



REPORT OF THE
RESERVE BANK OF INDIA
OFFICER CADRE REVIEW
COMMITTEE

1970—72

PARTS III, IV & V

CHAIRMAN
MR. JUSTICE J. L. NAIN
Judge, High Court, Bombay.



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MEMBERS OF THE COMMITTEE

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*Chairman from 30th May 1970
to 20th July 1970*

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P A R T I I I

CHAPTER 8

SERVICE CONDITIONS AND VARIOUS BENEFITS

Transfer Policy

8.1 The Officers' Association has represented that transfers are at present made in a hapazard manner causing avoidable inconvenience to many officers. It has urged that the Bank should draw up guidelines for a rational system of transfers of officers and see that the transfers are made within these guidelines. The Committee finds that the transfer policy of the Bank, if any, does not fall within its terms of reference. Nevertheless, the Committee finds that considerably strained feeling exists amongst the officers about transfers, and it would, therefore, suggest that the Bank treat the matter of transfers in as rational and compassionate a manner as possible, with due regard both to

administrative requirements and the avoidance of inconvenience to the officers concerned to the maximum extent possible. The Committee feels that this should contribute to the establishment of good morale amongst the officers.

Confirmation and Criterion for fixing seniority

8.2 At present confirmations in the officers' grade are taken up at periodical intervals subject to availability of vacancies and administrative convenience, provided the officers concerned have rendered the minimum officiating service prescribed for the purpose of confirmation in the various cadres. Confirmations are at present effected at periodical intervals as mentioned below:

Staff Officers Gr.I and Senior Staff Officers Gr.III) half-yearly as on) 1st April and) 1st October;
Senior Staff Officers Gr.II) quarterly as on) 1st January,) 1st April,) 1st July and) 1st October.

Confirmations are effected after completion of a minimum officiating service of two years in the case of Staff Officers Gr.I and one year in the case of Senior Staff Officers.

8.3 The Officers' Association has complained that, in spite of availability of vacancies and the completion of the minimum period of officiating service, confirmations are not effected as expeditiously as could be done. The Association has also stated that different practices are followed for different groups in different departments. The result is that many officers are kept either officiating or on a temporary basis for an unduly long time. Apart from the time taken in effecting the confirmations, the lack of uniformity in the various groups seems to have been causing even more concern to officers. The Officers' Association has further represented that there is no reason why a

period of two years of officiating service should be prescribed for Staff Officers Gr.I, while for Senior Staff Officers the period of officiating time prescribed is only one year.

8.4 In its reply the Bank has stated that, if at times confirmation has been held up after the completion of the period of officiating service, it was because clear vacancies were not available, as there were officers on deputation, study leave, etc. who continued to retain their liens on their previous posts. As the number of officers deputed for such purposes varies from time to time and the length of the period of deputation of each officer is never constant it has become difficult for the Bank to provide an adequate number of deputation reserve posts.

8.5 As regards the period of officiating service prescribed, the Bank has contended that

a period of at least two years is necessary to judge whether Staff Officers officiating in Grade I are suitable for confirmation. In the case of Senior Staff Officers suitability for confirmation in the higher posts can be judged more quickly and easily. The Bank has also stated that confirmation has to depend ultimately on the number of permanent vacancies available and that officers cannot be confirmed at specific intervals without taking into consideration the availability of such vacancies. It is also to be noted that some of the posts in which officers are promoted to officiate are of a temporary nature and hence confirmation in such posts is not possible.

8.6 The Bank has further pointed out that the seniority of an officer in a particular grade is dependant on the date of confirmation in that grade. Therefore the officer cannot be

automatically confirmed when he completes the prescribed minimum period of officiating service, even if a permanent vacancy is available because the Bank has to see that no senior officer is superseded by any officer junior to him. This would seem to explain the practice of ordering confirmations only when a number of permanent vacancies are available so that all officiating officers of a particular seniority are confirmed at the same time so as to cause no undue loss to any senior person. The Bank has also justified the review of confirmations in the posts of Staff Officers Gr.I and Senior Staff Officers Gr.III every six months as against the review of such confirmations in Senior Staff Officers Gr.II every three months on the ground that the number of confirmations in the posts of Staff Officers Gr.I and Senior Staff Officers Gr.III is larger every year.

8.7 The Supervisory Staff Association has represented that, for the purpose of confirmation in the grade of Staff Officer Gr.II, officiating Staff Officers should have passed both parts of the I.I.B. Examination or should have continuously officiated for a period of five years (this has since been reduced to three years) in that grade before they become eligible for confirmation, though employees who are above 40 years of age are not subjected to this condition. The Supervisory Staff Association contends that, in the case of direct recruits to the grade of Staff Officers Gr.II, they are confirmed after two years of service. There is therefore no reason why promoted officers should put in five years (since reduced to three years) of officiating service.

8.8 In reply the Bank has stated that the conditions for confirmation were considered

necessary by the Bank for improving efficiency in this grade. Moreover the Bank does make exceptions in the case of promoted officers. In 1958 the position was reviewed and officers who were unable to complete the I.I.B. Examination but had completed five years of officiating service were confirmed. Therefore the Bank is unwilling to grant any of the requests of the Supervisory Staff Association.

8.9 It has been made clear to the Committee that there are considerably strong feelings among the officers regarding the way the confirmation of officiating officers is carried out at present by the Bank. The Bank is certainly doing its best, but perhaps a more rational system for confirmations might help in giving more satisfaction to the officers without appreciably affecting the efficiency of work which is the main consideration of the Bank.

The Committee has tried to understand how officers stand to lose by undue delays in confirmation. It has been informed that, apart from there being a minimum period of confirmed service in the lower grades before a person can be considered for promotion to higher grades, there is no other loss to the officer; the emoluments and service conditions remain the same whether an officer is confirmed or is only officiating. There is of course a greater feeling of security once the officer is confirmed and this has an important bearing on morale which cannot be overlooked.

8.10 Very often the reason for the blocking of confirmations is that no permanent vacancies are available. This will indicate that there is room for reviewing the sanctioned strength in different officers' grades from time to time. If a newly created post is expected to last for

a fair length of time, it would be reasonable to include it in the sanctioned strength and thus increase the total number of permanent posts. The Committee was told that such a periodical review does take place, but that it is not done at regular intervals. Secondly, the reason given by the Bank that a review of confirmation is held every six months in grades where there are many vacancies in a year and such a review is held every three months in grades where there are fewer vacancies appears to the Committee to be unconvincing. If a review of confirmations is made every three months in all the grades there would be less reason for complaints from the officers.

8.11 A further matter for consideration by the Bank would be that the criterion for fixing seniority in a grade should be shifted from the date of confirmation in the grade to the date

of continuously officiating in that grade and the Committee so recommends. There is also no reason why a person officiating in a particular post cannot be confirmed against a permanent vacancy in another post in the same grade. Confirmation would then become purely notional and in the grade as such. It would not be related to any particular post in the grade.

8.12 The Committee recommends that the Bank adopt the device of additional permanent supernumerary posts in a grade for confirmation of officers who have been officiating for unduly long periods. Such a situation would arise only occasionally. These supernumerary posts can be abolished when permanent vacancies arise subsequently in that grade. Such a device, of course, cannot be used as a permanent remedy for slow confirmations. It is useful only when a blocking of confirmation arises at infrequent intervals due to extraordinary reasons.

8.13 The Committee does not feel there is a case for reducing the minimum officiating period prescribed for confirmation of Staff Officers Gr.II or Staff Officers Gr.I. The same officiating periods may be continued in the new grades proposed by the Committee, viz., Grades 'A', 'B' and 'C'. The Committee is also of the opinion that the present requirement regarding the passing of the I.I.B.Examination should be retained.

Travelling Allowance and Compensatory Allowance on Transfer

8.14 The Officers' Association has represented that the following changes be made in the allowances paid to meet the cost of transfer:-

- a) compensatory allowance of Rs.250/- p.m. may be paid for a minimum period of 12 months;
- b) an officer who is unable to take his family with him at the time of transfer may be given by the Bank one return rail fare within six months to bring his family to the new place of posting;

c) the existing limit of 22.5 quintals of luggage on transfer may be raised to 35 quintals;

d) the existing packing and crating charges may be raised to Rs.40/- per quintal for the four metropolitan centres and Rs.30/- per quintal for other centres;

e) transport charges may be allowed at the rates charged by leading truck transport operators instead of at goods train rates;

f) an officer on transfer may be given the option of a lumpsum payment in lieu of packing, crating, carriage and cartage charges to enable him to dispose of his goods at his old place of posting and acquire new articles in the new place of posting;

g) extra fare on transfer may be raised uniformly to Rs.400/-

8.15 The Supervisory Staff Association has requested that the compensatory allowance on transfer be raised to Rs.200/- per mensem for a period of 12 months.

8.16 The Bank has stated in its reply that it is not in favour of making any changes in regard to these payments. The Committee feels that no change is required in the present rates of payment excepting the following two cases:

i) The payment of a compensatory allowance on transfer has been related to the fact that the children of the officer on transfer may have to stay in the old place of posting to continue education upto a point where it can be broken and the child can be transferred to a new educational institution. This is certainly a real hardship to officers liable to transfer to centres at a long distance from one another. The Committee feels however that this hardship should be met, not by the payment of a compensatory allowance on transfer, but by the payment of an educational allowance to all officers liable to transfer and whose

children have to stay at places other than the centres of posting of the officers for any valid reason, including that of liability to transfer. The Committee therefore recommends accordingly. No change in the amount of compensatory allowance on transfer now in force is, however, suggested.

ii) The existing limit of luggage that can be taken by the officer on transfer may be raised to 35 quintals. The payment will, however, be restricted to the actual weight of the luggage transported if that is lower.

Travelling Allowance on Tour and Halting Allowance/Out of Pocket Expenses

8.17 The Officers' Association has represented that the rules regarding payment of travelling expenses were drawn up by the Bank at a time when the functions of the Bank were very limited and its officers had to undertake tours outside their headquarters on very few occasions. As a result of increase in the functions of the Bank the

frequency of the tours of its officers has increased and also they have to visit places farther away from their headquarters. The Officers' Association has therefore represented that the rule relating to payment of travelling and halting allowance should now be revised.

8.18 As regards halting allowance the Officers' Association has represented that the rules of the Bank allow payments at rates far below those prevailing in other banks and other public sector corporations. It has represented that the halting allowance paid by the Bank at present does not very often cover the expenses incurred. Boarding and lodging charges have gone up considerably in almost every town in the country. The Officers' Association has, therefore, suggested that the halting allowance should be fixed at the following rates:

<u>Officers drawing pay:</u>	<u>Category of centres</u>	
	<u>State Capit- tals, Hill Stations and centres having population of 3 lakhs and above</u>	<u>Others</u>
	<u>Rs per diem</u>	<u>Rs per diem</u>
Upto Rs.1,000/- p.m.	40	30
Over Rs.1,000/- and below Rs.2,000/-p.m.	45	40
Above Rs.2,000/- and upto Rs.2,500/- p.m.	50	45
Above Rs.2,500/- p.m.	50 (or actual expenses)	45 (or actual expenses)

8.19 The Supervisory Staff Association has also requested for the same reasons that for the Staff Officers Gr.II the halting allowance should be fixed at Rs.40/- per diem for the bigger cities and Rs.35/- per diem for the smaller towns.

8.20 In its reply the Bank has agreed that the halting allowance should be revised area wise

(areas are defined in the Bank circulars) as indicated below:

<u>Category of officers</u>	<u>Category of Centres</u>	
	<u>Category I</u> Rs per diem	<u>Category II</u> Rs per diem
Senior Staff Officers	30	24
Staff Officers Gr.I	25	20
Staff Officers Gr.II	20	16

The Officers' Association has requested that the variations in the halting allowance should be on the basis of pay actually drawn by the touring officers and not by the pay scale in which he is placed. The Bank has objected to granting this request on the ground that for a number of years the Bank has followed the pay scale as the basis for variation in the halting allowance.

8.21 The Committee has considered the rival contentions and recommends that the halting allowance should now be fixed on the following basis:

	<u>For Category I</u> <u>area</u> <u>Rs per diem</u>	<u>For Category II</u> <u>area</u> <u>Rs per diem</u>
Officers getting pay upto Rs.1,000/-p.m.	25	20
Officers getting pay from Rs.1,001/- to Rs.1,500/- p.m.	30	25
Officers getting pay from Rs.1,501/- to Rs.2,000/- p.m.	40	35
Officers getting pay over Rs.2,000/-p.m.	50	45

The Bank will make suitable deductions when the touring officer avails himself of accommodation in the visiting officers' flat of the Bank.

8.22 There are certain other requests made by the Officers' Association and the Supervisory Staff Association relating to travelling expenses.

Reduction of Halting Allowance on Sliding Scale

8.23 At present the Bank reduces the halting allowance on a sliding scale if an officer stays in the same place beyond a certain number of days. The basis on which this is done appears to be that, where the halt is of a long duration, the touring officer has time to look around and select a place for boarding and lodging involving the least possible cost. This is also the policy adopted by Government Departments. This matter was considered in the arbitration award of Mr. Aiyar who came to the conclusion that there is no sufficient ground for interfering with the existing rule. The Committee is of the same view and recommends that no change be made in this rule. The Bank has volunteered to improve the sliding rate scale as follows:

For the first 45 days : At full rate per diem
 For the next 45 days : At 3/4th of the full
 rate per diem
 Thereafter : At 1/2 of the full
 rate per diem.

The Committee welcomes the improvement and recommends accordingly.

Class of Accommodation, Booking of Tickets, Production of Cash Receipts and other connected matters

8.24 The Officers' Association has requested that officers drawing Rs.1,000/- p.m. and above as basic pay should be allowed to travel by air-conditioned class in rail or by air. It has pointed out that the Bank of India, Bank of Baroda and United Commercial Bank and also some State Governments allow these facilities to their officers. The Officers' Association has represented that most well established private companies permit their officers of all ranges and grades to travel by air. The Association

has also pointed out that the additional cost of air travel is very little compared to train fare, plus halting allowance and salary for the days of travel lost, and that it would add to the efficiency of officers if they travel by air, in that they can devote the time lost in rail journeys to their work. The Bank, on the other hand, has pointed out that air travel is very expensive and that the Bank rules for air travel are based on the rules of the Government Departments.

8.25 It is noticed that the State Bank of India has fixed the limit of Rs.1,000/- and above for entitlement to travel by air-conditioned class in rail or by air. Taking all facts into consideration the Committee recommends that officers of the Bank drawing a pay of Rs.1,200/- p.m. or more should be entitled to travel by air-conditioned class in trains. As regards air travel, this should be permitted freely for

officers drawing pay of Rs.1,600/-p.m. and above. In the case of others, air travel may be permitted by the superior officer according to the circumstances of each case.

8.26 The Officers' Association has represented that where an officer is unable to secure accommodation in the train in the class to which he is entitled while on tour he should be allowed to travel by the next higher class. The Supervisory Staff Association has made the same request and, in addition, it has represented that in case, due to non-availability of accommodation in the class to which the officer is entitled to travel, the officer is forced to travel in a lower class he should be allowed to keep the difference in the fare to compensate for the inconvenience caused to him. The present rule is that, when an officer is required to travel in a lower class when accommodation in the class to which he is entitled

to travel is not available, he is not entitled to the difference between the two fares. This rule seems to have been based on the rule existing in Government. The Committee recommends that no change be made in this rule.

8.27 The Officers' Association has represented that the Bank should make necessary arrangements for booking tickets and reserving accommodation for the tours of officers on Bank business. The Bank has stated that it has agreed to make necessary arrangements for purchasing railway tickets with Government recognised travel agents. The Committee welcomes the Bank's decision. There is therefore no need to make any recommendation in this behalf.

8.28 The Officers' Association has represented that the present practice of the Bank requiring that officers produce cash receipts for purchase of tickets should be dispensed with. It contends

that this practice subjects the officers to humiliation and harassment particularly when they reach the railway station a few minutes before the departure of the train. The Bank has contended that in the absence of supporting evidence it would be difficult for officers passing travelling allowance bills to verify the claims for such allowances. Even the amount of railway fare or bus fare will have to be verified by the controlling officer before he passes the bills. The Committee has carefully considered the pros and cons of this matter and has come to the conclusion that it is not desirable to rescind this rule. Since the Bank has agreed to make facilities for purchasing the tickets for officers the inconvenience caused to them in producing cash vouchers for purchase of tickets will disappear. The Committee recommends that no change be made in the present practice.

8.29 The Officers' Association has represented that officers are at present required to travel back to headquarters by the next available train after completing their work on tour. This causes considerable inconvenience to them as sufficient time is not left for packing their personal effects, settling boarding and lodging accounts and securing a conveyance to go to the railway station. The Bank has already taken note of this inconvenient rule and has modified it to some extent. The Committee does not recommend any further change in this matter.

8.30 The Officers' Association has represented that when the tour of an officer stretches beyond one month the officer should be allowed to visit his headquarters once during the course of his tour at the Bank's expense. It has also represented that an officer on tour should be paid the return fare to the headquarters if a

member of his family falls ill. The Bank's contention is that neither the Government of India nor any other bank allows such facilities and therefore the Officers' Association's request cannot be granted. The Committee does not recommend any change in this matter.

8.31 The Officers' Association has represented that the present ceiling of Rs.8/- for conveyance charges between the residence of an officer and the railway station when the officer goes on tour should be removed. The Officers' Association has also represented that while on tour the officers are allowed a conveyance charge of 25 paise per km. subject to a maximum of Rs.2.50 per journey. It has requested that the actual taxi fare without any ceiling should be reimbursed.

8.32 The Bank contends that similar charges paid by the Government of India and the State

Bank of India are not as favourable as what the Bank is paying. The Bank has however already suitably modified the schedule of conveyance charges. The Committee does not recommend any further change.

8.33 The Officers' Association has requested that the mazdoor charges reimbursed to officers for carrying baggage on tour should be raised while the Bank contends that the present rates are sufficient to meet the actual expenses of the officers on tour. The Committee does not recommend any change.

8.34 The Officers' Association has made further requests for:

- i) out of pocket expenses during local inspections,
- ii) accident insurance, and
- iii) conveyance charges while proceeding from the residence direct to place of inspection at headquarters.

The Committee feels that there is no case for any revision in the above cases.

Leave/Retirement Fare Concession

8.35 The Officers' Association as well as the Supervisory Staff Association have made a number of requests for liberalising the leave fare concession rules. On going through these demands and comparing the position in the Bank with the position in (a) the Government of India, (b) the State Bank of India and (c) other nationalised banks the Committee finds that the leave fare concession rules of the Bank are sufficiently liberal. The Committee is also informed that, since the Officers' Association and the Supervisory Staff Association put forward their proposals for liberalisation of the rules, the Bank has made some changes to make them more liberal. In its reply to the demands of the two Associations of the Officers the Bank has indicated

its willingness to liberalise the rules further in one or two directions. It is understandable that the officers would like to be in a position to make use of these concessions to the maximum possible extent, but the Committee has also to consider the matter from the point of view of what other organisations like the Government of India and other banks are doing and also the administrative feasibility of the changes suggested. Taking all these factors into consideration the Committee feels that the leave fare concession rules along with the recent modifications made by the Bank are sufficiently liberal and therefore the Committee has no recommendations to make in regard to further changes in these rules.

Compensation for duty outside
office hours/holidays

8.35 The Supervisory Staff Association has represented that the Bank was paying overtime

allowance to supervisory staff upto 1963 when it was withdrawn as the supervisory staff ceased to be classified as workmen staff. The Association contends that Staff Officers Grade II are required to work extra hours on the first and last working days of the month, on the dates of payment of interest on Government Loans, for the daily closing of certain departments, floatation of new loans, receipt and despatch of remittance of treasure and annual closing as also prescribed last days for payment of sales-tax, income-tax, annuity deposits, etc. The Association has contended that, while the workmen staff are paid overtime allowance, it is unreasonable that the Staff Officers Grade II should not be paid **any** compensation for such late sitting. The **Association** has also pointed out that the Government of India pays overtime allowance to supervisory staff if the following conditions are satisfied:

- a) the supervisory staff is in direct and continuous contact with the staff they supervise;
- b) they work the same hours as the staff under them; and
- c) they are themselves subject to the kind of supervision which would enable them ordinarily to obtain prior approval for working overtime.

The Association has contended that all these conditions are being fulfilled by them while working extra hours. The Association has also represented that in most of the other banks a lump sum compensation is paid on a six-monthly basis in the shape of a closing allowance to compensate for late sitting during the closing period.

8.36 In reply the Bank has stated that tea, lunch and dinner expenses as also conveyance charges are paid to officers who work extra hours. The Bank objects to paying anything in the nature of an overtime allowance to officers

on the ground that it is wrong in principle that officers whose duties are of a controlling or supervisory nature and who are responsible for ensuring that overtime is reduced to the minimum by properly organising the allotment of work of the staff under their charge should themselves be exposed to the temptation of overtime allowance. The Committee is generally in agreement with the Bank's argument. The Committee, however, thinks that a fixed overtime allowance will be equitable and also will not expose the officers to temptation as a flexible overtime allowance would. The Committee accordingly recommends the following concessions which will partially meet the demand of the Supervisory Staff Association:

- 1) a closing allowance of Rs.100/- for the half year ending 30th June and of Rs.75/- for the half year ending 31st December be paid to all officers concerned whose basic pay is less than Rs.1,200/- p.m.;

2) the facility of charging actual taxi fare for returning home be extended to officers for journeys beginning from 8.30 P.M. from the office instead of 10 p.m. as at present;

3) the present lunch/dinner allowance of Rs.6/- admissible to officers should be raised to Rs.8/-

CHAPTER 9

OTHER FACILITIES - GENERAL

Permission to make contribution to Press

9.1 The Officers' Association has represented that Regulation 36 of the Reserve Bank of India (Staff) Regulations, 1948, works harshly and has been a source of avoidable annoyance to many members of the staff. The Regulation prescribes firstly that no employee can contribute to the press without the prior sanction of the competent authority. Secondly it prohibits publication without such sanction of any document, paper or information which may come into the possession of the employee in his official capacity. The Officers' Association has further represented that, in addition to the Regulation 36, the Bank has issued orders that material intended to be published by an employee,

irrespective of whether the material contains information collected by him in his official capacity or otherwise, should be submitted to the competent authority in the Bank for screening. The orders also state that the employee's association with the Bank should not be disclosed while publishing the material. Further the Bank's orders require that a portion of the remuneration received beyond a certain limit should be surrendered to the Bank. The Bank's contention is that it has no intention of imposing any restriction on contributions to the press which are of a purely literary nature. The object of the Bank in having a Regulation like Staff Regulation 36 is to ensure that no publication in the press by an employee contain anything which may embarrass the Bank and/or the Government. The Bank has also stated that an employee is not permitted to disclose his association with the Bank while publishing any

material in order to ensure that an impression is not created that the views expressed by the employee are the views of the Bank.

9.2 The Committee has considered this matter carefully and recommends that Regulation 36 be amended and amplified as follows:

1) No employee may contribute to the newspapers without the prior sanction of the competent authority, but shall be at liberty to do so in the manner indicated in his application for sanction if he does not receive a final reply within 30 days of his application.

2) No employee may use any information or material that has come into his possession in his official capacity for publishing any article, book or other document without the prior sanction of the competent authority.

3) In all cases not covered by the foregoing provisions no prior sanction of any authority

in the Bank will be required, but the employee shall report his intention to the Bank before releasing the material for publication through a periodical/journal or a publishing house or otherwise and shall, in doing so, indicate the nature of the material and certify that the proposed publication does not contain or utilise any material to which he has had access in his official capacity in the Bank, and further does not contain any views or statements likely to embarrass the Bank or the Government of India. He shall also certify in his report that he will not mention his association with the Bank in the publication in any shape or manner.

4) The employee will be entitled to keep the whole of any remuneration he may receive for such publication.

9.3 It should not be difficult for the Bank to ensure that an employee does not spend any of

the time he should devote to the Bank's business in preparing such material for publication, and the present device of requiring him to pay to the Bank a portion of the remuneration received by him in excess of Rs.400/- is not necessary.

9.4 The Committee recommends that the Bank should appreciate and encourage literary and scholastic activities on the part of its employees. Such activities would bring great credit both to the employees and to the Bank and encourage a healthy pursuit while the employee is in service, and the acquisition of a hobby which will be useful to the employee after his retirement.

Consumer Loan Facility

9.5 The Officers' Association has represented that the Bank should give loans at low rates of interest for the acquisition of consumer durables. Possession of many of these consumer durable goods

is a great convenience, but the officers are not able to save enough money to purchase these durables by paying cash for the same. The Bank has stated in reply that such loans are not provided by most of the banks or by Government of India. The Committee feels that in this matter the Bank should take the lead and provide a convenience which would be very much appreciated by its officers. The Committee recommends therefore that the Bank should prepare a list of articles for the purchase of which loans would be available, and give loans upto Rs.3,000/- for each article purchased. A second loan may be given only after the first loan is repaid. Interest may be charged at the Bank Rate. In addition, the Bank may restrict the annual outlay on this account to a suitable ceiling figure.

Advances for purchase of motor vehicles etc.

9.6 The Officers' Association has represented that the limit for advances granted by the Bank to officers for the purchase of motor vehicles at present placed at Rs.20,000/- is very low and that advances might be sanctioned up to the actual cost of the vehicle. It has further stated that there is a condition that the officer should have put in a minimum service of five years. It urges that this condition be removed. It has also requested that motor vehicle advances should be free of interest. The Committee feels that the facilities allowed by the Bank in this respect are adequate and reasonable. The Committee is therefore making no recommendation in this matter.

Membership of Clubs

9.7 The Officers' Association has represented that, with the widening of the functions of

the Bank, it has become necessary for its officers to build up direct contacts with various sectors of the economy, exchange ideas with leading persons in the commercial and industrial world and thus give a better leadership to the banks and other financial institutions. For this purpose it feels that informal discussions at places like clubs will be helpful. It represents further that officers of other banks as well as commercial houses are encouraged by their employers to join clubs for this purpose. The Officers' Association has requested therefore that the Bank should extend the same facility to its officers and pay the membership fees and other charges of a club membership. The Bank in its reply has said that the Government of India does not extend this facility to its officers and the Bank does not consider it necessary that it should extend this facility to its officers. In the opinion of the Committee there

cannot be a comparison in this respect between the Bank and commercial banks where securing of business is one of the considerations. The Committee feels that the present position requires no change and therefore makes no recommendation in this matter.

Recreational Facilities

9.8 The Officers' Association has represented that the recreational facilities provided by the Bank at present fall far short of requirements and that such facilities should be provided on a more generous scale. The Bank has stated in its reply that the facilities provided by the Bank are adequate. The Committee feels this is a matter in which it is difficult to lay down hard and fast rules. The Committee recommends that the Bank may look into the possibility of allotting one of the flats or houses in every colony it has built, or will build in future,

for use as a Sports or Recreation Club. The allotment of such accommodation can be made dependant on residents of the colony (a) forming a Sports or Recreation Club and (b) showing their willingness to bear the expenses of running the Club. The Bank's contribution will thus be limited to the provision and maintenance of free accommodation.

Compassionate Gratuity

9.9 At present the Bank is paying to dependants of employees who die in service compassionate gratuity upto a maximum of six months' pay and allowances or Rs.5,000/-, whichever is lower. This is admissible to dependants of those employees who have put in not less than five years' continuous service. Both the Officers' Association and the Supervisory Staff Association have represented that the amount paid by the Bank is very meagre. The Supervisory Staff Association

has represented that the compassionate gratuity should be paid either at the rate of 12½ per cent of monthly pay subject to a maximum of Rs.300/- p.m. or that the maximum be raised to 12 months' pay and allowances or Rs.10,000/- whichever is lower. The Officers' Association has represented, that in lieu of compassionate gratuity, the Bank may arrange for a group insurance scheme with the Life Insurance Corporation, giving every officer a cover to the extent of Rs.20,000/-. In its reply the Bank has stated that it was not in favour of taking a group insurance policy as the amount of premium would be very high. The Bank has also stated that the present compassionate gratuity scheme has been based on that obtaining in the Government of Maharashtra and the State Bank of India and that the benefits available under the scheme to dependents of employees are very reasonable. Further the Bank has pointed out that there is a

fundamental difference between the scheme of compassionate gratuity of the Bank and that of the State Bank of India. While in the Bank the compassionate gratuity is paid in addition to the normal retirement benefits, in the State Bank it is paid in lieu of pension. After giving due consideration to all points raised before the Committee it recommends that no change is necessary in the present position.

Holiday Homes

9.10 The Officers' Association has represented that many commercial and banking institutions maintain holiday homes for the use of their employees and has requested that the Bank may construct holiday homes at selected centres for the use of its officers. The Bank has stated in its reply that only the State Bank of India has been maintaining such holiday homes and that the Bank does not have the facilities that the State

Bank of India has for supervising and maintaining such holiday homes at centres where such holiday homes can be built or acquired. The Committee does not propose to make any recommendation on this demand.

Extension of Facilities
to Medical Officers

9.11 The Officers' Association has represented that a number of Medical Officers have been employed on a part-time basis and many of them are treated as Staff Officers Grade II. The Medical Officers are not at present given Leave Fare Concession, nor are they entitled to the Bank's medical benefit scheme. The Officers' Association has requested that the Medical Officers be treated as Staff Officers Grade I and that Leave Fare Concession and the Bank's medical benefits scheme be extended to them. The Committee finds that this request is outside its terms of reference and hence it

makes no recommendation in this respect. The Committee would, however, recommend that, as a rule, no officers employed on a part-time basis should be graded, i.e., put in any particular grade of officers of the Bank.

Facilities for Officers' Association

9.12 The Officers' Association has represented that the State Bank of India has provided a hall in its premises for the use of its Officers' Association and has also supplied furniture, typewriters, cupboards, telephone etc. It has requested that the Bank should provide similar facilities. The Bank has stated in its reply that this is a matter outside the terms of reference of the Committee. The Committee agrees with this view and makes no recommendation in this matter.

Medical Facilities

9.13 The Officers' Association has represented that the medical facilities extended to them

at present by the Bank require to be liberalised in several respects. There are many restrictions and anomalies at present which cause hardship to officers and should therefore be removed. It has listed a large number of such restrictions and has asked for liberalisation of many of the facilities. The Supervisory Staff Association has also represented that the existing medical facilities should be liberalised. It has also made a number of specific requests for liberalisation. The Bank in its reply has stated that the medical facilities extended to the officers at present are generous and adequate, that the Bank is taking action to rationalise some of these facilities and that no further action is required.

9.14 The question of medical facilities extended by the employer to his employees is a complicated one. There are many factors which

have to be taken into consideration and a balance struck between them. On the one hand there is the question of expenditure to be incurred by the employer and on the other hand there is the question of the benefit to the employer by keeping his employees in a fit condition of health.

Further, the employees would naturally expect that their employer should extend to them facilities not less than those provided by other employers in a similar position. But this also involves a restriction on them, since they cannot expect to be given facilities very much in excess of what employees in other similar organisations are getting. A further consideration would be that medical treatment in the big cities has become very expensive and beyond the means of most of the officers of the Bank especially when there is a prolonged illness affecting themselves or the members of their families. The facilities have also to be so fixed as to minimise their misuse for monetary gain.

9.15 The Committee notices that the Bank has been closely following the medical facilities extended by the Government of India to its employees. This is on the whole a good criterion on which to base the quantum of medical facilities extended by the Bank to its officers. It would therefore be difficult to accept all the requests made by the Officers' Association and the Supervisory Staff Association. The Committee would however recommend the following liberalisation of the facilities:

1) The visit fees of the Bank's Medical Officers for treating members of the family of the officers should be reimbursed in full to the officers.

2) In the case of miscarriage or abortion the Bank does not at present reimburse the medical expenses incurred. In view of the changed position today in the country under the revised law relating to abortion, the Bank should reconsider

this matter and reimburse the medical expenses involved, subject to the bills of expenses being certified by the Bank's Medical Officer in each case in regard to authenticity of the treatment and the reasonableness of the charge.

3) In the case of chronic ailments the present position may be liberalised and facilities allowed to the officers on the same lines as allowed by the Government of India to its officers.

9.16 After considering all the demands of the two Associations of officers the Committee does not propose to make any further recommendations on the question of medical facilities.

Matters relating to leave

9.17 The Officers' Association has represented that unavailed casual leave be credited to the ordinary leave account, sanction of leave be speeded up, leave salary be calculated on a

different basis, officers be allowed to encash their leave, compensation be paid to dependents for accumulated leave not enjoyed by an employee who dies in service and that a lump sum payment equal to leave salary be paid to officers who have at present the facility of getting leave preparatory to retirement. The Supervisory Staff Association has requested that the officers be allowed to encash their leave. The Bank is not agreeable to the granting of any of these requests and has quoted the position under the Government of India and the nationalised banks to support its contention.

9.18 The Committee is unable to accept the request for encashment of leave and cannot recommend the same for sanctioning by the Bank. Leave is a facility extended by the employer to the employees for recouperating their health after working for a certain period of time for

the employer. This object cannot be achieved when the employees continue to work and are merely given extra remuneration. For the same reason the Committee is unable to agree to the requests of the Officers' Association about the payment of compensation to dependents for leave not taken and paying a sum equal to leave salary without the officer enjoying his leave.

9.19 The Committee's recommendations with regard to the other requests are as follows:

1) Casual leave is meant for emergent situations. There would therefore be no justification at all for crediting to the regular leave account casual leave not taken.

2) As regards sanction of leave the Committee has every sympathy with officers who are put to inconvenience by late sanctioning of leave. The Committee recommends that the Bank adopt the necessary procedures for ensuring that

leave is sanctioned or refused immediately after the receipt of an application for leave.

3) As regards calculation of leave salary the Committee finds that the method followed by the Government of India is very reasonable. The same may be adopted by the Bank.

Housing - Bank and Leased Flats

9.20 At present the Bank has constructed a small number of flats and houses for the use of its officers. It is also following the practice of taking on lease flats and houses belonging to other owners, for the use of its officers. The Officers' Association has represented that the total number of flats and residences owned and leased by the Bank at each centre falls short of the requirements of the officers. There is acute housing shortage in all the centres. The officers are liable to transfer all over India. An officer newly arriving at a centre naturally finds it difficult to hire by his own efforts

a suitable residence on a rent he can afford to pay. As many of the officers of the Bank hold positions that bring them into daily contact with large sections of the public and/or local Government Departments and commercial and industrial institutions, it is desirable that the officers are given housing accommodation by the Bank so that they can maintain their position and perform their duties satisfactorily. The Committee recommends that the Bank review the position of housing at each centre at regular intervals and see that an adequate number of flats and residences either owned or hired by the Bank is made available to the officers in each centre.

9.21 Another request made by the Officers' Association is that, as the Bank's officers are liable to transfer all over India it would be a matter of great convenience to them if the Bank can provide furnished accommodation. The

Committee understands that considerable effort and strain is involved in packing, transporting and unpacking personal effects. In this context the Committee recommends that the practice in the State Bank of India may be studied and the Bank take action in gradual stages to furnish all flats and residences owned by the Bank in the different centres.

9.22 As regards the houses and flats taken by the Bank on lease, the officers have represented that the ceiling of rent fixed for such hired flats by the Bank is very low, with the result that the officers are compelled to move to the outer suburbs of the cities where rents are lower than nearer the centre of the city where the Bank building is usually situated.

9.23 The Officers' Association has also represented that a scale of accommodation has been prescribed for officers in terms of square

foot area which results in the officers being made to live in unsuitable flats. They have also represented that the square foot area ceiling should be different for different centres as rentals are higher in the cities and lower in the towns. The Committee recommends that the rent ceiling as well as the area ceiling be fixed ~~in proportion to~~ ^{bearing in mind} the floor area of flats and houses built by the Bank for its officers. ~~The~~ ^{rent} ~~should be calculated according to~~ ^{bearing in mind} the prevailing rate in the city for a flat or house of the area the Bank has already built. ~~The~~ ^{rent} ~~Committee also recommends that the floor area ceiling for centres without City Compensatory Allowance should be fixed at a higher level than that in centres with City Compensatory Allowance.~~ ^{in to say}

9.24 The Officers' Association has further represented that officers officiating in higher posts should be entitled to get a flat suitable

to their higher grade without having to wait for the completion of one year's continuous service as is at present required. The Committee feels, however, that this will not be possible in the case of hired flats and, therefore, it cannot agree to the granting of the request of the Association in this respect.

9.25 The Officers' Association has represented that officers have very often to wait many months at a new place where they have been posted for lack of hired flats which are not readily available. In such cases the Committee feels that the Bank should take on hire new flats as soon as they become available. The question of a surplus number of flats remaining unoccupied does not arise because the Bank can always provide in the lease contract for surrendering the lease after giving reasonable notice.

9.26 The Officers' Association has represented on several points relating to allotment of flats. These are purely administrative matters and the Committee therefore makes no recommendation in respect of these points.

9.27 The Bank has a scheme for giving housing loans to its employees for constructing their own houses. The Officers' Association has represented that the present ceiling for the loan, which is at 48 months' pay or Rs.50,000/- whichever is less, be revised upwards as the present ceiling does not provide enough finance for purchasing a suitable flat or house. The only way the loans under the present scheme can be made use of by officers is either to contribute from their own pockets a large share of the purchase money or to purchase flats and houses on the outskirts of the city. The Officers' Association has further represented that the facility for the employee

to withdraw from the provident fund to contribute towards 10 per cent of the cost of the housing, (the Bank's loan being limited to 90 per cent of the cost) cannot be made full use of because such withdrawal is restricted to employees who have completed 20 years service. The Officers' Association has therefore represented that the service limit should be reduced to 10 years. Thirdly, the Association has requested that the housing loan should be made free of interest. It has cited the State Bank of India which provides interest-free loans to its employees for housing. The Bank is at present giving these loans at a concessional rate of interest. It also charges an additional 3 per cent interest on the loan if the house or flat built/purchased from the loan is leased out by an officer. The Officers' Association has requested that no additional interest should be charged if the flat is let out, as such letting becomes

necessary when officers are transferred from the centre where they have built their flats/houses. The Officers' Association has also represented that the present policy of the Bank of refusing a second housing loan at the same centre for the same employee should be reconsidered and such permission should be granted on merits. Another request of the Association is that the Bank should not refuse to provide an officer with a flat/house owned or hired by the Bank if he happens to own a residence in that centre. The Association says that this rule causes hardship when the officer finds it difficult to get back his flat/house from a tenant to whom he had let it out when previously transferred from that centre. Another request from the Officers' Association is that the housing loan at present made available to officers by the Bank for buying flats in a building belonging to a co-operative society should be extended to the purchase of

flats in a building not so belonging. It has requested further that the loan should be given to officers on equitable mortgage so that officers can save stamp duty.

9.28 The Committee feels that the Bank's scheme for housing loans is one which benefits both the officers and the Bank. The officers become owners of residence which not only provide them with a convenient residence during the service but will be a great boon to them after retirement. At the same time, the Bank benefits by not having to invest in putting up its own buildings for its employees to the extent the employees buy or build their own houses/flats.

9.29 The Committee recommends, therefore, that this scheme be made as popular as possible, so that the maximum use is made of it. The Committee recommends that the limit for loan admissible at present be raised to a sum equal

to 60 months' pay or Rs.72,000/-, whichever is less. The present rule limiting the loan to 90 per cent of the cost may remain. The interest charged at present is a concessional one of 3 per cent per annum. The Committee recommends no change in this rate. It feels that it is quite reasonable for the Bank to charge an additional rate of 3 per cent interest if the house or flat built or bought with the use of a housing loan is let by an officer. The Committee recommends no change in this respect.

9.30 As regards the withdrawal from the provident fund to meet the 10 per cent of cost of housing the Committee recommends that such withdrawals be permitted after an officer has completed 10 years of service. As regards the other requests of the Officers' Association the Committee feels that there is no case for any change and therefore does not make any recommendation.

General Suggestions for Amelioration
of Conditions of Service of Officers

Pay scales and allowances

9.31 In paragraph 3.6, the Committee has referred to the need for frequent review of policies relating to the remuneration of officers to ensure that the levels of remuneration will stand the tests of adequacy as well as equity which keep on changing from time to time. The Committee suggests that such reviews may be carried out with due regard to the guidelines set out in Chapters 4 and 7 at intervals of ~~xxx~~ ^{about} ~~xxx~~ ^{five} years.

Amenities at the Housing Colonies
of the Bank

9.32 In the course of the hearings it was brought to the notice of the Committee that Staff Officers Gr.II promoted as Staff Officers Gr.I often continue in the same quarters which they were occupying as Staff Officers Gr.II,

but are on promotion required to pay water charges from which they were previously exempt. Moreover, though they are entitled to a higher house allowance on promotion, they continue to draw the same house allowance under the rules of the Bank if they are not moved to better quarters. They are thereby denied the higher amenities of better quarters. In order to compensate such officers the Committee suggests that facilities like geysers, almirahs and free water supply may be provided.

Visiting Officers' Flats

9.33 The Committee finds that the standard of amenities and maintenance of the visiting officers' flats of the Bank is far from satisfactory. The Committee suggests that necessary improvements in these respects may be made by the Bank in consultation with the Associations of the officers.

Branch Office Managers

9.34 It has been brought to the notice of the Committee that in some cases certain Branch Managers as well as certain other officers posted at the branches are of the same grade resulting in the anomalous position of the Manager having administrative control over officers who may be actually senior to him in the same grade. This anomaly will become further obvious when common seniority lists are maintained for each grade. In the opinion of the Committee such situations should be avoided by ensuring that a Branch Manager is always of a grade higher than that of any other senior officer posted at that branch.

Grant of Allowance for entertainment
to Regional Heads

9.35 During the course of one of the meetings with the heads of departments, it was brought to the notice of the Committee that officers posted

as Regional Heads have to come in contact with various officials who call on them and occasionally entertain them. It was suggested that, as a matter of return of courtesy, the Regional Heads entertain such officials. Since they are not entitled to any entertainment allowance, sanction of some allowance may be considered.

Access to Official Conveyance

9.36 Another question raised was regarding access to official conveyance. It was stated that the senior officers in the Agricultural Credit Department have to maintain direct and close contact with the State Governments, Registrars of Co-operative Societies and the State Co-operative Banks. Unless they have access to official conveyances, it is very difficult to do so. At times meetings are at places where a public conveyance is not easily available and the officers have to rely on

tongas and rickshaws and bargain with the drivers on the fare. Since the image of the institution is to be maintained a request was made that all Regional Offices should be provided with a car. The Committee suggests that the Bank examine the request.

CHAPTER 10

SUPERANNUATION BENEFITS

Age of Retirement

10.1 The Officers' Association has demanded that the present practice of granting extensions on an annual basis after the age of 55 upto 58 be discontinued and suggests that the retirement age be fixed uniformly at 58. The Supervisory Staff Association, though it did not demand any increase in the retirement age in its statement of claims, submitted a supplementary claim demanding the fixation of the retirement age at 60. The supplementary demand was not admitted by the Committee. The Bank has stated that it is not correct to say that annual extensions are being granted after the employees attain the age of 55. According to it the cases of such employees are specially examined every year so as to secure that an

employee who has passed the stage of usefulness is not allowed as a matter of course to continue beyond the age of 55 for any period longer than desirable.

10.2 The Supervisory Staff Association has also demanded that the Staff Regulations 26(1) and 26(2) may be deleted as they are used as a penal measure to retire officers before the due date of retirement. The Bank has stated that there is no substance in this contention.

10.3 The Committee has considered the contentions mentioned above and recommends that the age of compulsory retirement of officers may continue to be the attainment of 58 years. But on two earlier occasions, viz. on the attainment by an officer of the age of 50 years and again on the attainment of the age of 55 years, either the Bank or the officer may,

by three months' previous notice in writing, bring about the retirement of the officer without assigning any reason. Such retirement shall be deemed to be normal superannuation.

10.4 Notwithstanding the retirement at the age of 58 years, where an officer has to his credit ordinary leave earned but not availed of as on the date of retirement, he may be permitted to avail himself of the leave after the date of superannuation, subject to a maximum of six months in respect of leave earned. In such a case the employee will be deemed to retire from service at the expiry of the leave. The Bank may at its option pay to the officer salary in lieu of the period of leave on his retirement.

Provident Fund

10.5 At present the rate of interest payable on provident fund balances is fixed at the end of each year on the basis of the average yield to redemption throughout the year of rupee securities of the Government of India of approximately 20 years maturity rounded off to the next half percentage above. Accordingly the rate of interest has been fixed at $5\frac{1}{2}$ per cent for the current year. The Officers' Association has demanded that the interest rate be raised to at least 7 per cent, as the interest rate works out to 7 per cent on long-term fixed deposits and the dividend paid on the Units of the Unit Trust of India exceeds 7 per cent. The Bank has contended that, since the interest is fixed under two statutes, viz. the Provident Fund Act, 1925, and the Reserve

Bank of India Act, 1934, no change can be made in the matter of computation of interest without the Central Government's approval.

10.6 The Committee recommends that the Bank should pay interest on provident fund balances at 6 per cent per annum. In respect of amounts of provident fund which are not paid within six months after the retirement, resignation or death of an officer on account of delay on the part of the Bank interest should be paid at the same rate upto the date of payment. The Committee also recommends to the Bank to dispose of cases of payment of provident fund balances as expeditiously as possible.

10.7 As the Committee has proposed the abolition of Local Pay, the question of taking

that into account for purpose of provident fund contributions will not arise.

10.8 The Officers' Association has demanded that Dearness Allowance should be treated as Pay for the purpose of superannuation benefits such as gratuity and provident fund contribution. This, however, does not appear to be the practice in any other organisation and the Committee does not recommend the acceptance of this demand.

Gratuity

10.9 At present gratuity is being paid at the rate of one month's pay for each completed year of service subject to the limit of Rs.25,000/- or 15 months' pay whichever is less. Additional gratuity is admissible on the basis of half month's pay for each completed year of service beyond 30 years without any monetary limit.

10.10 The two Associations of the officers have demanded that the ceiling of Rs.25,000/- as well as 15 months' pay should be removed and gratuity should be paid at the rate of one month's pay for every year of service upto 30 years of service.

10.11 The Committee has carefully considered these demands and feels that there is room for some increase in the limit on gratuity fixed at present. The Committee recommends that gratuity should be paid at the rate of one month's pay for every year of service upto 30 years' service with a ceiling of Rs.30,000/- or 20 months' pay, whichever is less. The present payment of half month's pay for each year of service after 30 years' service should continue unchanged. If any tax liability arises because

of the change in the ceiling as recommended above, this liability will be discharged by the officer and not by the Bank.

Pension

10.12 The two Associations of the officers have represented that the Bank should introduce a pension scheme which will ensure that the officers have a regular source of income in their old age. The Officers' Association has suggested that a pension scheme be introduced by paying a premium to the Life Insurance Corporation in its Pension Scheme. On the other hand the Supervisory Staff Association has suggested that the provident fund at present available might be allowed to remain undisturbed but the gratuity payable might be modified and a pension scheme introduced. According to it this would be in line with the

recommendations of the National Commission on Labour. The Bank has stated in its reply that the existing superannuation benefits are quite reasonable and substantial. Officers in the Bank are already getting the benefit of (a) Contributory Provident Fund, and (b) Gratuity. The Bank feels that there is no room for a third superannuation benefit in the form of pension. But it has no objection to consider a pension scheme if the two Associations are in a position to put forward a scheme which would not add to the Bank's financial burden on account of superannuation benefits.

10.13 The Committee finds that in the case of the government officers, while there is pension as well as gratuity, the Government does not contribute to the provident fund. Instances have been quoted of some commercial institutions

extending a third or three superannuation benefits to their employees. The Committee feels, however, that the Bank is justified in its present stand that reasonable and substantial superannuation benefits are accruing to its officers. The Committee, however, recommends that the Bank may explore the possibility of utilising a part of the gratuity for instituting a pension. This will not involve the Bank in any financial liability, but will at the same time benefit the employees in providing them with a small recurring income on retirement.

P A R T I V

CHAPTER 11

SERVICES BOARD AND GRIEVANCES BOARD

Reserve Bank of India Services Board

11.1 A Services Board has already been constituted under the Reserve Bank of India Services Board Regulations, 1968, and the Board is functioning. The Board consists of a Chairman, a Member-Secretary and such other Member or Members as the Governor may from time to time appoint for a specific period or for a specific purpose. It has been urged strongly on behalf of the Officers Association that the Chairman of the Board should always be a sitting or a retired Judge of the Supreme Court of India or of an Indian High Court.

11.2 The reasoning of the Officers' Association is, in the opinion of the Committee, more particularly applicable to a Grievances Redressal Board and the request of the Association has accordingly been dealt with

by the Committee in connection with the appointment of that Board. It may, however, be possible for the Bank to appoint a single person as Chairman of the Services Board and of a Grievances Redressal Board. If so, a retired Judge could function as Chairman of both the Boards. If, however, due to the quantity of work involved, each Board requires to have a separate Chairman, the Chairman of the Services Board may be either a retired Judge of the Supreme Court or of an Indian High Court or a retired administrator nominated by the Governor who may also nominate the remaining members of the Board. In the opinion of the Committee a retired administrator from the public services of the Government of India would do equally well as Chairman of the Services Board.

11.3 The Committee recommends that the Services Board should also function as the

Grievances Redressal Board for dealing with complaints relating to promotions, seniority and crossing of efficiency bars and the advice of the Services Board in regard to such complaints should be always accepted by the Bank.

Grievances Redressal Board

11.4 The two Associations of the officers have urged the necessity for the institution of an independent machinery to hear appeals in cases of grievances of officers. At present, if an officer has a grievance he makes a representation in the first instance to the Governor, who is the competent authority in the case of officers. If the grievance is not redressed by the Governor the officer has a right of appeal under Regulation 49 of the Reserve Bank of India (Staff) Regulations, 1948, to the Central Board of the Bank. The grievance of the Officers' Association is that the

Central Board is more likely to endorse the official action than change it and that an appeal under Regulation 49 is an appeal from Caesar to Caesar. It was urged on their behalf that officers in the Civil Services of the Central and State Governments have the protection of Articles 301 to 311 of the Constitution of India and have a choice of three remedies of resort to ordinary courts of law of the land. They can file a writ petition in the Supreme Court direct under Article 32 of the Constitution or in a High Court under Article 226 of the Constitution or file a suit in a court of first instance challenging the wrong done to them. They have further contended that, even in the Bank, employees up to the level of Class III employees have the right to approach special judicial tribunals under the Industrial Disputes Act. They contend that the officers of the Bank have no access to the judicial tribunals of the land.

They have urged that in the redressal of their grievances fairness must be ensured. The Bank has contended that the procedures of the grievances machinery available in the Bank give adequate safeguards to every officer to make an appeal to the Central Board of the Bank, which is the highest authority and that, therefore, there is no need for an independent grievance redressal machinery. The Committee has considered the contentions of the Bank and the Associations. In its opinion fairness is essential in the administration by the judges of the country of both legal as well as natural justice. It is axiomatic that justice must not only be done but it must also appear to be done. The two Associations, therefore, urged that, in order that justice should appear to be done, the Chairman of the independent body proposed by them for hearing appeals should be a sitting or a retired judge of the Supreme Court or of an Indian High Court.

11.5 The Committee recommends that a Grievances Redressal Board be constituted for the redressal of grievances of the officers and all appeals under Regulation 49 should lie to such Board instead of the Central Board of Directors of the Bank except those relating to promotion, seniority and crossing of efficiency bars which should lie to the Services Board and the advice of the Grievances Redressal Board be always accepted by the Bank. The Committee further recommends that the Board should consist of a Chairman, who should be a retired **Judge** of the Supreme Court or of an Indian High Court nominated by the Governor, and who, as suggested above, may also function as Chairman of the Services Board, of a Deputy Governor of the Bank whose department is not directly involved in the grievance which is the subject matter of appeal and of an officer of the Bank who is immediately superior to the one whose action

or decision is the subject matter of the grievance in respect of which the appeal has been filed.

11.6 The Committee further recommends that the Bank should constitute a Joint Consultation Council consisting of four members, two of whom should be nominated by the Governor of the Reserve Bank, one by the Officers' Association and one by the Supervisory Staff Association.

11.7 When an appeal has been filed under Staff Regulation 49, the Grievances Redressal Board may refer the complaint - if it affects a group of officers - arising from administration of

- (1) medical benefits;
- (2) facilities while on tour;
- (3) late sitting/duty beyond office hours and/or on holidays;
- (4) leave;
- (5) leave fare concession;
- (6) housing accommodation;
- (7) housing loan;

- (8) issues arising out of interpretation of Staff Regulations or administrative circulars;
 - (9) promotion policy; or
 - (10) issues arising from postings/transfer,
- to the Joint Consultation Council. The recommendation of the Joint Consultation Council should be forwarded to the Grievances Redressal Board and should ordinarily be accepted by the Board who should advise the Bank in accordance with such recommendation.

11.8 In the case of complaints other than those falling under the preceding paragraph, the Grievances Redressal Board may, in their discretion, refer the complaint in the first instance to an officer immediately superior to the one against whose action the appeal has been filed. The Officer to whom the complaint is referred should try to redress the grievance within the time given to him

by the Grievances Redressal Board. The officer should report the result of his efforts to the Grievances Redressal Board. The appeals should in all cases be disposed of by the Grievances Redressal Board.

CHAPTER 12

RECRUITMENT AND PROMOTION

RECRUITMENT

12.1 The Officers' Association has contended that direct recruitment to officers' cadre should be confined to the base level. It suggests that it should be consulted by the Bank in the matter of direct or outside recruitment. The Supervisory Staff Association is, however, of the view that direct recruitment causes irritation and demoralisation amongst the existing staff. It has deprecated direct recruitment and has in turn ridiculed it. The Bank has contended that recruitment is essentially a management function and the two Associations of the officers have nothing to do with this function.

12.2 The terms of reference, however, enjoin upon the Committee to examine and make recommendations on changes desirable in respect of the

manner in which appointments are at present made to posts in the cadres of Staff Officers Gr.I and II having due regard to the need for introducing from time to time a reasonable proportion of new blood by direct recruitment from the open market as well as from among the personnel already in the service of the Bank.

I. Recruitment to Grade I of Staff Officers
(Proposed Grade 'B')

12.3 The Committee is of the view that persons with talent, initiative and enterprise should be recruited at a young age so that they could be trained at an early age and may ultimately reach the higher echelons of the service in the Bank. At the level of Staff Officers Gr.II (proposed Grade 'A'), weightage has necessarily to be given to people who rise from Class III to provide opportunities for self fulfilment to the employees of that class. The number of officers in the senior grades is small and direct

recruitment at that level must necessarily be confined only to cases where it is absolutely necessary to do so. The proper stage at which suitable young talent should be attracted will, therefore, be at the level of Staff Officers Gr.I (proposed Grade 'B'). The Committee, therefore, recommends that one-third of the Staff Officers Gr.I be recruited direct at a young age.

12.4 The Committee is also of the view that a suitable pay scale and other remuneration be provided for Staff Officers Gr.I so as to attract as direct recruits young men with ambition, ability and initiative who could be moulded into successful and responsible leaders. For this it is necessary to offer competitive emoluments. The pay scale recommended for this grade in Chapter 4 takes this factor into consideration.

12.5 In the Committee's view young men recruited direct as Staff Officers Gr.I should have higher academic qualifications than those recruited at the level of Staff Officers Gr.II. It, therefore, recommends that the minimum academic qualification for direct recruitment to this grade should be a Second Class degree in Law or a Second Class Master's degree or higher than Master's degree in any discipline. Persons with these academic qualifications may be inducted by an objective and rational selection procedure. The Committee recommends that this process should consist of written tests, interviews and, if necessary, group discussions. To provide for recruitment at an early age and at the same time to leave sufficient scope for the acquisition of the necessary academic qualifications the Committee recommends that at the time of appearing for the written

test candidates should not be above 27 years of age. In the case of persons already in the service of the Bank and in the case of members of the scheduled castes and scheduled tribes the Committee recommends a relaxation of three years in age.

12.6 Further the Committee recommends that the written tests should be in subjects like the Practice and Law of Banking, Economics, Book-Keeping and Accounts, Economic Geography, Commercial Law, Foreign Trade, Public Finance and its Administration and Control of Foreign Exchange. The written tests become necessary due to varying standards of education in different universities in this country.

12.7 The candidates should be interviewed only if they have passed the written test. The points to be considered at the interview are not only the appearance and the deportment of

of the candidate but also his ability to express himself and his social behaviour. The ability of the candidate to take initiative and to take decisions has also to be judged. Complaints have often been made in this country that if a high percentage of marks is allotted to viva voce it opens the door for nepotism, parochialism and other undesirable influences in recruitment. The Committee recommends that the marks assigned for viva voce should be about 20 per cent of the aggregate marks assigned to written tests as well as interview.

II. Recruitment to Grade II of Staff Officers (Proposed Grade 'A')

12.8 The Bank has already arrived at an agreement with the All-India Reserve Bank Employees' Association on the question of the percentage of vacancies to be filled in the grade of Staff Officers Gr.II by promotion from the Class III cadre and the percentage to be filled

by direct recruitment from outsiders as well as employees in the Class III cadre. The agreement also covers the initial qualifications for recruitment to this cadre, the subjects for the written test, other particulars of the written test and the interview, training, etc. In the Committee's opinion this agreement may be adhered to by the Bank and the Committee does not consider it necessary to make any recommendations contrary to or inconsistent with it.

12.9 Direct recruitment at all levels should be through the Services Board of the Bank.

PROMOTION

Promotion to Grade I of Staff Officers (Proposed Grade 'B')

12.10 The Committee has recommended in paragraph 12.3 above that one-third of the officers in proposed Grade 'B' be recruited direct. The remaining two-thirds of the posts will be

available for promotion from the proposed Grade 'A' (present Staff Officers Gr.II) which itself comprises a large number of officers promoted from the workmen cadres and only a small percentage recruited direct. Moreover, some of the direct recruits are selected from the workmen staff themselves who satisfy the other conditions of direct recruitment and who have competed for such recruitment with outsiders. From the year 1970 the ratio of promotion to the cadre of Staff Officers Gr.I (proposed Grade 'B') from the cadre of Staff Officers Gr.II (proposed Grade 'A') has been 3 : 1, i.e. of every four vacancies, the first three have gone to officers promoted from workmen cadres as Staff Officers Gr.II and the fourth vacancy has gone to direct recruits to Grade II. This ratio was fixed in an agreement between the Bank on the one hand and the Supervisory Staff Association on the other on 9th January 1970. The demand of the Supervisory

Staff Association is that the existing ratio of promotion embodied as it is in the agreement of 9th January 1970 be adhered to and not departed from. The contention of the Officers' Association, however, is that this ratio holds up the promotion of direct recruits and is unfair to them. It has demanded a ratio of 1 : 1. The Bank itself has taken the stand that the ratio fixed in the agreement of 9th January 1970 was provisional and subject to review by the Committee. The Supervisory Staff Association denied that the ratio fixed in the agreement was provisional.

12.11 The Committee is of the view that the entire matter of recruitment, promotion and composition of cadres having been referred to the Committee notwithstanding the existing ratios and notwithstanding the agreement, if any, whether provisional or not, the question is open to be reviewed by the Committee.

12.12 In Chapter 13 of this Report the Committee has recommended greater mobility of officers in various departments and groups for promotional as well as other purposes. Moreover, for promotional purposes, the Committee has made two further recommendations, viz., the regrouping of departments of the Bank and drawing up of common seniority lists in each grade. For the purpose of drawing up a common seniority lists, the Committee has recommended that the date of entry by each officer in a grade in a continuous officiating capacity be adopted as the determining date of his seniority in the grade. This entry may be either by promotion or by direct recruitment. In view of these recommendations and in the interest of greater mobility the Committee is unable to subscribe to the principle of any ratio of promotion between promotees and direct recruits in Grade II (proposed Grade 'A') for promotion to Grade I

(proposed Grade 'B'). Promotions will have to be made in the order of seniority irrespective of the source from which the officer in Grade II was drawn. The Committee recommends that, in view of the fact that the ratio of 3:1 for promotion to Grade I was introduced provisionally and subject to review with effect from 1st January 1970, the principle now proposed by the Committee be applied from the same date and all promotions made after 1st January 1970 be **regularised** by that principle.

Recruitment Policy

12.13 Earlier in this Chapter the Committee has made its recommendations regarding appointment by direct recruitment and by promotion to the posts of officers at the levels of the proposed Grade 'A' and Grade 'B'. The Committee has indicated that for recruitment at the Grade 'A' level the agreement between the Bank

and the All India Reserve Bank Employees Association be adhered to, while for recruitment at the Grade 'B' level upto one-third of vacancies be filled by direct recruitment to inject fresh blood of qualified persons with talent, initiative and enterprise into the Bank's service, through a rigorous selection process executed by the Services Board.

12.14 The Committee ~~feels~~ feels that it should be the endeavour of the Bank to fill posts other than those in the proposed Grades 'A' and 'B' from within its own organisation, except for posts requiring specialisation for which adequate talent is not available within the Bank.

12.15 The soundness of the policy of promotion from within is beyond doubt provided the following three steps are observed:

1. determining manpower demand;
2. determining manpower supply;
3. matching supply with demand.

These three elements are essential ingredients of a comprehensive manpower planning system, which must be developed in the Bank on a priority basis.

Importance of Manpower Planning

12.16 Manpower Planning is a highly important aspect of effectively managing the staffing process in any organisation. It includes an analysis of the levels of skills in the organisation, an analysis of current and anticipated vacancies due to retirements, discharges, transfers, promotions, leaves of absence or other reasons, and an analysis of current and expected expansions or curtailments in different departments. On the basis of manpower planning the training and development of present employees should be programmed and steps for recruiting new people with appropriate qualifications should be taken.

Manpower Planning in the Bank

12.17 A beginning has been made in the Bank towards the development of a Manpower Planning System. A note on the subject was prepared by the Organisation & Methods Division of the Bank in December 1971, a summary of which is reproduced in Appendix IV. By providing a scientific data base, manpower planning can promote correct decision making concerning recruitment, training and promotion to the posts of officers in the Bank.

Promotion Policy

Existing Policy and Problems

12.18 The historical evolution of groups in the Bank as independent units for promotion of officers to higher grades is dealt with in ~~chapter~~ 13. The officers working in each group are normally eligible for promotion only in their own group though the Bank reserves the right to transfer or promote officers from one

group to another when it is considered necessary in the interest of the Bank. In this system the officers in a department/group are expected to look forward for promotion in their career within the same department or group. With such a promotion policy it is but natural that officers in some departments get quicker promotions, depending upon the number of vacancies arising in the departments/groups on account of normal expansion of activities, retirements, etc., as compared to their counterparts in other departments/groups.

12.19 The Bank has been conscious of this problem and, with a view of equalising promotional opportunities in various departments/groups, certain measures have been taken in the past which are outlined below:

- (a) provision of ex-cadre posts;
- (b) provision of expansion posts;
- (c) provision of Optee Scheme for Staff Officers Gr.II.

In spite of the above measures, the equalisation of promotional opportunities for all the officers in the Bank has not been achieved. This has given rise to heart-burning amongst the officers of those departments/groups where chances of promotion have been relatively small.

Proposed Policy

12.20 The Committee recommends the following measures to improve the situation:

1) as recommended in Chapter 13, re-grouping the departments of the Bank, encouraging intergroup mobility of officers and interchangeability of posts, and providing the required mobility training to officers needing it;

2) considering promotion policy as a part of overall manpower policy linked to a comprehensive manpower plan embracing recruitment - training - promotion aspects;

3) preparation of Job Specifications for each officer position in the Bank and prescribing

realistic norms of minimum educational qualifications, experience and specific skills required for each job;

4) improvement of personnel data and recordshandling system including their storage and retrieval;

5) improvement of the Performance Appraisal System;

6) Computerisation of the personal information system with particular reference to the Management Skill Inventory in the Bank.
(This topic has been dealt with in Chapter 15.)

Analysis of Promotions of Officers in the Bank

12.21 An analysis of promotions of a sample of officers of the Bank, including Staff Officers Gr.II (promotees) was made as a part of the studies conducted by the Advisory Group assisting the Committee. 127 officers, including Staff Officers Gr.II (direct recruits) and 159 Staff

Officers Gr.II (promotees), were included in this random sample drawn from all of the existing five groups of the Bank as shown in Appendices V and VI. The progression of each of these officers was analysed and the number of years of service which elapsed between successive promotions was indicated in the form of charts, vide Appendices VII and VIII. The comparative promotion index in respect of the officers from each group is tabulated in Table OA/1 below, in the case of officers other than Staff Officers Gr.II (promotees) and Table SA/1 below, in the case of Staff Officers Gr.II (promotees).

TABLE OA/1
COMPARATIVE PROMOTIONS IN VARIOUS GROUPS
OF OFFICERS
 (other than Staff Officers Gr.II promotees)
 1935-69

Group	Total No. of officers	Total promotions	*Average No. of promotions per officer
I	42	134	3.2
II	37	83	2.3
III	30	70	2.3
IV	12	29	2.4
V	6	23	3.8
TOTAL	<u>127</u>	<u>339</u>	<u>2.7</u>

*Promotion Index has been highest in Group V, being 3.8, next is Group I (3.2), while it is lowest in Groups II, III and IV (2.3 to 2.4)

TABLE SA/1COMPARATIVE PROMOTIONS IN VARIOUS
GROUPS OF OFFICERS

(Staff Officers Gr.II promotees) 1935-69

Group	No. of Staff Officers Gr.II	Total promotions	*Average No. of promotions per officer
I	111	241	2.2
II	23	51	2.2
III	12	33	3.0
IV	9	19	2.1
V	4	9	2.2
TOTAL:	159	353	2.2

*Promotion index has been highest at 3.00 in Group III and almost even at 2.2 for other Groups in the Bank.

12.22 Further, the number of years for each of the promotions in any group in respect of both broad categories of officers in the Bank is shown in Tables OA/2 and SA/2 below:

TABLE OA/2GROUPWISE ANALYSIS OF YEARS OF PROMOTIONS OF OFFICERS
(other than Staff Officers Gr. II promotees) - 1935-69

Promotions No.	I	II	III	IV	V
1	5	5	5	4	3
2	5	5	4	4	3
3	5	5	5	5	5
4	5	5	5	5	5
5	5	5	5	5	5
6	5	5	5	5	6
7	5				8
8	4				

On an overall view an average of 5 years was taken for each promotion irrespective of Group and the number of promotions.

TABLE SA/2

GROUPWISE ANALYSIS OF YEARS OF PROMOTION
OF STAFF OFFICERS GR. II
(promotees) 1935-59

Promotion No.	I	II	III	IV	V
1	8	6	6	4	4
2	8	6	4	4	3
3	4	4	4	4	

On an overall view an average of 6 years was taken for the first promotion, 5 years for the second promotion and 4 years for the third promotion till reaching the supervisory level of Staff Officer Gr.II (promotees)

12.23 It will be seen that on an average an officer takes about five years for his next promotion, and the present Staff Officer Gr.II (promotee) has taken six years for his first promotion, five years for the second promotion and four years for his third promotion. These are only approximate figures based on an analysis

of a sample of officers which was of course a completely random sample. The results of this analysis, however, may be indicative of the usefulness of such analysis for structuring the future recruitment and promotion policy of the Bank on the basis of minimum standards of qualifications for various officer posts as given in Appendix IX relating to Job Specification. This needs further refinement on the part of the Bank by adopting other proposals of the Committee such as that for computerisation of personnel records, etc. mentioned in this Chapter. This will enable the processing of data much faster and their analysis more rigorously with a view to evolving meaningful policy decisions for the future.

Job Specifications

12.24 In Chapter 3 as well as Chapter 13, the Committee has mentioned the need for establishing

objective job specifications for each officer position in the different departments in the Bank. The job specifications will be prepared out of job profiles and job descriptions for each officer position in a department, normally in the course of a Job Evaluation Programme. Job Specifications will reflect the requirements of the individual personnel in terms of the minimum qualifications (educational, training, on the job experience, etc.) which will enable the person to perform his job efficiently and effectively.

12.25 The job specifications so determined will be very useful for the purpose of recruitment, training, transfer and promotion by a process of matching the job with the man.

12.26 Each department of the Bank in the course of previous experience has already some information as to the minimum job requirements for

various posts which may have been advertised in the newspapers from time to time for recruitment from outside. It is, however, felt that a central agency like the Personnel Department or a Working Group consisting of persons from the Personnel, Organisation & Methods and some other departments may make a co-ordinated effort and prepare an overall frame-work specifying the minimum qualifications and years of experience for the various posts of officers in the Bank, in administration, professional or technical categories of jobs.

12.27 The purpose of the proposal for the Committee on Job Specification is to avoid arbitrariness and at the same time to define the minimum qualification for a post. To illustrate: either through convention or tradition it may be that in a particular department the minimum qualifications required for

performing the work adequately at a Staff Officer Gr.II or Staff Officer Gr.I level may be a Bachelor's degree, whereas in actual practice during recruitment or at the promotion stages a Master's degree may be insisted upon, or an even higher degree for that matter. By virtue of specifying objective qualifications and experience standards for each post this arbitrariness will be reduced and many cases of avoidable stagnation due to these arbitrary conditions could be avoided.

Performance Appraisal

12.28 Performance appraisal is often perceived simply as a technique of personnel administration. But where it is used for administrative purposes, it becomes part of a managerial strategy, the implicit logic of which is that, in order to get people to direct their efforts towards organisational objectives, management must tell them

what to do, judge how well they have done, and reward or punish them accordingly. This strategy varies in detail from organisation to organisation, but in general it includes the following steps:

1) a formal position description, usually, prepared by staff groups, which spells out the responsibilities of the job, determines the limits of authority, and thus provides each individual with a clear picture of what he is supposed to do;

2) day-by-day direction and control by the superior within the limits of the formal position description; the superior assigning tasks, supervising their performance and, of course, giving recognition for good performance and criticism for poor performance correcting mistakes, and resolving difficulties in the day-to-day operation;

3) a periodic, formal summary of the subordinate's performance by the superior, using some kind of standardised rating form; typically the rating will include judgments concerning the quantity and quality of the subordinate's work, his attitudes towards his work and towards the employer (loyalty, co-operativeness, etc.), such personality characteristics as his ability to get along with others, his judgment, and his reactions under stress, and overall judgments of his "potential" and of his readiness for promotion;

4) a session in which the superior communicates his judgments to the subordinate, discusses the reason for them, and advises the subordinate on ways in which he needs to improve; and

5) the subsequent use of the formal appraisal by others in the administration of salaries, promotions and management development programmes.

Performance Appraisal in the Bank

12.29 The Bank has a system of performance appraisal for officers in the form of confidential reports on prescribed forms as follows:

Form A - applicable for confidential reports of Staff Officers Gr.I and Senior Staff Officers.

Form B - applicable for confidential reports of Sub-Accountants/ Research Superintendents and Staff Officers Gr.II.

Each of the two forms mentioned above cover 13 specific traits and an overall assessment.

12.30 The reporting officer and the officer next above the reporting officer each completes the form in respect of the officer reported on, independently. Then an Appraisal Committee consisting of the reporting officer, the officer next above him and a third officer discusses the two independent confidential reports and an agreed overall assessment of performance is finalised.

12.31 The performance appraisal system in the Bank has the usual shortcomings of a conventional appraisal system. As the various traits have different meanings for different persons and similarly the various adjectives used in the performance appraisal form ranging from outstanding to poor have also similarly different meanings for different persons, the appraisal system is not very helpful for counselling of the employee to promote future growth and development. The Committee is, therefore, of the view that the Bank should initiate a Management by Objectives system which has in-built appraisal and counselling components. This aspect has been dealt in Chapter 15. When the proposed MBO system is installed, the existing annual confidential reporting system will become redundant.

Management Inventory in the Bank

12.32 To facilitate the recruitment, training and promotion functions the Bank should draw up

an inventory of their manpower. The main elements of a personnel inventory are:

- A. personal data;
- B. educational qualifications, Institute of Bankers Examination passed, other professional qualifications, if any;
- C. previous employment record;
- D. career in the Bank;
- E. training courses attended:
 - a) In India;
 - b) Overseas;
- F. special aptitude or liking for any post in the field of banking, etc.

Possible formats for personnel inventories are given in Appendix X as illustrations.

12.33 The needs of the Bank from the point of view of data handling will be:

- i) maintenance of voluminous personnel inventory data in respect of officers;
- ii) updating the variable part of the data, i.e. experience, training etc., periodically, say every six months;

iii) classifying officers under variables such as educational qualifications or training, experience, age, etc. for analysis;

iv) extracting the relevant information within a short time.

12.34 The information has to be fed into the computer memory so that updating, classifying and extracting information can be done quickly

12.35 Skills Inventory System is rather a sophisticated system. It entails preparing an inventory of the supply of skills, and a forecast for demand of skills. Appraisal format will give a supply of skills, while job analysis will give a demand of skill. The plan of action will lie in trying to match supply with demand, and in the process in trying to make systematic development of skills of executives. The skills will be:

- i) human relations skills;
- ii) leadership skills;
- iii) decision making skills;
- iv) analytical skills;
- v) skills in expression.

12.36 A typical Management Skill Inventory Card based on appraisal of the employee revealing also the areas of training and promotional avenues is reproduced in Appendix XI.

CHAPTER 13

MOBILITY BETWEEN DEPARTMENTS AND INTERCHANGEABILITY OF POSTS

ORGANISATION AND GROUPING

Existing Set up

13.1 In Chapter 2 the Committee has set out the main functions of the Bank and the organisation of work under the overall direction of the Governor. To carry out the principal activities of the Bank, different departments were created from time to time and the departments were grouped together. A chart showing the historical evolution of the existing five Groups in the Bank is reproduced in Appendix XII. Charts showing the various departments in each of the Groups and the internal organisation of each of the departments and the Bombay and Hyderabad branch offices are reproduced in Appendices XIII to XIX. It will be seen from the charts that there is a hierarchy of job structures of officer positions in each department with the Head of the Department

at the top and a Staff Officer Grade II at the bottom. In between there are different levels of officers with different functional designations and pay scales depending upon the activities performed and the size of the department, office, etc.

13.2 Each of these officers has some specified duties and responsibilities attached to the position depending on his level in the hierarchy of the organisation of the department.

Proposed Groupings

13.3 As already stated, the activities of the Bank expanded considerably during the last two decades, and more so in the last few years, and Groups were rearranged from time to time. Therefore, it is natural that one should find irrationalities in the way the grouping has been done.

13.4 The Committee has gone into this, largely because there is an impression among the members of the Officers' Association that Group I possibly

has an added advantage in matters of personnel, because it is the policy and decision making group in certain matters connected with the careers of officers belonging to all departments.

13.5 The Committee considers that this view has some plausibility. A section making personnel policies should not be a part of any other Department, but should be accessible to all persons in the institution and should also be manned by persons with specialised qualifications and experience. Secondly, the Committee feels that one Department is inordinately large compared to others and this by itself, in the context of absence of mobility as at present, might bring about imbalances with regard to promotional opportunities. Thirdly, there is a feeling that a rearrangement of activities among Groups might also lead to better operational efficiency. Fourthly, in the context of the proposal for bringing about greater mobility

among the groups, a regrouping should not only meet the above points, but should also facilitate mobility on a selective basis.

13.6 After forming tentative views on the question of new groupings the Committee discussed those views with the Governor, the Deputy Governors, an Executive Director, heads of departments of the Bank and with the representatives of the two Associations of officers as to the feasibility and administrative possibility and convenience of such regroupings. In the light of these discussions the Committee modified its tentative thinking. In formulating its final recommendations with regard to the new groupings which are set out in the following paragraph, the Committee has adopted a practical approach to the problem. Should however the Bank desire to make further study of the question of regrouping, it may make such adjustments in the proposed groupings as it considers desirable

in the light of the result of such study, keeping in view the objectives and restrictions set out by the Committee in this Report and further taking into consideration the following points:

1) departments performing like functions should be grouped together;

2) the department making decisions on personnel policies as well as privileges and benefits of officers and employees should be separate from the operational departments;

3) the groupings should be such as to facilitate mobility together with selectivity in terms of the recommendations of the Committee.

13.7 The grouping recommended by the Committee is as follows:

GROUP I

- 1) Issue Department
 - (a) General
 - (b) Cash Department

2) Banking Department

- (a) Public Accounts Department
- (b) Deposit Accounts Department
- (c) Public Debt Office
- (d) Securities Department

3) Department of Accounts & Expenditure

4) Inspection and Audit Departments

5) Secretary's Department

GROUP II

- 1) Department of Banking Operations and Development
- 2) Department of Non-Banking Companies
- 3) Deposit Insurance Corporation
- 4) Credit Guarantee Corporation of India Ltd.,

GROUP III

- 1) Agricultural Credit Department
- 2) Agricultural Refinance Corporation

GROUP IV

- 1) Industrial Finance Department
- 2) Industrial Development Bank of India
- 3) Unit Trust of India

GROUP V

Exchange Control Department

GROUP VI

- 1) Economic Department
- 2) Department of Statistics
- 3) Credit Planning and Banking
Development Cell

GROUP VII

- 1) Administration, Personnel and
Staff Relations
 - (a) Training
 - (b) Organisation and Methods
- 2) Services and Grievances Redressal
Boards
- 3) Legal Department
- 4) Premises and Estate Departments
- 5) Residuary Departments:
 - (a) Engineering Services
 - (b) Medical Services
 - (c) Public Relations
 - (d) Security Officers
 - (e) Others

Activities in the proposed grouping

13.8 The principal functions of the various departments of the Bank in the proposed scheme of organisation grouping are outlined in Appendix XX. Charts showing the internal organisation of the various departments in the proposed seven Groups are given in Appendices XXI to XXVII.

13.9 It will be noticed from the above recommendations that after breaking up the relatively big existing Group I and taking away common services departments such as Administration and Personnel, etc. to form the new Group VII the departments remaining in Group I, consisting of Issue Department, Banking Department, Department of Accounts and Expenditure, Inspection and Audit Department and Secretary's Department, will primarily be performing unified type of work and as such

will constitute a logical grouping of activities which can be retained as the proposed Group I.

13.10 From the existing Group II of departments the Industrial Finance Department has been taken away and the officers of the remaining departments, i.e. the Department of Banking Operations and Development and the Department of Non-Banking Companies, together with the officers assigned to the Deposit Insurance Corporation and the Credit Guarantee Corporation (both of these Corporations are independent statutory corporations, but they depend for their staff requirements upon the Bank) will form the new Group II reflecting broadly similar type of work and activity and, as such, providing a logical combination.

13.11 No change is proposed in the existing Group III. In other words, the officers of the Agricultural Credit Department and the officers

manning the Agricultural Refinance Corporation will continue to form Group III of the proposed set up.

13.12 In the proposed Group IV, the Industrial Finance Department has been grouped along with the Industrial Development Bank of India and the Unit Trust of India. It may be mentioned that the Unit Trust of India is an independent statutory organisation and the Industrial Development Bank of India is a wholly owned subsidiary of the Bank, whereas the Industrial Finance Department is a traditional department of the Bank, but, inasmuch as the officers manning the Industrial Development Bank of India as well as the Unit Trust of India are from the Bank for all practical purposes, the interest of intra-department/group co-ordination will be served much more effectively with the proposed grouping.

13.13 The Exchange Control Department, at present in Group I, has been taken out to form the proposed new Group V by itself. The main argument in favour of taking it away from existing Group I is that the operations and regulatory functions required in the Exchange Control Department are of a different nature than the broad work of departments placed in the proposed Group I.

13.14 To the Economic Department and Department of Statistics (at present in Group IV), the Credit Planning and Banking Development Cell has been added in the proposed set up to form Group VI. The logic in this step is that, even in the present set up, where the Credit Planning Cell is under the charge of the Secretary's Department, the officers with special experience had been brought together from such departments as the Department of Banking Operations and Development, the -

the Agricultural Credit Department, Economic Department, etc., who are assisting the Secretary on various problems to evolve policy alternatives in regard to credit management and development of banking. The broad nature of the latter's work is very much akin to the activities of Economic and Statistics Departments and, as such, they have been brought together to form the proposed Group VI.

13.15 A statement showing the groupwise distribution of officers in the proposed grouping of departments is given in Appendix XXVIII. A summary of the statement is given in the following Table:

SUMMARY OF OFFICER POSTS IN THE PROPOSED GROUPING
(actual strength as on 2nd May 1972)

Proposed Grade	G r o u p							
	I	II	III	IV	V	VI	VII	
A	1099	267	233	197	94	92	63	
B & C	177	285	321	165	55	96	102	
D	24	26	27	35	7	16	12	
E	8	9	5	5	1	2	8	
F	5	1	2	2	1	1	2	
TOTAL	1313	588	588	404	158	207	187	3445

It may be mentioned that in this statement some of the Staff Officers Grade II corresponding to the proposed Grade 'A' shown against the Banking Department (Group I) are working for the Exchange Control Department (Group V). This aspect should be taken into account at the time of implementation of this proposed grouping, as it is estimated that about 100 officers from the various branches of the Exchange Control

Department at present shown against the Banking Department will have to be added to the strength of the Group V shown in the Table as well as Appendix XXVIII.

Value of jobs

13.16 Closely connected with grouping is the assessment of job values. This assessment serves a multiplicity of purposes. In Chapter 3 the role of job evaluation in bringing about a feeling of equity among employees and establishing appropriate pay differentials between jobs of different skills, responsibility and other requirements was mentioned. Furthermore, the information pertaining to duties collected during analysis of a job for preparing a position description clarifies the functions, authority and responsibilities involved in a job. This information is useful for selection, placement, training and promotion purposes, apart from establishing equitable pay relationships.

13.17 The Advisory Group from NITIE, as a part of its study "Analysis of Structure of Pay Scales" had selected 74 officers of the Bank from the level of Staff Officer Grade II (including promotees) to that of Senior Staff Officer Grade I for job descriptions and job evaluation studies. These officers were selected in consultation with the Bank, the Officers' Association and the Supervisory Staff Association.

13.18 The officers were drawn from large, medium and small offices and branches, including the central office, and were interviewed in person by Study Teams coordinated by the Advisory Group and position descriptions were prepared. An example of the position description for the post of Deputy Secretary in the Secretary's Department is given in Part I of Appendix XXIX.

13.19 The jobs were then evaluated by using a Point Rating Plan having the following factors or attributes inherent in the job such as that of an officer from the Bank:

FACTOR 1 - Education and Technical Training

FACTOR 2 - Experience

FACTOR 3 - Policy and Programme Planning

FACTOR 4 - Programme Execution and Decision-making

FACTOR 5 - Client Relationships

FACTOR 6 - Utilisation and Control of Human Resources

FACTOR 7 - Utilisation and Control of Physical and Financial Resources

FACTOR 8 - Contacts and Public Relations

13.20 An example of Position Evaluation for the post of Deputy Secretary is given in Part II of Appendix XXIX referred to above. It will be seen that the value of the job of Deputy Secretary is equal to 245 points. It may be mentioned that the evaluation of an officer's position in

terms of points is achieved by matching the description pertinent to a factor such as in Factor 6 of Position Evaluation (Part II) sheet with the definition of each degree or level of Factor UTILISATION AND CONTROL OF HUMAN RESOURCES as given in Appendix XXX. In the above mentioned example of Deputy Secretary 17 points were assigned to Factor 6, after matching to Degree 3 at minimum level for this factor. On the same reasoning all the factors were rated in terms of points and then totalled for each officer position/job. The Job Values were then arranged in descending order and tabulated as shown below for 70 out of 74 jobs studied:

TABLE 2

SUMMARY OF JOB VALUES

Sr. No.	Exis-ting Group	Department and Section	Position Title (Designation)	Evaluation Points (Total)
1	2	3	4	5
1	II	IFD	Chief Officer	334
2	I	New Delhi Issue & Bkg.	Manager	327
3	IV	Econ. Dept.	Adviser	308
4	V	IDBI	Dy. General Manager(T)	304
5	III	ACD	Jt. Chief Officer	298
6	I	Byculla Issue & Bkg.	Manager	296
7	II	DBOD	Jt. Chief Officer	281
8	V	IDBI	Manager (Finance)	279
9	I	Hyderabad Bkg.&ECD	Manager & Dy. Controller	279
10	II	DBOD Inspection	Dy. Chief Officer	269
11	IV	Econ. Dept.	Director	268
12	I	Legal Dept.	Dy. Legal Adviser	264
13	V	IDBI	Manager (T)	264

1	2	3	4	5
14	III	ACD(R.O)	Dy. Chief Officer	263
15	IV	Statistics	Director	262
16	V	IDBI	Manager (T)	261
17	I	Secretary's Department	Deputy Secretary	245
18	I	ECD	Deputy Controller	240
19	III	ACD(LDB)	Dy. Chief Officer	236
20	I	Inspection	Deputy Inspector	236
21	I	DAE	Dy. Chief Accountant	234
22	I	DAP	Deputy Manager(Staff)	234
23	I	New Delhi (Issue)	Currency Officer	227
24	IV	Econ.De: t.	Deputy Director	220
25	V	IDBI	Deputy Manager (P)	213
26	V	IDBI	Deputy Manager (T)	203
27	V	IDBI	Dy.Manager (F)N.Delhi	201
28	II	IFD	Asst. Chief Officer	195
29	I	Premises	Asst. Chief Officer	189
30	III	ACD(Hyderabad)	Asst. Chief Officer	188
31	II	DBOD	Asst. Chief Officer	185

1	2	3	4	5
32	II	DBOD(Bombay)	Asst. Chief Officer	185
33	III	ARC(Bombay)	Administrative Officer	182
34	I	Hyderabad (Issue)	Currency Officer	182
35	II	IFD	Industrial Finance Officer	180
36	V	IDBI	Industrial Finance Officer (Finance)	178
37	I	DAE	Asst. Chief Accountant	175
38	V	IDBI	Industrial Finance Officer	174
39	III	ARC(Bombay)	Deputy Director	173
40	IV	Econ. Dept.	Research Officer	170
41	V	IDBI	Industrial Finance Officer (T)	170
42	IV	Statistics	Research Officer	166
43	III	ACD	Asst. Chief Officer	166
44	II	DBOD	Banking Officer	159
45	II	DBOD	Banking Officer	156
46	3	ECD	Asst. Controller	151
47	III	ACD	Rural Credit Officer	148
48	I	DAE	Asst. Accounts Officer	144

1	2	3	4	5
49	III	ACD(Inspection)	Rural Credit Officer	142
50	II	DBOD(Hyderabad)	Banking Officer	138
51	I	ECD	Exchange Control Officer	136
52	III	ACD	Rural Credit Officer	130
53	II	DBOD	Staff Officer Gr.II	122
54	V	IDBI	-do-	120
55	V	IDBI	-do-	118
56	IV	Econ. Dept.	-do-	113
57	IV	Econ. Dept.	-do-	113
58	II	DBOD	-do-	113
59	II	IFD	-do-	110
60	III	ARC	Junior Analyst	110
61	IV	Statistics	Staff Officer Gr.II	109
62	II	DBOD	-do-	109
63	I	Issue & Bkg.	-do-	107
64	II	ACD	-do-	104
65	I	Issue & Bkg.	-do-	103
66	I	ECD	-do-	102

1	2	3	4	5
67	III	ACD	Staff Officer Gr.II	97
68	III	ACD	-do-	84
69	II	DBOD	-do-	84
70	I	Bombay branch	-do-	83

The above job values are illustrated in Appendix XXXI.

Conclusion

13.21 From the fixation of job values for officer posts in the Bank as shown above it may be inferred that the values of jobs are quite commensurate with the level of officers in the Bank and, as such, no major change in the existing job structures in different departments in the Bank is called for. This does not, however, preclude making such adjustments in allocation of work than job design as may enhance the feelings of job satisfaction and self fulfilment on the part of the officer,

performing his job, through a system of Management by Objectives mentioned in Chapter 15.

RATIONALISATION OF DESIGNATIONS

13.22 The Committee has made a review of the functional designations prevalent in the various departments of the Bank vis-a-vis scales of pays attached to the posts concerned. The following anomalies have been noticed:

(1) Heads of various departments are differently designated, such as "Manager", "Chief Officer", "Controller", "Chief Accountant", "Chief Manager", "General Manager", "Inspector", "Adviser", "Principal Adviser", "Secretary", "Director" etc.

(2) "Managers" have different pay scales depending on the departments or offices or branches for which the charge is held.

(i) In the existing Group I (General Side Departments) a 'Manager' of a branch of the Bank may be in the pay scale:

- (a) Rs.1425 - Rs.1800 (such as for Hyderabad branch); or
- (b) Rs.1650 - Rs.2100 (such as for Madras branch); or
- (c) Rs.2000 - Rs.2400 (such as for Bombay branch).

(ii) In the existing Group V (Industrial Development Bank of India) :

- (a) The posts in the scale of Rs.1425 - Rs.1800 are designated as "Managers"
- (b) The posts in the scale of Rs.1650 - Rs.2100 are designated as "Deputy General Managers".
- (c) The post in the scale of Rs.1650 - Rs.2100 + Rs.100 special pay is designated as "Joint General Manager".
- (d) The post in the scale of Rs.2000 - Rs.2400 is designated as "General Manager".

(3) The "Director" in the O & M Division in the Department of Administration & Personnel is in the grade of Rs.1650 - Rs.2100 whereas the "Directors" in the Economic & Statistics Departments are in the scale of Rs.1425 - Rs.2000.

(4) "Deputy Directors" in the O & M Division are in the scale of Rs.1425 - Rs.1800 whereas "Deputy Directors" in the Economic & Statistics Departments are in the scale of Rs.820 - Rs.1300.

(5) "Deputy Managers" in Group I Departments such as in the Department of Administration & Personnel in the Central Office or the "Deputy Manager" of the Banking Department in a branch such as Bombay are in the scale of Rs.1425 - Rs.1800. On the other hand "Deputy Managers" in the IDBI are in the scale of Rs.820 - Rs.1300.

(6) Posts in the existing scales of Rs.450 - Rs.1200 + Special Pay of Rs.100/- are variously designated, such as:

- a) Assistant Chief Accountants in the Department of Accounts & Expenditure in the Central Office, whereas posts in the same scale in a branch office such as in Bombay in the same functional area are designated as "Accounts Officer".

- (b) Assistant Managers - (Department of Administration & Personnel, Reserve Bank of India Services Board)
- (c) Assistant Directors - (O & M Division)
- (d) Assistant Chief Officers - (Premises, DBOD, IFD, DNBC and ACD)
- (e) Assistant Controller - (Exchange Control Department)
- (f) Assistant Legal Adviser - (Legal Dept.)
- (g) Administrative Officers - (ACD, Economic/Statistics)

Recommendations

13.23 To remove the anomalies mentioned above and in the interest of rationalisation of designations, the designations suggested in the statement appended to this Chapter may be considered by the Bank as indicative of the direction in which rationalisation may proceed.

MOBILITY BETWEEN DEPARTMENTS AND
INTERCHANGEABILITY BETWEEN GROUPS

13.24 The terms of reference of the Committee require that it examine and make recommendations on changes desirable in respect of the existing composition of the various cadres of officers having due regard to the need to provide reasonable prospects of increments and of promotion and also to ensure such degree of interchangeability as administrative efficiency and exigencies of the Bank's services demand.

Factors affecting mobility

13.25 During a study of the problem of mobility the Committee has identified the following factors which affect the mobility:

1) irrational and lopsided grouping of departments in the Bank and the need to regroup the several departments in the Bank;

2) the necessity of a common seniority list for each grade of officers throughout the

Bank except in respect of specialised groups or appointments;

3) further training of officers in these grades in departments in which they have not yet served;

4) a regular and systematic rotation of officers in each grade in the various departments and groups;

5) a system of promotion from a lower grade to a higher grade which would ensure to the largest possible extent:

- a) efficiency of work;
- b) equality of opportunity of promotion among all officers in the grade; and
- c) effective operation of the idea of mobility of officers between different departments and groups in the Bank.

The Committee found that the two Associations of the officers as well as the Bank were not only aware of the need for ensuring greater

mobility of officers from one department to another and from one group to another but were quite enthusiastic about it. There was also a realisation of the fact that interchangeability between groups was not going to be easy. But there was a general desire that something should be done to introduce greater mobility and interchangeability.

Guidelines for introducing mobility

13.26 Taking into consideration the importance of this subject and the far-reaching effect that changes in the functioning of the officers' cadres would produce, a keen desire amongst all concerned to implement such a change and the difficulties involved in the change, the Committee recommends that the Bank adopt the following guidelines for introducing as complete a mobility and interchangeability as possible in the shortest possible time:

1). The Committee is of the view that, subject to restrictions and limitations hereinafter stated, it is possible to introduce total mobility between departments and interchangeability of posts at the level of proposed Grades 'A', 'B', and 'C'. With regard to the higher grades the recommendations of the Committee would apply mutatis mutandis, but the Committee would like to leave it to the Bank to introduce mobility and interchangeability at these levels taking into consideration the exigencies of each situation.

2) Common seniority lists should be drawn up as soon as possible in each grade in which it is proposed to bring about mobility and interchangeability, with the exception of certain specialised groups such as Economists, Statisticians, Lawyers and Engineers and persons recruited for other specialised jobs who may be left out of the common seniority lists.

The Private Secretaries to the Governor, Deputy Governors and Executive Directors will, however, be included in the common seniority list. In case of the specialised groups left out of the common seniority lists there should be a separate seniority list in respect of each group of employees in the Bank so that members of each group can rotate from one department to another and from one group to another in the field of their own specialisation.

3) The Committee recommends that the most rational basis for drawing up a common seniority list would be to go by the date of entry by each officer in a grade in a continuous officiating capacity.

4) Lateral mobility in the same grade among different departments and groups should be achieved by rotating officers from one department

to another and from one group to another after they have completed three years of continuous service in any one department in one centre.

5) Transfers from one centre to another for reasons of ensuring lateral mobility should be kept at the minimum.

6) An age limit of 50 years should be fixed after which officers may not be moved from one department to another solely for the sake of lateral mobility. If, however, the Bank finds that notwithstanding his age an officer is capable of adapting himself to change of work the Bank may in its discretion rotate such officer from one department or group to another. The Committee is not in favour of allowing an option to any officer or group of officers in the matter of movement from one department or group to another.

7) The Committee does not favour the reservation of any percentage of posts in a department for promotion from officers of a lower grade in

the same department in view of the Committee's recommendations in the matter of mobility and interchangeability.

8) For promotion from a grade in which a common seniority list or a specialised group seniority list operates to a higher grade the following procedure may be adopted, viz.

for each category of posts such as Banking Officers, Rural Credit Officers, Treasurers etc., the Services Board may be requested to prepare a select list of persons from the grade below. The select list should be prepared from among 20 to 30 seniormost officers in the lower grade by the Services Board each year. The selection should be on the basis of the confidential records of the performance of officers and interview by the Services Board and such other tests that the Services Board may think fit for the purpose. It is possible that some person may find a place in the select list

for more than one category. The Services Board may arrange the persons chosen for inclusion in the select list in the order of their seniority. Appointments to vacancies in the posts for which the select list has been prepared should be made in accordance with the list prepared by the Services Board. As the list is to be prepared every year by adding to the list the names of persons who, though selected in the previous year have not yet been posted in vacancies in the higher grade, even officers in the lower grade once passed over will have further chances of being considered every subsequent year.

9) Mobility and interchangeability may be brought about in suitable stages. It is desirable that a target date for enforcing mobility and interchangeability and an estimated date for completing the process be fixed by the Bank. The Committee recommends that such mobility

and interchangeability, whether in the common seniority list or in the seniority list of special groups, should be introduced in Grades 'A' and 'B' within a period of three years from the date of acceptance of these recommendations and in respect of Grade 'C' within a period of five years from such date.

10) A systematic training programme should be arranged for training officers in each grade having a common seniority list in subjects relating to departments other than those in which they have already worked. Such training should be oriented towards implementing successfully the programme for mobility and interchangeability of officers.

Training for mobility and interchangeability

13.27 The recommendations of the Committee regarding mobility and interchangeability

entail that not only should there be job rotation on a planned basis within a particular grouping of departments as proposed by the Committee, but also that officers of the proposed Grades 'A', 'B' and 'C' should have complete opportunity to move from one Group to another based on a common bankwide seniority list for each grade.

13.28 A pre-requisite for this free mobility at the level of officers is that all the training establishments of the Bank in collaboration with its various departments should prepare a job profile for each unit or department of the Bank and identify the skills and knowledge requirements for various levels of officers. As has been mentioned earlier in the Chapter, Job Specifications, coupled with objective Performance Appraisal and a realistic Manpower Planning and

Forecasting system can lead to a meaningful training programme to fit into the desired objective of intergroup mobility and interchangeability of posts in the Bank. This approach is the ideal approach which the Bank should aim at, as it will be economical from the point of view of the Bank as well as the employees. However, in the meantime, when a manpower planning system is still being developed in the Bank, the following recommendations for mobility training may be implemented:

A - Basic Course

A basic course of four weeks duration should be conducted to impart and develop the common knowledge and skills required for all officers of the Bank. The weightage and depth of treatment of the different subjects in the Basic Course would vary with the level of officer.

The basic course would expose the participants to the basic knowledge of the work of different departments. This will need to be supplemented with formal and on the job specialised training for preparing them for effective work in different groups.

The minimum components of such specialised training necessary for the different Groups can be spelt out as shown in Appendix XXXII.

B - Advanced Course

To overcome the difficulty in proper manpower forecasts, in the interim, all the officers in proposed grades 'A', 'B' and 'C' out of the common seniority list should go through an advanced course of training of six weeks duration covering the specialised aspects of all the Groups of the Bank, unless such officers have already gone through the advanced course earlier.

13.29 In Chapter 14 the Committee further discusses the role of the training establishments of the Bank, and how inservice training can be further strengthened.

STATEMENT OF REVISED DESIGNATIONS IN EACH PROPOSED GRADE

	G R A D E S					
	A	B	C	D	E	F
Central Office (Dept. of Admn. & Per. and Dept. of A/cs. & Exp.)	Junior Officer+	Officer+	Asst. Manager/ Asst. Chief Accountant.	Dy. Manager/ Deputy Chief Accountant.	Manager(Per.)/ Manager(Tng.)/ Joint Chief Accountant.	--
Secretary's Department.	"	"	--	Deputy Secretary.	Press Rela- tions Officer.	Secretary
Inspection Department.	"	"	Assistant Inspector.	Deputy Inspector.	Joint Inspector.	Inspector
O. & M.	"	"	Asst. Director,	Dy. Director.	Director.	--
Premises Dept.	"	"	Asst. Manager.	Dy. Manager.	Manager.	--
Exchange Control Department.	"	"	Assistant Controller.	Deputy Controller.	Joint Controller.	Contro- ller.
Banking Department.	"	"	Assistant Manager.	Dy. Manager/ Manager*	Manager*/ Joint Manager**	Manager*
Issue Department.	"	"	Asst.Cy.O.£	Cy. Officer.	--	--
Agricultural Credit Department.	"	"	Asst. Chief Officer.	Dy. Chief Officer.	Joint Chief Officer.	Chief Officer.
Dept.of Bkg.Opera- tions & Development	"	"	Asst. Chief Officer.	Dy. Chief Officer.	Joint Chief Officer.	Chief Officer.

	G R A D E S					
	A	B	C	D	E	F
Industrial Finance Department	Junior Officer+	Officer+	Asst. Chief Officer.	Dy. Chief Officer.	Joint Chief Officer.	Chief Officer.
Dept. of Non-Bkg. Companies.	"	"	Assistant Manager.	Manager.	--	--
Ind. Dev. Bank of India.	"	"	Assistant Manager.	Deputy Manager.	Joint General Manager @	General Manager.
Eco./Stat.Depts.	"	"	Asst. Director.	Dy. Director.	Director.	Adviser.
Legal Department.	"	"	Asst. Legal Adviser.	Deputy Legal Adviser.	Joint Legal Adviser.	Legal Adviser.
Engineering Services.	Junior Engineer.	--	Executive Engineer.	Superintending Engineer.	--	--

+ The general designation should be accompanied in each case by mention of the department concerned.

* Branch Offices. ** Calcutta Office.

£ Incumbents in Grade 'C' who are entrusted with the power of "prescribed officers" under the Note Refund Rules will be designated as "currency officers" (i.e. at Byculla, Patna, Bangalore, Hyderabad)

@ Senior most Joint General Manager will be paid a special pay of Rs.100/- p.m. in Grade 'E'.

NOTE: i) Officers posted to hold charge of the Cash Department at the Issue Department will be designated as "Treasurer" irrespective of the grade to which they belong. The existing designations of Deputy Treasurers and Assistant Treasurers will continue in Grade 'A'.
ii) Officers in charge of Administration in the different departments will have the designation appropriate to the department and the grade in which they are placed, the word 'Administration' being added in brackets after the designation.

CHAPTER 14

TRAINING AND TRAINING INSTITUTIONS

14.1 Under the terms of reference the Committee is required to examine and make recommendations on changes desirable in respect of the present methods of "in-service" training. The specific recommendations in regard to training for mobility have already been set out in Chapter 13. In this Chapter the role of in-service training generally for the officers of the Bank will be outlined and specific recommendations to improve the effectiveness of the various training establishments of the Bank will be highlighted.

Importance of Training

14.2 Training may be viewed as an investment in "knowledge capital". This capital resource is subject to both amortisation and obsolescence. It must be continuously updated and expanded with time.

14.3 Training has gradually become an important function in the management of human resources in the organisation. The need for training has been felt and recognised for the following reasons:

1) The organisation is called upon to face newer challenges and innovations due to changing socio-economic and political conditions. In order to meet the demands of the changed circumstances it has to adapt itself continuously to these changing needs.

2) The need of the organisation has to be recognised by all the people working for that organisation and collectively they have to adopt newer techniques, approaches and attitudes and styles of management so that the organisation can effectively adopt them.

3) In a democratic society it is imperative to offer equal opportunities to different sections and groups of people working for the

same organisation and, as such, training becomes essential to meet this need.

4) Training also helps the organisation to develop people and prepare them to take higher responsibilities so that it can conveniently meet the rising aspirational levels of employees.

Training Institutions and Courses

14.4 The Bank has three training establishments as below:-

- i) Bankers Training College at (BTC)
Bombay
- ii) Co-operative Bankers Training (CBTC)
College at Poona
- iii) Staff Training College at (STC)
Madras

The following training programmes are conducted in these training establishments as far as officers are concerned :

- | | |
|--|------------|
| a) Central Banking Course I | BTC Bombay |
| b) Foreign Exchange Course for DBOD Officers (only syllabus) | BTC Bombay |
| c) Agricultural Finance Course for DBOD Officers | CBTC Poona |
| d) Induction Course for Junior Officers (Staff Officers Grade II) Direct Recruits | STC Madras |
| e) Induction Course for Rural Credit Officers (staff candidates) | STC Madras |
| f) General Course for Junior Officers (Staff Officers Grade II) Direct Recruits | STC Madras |
| g) Course in Central Banking for Junior Supervisory Staff (General Course) | STC Madras |
| h) Inspection-oriented Course for staff of DBOD, ACD, IFD and State Co-operative Banks | STC Madras |

The relevant details about the courses mentioned above are given in Appendix XXXIII.

Findings

14.5 The general comments of the Committee about the courses offered by the various training

establishments for officers of the Bank are as follows:

- (a) Courses are oriented to the specialisations in the banks, such as inspection, agricultural credit, etc.
- (b) Organisation and Management ~~for~~ components are inadequate.
- (c) Faculty are largely drawn from the Bank. Though they are highly competent in their fields they have not been given training in pedagogical skills.
- (d) Teaching is largely by lectures.
- (e) The evaluation of the performance of trainees during and at the end of courses is heavily weighted towards memory oriented tests.
- (f) Specific criteria for selection of various courses do not seem to have been laid down. This seems to be specially true in the case of officers sponsored by the Bank for courses conducted elsewhere in India as well as abroad.

- (g) No specific need survey seems to have been conducted for the various positions of officers in the Bank. For example, there is no training in Public Relations for officers who have constantly to deal with the public.
- (h) Resources of training establishments, such as faculty, library, academic support, audio-visual aids, etc., are not adequate for the additional tasks, such as training for mobility, which will have to be performed by the training establishments in accordance with the recommendations of the Committee in Chapter 13.

Recommendations

14.6 The Committee recommends the following measures to make the in-service training of officers of the Bank more effective:

- 1) A task force for going into the details of training needs at various levels of officers of the Bank should be appointed in order to recommend the detailed curricula,

structure, duration, selection criteria for participation and training techniques for each course. Expertise of independent institutions, such as Universities, NIBM, Institutes of Management, Administrative Staff College or NITIE may be availed of if required.

2) Organisation, management and supervisory development components in the various courses offered in the training establishments should be augmented.

3) Basic course and Advanced Level Course for mobility training as recommended in Chapter 13 should be introduced.

4) Emphasis on the lecture method of teaching should be reduced and other training techniques like programmed learning, case study, incident process, in-basket management games as well as tutorials, may be used.

5) The strength of the faculty in each of the training establishments should be assessed vis-a-vis new training techniques mentioned above and extra faculty as well as additional academic support may be given to the extent required. This will be specially required in the context of mobility training courses recommended by the Committee.

6) A minimum permanent strength of the core faculty, including that in the area of management, should be worked out and provided in each training establishment. This may include officers from within the Bank, depending on the aptitude and motivation to serve the training establishment on a permanent basis so that minimum necessary continuity in thinking is available. The balance could be on the basis of officers drawn from the Bank as at present.

7) In the areas of management, the internal faculty may be further supplemented

by faculty from outside institutions having the required experience and expertise.

8) Officers assigned to training establishments as members of the directing staff or instructors should be given training in pedagogical skills by nominating them to the courses for training for trainers.

9) Senior Officers should be encouraged to participate in the various executive development programmes organised by outside institutions and universities in India or abroad to the extent required.

10) There should be Refresher Courses which every officer should undergo periodically in his specialised field or in organisation and management areas.

11) Training in specific techniques, such as project management, financial analysis, management tools, Management by objectives and so on may be organised

either within the Bank's training establishments or in the outside institutions to cater to the needs of the various levels of officers as may be required without straining the training resources of the Bank's own establishments.

12) The selection criteria for various training courses conducted by the Bank or in the outside institutions in India or abroad must be clearly spelt out and communicated to the employees from the very beginning. This will eliminate the feeling of discrimination from the minds of the officers.

13) Less emphasis should be given to memory oriented tests for performance appraisals during the training programme. Assessment based on performance in syndicates/group discussions, projects/case studies should be encouraged.

14) Clear cut policies and procedures regarding implementation of on the job training should be communicated to the respective departmental heads. The necessary follow-up machinery on the part of the Manager (Training) may be instituted. If necessary his section may be strengthened.

15) Job aids such as Programmed Instruction Texts, flow charts, decision tables, etc. may be provided to augment the effectiveness of on the job training while the officers are working in the respective departments.

16) To inculcate team spirit among officers while working in any section or departments, training assignments leading to achievement of common team goals through interaction and inter-personnel relations among members should be encouraged. This will bring about better understanding, adjustment, adaptation and cooperation, avoiding sources of conflict among team members.

17) Research in some aspects of training may be conducted, such as the use of Operation Research for Scheduling of Personnel Training through Dynamic Programming Models, to have the desired cost-benefit advantages for the Bank.

18) In business and industrial undertakings there are some norms as to how much should be spent on training and development of an employee during his career. An attempt should be made by the Bank to work out minimum expenditure which is essential for the career in the Bank so that future programming of training activities and development of training establishments may be planned with such norms in mind.

Conclusion

14.7 The training function should not be viewed as a water-tight separate function, but it should be totally integrated with the overall

personnel function and tied up with effective selection, career planning, performance appraisal, promotion policy and counselling. The organisation for the purpose of developing training programmes should form an important link between the operations planning department and the administration. Due emphasis should be given to "on the job training", planned rotational assignments and task force appointment as a part of overall development of individual employees. Class room training is only a part of the entire developmental function. The overall training and development should be so integrated that it becomes need-based for the organisation as well as for the individual employee and also offers equitable opportunities to all employees and better service to the society.

P A R T . V

CHAPTER 15

MORALE, MOTIVATION AND PRODUCTIVITY

Approach to Problem

15.1 Through the Statements of Claim submitted by the two Associations of officers supplemented further by other material presented before the Committee an impression was sought to be created that there was a need for augmenting the morale and motivation of employees in the Bank, including officers, for improving overall organisational effectiveness. Though this is not a matter explicitly stated in the terms of reference of the Committee, the Committee proposes in this Chapter to deal with the morale and motivational aspects which may contribute to enhanced job satisfaction and a greater sense of self-fulfilment on the part of officers in

the Bank and result in higher performance and productivity on their part to achieve the goals of the Bank. Economic benefits alone will not achieve this purpose.

15.2 In dealing with these important aspects the following two broad approaches will be considered:

- a) Focus on Individuals
- b) Structural Arrangements.

FOCUS ON INDIVIDUALS

Introduction

15.3 Practitioners and students of management in government and industry have from time to time focussed on the individual for ascertaining the factors that motivate him for higher productivity. The approaches have ranged between the measurement of detailed activities of factory and office employees to the understanding of

their individual psychology and environments. Such an approach arose out of the realisation that technology and procedures by themselves provide only partial solutions to the problem of seeking higher productivity.

Economic Approach

15.4 Initially the economic incentive was considered as the prime factor that could motivate individuals to higher performance. Human beings, it was presumed by scholars like F.W. Taylor, were rational and would perceive the economic factor as the source of motivation. The human being was perceived as an "economic man". This approach resulted in emphasising only pay and other monetary benefits as a motivation. Most of the time the performance standards were beyond the reach of the average man, thus reducing the credibility of schemes based on such an approach.

15.5 The focus for seeking motivation has later, shifted on the basis of the researches of psychologists, towards other factors like work group, nature of supervision and job content as outlined below.

Work Group Focus

15.6 A group of behavioural scientists at Harvard led by Elton Mayo identified that human beings performed at their best in congenial work groups. The development of cohesive and homogeneous teams was considered to be the most important for drawing the best out of employees. The very sense of belonging to such a group and the management's consciousness of the need for fostering such groups were found to be the important factors for obtaining higher productivity. The feeling that attention was paid to the employees has been seen to have a significant impact on their performance. Even

periodic discussions with management representatives were considered enough to provide catharsis.

Nature of Supervision

15.7 Another group of researchers at Michigan led by Rensis Likert, came out with the findings that it is the nature of supervision that determines the morale, motivation and performance of employees in an organisation. It was found that flexible and trusting supervision resulted in higher productivity and group cohesiveness. It has been suggested that employees should be given opportunities for participation in setting up their targets and selecting the methods for achieving them. Participative management was considered helpful for introjecting values and goals of organisation in the individuals. Only such introjection of values would ensure continued commitment of employees to the organisation.

Assumptions about the nature of man

15.8 Management style and motivation techniques adopted in an organisation depend upon the assumptions that it makes about the employees. On the other hand, employees will respond to the management's goals in terms of what philosophy management pursues. The management's assumptions about employees have been classified by Douglas McGregor into two major categories:

- (i) one approach assumes that employees shirk work and require fear of punishment to motivate them to work; and that they will not give their best without such a fear;
- (ii) the other approach assumes that work is natural to human beings like any other activity; the focus should be on developing the individual's capabilities for better performance.

15.9 It has been empirically found that the first approach (called Theory 'X') does not yield better results in the long run. In the short run it may lead to high performance but at the cost of the morale of the employees. It is only the second approach (called Theory 'Y') that brings high performance in the long run.

Attempt at Composite Approach

15.10 The partial nature of the above mentioned approach was criticised by Frederick Herzberg. He put forward a major theoretical orientation analysing the motivational factor of employees. He asserted that any job has two aspects, the "content" and the "context" of work. The "context" of work includes factors like pay, security and other environmental conditions. These factors are also called hygiene factors. On the other hand the "content" of work includes factors like achievement, recognition, growth and participation.

15.11 Herzberg asserted that "context" only prevents dissatisfaction but the satisfaction of such contextual factors cannot by itself lead to higher productivity. The satisfaction of such factors helps only maintain the present level of performance. According to him, the "content" factors are the motivating factors. It is these factors that enable an employee to give more than what is required and to realise his full potential. It was asserted that emphasis should be laid on the satisfaction of these "content" factors for motivating employees. Empirical research, however, has neither confirmed the above assertion nor has it disproved it. At present there is no conclusive evidence for or against such a formulation. Nor has the dichotomous distinction between "content" and "context" of work been validated as a result of empirical research.

15.12 In a developing country like India, even the satisfaction of basic needs like security, housing, better food, etc. can provide motivation. Such factors need not and do not become insignificant in situations like ours. In fact, increased pay, promotional opportunities, security of working conditions do play an important part in increasing the productivity of employees.

Hierarchy of Needs - A Composite Approach

15.13 It has been rightly said by A.H.Maslow that human beings have a hierarchy of needs. Such needs have been classified as physical needs, security needs, esteem needs, social needs and need for self actualisation. It is only after the relative satisfaction of the lower level needs like physical and security needs, that an employee aspires to seek the satisfaction of others - status, social

recognition and achievements needs. It is such an approach that becomes relevant for India. Man spends most of his life in developing appropriate skills and values for work. Work itself becomes a major absorption of his life. He seeks satisfaction of varied needs from his work. It is in this light that motivation for higher productivity needs to be approached. Social environment and ideological factors can only go up to a point in providing motivation to employees. At the officer level in an organisation, there are several opportunities for satisfaction of some of these needs. For example, pay may not be the major dissatisfying cause; it might be opportunities for growth that the officers find to be lacking in the organisation.

Job Enrichment

15.14 Motivation at officer level can be further augmented by job enlargement. Job enlargement can

be horizontal or vertical or both horizontal and vertical. Horizontal job enlargement can take the form of:

- a) varied tasks for the employees;
- b) increased number of tasks; and
- c) job rotation.

Vertical job enlargement, also called "job enrichment", can take the form of engaging in:

- a) more planning;
- b) more controlling; and
- c) more team participation.

Job enlargement can also be provided by increasing the authority delegated to each of the positions and by introducing more discretion in the job. Such measures can bring the best out of the innovative ability of an officer. The organisation should not only expect to reap the benefits of the level of attainment of an employee but also be responsible for continuously enhancing his potential, and provide the necessary growth opportunities.

Morale of officers in the Bank

15.15 Due to the historical evolution of existing grouping of departments as closed units for promotion, the feelings of officers regarding opportunity for personal growth and satisfaction of higher level needs while serving the Bank have been mainly of dissatisfaction. In the existing set up of the Bank some top positions such as 'Manager' of a branch office are occupied by an officer belonging to a particular group only. It may be possible that another senior officer, in charge of a specialised department in another group, but located at the same branch office having a higher seniority in the Bank may still have to report administratively to the Manager. This has resulted in low morale among the affected officers. The Committee has made its recommendations in Chapter 13 in regard to this matter and in the course of time, when its recommendations on inter-group mobility have

been implemented phase-wise in the next few years, this malady may diminish. At that stage an officer having the appropriate seniority as well as satisfying the job requirement for the position of the Manager, irrespective of the group to which he originally belonged, will be the in-charge of the office as Manager. To the extent to which any cause for grievance may still remain, the suggestion made by the Committee in paragraph 9.34, if adopted, will remove it.

STRUCTURAL ARRANGEMENTS

Object of examining structural arrangements

15.16 In the foregoing section the relevance of 'focus on individuals' on the part of an organisation to achieve its own goals has been highlighted. The Committee is fully conscious, in making the recommendations contained in Chapters 3 to 14 on matters specified in its terms of reference, that these matters have a

great bearing on the morale and motivation of officers in the Bank and consequently on their performance and productivity to achieve the organisational goals. It is, therefore, the concern of the Committee to examine some other organisational aspects of the Bank which may be useful in identifying problems and formulating suitable solutions on a systematic basis. In a large organisation like the Bank, there is a need to have structural arrangements for dealing with problems, at the same time keeping the focus on the individual employee's needs and aspirations.

15.17 In this section the Committee recommends a broader role of O & M function - away from the conventional narrow mechanistic approach to a broader concept of management services with due emphasis on a humanistic approach to the design of jobs and organisation structure without neglecting fundamentals, in the interest of

productivity. Similarly it is suggested that the personnel department must broaden its scope, moving more and more towards evolving in the Bank strategies and policies for career planning for officers and other employees, taking full advantage of the recommendations of the Committee in regard to recruitment, training and promotions on a coordinated basis, and trying to match the persons to the jobs which open up from time to time, satisfying the needs of personal growth and self fulfilment of employees. Computerisation of employee's data and research on personnel matters should be the additional functions to be coordinated by this department to augment the morale of employees in the Bank. Finally, an integrated approach of Management by Objectives is suggested which strikes a balance between the concern for the employee, his morale and motivation and concern for productivity.

O & M as Management Services

15.18 Conventionally the O & M function has restricted itself to designing forms, simplifying procedures, measuring work and restructuring a few organisational relationships. Currently, there is a strong move away from a too narrow and mechanistic approach. O& M is taking its place in the unity of techniques making up management services. It places emphasis on the human factors without neglecting fundamentals; it shows how to build up a working relationship of trust and confidence between the O & M analyst and the manager he is advising. The following definition is relevant:

"O & M is a specialist function established to advise on the introduction of new administrative methods and organisational structures which will reduce costs without imposing undue strain on or causing actual harm to the social structure of the organisation".

15.19 One of the major kinds of productivity services rendered by the O & M Division in the Bank is to simplify and improve procedures, methods and forms, to evolve practical work norms so that the staffing pattern in the Bank at various centres can be rationalised at the same time taking care that there are no unnecessary delays in the services provided to the public by the Bank. Similarly other projects such as Manpower Planning have been initiated recently by the O & M Division which can later on become a major activity by itself for rationalisation of manpower development programmes and evolving meaningful personnel policies in the Bank. In a huge apex organisation like the Bank, O & M has a very useful role to play for the future and may have to further intensify its productivity activities and services to create an impact on the Bank as a whole, and its services to the public.

15.20 In this connection it may be worthwhile for the O & M Division also to conduct more and more organisational planning and related job evaluation studies, such as studies of the nature and extent of various types of skills involved in a variety of departments of the Bank. Some staff of O & M should be trained in job evaluation and associated techniques. It will be only through such type of intensive studies from the point of view of human beings at work at the various desks of the Bank that realisation of job satisfaction of employees through the modern concept of job enlargement and job design, such as has been mentioned in Chapters 3 and 14 can be realised.

15.21 It is also recommended that some of the personnel of the O & M Division be trained and developed for the use of Operations Research methodologies to formulate some advanced mathematical models. This can aid the Personnel

Management in developing useful Manpower Planning and Forecasting Models so that future policies related to recruitment, training, promotion, salary evaluation and career planning for all kinds of staff in the Bank from the worker level to the managerial level could be evolved on more rational lines.

15.22 To provide further professional challenges to officers, the O & M personnel in collaboration with personnel of other departments, such as the Industrial Development Bank of India, Unit Trust of India, Economic/Statistics Department etc., may also initiate development of mathematical or computer simulation models to evolve and evaluate various policy decisions for which the Bank is responsible. This will be the stage when O & M Division will mature to a ^{Management} ~~Manager~~ Services Department in the true sense.

15.23 The Committee recommends that the strength of the O & M Division may be suitably augmented to provide additional expert assistance in the areas mentioned above, viz. skill analysis, job design and job evaluation, operations research, manpower planning etc., corresponding to its broadening role as Management Services Division.

Personnel Management - Its Broadening Role in the Bank

15.24 The principal functions of the Department of Administration and Personnel [excluding O & M Division and Manager (Training) Section] in the Bank includes personnel policy matters, recruitment, sanction, promotion, conduct, discipline, administration of pay scales and other terms and conditions of service for the employees including officers. Relations with the Bank's employees' organisations is another important function of this department.

The Personnel Manager is in charge of the Personnel Relations Section where personnel policies of the Bank, such as wages, promotions, service conditions and welfare schemes are formulated. Collective bargaining for the purpose of personnel management is also dealt with by this Section through the Personnel Manager who is assisted by one Deputy Manager and two Assistant Managers.

15.25 The Recruitment Section attends to the various formalities relating to selection of candidates for Class I posts and technical posts both in officer and non-officer cadres. The Section acts as a liaison between the management and the Reserve Bank of India Services Board in regard to all recruitment programmes entrusted to the Board. The Section is headed by a Deputy Manager.

15.26 Sanctions, promotions, confirmations, deputations, retirements, disciplinary matters,

appeals, etc. of officer staff is under the charge of one Deputy Manager. Another Deputy Manager looks after these matters for non-officer staff, in addition to being in charge of allotment of flats to officers.

15.27 From the above list of personnel related subjects allocated to various senior officers in the Department of Administration and Personnel headed by the Chief Manager of the Bank, it may be inferred that the officers seem to be presently mainly bogged down with regular, routine and procedural matters. There seems to be hardly any scope left for them to evolve dynamic personnel policies for the future.

15.28 The personnel department must move more and more towards evolving strategies for career planning of officers, taking full

advantage of the recruitment, promotion and mobility provisions of the recommendations made by the Committee in Chapters 12 to 14 and trying to match the men to the jobs which open from time to time.

15.29 It has been found by the Advisory Group while collecting personnel data from the Bank to assist the Committee that the personnel records need rationalisation as far as storage and retrieval of relevant information is concerned.

15.30 There is a need for conducting some O & M studies for simplyfying and designing the forms for data collection in regard to the personnel so as to elicit information which may be useful for manpower planning, management skill inventory systems etc. as mentioned in Chapter 12.

15.31 Computerisation of the personnel records is one of the new projects on which the Personnel Department should seek assistance from the O & M Division as well as from the Data Processing Division of the Statistics Department, apart from outside institutions if so required.

15.32 The Committee also feels that the Personnel Department should undertake the role of coordinator for carrying out research type of activities mentioned later in this Chapter, where collaboration from Training Division as well as other departments of the Bank may be sought to help evolve meaningful manpower policies for the Bank.

15.33 Though mobility of personnel across groups provides better opportunities for growth and development of individuals, it should not

overlook the necessity of maintaining eligibility criteria at various levels of positions in different functions. For example, any officer from any group or an incumbent from outside who fulfils the requirements in the Job Specification for Personnel Manager can be eligible for that position. Thus a balance will have to be kept between considerations of mobility and the eligibility criteria of various jobs.

15.34 The Personnel Department has conventionally restricted itself to helping other functional departments in the areas of recruitment and selection of employees and subsequently in maintenance of personnel records such as for promotions, disciplinary actions, leave etc. Organisation and manpower planning, career planning and development, performance appraisal, counselling, promotion policies and effective selection are some of the broad areas to which

Personnel Department of the Bank should extend its operations so as to contribute to promote the greater effectiveness of the Bank and providing the employees the opportunity of self-fulfilment in performing their allocated roles.

15.35 The new functions listed above may require additional staff at the officer and other levels in the Bank. This aspect may be realistically assessed and the staff may be strengthened both qualitatively and quantitatively.

15.36 The Committee feels that the Personnel Department is rapidly becoming a specialised department by itself, due to the fact that the skills required for developing the various essential functions as enumerated in the preceding paragraphs on an organisation-wide scale require a certain degree of professional

background, knowledge and skills. The Committee, therefore, recommends that staff with specialised qualifications in personnel administration, etc. should be recruited for the posts in the Personnel Department. In doing so the proposals of the Committee in Chapter 12 regarding Job Specifications may be followed. As an illustration, a job specification for the post of Personnel Manager is given below, following the model contained in Appendix IX.

Job Specification for the post of Personnel Manager.
(Proposed Grade 'E')

- (a) Qualifications: Post Graduate specialisation
in Personnel Management/
Industrial Psychology/
Industrial Relations
- (b) Desirable : Legal qualifications

(c) Experience : About 18 years of experience dealing with personnel and staff matters, dealing with staff, selection, recruitment, wage and salary administration etc. out of which 6 years should be in any one or more of the following areas:

- i) manpower planning,
- ii) wage and salary administration,
- iii) dealing with Tribunals, Labour Courts.

Computerisation - EDP

15.37 Faced with the problem of satisfying the need for more accurate, detailed and timely information, personnel organisations have now turned to the electronic computer as the new innovation in administrative technology. The initial application of computers or EDP (Electronic Data Processing) to personnel work has been merely an extension of some record keeping system that was formerly handled

manually. But in a large organisation like the Bank the real benefits of computerisation will be realised while considering the following broad areas.

Records Management

15.38 The capacity of the computer to process data very fast and accurately and make available the same promptly is the main force behind computerisation of employee data in the case of a large organisation such as the Bank. The amount and type of information recorded and the kinds of reports produced therefrom will vary depending upon the managerial uses. Most reports, however, are generally monthly or quarterly but some may become available whenever required. The files are updated on a weekly basis or as changes in data take place.

15.39 The main advantages of EDP is that, despite the varied nature of the reports required, all are produced from the same file of data base, recorded into the EDP system once only. Thus multiple uses can be made of the same file without extra clerical workloads and errors, at the same time providing more timely information for decision making and supplying broader information for wage and salary comparisons, forecasts and simulation purposes.

15.40 In Chapter 12 the Committee has recommended, when dealing with various aspects of promotion policy, that the Bank introduce a Management Skill Inventory System, which can be computerised. This aspect of the system is discussed below.

Skills Inventory Systems

15.41 Most recently computers are being used more and more for implementing a Skills Inventory Programme. The object of this programme is to locate speedily the organisation's resources of talents and maximise their uses. It offers greater internal mobility and growth to its employees and ensures reduced employee turnover among specialised and rare skills required for various levels of work and officer positions.

15.42 A questionnaire is designed emphasising the skills with their various classifications and the information collected from the respondent is made use of in this system. The questionnaire requires the employee to fill in pertinent information on his background, education, previous job history and skills or check off other information on the prescribed form. Reports depicting individual skills and proficiencies are then prepared by the computer

from the information on the questionnaire. A new questionnaire is sent out each year to update the employee's file.

Computerisation in the Bank

15.43 The Bank is already in possession of an Electronic Computer which is being used extensively for analysis of statistical information and preparation of reports published periodically by the Bank. The extension of this concept to the development of a Skill Inventory System for the officer positions in the Bank may be explored on a pilot project basis, which may later on be extended to other employees. This will be a worthwhile effort to promote mobility and interchangeability of posts irrespective of the department or the level of the employee. The feasibility of this system may be explored on a priority basis.

Personnel Research

15.44 Personnel Research may be defined as a systematic inquiry into any aspect of the broad question of how to make more effective an organisation's recruitment, selection, development and utilisation of, and accommodation to, human resources. There are different levels of personnel research in terms of complexity:

- i) between company surveys;
- ii) collection and analysis of statistical data;
- iii) literature survey;
- iv) attitude survey;
- v) department clinical or case studies;
- vi) experimental research.

All these different levels of research in personnel management, whether the approach is contemporary or historical, are immensely valuable in developing more effective

personnel practices. Some research, such as surveys or analysis of statistics about the organisation's internal function, is so vital to the effective operation of individual enterprises that it is done almost as a matter of course in day-to-day personnel management's practice in all enterprises.

Personnel Research in the Bank

15.45 In the light of the above observations the Committee recommends that initial action be taken to carry out personnel research in the following areas:

- i) pay comparability and external relativity with other organisations;
- ii) attitude surveys regarding job satisfaction and morale of employees in the Bank;
- iii) manpower planning;
- iv) skill inventory computerisation;
- v) organisation development;
- vi) publications on personnel research carried out in the Bank.

15.46 It will be very valuable if interdisciplinary teams of officers drawn from Organisation and Methods, Personnel, Economic/Statistics and other interested departments are charged with the responsibility to carry out the survey and research assignments mentioned above so that the conclusions drawn therefrom are reflected in evolving future policy decisions to enable the Bank to achieve its goals more effectively.

Integrated Approach

15.47 It is well recognised that organisations are purposive groups geared to attaining specific objectives. Work is the most important activity of human beings. They derive security, status and other satisfactions from work. Traditionally the emphasis has been solely on attaining efficiency without paying any attention to the employees. A balance has

to be struck between concern for employees and concern for efficiency. Not only is there a need to assess the performance of individuals towards the attainment of organisation objectives through annual confidential reports, etc., but there is also a need for ensuring the satisfaction of employees. Integration of both these considerations is provided by the concept of Management by Objectives (MBO). MBO prevents the ascendancy of either individual or organisation. It helps towards providing a healthy marriage between the individual and the organisation.

MBO - MANAGEMENT BY OBJECTIVES

Need for MBO

15.48 Many organisations in the public sector or even in the private sector have become so complex that personal responsibilities are diluted beyond recognition. Managers and

professionals at various levels in the hierarchy of the organisation have no way of relating their activities to the achievement of overall organisational goals. A philosophy of management has been evolved and a workable system developed that brings managers and supervisors at all levels into the mainstream of overall planning and control in the organisation with emphasis on results and goals. This system is known as Management by Objectives (MBO).

15.49 In MBO managers, in collaboration with their superiors, establish measurable objectives to be accomplished over a specified period of time. It allows every manager to plan and measure his own performance as well as that of his subordinates in terms of concrete results. The philosophy behind MBO is that people can contribute far in excess of usual expectations on their jobs, and are willing and anxious to do so. However, they

must be allowed to participate in setting their goals and in determining the best method for achieving them.

Implementation

15.50 The following are the steps involved in implementing the MBO programme in any organisation at the division, department and section levels as well as the individual officer level:

- i) developing objectives:
 - a) regular objective;
 - b) special objective;
- ii) converting objectives into operating plan;
- iii) measuring progress towards achievement of objectives.

Developing Objectives

15.51 An objective is an end to be achieved or a result to be accomplished. Traditionally in organisational work the term objective has implied long range objectives. However, in MBO approach, essentially one focusses on comparatively

short range objectives, such as the goals for the next year and so on.

15.52 The most important stage and the crucial one at that in the MBO Programme is the participation of the manager and his superior in setting up all the objectives of the former to be achieved in a specified period of time. It involves top-downwards direction and bottom upwards process in regard to setting the goals which are important from the overall organisation point of view. It is suggested that not more than five meaningful objectives be spelt out and weightage in terms of point value be given to each in terms of the importance of each.

Converting objectives into
an operating plan

15.53 In this phase the events to be completed for achieving each of the objectives are specified explicitly and the time requirements estimated. On this basis deadlines are

established for achieving each of the set objectives.

Review of progress

15.54 In this phase periodical reports are fed back to the Manager regarding the operating results to help him take corrective action where called for. Finally an annual performance evaluation enables the Manager and his superior to review the progress for the entire period for which the goals were set. Based on this experience the objectives for the next period are set and the whole cycle restarts.

Major benefits of MBO

15.55 The major benefits of MBO are the following:

- i) greater achievement of organisation goals by concentrating on the performance of activities which contribute to attainment of measurable objectives;

ii) improvement of performance due to greater commitment on the part of officers due to participation and involvement in setting the goals and by capitalising on the ingenuity and resourcefulness of managers in devising methods and innovating procedures to achieve the objectives;

iii) facilitation of decentralisation by changing the emphasis from tradition bound evaluation of a unit's performance based on activities (how) to that of results (what) at the same time ensuring that goals of operating units will be compatible with overall organisational goals;

iv) provision of a systematic approach to planning and execution of annual goals, and streamlining of management controls by focussing attention on significant performance factors;

v) objective basis of performance evaluation of managers, replacing the highly subjective personality traits of managers by measurable results achieved by them.

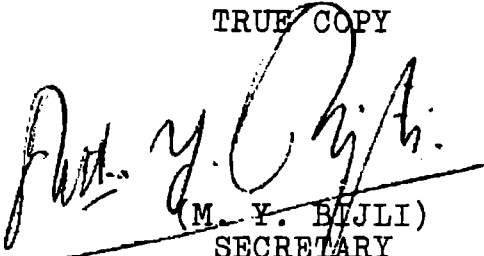
MBO in Bank

15.56 It is no more difficult to apply MBO to large clerical, executive and specialist areas of the Bank than to similar areas in industry or Government. It requires the establishment of standards of output (the data for which exist in many areas) and setting the standards of service. To be fully effective this should be accompanied by a system of cost accounting so that managers could be made responsible for departmental 'budget centres', to which a cost budget could be allocated and from which a standard of service could be required. Both the costs and the standard of service would form the objectives to be met or improved upon by the manager. In 'administrative' areas, though the evaluation

of output may be almost entirely a matter of subjective judgment, in the view of the Committee it is still practicable to allocate programmes of work, (costed where applicable) to define tasks and establish priorities and to hold an individual manager responsible for meeting those objectives over which he has control. To start with, some pilot projects of MBO may be undertaken in the Bank, if necessary with the help of outside institutions or consultants, and, on the basis of the results, a phasewise programme of MBO in the Bank may be prepared and implemented.

J. L. NAIN
CHAIRMAN

TRUE COPY


(M. Y. BUJLI)
SECRETARY

CADRE REVIEW COMMITTEE

V. ISVARAN
MEMBER

N. S. RAMASWAMY
MEMBER

SUMMARY OF RECOMMENDATIONS AND
SUGGESTIONS

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1. The total number of pay scales in the Bank should be six in addition to four fixed pay posts. The grades should have a continuous numbering, preferably by letters of the alphabet, as follows :

- (i) Grade 'A': Rs.560-35-735-40-815-45-905-EB-45-950-50-1150 (15 years)
(for Staff Officers Grade II, Assistant Engineers and Supervisors redesignated as Assistant Engineers)
- (ii) Grade 'B': Rs.650-65-1170-EB-65-1495 (14 years)
(Probationers Rs.600/- for two years)
(for Staff Officers Grade I without Special Pay)
- (iii) Grade 'C': Rs.1200-65-1525-EB-65-1785 (10 years)
(for Staff Officers Grade I with Special Pay and officers on the scale of Rs.820-60-1300)
- (iv) Grade 'D': Rs.1700-75-2000-80-2160 (7 years)
(for Senior Staff Officers Grade III)
- (v) Grade 'E': Rs.1925-75-2000-80-2400 (7 years)
(for Senior Staff Officers Grade II)
- (vi) Grade 'F': Rs.2300-100-2700 (5 years)
(for Senior Staff Officers Grade I)

If the Secretary, Services Board, is also a Member of the Board, he should usually be drawn from Grade 'D'.

The Directors in the Economic and Statistics Departments should be placed in Grade 'D' until they

reach Rs.2160/- and, thereafter, subject to an efficiency bar at that stage, they should be placed in Grade 'E'.

The Advisers in the Economic and Statistics Departments should be placed in Grade 'E' until they reach Rs.2400/- and, thereafter, subject to an efficiency bar at that stage, they should be placed in Grade 'F'. (paragraph 4.34)

2. The four fixed pay posts mentioned above are as follows :

a) Chief Accountant	Rs.2750/-
b) Principal Adviser	Rs.2860/-
c) Chief Manager	Rs.2970/-
d) Executive Director	Rs.3025/-

(paragraph 4.35)

3. Where it is considered necessary to grant extra remuneration to employees engaged in work of an arduous nature, it should be in the form of Special Allowance except for the Joint General Manager of the Industrial Development Bank of India and the Principal Private Secretary to the Governor, for whom the present Special Pay should be continued as Special Pay. (paragraphs 4.37 & 4.38)

4. In the following cases, the existing Special Pay should be converted into Special Allowance for future incumbents :

- (i) Secretary, Services Board (when he is an officer from proposed Grade 'C') at reduced rate of Rs.100/- p.m.
- (ii) Senior Instructors, Training Establishments, at reduced rate of Rs.50/- p.m.
- (iii) Instructors, Training Establishments.
- (iv) Assistant Instructors, Zonal Training Centres.
- (v) In-charge, Machine Section, Byculla.
- (vi) Treasurer, Gauhati/Ahmedabad.
- (vii) Deputy Treasurers.
- (viii) Supervisor in Group IV.

[existing incumbents will continue to draw Special Pay as at present - at reduced rates for Nos.(i) and (ii)]

(paragraph 4.39)

5. The grant of Special Pay to the Vice-Principal, Bankers Training College, should be eliminated by putting the next incumbent in proposed Grade 'E'.
(paragraph 4.41)

6. Security Officers at Bombay and New Delhi should be paid Special Allowance at Rs.100/- p.m.
(paragraph 4.41)

7. Local Pay should be converted into City Compensatory Allowance which does not count for superannuation benefits. (paragraph 4.44)

8. City Compensatory Allowance should be extended to Nagpur, Poona and Lucknow at a reduced rate. (paragraph 4.46)

9. City Compensatory Allowance should be payable in Bombay, Calcutta, New Delhi, Madras, Bangalore, Hyderabad, Kanpur and Ahmedabad (Higher City Compensatory Allowance Centres) at 10 per cent of pay and in Nagpur, Poona and Lucknow (Lower City Compensatory Allowance Centres) at 7½ per cent of pay with maxima of Rs.200/- for Higher City Compensatory Allowance Centres and Rs.150/- for Lower City Compensatory Allowance Centres, upto pay of Rs.2250/-. Thereafter the rates should be as follows :

Pay Range	Amount	
	Higher C.C.A. Centre	Lower C.C.A. Centre
Rs.	Rs.	Rs.
2251 - 2500	175	125
2501 - 2600	150	100
2601 - 2700	100	50
Above 2700	Nil	Nil

No City Compensatory Allowance will be payable at other centres.
(paragraph 4.47)

10. It is not necessary to link payment of Dearness Allowance to officers with the cost of living index at any stage. The Allowance should be paid at the following rates :

<u>Pay Range</u> Rs.	<u>Amount</u> Rs.
Upto 800	300
801 - 1000	275
1001 - 1250	250
1251 - 1500	200
1501 - 1750	150
1751 - 2000	125
2001 - 2250	100
2251 - 2350	At such figure as would bring pay + allowance upto Rs.2350/-.
Above 2350	Nil

The payment should be so adjusted that no officer in the earlier stages of a higher slab gets as pay plus dearness allowance less than an officer in the higher ranges in a lower slab.

(paragraphs 4.59 & 4.60)

11. The Dearness Allowance payable to the officers should be reviewed by the Bank at an interval of every two years. (paragraph 4.61)

12. House Allowance should be payable as follows :

(I) In the case of transferable Staff Officers Grade II and all other officers

- | | | |
|--|---|---|
| (i) Bombay,
Calcutta,
New Delhi,
Madras |) | } 20 per cent of pay to be rounded off to next higher rupee with a minimum of Rs.125/- and maximum of Rs.350/- p.m. |
| (ii) Other centres |) | } 15 per cent of pay to be rounded off to next higher rupee with a minimum of Rs.125/- and maximum of Rs.350/- p.m. |

(II) Non-transferable Staff Officers Grade II

15 per cent of pay to be rounded off to next higher rupee with a maximum of :

- (i) Rs.140/- p.m. in Bombay, Calcutta, New Delhi and Madras;
- (ii) Rs.125/- p.m. in Bangalore, Hyderabad, Ahmedabad and Kanpur;
- (iii) Rs.115/- p.m. in other centres.

Provided that in all cases no officer residing in quarters provided by the Bank shall be paid a house allowance in excess of the house rent actually payable by him. (paragraph 4.69)

13. Retrospective effect from 1st November 1969 should be given to the revision recommended by the Committee in regard to Pay, Dearness

Allowance, City Compensatory Allowance and House Allowance. All other financial benefits will be prospective unless the Bank decides to give effect to any of them from an earlier date.
(paragraphs 5.4 & 5.5)

14. The following fitment formulae are recommended :

- (a) (i) Confirmed Officers (other than Staff Officers Grade II) as on 1st November 1969

The pay of a confirmed officer as on 1st November 1969 be fitted in the proposed scale of pay at the stage which is immediately higher than the aggregate of his pay, local pay and adjustment allowance as on that date. In the case of a Staff Officer Grade I with Special Pay of Rs.100/- per mensem who is to be fitted in the proposed Grade 'C', the Special Pay should also be included in arriving at the aggregate pay as on 1st November 1969.

- (ii) Confirmed Staff Officers Grade II as on 1st November 1969

The pay of a confirmed Staff Officer Grade II as on 1st November 1969 be fitted in the proposed scale of pay at the stage which is immediately higher than the aggregate of his pay, local pay and adjustment allowance as on that date. A number

of such officers were granted ad hoc additional increments with effect from 1st January 1970. Those increments are not to be taken into consideration for fitment of pay into the new scales. The 'pay' (i.e. pay plus local pay plus adjustment allowance) and 'allowances' of such officers as on the date of implementation of the scale might, in some cases, be higher than what would be admissible in the proposed scale. In such cases, the Committee recommends in order to avoid hardship to the officers concerned that total pay and/or total emoluments of such officers in the old scale as on the date of the implementation of the scale should be protected, the difference being absorbed by any future accretion to basic pay/total emoluments.

- (b) (i) Officers (other than Staff Officers Grade II) who were officiating as on 1st November 1969 or those who were appointed to officiate after 1st November 1969

The substantive pay of such an officer as on 1st November 1969 or on the date of promotion at a later date as the case may be shall first be increased notionally by adding one increment in the substantive scale and the officer fitted in the officiating grade in the proposed scale at the stage next above that pay.

- (ii) Staff Officers Grade II who were officiating as on 1st November 1969 or those who were appointed to officiate after 1st November 1969

The substantive pay of such an employee as on 1st November 1969 or on the date of promotion at a later date as the case may be shall first be increased notionally by adding one increment in the substantive scale and the employee fitted in the officiating grade in the proposed scale at the stage next above that pay. In the case of an employee who is at the maximum of the scale in his substantive post, a notional increment equal to the last increment drawn by such an employee shall be added and his pay in the higher grade shall be fixed in the stage next above the pay so arrived at. If the refixation of pay of an individual employee on the above basis results in a situation where his refixed basic pay and/or total emoluments fall short of his total pay (basic pay plus local pay plus adjustment allowance) and/or total emoluments in the old scale either on 1st November 1969 or at any time before the proposed scales are implemented, such basic pay/total emoluments shall be protected, the difference being absorbed by any future accretion to basic pay/total emoluments.

NOTE: If the fixation of pay on the above basis results in the anomaly of an officer on refixation of his pay in the proposed scale drawing more pay than his senior, the anomaly should be rectified by stepping up the pay of the senior to the same level as that of the junior and/or by adjusting the date of increment of the senior as may be found necessary.

(paragraph 5.10)

15. If, as a result of fitment in the proposed scales, the total emoluments as on or after 1st November 1969 fall short of the existing total emoluments no recovery of the excess drawn should be made. (paragraph 5.11)

16. The principle about fixation of pay on promotion mentioned in the Desai Award should be followed and, accordingly, the substantive pay of the workman employee/officer should be fixed in the time scale of the post to which he is promoted at the stage next above the pay notionally arrived at by adding one increment to the pay last drawn by him in the lower post.

Where, however, the workman employee/officer was immediately before promotion drawing pay at the maximum of the scale of the lower post, his

initial pay in the higher post should be fixed at the stage in the higher scale next above :

(i) the maximum pay of the lower post plus a notional increment equal to the last increment drawn in the case of a workman employee promoted as officer; and

(ii) the maximum pay of the lower post in the case of an officer promoted to a higher grade.

(paragraphs 5.16 & 5.17)

17. Officers getting a substantive pay of Rs.1000/- p.m. and above but below Rs.1700/- should be paid a conveyance allowance of Rs.50/- p.m. provided they maintain and use a scooter, motor cycle or motor car, and officers getting a substantive pay of Rs.1700/- p.m. and above should be paid a conveyance allowance of Rs.150/- p.m., provided they maintain and use a motor car.
(paragraph 6.5)

18. The present administrative instructions in regard to the terms of deputation of officers should be embodied in the Staff Regulations.
(paragraph 6.6)

19. The ceiling of Rs.75/- p.m. fixed for Hill Allowance for officers posted at Srinagar should be raised to Rs.100/- p.m. (paragraph 6.10)

20. The Outfit Allowance for officers deputed abroad should be raised to Rs.750/-. (paragraph 6.11)

21. In the event of the emoluments of Deputy Governors being increased, the pay scales of all officers should be upgraded by the same percentage as that by which the pay of the Deputy Governors is upgraded. (paragraph 7.1)

22. The Bank may consider the adoption of procedures for treating the matter of transfers in as rational and compassionate a manner as possible with due regard both to administrative requirements and the avoidance of inconvenience to the officers concerned. (paragraph 8.1)

23. A more rational system for confirmations would help in giving more satisfaction to the officers without appreciably affecting efficiency. (paragraph 8.9)

24. If a review of confirmations is made every three months in all the grades there would be less reason for complaints from the officers. (paragraph 8.10)

25. The criterion for fixing seniority in a grade should be shifted from the date of confirmation to the date of continuous officiation in that grade. (paragraph 8.11)

26. The Bank should adopt the device of additional permanent supernumerary posts in a grade for confirming officers who have been officiating for unduly long periods, such posts being abolished when permanent vacancies arise subsequently. (paragraph 8.12)

27. The compensatory allowance on transfer payable at present should be converted into an educational allowance payable to officers whose children have to stay at places other than the centres of posting of the officers for any valid reason. (paragraph 8.16)

28. The existing limit of luggage which can be taken by an officer on transfer should be raised to 35 quintals, the payment being restricted to the actual weight of the luggage transported, if that is lower. (paragraph 8.16)

29. Halting Allowance should be fixed on the following basis :

	<u>For Category I area</u> Rs. per diem	<u>For Category II area</u> Rs. per diem
Officers getting pay upto Rs.1000/- p.m.	25	20
Officers getting pay from Rs.1001/- to Rs.1500/- p.m.	30	25
Officers getting pay from Rs.1501/- to Rs.2000/- p.m.	40	35
Officers getting pay over Rs.2000/- p.m.	50	45

The Bank will make suitable deductions when the touring officer avails himself of the accommodation at the Bank's visiting officers' flat.
(paragraph 8.21)

30. The sliding scale for Halting Allowance for prolonged halts should be as follows :

For the first 45 days	-	at the full rate per diem.
For the next 45 days	-	at 3/4th of the full rate per diem.
Thereafter	-	at 1/2 of the full rate per diem.

(paragraph 8.23)

31. Officers of the Bank drawing a pay of Rs.1200/- p.m. or more should be allowed to travel by air-conditioned class in trains and air travel should be permitted freely for officers drawing pay of Rs.1600/- and above. In the case of others, air travel may be permitted by the superior officer according to the circumstances of each case. (paragraph 8.25)

32. Officers concerned drawing a basic pay below Rs.1200/- p.m. should be paid a closing allowance of Rs.100/- for the half year ending 30th June and of Rs.75/- for the half year ending 31st December. (paragraph 8.36)

33. The facility of charging actual taxi fare for returning home late should be extended to officers for journeys beginning from 8.30 p.m. instead of 10 p.m. as at present. (paragraph 8.36)

34. The present lunch/dinner allowance of Rs.6/- admissible to officers should be raised to Rs.8/-. (paragraph 8.36)

35. Regulation 36 of the Reserve Bank of India (Staff) Regulations, 1948, relating to contributions to the Press by employees of the Bank should be amended and amplified as follows :

i) No employee may contribute to the newspapers without the prior sanction of the competent authority, but shall be at liberty to do so in the manner indicated in his application for sanction if he does not receive a final reply within 30 days of his application.

ii) No employee may use any information or material that has come into his possession in his official capacity for publishing any articles, book or other document without the prior sanction of the competent authority.

iii) In all cases not covered by the foregoing provisions no prior sanction of any authority in the Bank will be required, but the employee shall report his intention to the Bank before releasing the material for publication through a periodical/journal or a publishing house or otherwise and shall, in doing so, indicate the nature of the material and certify that the proposed publication does not contain or utilise any material to which he has had access in his official capacity in the Bank, and further does not contain any views or statements likely to embarrass the Bank or the Government of India. He shall also certify in his report that he will not mention his association with the Bank in the publication in any shape or manner.

iv) The employee will be entitled to keep the whole of any remuneration he may receive for such publication. (paragraph 9.2)

36. The Bank should prepare a list of consumer goods for the purchase of which loans would be available to officers from the Bank at the Bank Rate of interest upto Rs.3000/- for each article purchased. (paragraph 9.5)

37. The Bank should look into the possibility of allotting a flat or house in each housing colony it has built or will build in future for use as a Sports or Recreation Club for employees. (paragraph 9.8)

38. As a rule no officer employed by the Bank on a part-time basis should be put in any particular grade of officers of the Bank. (paragraph 9.11)

39. The visit fees of the Bank's Medical Officers for treating members of the family of officers should be reimbursed in full to them. (paragraph 9.15)

40. Medical expenses incurred in the case of miscarriage or abortion should be reimbursed provided the bills of expenses are certified by

the Bank's Medical Officer in each case in regard to authenticity of the treatment and reasonableness of the charge. (paragraph 9.15)

41. In the case of chronic ailments facilities should be allowed to officers on the same lines as allowed by the Government of India to its officers. (paragraph 9.15)

42. The Bank should adopt the necessary procedures for ensuring that leave is sanctioned or refused immediately after the receipt of an application for leave, and also adopt the method followed by the Government of India in regard to the calculation of leave salary. (paragraph 9.19)

43. The Bank should review the position of housing at each centre at regular intervals and see that an adequate number of flats and residences either owned or hired is made available. (paragraph 9.20)

44. The practice in the State Bank of India in regard to provision of furnished accommodation to officers may be studied and the Bank may take action in gradual stages to furnish all flats and residences owned by the Bank. (paragraph 9.21)

45. In regard to the scale of accommodation prescribed for officers, the rent ceiling as well as the area ceiling should be fixed ~~in proportion~~ ^{bearing in mind} ~~to~~ ^{the} floor area of flats and houses built by the Bank for its officers. ~~and~~ ^{That is to say,} the rent should be calculated ~~according to~~ ^{bearing in mind} the prevailing rate in the city for a flat or house of the area the Bank has already built, the floor area ceiling for centres without City Compensatory Allowance being fixed at a higher level than that in centres with City Compensatory Allowance. (paragraph 9.23)

46. To reduce the waiting period for officers posted to new stations for accommodation, the Bank should take on hire new flats as soon as they become available. (paragraph 9.25)

47. The limit for housing loans should be raised to a sum equal to 60 months' pay or Rs.72,000/-, whichever is less. (paragraph 9.29)

48. Withdrawal from the provident fund to meet part of the cost of acquiring a house or flat should be permitted after an officer has completed 10 years of service. (paragraph 9.30)

49. Reviews of policies relating to the remuneration of officers may be carried out with due regard to the guidelines set out by the Committee at intervals of ~~not less than~~ ^{about} five years. (paragraph 9.31)

50. Staff Officers Grade II promoted as Staff Officers Grade I who continue in the same quarters though entitled to a higher standard of accommodation may be given as compensation facilities like geysers, almirahs and free water supply. (paragraph 9.32)

51. Improvements may be made in the standard of amenities and maintenance of the visiting officers' flats of the Bank in consultation with the Associations of the officers. (paragraph 9.33)

52. It may be ensured that a Branch Manager is always of a grade higher than that of any other senior officer posted at that branch. (paragraph 9.34)

53. Regional Heads who are required as return of courtesy to entertain officials in their regions may be given some allowance for the purpose. (paragraph 9.35)

54. The Bank may examine the requests of senior officers of the Agricultural Credit Department to be provided with official cars. (paragraph 9.36)

55. The age of compulsory retirement of officers should continue to be the attainment of 58 years, but on two earlier occasions, viz. on the attainment by an officer of the age of 50 years and again on the attainment of the age of 55 years, either the Bank or the officer may, by three months' previous notice in writing, bring about the retirement of the officer without assigning any reason, such retirement being deemed to be normal superannuation. (paragraph 10.3)

56. Where an officer has to his credit as on the date of retirement ordinary leave earned but not availed of, he may be permitted to take the leave after the date of superannuation upto a maximum of six months and in such a case the employee will be deemed to retire from service on the ~~ex~~piry of the leave. The Bank may at its option pay to the officer salary in lieu of the period of leave on his retirement. (paragraph 10.4)

57. Interest on provident fund balances should be paid at 6 per cent per annum. Where payment of the amount of provident fund is delayed beyond six months after retirement, resignation or death of an officer on account of delay on the part of the Bank, interest should be paid at the same rate upto the date of payment. Cases of payment of provident fund balances should be disposed of as expeditiously as possible. (paragraph 10.6)

58. Gratuity should be paid at the rate of one month's pay for every year of service upto 30 years' service, with a ceiling of Rs.30,000/- or 20 months' pay whichever is less. The present payment of half month's pay for each year after 30 years' service should continue. Any tax liability arising from the change in the ceiling will be discharged by the officer and not by the Bank. (paragraph 10.11)

59. The Bank may explore the possibility of utilising a part of the gratuity for instituting a pension. (paragraph 10.13)

60. A Grievances Redressal Board should be constituted for the redressal of grievances of the officers and all appeals under Regulation 49,

excepting those relating to promotion, seniority and crossing of efficiency bars (which will lie to the Services Board) should lie to the Board, whose advice should be always accepted by the Bank.

The Board should consist of a Chairman who should be a retired Judge of the Supreme Court or of an Indian High Court nominated by the Governor, and of a Deputy Governor of the Bank whose department is not directly involved in the grievance under examination and of an officer of the Bank who is immediately superior to the one whose action or decision is the subject matter of the grievance. (paragraph 11.5)

61. If possible the Chairman of the proposed Grievances Redressal Board may be appointed Chairman of the Services Board. (paragraph 11.2)

62. The Services Board should also function as the Grievances Redressal Board for dealing with complaints relating to promotions, seniority and crossing of efficiency bars. The advice of the Services Board in regard to such complaints should be always accepted by the Bank. (paragraph 11.3)

63. The Bank should constitute a Joint Consultative Council consisting of two nominees of the Governor and one nominee each of the Officers' Association and the Supervisory Staff Association and complaints in certain specified matters may be referred by the Grievances Redressal Board to the Council which will make its recommendations to the Board. (paragraph 11.6)

64. One third of the Staff Officers Grade I should be recruited direct at a young age with higher academic qualifications than those prescribed for Staff Officers Grade II, viz., a second class degree in Law or a second class Master's degree or higher than a Master's degree in any discipline.

Selection should be on the basis of an objective test consisting of a written test and interview. The age limit for appearing for the written test should be 27 years, relaxable by three years for persons already in the service of the Bank and members of scheduled castes and scheduled tribes. (paragraphs 12.3 to 12.7)

65. The agreement between the Bank and the All-India Reserve Bank Employees' Association

in respect of the percentage and terms of direct recruitment of Staff Officers Grade II should be adhered to. (paragraph 12.8)

66. Direct recruitment at all levels should be through the Services Board of the Bank. (paragraph 12.9)

67. Promotion of Staff Officers Grade II to the grade of Staff Officers Grade I should be made in the order of seniority irrespective of the source from which the officer in Grade II was drawn, and all promotions made after 1st January 1970 may be regularised on this principle. (paragraph 12.12)

68. The Bank should endeavour to fill posts other than those in the proposed Grades 'A' and 'B' from within its own organisation, except in case of posts requiring specialisation for which adequate talent is not available within the Bank. (paragraph 12.14)

69. A manpower planning system should be developed in the Bank on a priority basis. (paragraph 12.15)

70. Concrete measures to promote equalisation of promotional opportunities in various departments/groups should be carried out. (paragraph 12.20)

71. A central agency like the Personnel Department or a Working Group may make a co-ordinated effort and prepare an overall framework specifying the minimum qualifications and years of experience for the various posts of officers in the Bank. (paragraph 12.26)

72. The Bank should initiate a Management by Objectives system which will make the present confidential reporting system redundant. (paragraphs 12.31 & 15.56)

73. To facilitate the recruitment, training and promotion functions the Bank should draw up an inventory of its manpower. (paragraph 12.32)

74. The various departments of the Bank should be rearranged in seven Groups which will bring departments performing like functions together, will separate the department making decisions on personnel policies and employee privileges and benefits from the operational departments and will facilitate mobility and selectivity. (paragraph 13.7)

75. Designations should be rationalised in the light of the suggestions made. (paragraph 13.23)

76. Subject to certain restrictions and limitations, total mobility between departments and inter-changeability of posts should be introduced at the level of proposed Grades 'A', 'B' and 'C'. With regard to the higher grades the above recommendations would apply mutatis mutandis, but the Committee has left it to the Bank to introduce mobility and inter-changeability at these levels taking into consideration the exigencies of each situation. Common seniority lists should be maintained for each grade, Select lists for promotion should be prepared each year by the Services Board. Systematic training programmes should be arranged. (paragraphs 13.26 to 13.28)

77. In-service training should be made more effective by carrying out a thoroughgoing reorganisation of the content, methodology and structure of training programmes. (paragraph 14.6)

78. The training function should be totally integrated with the overall personnel function. (paragraph 14.7)

79. A broader role should be assigned to the O. & M. function which can eventually mature to a Management Services Department. The O. & M. Division should be suitably augmented to provide additional expert assistance. (paragraphs 15.9 to 15.23)

80. The Department of Management and Personnel (excluding O. & M.) should widen its scope to include the evolution of strategies for career planning of officers, performance appraisal, counselling, promotion policies and effective selection. Staff with the requisite qualifications should be recruited to strengthen the Department. (paragraphs 15.28 to 15.36)

81. Electronic Data Processing should be extended to the fullest possible extent to personnel work. (paragraphs 15.37 to 15.43)

82. Initial action should be taken to carry out personnel research in certain specified areas. (paragraph 15.45)