

## **CHAPTER - 5**

### **PERSONNEL MANAGEMENT IN BANK**

- 5.1 - INTRODUCTION
- 5.2 - RECRUITMENT IN BANK
- 5.3 - TRAINING AND DEVELOPMENT OF STAFF IN BANK
- 5.4 - PROMOTIONS
- 5.5 - PERFORMANCE APPRAISAL
- 5.6 - MOTIVATIONS
- 5.7 - DISCIPLINARY ACTION
- 5.8 - PRESENT STRENGTH OF THE STAFF

## PERSONNEL MANAGEMENT IN BANK

### 5.1 INTRODUCTION :

This chapter aims at a critical review of the personnel policies and practices of MSCARD Bank Ltd., district branch Sholapur. No organisation can be greater than what it's people are : Like any other business organisation, a co-operative organisation can operate successfully only if it has personnel with appropriate skills, aptitude, integrity, competence and commitment. This requirement has become all the more urgent and critical in the context of growing emphasis on business efficiency of co-operatives. While much has been said of the need for co-operatives, very little has been done for the emergence of sound personnel policies and procedures in co-operatives. As a result, personnel function as performed in co-operatives has contributed only to their managerial inefficiency. Many a co-operative have failed mostly on account of the human failure.

In spite of the growing emphasis on effective management of personnel for better results, there are only a few empirical studies on personnel management in co-operatives. Even the studies available have not focussed their attention on personnel management in the MSCARD Bank Ltd., District Branch Sholapur. Hence, an attempt is made to

critically examine in detail the personnel policies and practices of the Sholapur district branch under study with reference to the following.

1. Recruitment
2. Promotions
3. Training and development
4. Performance appraisal
5. Motivation and
6. Disciplinary action.

## 5.2 RECRUITMENT IN BANK

Recruitment is concerned with exploring the possible services from where the desired personnel for the organisation can be obtained. The purpose of recruitment is to find out right type of employees for successful conduct of the work of an enterprise. The quantity and quality of personnel required and the time when it is required should be properly estimated before initiating any plan of recruitment.

Sources of recruitment may be either internal or external. The internal sources of recruitment consist of persons who are already working within the organisation and are suitable for appointment to fill up the vacancies as and when they arise. This policy is generally followed to fill up the senior positions and is mainly based on the principle of seniority-cum-merit. The adoption of internal source of

recruitment is governed by the management policy towards labour, managements willingness to accept seniority-cum-merit as a criteria of recruitment and the level of training and experitise required for the performance of a particular job. Recruitment from within the organisation boosts the morale of the existing employees who naturally have an ambition to rise to a higher position. There are less chances of making mistakes in selection as the past records of each employee are availabel with the organisation. Selection of personnel from with in the organisation is not time consuming and does not create problems of placement due to intimate knowledge of the performance of an individual employee.

Recruitment from out side may be through advertisements, employment exchanges, direct recruitment from colleges and universities and recommendations from management consultants. When the number of candidates for a particular job is more than what is required the problem of selection becomes a difficult job. However, the candidates actual performance based on written and oral tests aptitude and intelligence tests, interest and dexterity tests, personality tests etc. may be a guide for proper selection.

Table No. 5.1 and 5.2 gives information regarding the recruitment in the MSCARD Bank Ltd Sholapur District. In the five year total 20 employees are recruited those employees are recruited in three cadre they are related with Clerk, Typist, VehAtle Driver, Peon & Night Watchman.



the time of recruitment of employees the district branch first takes permission from the Head Office Bombay, at that time the Head office takes into consideration the pattern of staff which is given by NABARD to that district, and after that if necessary the Head Office gives permission for recruitment of employees. The qualification of staff is given in the rules of the Bank but those are not proper. For junior clerk qualification is S.S.C. only and for officer grade qualification is graduate of any faculty. At the time of recruitment of staff the district branch has not given advertisement regarding the recruitment advertisement in the news paper. The bank has not taken written test at the time of selection. The total staff of the Sholapur district branch is deficit as per pattern of NABARD regarding staff.

Table No. 5.1

## MSCARD Bank Ltd, Sholapur

## Recruitment in District Sholapur According to year wise

Sr.No.	Year	No. of person recruited
1	1985-86	Nil
2	1986-87	Nil
3	1987-88	13
4	1988-89	5
5	1989-90	Nil
6	1990-91	2
Total		20

Source - Office record of MSCARD Bank, district branch Sholapur.

**Table No. 5.2**  
**The MSCARD Bank Ltd District Branch - Sholapur**  
**Recruitment in the Bank According to Cadre wise**  
**( From 1985 - 86 to 1989 -90 )**

Sr.No.	Recruitment in cadre	No. of person recruited
1	I	Nil
2	II	Nil
3	III	Nil
4	IV	Nil
5	V	Nil
6	VI	Nil
7	VII	Nil
8	VIII	Nil
9	IX	16
10	X	1
11	XI	3
Total		20

Source - Office record of MSCARD Bank Ltd., district branch Sholapur.

### 5.3 TRAINING AND DEVELOPMENT OF STAFF IN BANKS

No organisation can ignore it's responsibility to develop its people through proper orientation and training. Orientation and training of employees have become a vital function of management. The object of providing training is to enable an employee to perform his duties with greater confidence and efficiency. New knowledge better techniques and new skills have to be induced amongst the employees for better job-performance. Orientation and training also provide opportunities for development of better understanding between the employer and the employee.

Each employee needs training which aims at developing him to achieve organisational goal more efficiently and effectively. A separate training division has to be established in each organisation for identification of performances and problems of the employees and the training programme should take care to overtime the gap between desired performance and actual performance.

Training may be either on the job or off the job. On the job training helps to improve the employees skill and knowledge about the job. The system is economical as the employee may be producing while learning. Off the job training keeps the trainees free from the pressure of the job

and daily routines. These opportunities are available to the employees to have concentrated attention on learning. Off the job training is provided by arranging lectures, conferences, and seminars, group discussions, stimulation exercises, questionnaire methods, sensitivity training etc. The success of a training programme depends largely on the quality of trainers and the receptivity of the trainees towards the training contents. The organisation, therefore must ensure that adequately experienced and skilled personnel is drafted to man the various training positions.

Table No. 5.3 and 5.4 shows the information regarding training and Development programme of the Sholapur district bank. In Maharashtra, there are five training colleges or Institutions for giving the training to the employee of the bank. The Sholapur district branch has given most importance on training of the staff. For every activity of the bank, there is separate training programme.



Table No. 5.3

MSCARD Bank Ltd, District Branch Sholapur  
Deputation of Personnel for Training

Sr.No.	Year	No. of Personnel
1	1985-86	140
2	1986-87	150
3	1987-88	215
4	1988-89	180
5	1989-90	185
Total		870

Source - Office record of MSCARD Bank Ltd., District  
Branch Sholapur.

Table No. 5.4  
The MSCARD Bank Ltd, district branch Sholapur  
Different Institutions for Training

Sr.No.	Name of Training Institution	No. of Personnel Trained
1	The Agricultural Banking College, Poona	2
2	Vaikunthalal Mehta Institute Of Co-opperative Management and Training College, Poona	3
3	Training centre of the MSCARD Bank Ltd Gultekadi, Poona	865
4	Co-operative Training College of Co-operative Federation, Poona	Nil
5	Dr. Vikhe Patil Training College	Nil
Total		870

Source - Office record of MSCARD Bank Ltd, district branch Sholapur.

The MSCARD Bank Ltd, has established separat training centre for his staff at Gultekadi Market Yard Poona. In the period of study the Sholapur district branch has given training for total 870 employees, the training scheme is very efficient in the Bank. All expenses of training suffers by NABARD.

#### 5.4 PROMOTIONS :-

Promotion implies an improvement in pay or status or usually both an employee. promotion is a reward to an employee for his performing a job efficiently. While making a promotion the supervisors have to make an assessment of an employee for his suitability to accept challenging and higher responsibilities. The problem of promotion at times becomes difficult especially when people occupy a chair which they do not deserve and the fulfilment of organisational goals may be jeopardised in such a case.

Promotion policy must be carefully designed so that the deserving employees may be promoted to higher positions and may be retained in the organisation to give better services. Every employee may want a promotion but the fact to be decided is whether he deserves it. Promotions should not lead to incompetence of any kind and should always be instrumental in giving better results for the organisation.

Table No. 5.5 shows the information regarding the promotions in the Sholapur district during 1985-86 to 1989-90. Total Seven employees have got promotion in five years. The promotion chances are very rare, because there is not expansion of

Table No. 5.5

## The MSCARD Bank Ltd, District Branch Sholapur

## Promotions in the District Branch Sholapur

SR.NO.	YEAR	From what cadre	No.of Persons promoted
1	1985 - 86	6, 7, 8	3
2	1986 - 87	- - -	- - -
3	1987 - 88	6, 7, 8	- 3 -
4	1988 - 89	- - -	- - -
5	1989 - 90	- 7 -	- 1 -
Total			7

Branches in Sholapur district. In these five years employees in the clerical cadre have not given chances of promotions. At the time of promotion the bank follows service rules separate rules are given for promotion. The first criteria for promotion is seniority of the employee. Seniority from 6th to 11th cadre is kept by district branch and from 1 to 5th by head office Bombay. Second criteria for promotion is efficiency of the employees. The bank can refuse promotions of the lazy and dull or unefficient employees. In the period of study the district branch has refused promotion of one employee on the ground of unefficiency. The rules regarding promotions are very old, there should be some chances for qualified persons for direct promotion.

## 5.5 PERFORMANCE APPRAISAL

Performance appraisal is a very important element of a sound personnel policy. An appraisal system is introduced to provide a mechanism for identification of merit and ascertainment of employee's deficiencies. The suitability of an employee for higher jobs and transfers including job changes can be judged only by a systematic evaluation of his performance. Each superior rates his subordinates on the basis of his quantity and quality of work and his attitude toward his organisation and towards his fellow employees. This merit rating has now assumed the form of performance appraisal by which points of strength and weaknesses are identified for initiating proper management development programmes. The task of appraisal is extremely difficult. The traditional approach to performance appraisal was subjective according to which the superiors reported about the performance of their subordinates and recommended reward or punishment. The subjective approach does not permit an objective evaluation and is usually autocratic by providing undue scope for bossism and dictatorial methods. A subjective appraisal is sometimes not impartial and reports on the employees who are not in the good books of the boss are generally adverse and do not depict the correct assessment.

Performance appraisal in the modern times is based on the objective standards which are determined scientific-

ly on the basis of experience without any rigidity. Each employee is given an opportunity to know his deficiencies and he is given an opportunity to improve himself. The overall merit and quality of work is kept in view while making an appraisal of the employee. Objective appraisal is simple and provides for quantitative and qualitative assessment of the employees' performance. A system of self-appraisal has recently been introduced in terms of which each employee is required to give an assessment of his own performance. The employee himself is asked to give his own rating which in turn is assessed by his superiors.

The procedure regarding the performance appraisal is in the hands of Head of department and Sub-branch Manager. The District Manager makes records regarding performance appraisal of the head of department. The head of department makes the records of performance appraisal of various clerks which are engaged in that department and the Sub-branch Manager makes the records of performance appraisal of employees which are engaged in that sub-branch. They prepare only confidential reports of every employee. That confidential report is very important at the time of promotion or transfer of employees.

There is no performance appraisal system as such, in the real sense of the term, in the bank. What is there is

only a system of guiding, supervising and controlling the work of subordinates by the superior concerned.

The important reason for the absence of performance appraisal system is that the promotions to higher cadres are based on the seniority only. There is no system of specially rewarding the employees of the bank on the basis of their performance.

## 5.6 MOTIVATION

Motivation is the kingpin of an efficient and effective system of management. It is directly connected with the forces which impel, enthuse and motivate an individual worker to resort to either activity or inactivity or behave in a particular manner which may effect his productivity and contribution to the organisational output. Motivation is thus closely connected with the behaviour of an employee under certain situation. It is common to each individual human being without any exception.

The concept of motivation is primarily psychological and is concerned with the forces operating within an individual worker impelling him to act or not to act in a particular way. Motivation is thus the way which incites an individual to work by providing him ideas emotions, promptness etc. It is just the antithesis of all those factors

which impede or tend to impede determination or action on the part of a worker.

Motivation recognises the importance of human element in an organisation. Behaviour of an individual employee is usually motivated by a sub-conscious will on his part to undertake an activity for achievement of certain objectives. Unless the conscience within the man dictates him to generate a will to undertake a series of activities for achievement of certain ends, no external propulsion how so ever strong can be effective to make him work. The main job of motivation is to arouse sub-conscious will or motives to give a result oriented achievement by bettering a workers performance and productivity. Thus motivation directs an individual to adopt ways and means to attain organisational goals.

Sholapur district branch has not given importance for motivation. The Head office Bombay gives motivation to employees, who are working in recovery department of the branches. Following scheme is available in the Bank for motivation to the employee who have recovered dues of the bank according to the target of head office.

1) First District :- The MSCARD Bank Ltd. has divided it's branches in two heads the demand of recovery is more then 4 crores and demand of recovery is less then 4 crores. From these two heads the Head office gives financial incentives to



two district branches in which recovery is highest. For district manager of that district gets special an additional increment in pay scale and Rs.251/- gets to the district recovery office for best recovery performance.

2) Second District :- The district which is second in recovery, the district Manager gets one additional increment in his pay scale and Rs.201/- gets to district recovery officer for his best performance of recovery.

3) Sub-branch first in State :- The Sub-branch which is recovering highest recovery and second highest recovery is also getting incentive. The sub-branch Manager gets one additional increment in that financial year and Rs.151/- gets to recovery officer and supervisor of that sub-branch.

There is a special scheme for every divisional area for recovery. In every division of bank if the sub-branch recovers highest recovery, sub-branch Manager will gets special additional increment in pay scale and Rs.101/- to recovery officer and supervisor of that sub-branch.

The recovery position of the MSCARD Bank Ltd, district branch Sholapur is very unsatisfactory. The bank has not made successive efforts for recovery. The district branch Sholapur did not get a single prize in last five years.

**Table No. - 5.6**  
**THE MSCARD BANK LTD.District Branch, Sholapur**  
**Disciplinary Action**

Sr.No.	Nature of Punishment	No.of Employees
1.	Promotion Refused	1
2.	Terminated	4
3.	Increment Stopped	6
Total Employees		11

Source : Office record of the Sholapur District Branch.

#### **5.7 DISCIPLINARY ACTION**

Every motivational system, requires a provision for negative rewards, which implies that subordinates who do not confirm to the normal expectations are punished in varying degrees depending upon the nature and circumstances of lapse. Discipline is one of the fourteen principles of management.

An employee who commits a breach of the rules which given in the service rules of bank or is guilty of misconduct shall be liable for punishment.

The Table No.5.6 gives information regarding punishment given by the bank to his employees. In study

period of five year i.e. 1985-86 to 1989-90 bank has punished 11 employees.

As per rules of the Bank regarding punishment to the employees, the rights of the district loan committee are limited up to suspend. The district Manager or loan committee can recover penalty stop increment of employees, transfer employee from one sub-branch to another sub-branch suspend guilty employee but for termination they requires permission of head office Bombay. The district loan committee have not right of termination of employee.

#### 5.8 Present Strength of the staff

Table no. 5.7 shows the present pattern of NABARD and actual staff working in the MSCARD Bank Ltd, District branch Sholapur and it's sub branches. Total 223 posts were sanctioned by NABARD but actual 216 posts were recruited by district branch Sholapur actual 12 personnel are in deficiency. The Sholapur district branch have no right or power to recruit of personnel. Total staff of the Sholapur district branch is divided in 7 cadre. Salaries are depends on cadre. The personnel which are in cadre no.1 to 5 are working at head office Bombay and six divisional offices of the bank.

Total staff is divided in seven cadre. In cadre No.5 includes District Branch Manager only. In cadre No.6 five officers are included. In cadre No.7 Eighteen personnel

TABLE NO. - 5.7

**The MSCARD Bank Ltd., District Branch Sholapur**  
**Number of posts sanctioned by NABARD and Persons**  
**Employed in Various Cadres.**

Sr. Cad- No. res	Posts	Number of posts sanctioned			Number of post Employed			Defici- ency	Surplus
		District Branch	Sub Branch	Total	District Branch	Sub Branch	Total		
1 5	District Branch Manager	1	-	1	1	-	1		
2 6	Assistant District Manager	1	-	1	1	-	1		
3 6	Loan Superintendent	1	-	1	1	-	1		
4 6	Recovery Officer	1	-	1	1	-	1		
5 6	District Branch Accountant	1	-	1	1	-	1		
6 6	Statistical Officer	1	-	1	1	-	1		
7 7	Office superintendent	1	-	1	1	-	1		
8 7	Accountant	1	-	1	1	-	1		
9 7	Assistant Loan Suerintendent	1	-	1	1	-	1		
10 7	Assistant Recovery Officer	1	-	1	1	-	1		
11 7	Personal Assistant	1	-	1	1	-	1	-	1
12 7	Sub Branch Manager	-	13	13	-	13	13		
13 8	Enquiry Officer	-	13	13	-	13	13		
14 8	Sub Branch Accountant	-	13	13	-	12	12	1	
15 8	Recovery Officer (sub branch)	-	3	3	-	3	3		
16 8	Clerks	-	-	-	-	1	1		
17 9	Auditor	-	-	-	1	-	1		1
18 9	Personal Assistant	1	-	1	-	-	-	1	
19 9	Cashier	1	13	14	-	13	13		
20 9	Inward Clerk	-	13	13	-	13	13		
21 9	Recovery Clerk	-	13	13	-	13	13		
22 9	Clerk	18	26	44	18	27	45		1
23 9	Supervisor	-	40	40	-	42	42		2
24 9	Leave Reserve Clerk	6	-	6	-	-	-	6	
25 9	Typist Clerk	3	-	3	3	-	3		
26 10	Vehicle Driver	2	-	2	2	-	3		
27 11	Peon	7	26	33	7	22	29	4	
28 11	Night Watchman	1	-	1	1	-	1		
Total		50	173	223	45	171	216	12	5

Source : Office Record of the Sholapur District Bank.

TABLE NO. - 5.8

The MSCARD Banks Ltd., District Branch Sholapur

## Cadre wise Pay-Scale for Employees

Sr. No.	Cadre No.	Pay Scale Rs.	Increments Rs.
1	5	870 - 1930	30-40-50-60-70-80
2	6	705 - 1850	25-30-40-50-60-70
3	7	630 - 1640	25-30-40-50-60-70
4	8	530 - 1570	20-25-30-40-50-60
5	9	500 - 1510	15-20-25-30-40-50-60
6	10	460 - 1045	10-12-15-20-25-35
7	11	480 - 940	8-10-15-20-30
8	5A	930 - 2130	40-50-60-70-80-100
9	6A	755 - 2030	25-30-40-50-60-70-80
10	7A	680 - 1780	25-30-40-50-60-70

Source : Office Record of Sholapur District Branch.

Please refer Table No. 5.7 for explanation of Cadre No.

TABLE NO. - 5.9

## Post Sanctioned and Recruited of Technical Staff

Post sanctioned according to the pattern of NABARD				Post actually filled by Sholapur District Branch		
Sr.No.	Cadre	Post	No.of Posts	Cadre	Post	No.of Posts
1.	5 A	Agriculture Engineer	1	5 A	Agriculture Engineer	1
2.	5 A	Agriculture Officer	1	5 A	Agriculture Officer	1
3.	6 A	Agriculture Officer	1	6 A	Agriculture Officer	1
4.	6 A	Agriculture Officer	1	6 A	Agriculture Officer	1

Source : Office record of the MSCARD Bank Ltd., District Branch Sholapur.

Table No.5.9 shows information regarding the technical posts of the bank. The NABARD has sanctioned 4 posts and district branch also recruited 4 posts all and employees in the technical department are well qualified.

are included. In cadre No.8 thirty personnel are included. In cadre No.9 one hundred twenty eight personnel included. In cadre No.10 only two and cadre No.11 thirty personnel included.

**Table No. - 5.10**  
**Recruitment of Backward Class Employees**

Sr. No.	Cadre	Post	No.of post	Cast
1.	9	Clerk	2	S.C.
2.	9	Clerk	2	S.T.
3.	11	Peon	1	S.C.
4.	11	Peon	1	S.T.
TOTAL			6	

Source :- Office record of the MSCARD Bank Ltd, district Branch Sholapur.

**Current Position of the staff - 1**

In the MSCARD Bank district branch Sholapur and sub-branches of Sholapur district 220 staff is working from them 216 staff member are non technical and 4 members are technical. Table No. 5.11 gives details about the staff out of 216 Non Technical staff 62 are graduates i.e. 29% staff members are graduates. 85 staff members qualification is





S.S.C. percentage of S.S.C. members is 39%. 18 staff members have completed G.D.C. & A., percentage of G.D.C. & A. members is only 8% and lastly 51 members are L.D.C. Percentage of L.D.C. staff members is 23% maximum non technical staff members are up to S.S.C.

Table No. 5.8 gives information regarding the present pay scales of the different cadre. The present pay scale are very unsatisfactory. The efficiency of the employees depends upon the pay scale given to them.

Table No. 5.10 shows information regarding the recruitment of backward class employees. In five years period total 6 employees are recruited from backward class. That all employees are related with cadre No.9 and 11 i.e. clerk and peon. Three employees recruited from schedule cast and 3 from schedule tribes. Percentage of backward class employees is only 2.77%.