

CHAPTER ONE



INTRODUCTION

1.1 INTRODUCTION:

The origin of Personnel Administration as an academic discipline of study is relatively recent but the personnel administration itself has its roots deep into the human history. The Chinese, as early as 1650 B.C. had evolved the principles of 'Division of Labour' and they had understood well the meaning and implications of labour turnover even in 400 B.C. The importance of the management and the related concepts of organization were well understood by Moses around 1000-1200 B.C. Chaldeans had incentive wage plans around 400 B.C. The minimum wage rates and incentive wage plans were also included in the Babylonian Code of Hammurabi around 1800 B.C. [1].

In India, around 324 B.C., Kautilya had observed that there existed a sound base for systematic management of human resources [2]. The contribution of Kautilya in the field of staffing and personnel management is a helpful guide to the modern management also.

(A) Personnel Practices:

Every organization adopts its own personal practices. In a simple language, 'personnel practices' means "governing the regular working of the organization in manpower management". The personnel practices aim at the following:

1. To achieve an effective utilization of human resources;
2. To establish and maintain an adequate organizational structure and a desirable working relationship among all the members of the organization;
3. To secure an integration of individuals and groups within the organization [3];
4. To generate maximum individual group development within the organization by offering opportunities for advancement of employees;
5. To recognize and satisfy individual needs and group goals;
6. To maintain a high degree of morale and better human relations inside the organization.

The American Management Association observes that, "... these aims/objectives are in the best interests of all those to whom management is responsible; owners of enterprises, the community, the consumers of its goods and services, and the members of the organization itself, including the groups who may belong to unions".

Personnel practices secure an effective use of personnel by ensuring such conditions of employment, which will enable all persons in the enterprise to contribute most effectively to its purposes.

(B) **Banking:**

1. Evolution of Banking:

In some European countries where religion was predomi-

nant, the priests advanced money to some needy people. Subsequently, they enlarged their lending activities and eventually introduced the idea of acceptance of deposits from the public. People trusted the priests to protect their money and so kept their deposits with them, the representatives of 'God'. Later on, the priests started to accept securities and ornaments while advancing loans, on which they charged interest, which is the basic concept of modern banking.

Modern banking in India commenced on the pattern of the English system in the early part of the 19th century, when employees of the East India Company established Agency Houses to render banking services. The Presidency Bank of Bengal started its banking operations in 1806, the Presidency Bank of Bombay in 1840 and the Presidency Bank of Madras in 1843. These Banks enjoyed proprietary rights in banking [4].

But many of these banks failed, mostly because of speculation, mismanagement and fraud on the part of those responsible for their floatation, organization and management.

2. Meaning of 'a Bank':

The concept of a 'bank' is not of English origin. The word is derived from the Latin word 'banc' or 'bancus', which means a "bench". The German word 'Banque' means "an association of people to do the money activities". Banks are the institutions constituted to accept deposits from the public for lending purposes, repayable on contractual obligation [4].

3. Definition of 'a Bank':

Prof.H.L.Hart defines: "A banker is the one, who, in the ordinary course of his business, honours cheques drawn on him by persons from and for whom he receives money on current account".

The word 'banking' means "The bank is a company or a firm which accepts deposits for lending or investment of deposit of money from the public repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise". Hence, banks are those which accept deposits for lending and investment [5].

4. Cooperative Banking:

The cooperative movement in other countries was initiated by the people; but in India, the movement was initiated by the Government. In the year 1904, the first 'Cooperative Societies' Act was passed in India. There were loopholes in this Act. Later on, in 1912 and in 1919, two more Acts were passed to improve and encourage the cooperative movement.

The cooperative movement was started on the federal lines and has three sections: primary societies in various towns and villages; a central bank at the district headquarters; and a state cooperative bank at the State-capital at the apex of the system.

5. Meaning of "Cooperative Banks":

Cooperative Banks are the outcome of poor farmers'

struggle, who encouraged similiary situated people to become members of the bank for mutual benefits. Cooperative Banks invite the operation of cooperation from a similar class of people. Such banks preserve common rights, common laws and common objectives to become common to all equal financial holders.

6. Definition of "a Cooperative Bank":

According to H.Calvert: "A cooperative, as a form of organization, where persons voluntarily associate together as human beings on the basis of equality for the promotion of the economic interests of themselves".

According to Laud, G.M.: "A cooperative bank is a mutual society formed, composed and governed by working people themselves, for encouraging regular saving and granting of small loans on such terms of interest and repayment".

7. Nature of Cooperative Banking:

- (1) It is a society formed by the working people;
- (2) It is governed by the working people only as they are the only members;
- (3) Cooperative banks emerge and exist for mutual benefit or common interest of the member-workers;
- (4) Cooperative banks encourage the members to save and give the loans to such members.
- (5) It is a democratic institution [6].

1.2 PERSONNEL PRACTICES IN COOPERATIVE BANKS:

'Personnel Practice' means an "effective use of personnel by ensuring such conditions of employment that will enable all persons in the enterprise to contribute most effectively to its purposes". Personnel practices in cooperative banks aim to fulfil the following objectives:

1. Improving the economic, social and cultural situation of persons of limited resources and opportunities as well as encouraging their spirit and initiative;
2. Helping to raise the level of general and technical knowledge of their personnel;
3. Develop an inter-cooperative relationship and help the coordinated functioning of the personnel;
4. Generally undertaking such other activities or functions as are considered incidental or conducive to the attainment of objects of the society as cooperative members for better service;
5. Contributing to the economy, democratic control of economic activity and an equitable distribution of surpluses;
6. Improving social conditions and supplementary social services in such fields as housing, safety and health, education, communication; and where appropriate, good labour: management relations or collective bargaining;
7. Working and operationalizing policies designed for the weaker sections' development as well as its personnel with particular improvement of them by all means.

1.3 SCOPE OF THE STUDY:

The rationale behind the present research work is to investigate the personnel practices in the Kolhapur Maratha Cooperative Bank Limited, Kolhapur, as also to critically appraise their working so as to arrive at certain definite conclusions as a whole and also to investigate the following areas for improvement in the Human Resources Development activities carried out by the Bank:

- (1) Recruitment, selection and placement;
- (2) Training and development,
- (3) Salary and wages,
- (4) Working Conditions,
- (5) Transfers,
- (6) Promotions,
- (7) Safety and Social Security,
- (8) Labour Welfare,
- (9) Grievance Procedure,
- (10) Discipline,
- (11) Job satisfaction,
- (12) Human Relations in the Bank/Organization.

1.4 SIGNIFICANCE OF THE STUDY:

The personnel function has to advise, assist and control management at all levels. With the help of personnel management, it is possible:

- (1) To attain maximum individual development,
- (2) To establish desirable working relationships between employers and employees,

- (3) To mould effectively the human resources,
- (4) To ensure satisfaction to the workers so that they are freely ready to work.

1.5 OBJECTIVES OF THE STUDY:

Following are the main objectives of the present study:

- (1) To study the personnel practices of the Kolhapur Maratha Cooperative Bank Limited, Kolhapur;
- (2) To critically study the impact of these personnel practices on the employees of the Bank;
- (3) To offer such meaningful suggestions as may be appropriate.

1.6 METHODOLOGY ADOPTED:

The researcher has adopted 'Case-study Method' of research, which is an appropriate method for this study. It is a method of exploring and analysing the unit. The unit may be a person, a family, an institution, or a group of institutions. According to experts, 'case-history' or 'study' is a synthesis and interpretation of information about a person and his relationship to his environment, collected by means of many techniques. For this study, the research has used both Primary and Secondary Data.

Primary Data:

For the purpose of primary data, interview schedules were prepared to collect information from the managers, branch managers, officers, clerks and other staff of the bank.

Secondary Data:

The secondary data is collected from the published sources of the Bank, such as souvenirs, annual reports, occasional releases. Additional information was also gathered from the records at the Bank's headoffice, journals, periodicals, manuals, books, etc.

1.7 LIMITATIONS OF THE STUDY:

The main limitation of the present study is that it is confined to the Kolhapur Maratha Cooperative Bank Limited, Kolhapur, and its branches only.

1.8 CHAPTER SCHEME:

The Dissertation is divided into five Chapters as follows:

Chapter - 1	:	Introduction
Chapter - 2	:	Theoretical Framework
Chapter - 3	:	Profile of the Organization
Chapter - 4	:	Analysis & Interpretation of Data
Chapter - 5	:	Conclusions and Suggestions.

The interview schedules that is used for collecting the primary data forms the Appendix and the Dissertation concludes with a comprehensive Bibliography.

REFERENCES:

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