

HUMAN RESOURCE DEVELOPMENT IN THE URBAN CO-OPERATIVE
BANKS -AN INDIAN PERSPECTIVE

Prof. Revati Ramrao Rautrao

Assistant Professor

Sri Balaji Society, BIMHRD, Pune

Dr. G. Gopalkrishnan

Director

Sri Balaji Society, BIMHRD, Pune

INTRODUCTION:

In the broadest term, co-operation is basically an economic system with social content and outlook. The concept of human resource development (HRD) in co-operative sectors is a recent phenomenon. Hence, it has remained neglected in the national psyche. Generally, co-operative institutions constitute to organizational elements namely business enterprise, and social institutions signifying associations of persons. The growth of non-agricultural co-operative sectors consists of two parts: (a) State Co-operative Bank and (b) State Industrial Co-operative Bank. The State Co-operative Bank federates District Central Co-operative bank at district level and the State Co-operative Bank at level of city having linkage with the urban Co-operative Banks primarily. Since March 22, 1996, Maharashtra State Urban Co-operative Banks (apex Urban Co-operative Bank) has been affiliated to urban co-operative banks and the employee's co-operative credit societies, and the employees' co-operative credit societies. State Industrial Co-operative Bank federates central Industrial Co-operative Banks.

Mahatma Gandhi once mentioned that India lives in her rural sides. In other words, a huge portion of Indian population comes from rural areas. Hence, having recognized co-operative organizations as principal agencies promoting economic development in the country. Govt. of India launched a scheme of social and economic justice with a view to uplifting the weaker sections of the community and other subaltern groups such as farmers, artisans, craftsman, consumers, women and other casts, oppressed

socially and economically. That alone formed the core motive of the scheme. Political freedom without socio-economic freedom is meaningless. Hence, assurance of a reasonable degree of socio-economic freedom is meaningless. Hence, assurance of a reasonable degree of socio-economic development to these people and their participation in the developmental process remains the soul of these co-operative undertakings. That in it becomes a hallmark of conditions leading to human millennium. Hence, providing necessary resources and organizational framework for the weaker sections of the community becomes the sole motto of every co-operative system.

URBAN CO-OPERATIVE BANKS:

Urban co-operative credit institutions have made a rapid progress during last three decades. The total number of urban co-operative banks (1400) and a co-operative credit society (520) have made a remarkable increase at the end of 1994. Urban co-operative banks deposits have grown to the extent of Rs. 17,348 crores from Rs. 520.67 crores during the period between 1977 to 1994. The rate of loans and advances of these banks has also increased to Rs. 12,346 crores from Rs. 507 crores during the same period. Their own funds and working capital amounted to Rs. 2,691.81 crores and Rs. 22,924 crores respectively during the year 1994. Urban co-operative banks thus emerged radiantly as full-fledged banking institutions in the country.

Credit deployment is the prime function of economic development system in India. For effective and efficient functioning, banks to have mobilized adequate resources in order to raise their own funds and borrowed funds. Credit deployment of these banks extends benefits to cottage and small scale industries, trade and commerce, transport operators, exporters, self-employed persons, educated unemployment, educational business, agricultural or allied agricultural activities, power looms, consumption loans, housing loans, and also loans for acquiring domestic articles required by middle class persons. Hence, professionalization of management becomes important for urban co-operative banks.

The concept of HRD in the co-operative sector means “ All the planned information, education, training ,mobilization, and manpower development activities undertaken by co-operative societies , so as to create economically efficient organizations capable of providing services required by their members.” The primary aim of HRD is to focus on socio-economic goals and co-operative values like socio-economic equality, and mutual self-help. HRD trusts the process of increasing knowledge, interest, skills, and capacities of all persons working in co-operative organizations. It is a developmental process in the frame work of organizational and sectorial development.” The present paper in the frame work of organizational and sectorial development.” The present paper focuses on the significant role HRD plays in non-agricultural co-operative credit sectors.

ASPECTS OF HUMAN RESOURCE DEVELOPMENT:

The importance of HRD in the urban co-operative credit systems excels management’s considerations. It aims at evolving devices to preserve identity and autonomy of urban co-operative banks. Human resources become the very foundation of co-operative management emphasizing economic activities and development of natural and capital resources. It is mainly “Related to the socio-economic activities and manpower development through education and training.” In brief, HRD in urban co-operative banks deals with-(a) Manpower planning,(b) Management development policies, (c) Review of roles of different officials/ executives in the management organizations, (d) Recruitment, selection, induction, and placement, (e) Evaluation and appraisal of the role of different officials, (f) Creation of conducive work environment for self development and job satisfaction of officials, (g) Evolvement efficient scheme, carrier planning for officials/executives and employees of urban co-operative banks, (h) Identification and evaluation of training needs, (I) Educating and monitoring through co-operative education.

For the second and healthy progress of HRD, it is mandatory for the management to play sufficient attention to the aspects mentioned above. HRD programmes should include problems related to education and training. It is high time now for the HRD

to review present status of state co-operative federations in co-operative education programmes. It is time for them also to enhance interaction between national and state co-operative federations. So far as co-operative training is concerned, new ways and means for fuller utilization of training resources needs to be considered immediately. Identification of training needs of different segments in urban co-operative sectors for both senior and junior personnel has to be made with immediate effect. The HRD training review process must not ignore human resources available in the form women. Effective use of audio-visual material also be made in co-operative education and training programmes. Improvements in co-operative organization, planning of manpower also constitute the integral parts of organizational development.

HRD AND ORGANIZATIONAL GROUPS:

HRD in urban co-operative banking sector, generally consists of three different groups. (1) Member group (2) Group of board of directors, (3) Personnel group. These groups need to have an awareness and understanding of the co-operative principles, practices, and values. Manpower planning requires scientific, consistent and comprehensive inventory of existent human resources. Forecasting personnel need for future becomes equally necessary. In order to bring necessary awareness, social, and political environment also should be taken in to account so that proper perception and motivation can be provided to members. Members placed in hierarchical structure of HRD should be made aware of their duties and responsibilities while conducting the business in the co-operative sectors.

MEMBERS:

Members have vital role to play in the growth and development of human resources in co-operative sectors. Particularly, their awareness is essential to achieve desired aims and objectives of the co-operative systems. A member should be vigilant and fully involved in the entire management process of urban co-operative banks. Every member is generally given to elect leaders or board of members possessing abilities, and dynamism necessary for growth, development and success. Every member should, therefore, be trained through proper exposure to meeting, seminars,

workshops, camps, and conferences. Members so trained should be allowed to hold the office for a longer period so that smooth and effective functioning of the urban co-operative banks becomes much easier. Literature related to co-operative ideology, saving schemes, credit development programs, loan utilization aspects should be circulated in the form of magazines and pamphlets so that enlightenment of the member becomes possible.

DIRECTORS:

The failure or success of banks depends on the character and dynamism of the board of directors. As a vigilant guardian of urban co-operative banks, they are actively involved in the functioning of the banks. Framing of the plans and policies, formulating of the banks, formulating aims and objectives becomes major responsibility of the directors. Hence, directors must be equipped with knowledge, education, training and managerial skills so as to become the torchbearers to executives and personnel in the bank. These directors can be trained through their exposure to functioning of banking in the country and abroad. This will enhance the quality of urban co-operating banking industry.

PERSONNEL:

It is the chief executive who is responsible for effective and day-to-day working of the bank. He is the key figure in the conduct of banking system. He has to transact the business according to framework of bye-laws, Acts, and policies laid down by the board. Both executives and managerial staff are accountable to co-operative principles and values. To achieve success, harmony and co-ordination it is necessary for them to consider the members as owners of the urban co-operative banks. Seminars, conference, workshops and trainings contribute to the efficiency of banking personals. Banking success depends on making these personnel dynamic through training aids such as films, job studies, case studies, study tours, audio-video equipment's and so on.

HRD AND IT'S PRACTICES:

It is interesting to note that a survey of the banks in Maharashtra State revealed a mixed scenario during the period in 1988-94. It was found that some of the banks

were observed to be negligent about HRD, while some were observed to be quite active in mobilizing the human resources. Urban co-operative Banks—Bombay Mercantile Co-operative Bank Ltd. Mumbai, New India Co-operative Bank Ltd. Mumbai, Saraswat co-operative bank Ltd.; Mumbai were particularly careful in mobilizing human resources. They organized various activities in order to promote development of human resources. Their enthusiasm in this matter, their insight into training programmes, their preparedness to meet the future challenges, their skills to promote motivation among the personnel with regard to specialization and competence was highly remarkable.

BOMBAY MERCANTILE CO-OPERATIVE BANK LTD.; MUMBAI

It was Bombay Mercantile Co-operative bank Ltd.;Mumbai, the Shaikh MohmadaliAllbabux Urban Banking development Institute at Washi which particularly catered to the training needs not only of officers and employees but also of the employees of other urban co-operative banks in the country during the year 1993-94. They arranged 35 programmes, which included 04 outstation programmes was no less than 892 including 96 persons from urban co-operative banks. In 1994-95, as many as 29 programmes were conducted and 629 participants including 66 participants from other urban co-operative banks were trained.

The institution also remained very resourceful in the filed of research and development, many valuable courses were conducted and explorations in the matter of advances processing of credit proposals with special reference to the study of financial statements were also made. With a view to interacting with the stalwarts in the field, the institute also showed tremendous progress in the matter of providing pedagogical infrastructure. It was supported generously by the reserve Bank of India, National Institute of bank Management, Commercial and Urban co-operative banks and other agencies. The pedagogical aspect was related to the basic banking operations, general banking operations, processing of credit proposals, follow-up of recovery and inspection of advances and so on. The educational infrastructure of these institutions also consisted of a library having more than 2,225 books and

reports in acquisition. It also subscribes to 30 Indian and 04 foreign journals on banking system.

DEVELOPMENT CO-OPERATIVE BANK LTD., MUMBAI:

Development co-operative Bank Ltd. introduced on new system of performance appraisal and developed it all levels from the year 1993 onwards. The basic principle was performance evaluation by management objectives. The staff position of the bank as on March 31, 1994 was 1,076. The productivity per employee indicated and increases of Rs. 66 Lakhs on March 31, 1994 was 1,076. The productivity per employee indicated and increases of Rs. 66 Lakhs on March 31, 1994 as against rs. 52 lakhs on March 31, 1993. This increase was due to on going computerization system adopted by banking agencies. It was also supported by professional recruitment practices. Institutions of annual awards such as 'Best Branch' and 'Best Employee' wards for every branch equally rewarding. The bank showed a lot of dynamism during centre. Nearly 41 staff members were also deputed for external training.

NEW INDIA CO-OPERATIVE BANK LTD., MUMBAI:

The banks staff training college started functioning from oct.1989 at Mera Road, Mumbai, under the guidance of eminent persons such as Mr. S.G. Kalyanpurkar and Mr. T.K. Narayan. The center conducted training courses for nearly 15 sub-staff, 60 clerical staff and 49 officers from banking sectors. The staff members were also deputed to training college of the Reserve Bank of India. Vithalrao Vikhe Patil Co-operative Training College, Pune and Shaikh Mohammedali Allabux Urban Banking Development Institute Vashi, New Mumbai. The aim was to produce highly dynamic manpower possessing necessary expertises in the banking sector.

SARASWAT CO-OPERATIVE BANKS LTD., MUMBAI:

Along with the other co-operative banks, Saraswat co-operative bank Ltd., also has paid a pioneering role in paying attention to progress of its personnel at all possible levels. Their endeavours are answered with optimum efficiency results. At a special staff training college at Vashi, the bank provides training to the staff with a view to meeting future challenges more effectively. Their HRD policy focussed on

imparting knowledge, improving skill, re-orientation of staff to new banking ideology and their specialized proficiency in banking transactions. Seminar and conferences were the major devices for improving the profitability in which managerial and non-managerial activity could be effectively accommodated. During the year 1994, Fifty-five programmes were conducted and nearly 860 staff members were trained in various areas of operational banking. During the year 1992-93 training facilities were extended to 27 persons from urban co-operative banks. Fifty programmes covering 1,000 staff members were held in the field of operational banking and the same-benefit was extended also to 188 staff members from other urban co-operative banks located in and around Mumbai.

Keeping in view the growing rate of foreign exchange business, a capsule programme is organized in order to impart specialized knowledge in the field of international banking, and foreign exchange transactions. The training college also provided job-training facilities to banking personnel from Goa urban co-operative banks, Punji. Special seminars on new economic policies development of Kokan region and role of voluntary organizations were of special interests to the staff members. With a view to providing inner nourishment, the center also conducted various cultural programmes and sports activities throughout the year at all the centers of the Saraswat Urban Co-operative bank Ltd. The change in the drab, monotonous, routine work certainly was intended to promote still greater efficiency in the banking system.

It must be categorically mentioned here that of 1,500 Urban Co-operative banks need to pay due attention to proper mobilization of human resources in non-agricultural co-operative banking sectors. Keeping in view this aim in mind the following suggestions can be made:

- (1) A comprehensive manpower development programme both at the state level and at the urban bank organization level be arranged. For effective monitoring of the banking projects, HRD cells should be instituted at state and national level. Cells should not be “Merely ornamental but should be utility based and complimentary and supplementary to the existing co-operative education and

training systems.” Implementation of manpower development plans should begin at the highest level and flow downwards, Central and State Govt. should take effective measures for human resource development so that Urban Co-operative banks can be saved from the pressures causing hurdles in the profitability , productivity, product quality, clientele service aspects, employer relationship, and competitive spirits.

- (2) The institutions like Vaikunth Mehta national Institute of Co-operative Management –Pune, Madras Co-operative Training Institute-Chennai, and Institute of Co-operative management centers be called upon to organize training programmes in order to produce manpower in co-operative credit sector. However, formulation of curriculum and programme conduction be assigned to state or national level. This becomes especially necessary when the field of work in the Urban Co-operative banking sector expands into infinities. Such a vastness hampers the growth and success of Urban Co-operative banks making them unable to cater into the practical needs of individual organizations.
- (3) Effective measures be adopted while updating knowledge and skills of bank personnel so that they run abreast with the latest trends and tendencies in the Urban Co-operative banking systems both at national and global level. The state federations, NAFCUB (National Federation of Urban Co-operative banks and credit Societies Ltd.) Should think in terms of promoting a central training center so as to meet the needs of Urban Co-operative banks in eastern and northern parts of country. This would eliminate disparity in the regional growth and set uniformity in Urban Co-operative banking arena. A comprehensive action plan reflecting a comprehensive blueprint of job oriented programmes should be mapped out by NAFCUB and state level Federations of Urban Co-operative banking.
- (4) The NAFCUB and state federations should formulate and implement scientific plans to establish rapport and harmony between HRD and co-operative education training centers. Such a harmony would lead to modernization and proper equipment of the minds of banking personnel.

- (5) Approaches to enhance member's progress should be changed. A member should be treated not simply a constituent and passive participator, but as a functionary playing a key role in total production schemes.
- (6) HRD should look for co-operative in the banking sector at the global level. In the other fields of globalizations of HRD, International Co-operative Alliance (ICA) should maintain collaboration with United Nations Agencies, International Labour Organizations (ILO), and UNESCO and so on. The ILO should take initiative in organizing workshops on co-operative training, policies, and standards in collaboration with National Co-operative Union of India and NAFCUB. With all the suggestions accepted and conditions fulfilled one can always hope with a strong faith in mind that true millennium for Urban Co-operative banks will not be really far off and out of sight.

CONCLUSION:

To sum up, one should understand that in a period of post-modern, post-post industrial, and high-technological advancements human welfare both at national and global level is fortunately and unfortunately tied up to economic system. Without economic welfare promotion of true happiness, peace, and harmony among individuals and individuals, classes and masses, nations and nations becomes unthinkable. Under such conditions banking system plays a very crucial role. Hence, the role of urban co-operative banks with high efficiency becomes highly valuable in meeting the needs and demands of high advanced societies.

An overall development of the Urban Co-operative banks with regard to personnel; their functioning, their orientation to local needs, their capacities to keep spaces with the world of super computers, master computers, internets, iridium, world wide web (WWW), and E-Commerce becomes mandatory and a need of the hour. The Urban Co-operative banks in our country have shown signs of partial success in this area. However, still there are greater avenues, which need to be explored. One hopes that the Urban Co-operative banks in the country, while thinking globally and acting locally, while keeping their eye on the fast changing nature of the modern world, will keep spaces with international banking communities and would soon realize the

long cherished dream of perfect millennium at the level socio-economic welfare of human beings.

REFERENCES:

- 1) “Annual Report 2013-14” (PDF).Saraswat Bank.
- 2) “DANAT”(1989)-
“State Level Urban Co-operative Banks Conference February 11, 1989, Mahabaleshwar-Satara: Secretary, SataraDistrictUrban Co-operative Banks Federation Ltd.,RavivarPeth, Povai Naka, Satara-415002.
- 3) Dr. P.K. Shrivastava, 2008edition, Banking Theory and practice; Himalaya Publishing House
- 4) Economic survey: 2011-12, 2012-13 , 2013-14.www.indiabudget .nic.in
- 5) “India’s leading co-operative bank” SaraswatBank.Retrieved 20 August 2010.
- 6) Report of R.B.I, 2011 on Urban Co-operative Bank
- 7) www.rbi.org.in