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Human Resource Management in Co-operative Banks in India

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Abstract: -

In the today's competitive environment, employees of any organization are the main factor for the success of the firm. In many sectors like education, health, media, insurance, banking etc. human resource plays a very important role in successful delivery of the services. Most of the service sector insists on absorbing human resource with specific qualification, required skills and basic hands on training. However, Cooperative banks in India do not have these advantages due to their existing function and structure. These banks in India have been operating for many years. They are becoming increasingly complex business systems, requiring all the tools and techniques of modern management for their success but one of the hurdles in their development is lack of trained manpower to manage transactions on efficient business lines. Recruitment, training, retention of the existing workforce and fostering a culture of continuous learning remain the biggest challenges facing co-operative banks today. Because, Human Resource Development (HRD) is an important factor that defines the characteristics of a successful banking organization; Cooperatives need to develop their lay members, board members and most importantly their staff

Key words: - Cooperative banks, Human Resources Management.

Research Methodology: - This Paper Is Based On Secondary Data Which Is Collected From Various Books, Journals, News Papers, Websites Etc.

Introduction:-

In the industry of banking, Co-operative sector is the only sector which has adopted the socialist pattern in Indian economy. Co-operative banks are value-based, member-owned and democratically controlled institutions located in urban, semi-urban and most importantly rural areas, which serve the needy people with financial assistance without any barrier. The performance of any co-operative bank depends on profitability. But the profitability depends on the employees working in the organization and certainly the performance of the employees is affected by the formulation and adoption of appropriate human resource development policies. These policies of cooperative banks are generally decided by the respective senior management officers of the banks. But, in the process, neither the management nor the government realized the important role of employees in the development of these co-operative banks. Co-operative banks also have to develop general members, board members and employees for their development. Apart from this, the cooperative banks will also have to consider the potential members who will make their debut in the cooperative sector in the future. In fact the job of HRD is more difficult in a co-operative organization than in a commercial bank where the main focus of development is mainly confined to the employees.

Need of HRM:

Internationally, technology driven channels like ATMs, net banking and mobile banking have drastically reduced the number of walk-in

customers at bank branches. However, Indian bank customers still find it difficult to use these technology-based channels and are more comfortable with traditional over-the-counter banking in person to ensure error-free and risk-free banking services. While struggling to provide good, fast as well as efficient service at the bank counter, employees also have to take care of various regulatory norms to minimize operational risks. This clearly highlights that the employees of co-operative banks play an important role in managing not only the customer's 'transaction' but also future long-term relationships.

Human Resource Policies:-

While it may be true that all co-operative banks have their own policies, the manner in which they are documented and presented to employees varies widely. There are no specific rules as to how principles and practices should be documented and implemented by cooperative banks, other than those expressly required by law. Therefore the nature and tone of the policies and procedures of co-operative banks lies entirely in their activities. This discernment presents both a challenge and an opportunity for the cooperative. One of the challenges is the almost infinite number of options on how to define, enforce and communicate the rules of operation of banks. A set of policies suitable and appropriate for the opportunity will lay the foundation for meeting the business objectives of the cooperative banks, providing the necessary guidance to the employees and achieving the desired organizational culture. In fact many co-

operative banks do not have any specific written documentation of HR policies.

In fact, the rules and bye-laws of the Co-operative Bank were framed to protect the co-operative bank from certain evil practices prevalent in the market and to protect it from vested interests. This hampers the autonomous growth of these banking institutions. An important factor to be noted is that although cooperative banks come under the financial discipline of the RBI, NABARD and the apex bank, they have autonomy in terms of personnel. Co-operative banks should be committed to Equal Employment Opportunity (EEO) policies that provide a healthy work environment, which are free from any form of discrimination and harassment.

Recruitment and Selection:-

After human resource planning is done, the next step is to get the required staff to keep the organization functioning.

There are following three types of recruitment in co-operative banks

- a) By direct recruitment
- b) On deputation by the Government or by taking individuals from the sister co-operative society management to employ women in their organisations.
- c) By promotion

The main source of recruitment is newspaper advertisement but in co-operative society, information regarding vacancies is conveyed through circular system to the State Employment Office which receives restricted distribution. Thus, in the absence of wide publicity of vacancies, jobs in co-operative banks are easily accessible to persons known to top and middle executives, internal promotion may be a good option if quality is not sacrificed. The only way to attract professionals would be when compensation needs to be internally consistent and externally competitive. It has been observed that the number of women in co-operative banks is very low both at clerk and officer levels.

Training and Development:-

Designing and implementing an effective training and development system is a very important challenge because all the costs are borne now, while all the benefits accrue in the future in terms of the complexity and magnitude of banking services, especially the work undertaken by cooperative banks for socio-economic development. In urban, semi-urban and rural areas, the need for training is increasing. Recognizing the importance of training, many cooperative training institutes established at various levels are imparting

training to the employees of cooperative banks. The results of training for any type of organization include increased employee productivity, increased morale, reduced supervision, and organizational stability and flexibility. Poor quality training or focusing on the wrong development area will be a complete waste of time and money. It leaves the organization in no better position than if there had been no training at all. Cooperative banks provide training for many reasons:

1. To teach the employees perform in their initial job assignment.
2. To improve the current performance of employees who may not be working as effectively as desired
3. To prepare employees for future promotions.

Performance Appraisal:-

Performance Appraisal is a systematic approach to track individual performance against the target objectives of the Co-operative Bank and to identify strengths and opportunities for improvement. This includes giving an annual performance review and much more. Periodic formal reviews may be part of the performance appraisal process, but good performance management is an ongoing process, a once-a-year event. In almost all co-operative banks, the performance of the probationer is informally monitored and evaluated. Daily diaries of clerical staff, entries in service registers and periodic employee performance reviews are the methods used for evaluation of probationers. However, the implementation of appraisal for permanent employees is usually not taken seriously.

Promotion:-

As per the Co-operative Society Rules enforced by the Government, provision is made for promotion on the basis of merit and ability of the employees, according to which the seniority of the employees is considered only when the merit and ability are approximately equal. Employee recognition is one of the most important tools for motivating and enhancing performance. No organization can attract and retain key people by spending money on them because employees want both salary and appreciation for their work.

Conclusion:-

Compared to all other management functions, human resource management in co-operative banks is more sensitive, individualized and context dependent and cannot usually be managed by a set of predefined techniques. In fact, employee satisfaction is basically difficult to achieve. Thus, employee satisfaction is the first step

to customer satisfaction. An effective organization depends on appropriate human resource policies and practices for recruiting, developing, selecting, evaluating, compensating, and placing, promoting, or transferring employees. Based on careful analysis of business needs, cooperative banks should prioritize their choices. Successful HRM requires banks to practice sound management philosophies that respect human dignity and diversity and are committed to employee growth, believe in the value of employee contributions, and

share wealth fairly and equitably in decision making.

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