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CRUCIAL HRD CLIMATE IN A SOUTH INDIAN GRAMEENA BANK: A DIOGNOSTIC STUDY

Ms. Swetha.G.R¹ & Prof. G.L. Narayanappa²

¹.*Doctoral Fellow, Department of Management, Dravidian University, Kuppam, – 517425, Chittoor District, A.P.*

².*Dean, School of Commerce and Management, Dravidian University, Kuppam, – 517425, Chittoor District, A.P.*

ABSTRACT

The 'ABC' Grameen Bank started functioning with effect from 01.07.2006 in southern India. Bank's operational area is spread across two districts in southern India. Out of two districts, one District with 66 mandals and three revenue divisions is located on the southern part of the country covering an extent of 15152 Sqkms. Another District with 50 mandals and four revenue divisions is situated on the East Coast of Southern India with a geographic area of 8727Sq.Kms. The Bank is having a network of 151 branches, 1 Extension Counter and one Satellite branch as on 31.03.12. of the above, 97 branches and 1 extension counter are in southern District and 54 branches and one satellite branch are in Northern district. During the year we opened 7 branches, 6 in Southern District and 1 in Northern District all under RBI liberalized licensing policy for RRBs. In terms of section 5 of RRB Act 1976, the authorized capital of RRB shall be Rs. 5 Crores divided into 5 lakh full paid share of Rs.100/- each. The paid up capital of the bank as on 31.03.2012 is Rs. 200 lakhs.

INTRODUCTION

The amount received from the Government of India, Sponsor Bank and concerned state Government towards cleansing of Balance Sheet under restricting of RRBs has been shown under Share Capital Deposit in Balance Sheet. The deposits of the bank as at the

end of March 2012 stood at Rs. 29867.80 Lakh registering a growth rate of 19.22%. During the year 79788 new customers were brought into four fold increasing our customer base to Rs. 9.54 Lakhs. The percentage of demand deposits to total deposits as 27.74% as on 31st March 2012. There



was marginal decrease in demand deposits percentage wise during the year, which is on account of sweeping facility provided to some institutional customers. The cost of deposits increased from 6.74% to 7.30%. This is due to increase in deposit rates during the year as per market trends.

IMPORTANCE OF HUMAN RESOURCES DEVELOPMENT

Recent economic liberalizations announced by the Government of India tend towards banks and economy and started creating more dynamic environment in India than ever before. HRD plays a significant and crucial role in Grameen Banks under dynamic environments. Human Resource Development should be effective and efficient. HRD cannot be effective for the candidates who do not possess potentials to perform present and future roles in organizations with dynamic environment. HRD to be effective should essentially have a strong base of human resource planning, recruitment and selection, employees' benefits and quality of work life based on effective HRD requirements. These base factors enable the organization to develop its human resources efficiently. Today's increasing complex and volatile business environment characterized by globalization, liberalization and the transnational invasion ensures that managing world not be the same again. As we are in 21st century competitiveness in global market place presents the ultimate challenge to policy makers, business leaders and entrepreneurs in any industry including banking. Those leaders would be successful who would manage the virtues of conflicting paradigms, rather than rely on single set of pre-determined theoretical "right policies". This has created in its wake a need for adopting a proactive approach by bankers in all areas of organizational structure, administrative policies and the most important the HRD. As result the banks have to continuously strive to give new thrust and

direction to equip its employees to meet the emerging challenges. Hence a systematic HRD strategy focused on people is essential. The need for HRD is all the more great in service oriented institutions like banks. An efficient, effective and disciplined banking system helps the process of economic development as per the national priorities. It functions as catalyst agent for bringing about economical, industrial and agriculture growth and prosperity of the country.

The need for HRD in the banking institutions has continuously grown because of an effective role play of social-economic development and enlistment of especially those people who are neglected and deprived. Banks have a strong industrial relation orientation which necessitates more and more focus on improving the HRD efforts have to be there to influence people to use HRD achievement of goals both business and social. Human resources to be acquired and developed and determined in terms of skills knowledge, abilities, values, aptitude, belief, commitment etc. suitable techniques(s) of human resource is/are to be selected depending upon the resources to be acquired and developed.

More than ever before, the significance of Human Resource Development has been recognized in all corporate both in the private sector as well as public sector. Liberalization governmental policies increasing demands for a more skilled and motivated workforce and the intensifying competition are the important factors that contributed to the growing importance of Human Resource Development in modern organizations. Human resource productivity holds the key for success of an organization. HRD seeks to acquire, strengthen and utilize the person's potentialities to increase productivity and performance. HR capability, commitment and culture are the key elements for improving organizational performance.

The rational and scientific philosophies of quality of work life and benefits for the employees have not taken its roots in this 'ABC' Grameena Bank. It is reported a Quantum of discontentment and certain maladies over the existing practices of quality of work life and employees' benefits in this 'ABC' Bank. All these maladies and discontentment of the employees of this Grammena Bank in its operating area have motivated the researcher to take up this research work. The researcher has a strong aim in carrying out the thorough investigation into the various maladies, related to the quality of work life and employee benefit of this 'ABC' Grameena Bank and identify the problems adhered therein, and to offer the scientific ways and means to wipe out the discontentment this research work has been undertaken.

SCOPE OF THE STUDY

The concept of HRD is of infinite dimensions. Any quantum of writing or discussion on the subject of HRD will be inadequate. Hence the scope of this paper confined to very few vital aspects of HRD such as employee benefit programmes and quality of work life of employees in a grameena bank.

OBJECTIVES OF THE STUDY

The specific objectives of this paper are specified below;

- (i) To examine the existing practices of Human Resource Development such as (a) Employee Benefits and (b) Quality of work life of employees in a South Indian Grameena Bank.
- (ii) To measure the level of satisfaction/dissatisfaction towards the existing practices of HRD such as (a) Employee benefits and (b) Quality of work life of employees in a South Indian Grameena Bank
- (iii) To identify the reasons for their dissatisfaction with the existing practices of HRD in a South Indian Grameena Bank; and

- (iv) To offer feasible way and means to wipe out the dissatisfaction prevailed among the employees towards the existing practices of HRD such as (a) employees benefits and (b) Quality of work life of employees and to put the whole gamut of HRD on the more viable footing.

THE METHODOLOGY

The methodology consists of data collection of primary and secondary sources. The survey method was adopted and the first hand (primary) information was collected from 59 sample respondents' i.e. executive cadre employees of s South Indian Grameena Bank. A pre-tested questionnaire was constructed and administered the same to 59 executive cadre employees in South Indian Grameena Bank.

SAMPLING PROCEDURE AND SAMPLE SIZE

A stratified random sampling technique was followed and 15 percent of the total executive cadre employees of the Bank were chosen as sample respondents which stood at a sample size of 59 respondents. The same 59 respondents were selected for the study as sample size with replacement.

ANALYSIS OF DATA AND LIMITATIONS

The first-hand information elicited from the respondents was properly tabulated and analyzed. Appropriate statistical tools such as averages and percentage are calculated wherever necessary for analyzing the information and drawing the inferences.

THE LIMITATIONS

The present study includes the following limitations

- (i) The study is confined to only one Grameena Bank in Southern India
- (ii) Second, the sample size is 59 respondents only which are very meager

(iii) Finally, the development of human resource scenario is still in infant stage in Grameena Banks.

RESEARCH FINDINGS

1. Inadequate safety measures and improper working environment (81.35%)
2. Strained relations and lack of co-operation from the side of management towards the employees (66.10%)
3. No obligation towards employee welfare (62.71%)
4. The flimsy vision of the management to discriminate best employees and bad employees (54.23%)
5. Lack of individual incentive schemes to improve the professional competence and efficiency of the employees (52.54%)
6. Sense of belongings towards the employees' welfare is very less (52.54%)
7. Insufficient rewards: the rewards extended by the South Grameena Bank for their employees towards outstanding achievement/ performance is too meager and the consideration of their candidature in policy decisions is also paltry (50.84%)
8. Inadequate pay package: They pay package extended to the south Grameena Bank employees is not on par with the employees of other commercial and corporate banks. The junior most officers in the commercial and corporate banks are drawing remunerative packet of perks than those of the employees of the south Grameena Bank and hence there is a pay anomaly in the pay package. There is no equal pay for equal work (57.62%)
9. Poor incentives: The incentives extended by the South Grameena Bank for its employees are very poor. The incentive extended for passing C.A.I.I.B Group- A is Rs. 200/- only and the merit certificates issued by the South Grameena Bank for

its employees as a recognition of outstanding achievement, are not given due recognition while giving promotions (55.93%)

10. No kind of Bonus: The bonus which is extended to their employees in commercial and corporate banks not at all extended to the employees of South Grameena Bank. In the absence of this of this, the morale of the outstanding performers is lower down and as a result, the productivity and profitability of the bank are also lowering down (57.62%)

SUGGESTIONS

1. Proper, reasonable individual incentive schemes may be evolved to encourage the outstanding achievement. This kind of work, recognizing incentives will boost up the morale of the individual employees and make them put their sustained efforts for maximizing the productivity.
2. Keeping in-view of the various findings arrived at the course of this research study it is suggested that the quality of work life is such vital concept in the atmosphere of 'ABC' Grameena Bank's working environment which can easily disturbs the mindset of 'ABC' Grameena Bank employees due to the discontentment raised or to be arises out of poor and improper quality of work life. However, the 'ABC' Grameena Bank can throw a serious light on the wellbeing of their employees by way of creating them an attractive and impressive work environment. For this, the 'ABC' Grameena Bank at the outset should extended lucrative employee benefits, optimum work load and conducive work environment. Further, the 'ABC' Grameena Bank should also facilitate career development opportunities within the working environment of their bank,



- which will result in outstanding performance, higher productivity and optimum utilization of human resources.
3. Proper and scientific safety measures such as
 - a. Arrangement of fire-exchequers
 - b. Arrangement of dispensary
 - c. An arrangement of an ambulance within the premises of the bank may avoid the fire accidents and unforecasted health hazards.
 4. Reasonable employee benefits, incentives reward for the outstanding achievements such as
 - a. One moth's salary as additional incentive/rewards for fulfilling the annual targets.
 - b. Due recognition in promotion form lower level to upper level for grabbing the highest business profits for the bank; and
 - c. Deputing of exemplary employees to foreign countries for receiving training in international banking operations may be introduced in 'ABC' Grameena Bank in order to maintain employee quality retention.
 5. It is suggested that the pay package for this 'ABC' Grameena Bank employees must be on par with similar other corporate and commercial bank employees. Remunerative packet of perks and employee benefits would enhance the professional caliber of the employees. Hence, it is further suggested that the pay package of this 'ABC' Grameena bank employees may be designed according to the VII pay commission pay scales of Commercial and Corporate Bank employees. Proper allowance such as
 - a. Dearness allowance
 - b. House Rent allowance
 - c. Academic improvement allowance
 - d. Convenience allowance
 - e. Family shifting allowance
 - f. Medical reimbursement
 - g. Single child allowanceAnd such other relevant allowances should be incorporated in the proposed salary structure keeping in view of the inflation to upgrade and safe guard the morale of the employees.
 6. INTRODUCTION Of BI-ANNUAL BONSUS:
It is suggested that, in addition to the payment of additional increments for qualifying in C.A.I.I.B. a scheme of introducing bi-annual bonus for the employees of 'ABC' Grameena Bank would motivate the discontented employees and make them to put their sustain efforts for maximization of profits for the bank. The proposed bi-annual bonus may be equivalent to one and half month's gross salary of the particular employees.
 7. The management of 'ABC' Grameena Bank should extend financial, social, psychological and moral support for the employee such as:
 - a. Interest free educational loans for the employees to upgrade their academic and professional qualification
 - b. According of permissions for perusing of higher educational qualifications would help the employees to build career and
 - c. Constant psychological encouragement of the management would help these employees to become vigorous to encounter the employment challenges and career hurdles.



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