The Banking industry occupies a unique position in the economy of any nation. Banks mobilise the savings of the people and channelise the same into the productive sectors of the economy, thus contributing significantly to the development of commerce and industry. As a social institution they help the state in eradicating poverty, by providing financial help to the weaker sections of society.

In the wake of liberalisation public sector banks in India have been forced to compete with new players in the financial market, like private sector banks and new foreign banks which are technologically advanced with product and service innovations. Nevertheless, the sheer size and the area of operation of public sector banks in India still ensure their importance in the financial market, provided they become market-and customer-sensitive and develop operational capabilities in competitive marketing. In transforming them into commercially responsive and technologically sophisticated organisations, human resources play a crucial role. This is obvious because the operational efficiency of a bank depends to a large extent on its employees, who are to be considered part of the “assets”. Therefore, banks now-a-days have to lay more emphasis on the management of employees (human resources) than ever before. Human resource functions like acquisition, development, retainment and retirement must be carried out effectively in the banks. Banking being a service industry,
customer satisfaction has to be given top priority. Thus the scope of the human resource functions also includes customer service.

The present study attempts an in-depth analysis of Human Resource Management (HRM) practices in nationalised banks in India in general and the UCO Bank, Bhubaneswar Division, Orissa in particular. Absence of empirical studies on various aspects of HRM in the public sector banks in the country was one of the major factors that influenced the present researcher to study and understand HRM practices in the UCO Bank. The UCO Bank has been incurring losses for the last several years. What has been the response of the management of the Bank in terms of its business strategy and human resource strategy to ensure effective performance? In order to understand this the researcher had selected the UCO Bank for his study.

As far as the UCO Bank, Bhubaneswar Division, Orissa is concerned, studies on HRM are conspicuous by their absence. Hence the need for this study. Furthermore, the researcher being a person from Orissa, it was a natural choice on his part to select the Bhubaneswar Division of the Bank for his study.

The scope of the study was confined to 17 branches--3 Urban, 3 Semi-Urban and 11 rural branches of the UCO Bank, Bhubaneswar Division out of the total 55 branches. These branches were selected on stratified-purposive sampling basis.

For the purpose of this study of the HR policies and practices a conceptual framework was adopted, taking into account: (i) the
External Factors such as economic policy of the Government, the legal and political environments, competition and union power and strategy; (ii) the Organisational Factors including the nature of the organisation and nature of the work; (iii) Employee Factors i.e., workforce characteristics. These factors have a direct or indirect bearing on the HR policies and practices relating to HR acquisition, development, compensation and benefits, team-building and industrial relations (including collective bargaining, participative management, managing discipline, industrial conflicts and communication). The organisational objectives/goals viz., customer satisfaction, profit maximisation and fair treatment of employees, influence the HR policies of the Bank(s). Hence, the organisational objectives were included within the framework of the study. The interactions between the environmental factors, organisational factors and employee factors and the organisation, i.e., the Bank(s) in which HR policies and practices are carried out, result in certain outcomes such as customer satisfaction/dissatisfaction, profit/loss, fair/unfair treatment of employees (as perceived by them). These outcomes determine the extent to which the objectives have been achieved, provide feedback about the effectiveness of the HR policies and practices and influence the change(s) in HR activities and organisational factors. Hence, the framework of this study includes the outcome as well.

The data were collected from both primary and secondary sources. A few managers/officers, and award staff members at the divisional office and branches, key leaders of the award staff unions.

1 The term 'award staff' has been given because the employees (clerical staff and sub-staff) are covered under various awards given by the tribunals.
and officers' associations etc., constituted the primary sources. The secondary sources included the office files, records and annual reports; Indian Banks Association Bulletins and Reserve Bank of India Bulletins; House journals and occasional publications of the Bank, the award staff unions and the officers' associations; and periodicals, books, research journals having a bearing on HRM in the banking industry etc.

The descriptive analysis of the data relating to different aspects of HRM was supplemented by an analysis of the perceptions of 125 sample respondents, representing the award staff (75) and the officers/managers (50) respectively. The respondents were selected through stratified-purposive sampling method.

For the purpose of the study, case study method, survey method and historical method were used. By using the survey method the options of the sample employees (both award staff and officers) were elicited on different aspects of HRM. For the purpose of understanding the growth and development of the UCO Bank and different aspects of HRM like recruitment policy, wage policy and trade union movement in the Bank, and sample branches, the historical method was used.

The data were collected with the help of two structured schedules— one meant for the management and the other for the unions. To elicit the opinions of the sample respondents a questionnaire covering different aspects of HRM was administered. An interview guide covering a few questions relating to customer satisfaction was used to interview a cross-section of customers.
The study has been presented in eight chapters. The first chapter deals with the methodology, review of literature and the conceptual framework adopted for the study. Profiles of the UCO Banks' Corporate Office, Zonal Office, Orissa, Divisional Office, Bhubaneswar and the selected sample branches have been outlined in the second chapter. In the third chapter policy and practices relating to the human resource acquisition and development have been covered. An analysis of employee compensation and benefits have been made in the fourth chapter. Practices relating to industrial relations in the Bank have been discussed in the fifth chapter. The sixth chapter focuses on customer service in the Bank. In the seventh chapter, an overall evaluation of HRM practices in the Bank is made by analysing the opinions of the sample respondents on various aspects of HRM and comparing them with the data collected from primary and secondary sources. The conclusions and suggestions have been given in the last chapter.

The findings of the study reveal that the HRM policies and practices of the UCO Bank have been only marginally satisfactory. The adoption of ineffective/inadequate HRM practices appears to be one of the major factors inhibiting the efficient performance of the Bank, leading to heavy financial losses and poor customer service. The slow and improper response of the Bank to the rapidly increasing pressures of certain external factors; lack of initiative on the part of the management to inculcate team spirit among the award staff and the officers; inability to cope with the union pressures; and the indifference of the unions to the efficient functioning of the Bank as manifested in the form of frequent strikes, dharnas, subtle acts of
indiscipline etc., have been among the major factors responsible for the unsatisfactory HRM practices.

The following are the main suggestions offered by the study:

i) The management of the Bank has to be more sensitive to the external factors so as to ensure the efficient functioning of the Bank.

ii) The unions and the management should leave off their confrontational attitude and should work together to ensure harmonious industrial relations in the Bank. They should mutually strive towards improving the quality of customer service provided by the Bank.

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