by the Branch Manager.

The assessment report of the employee from each individual branch is sent to the Zonal Office through the Divisional Office. The Zonal Office forwards the same to the Corporate Office for final appraisal. The Personnel Departments of the Divisional Office and the Zonal Office are directly responsible for sending and co-ordinating the reports. Any bad records or disciplinary action relating to job performance of the employee is recorded in his/her personal file for onward transmission to the corporate office through the Zonal Office in order to take necessary action and rectification in job process as well as to consider at the time of promotion. In certain cases, if there is a specific allegation against any employee made by a customer and

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after necessary review, if the said employee is found guilty the same is taken into consideration while preparing the confidential report about his performance.

The appraisal of the officers/managers is done with the help of appraisal form in which self appraisal becomes a primary step. The self appraisal forms maintained by the Bank contains such details as appraisal data of the employee, previous postings excluding the present one, break up experience (clerk, officer/accountant, manager in branches and administrative officers) etc. Among other things, each individual officer is required to give his comments about his most significant achievement, any special problems faced and any other matter which he would like to be considered in his appraisal. The evaluation of job performance, job knowledge and skill and personnel qualities and characteristics of an officer/manager including his confidential character role is taken into consideration in the process of appraisal.

The UCO Bank's policy of not giving scope to the award staff to make self appraisals regarding their performance implies that the Bank is not keen to involve these employees in discussions relating to improvement in productivity despite the fact that one of the purposes, of the performance appraisal is to enhance the productivity of the employees through proper motivation.

The performance appraisal of officers/managers by the self appraisal scheme appears to be more elaborate and systematic. Thus it is found that the management views performance appraisal of officers more seriously than that of the award staff. This is quite obvious as in a financial institution like a bank the job of
officers/managers is more crucial and requires judicious decision making.

3.5.4. Promotion

Promotion is the process of upward advancement of an employee is an organisation from the present job to a job of higher rank which commands better pay/wages, better status/prestige and higher opportunities/challenges, responsibility and authority, better working environment, hours of work and facilities and higher rank.\(^1\) It is the transposition of an employee from the lower cadre to a higher cadre involving higher scale of pay and higher responsibility. It provides an effective incentive to initiative, enterprise and ambition. Promotion is a device which helps in reducing discontent and unrest; at the same time is useful in conserving proved skill. It stimulates the employee to increase his efficiency along with zeal and interest for getting personal satisfaction in the work process. It also increases the will power of the employee which indirectly motivates him to increase his share of productivity of the concern. However, in the absence of such prospects of advancements, the employees are liable to get frustrated and of the tend to be critical of management policy and action. On the other hand promotion cannot be made to all the employees due to limited number of higher posts. The basis of promotion resolves into a consideration of "merit" and "seniority", the computation and measurement of which shall be objective enough to be explainable. These two criteria, however, suggest four alternatives for decision making supporting either only seniority or seniority-cum-merit or merit-cum-seniority or merit alone.

\(^1\) Dale S. Beach, *Personnel: Management of People at Work*, op.cit., p. 344.
The promotional policy of the UCO Bank has been designed in the context of guidelines issued by the Government from time to time. The policy is based on the principle of recognising merit for providing built-in motivation in the promotion system. Even though the number of promotions is linked to the vacancies available, there will always be an opportunity for promotion to those persons who have a good record of service and who have the necessary potential for shouldering higher responsibility. The promotion policies and procedures of officers, clerical staff and sub-staff are as follows:

**Promotion Policies and Procedures for Officers**

As per the guidelines issued by the Government in July 1990, all promotions within the officers' cadre shall be on the basis of merit with weightage, if any for service record, educational/professional qualification except that no weightage shall be provided for seniority. The criteria followed in the UCO Bank for the promotions of officers are listed in Table 3.1.

<table>
<thead>
<tr>
<th>Promotion to Officers</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>from JMG Scale I</td>
<td>to MMG Scale II</td>
</tr>
<tr>
<td>7 years of experience as JMG, out of which two years service in rural branches.</td>
<td></td>
</tr>
<tr>
<td>MMG Scale II</td>
<td>to MMG Scale III</td>
</tr>
<tr>
<td>5 years of service in MMG Scale II including 3 years in rural branches.</td>
<td></td>
</tr>
<tr>
<td>MMG Scale III</td>
<td>to SMG Scale IV</td>
</tr>
<tr>
<td>5 years of service in MMG Scale III</td>
<td></td>
</tr>
<tr>
<td>SMG Scale IV</td>
<td>to SMG Scale V</td>
</tr>
<tr>
<td>3 years of service in SMG Scale IV</td>
<td></td>
</tr>
<tr>
<td>SMG Scale V</td>
<td>to TEG Scale VI</td>
</tr>
<tr>
<td>2 years of service in SMG Scale V</td>
<td></td>
</tr>
<tr>
<td>TEG Scale VI</td>
<td>to TEG Scale VII</td>
</tr>
<tr>
<td>3 years of service in TEG Scale VI</td>
<td></td>
</tr>
</tbody>
</table>

**Table 3.1. Criteria for Promotions of Officers, UCO Bank**

Note: JMG - Junior Management Grade; SMG - Senior Management Grade; MMG - Middle Management Grade; TEG - Top Executive Grade

Source: Compiled from the data supplied by the UCO Bank
However, the Board of Directors may at its discretion relax the minimum length of service if at any time the number of officers becoming eligible for promotion is less than the number of vacancies.

**Promotion Procedure for Clerical Staff:**

- There are two channels open for an employee to seek promotion from clerical cadre to officer cadre. One is merit-cum-seniority and the other is seniority. The first promotion of a clerical staff to an officer cadre is Junior Management Grade (JMG) Scale I;

- under merit-cum-seniority channel, a clerical staff can be promoted to JMG Scale I if one has: two completed years of service and is a graduate with (CAIIB) qualification; or

- three completed years of service and is a graduate passed part I of (CAIIB Examination); or

- four completed years of service and is a graduate; or

- four completed years of service and is an under-graduate with (CAIIB qualification). (Passed part I and part II of CAIIB Examination); or

- five completed years of service and a matriculate/SSLC completed part I of (CAIIB Examination); or

- six completed years of service with SSLC/Matriculation or equivalent examination.

Under the above channel a clerical staff who is eligible shall have to appear a written test to be conducted by the Institute of Banking Personnel Selection (IBPS) annually.
Under the seniority channel one must have a minimum experience of seven years in clerical cadre.

Clerical staff who pass and qualify as Chartered Accountants and also those who pass the final examination of the Institute of Cost and Works Accountant of India will be promoted to the officers' cadre in Junior Management Grade Scale I without any test or interview and such promotion shall not affect the total number of officers to be appointed in the Bank Junior Management Grade Scale I through promotion as also by recruitment from out side.

Promotion Procedure for Sub-Staff:

There are three channels for promotion of sub-staff employees to clerical cadre. The total number of vacancies of the zone are equally divided among the three channels. These are as follows:

I. Members of sub-staff who attain the minimum qualification as stipulated for appointment in clerical cadre in public sector banks through BSRB¹ shall be eligible for promotion.

II. Members of sub-staff who have passed SSLC/Matriculation but do not come under (I) above, shall be eligible for promotion after they have completed two years of service after passing such examination.

III. Non-Matriculate sub-staff employees with a minimum of seven years of continuous service shall be eligible for promotion through a selection process comprising written test, interview and service seniority.

¹ See Recruitment Procedure for Clerical staff discussed in this chapter.
The Personnel Departments at the Corporate, Zonal and Divisional levels play a crucial role in the finalisation of cases of promotions. Any grievances relating to promotions are handled by the Personnel Department at the corporate level. Probation rules are also applicable for the promotees.

A cursory look into the promotional policy of the UCO Bank reveals that it is elaborate and takes into consideration all the aspects essential for promotion of an employee i.e. ability, efficiency, qualification, potentiality for further development besides seniority and suitability for the job. The written tests are conducted by outside agencies like the Institute of Banking Personnel Selection to make promotions fair and impartial. The details of the promotion criteria for officers and clerical staff and sub-staff are worked out through national level agreements between the IBA and the Officers’ Association/unions/employees’ unions. However, the criteria are formulated within the broader framework of the Government’s guidelines.

3.6. An Overview

1. The UCO Bank has a well defined formal human resource policy which is in line with other nationalised banks.

2. The human resource planning of the Bank is done in a scientific manner. Job analysis is done to assess the manpower requirement at the branch level. The span of control, volume of business etc. are among the important factors that are taken account while making human resource planning. Before estimating the total requirement of human resources, the corporate office consults the Zonal and Divisional offices.
3. Prior to nationalisation, the Bank was having its own recruitment policy but since nationalisation its recruitment policy is based on the government's guidelines. In 1979, Banking Services Recruitment Board (BSRB) was formed to recruit the clerical staff and officers in a more systematic way. However, the sub-staff employees are recruited by the concerned Divisional Officers of the Bank.

4. The BSRBs follow a systematic procedure like calling applications, conducting written tests, personal interviews etc. for direct recruitment of candidates for clerical and officers posts. But a different selection procedure is adopted for the in-service candidates seeking elevation to higher posts in the Bank is different. The procedural guidelines for this purpose are issued by Personnel Department of the Head Office, through departmental circulars.

5. After receiving the list of successful candidates from the Head Office, the Zonal and Divisional Officer/Manger places the officers and clerical staff respectively in their Zones and Divisions.

6. The Officers and award staff employees are kept under probation for two years and six months respectively before they are confirmed. However, the in-service officers and award staff employees are kept under probation for one year and six months respectively. The Zonal Manager acts as the confirming authority for officers, while the Divisional Manager acts as the confirming authority for clerical staff and sub-staff.

7. The Bank organizes training programmes for different categories of employees at the Staff Training Centres (STC). Besides, some employees are sent of institutes like NIBM, to acquire advanced
knowledge in different fields of bank management. The STC at Bhubaneswar caters to the training needs of the employees of the UCO Bank, Orissa Zone.

Reportedly, the training imparted at the training centres hardly brings any tangible results due to lack of proper follow-up action in the back home situation.

8. Performance appraisal of the award staff is done by the concerned Branch Managers. The officers of the Bank make self appraisals. The performance appraisal of the officers of the Bank is more elaborate and systematic.

9. The Promotion Policy of the Bank is formulated as per the guidelines of the Government.