

CHAPTER FIVE

Personnel Policies and
Practices related to
Recruitment and Selection,
Training and Development,
and Promotion and Transfer



CHAPTER FIVE**Personnel Policies and Practices Related to**

- A) Recruitment and Selection
- B) Training and Development and
- C) Promotion and Transfer.

A) Recruitment and Selection Policies and Practices.

There is no function in the personnel management which is more important than recruitment. Being a business organisation, the recruitment of person in Cooperative banking assume special importance because " apart from being competent on their specific jobs, they must also be well-versed in human dealings and public relations " ¹. Recruitment is of vital importance to the management structure, for it determines the tone and calibre of the personnel and on it rests the usefulness of the machinery of the organisation. Filling the posts with incompetent persons not only weakens the Organisation, but also increases the possibility that an incompetent group will take over the latter ²

In India, the banking industry has been acquired strategic place in the national economy due to the crucial role assigned to it in the country's economic development " A career in banking has, therefore, acquired a socially important status, " ³ Urban Co-operative Banks are not exception to this. Over a thousand ie, 1123 Urban co-operative banks in India, including 376 urban banks from Maharashtra are employing a large number of senior and

junior officers, clerical and other personnel every year. It is, therefore, obvious that for urban banks, recruitment has become an extremely crucial activity.

A Systematic programme of recruitment, selection and placement begins with manpower planning. Without manpower plans estimates of human resource needs are reduced to mere guess work. However, it was observed that the contents of 'manpower planning' were not appropriated in its real sense, by the urban Co-operative banks under study. Hence, selection process is started right from recruitment.

The term 'recruitment' refers to the process of attracting good personnel to the organisation .

Selection is the process of choosing the right candidate for the right job.

That is why, recruitment is often termed as 'positive' and selection as 'negative'. Recruitment is termed positive on the ground that it stimulates people to apply for jobs to increase their hiring ratio. Selection, on the other hand, is a technique designed to eliminate the unqualified ones. However, Selection starts from where recruitment ends.

5.1 Recruitment Policy

General policy on manpower management and general staffing policy may provide a variety of guidelines to be spelled out in recruitment policy. Recruitment policy can make some choices immediately and directly on the basis of such guidelines⁴.

Recruitment policy asserts the objectives of the recruitment and provides a framework for implementation of the recruitment programme in the form of procedures. It serves as necessary guide to the personnel department representatives and operating managers who must administer the hiring and placement programme⁵

5.2 Issues of Recruitment Policy

It may embrace several issues such as:

a) Fill vacancies from within or from outside:

The policy question is : under what circumstances and to what extent shall we seek the manpower we required within our own ranks? When will we go Outside? Recruitment policy must, therefore, state clearly to what extent vacancies are filled from within sources and from outside sources.

Deciding Factors:

Management considers several variables in deciding on the extent to which it will depend on inside and outside sources.

Dale Yoder stated deciding variables as follows :⁶

- 1) The effect of this policy on the attitudes and actions of all employees.
- 2) The level of specialisation required of employees.
- 3) The emphasis in general manpower policy on participation by employees at all levels.

- 4) The need for originality and initiative.
- 5) Acceptance of the seniority principle.

As a generalisation, the most fruitful policy is probably that of filling the majority of vacancies from within but going to the outside when fully qualified talent is not available inside the organisation.

b) Dis-advantaged Persons

Personnel Policy must state attitudes of enterprise in recruiting its old employees, handicaps, minority groups (including S. C. , S. T. etc), Women employees and more specifically disadvantaged persons. Now-a-days, for a variety of reasons many companies have adopted a policy decision to employ some dis-advantaged persons.

5.3 Sources of Recruitment

There is a wide variety of recruitment sources available to the modern organizations. Different sources inevitable carry different price tags and produce qualified candidates at different rates of speed. However, main sources of recruitment are as follows :

- 1) Recommendations of Management
- 2) Recommendations of existing employees.
- 3) Direct application
- 4) Employment exchange
- 5) Newspaper advertising
- 6) Educational Institutions
- 7) From among existing employees.

5.4 Selection Policy

The obvious guiding policy in selection is the intention to choose the best qualified candidate for each unfilled post and to avoid commitments to those who will not work out well. Selection policy provides guidelines on the following policy subjects -

- a) Merit System
- b) Career Employment
- c) Differential Selection
- d) Job Restructuring
- e) Pirating
- f) Equal Opportunity

Management must give due consideration on above mentioned policy factors, while formulating a selection policy.

5.5 Selection Procedure

Although there are numerous ways of handling selection, a model selection procedure should include the following -

- 1) Application blank
- 2) Testing knowledge
- 3) Personal interview
- 4) Checking of references
- 5) Physical examination
- 6) Final selection
- 7) Placement and induction

Recruitment and Selection Practices in Urban
Co-operative Banks Under Study

5.6 Employees Awareness of Recruitment and Selection Policies.

In this survey, researcher contacted 100 employees, in the category of 15 officers, 75 clerks and 10 subordinate staff in order to know their awareness with recruitment and selection policies of urban co-operative banks under study. Data related to employees' awareness is given in Table 5.1

Table 5.1 Employees' Awareness of Recruitment
and selection policies

Bank	(No. of respondents)					
	No. of employees knew Recruitment and selection policies			No. of employees did not know Recruitment and selection policies		
	Officer	Clerk	Sub-ordinate	Officer	Clerk	Subordinate staff
R.S.C.B	3	7	1	-	3	1
P.S.S.B.	2	15	-	1	1	1
J.S.B.	3	20	-	1	4	2
S.S.B.	2	9	1	-	2	1
K.U.C.B.	2	6	1	-	1	-
S.T.C.B.	1	5	-	-	2	2
	13	62	3	2	13	7

Table 5.1 shows that 13 officers out of 15 officers (i.e. 87 percent) knew that their banks had recruitment and selection policies. 62 clerks out of 75 clerks interviewed (i.e. 83 percent) were informed about recruitment policies, whereas, only 3 peons out of 10 sub-ordinates knew that their bank had

recruitment policies. As between officers and clerks, the former apparently were better informed about recruitment and selection policies. This may be due to the level of education and consciousness on their part. Majority of officers and clerks were aware with recruitment and selection policies. However, awareness percentage was less in the case of subordinate staff.

5.7 Sources of Recruitment in Urban Banks.

In the 6 urban co-operative banks under study, almost all the above mentioned seven sources were found to be used sometime or other for recruitment of the personnel. Recruitment sources used by urban co-operative banks are shown in Table 5.2 .

Table 5.2 : Recruitment Sources

Category	(No. of banks)						
	Management recommendation	Existing employee	Direct application	Adver- tising	Employ- ment exchange	Educa- tional Inst.	Relati- ve influence
Officers	2	5	4	6	1	2	1
Clerks	5	4	5	2	1	-	1
Sub-ordi- nate staff	5	1	3	-	-	-	-

Table 5.2 indicates that for the recruitment of officers, newspaper advertisements were commonly used by 6 urban banks. Recruitment through promotion (i.e. existing employees) was second largest source used by 5 urban banks. Direct applications were also considered by 4 banks for the recruitment of senior officers. Management recommendation was used by 2 banks.

Employment exchange and relative influence used by one bank. Clearly, higher the category of employees, (i.e. officers) greater was the use of advertising to invite external candidates for recruitment.

For the recruitment of clerks, management recommendations (5 banks) and direct applications were used on a large scale by the urban banks. Recruitment through promotion among the existing employees was used by 4 banks; news paper advertisement was considered by 2 banks; employment exchange and relative influence were also used by a few banks. Data further reveals that management recommendation and direct applications were popular sources of recruitment for clerical staff.

For the recruitment of subordinate staff (i.e. peons, watchmen etc.) recommendations of management (5 banks out of 6 banks) and direct applications (i.e. 3 banks) were the most extensively used recruitment sources. Only one bank was used promotion as recruiting source for the recruitment of subordinate staff. It is clear that lower the category of employees, greater was the use of management recommendations as a source of recruitment.

Above analysis makes clear that four recruiting sources : recommendations of management, direct application, newspaper advertising and promotion to existing eligible employees were the most widely used recruitment sources by the urban banks. However, () educational institution source was not used by any bank for recruitment of employees. Employment exchange was also not popular source of recruitment.

5.8 Internal Vs. External Sources

An organisation cannot live feeding on itself alone. It is necessary to induct personnel from outside. Factors which should be kept in mind, while deciding upon internal and external sources, are the effect of recruitment policy on the attitude of employees, specialisation required, need for originality and initiative and general emphasis of personnel policy.

In this study, it was found that the ratio between internal and external sources was found to vary from bank to bank and even from one category of employee to another.

a) Categorywise Internal Vs External Sources

Table 5.2 indicates categorywise employees' ratio between internal and external sources. In six urban co-operative banks, categorywise employees ratio was found to be 8 : 11 for officer, 10 : 8 for clerical staff and 6 : 3 for subordinate staff. For officers category external sources were important sources of recruitment, for subordinate staff internal sources were mostly preferred sources of recruitment, whereas in the case of clerical staff internal and external sources were used nearly in the equal ratio (i.e. 5 : 4). However, in the case of clerical staff internal source was mostly preferred.

b) Bankwise Internal VS External Sources

Bankwise internal and external sources of recruitment are shown in Table 5.3.

Table 5.3 Bankwise Internal VS External Sources

Bank	Sources							No. of employees	
	Internal Sources			External Sources				-	-
	Management recommendation	Promotion	Relative influence	Direct applications	Advertising	Employment exchange	Educational Institution		
R.S.C.B.	5	4	1	3	2	-	-		
P.S.S.B.	7	3	2	5	2	1	-		
J.S.B.	17	2	2	6	3	-	-		
S.S.B.	2	1	-	7	4	1	-		
K.U.C.B.	3	1	-	3	3	-	-		
S.T.C.B.	2	1	-	4	3	-	-		
	36	12	5	28	17	2	-		

Table 5.3 indicates that bankwise internal and external sources ratios for all categories of employees were in R.S.C.B. 2 : 1, in P.S.S.B 3 : 2, in J.S.B. 7 : 3, in S.S.B. 1 : 4, in K.U.C.B. 2 : 3, and in S.T.C.B. 3:7.

Data further reveals that in R.S.C.B., in P.S.S.B. and J.S.B. internal sources of recruitment were most widely used. In these banks, management recommendations were used as main source of recruitment. In J.S. Bank nearly 60 percent of employees were recruited through management recommendations and in R.S.C. Bank 66 percent of employees were recruited through internal sources. On the other hand, in S.S.B., 80 percent, in K.U.C.B. 60 percent, and S.T.C.B 70 percent of employees were recruited through external sources.

5.9 Selection Procedure in Urban Banks

Urban Co-operative Banks under study are not adopted uniform selection procedure and hence selection procedure differs from bank to bank and even different categories of employees. Selection procedure of urban banks is shown in Table 5.4

Table 5.4 Bankwise Selection Procedure

Bank	(No. of employees)							Total employees
	Applicat ion blank	Written Test	Job test	Person al Inter view	Refer ences	Physi cal Exam.		
R.S.C.B.	8	12	2	13	1	6	15	
P.S.S.B	17	19	1	20	2	13	20	
J.S.B.	12	8	2	27	4	11	30	
S.S.B.	-	4	-	14	-	15	15	
K.U.C.B.	-	3	1	8	-	8	10	
S.T.C.B.	-	5	-	7	1	7	10	
	37	51	6	89	8	60	100	

Note : Banks used more than one step in selection.

Table 5.4 shows that -

Application blank : Though application blank is very important part of the selection procedure, but in our study only 3 banks out of 6 banks were using application blank for clerical and managerial personnel and prescribed application forms were used only ^{by} three banks. Above table indicates that application blanks were used only for 37 employees out of 100 employees interviewed.

Written test and Job test : Majority of urban banks did not use job test/psychological test for the purpose of selection. A few urban banks (4 out of 6 banks) had started using job test and other tests in recent years for selection of their candidates, only 6 percent employees under went job test. It was used only for selection of typists, stenographer etc. However, written tests were used by all urban Co-operative banks. It was used mostly for the selection of clerical staff. Data shows that 51 percent of employees underwent written test. However, it was observed that, due importance and weightage was not given to tests as one of the techniques in selection of candidates by the urban banks.

Personal Interview : In all urban banks, informal interview technique was used for the selection of various kinds of employees, and hence percentage was stood 89. In majority of cases, interview task was assigned to ' Selection Committee ' consisting of board of directors.

Reference Cheeking : The practice of demanding reference was not so popular in urban Co-operative banks. This is due to the selection was made purely on the recommendations of management and, therefore were not insisting on providing references. That is why, references were asked 8 per-cent^{of} employees belonging to officer category.

Physical examination : The practice of physical examination was found in all banks under study. Generally, employees were asked to produce physical fitness certificate from registered medical practitioners. But no urban bank was appointed special medical officer for checking on the employees' medical fitness. In the survey, it was

found that 60 percent employees were produced medical fitness certificates from medical officer.

Final Selection : Final selection of the candidate was made on the three main criteria Viz. recommendations of directors, merit rating and interview. But directors' recommendations, casteism, regionalism and relative's influence had prominent place in selection. In almost all urban Co-operative banks (6 out of 6 banks), Board of Directors had final authority in selection of candidates.

Placement and induction :

Urban banks under study had not given due attention on placement and induction programme. Very few urban banks (2 out of 6 banks) were observing some kind of induction programmes for their newly recruited employees.

Thus, selection procedure followed by urban banks was very far from satisfactory and needed a modern approach. It was found that the latest techniques of aptitude and psychological tests had not yet found a place in the selection procedure of the urban Co-operative banks.

5.10 Implementation of Reservation Policy

Urban banks under study had implemented reservation policy in recruitment of employees like other co-operative banks. The number of officers, clerks and subordinate staff recruited under the reserved categories Viz, S.C, S.T. N.T. etc. out of total recruitments upto end of the financial year 1987-88 is given in the following Table.

Table 5.5 Employees' Strength of Reserved Category upto 1987-88.

Category	Total recruit- ment	S.C.	S.T.	Ex.S	P.H.	N.T.	O.B.C	Total SC+ST	
Officers	50	-	-	-	-	1	4	5	10%
Clerks	259	5	7	-	3	2	10	27	11%
Subordinate staff	43	4	3	8	1	1	6	23	53%
	352	9	10	8	4	4	20	55	

Note :- Total recruitment included head office & branch employees.

Table 5.5 reveals that at the end of 1987-88, 10 percent of the recruitment in officers cadre, 11 percent in clerical cadre and 53 percent in the subordinate staff were from reserved categories. The scheduled caste and scheduled tribe candidates constituted 5 percent and other Backward Caste employees constituted 6% of the total employees of urban banks. Ex-servicemen and physically handicapped employees formed 2 percent and 1 percent respectively and reserve category employees constituted 16 percent of the total employees' strength of urban co-operative banks.

5.11 Employees' View about Selection Procedure

Out of 100 employees interviewed in our study, 62 were found satisfied (8 highly satisfied) with the selection procedure of their respective banks. The number of employees who were dissatisfied with selection policy was 26, while only 12 employees were undecided with selection procedure. Employees'

view about selection procedure is shown in Table 5.6

Table 5.6 Employees' View about Selection Procedure

Opinion	No. of employees					
	Category					
	Officers	%	Clerks	%	Subordinate staff	%
Satisfactory	4	27	48	64	10	100
Un-satisfactory	8	53	18	24	-	-
No response	3	20	9	12	-	-
	15	100	75	100	10	100

Table 5.6 clearly indicates that out of 15 officers were interviewed, 27 percent (i.e., 4 officers) of them expressed their satisfaction over the selection procedure of the urban banks, and 53 percent (i.e. 8 officers) of them expressed their dis-satisfaction, while 20 percent (i.e. 3 Officers) of them made no comment on this subject. In the case of clerical staff, 75 clerks were interviewed, 64 percent of them expressed their satisfaction; 24 percent expressed dissatisfaction over the selection procedure of their banks, and only 12 percent of them made no comment on this topic. On the other hand, 100 percent subordinate staff were satisfied with selection procedure. The percentage of satisfaction increased from bottom to top. This was indicated by the fact that only 27 percent of officers were satisfied whereas 100 percent subordinate employees were satisfied with selection procedure.

This was due to the level of education and expectations from management. In urban co-operative banks under study, majority of employees or candidates were selected on the basis of the recommendations of Board of Directors rather than merit and hence most of the officers expressed their dis-satisfaction with selection procedure. Furthermore, it was also observed that some officers were placed on the posts to which they were not best suited. This killed the spirit of devotion and efficiency and added to frustration too.

B) Training and Development Policies and Practices

The organisation of a bank constitutes what its personnel make of it. Ability is a pre-requisite to achievement, but unless this ability is built in, motivated and properly guided towards specific objectives, achievement will not be possible. Peter F. Drucker observed " Employees possess an untapped intellectual reservoir that can serve as an organisational creativity pool and resources, if managed"⁷ Training and development of employees of the banking sector has, therefore, become an integral part of the overall banking policy.

5.12 Training Policy

Every organisation should have well-established training policy. A company's training policy represents the commitment of its top management to training and is expressed in the rules and procedures which govern or influence the standard and scope of training in the organisation. Arun Monappa and M.S. Saiyadain stated need of training policies as follows:⁸

- 1) A training policy document helps to communicate the firm's intent regarding an employee's career development.
- 2) Formulation of policy helps in identification of priority areas in training and since resources are scarce, they are prioritised according to felt needs.
- 3) To highlight the firm's approach to the training function, provide guidance for design and execution, and to provide information regarding programmes to all employees.

- 4) It gives the employee the opportunity to better his prospects through training.

Training has become one of the important aspects of personnel policies of an organisation.

5.13 Content of Training Policy

Paul Pigors and C.A. Myers pointed out that training policy should consider the following points :⁹

- 1) Who is to be trained?
- 2) What should be the content of the training programme?
- 3) Who is to do the training⁹ and
- 4) When, for how long, and where it should be done?

For successful training, there should be concrete training policy. Without which, those in need of training, often do not get an opportunity and others unlikely to gain anything from training, get the chance to attend the training courses.

5.14 Need of Training in Urban Co-operative Banks

Co-operative banks, whatsoever, cannot ignore the need and importance of training their employees. Training improves employee's skills which in turn increases the quality and quantity of output and also profit of the banks. Training need is especially acute in the Urban Co-operative Banks due to the following reasons :

- 1) The tasks to be performed by the urban banks are still new,
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complex and varied.

- 2) These banks share the responsibility of lifting up the weaker sections in urban areas, say, the artisans, small traders and businessmen. They have to contribute to the economic development of these weaker sections of the society.
- 3) Urban Co-operative banks like other business organisations are highly concerned with management of men, money and materials as they have to face both external competition from organised co-operatives and commercial banks as well as internal weaknesses
- 4) For the success of an integrated development of co-operative movement, there is the need for training the co-operative bank employees in the skill as well as background training (principles and philosophy of co-operatives).
- 5) Urban co-operative banks have to earn public confidence and creditability by providing efficient services. Customer service of the urban banks, is thus largely dependent on the bank employees, who are prepared through training to perform the tasks that the bank management demands.

The catalytic role of urban co-operative banks depends substantially upon their personnel and hence trained personnel are essential for the growth and development of the urban banks, irrespective of their size. Emphasizing the importance of training for co-operative personnel, one of the several meetings of the International Labour Office held in Mexico in 1955, observed " The urgent need is to train co-operators even before co-operatives are established."¹¹ In spite

of all this, the training programmes in the urban co-operative banks remained a neglected field.

5.15 Training Programmes in Urban Co-operative Banks

In Maharashtra, several institutions and centres were extending training facilities to the employees of co-operative banks, although there was not any special centre to train co-operative bank employees in particular except a Banker's Training College of Maharashtra State Co-operative Bank. Today in Maharashtra, there are two co-operative training colleges at Pune and Nagpur, eleven district level co-operative training centres and two special types of co-operative training centres engaged in the co-operative training activities.¹² Besides, the Vaikunth Mehate National Institute of Co-operative Management Pune and College of Agricultural Banking (CAB) Pune, are playing a major role in training co-operative personnel.

All training colleges and centres are extending training facilities to all types of co-operative personnel through their general training programmes and also they conduct special programmes for bank staff. Moreover, Banker's Training College of Maharashtra State Co-operative Bank also providing training facilities to the employees' of urban co-operative banks.

Training Methods in Urban Banks

There are various methods of training. But three training methods are popular amongst the urban co-operative banks. These methods are : on the job training, institutional training, and apprenticeship training. However, all urban co-operative banks had used more than one training method to train

their employees.

Survey Results

Survey results covered training position, methods of training, employees' awareness, preference of different methods, and employees' view about training policies in the selected urban co-operative banks under study.

5.16 Training Position in Selected Urban Banks

The position of trained employees in urban banks under study is shown in Table 5.7

Table 5.7 Trained Employees in Urban Banks.

Bank	Officers			Clerks		
	No. of Officers	Trained Officers	Percentage	No. of Clerks	Trained Clerks	Percentage
R.S.C.B.	7	3	43	40	12	30
P.S.S.B.	15	6	40	85	45	53
J.S.B.	21	7	33	96	57	59
S.S.B.	3	1	33	18	8	44
K.U.C.B.	2	1	50	10	3	30
S.T.C.B.	2	1	50	10	4	40
	50	19	38	259	129	49

Source : Data Collected from official records of the Urban Co-operative Banks.

Table 5.7 indicates that urban co-operative banks under study had trained officers in the range of 33 to 50 per cent. Two banks had 33 percent trained officers, two banks had 40 percent and remaining two banks had 50 percent trained

officers. On the other hand, P.S.S.B. and J.S.B. had 53 percent and 59 percent respectively trained clerical staff, whereas R.S.C.B and K.U.C.B. had 30 percent trained clerical staff and remaining two banks had an average 42 percent trained clerical staff. Trained officers' strength was 38 percent of total strength of officers, while trained clerks were 49 percent of the total strength of the clerks.

Foregoing analysis proves that some consideration was given to training clerical staff by the urban banks, although more attention in this matter is required. Training for officers (junior) was by and large overlooked. In fact, services of junior officers and branch managers are very important. Success of urban banks not only depends upon sound policy decisions but it equally depends upon their successful implementation. Therefore, training to junior officer is of almost important.

5.17 Methods and duration of training

Methods and duration of training period are shown in Table 5.8

Table 5.8 Methods and duration of training

Method	No. of Bank	No. of employees	Duration	No. of employees
1. On the job training	3	49 28%	2 days to 1 week	127 72%
2. Off the job (institutional)	4	87 49%	1 week to 2 weeks	35 20%
3. Job rotation	2	22 12%	2 weeks to 1 month	9 5%
4. Apprenticeship	2	19 11%	1 month to 2 months	6 3%
		<u>177 100%</u>		<u>177 100%</u>

Source : Data compiled from official records of the Urban Banks.

Note : Respondents had stated more than one training methods.

Table 5.8 indicates that majority of the urban co-operative banks had used two methods of training viz; institutional training and on-the-job-training. An institutional training has its own merit i.e., trainees can devote their maximum time for it and on the job training saved the institution from money spending on replacement of the trainees. Therefore, institutional training and on the job training were popular methods of training amongst urban co-operative banks. 4 banks out of 6 banks (i.e. 67 percent) had used institutional training method and 49 percent of employees were trained through this method. Second important method of training was on - the - job training. This was used by 3 banks out of 6 banks (i.e. 50%) and 28 percent of trained employees were trained by this method. Job rotation method was used by two banks for training their employees. However, job rotation method was not popular amongst urban banks due to routine nature of banking job and urban banks had very few branches. There was another^{method} of training i.e., apprenticeship method. Two banks had used apprenticeship method for training new employees. On the whole, institutional training method was famous method of training. It is because urban co-operative banks had no any special centre to train their employees and hence they had sent their majority of employees for training to various training

institutions. These employees were sent in response to circulars received from various training institutions to send employees for training purpose.

It was also observed from the above data that duration of training was very short and 72 percent of trained employees' training duration was ranging from 2 days to 7 days, whereas only 3 percent of trained employees' training duration was more than one month. Moreover, Banker's Training College of M.S.C.B., training college of Pune and Nagpur are playing dominant role for providing training facilities to urban co-operative banks. In fact, existing training facilities are inadequate to train present urban banks personnel.

Employees and Training and Development

Training and development policy forms an important part of personnel policy and has a significant bearing on personnel functions. In the course of this survey, specific questions were asked to employees, e.g. " Are you known training policy of your bank? " and " Does the bank provide training to all employees?", to ascertain their awareness with training policy, preference of different methods of training and opinion about training practices of urban co-operative banks under study.

5.18 Employees' Awareness of Training Policy

The findings are summarized in Table 5.9.

Table 5.9 Employees' Familiarity with T/D Policy

Familiarity	No. of respondents							
	Category				Total employees			
	Officers		Clerks		Subordinate staff		Total employees	
Familiar with T/D Policy	13	87%	59	79%	2	20%	74	74%
Un-familiar with T/D Policy	2	13%	16	21%	8	80%	26	26%
	15		75		10		100	100%

Table 5.9 reveals that 74 percent respondents claimed to be familiar with training policy of the banks and 26 percent respondents were not familiar with it. An analysis of the data indicated that 87 percent of officers, 79 percent of clerks and only 20 percent of subordinate staff were aware with training and development policy of the urban banks. Awareness of policy was more in officers as compared to other employees of the banks. It may be due to the reason that they were more interested in promotion and advancement through training and development programmes. On the other hand, unfamiliarity with training policy was more in subordinate staff, it was due to simple reason that no urban bank under study was providing training facilities to its subordinate staff and hence they were more unaware with training policies.

5.19 Employees' Preference of different Methods of Training

Employees' preference to different methods of training is indicated in Table 5.10

Table 5.10 Employees' preference to various Methods of Training

Category of employee	Methods				
	On-the-Job	Off-the-Job	Job rotat-	Apprenti-	Other
	'als	'institution'	'-ation	'ceship	'methods
Officers	3 20%	8 54%	1 7%	2 13%	1 7%
Clerks	57 76%	11 15%	3 4%	4 5%	- -

Table 5.10 clearly indicates that 54 percent of officers preferred institutional training, because in this training method, the trainees will not have any other duty except studying and they can devote their maximum time for it and trainees get training without any cost. While, clerical staff, preferred on-the-job training and 76 percent of them had given preference to this method. A practical reason for this approach was that the trainees earn as they learn and trainees' learn through simply observation and practice. Like the officers, second preference of clerical staff was institutional training method and 15 percent of clerks preferred to this method. Job rotation method was not popular amongst the bank employees. 7 percent of officers and 4 percent of clerks were preferred to this method. However, it was more preferred by officers than clerks. As far as apprenticeship was concerned, 13 percent of officers and 5 percent of clerks were given preference to this method. Thus above data reveals that except on-the-job training and institutional training, remaining methods of training were not preferred by the employees of urban co-operative banks under study.

5.20 Employees' Opinion about Training and Development Policy

Employees' perception about training and development policy is important to judge usefulness of training policy. An enquiry was made on this point and the employees' reactions to it are shown in Table 5.11

Table 5.11 Employees' Opinion about Training and Development Policy.

Category of employee	Opinion			No. of employees	
	Extremely fair	Fair	Unfair	Total	
Officers	1 7%	3 20%	11 73%	15	
Clerks	6 8%	39 52%	30 40%	75	
		&			

It appears from Table 5.11 that, in general, employees were not satisfied with the training facilities being provided by the urban co-operative banks. 73 percent of officers particularly Junior Officers were dissatisfied with training and development policy. Most of them observed that they did not get a chance to attend the training courses because the management gave more emphasis either on training of top managers or clerical staff and they (junior officers) were neglected from training. Some of the employees remarked that because of lack of perspective personnel planning, there was no proper utilisation of the training programmes sponsored by the various institutions. However 60 percent of clerks were satisfied with training and development policy. Clerical staff were more

satisfied due to banks had given more attention on the training of clerical staff and hence 50 percent of total clerks were trained; whereas 38 percent of officers had training. In case of the subordinate staff, they were also expressed their dissatisfaction about training policy. No urban co-operative bank under study, had provided training facilities to subordinate employees. It was also found that the training programmes had not qualitatively developed so as to meet their diversified and emerging needs in different fields.

Foregoing analysis proves that majority of urban banks had not given due attention for the training of their employees and they had not realised the importance of trained employees in their future prospects. But for better prospects, banks must realise its importance and prepare and carry out, a definite training plan for their employees.

C Promotion and Transfer

Promotion Policies and Practices

Planning and administration of promotion is an important part of the personnel management function. It is yet another method of recruitment. It refers to the transfer of an employee to a job that pays more money or one that enjoys some preferred status.¹³

In the banking service, promotion has an important bearing on the individual's self-development.¹⁴ It avoids the generation of frustration among those already in the service. In fact, promotion programmes are one of the most important factors of personnel management to keep the employees contented, disciplined, and efficient; it is one of the major factors in retaining men of potential ability.¹⁵

A good promotion system is useful to employees individually as well as to the administration as a whole. However, the task of devising a good promotion system is difficult. If promotion is not effected judiciously, there is a danger that it would breed discontent, diminution of incentive and general impairment of morale.¹⁶ This will adversely affect the efficiency of the organisation. Therefore, for equitable promotion, management must decide promotion policy.

5.21 Promotion Policy

The most important policy question in promotion is to decide about its bases or principles. The usual policy

considers seniority, merit, education, training courses completed, experience etc. for promotion. The promotion can be based on either seniority or merit or a mix of the two, i.e., seniority-cum-merit. There is a great controversy on this question. Trade unions are of the view that promotions should be given on the basis of seniority, while management favours promotions on the basis of merit and ability. Edwin B. Flippo¹⁷ rightly observed "When ability is substantially equal seniority will govern". Thus, seniority will be considered only when ability, merit, and capacity of two candidates for a higher post are, for all practical purposes, substantially equal.

Other Policy Elements in Promotion

In addition to the above question, there are other elements of a sound promotion policy. A few of these elements are ;¹⁸

- 1) A statement of management's intention that higher paid and better jobs will be filled by promotion from within whenever possible, rather than by hiring from outside the organisation.
- 2) Establishment of lines of progression - ladders of promotion within the organisation.
- 3) Provision for training as a means of preparation for promotion
- 4) Posting of openings for promotions, so that interested employees may apply within a specified period.

Thus, promotion policy should be a reward to encourage those employees who make a successful effort to increase

· their knowledge or skill and who maintain a high level of productivity.

5.22 Transfer Policy

A transfer is the moving of an employee from one job to another. It may involve a promotion, demotion or no change in job status other than moving from one job to another.¹⁹

Every organisation needs a just and impartial transfer policy. If the responsibility for inter-departmental transfer is left with the individual supervisor, his employees may hesitate to ask for transfer out of the department. Some supervisors may recommend transfer to get rid of poor workers rather than attempting to improve them or discharge them. Pigors and Myers have rightly observed " without a policy, there are no bench marks to follow in making other types of transfer, such as production and replacement transfers".²⁰ A systematic transfer policy is, therefore, needed to get reasonable consistency of treatment throughout the organisation.

Elements of Transfer Policy

In formulating transfer policy, information and decisions are needed on the following:²¹

- a) The circumstances under which transfer will be made
- b) Responsibility for initiating and approving transfer
- c) Jobs to which transfers will be made
- d) The area or unit over which transfer will take place
- e) Basis for transfer, either seniority or competence to be deciding factor.

5.23 Promotion and Transfer in Urban Co-operative Banks

Urban Co-operative Banks under study had followed the usual conventional system of Promotion. Majority of urban banks (5 out of 6 banks) had used promotion within sources, i.e., from the existing employees and some urban banks (2 out of 6 banks) had appointed some officers from outside sources. All banks had provided promotion opportunities to their employees. However, very few (2 out of 6 banks) urban banks had written promotion policy.

Survey Results

During the course of the survey, researcher tried to know about employees' familiarity with promotion policy, different criteria of promotion, employees preference of internal and external sources of promotion and their satisfaction with promotion policy.

5.24 Employees' familiarity with promotion policy

Employees are generally interested in the promotion policy and hence enquiry made about the employees' familiarity with promotion policy. The employees were asked, "are you familiar with Bank's promotion policy" and "What is the criteria used for the promotion" Table 5.12 gives the employees' awareness with promotion policy.

Table 5.12 Employees' Familiarity with promotion policy

Awareness	(No. of employees)						
	Category of employee		Officers		Clerks		Subordinate staff
Familiar (Yes)	13	87%	42	56%	1	10%	
Unfamiliar (No)	2	13%	16	21%	7	70%	
Undecided	-		17	23%	2	20%	
Total	15	100%	75	100%	10	100%	

Table 5.12 indicates that as many as 87 percent of officers, 56 percent of clerks and 10 percent of subordinate staff claimed to be familiar with promotion policy. 13 percent of officers, 21 percent of clerks, and 70 percent of subordinate staff were not aware with promotion policy of their banks; whereas 23 percent of clerks and 20 percent subordinate staff were undecided on this subject. Thus urban-banks' officers were more aware about promotion policy. As far as subordinate staff was concerned, only one peon was aware with promotion policy, because there were less hopes for promotion amongst subordinate employees.

5.25 Different Criteria for the promotion

Urban banks under study had not followed single criteria for the promotion. They had used seniority, merit-rating, efficiency, seniority-cum-merit and some other criteria in combination for the purpose of promotion. Table 5.13 shows different criteria used by various urban banks for promotion.

Table 5.13 Different Criteria for the promotion

Promotion criteria	(No. of Banks)	
	No. of Banks	Percentage
Seniority	2	33
Merit-rating	1	17
Efficiency	-	-
Seniority-cum-Merit	4	67
Seniority and recommendations	5	83

Note : Banks were used more than one criteria

Table 5.13 indicates that only seniority criteria was considered as base for promotion in the two banks i.e., 33 per-cent, while only merit criteria was used as a base for promotion in one bank (i.e. 17 percent) and no urban bank was considered single efficiency as criteria for promotion. However, seniority-cum-merit criteria was used by 4 banks out of 6 banks (i.e. 67 percent). During discussions, the employees narrated a number of instances where the promotions were made on extraneous considerations rather than on the established principle of seniority-cum-merit. Above data reveals that 83 percent of urban banks used seniority and management recommendation as an important criteria for promotion. That is why, up-to-date personnel records were not kept in majority of urban banks under study.

5.26 Number of Promotion in Urban Banks during 1983-84 1987-88Table 5.14 Number of Promotion in Urban Banks during
1983-84 to 1987-88

Bank	Promotion	Total staff	Percentage
1) R.S.C.B.	5	57	9
2) P.S.S.B.	19	112	17
3) J.S.B.	17	130	10
4) S.S.B.	1	24	4
5) K.U.C.B.	1	14	07
6) S.T.C.B.	2	15	13
Total	45	352	13%

Source : Data collected from official records of Urban Co-operative Banks.

Table 5.14 shows that urban co-operative banks under study had promoted 13 percent of total employees during 5 years. In P.S.S.B. 17 percent of total employees were promoted, in S.T.C.B. 13 percent employees got promotion, while in S.S.B. only 4 percent of total employees were promoted to higher posts. Promotion chances were more in P.S.S.B. due to the strong employees' union^b branch expansion policy of management and ^{hence} 19 employees were promoted to high^v posts in the year 1986-87 (see Table 3.2). Moreover, 90 percent promotions were from internal sources. In S.S.B. one employee out of 24 employees got promotion during five years and same was the situation in K.U.C.B. Thus, urban co-operative banks under study had not provided ample opportunities for promotion to their employees. Almost all urban co-operative banks used mostly internal sources for promotion i.e., 5 out of 6 banks had promoted their clerical

staff to junior officers positions. However, in case of one bank, lowest category employee (i.e. peon) was promoted to clerical grade.

5.27 Employees' Satisfaction with Promotion Policy

In the questionnaire, respondents were asked " are you satisfied with existing promotion policy?" In response to this question, respondents were expressed their satisfaction in different degree. Employees' satisfaction with promotion policy is shown in Table 5.15.

Table 5.15 Employees' Satisfaction with Promotion Policy

Category of Employee	Degree of satisfaction				Total
	Highly satisfied	Satisfied %	Dis satisfied %	Undecided %	
Officers	-	5 33	9 60	1 7	15
Clerks	-	37 49	29 39	9 12	75
Subordinate staff	-	1 10	2 20	7 70	10

Table 5.15 shows that majority of officers were not satisfied with the present promotion policy of urban banks; 9 out of 15 officers were dis-satisfied with promotion policy (i.e. 60 percent) and 39 percent of clerks were dis-satisfied with promotion policy. However, 49 percent of clerks were satisfied with promotion policy. Clerical staff was more satisfied, because urban banks were provided more promotional opportunities to clerical staff. As far as subordinate staff

was considered, only one person was satisfied with promotion policy and 70 percent of subordinate staff was undecided on this matter. Main cause of dis-satisfaction amongst bank employees was that promotions were given on the recommendations of management without considering seniority and merit of the employees. In the personal discussion, majority of employees admitted that recommendations, personal favours etc. play a dominant role in the matters of promotion.

In order to minimise chances of favouritism and corruption, there is an urgent need of using scientific performance appraisal system. However, urban banks under study were not so careful about performance appraisal, partly because they were not aware of it and partly because they had not realised its importance.

5.28 Transfers in Urban Co-operative Banks

Urban Co-operative Banks under study are not following the definite criteria for transfer. It is observed in the survey that no bank had written transfer policy and there were some norms of transfer. In 5 banks out of 6 banks, transfers were made due to organisational / management needs, whereas in one bank transfers were made with the consultation of the employees or at the request of the employees. However, there was not the problem of transfer in urban banks because they had very few branches.

5.29 Transfer Position in Urban Banks

Employees of urban banks were not transferred frequently, because they had very limited branches and they were transferred mainly for the needs of the management. Position of transfers in urban banks is shown in Table 5.16

Table 5.16 Position of Transfer in Urban Banks during 1983-84 to 1987-88

Bank	'1983 '-84	'1984 '-85	'1985 '-86	'1986 '-87	'1987 '-88	'Total 'trans- '-fer	'Total 'employ- '-ees	'Percent- 'age
R.S.C.B.	' 3	' -	' -	' -	' -	' 3	' 57	' 5
P.S.S.B.	' -	' -	' -	' 6	' -	' 6	' 112	' 5
J.S.B.	' 2	' -	' 3	' 4	' 3	' 12	' 130	' 9
S.S.B.	' -	' -	' -	' -	' -	' -	' 24	' Nil
K.U.C.B.	' -	' -	' -	' 1	' -	' 1	' 14	' 7
S.T.C.	' -	' 1	' -	' 1	' -	' 2	' 15	' 13
	' 5	' 1	' 3	' 12	' 3	' 24	' 352	'

Sources : Data collected from official records of the Urban Co-operative Banks.

Table 5.16 indicates that 7 percent employees of total employees strength of urban banks (i.e. 24 out of 352 employees) were transferred during the five years. 50 percent employees (12 out of 24) were transferred in the year 1986-87 and very few (i.e. 4 percent) employees were transferred in the year 1984-85. In J.S.B. 9 percent of total employees' were transferred, in R.S.C.B. and P.S.E. only 5 percent of total employees were transferred and in K.U.C.B. and

S.T.C.B. 13 percent of total employees were transferred during five years. In case of S.S.B., there was not even single transfer during the period, although bank had opened a new branch in this period.

5.30 Number and reasons for transfer

Table 5.17 shows number of transfers and their reasons.

Table 5.17 Number of transfers and reasons for transfer

Category of staff	No. of respondents	Number of times transfers			Reasons for transfer				
		1	2	3	Promotion	need of Bank	request of employees	other reasons	
Officers	15	3 20%	1 7%	1 7%	3	5	-	-	
Clerks	75	6 8%	3 4%	1 1%	4	6	2	3	
Subordinate	10	1 10%	-	-	1	-	-	-	
Total	100	10	4	2	8	11	2	3	

The results indicated that 34 percent of officers were transferred during five years. Out of those 20 percent once, 7 percent twice and 7 percent thrice were transferred. Three transfers were for the promotion purpose and five transfers were done for the requirements of bank management. No officer was transferred at his own request. 13 percent of clerks were transferred, out of those 8 percent once, 4 percent twice and 1 percent thrice were transferred during the five years. The reasons for transfers were 4 for promotions, 6 for management needs, 2 for request of employees

and 3 for other reasons. Generally, subordinate staff were not transferred. However, one peon was transferred for the need of management. Thus, 47 percent transfers were done for the needs of the management, 33 percent for promotions purpose and 20 percent at employees' request and other reasons.

5.31 Employees' Opinion About Transfer Policy

An Employees' satisfaction with transfer policy is very important because sometimes his dis-satisfaction will turn into job turnover provided, he gets a better job opportunity outside and hence survey was done on employees' opinion about transfer policy. The analysis of answer to the question "What is your opinion about the transfer policy? " is presented in the following Table.

Table 5.18 Employees' Opinion About Transfer Policy

Category	(No. of employees)							
	Opinion		Opinion		Opinion		Total	
	Good	%	fair	%	Bad	%	Total	
Officers	3	20	4	27	8	53	15	
Clerks	5	6	29	39	41	55	75	
Subordinate staff	-		8	80	2	20	10	
Total	8		41		51		100	

Table 5.18 indicates that majority of the employees were not satisfied with transfer policy, 51 percent of the employees were found to be dis-satisfied. The degree of dis-satisfaction was greater (i.e. 55 percent) among

clerical staff than officers. However, 53 percent of officers were not satisfied with present transfer policy followed by urban co-operative banks. More than three fourth (i.e. 80 percent) sub-ordinate staff was satisfied with transfer policy. They were transferred very rarely.

Main reason for dis-satisfaction among officers and clerical staff was that employees were not transferred at their requests. 2 banks out 6 banks were following this practice occasionally and only 8 percent transfers (2 out of 24 transfers) were done by employees' requests. This type of transfer will satisfy them, resulting into their best contribution in the progress of bank. Therefore, urban banks must realise its need and transfer employees at their requests also.

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