



Research Paper

Human Resource Development in Cooperative Banks In India: Some Recommendations

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ABSTRACT

The present paper discusses the origin, development, performance and significance of HRD in cooperative banks. The paper would provide basic information about the cooperative banks. This paper is devoted to discuss on the human resource development (HRD) policies of cooperative banks in India and their relevance in present days. The paper also deliberates on the issue whether there exists any difference between the cooperative banks and other cooperative institutions in terms of HRD practices. This paper is devoted towards the management challenges of cooperative banks with particular stress on HRD issues.

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I. INTRODUCTION

A number of people work together to achieve the organizational goals and objectives in an organization. Human resources are the key to achieve productivity, profitability, efficiency and effectiveness in an organization. The mental abilities, skills, approaches, qualifications, behavior of each man are different than the other for which we see complex behavior patterns and psychological makeup. Such differences are magnified when interaction between men takes place in a group or in an organization. This results into different management styles, values, feelings, beliefs and opinions of the employees. Employees are to be groomed to take risks, think innovatively, and handle new problems for the benefit of the organization. In this age of cut throat competitive environment, employees of an organization are the most important factor for the success of the firm, and this is also true for the cooperative banks.

Cooperative banks in India generally give less importance to HRD and therefore suffer from poor financial performance. Cost control is given first preference as a strategy to improve performance in cooperative banks in India and they usually begin this with cost control in the HR functions. Over a period of time HRD has been a neglected field in cooperative banks. There exists a poor image of the cooperative banks in the general mass and this gives rise to a low level of morale among the employees. The poor image is due to the fact that in such cooperatives most of the members are poor farmers and do not have a high social status.

Cooperative Banking and Their Objectives

The objectives of the cooperative banking are as mentioned below:

- i) Cooperative Banks try to supervise the most effective use of the loans they sanction. They try to ensure the purpose for which the loan is granted. Loans are generally sanctioned only for productive purposes. The bank also supervises the activities of those members who have borrowed from the bank to ensure that the amount is used for the purpose for which it was granted.
- ii) The own financial resources of a cooperative bank may not be sufficient to meet the requirements of a large number of its members. Cooperative banks secure loans from other financial institutions to meet the demand of its members even though a cooperative bank is an association of small farmers who are often not credit worthy.
- iii) The cooperative bank reduces the risk in lending by a careful handling of its activities. It insists

on the utilization of the loan for productive purposes, which ensure that borrowers can repay the amounts on the due dates. A close watch is kept on the activities of the borrowers to prevent the borrowers to use the money for consumption purposes. If the fund is used for consumption than the borrower becomes a defaulter, and with it, the risk of lending increases.

Cooperative Banking and Their Importance

Cooperative Bank is useful in the following ways:

It is a better-quality institutional arrangement for financing agricultural development. Cooperative banks provide loan to small farmers for utilizing the amount for increasing agricultural productivity and improving their standard of living. In a country like India where the farm population is mostly composed of small farmers who have little means and small land holdings, cooperative banking is most appropriate financing organization. The cooperative society of the bank consists of farmers therefore they know the credit problems of the rural poor farmers and do their utmost to find out suitable solutions for them. Other financial institutions cannot be as effective as the cooperative banks in rural areas because most of the financial institutions are for profit organizations and are run by persons who do not have knowledge about the farming community and their economic conditions, their temperaments and requirements.

- i) Usually cooperative banks make small and marginal farmers dynamic by offering them the necessary financial assistance. This encourages the farmers to enhance their productivity which benefits both the farmers as well as the banks.
- ii) Cooperative banking provides the farmers the loan at the right time and the right amount for the right purpose so that they can repay the loan on the right time. Therefore, cooperative banks assist in increasing the agricultural production.
- iii) Cooperative banks in rural areas make free a large number of borrowers from the exploitation of the money-lenders.
- iv) Cooperative banks are the drivers of various factors leading to prosperity in rural areas.

Essentials of Human Resource Development

HRD efforts foster capabilities and competence among the employees and create conducive organizational environment for the development of the employees. It is essential to strengthen the HRD policies if we want our employees to be productive and efficient. Human Resource Development is very much essential for developing an urge and desire on the part of the employees in the organization to find a better method of working and innovation. There are certain important factors to deliberate and they are as follows:

- i. There must be requisite skills, attitudes and ability in the person engaged in HRD activities.
- ii. There should be proper coordination between the HRD team / dept. and the key personnel in the organization.
- iii. Barriers from the organization affecting productivity of the employees must be removed.
- iv. There must be the involvement of the personnel of the organization to get a lot of information for understanding the dynamics of the organization to develop an HRD program.
- v. There exists a need for suggesting home-grown methods which can be implemented by the HRD department without much cost and resistance of the employees. While implementing the HRD program the technical consideration should also be kept in mind. Use of Human Resource Information System (HRIS) should be made to keep continuous track of every employee and use performance appraisal, training needs etc. to inject / change in desired direction for the mutual benefit of the employees and the organization.
- vi. Members of HRD team should have a pleasant personality, common sense, imagination, interest; objectivity and the proper conduct to induce change in the minds of the people to embrace the HRD initiatives.
- vii. HRD initiatives have to face resistance to their new ideas from the employees as it is obvious that any change brings insecurity in the mind of the people, so it has to be dispelled with facts, patience and consideration. The aim should be to develop acceptance through cooperation.
- viii. Through seminars, lectures, role playing and through other methods the HR department must drive out fears from the minds of the employees and should make ready the employee to accept the proposed changes.
- ix. HRD policies to be successful need revolution and a change in the organizational culture and also a change in the total concept of management. It cannot happen sporadically and in a piecemeal manner.

Objectives of the Present Study

- I. To analyse the relationship between the level of investment in training and the resulted outcomes
- II. To understand the nature and impact of the training programmes being employed in the sector
- III. To design /redesign training methods/ instruments suitable to the sector
- IV. To revamp the existing training and education system in accordance with the changing environment/expectations of the sector
- V. To analyse the stakeholders participation for enriching cooperative identity.

II. DATA BASE AND METHODOLOGY

The present study deals with the impact of human resource development initiatives in terms of Investment and Outcome in three District Central Cooperative Banks of Kerala state selected randomly.

Both the primary and secondary sources of data constitute the data base of the present study. The data collected from the secondary sources viz. published financial statements and annual reports of the banks under study on certain specific parameters are considered for representing a brief profile of the banks. The primary data collected from the sample employees selected on the basis of stratified random sampling based on a pre-designed questionnaire is analysed and interpreted for the purpose of the present study.

III. SUGGESTIONS AND RECOMMENDATIONS BY THE PRESENT RESEARCH WORK

The findings of this study can be fruitfully utilized for the development of HRD practices in cooperative banks. Some of the main recommendations based on the findings of this study are as follows:-

- i. An integrated approach for HR initiative by the banks to be followed to bring all stakeholders under one umbrella for understanding the problems and prospects of each other's so as to give a sustainable shape to the credit cooperative movement.
- ii. The normal flow of information to all the stakeholders of the banks is required to be ensured to improve the business with transparency and required participation from all angles for the overall development of banks.
- iii. The institutional initiative in terms of making proper planning, formulation and implementation of need based and visionary HR initiatives should effectively be made
- iv. The impact of HR initiatives must properly be assessed, evaluated, monitored and deficiencies found be rectified properly for improving the performance and productivity of the employees and the system as a whole.
- v. The attitude of the bank management, employees and other stakeholders toward adapting required professionalization should be moulded and changed as per the need of the day.
- vi. The uniform course, module and design pertaining to a specific target group to be ensured to impart required knowledge and enhance the skill. Further the Training Need Assessment should meticulously be made.
- vii. The cooperative identity should be cherished with proper HR initiative by the banks meant for its stakeholders.
- viii. The structural support and communication be positive in encouraging HR initiatives of the banks for better performance.

IV. CONCLUSION

HRD initiatives are carried out in the organizations to augment the physical, mental and emotional abilities of the employees for better productivity. It is high time now that the cooperative banks need to understand that society members and employees are the critical factors to improve the profitability and efficiency of the banks. Human resource is the most important resource for the overall development of the cooperative enterprises. HRD is the part of HRM that specifically caters the need of the employees for training and development. Effective training is an investment that yields both immediate and long term returns. Cooperative banks are value-based, member-based, member-owned and democratically controlled organizations. The primary objective of a cooperative bank is to satisfy the economic needs of its members mostly the marginal farmers. We conclude that the efficiency of the cooperative banks would definitely improve if the suggestions of the present research work is implemented seriously.

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