

A Study On Problems And Challenges Faced By Bank Employees During Demonetization

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Abstract: Demonetization move by the Prime Minister Narendra Modi has shocked the nation on 8th of November 2016. In order to fight the problem of black money and corruption in the country the government decides to discontinue the currencies of 1000 and 500 Rupees notes. This bold move to curb black money had a mixed response as some welcomed and some were against the move. There were many problems faced by the common people as well as the bank employees during this period. Bank employees across the country right from day one after the announcement of demonetization have been working extra hours every day and tried to handle the situation smoothly. But people lost the control over the situation due to chaos and long queues outside the banks. Bank employees had forgone their weekends and holidays, family time and sleep for ensuring comfort to the general public. This paper tries to identify the challenges and problems faced by bank employees during demonetization and what are the measures taken to face those challenges.

Keywords: *Black money, Demonetization, Digitization, E-banking, Mental Stress, Physical Stress and Plastic Money.*

I. INTRODUCTION

Indian banking sector is always been regarded as a most preferred area of employment. In recent times it has emerged as an important sector in India. For the past three decades the Indian banking system has achieved several achievements. It is no more confined to the metropolitans or cosmopolitans. It has reached to every corners of the country. Hence it plays a very important role in the growth of Indian economy. Banks have diversified their activities and getting into new products and services that includes universal banking, narrow banking, investment, consumer finance, wealth maximization, stock broking, custodian services, private equity, pension fund regulation, mutual funds, etc. The tremendous growth of the bank has created a vast employment opportunities for the people in India. Today the banking sector provides highest employment opportunities in the country. Around 21% of total population is working in banking sector. Hence it is said that Indian banking industry is having an excessive use of labour due to its share in market and also it is owned and managed by the government. At the same time competition around the world has led the world to face new challenges. This has come up with a positive attention on human resource management. Due to such a situation employees are great affected as they need to cope with the situation without any planning or preparation. The same is the case

of bank employees in India. Whenever the ruling government and RBI implement or revise any policies the most stressed/suffered are the employees. In such a situation the outcome had been very costlier for the organization which ultimately affects their performance or growth of the sector. This paper tries to study the problems faced by the bank employees during demonetization

Demonetization is an act of stripping a currency unit of its status as a legal tender. It is a process where in the currencies are removed from usage or circulation in a country. It is also known as withdrawal of currency. On 8th November 2016 India's prime minister made a shocking declaration on banning of all Rs 500 and Rs 1000 bank notes from circulation in order to end the black money circulation and corruption. This declaration or decision has affected almost all people in India. Among those the most focused one was the bank employees. The bank employees confronted the most difficult time of their profession. All the employees from top to bottom i.e. directors, managers, tellers, dispatchers, clerks, security personnel, and housekeeping were pulled in to the storm of demonetization. The paper tries to discuss the a few challenges faced by them and also how they managed to go through the toughest path of their career.

II. REVIEW OF LITERATURE

Shweta Tanwar (October 2017) in the study “Demonetization and its impact on banking and Indian economy” an analytical review found that the overall economy will be in previous condition in a short period of time. The transparency in the banking activities decreased volume of black money is a long term benefit for the economy. The farmers, shopkeepers, small vendors, labourers will be affected till the economy regains its position.

Ms. Sapna kumari , Ms. Nida zaidi (2017) in the paper “ impact of demonetization in banking sector “ with reference to Meerut region focuses on the impact of demonetization in Meerut banking sector. The study reveals that even though demonetization helped the economy in curbing black money and corruption it has affected general people and even bank employees. The cash flow in the banks has decreased which affected the interest rate and money lending. It has lead in the increase in the use of online banking, plastic money, and wallet money by the people in order to fight with the situation.

Sandeep Ganghi and Madhu bhushan (2017) in their study “demonetization 2016- its impact on Indian Bank employees” pointed out that demonetization had both negative and positive impact on employees. Mental stress, physical stress, vigilance stress to maintain profitability etc. are on one side, increase in knowledge, digitalization, improvement in pay scale, and further refined HR policy are in the other side.

Dr. M. Prabhu, Girish V and Mamatha R (april 2017) in their paper demonetization and its effect on banking sector “ they found in the study that banks are the major institution affected by this situation. The exchange of old notes with the banks in the process disturbed temporarily and its regular operations. But at the same time it helped the economy to find growth and development in the country through financial institutions like banks.

Vedhasree mali (December 2016) in the study “demonetization a step towards modified India” says that demonetization has created some positive and negative impact on different sectors but in long run it definitely will have some positive impact.

Nair Sreeja Sivankutty and Dr. S. John Manoraj, (July 2018) in their study “Impact of demonetization in the use of plastic money with reference to Card and Non-Card holders” states that the decision of government will definitely give better results in the long run. To make dream ‘digital economy’ happen, there is need for more organized studies across India so as to find out the preferences for use of plastic money and the challenges. This knowledge market will help the marketers, policy maker and also the customers.

III. RESEARCH METHODOLOGY

OBJECTIVES OF STUDY

1. To study the effect of demonetization on the bank employees
2. To understand the challenges faced by the employees during demonetization
3. To understand on managing the challenges by the bankers in post demonetization.

NEED OF THE STUDY

Competition has led the corporate world to face with new challenges around the world. Human resources is considered as the driving force behind the survival and success of any organization. The employees in the banking industry face many challenges in their work. The government and RBI constantly change their regulation the impact of such regulations will be more on the bank employees. Same is the situation with the demonetization policy. When it was first announced by the prime minister it has affected both general public and bank employees equally. It has increased their work stack as they need to serve large crowd of clients. Thus there arise a need to study how the bankers have been affected by demonetization and what are the challenges faced by them and also how they used to manage these challenges.

SOURCES OF DATA

Primary data are collected through questionnaire which was distributed among the bankers of Hyderabad region.

Secondary data are collected from journals, publications, books, internet etc.

SAMPLE DESIGN

Population of the study is bank employees of Hyderabad city

Sample size is 100.

Sampling Technique is convenience sampling technique as the samples are bank employees.

LIMITATIONS OF THE STUDY

1. In spite of best of efforts to minimize all limitations that might creep in course of research there were time constrains for the research.
2. For primary data non response error cannot be ruled out.

DATA INTERPRETATION

As per the objectives of the paper, the data collected from bank employees were analyzed and the observations are interpreted and are discussed below.

1. Profile of bank employees:

Gender: Majority of respondents are males, i.e. out of 100 respondents 56 are males and 44 are females.

Educational Qualification: Maximum numbers of respondents are post graduates and few of them are undergraduates.

Employing with: Data are collected from both nationalized and private banks. Among 100 respondents, 76 are employed with nationalized banks and 24 are with private banks.

2. Percentage increase in issues faced by the banks or bank employees.

Table 1 Percentage increase in issues faced by the banks or bank employees.

Sr. No	Percentage increase in issue	Total No. of response	Percentage
1	5%-10%	20	20
2.	10%-20%	28	28
3.	20%-30%	32	32
4.	30% and above	20	20
Total		100	100

Observation: It is inferred from the table that majority of the banker response that there is 20-30 percentage of increase in issues in banks due to demonetization. This is due to the unexpected or sudden ban on the currency notes of Rs. 500 and Rs. 1000 notes and also the bank employees were not prepared to handle the situation of demonetization.

3. Challenges faced by bankers during demonetization

[VH- Very High, H- High A- average, L- low, VL- very low]

Table 2. Challenges faced by bankers due to demonetization

Sr. No.	Challenges	Total Number of Respondents				
		VH	H	A	L	VL
1.	Less Availability of new currencies	19	6	0	0	0
2.	Low cash reserves	20	5	0	0	0
3.	Lack of meeting consumer expectations	7	14	4	0	0
4.	Increase in Work load	18	7	0	0	0
5.	Banking Network Management Challenges	0	0	8	10	7

Observation: Majority of the bankers had suffered a lot during the period of demonetization. They had gone through mental pressures as there were long queues outside the branch and they were unable to meet the customer expectations. There was less availability of cash and less circulation of new currency notes Network problems like server hacking and server problems were faced less during that period.

4. Methods Used by the bank to manage the huge customers during demonetization.

[MP – Most preferred, P – Preferred, LP – Least Preferred, MLP – Most likely to prefer , NAP – Not at all Preferred.]

Table 3. Methods Used by the bank to manage the huge customers during demonetization

SR NO	PREFERENCES	MP	P	LP	MLP	NAP
1.	Additional counters	70	23	4	3	0
2.	Employing more staffs	60	16	20	4	0
3.	Encouraging customers to use other modes of payments like Plastic cards, E wallets, Net banking	59	41	0	0	0
4.	Additional counters for Senior Citizens.	40	52	4	4	0
5.	Limits on withdrawals	50	50	0	0	0

Observations: From the above table it is observed that during demonetization the bank employees had tried its maximum to cope up with the situation i.e. to manage the huge crowds of customers who came for depositing the old currencies in exchange of new currencies. It is observed from the table that most of the banks have operated additional counters for their customers in order to manage the situation. Due to long queues the senior citizens were facing many mental and physical issues hence many branches had gone for additional counters only for senior citizens. Due to insufficient new currency notes most of the banks reduced the withdrawal limits in order to meet the cash crunch. Along with this awareness programs were also given preference to increase the use of other modes of payments and actually due to demonetization people preferred other modes of payments like plastic cards, e-wallets, net banking etc.

IV. FINDINGS

During demonetization there were many challenges faced by the bankers. One of the challenges they were facing was unable to meet the customer needs as there was less circulation of money. More than 90% transaction was made only through cash and ban on highest value of currency had almost paralyzed the economy. But in this post demonetization period the banking sectors have overcome all their challenges by rationalizing the currency available to meet its inadequacy, opening additional counters to smoothen the transactions, working additional hours to meet the customer expectations even on public holidays, and providing the facility of cash withdrawal through vouchers instead of cheques and also green cash channel facility provided by some of the bankers.

Health wise almost all the bank employees were affected either physically and mentally. This is due to heavy workload, working beyond the banking hours, managing

client crowds etc. it has also affected the social relationship of bank and its customers. As the situation was such that where people lose their control and which resulted in using foul languages, threats which affected the cordial relationship.

With the aim of making money some employees of banks became prey to small time gains. The government officials had to raid some of the bank branches to unearthing unauthorized cash disbursement which resulted in suspension of some employees of banks.

V. CONCLUSION

Government has imposed demonetization to curb black money and corruption in the economy. Demonetization had both positive and negative impact on bank employees. Mentally and physically they were stressed during this period. But at the same time the situation helped them to increase their knowledge, digitization, improvement in the wages, operation management which is a positive sign. The study has been focused on the problems and challenges faced by the bank employees during the period of demonetization found that it was a crucial and tough period in the career of the bank employees. . The government and the RBI for the betterment of the people and the country implements certain policies as and when required which sometimes affect the people and the mediators in both the ways. The demonetization situation has also had both positive and negative implications on the people, bankers as well as the country as a whole. The greatest challenge was to manage the customers. People were confused over the situations like cash crunches and they were unable to understand how to cope up with the situation. This affected the cordial relationship between the customers and banks. At the same time the bank employees has managed the situation very well by trying all the ways to meet the customer expectations. Bank employees felt increasingly targeted in the face of public anger. The constant notifications and the lack of cash provided have led banking establishments facing the wrath of clients The government's constant flip-flop on exchanging and depositing old cash notes in the bank branches, besides changing the limits on cash withdrawals has also created lot of confusion among the people⁸. In this post demonization period the economy is being benefited and the banking has been come to normal. During this period the association of banking employees has demanded for the compensation for the employees for working beyond the work hours and also for better pay for the employees⁷. As there are two sides of every coin demonetization also has both negative and positive impact on both bank employees and the economy.

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