CAREER MANAGEMENT AMONG THE EMPLOYEES OF ESAF MICROFINANCE AND INVESTMENT (P) LTD., THRISSUR

by

TREESA BENTY

(2014-31-141)

MAJOR PROJECT REPORT

Submitted in partial fulfilment of the

Requirements for the post graduate degree of

MBA AGRIBUSINESS MANAGEMENT

Faculty of Agriculture

Kerala Agricultural University

COLLEGE OF CO-OPERATION, BANKING AND MANAGEMENT

VELLANIKKARA, THRISSUR-680656

KERALA, INDIA

2016

Declaration

DECLARATION

I, hereby declare that this Major Project report entitled **"CAREER MANAGEMENT AMONG THE EMPLOYEES OF ESAF MICROFINANCE AND INVESTMENT (P) LTD., THRISSUR"** is a bonafide record of research work done by me during the course of major project work and that it has not previously formed the basis for the award to me for any degree/diploma, associateship, fellowship or other similar title of any other University or Society.

Vellanikara,

Date 29.08.2016

Treesa Benty

(2014-31-141)

Certificate

CERTIFICATE

Certified that this Minor project report entitled **"CAREER MANAGEMENT AMONG THE EMPLOYEES OF ESAF MICROFINANCE AND INVESTMENT (P) LTD., THRISSUR"** is a record of major project work done independently by Ms. TREESA BENTY under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associateship to her.
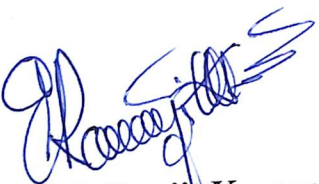
Vellanikara,

Date: 29.08.2016

Dr. Helen. S

Professor,

Central Training Institute

Mannuthy, Thrissur

CERTIFICATE

We, the undersigned members of the advisory committee of Ms. Treesa Benty, a candidate for the degree of MBA in Agribusiness Management, agree that the project work entitled **"CAREER MANAGEMENT AMONG THE EMPLOYEES OF ESAF MICROFINANCE AND INVESTMENT (P) LTD., THRISSUR"** may be submitted by Ms. Treesa Benty, in partial fulfilment of the requirement for the degree.

Dr. Helen. S
Professor
Central Training Institute
Mannuthy, Thrissur
(Supervising Guide)

Dr. E.G. Ranjit Kumar
Director of MBA-ABM
College of Co-operation, Banking & Management
Kerala Agricultural University

Dr. G.S. Arularasan
Assistant Professor(SS),
Communication Centre
Mannuthy
(External Examiner)

Acknowledgement

ACKNOWLEDGEMENT

Also I would like to impress my gratitude to all the respondents, who have spend their value time in answering my questionnaire.

Last but not the least, I thank my beloved parents for their love, care, prayer and blessing which rendered me throughout the project period and I would also express my earnest gratitude to all my batch mates for their friendship, support, care and encouragement given through my college life.

Needless to say solely I am responsible for any imperfections, which may remain...

Treesa Benty

Contents

CONTENT

List of Tables

LIST OF TABLES

LIST OF FIGURES

List of Abbreviations

LIST OF ABBREVIATIONS

Sl. No	Abbreviation	Expansion
1.	CAGR	Compound Annual Growth Rate
2.	ESPCL	ESAF Swasraya Producer Company Ltd.
3.	HRD	Human Resource Development
4.	IFC	International Finance Corporation
5.	IPO	Initial Public Offering
6.	JLG	Joint Liability Group
7.	KHRA	Kerala Hotel And Restaurant Association
8.	MED	Micro Finance Enterprise Development
9.	MFI	Micro Finance Institution
10.	MFIN	Micro Finance Institution Network
11.	NBFC	Non Banking Financial Company
12.	NRM	Natural Resource Management
13.	R & D	Research and Development
14.	ROA	Return On Asset
15.	ROE	Return on Equity
16.	SFB	Small Financial Bank
17.	SHG	Self Help Group
18.	SPMU	State Project Management Unit

Chapter - 1

Design of the Study

Chapter 1

DESIGN OF THE STUDY

1.1 Introduction

Career management is the combination of structured planning and act to management choice of one's own professional career. The outcome of successful career management should include personal fulfillment, work/life balance, goal achievement and financial security. A career includes all types of employment ranging from semi- skilled through skilled, and semi professional to professional. Careers have often been restricted to an employment commitment to a single trade skill, profession or business firm for the entire working life of a person.

Career planning is the process by which one selects career goals and the path to these goals. The major focus of career planning is on assisting the employees achieve a better match between personal goals and the opportunities that are realistically available in the organisation. Career programmes should not concentrate only on career growth opportunities. Practically speaking, there may not be enough high level positions to make upward mobility a reality for a large number of employees. Hence, career-planning efforts need to pin-point and highlight those areas that offer psychological success instead of vertical growth.

Career planning is not an event or end in itself, but a continuous process of developing human resources for achieving optimum results. It must, however, be noted that individual and organisational careers are not separate and distinct. A person who is not able to translate his career plan into action within the organisation may probably quit the job, if he has a choice. Organisations, therefore, should help employees in career planning so that both can satisfy each other's needs.

Career planning is an integral part of manpower planning which is an important part of corporate planning. Manpower planning cannot be effective without proper career planning. Similarly,

manpower planning provides valuable information to facilitate career planning. Career planning and succession planning are similar but not synonyms.

1.2 Background of the study

Aspirations management considered as an important issue in organizations because it is the process where the employees convert their dreams into achievable reality by aligning their aspirations and potential capabilities with available opportunities in competitive business environment. The important requisite of organization is to maintain their position in the market place by enhancing skills and capabilities of employees in tune with growing changes in environment.

Organization need to create shared vision of the purpose and help each employee to understand their role of contribution towards achievement of organizational goals and objectives. Managers should take lead to communicate performance expectations to each employee by providing improved job conditions. Constant and critical performance evaluation system always helps to develop employee competences with continuous training program indirectly motivate people to become high performers in organization.

Organizations need to understand the mind set of employees and take care there should be no gap between employee's interest and kind of job they do. Employee aspirations in their career should be identified and help them, to get fulfilled in organization. Therefore career management is considered as an important aspect of their career planning and skill development.

1.3 Statement of the Problem

Career planning and skill development among employees are considered as an important issue faced by an organization. It is directly linked with the aspirations of employees and their achievements. Each and every employee in the organization should have some hope and expectation regarding what they get from the organization. In some cases there may be mismatch between these two aspects and this leads to employee's dissatisfaction and they may quit the job. So the management should take steps to identify employees' aspiration and take initiative to fulfill their expectation.

ESAF Microfinance and Investment (P) Ltd. is one of the leading NBFC- MFIs (Non-Banking Financial Company - Microfinance Institution) in India now it is transforming into small bank. ESAF Microfinance is one of the premier micro finance institutions in India, particularly in Kerala, effectively empowering seven lakhs members through 160 dedicated branches. Employee's aspirations and needs may vary by this change in organizational setup. They may expect more remuneration and related benefits from the management. Dissatisfaction may occur among employees when something happens below their expectations and it will adversely affect the organizational performance.

There are no systematic studies have been conducted on the career management among the employees of ESAF Microfinance and Investment (P) Ltd. which is an emerging banking institution. Hence this study on the career management among the employees of ESAF is proposed for the effective development and deployment of all the employees for the mutual benefits for the employees as well as the better organizational performance.

1.4 Objectives of the Study

1. To assess the career management behaviour among the employees of ESAF Microfinance and Investment (P) Ltd.
2. To identify the career plans of employees of ESAF Microfinance and Investment (P) Ltd.

1.5 Research Methodology

a) Data collection:

Both primary and secondary data were used for the study.

I. Primary data:

Primary data were collected by administering a structured questionnaire from selected levels of employees of ESAF Microfinance and Investment (P) Ltd., Thrissur.

II. Secondary data:

Secondary data were collected from published sources like journals, books, project reports, thesis, newspapers, magazines and e-resources.

b) Sample design:

c) By using random sampling technique, a sample size of 100 employees of ESAF Microfinance and investment (P) Ltd., Thrissur were selected for conducting the study. A A well structured questionnaire was mailed to the selected employees of cadre A, B, C and D. Based on their responses the study was conducted. The details of the selected employees are given below.

Table 1.1 Details of selected employees

Sl. no	Cadres	Job Titles	No.of existing employees	No. of selected employees
1.	A	Assistant General Manager, Deputy General Manager, General Manager and Director	29	0
2.	B	Regional Manager, Sr. Manager, Dy. Chief Manager, Chief Manager	41	36
3.	C	Br. Manager, Sr. Branch Manager, Area Manager, Senior Area Manager ·	378	38
4.	D	Junior Officer, Asst .Officer, Officer, Asst. Branch Manager	2561	26
		Total	**3009**	**100**

d) Data analysis:

The employees' career management was analysed by constructing an ' Employees Career Management Index' which consisted of dimensions like commitment to work, knowledge about self, job security and career growth, motivation and achievement, change catalyst, initiative, job opportunities, satisfaction in the present position and hopes and aspirations.The dimensions were analyzed by obtaining the responses of the employees on five point attitude scale. The scale was constructed with ten statements under each dimension and based on judges opinion, ten statements were reduced to four statements under each dimension.

The employees were asked to rate the statements representing selected dimensions on measuring scales. The opinion of the employees were assigned values of 1,2,3,4 & 5 representing the most negative to most positive degree of opinion. The total score of each variable was calculated by summing up the values obtained. The following formula was used for calculating the index of each variable and composite index :

$$\text{Index of each variable} = \frac{\text{Total Score for the each Variable}}{\text{Maximum Score of the Variable}} \times 100$$

$$\text{Composite index} = \frac{\sum X}{M \times N \times S} \times 100$$

Where, $\sum X$ = Sum of total scores of all statements (Sum of frequencies multiplied by weight)

M = Maximum score

N = Number of respondents

5

S = Number of statements

The indicies were then classified into three categories as follows for interpreting the results.

Index	Categories
0–32	Low
33–66	Medium
67–100	High

1.6 Key Observations

a) Commitment to work

b) Knowledge about self

c) Job security and career growth

d) Motivation and achievement

e) Change catalyst

f) Initiative

g) Job opportunities

h) Satisfaction in the present position

i) Hopes and aspirations

1.7 Scope of the study

This study will help to assess the career management behaviour among the selected employees of ESAF Microfinance and Investment (P) Ltd. while they are transforming into small bank and how the aspirations of employees lead to their career planning and skill development. Through this study, the oraganisation will be able to understand the expectations, existing skills, needs and aspirations of the employees. The organization can organize various training programmes for skill development of employees through interventions such as rewards, promotions and

increments to enhance the performance of employees. As a result organization can improve their productivity through employees' satisfaction.

1.8 Limitations of the study

The present study focuses only on selected dimensions of the selected employees. The personal bias of the respondents was likely to have discounted some of the findings. Availability of secondary data and time period were limited.

1.9 Chapterisation

The study has been designed into the following chapters:

Chapter -1   --   Design of the Study

Chapter -2   --   Review of Literature

Chapter -3   --   Career management–A Theoretical Framework

Chapter -4   --   ESAF Microfinance and Investment (P) Ltd., Thrissur - A Profile

Chapter -5   --   Career management –An Analysis

Chapter -6   --   Summary of Findings and Suggestions

Chapter - 2

Review of Literature

Chapter 2

REVIEW OF LITERATURE

The objective of this chapter is to give an account of the concepts pertaining to the dimensions of career management and also validating dimensions based on the various research findings available in the area of study.

2.1 Commitment to work

Oscar (1966) found that the strength of a person's commitment to an organization was influenced by the rewards he had received from the system and the kinds of experiences he had to undergo in order to receive the rewards.

Robert (1970) observed that people in low status occupations were thought to have little commitment whereas people in high status occupations should be more highly committed.

Hrebiniak and Alutto (1972) showed that there was a strong positive relationship between organizational commitment and experience or seniority.

Porter *et al* (1974) observed that individuals highly committed to an organization's goals and willing to devote a great deal of their energy towards those ends would be inclined to remain with the organization.

Fottler (1977) reported that the failure of commitment at the top lead to a failure of commitment in staff management at the personnel department and the operating departments.

Gupta (1977) in his research study conducted on the industrial workers employed in the Diesel locomotive unit in a public sector undertaking found that workers in the public sector industry were highly committed to industrial work.

Aryeh (1978) indicated that workers with high protestant ethic tend to express high moral commitment, while those with low protestant ethic tend to express low moral commitment.

Mowday *et al.* (1979) found that the better performing branches of a bank have employees with relatively higher levels of organizational commitment than the low performing branches had.

Cook and wall (1980) had stated that supervisory relations and interpersonal trust were positively related to organizational commitment.

2.2 Self-Awareness

Fleishman and Reilly (1992) as part of the self-awareness survey for managers, proposed that that content validity would be sufficiently established if the variable of self-awareness was operationalized to include cognitive and social forms of intelligence, as important attributes for which a person could be self-aware.

Goleman (1995) named self-awareness (perceived as knowledge of one's emotions) as one of the five dimensions of the construct of EI.

Locke (2005) explained the reason for this extension to include Cognitive Abilities was based on research arguing that an individual's self- awareness should also involve knowledge of their own cognitive intelligence.

Lord *et al.* (1986) proposed for the use of Cognitive Abilities intelligence was significantly linked with leadership perceptions.

2.3 Job seccurity and career growth

Clark (1998) found that what workers valued most in a job was job security and job interest, followed by promotion opportunities and the ability to work independently. Pay and hours of work mattered, but were among the least important. These results were fairly consistent across country, gender and age.

Tucker (2002) reported that low quality employment was associated with increased health and safety concerns for workers, e.g. occupational illnesses, diseases, infections and injuries from gradual process. Workers in temporary and contractual situations were less likely to access the adequate health and safety training and control over working times.

Ritter and Anker (2002) used data from the People's Security Surveys (PSS) of the ILO in five countries. They found that job satisfaction was strongly associated with (in descending order) perceived job security, the worker's (subjective) evaluation of workplace safety, higher education, perceived employer attitudes and union membership.

2.4 Motivation and achievement

Bruce and Pepitone (1999) proposed an interesting viewpoint according to which managers could not motivate employees; managers could only influence what employees were motivated to do.

Lockley (2012) offered the training and development programs that would effectively contributed to personal and professional growth of individuals was another effective employee motivation strategy. Motivational aspects of training and development initiatives to be increased, ideally they need to be devised and implemented by a third party with relevant competency and experience.

Thomas (2009) found that main challenge of motivation in workplaces was identifying what motivated each individual employee taking into account his or her individual differences. In other words, individual differences specified the major obstruction for management in engaging in employee motivation in an effective manner.

Maslow (1943) according to Hierarchy of Needs theoretical framework, which there was a certain hierarchy for individual needs, and more basic human needs need to be satisfied in order for the next level needs to serve as motivators.

2.5 Change catalyst

Carter (2008) stated that change management on employees consisted of a hard side and a soft side. The hard side was refered to the processes, systems, strategies, tactics, and technologies that would help to implement changes and the soft side involved behavioural and attitudinal changes (e.g. persuading, reassuring and communicating, identifying and addressing emotional reactions, influencing and motivating) that would allow the hard changes to be successful.

Hayes (2010) focused on change preparation and facilitating for changes than for providing specific pre-planned steps for each change project and initiative. Fundamental to the success of organisational change was the acceptance of the change by employees.

2.6 Initiatives

Marchington *et al.* (1992) defined the direct and indirect employee participation practices the direct participation consisted of downward communication from management to employees which included team briefing, workplace wide meeting, staff newsletters and cascading of information down via the management chain.

Ang (2002) had contributed towards the development of the difference between the two terms and concluded that, employee involvement called for participation which was all about sharing information, training, mutual decision making process whereas traditional participative management views participation as a part of other organizational process.

2.7 Job Opportunity

Wallas (1926) stated that opportunity recognition (OR) represented one of the most important early aspects of entrepreneurship. Prior attempts to model OR had suggested that it was a multifaceted process influenced by many external factors such as the business environment, social forces and individual attributes. By contrast, this paper suggested that entrepreneurial opportunity recognition was a special case of the creative process. Using responses to 31 OR items from a survey of 165 entrepreneurs, a factor analysis was conducted. Based on these findings were theoretical arguments, proposed a creativity-based model of opportunity recognition.

Timmons (1994) proposed a basic model that captured most of these variables and describes opportunities in terms of "fit" among three key elements—the entrepreneur, available resources, and the opportunity (or business concept) itself. The idea of marshaling resources and the nature of the opportunity itself were typical of OR models that highlighted the characteristics of the external environment for opportunities.

11

2.8 Job satisfaction

Davis *et al.* (1985) defined job satisfaction, represented, a combination of positive or negative feelings that workers had towards their work. Meanwhile, when a worker employed in a business organization, brought with it the needs, desires and experiences which determinated expectations that he had dismissed. Job satisfaction represented the extent to which expectations were and match the real awards. Job satisfaction was closely linked to that individual's behaviour in the work place.

Kaliski (2007) explained that job satisfaction was a worker's sense of achievement and success on the job. It was generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implied doing a job one enjoyed, doing it well and being rewarded for one's efforts. Job satisfaction further implied enthusiasm and happiness with one's work. Job satisfaction was the key ingredient that lead to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment.

George *et al* (2008) Job satisfaction was the collection of feeling and beliefs that people had about their current job. People's levels of degrees of job satisfaction can range from extreme satisfaction to extreme dissatisfaction. People also had attitudes about various aspects of their jobs such as the kind of work they do, their coworkers, supervisors or subordinates and their pay.

2.9 Hopes and aspirations

Fred Luthans (2007) defined POB (positive Organisational Behaviour) as "the study and application of positively oriented human resource strengths and psychological capacities that could be measured, developed, and effectively managed for performance improvement in today's workplace". It was a non-traditional and emotional strategic issue for an organisation. POB and hope was about identifying and emphasizing strengths of the employees. There existed a downward spiral of negativity, biases, and prejudice in organisations. Hope gave the confidence to come out of the loop and promote work motivation, job attitude and organisational leadership. A wide variety of positively oriented high-performance work practices in placement,

compensation, and motivation and their underlying strategies, structures, and cultures contributed to organizational performance and competitiveness.

References

Oscar, G. (1966). Career mobility and organisational commitment, *Administrative Science Quarterly*. 10 (4): 488-503.

Robert, A. S. (1970). On misunderstanding the concept of commitment. Theoretical classification. *Social Forces*. 48 (4): 526-529.

Gupta, O. P. (1977). A sociological study of commitment to work of Industrial workers in an Indian public sector undertaking. Unpublished Ph.D Thesis, Banaras Hindu University.

Hrebiniak, L. G. and Alutto, J. A. (1972). Personal role related factors in the development of organizational commitment. *Administrative Science Quarterly*, 17 (4), 555 – 573.

Porter, L. W., Steers, R.M., Mowday, R. T., and Boulian, P. V. (1974). Organisational commitment, job satisfaction and turnover among psychiatric technicians. *Journal of Applied Psychology*. 603-609.

Fottler, M. D (1977). Management commitment and manpower program success. *California Management Review*. 19 (3): 71 – 77.

Aryeh, K. (1978). Work values and organisational commitment. *Academy of Management Journal*. 21 (2): 239 – 247.

Mowday, R. T., Steers, R. M., and Porter, L.W. (1979). The measurement of organizational commitment. *Journal of Vocational Behaviour*. 14: 224 – 247.

Cook, J., and Wall, T. D. (1980). New work attitude measures of trust, organisational commitment and personal need non fulfillment. *Journal of Occupational Psychology.* 29-52

Fleishman, E. A. (1992). The description of supervisory behavior. Personnel Psychology. 37p.

Goleman, D. (1995). Emotional intelligence. New York: Bantam pp'38-52.

Locke, E. A. (2005). Why emotional intelligence is an invalid concept. *Journal of Organizational Behaviour.* 26: 425-431.

Lord, R. G., DeVader, C. L. and Alliger, G. M. (1986). A Meta-analysis of the Relation Between Personality Traits and Leadership Perceptions: An Application of Validity Generalization Procedures. *Journal of Applied Psychology.* 71(3): 402-410.

Clark, Andrew, E. (1998). Measures of job satisfaction. *What makes a good job? Evidence from OECD countries.* OECD Labour market and social policies – occasional paper number 34.

Tucker, Deborah (2002). *'Precarious'* non-standard *employment – A review of the literature.* New Zealand Department of Labour Occasional Paper Series, Paper 2002/2. Wellington, New Zealand.

Ritter, Joseph and Richard, Anker (2002). Good jobs, bad jobs: Workers' evaluations in five countries. *International Labour Review.* 141(4):331-358.

Bruce, A. and Pepitone, J. S. (1999). "Motivating Employees" McGraw-Hill International pp-62-73.

Lockley, M. (2012) "The Secret to Motivating a Team" The Guardian

Thomas, K. T. (2009). "Intrinsic Motivation at Work: What Really Drives Employee Engagement" 2nd edition, Berrett-Koehler Store 260 p.

Maslow, A. H. (1943). "The Theory of Human Motivation" *Psychological Review.* 50(4):6.

Carter, E. (2008). Successful change requires more than change management, *The Journal for Quality and Participation.* 31(1): 20-23.

Hayes, J. (2010). The theory and practice of change management. New York: Palgrave McMillan 305p.

Marchington, M., Goodman, .J., Wilkinson, A. and Ackers, P. (1992). New development in employee involvement, Employment Department Research Series, Employment department publication 300p.

Ang, A. (2002). An eclectic review of the multidimensional perspectives of employee involvement. The TQM Magazine, Bedford. 14(3):192.

Wallas, G. (1926). *The Art of Thought.* New York: Harcourt-Brace70p.

Timmons, J. A. (1994). *New Venture Creation,* 4th edition. Homewood, IL: Richard D. Irwin.80p

Davis, K. and Nestrom, J. W. (1985). Human Behavior at work: Organizational Behavior, 7 edition, McGraw Hill, New York, p.109

Kaliski, B. S. (2007). Encyclopedia of Business and Finance, Second edition, Thompson Gale, Detroit, p. 446 Lawler, E.E. III and Porter, L.W. (1967). The Effect of Performance on Job Satisfaction, Industrial Relations, pp. 20-28.

George, J. M. and Jones, G. R. (2008). Understanding and Managing Organizational behavior, Fifth Edition, Pearson/Prentice Hall, New Yersey, p. 78

Luthans, F., Avolio, B. J., and Youseff, C. (2007). Psychological Capital: Developing the Human Competitive Edge. Oxford, England: Oxford University Press.

Stogdill, R. M., Goode, O. S., and Day, D. R. (1962). New leader behavior description subscales. *Journal of Psychology.* 54: 259-269.

Chapter 3

THEORETICAL FRAMEWORK

3.1 Career management

Career management is the combination of structured planning and the active management choice of one's own professional career.

The outcome of successful career management should include personal fulfillment, work/life balance, goal achievement and financial security.

A *career* includes all types of employment ranging from semi-skilled through skilled, and semi professional to professional. Careers have often been restricted to an employment commitment to a single trade skill, profession or business firm for the entire working life of a person. In recent years, however, a career now includes changes or modifications in employment during the foreseeable future.

The following classification system with minor variations is widely used:

1. Development of overall goals and objectives,
2. Development of a strategy (a general means to accomplish the selected goals/objectives),
3. Development of the specific means (policies, rules, procedures and activities) to implement the strategy, and
4. Systematic evaluation of the progress towards the achievement of the selected goals/objectives to modify the strategy, if necessary.

3.2 Goals or objectives of career development

The career management process begins with setting goals/objectives. A relatively specific goal/objective must be formulated. This task may be quite difficult when the individual lacks knowledge of career opportunities and/or is not fully aware of their talents and abilities.

However, the entire career management process is based on the establishment of defined goals/objectives whether specific or general in nature. Utilizing career assessments may be a critical step in identifying opportunities and career paths that most resonate with someone. Career assessments can range from quick and informal to more in depth. Most assessments found today for free (although good) do not offer an in-depth evaluation.

The time horizon for the achievement of the selected goals or objectives - short term, medium term or long term - will have a major influence on their formulation.

1. Short-term goals (one or two years) are usually specific and limited in scope. Short-term goals are easier to formulate. Make sure they are achievable and relate to longer term career goals.

2. Intermediate goals (3 to 20 years) tend to be less specific and more open ended than short-term goals. Both intermediate and long-term goals are more difficult to formulate than short-term goals because there are so many unknowns about the future.

3. Long-term goals (Over 20 years), of course, are the most fluid of all. Lack of life experience and knowledge about potential opportunities and pitfalls make the formulation of long-term goals/objectives very difficult. Long-range goals/objectives, however, may be easily modified as additional information is received without a great loss of career efforts because of experience/knowledge transfer from one career to another.

4. Making career choices and decisions – the traditional focus of careers interventions. The changed nature of work means that individuals may now have to revisit this process more frequently now and in the future, more than in the past.

5. Managing the organizational career – concerns the career management tasks of individuals within the workplace, such as decision-making, life-stage transitions, dealing with stress etc.

6. Managing 'boundary less' careers – refers to skills needed by workers whose employment is beyond the boundaries of a single organization, a work style common among, for example, artists and designers.

7. Taking control of one's personal development – as employers take less responsibility, employees need to take control of their own development in order to maintain and enhance their employability.

3.3 Career planning

Career planning is a subset of career management. Career planning applies the concepts of strategic planning and marketing to taking charge of one's professional future. Career is an ongoing process and hence it needs to be assessed on continuous basis. This process of re-assessing individual learning and development over a period of time is called Career Planning.

3.3.1 Importance of career planning

It is important to come up with career planning as it gives the much needed direction and makes it clear that where we can see our self in future. It makes aware of our strengths and weaknesses and the skills and knowledge that are required to achieve goals in future.

A large proportion of our life is spent in achieving career goals, thus it is very important to make sure that right steps were taken and correct planning was done in the early years of our life. There are very few lucky ones who are born with a clear mind and who knows what they want to do and where they see themselves in life ahead. But majority of us are not sure what we want from life and so it is very important to plan out things.

3.3.2 Process of career planning

The process of career planning is also known as career development stages and career development model. These steps help you in planning your career and deciding about the future.

- **Self-assessment**

Self-assessment is a process that helps in assessing your skills, the potentials, strengths and ability to fulfill the aims of the employees by themselves. As the name of the step suggest, we assess ourself and then, based on our analyses and keeping our strengths and weaknesses in mind, we draft our future plan. By drafting our future plan we mean that executing this step helps us to finalize the profession and career path we want to choose. We must make sure that we choose and finalize more than one career, keep one or two careers in case we decide to roll back. In case the career we chose does not satisfy us or later in time we come to know that this was not meant for us then in that case we must have a backup plan.

19

- **Self-development**

Once we have self-analyzed ourself, the second step that awaits our attention is to fill the loopholes we have identified in the above step. By this we mean that in this step we have to see that what are the qualities and skills that are required by us to help us achieve our aims and goals. For instance we might decide that we need training or a particular course in a field in order to make perfect for the profession we have chosen.It could be that are interested in painting but we are not much aware of the trends or the knowledge that is required for this field. Or there can be a case where we are interested and much aware about a profession like teaching but you do not yet know that what is the niche level that is meant for us like and the subjects we can carry off pretty well.

- **A thorough research self-development**

Once we have listed the careers that are favorable in our case and the skills and improvements that are required by us in order to achieve excellence the third step requires us to do an intensive research and see that what are the findings related to career options and the skills that are required to make us champion in that. Our research will be looking into following questions:

- What is the scope of the career we have chosen?
- Will that career pay us off in the future?
- Is there room for expansion in that career field?

- **Come up with action form**

Once we have researched the feasibility of the factors that we have finalized in above steps, the next step is to show some action and translate our plans on a piece of page. This step requires us to make plan as in how we are going to achieve and fulfill the steps we have decided above. The best way to come with an action plan is to come up with small goals for oneself. Once these small goals are achieved, we can see that how much close we are to our main aim and major goal. This small step acts as a path way to the main aim.

- **Action**

Once done with small goals and the main aim, the next step remains to start implementing plans. Keep a very close track of our activities to make sure that are on the right track and that by following this path are surely going to achieve our goal.

3.4 Career Development

Career Development is the life long process of managing learning, work, leisure, and transitions in order to move toward a personally determined and evolving preferred future.

In educational development, career development provides a person, often a student, focus for selecting a career or subject(s) to undertake in the future. Often educational institutions provide career counselors to assist students with their educational development. In organizational development (OD), the study of **career development** looks at:

- how individuals manage their careers within and between organizations and,
- how organizations structure the career progress of their members, it can also be tied into succession planning within most of the organizations.

In today's world, more employers are looking for ways to facilitate career development and encourage their employees to drive their own careers. In personal development, career development is:

- " ... the total constellation of psychological, sociological, educational, physical, economic, and chance factors that combine to influence the nature and significance of work in the total lifespan of any given individual."

- The evolution or development of a career - informed by (1) Experience within a specific field of interest (with career, job, or task specific skills as by-product) (2) Success at each stage of development, (3) Educational attainment commensurate with each incremental stage, (4) Communications (the capacity to analytically reflect your suitability for a given job via cover letter, resume, and/or the interview process), and (5) Understanding of career development as a navigable process.

21

- "... the lifelong psychological and behavioral processes as well as contextual influences shaping one's career over the life span. As such, career development involves the person's creation of a career pattern, decision-making style, integration of life roles, values expression, and life-role self concepts."

Career development has become primary activity of organizations in order to create a pool of talented employees as well as enhance their career satisfaction. Along with this, it is also considered as an organized and planned process to improve the efficiency of organization. In common terms, we may look upon it as an effort to strike a balance between organizational workforce requirements and individual career needs. Employees have their own personal desires and aspirations and need to effectively utilize their personal skills to attain their career goals and objectives. On the other hand, organizations have needs for staffing and meeting present and future human resource requirements. A career development system is a mechanism that takes both the parties into consideration and helps them meet their requirements as well as objectives.

3.4.1 Objectives of Career Development Systems

- **Fostering Better Communication in Organization:** The main objective of designing a career development system is to foster better communication within the organization as a whole. It promotes communication at all levels of organizations for example manager and employee and managers and top management. Proper communication is the lifeblood of any organization and helps in solving several big issues.

- **Assisting with Career Decisions:** A career development system provides employees as well as managers with helpful assistance with career decisions. They get an opportunity to assess their skills and competencies and know their goals and future aspirations. It helps them give a direction so that they can focus on achieving their long term career goals.

- **Better Use of Employee Skills:** A career development system helps organization make better use of employee skills. Since managers know their skills and competencies and therefore, can put them at a job where they will be able to produce maximum output.

22

- **Setting Realistic Goals:** Setting realistic goals and expectations is another main objective of a career development system. It helps both employees and organization to understand what is feasible for them and how they can achieve their goals.

- **Creating a Pool of Talented Employees:** Creating a pool of talented employees is the main objective of organizations. After all, they need to meet their staffing needs in present and future and a career development system helps them fulfill their requirements.

- **Enhancing the Career Satisfaction:** Organizations especially design career development systems for enhancing the career satisfaction of their employees. Since they have to retain their valuable assets and prepare them for top notch positions in future, they need to understand their career requirements and expectations from their organization.

- **Feedback:** Giving feedback on every step is also required within an organization to measure the success rate of a specific policy implemented and initiatives taken by the organization. In addition to this, it also helps managers to give feedback for employees' performance so that they can understand what is expected of them.

A career development system can be very effective in creating a supportive culture in the organization and help employees grow and utilize their skills to achieve their desires and aspirations related to their career. Both organization and employees can meet their goals simultaneously.

Organizational career development process includes both individuals and institutions. Individuals plan their own careers whereas institutions or organizations manage the careers of the employees. Career planning by an individual includes several sub processes such as occupational choices, organizational choices, job assignment choices and career self-development. While the major sub processes of career management by organizations include recruitment and selection, human resource allocation, appraisal and evaluation and training and development. In order to have effective career development attempts by the organizations, designing automated career development systems plays a crucial role as it integrates a series of activities related to individual career planning and organizational career management involving employees, management and the organization.

An individual's career is a series or sequence of work-related activities as well as his or her future aspirations. It is affected by several factors such as his or her behaviour, attitude, values, ambitions and desires and opportunities and threats and weaknesses and strengths plus the outer environment and economic conditions. It is a deliberate process followed by an individual depending upon his or her desires and aspirations over the span of one's life.

Career management is an ongoing process that takes into account a particular job title or designation while preparing, implementing and monitoring succession planning depending upon the future requirements of an organization. Obviously, it also takes human factors in account but the entire process is directed and operated as per the needs and convenience of an organization. The best planning takes into account both organization's and individual's aspirations and creates a perfect mix where both the parties can be benefited.

3.4.2 Designing Career Development Systems

Designing career development systems according to specific needs and requirements of an organization can help HR specialists in bringing efficiency to the entire process of career management. Since the system tries to integrate all the activities of an employee, management as well as an organization, it has to be tailor-designed. There is nothing that fits all since the nature of the every business is different and aspirations of every employee in every industry are different. Most companies along with career management programs also involve career assessment process by the employee. If they have supportive environment such as a facilitator and properly automated system, they will properly assess their careers and fill genuine information about themselves.

Most organizations such as Xerox, IBM, Wal-Mart, Lincoln electric and Bell Atlantic have their own specific career development systems. Along with this, they provide their employees with supportive environment and a culture that supports the whole process of career development. This is the reason why these companies are considered as the best places to work. Since they manage the careers of their employees seriously and treat them as the most valuable assets of the organization, a very high percentage of university graduates prefer joining them even if they offer low compensation.

While designing career development system for an organization, the nature of their business, the industry and the business environment they are operating in should also be considered. Although it is an internal process of an organization but outer environment factors such as job market, current trends, economic conditions, etc affect the entire process.

Career development programs are most effective when they are integrated with the organization's ongoing training and development strategies. For being able to do this, an organization must have a carefully designed career development system especially designed to meet its own unique needs and requirements. An automated and well-designed career management system not only benefits organizations but also help employees and managers or supervisors in establishing effective communication with each other. All the parties gain different benefits and combining which they can together set an organizational culture that supports such types of activities in an organization.

3.4.3 Benefits of a Career Development System to Organization

- Once organization has a fair idea about employee's strengths and weaknesses, attitude and behaviour, values and future aspirations and skills and competencies, they are able to make better use of employee skills and put them at the right place.

- The organization can disseminate all important details and information at all organizational levels in order to ensure effective communication at all levels. It fosters and lays emphasis on better communication within the organization as a whole.

- It also helps organization retain valued employees by providing them what they want. Since the organization is able to collect all necessary information about a specific individual, it can make efforts to retain them.

- It establishes a reputation of the organization in the market. More and more working professionals see it as a people developer and get attracted towards it.

Benefits of a Career Development System to Employees

- The major benefit of career development system to employees is that they get helpful assistance and guidance with their career decisions. They get to know about their own aspirations, objectives and desires and understand how to shape their career.

- By using this system, they can set more realistic goals and objectives that are feasible to be accomplished over the span of one's life.
- It fosters better communication between the employee and the manager as well as at all levels of the organization.
- The best part is that they can get feedback on their performance. This helps them improve their working style and compels them to upgrade their skills.
- The process leads to job enrichment and enhanced job satisfaction.

Benefits of a Career Development System to Managers/Supervisors

- A career development system helps managers and supervisors in improving and upgrading their skills in order to manage their own career. Even they get to where they are heading to and what their aspirations are.
- It fosters better communication between managers and employees.
- It helps them in retaining valued employees as they get to know about their skills and competencies and future aspirations as well.
- It helps in discussing productive performance appraisal of employees and planning their promotions as well as their career graph.
- It leads to greater understanding of the organization as a whole and cultivate a supportive and conducive culture in the organization.
- It helps managers in understanding the hidden aspects of employees and guides them to allocate employees the right job that matches to their skills and competencies.

3.5 Mentoring and career development

Mentoring is one of the most effective career development program these days. In India it is gaining popularity even among SMEs (Small medium enterprises). It is in fact one of the better ways to foster relationship within individuals across the organizational hierarchy.

Mentoring is a process of developing formal relationships between junior and senior members of the organization, in certain cases mentoring also takes place between peers. In other words it is a process of developing relationships between more experienced members of an organization and the less experienced ones for transfer of knowledge and skills. These

26

associates are developed with the intent of developing career functions. For example, coaching, sponsorship, protection to peer, challenging assignments, introduction to important contacts and resources are certain ways in which mentoring may happen.

Mentoring is also targeted to psychological functions; role modeling, counseling, benchmarking individual practices are various ways in which the latter is achieved. It is no doubt an important tool that apart from employee development also leads to increased job satisfaction, organizational dedication and career achievement.

The process of mentoring works both ways i.e. it benefits the parties, the mentor and the mentee. It increases the job involvement and satisfaction of the mentor. In case of the one mentored, he feels valuable, the job satisfaction increases and there is essentially a transfer of knowledge and skills.

Organizations that have Formal Mentoring Programs

Lots of organizations are using mentoring programs as means of career development. Federal express, bank of America and Merrill lynch are some organization that have formal mentoring programs in place. Bank of America for example has developed quad squads which comprises of a mentor and three mentees (also called as protégé for 'males' and 'protegee' for female). Many organizations have also developed like to like mentoring relationships (for example Anglo-Indian mentors with Anglo-Indian mentees).

Mentoring Techniques

Mentoring requires an exercise of great wisdom, caution and expertise on the part of the mentor. There are many techniques that are used these days, some of which have been briefly explained below:

1. Mentors are assigned with the responsibility of preparing their mentee for change. The focus is to prepare the individual mentally before he/she is asked for change, so that the change is not taken as negative and instead a developmental process. This mentoring techniques called sowing.

2. The other entering technique is called as accompanying, wherein the mentor is involved in the learning process of mentee side by side explicitly, guiding all the time.

3. Doing is yet another mentoring technique in which the mentor uses his own example to make something understand. It is also called leading.

4. Harvesting is one technique that is essentially aimed at evaluation of the past learning's and to extract conclusions from the same.

5. Catalyzing is one technique wherein the process of learning or knowledge transfer is speeded. This is done only when a significant amount of change is achieved.

For mentoring it is important to understand the learning requirements and the style of the mentee. An inappropriate mentoring methodology can act reverse. As mentioned at the beginning of the write up, you require great deal of expertise for the mentoring process. Handle with care is the mantra.

Chapter – 4

ESAF Microfinance and Investment (P) Ltd., Thrissur – A Profile

Chapter 4

ESAF MICROFINANCE AND INVESTMENT (P) LTD., THRISSUR –

A PROFILE

4.1 Microfinance Industry

Microfinance is a source of financial services or entrepreneurs and small businesses lacking access to banking and related services. The two main mechanisms for the delivery of financial services to such clients are:

- Relationship-based banking: For individual entrepreneurs and small businesses.
- Group-based models: where several entrepreneurs come together to apply for loans and other services as a group.

In some regions, for example, South Africa microfinance is used to describe the supply of financial services to low income employees, which is closer to the retail finance model prevalent in mainstream banking. For some, microfinance is a movement whose object is "a world in which as many poor and near-poor households as a possible have permanent access to an appropriate range of high quality financial services, including not just credit but also savings, insurance, and fund transfers." Many of those who promote microfinance generally believe that such access will help poor people out of poverty, including participants in the Microcredit summit campaign. For others, microfinance is a way to promote economic development, employment and growth through the support of micro-entrepreneurs and small businesses.

Microfinance is a broad category of services, which includes microcredit. Microcredit is provision of credit services to poor clients. Microcredit is one of the aspects of microfinance and the two are often confused. Critics may attack microcredit while referring to it indiscriminately as either 'microcredit' or 'microfinance'. Due to the broad range of microfinance services, it is difficult to assess its full impact. Proponents often claim that microfinance lifts people out of poverty, but the evidence is mixed. What it does do, however, is to enhance financial inclusion.

The microfinance sector in India has developed a successful and sustainable business model which has been able to overcome challenge traditionally faced by the financial service sector in servicing the low income population by catering to its specific needs, capacities and leveraging pre-existing community support networks. The microfinance business model in India typically generates a Return of Equity ("ROE") of between 20% and 30%. Driven by financing from commercial banks, strong operating efficiency and high portfolio quality.

Despite achieving rapid growth with a CAGR of 86% in loan portfolio outstanding and 96% in borrowers over the last five years, the microfinance sector still faces a large unmet demand which means that it still has great potential for continued growth. The microfinance sector is maturing and beginning to diversify its product and service base to address other unmet financial and non-financial needs of the low income population either directly or by acting as a conduit for third-party providers – savings, insurance, remittance and low cost education and healthcare services being some of the key samples. Given this growth and maturity dynamic, the Indian microfinance sector is increasingly becoming a viable investment sector with commercial investors joining social investors who have been nurturing the industry thus far.

Equity valuations in the Indian microfinance sector are higher than the financial sector due to the high growth expectations and substantial availability of dept to fuel its rapid expansion. The availability of debt to support expansion is expected to grow as more domestic banks take exposure to the industry and alternative debt providers enter the market. Over the short and medium term, MFI shares are expected to trade at significant premia to book value as they realign their business models to capitalize on unsatisfied demand, and cool down over the longer term as the industry matures and begins to consolidate.

The MFI industry grew rapidly in the first decade of this century. Its gross loan portfolio jumped to Rs 21,200 crore in 2010/11 from Rs 839 crore in 2004/05, according to data from the Microfinance Institutions Network (MFIN), an industry group. Then the bad times started. In October 2010, the Andhra Pradesh government issued an ordinance to rein in MFIs after reports that coercive collection tactics had led many borrowers to commit suicide. MFIs denied the allegations. The state was the biggest market for MFIs at the time and the law crippled the industry. Loan repayment rates plunged, money flow from banks slowed, and the gross loan portfolio dropped to Rs 18,510 crore in 2011/12. The industry is now bouncing back. The loan

30

portfolio climbed to Rs 21,245 crore in 2012/13. The resurgence began when the Reserve Bank of India announced in 2011 a series of measures, including a cap on interest rates MFIs charge borrowers, to govern the hitherto unregulated industry. The central bank created a new category of non-banking financial companies, called NBFC-MFI, for the industry. This gave a new lease of life to the industry as banks resumed lending to MFIs. Equity investments have also resumed. During 2012/13, at least 10 MFIs got funding from financial institutions such as International Finance Corporation, the World Bank's private-sector lending arm, and US-based non-profit Accion International, according to MFIN's annual report. IFC introduced initiatives to disburse loans with adequate checks and balances more than a year before the Andhra Pradesh crisis, IFC has so far invested over U.S.$ 100 million in Indian MFIs. The MFI industry is also taking many proactive measures, which works as a self-regulatory organization. MFIs now share their loan information and borrower profiles with credit bureaus such as Equifax and High Mark Credit Information Services. The repayment rate has climbed to as high as 98 per cent. The industry has also expanded outside Andhra Pradesh, which remains the top state in terms of gross loan portfolio as a large amount of bad loans remain on the balance sheet of MFIs. West Bengal, Tamil Nadu and Maharashtra have emerged as other large markets for the industry while Uttarakhand, Rajasthan and Punjab are the place that shows the fastest growth price.

The industry, which earlier mostly lent to poor women in rural area, is also tapping into a different demographic base. *"We believe financial inclusion should not be restricted"*, says Veena Mankar, co-founder of Swadhaar Finserve, an MFI which works mostly in urban areas. Some new players are also entering the sector. One of them is Muthoot Fincorp, mainly a gold loan company which started a microfinance division in 2010.

The fundamental reason behind the Indian microfinance industry's impressive growth is that it is fulfilling a critical need of its target audience, the low- income population, which has thus far remained unaddressed by the traditional financial services sector. Currently, a total population of 1.1 billion is being served by 50,000 commercial banks, 12,000 co-operative bank offices, 15,000 regional rural banks and 100,000 primary agriculture societies. This density of financial services, however, belies the availability of financial services to low-income households, which make up a significant chunk of the Indian population.
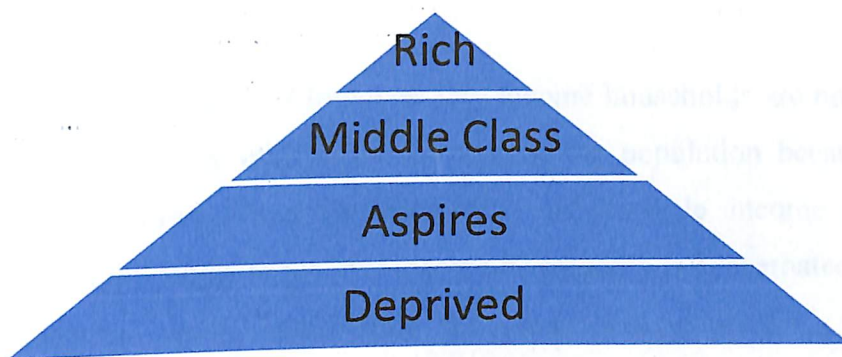
Fig 4.1   Structure of Target population

The Indian population can be divided into four categories based on household income levels. The Rich who make up 0.4% of the households have an annual household income greater than U.S $ 20,000. The Middle Class comprises 11 million households, or 5.9% of the total households, and has an annual household income between U.S.$ 4,000 and U.S.$ 20,000. The Aspirers make up nearly 22% of the households and have an annual household income between U.S $ 1,800 and U.S $ 4,000. Lastly, the deprived segment, the prime target of the microfinance industry, comprises 135 million or 72% of the households and has an annual household income below U.S $1,800. Despite the density and robustness of the formal Indian financial system, it has failed to reach the deprived segment, leaving approximately 135 million households entirely unbanked. The size of India's unbanked population is one of the highest in the world, second only to that of China. The microfinance sector targets the poorer portion of the aspirer segment and the mid to richer portion of the deprived segment. The industry as thus far been able to create a service model and products that are suitable to these segments and these services and products have proven successful in affecting improvements in the clients' economic status.

The reasons behind the formal financial sector's failure to reach such a large segment of the Indian population are manifold and operate in a self-reinforcing manner. The principal prohibiting factor is that banks face extremely high fixed and variable costs in servicing low income households, resulting in high delivery costs for relatively small transactions. Much of the low income households, resulting in high delivery costs for relatively small transactions. Much of the low income population is located in rural areas that are geographically remote and inaccessible. For this population, the cost of visiting a traditional bank branch is prohibitive due to the loss of wages that would be incurred in the time required. Concurrently, from a bank's perspective, the cost of operating a branch in a remote location is financially unfeasible due to

the low volume and high cost dynamic. Moreover, low income households are not interested in the same products that are usually utilized by the rest of the population because they have different immediate needs, lower financial capacities and variable income streams. The unsuitability of existing credit products for low income households is exacerbated by a general unavailability of collateralized assets. Additionally, the low income population is often illiterate and lacks financial knowledge, making it nearly impossible for it to even contemplate availing existing financial services, which provide no ancillary support to mitigate these challenges.

In the absence of access to formal financial services, the low income segment has traditionally relied on local moneylenders to fulfil their financial needs. While this money is readily available, it is often exorbitantly priced at 60%-100% annual yields and forces the borrowers into a classic debt trap, entrenching her in poverty. Credit from moneylenders has not traditionally acted as a tool for business expansion or enhancement of quality of life, but rather as a lifeline for immediate consumption or healthcare needs.

The Microfinance Business Model

The microfinance business model is designed to address the challenges faced by the traditional financial services sector in fulfilling the credit requirement of the low income segment at an affordable and sustainable cost. Most MFIs follow the Joint Liability Group (JLG) model. A JLG consists of five to ten women who act as co-guarantors for the other members of their group. This strategy provides an impetus for prudent self-selection of reliable and fiscally responsible co-members. Moreover, the JLG has an inbuilt mechanism that encourages repayment in a timely fashion as issuance of future loans is contingent upon the prior repayment record of the group.

Interest rate charged Typically	25-35% p.a.
Interest on debt	12-16%; lower for larger MFIs
Operating expenses ratio	6-15% depending on level of efficiency
ROA	Typically 3-5%
Debt/Equity	Typically 5-8%
ROE	20-30%

Micro- loan sizes vary from an initial loan size between U.S $ 100 and U.S 150 to subsequent loans of U.S $ 300 to U.S $ 500 with an annual interest rate between 25% and 35%. The term loans are structured with weekly or monthly repayment schedules and a 6 month to 2 year term. Microfinance institutions typically charge a higher rate of interest to their clients than traditional commercial banks as the administrative costs of servicing smaller loans is far higher in percentage terms than the cost of servicing larger loans. Additionally, MFIs provide doorstep services to their customers, a strategy that has a high cost associated with it, especially in rural areas where population densities tend to be low. Because of this model, MFIs generally face an operating expense ratio between 6% and 15%, depending on the scale and efficiency level of the particular MFI as well its area of operations. Additionally, today, MFIs face borrowing costs in the range of 12% to 16% per annum, depending on the size and track- record of the individual MFI. This model allows well-run MFIs to achieve a ROA of about 3% to 5% and a ROE of as much as 20% to 30%. These high ROA and ROE numbers are contingent upon low cost financing from commercial banks and the ability to maintain high portfolio growth along with high portfolio quality. The portfolio quality for MFIs is typically superior to commercial banks with total Non-performing Assets 180 days past due of 0.2% to 3% as opposed to 3% to 10% for commercial banks. MFIs typically enjoy extremely low delinquency rates despite the non existence of security. This portfolio quality is driven by the discipline embedded in the JLG model through the self- selection of the group members as well as the mutual support informally embedded in the groups in relation to members' loans. The 3% to 5% ROA range is a product of both the maturity level of MFIs and the basic business model to which they subscribe. No MFI typically begins by achieving a 3% ROA, but it can be achieved and becomes sustainable as the MFI refines its business model and scales enough to become profitable. Within this range, however, an MFI's ROA will be determined largely by its particular business model.

The strength and sustainability of the Indian microfinance business model lies in the fact that it is serving a large unmet need for financial inclusion. It has thus far successfully tackled challenges that have faced other financial service providers in meeting the demands of this sector through creative product innovation with awareness of the segment's particular needs and capacities and use of the joint liability group mechanism to manage risk. The model has been successful in maintaining excellent portfolio quality even with extremely rapid expansion over the last few years. The large size of the currently unbanked population in India and diversity of geography

means that the microfinance sector has great potential for continued high growth. Moreover, as the sector approaches maturity, there will be increasing attention focused toward client and geographical diversification and product innovation, financial and non-financial. Besides expanding their own services, MFIs are also being viewed as potential channels for delivery of other products and services to low income and rural populations. Since the scale of the Indian MFI industry has exceeded 20 million clients, other consumer product and service providers are beginning to attach greater value to the microfinance distribution network. Given this growth and maturity dynamic, the Indian microfinance sector is increasingly seen as a viable investment target with commercial investors joining the social investors who have been nurturing the industry thus far. Equity valuations in the Indian microfinance sector are higher than the financial sector in general and global MFIs in particular due to the high growth expectations and substantial availability of debt to fuel its rapid expansion. MFI shares are expected to trade at significant premium to book over the short and medium term as MFIs realign their business models to capitalize on unsatisfied demand, and cool down over the longer term as the industry matures and begins to consolidate. As more investors enter the market, exit opportunities are also increasing in the form of secondary and trade sales. Larger MFIs may also consider IPOs, although that may not be a realistic exist option for most MFIs in the short to medium term. Another likely exit scenario is M&A, as larger MFIs seek to acquire players with product or geographical niches. The industry is in its initial stage and its development could take many forms, but we expect growth, innovation and financial performance to continue on an encouraging path.

4.2 Profile of organisation

Evangelical Social Action Forum (ESAF) was established in 1992 as a response to the social and economic needs of the people. ESAF stands for sustainable wholistic transformation of the poor and the marginalized for a just and fair society. Evangelical Social Action Forum is a registered charitable society, bom out of deep conviction that our deeds should match our words. The society was launched in 1992under the patronage of Kerala Evangelical Graduates Fellowship. ESAF is registered under Travancore Cochin Literal and Scientific Charitable Societies Act of 1955 Reg.No 109/1992. ESAF is also registered under Foreign Contribution Regulation Act, 1976. Vide Reg.No. 052900328

History of ESAF

* In April 1991, at the KEGF annual conference in Always the founders of ESAF presented a paper on wholistic development.

* On June 25, 1991, a new charitable society was launched by the name Evangelical Social Action Forum' (ESAF)

* Mr Jacob Samuel, co-founder of ESAF, suggested the name. During the timeof inception ESAF had 5 life members, 7 annual members and 8 honorary members.

* On March 11, 1992 ESAF society was registered under the Travancore Cochin Literary, cientific and Charitable Societies Registration Act. The Founder President was Rev. Itty Mathew; Miss. J.Danabai was the vice president. Mr. K Paul Thomas was the Secretary supported by Mr. Jacob Samuel as Joint Secretary and Arun Ramakrishnan as Treasurer.

* In 1994, ESAF had its first voluntary staff. Mr. George. K. John.

* ESAF started organizing Career Counseling and Employment Guidance Programs, Promoting Income Generation and Self-employment Schemes and creating Awareness about the Dignity of Labour.

* In June 1992, ESAF organized its first programme on Career Guidance at Christavasramam, Manganam for 30 fresh graduates.

* In September 1993, a weekend Seminar on "Development an Evangelical Perspective" was conducted at Kottayam. Seminars on Street Children,

Banking with the Poor, and Micro Enterprise Development conducted with the support of EFICOR.

In 1996, a separate office was setup and the society started functioning in a more systematic manner. In 1999, the registered office was shifted to Hephzibah Complex, Mannuthy. In the same year computerization was implemented at the Head Office level.

Fields of action

1. KIDS FOR KIDS:

Vision-'Sustainable wholistic development of marginalised children' Children are the most vulnerable victims of poverty. Acute poverty, migration, illiteracy, ignorance of parents etc lead children to ill health, abuse and exploitation which ultimately block the survival of the children. Majority of children in the operational areas of this spends time in cattle rearing, taking care of siblings, etc eventually ends up in child labour, child marriage, sexual abuse, drug addiction, etc.

ESAF believe that it is our responsibility to ensure protection and holistic development of each and every child. They are hope and future of our nation. Moulding and nurturing from the bud stage will facilitate the holistic development and protection of the child. Kids for Kids through its various projects like 'Let Them Smile' provides opportunities for the holistic development of children through education, healthcare, social security and other supporting services. At present ESAF 'Kids for Kids' operates 14 'Let Them Smile' child care centres (Susnia, Bosko, Begini, Bania, Kaldhiha, Damkitola, Hisapeda, Baramassiah, Dumiria, Jirga) and looks after more than 650 children. Apart from formal education based on a value-based and culture-sensitive curriculum, we provide one meal a day, books, uniform and periodic health checkups to children. And the future plans include:

- 300 new centers to support 15,000 children
- A dedicated Teacher's Training Centre
- A value based, culture sensitive, wholistic development oriented curriculum
- A library in every village
- Building a stronger value based community

2. Micro Enterprise Development (Microfinance):

ESAF Microfinance and Investments (P) Ltd (EMFIL), operates in 6 states in India through 105 branches spread across 30 districts. It offers a wide range of micro services to more than 2,50,000 clients. The company provides both financial and non-financial services to these marginalized people.

The customized financial services help the poor to meet their requirements on time. The services are delivered through Joint Liability Groups organized in each area called SHGs. Micro Finance Enterprises Development (MED) plays a crucial role in the development of economy, particularly, in those economies which are undergoing transition from traditional subsistence to a modern industrial economy.

ESAF started Micro Enterprises Development (MED) programs in the year 1995. It has initiated several grass root level development programs, which aimed at economic self-reliance among the poor. The Micro Enterprises Development Division, provides a broad package of Financial and Business Development Services to the society especially the economically challenged men and women.

3. Sustainable Health:

ESAF Healthcare Services (P) Ltd, the health wing of ESAF, delivers excellent healthcare services to the poor through a chain of hospitals, clinics, pharmacies, diagnostic labs, Ayurvedic treatment centers, and training centres in locations with least healthcare facilities. It also attends to the least addressed public health issues like HIV/AIDS.

ESAF Healthcare has 2 hospitals and 4 clinics in Kerala, in the districts of Palakkad and Thrissur. The company is planning to expand its operations by starting a ' Diabetic Clinic, Free Clinic and a Medical Centre at Elambulassery, at Kozhinjampara, Palakkad ESAF has a 150 bedded hospital named ESAF Hospital and Research Centre and at Thachampara Palakkad a 50 bedded hospital. Ill the Primary Healthcare Centres of ESAF poor patients get special discounts in consultation, lab fee and medicines.

For the treatment of ESAF sangam members we distribute Suraksha and Pariraksha cards. As part of our service the company organizes Workshops, Medical Camps (on

Paediatrics, Gynaecology, Ophthalmology, Orthopaedics and Ayurvedic) Exhibitions and seminars. Some of the programs organized by ESAF Healthcare are mentioned below:-

I.   A workshop on 'Palliative Care for Cancer', with the support of Christian Medical Association of India and Help Age India.

II. Free eye treatment camps and cataract operations, by entering into an agreement with Netra Eye Care Centre. Free medicines are distributed to all patients who attend the camps.

III. Diabetes controlling camps at hospitals managed by the company.

IV. Exhibitions and seminars on topics like diabetics, HIV/AIDS, Suicide, Abortion, No Tobacco and Pain &Palliative.

4. Natural Resource Management (NRM):

NRM- Natural Resource Management division of ESAF aims to facilitate proper stewardship of God's creation by making the natural resources accessible to everyone. Its major working areas are:

➤ Non Conventional Energy projects- Promotion of biogas plants and incinerator for managing Bio-degradable solid wastes. Under this ESAF has constructed biogas plants for Southern Naval command, Kerala Hotel and Restaurant Association (KHRA), hospitals, educational institutions etc, of varying capacity from 40m 3-1.5m 3.

➤ Green Conservancy projects- conservation of premises from unhygienic condition through controlling unwanted growth of weeds, maintaining natural flow of drainage and safe disposal of garbage generated from the compound.

➤ Promotion of Vermi Compost- this is an easiest way for degrading biomass and ensuring the availability of organic manure.

➤ Rural water supply and sanitation projects for Kerala Govt - Jeevandhara and Jalanidhi projects ensuring the availability of drinking water and various lively hood means to rural people. Engineering services- Planning and Consultancy services for launching new buildings, designing and undertaking interior works and assisting Tsunami relief works through constructing low budget houses.

> Micro Energy projects- Utilization of Solar Energy as an alternative energy source for human being, promotion of Smokeless Oven for marginalized community.

5. Human Resource Development (HRD):

Human Resource Development wing of ESAF aims at developing Human Resource potential through Employment Informative Service. For this purpose the company has started ESAF Centre for Excellence in 2005. Since then this wing has trained more than 1600 employees, sharpened their skills and made them capable enough to contribute in different ways to the society. The role of training is inevitable for upgrading capacity, quality maintenance, and standardization. Instead of merely providing training we aim at excelling our staff to the level of high quality professionals. Our training is a series of programs that starts with Induction Training, and there after various kinds of soft skill trainings will be provided to help them cope up with the pressures of the jobs.

The various activities of the Centre for Excellence are mentioned below:
> Providing Induction Training
> Conducting training need assessments
> Preparation of training calendar
> Identifying external and internal trainers
> Trainer training for internal trainers
> Organising and conducting various training programs namely-
- Training on Personality improvement
- Training on Professional development
- Training on Performance development
- Training on general issues
> Measuring the impact on training.

6. Advocacy and Networking:

Advocacy and Networking wing of ESAF promotes/ organises the following types of programs-

I. **Promotional meetings:** To introduce ESAF and its activities in various churches, Christian organisations and among influential leaders. This would provide a platform for ESAF as well as other organisations to learn from each other.

II. **Workshop for college students:** To help them select the right career for building their future.

III. **Medical camps:** To provide better health awareness among people

IV. **Church visits:** To build strong relationships with churches

V. **Awareness conference:** To build awareness on Health and HIV/AIDS

VI. **Holistic mission seminars:** To build awareness on mission seminars supported by Christian Ministry and Social Work. Through these seminars we aim at complete development of a person.

VII. **Youth conferences:** Aims to develop a good team for Social Responsibility Team Building.

VIII. **Soft Skill training:** Identify students potentials and strengthen their career

IX. **Bible Arts competition:** By networking with all churches to develop talents of Sunday school students

7. Research and Development:

The research and development activities help us to plan and validate our work. The broader activities under R&D are as follows:

Conducting impact studies: Various impact studies are conducted periodically to assess the effect of the different activities of ESAF, on reducing poverty and mainstreaming the marginalized. The effect of the outreach on the poor and the marginalized is one of the emphasis of the various studies that will be organized by the SPMU. This would help the organisation in optimising the probability of achieving its social goals.

Social performance monitoring & dissemination of information:
Monitoring of the performance, especially the social performance 'and ensuring suitability of the positive effects is an important aspect. The dissemination of various learning also is another important function which facilitates mutual learning and optimization of operational capacity.

i.   **Promotional meetings:** To introduce ESAF and its activities in various churches, Christian organisations and among influential leaders. This would provide a platform for ESAF as well as other organisations to learn from each other.

ii. **Workshop for college students:** To help them select the right career for building their future.

iii. **Medical camps:** To provide better health awareness among people

iv. **Church visits:** To build strong relationships with churches

v.   **Awareness conference:** To build awareness on Health and HIV/AIDS

vi. **Holistic mission seminars:** To build awareness on mission seminars supported by Christian Ministry and Social Work. Through these seminars we aim at complete development of a person.

vii. **Youth conferences:** Aims to develop a good team for Social Responsibility Team Building.

viii. **Soft Skill training:** Identify students potentials and strengthen their career

ix. **Bible Arts competition:** By networking with all churches to develop talents of Sunday school students

7. Research and Development:

The research and development activities help us to plan and validate our work. The broader activities under R&D are as follows:

Conducting impact studies: Various impact studies are conducted periodically to assess the effect of the different activities of ESAF, on reducing poverty and mainstreaming the marginalized. The effect of the outreach on the poor and the marginalized is one of the emphasis of the various studies that will be organized by the SPMU. This would help the organization in optimizing the probability of achieving its social goals.

Social performance monitoring & dissemination of information:
Monitoring of the performance, especially the social performance' and ensuring suitability of the positive effects is an important aspect. The dissemination of various learning also is another important function which facilitates mutual learning and optimization of operational capacity.

Annual program planning & monitoring:

It is an integral part of an organization and the R & D reports helps various departments to monitor and scrutinize their various activities so that they are planned to meet the needs and fill the gaps in the projects.

Monitoring social development projects: The social performance monitoring of the various projects and activities will help to develop various other supplementary projects hence all the important components will be covered in the planned projects.

9. Care and Counseling:

Though Kerala is a highly literate society AIDS awareness level in the state is comparatively low. In most cases AIDS affected people faces social stigma and are isolated from the society leading them to commit suicide. As per the Government estimate there are about 1.5 lacs HIV/ AIDS infected people in Kerala at present. The impact of AIDS among poor is very high due to lack of awareness, access of medical services; diagnoses and treatment, a majority of them remain undiagnosed and untreated.

Santhwana Care and Counselling program promoted by ESAF aims to reach out to those affected by HIV / AIDS. By giving them proper counselling we make them more active and in still more confidence in them. Our care and counselling staff give frequent visits to their homes to inspire in them "hope" for a better tomorrow.

Moreover, they helped by providing medicines and support by offering opportunities to carryout livelihood activities.

10. Career Guidance

Career guidance is a process in which a qualified and experienced career counselor helps the students learn about selecting a program of studies, and preparing for a career.

Importance: Of late, aspirants among the sangam member's children for developing a good career, from a variety of choices, are increasing every day. After the formation of the SHG Trust, innumerable number of programs has been conducted for the holistic development of Sangam members.

The career guidance is course of action developed as another initiative of the trust. The SHG trust has already identified some branches and individuals who are really in need of such a program

Our methodology for career guidance takes into account, not just occupation but also me needs and wants capacities and potentials, excitements and anxieties, insights and so on. SHG Career Guidance is designed specifically for sangam member's children who are looking to explore career options with the help of experienced professionals. We focus on career related issues like career and course exploration, career change, personal career development and other career related issues.

The Scope of SHG Career Counseling

SHG Career Counseling offers a safe, confidential and non-judgmental context in which at the end of program the students will be able to:

- Gain clarity and right perspective on the academic issues.
- Receive the support they need to resolve issues and make decisions.
- Explore their personal resources and aptitudes.
- Understand new career prospects and strive for personal development.
- Make a proper and informed decision for their career.

The main objectives of this SHG career counseling include:

- To uplift and strengthen our Sangam members children mentally to explore various learning experiences.
- To make them aware of choosing the right career option or the appropriate course according to their aptitude.
- To identify their values, aspirations and goals.
- To render career counseling through proper advise by introducing them various courses and its prospects for a bright future.
- To teach them various household tasks and responsibilities as students alongside their schooling to make them more practical.
- To uphold academic values and to promote its ideals.

- To keep and preserve dignity of our Sangam members children with highest academy proficiency.

ESAF groups:

1. ESAF Microfinance

ESAF was established in Trichur in 1992, as a response to the social and economical needs of the unemployed youth and the underprivileged. The vision of the Forumwas guided by the principle of sustainable holistic transformation of the poor and the marginalized. Inspired by the guiding principles and success of Prof. Mohammed Younus (Founder, Grameen Bank), the founders of ESAF ventured into micro financing in 1995, by organizing self sustainable groups, to alleviate poverty and generate employment.

Since then, ESAF has grown by leaps and bounds in the Microfinance sector, promoting microfinance as a viable, sustainable and effective means for creating jobs and reducing poverty. Today, ESAF Microfinance is one of the premier microfinance institutions in India, particularly in Kerala, effectively empowering 4.34 lac members through 150 dedicated branches. ESAF started its Micro Enterprises Development (MED) program in 1995, which was an important intervention area. MED provided a broad package of financial and business development services to the socially and economically challenged men and women. In order to have a cost effective delivery of the services of microfinance operations through an RBI licensed NBFC, ESAFacquired Pinnai Finance and Investments in 2006 and transformed it as ESAF Microfinance and Investments (P) Ltd.- EMFIL, in 2008.

2. ESAFSwasraya Producers Company (P) Ltd

ESAF Swasraya Producers Company Limited (ESPCL) is promoted by ESAF. ESPCL empowers small rural producers of handicrafts. Herbal Products, Agri-Food, Dairy and meat products, in capacity building , production, value addition, quality assurance and marketing.

Vision: A just & fair society through sustainable holistic transformation of poor and the marginalized.

Mission: Assure quality, add value & link producer members to market.

Goal: Build a sound financial base and an assured forward integration for company and enhance livelihoods of producer members with higher returns. Objectives: Targets Rs 50 Lakhs

capital through equity, grant & debt by Dec'08 end and to handle business worth Rs 165 Lakhs by March'09 end through Prerana, Amruth & Agri divisions.

3. ESAF HEALTH CARE Services (P) Ltd

Vision: ESAF Health Care seeks to build a just, fair and healthy society by making world-class Health Care services available, accessible and affordable to the rural and

semi-urban poor.

Mission: ESAF Health Care delivers excellent HEALTH CARE, services to the poor through health education, counselling, health insurance and a chain of hospitals, clinics, pharmacies, diagnostic labs, Ayurvedic treatment centres, and training centre in locations with least Health Care facilities.

Different projects in Health Care:-

i. Swanthana project: A project to love people living with HIV/ AIDS

Home-basedcare and counselling

Medical support

Educational support for children

Get-together for families

Income-generation projects

ii ESAF Hospital and Research Centre, Thachampara, Palakkad:
100-bedded hospital which is the only hospital with like facilities between Palakkad and Perinthalmanna (a stretch of 70km). This hospital, which has been a blessing to thousands to thousands of people in and around Thachampara including the tribal communities ofAttappadi, was on the verge of closure due to poor management. ESAF Health Care took over this hospital in April 2007 with the intention of developing it into a multi- speciality rural hospital.

iii. Unity Hospital, Kozhinjampara, Palakkad:
Unit hospital is a 50-bedded hospital at Kozhinjampara(a small town 35km south east of Palakkad on the Palakkad-Pollachi road) has all the basic facilities. A population of more than one lakh living in 4 panchayats, depend on this hospital for their medical needs. ESAF Health Care has taken over this hospital in April 2008 with a plan to develop it into a multi-speciality rural hospital.

iv. Primary Health Care Centres:

Currently ESAF Health Care manages three primary health care centres where poor patients get special discounts in consultation, lab fee and medicines. Each centre has a general clinic, speciality clinic, diagnostic lad and pharmacy. ESAF Health Care plans to open more primary health centres to provide better medical facilities to rural poor. ESAF Health Care is in discussion with the Health Ministry of Jharkhand regarding the take over of a newly built hospital building at Kathikund in Dumka district of Jharkhand. Other than the Government hospital, there is no other hospital in Dumka district which has a population of 11,06,521.

4. ESAF Retail (P) Ltd

Brand: ESAF Swasraya Bazar

I Operational Areas: Thrissur, Palakkad

Number of Stores: Six

Warehouse: One

ESAF retail aims at promoting locally produced food and consumables by 'sangam' members by linking them to markets through its supermarkets and other retailers. They ensure that all products are sourced from primary producers avoiding intermediaries and pass on the price benefit and value to the consumers. ESAF plans to open more supermarkets in the near future by raising equity and support from likeminded institutions and social investors.

ESAF has a team that inspects quality of the products that are sourced and also provides training where ever necessary in areas such as packing, branding, grading, cleaning etc and thus ensure locally sourced products are made valuable to be sold in main stream retail supermarkets.

ESAF Retail provides employment to the local community through its supermarkets and warehouse where sangam members are offered employment on contract basis for cleaning and packing the products mat are sourced locally.

The sangam members when linked to mainstream retail supermarkets get an opportunity to increase the production capacity resulting in increased business volume. Since the volume of production is comparatively high, they can keep the cost of production minimal (law of large numbers) which result in higher margin of profit of them.

5. ESAF Homes and Infrastructure (P) Ltd

Housing in rural areas, and particularly the availability of affordable housing is a critical issue. The main objects of the company are to engage in the business of building affordable homes and commercial complexes and to promote or setup infrastructure facilities in the rural area.

6. SHG Federation

The SHG Federation of ESAF is a network of several SHGs and a structure evplved by SHGs members consisting of representatives from different geographical settings with a motive of supporting members to attain the goals of economics and social empowerment of women members and their capacity building.

Vision: The vision of SHG Federation is to build Self-Help communities of love, concern and solidarity among the poor women irrespective of cast creed or colour, to empower themselves economically and socially whereby they can live with dignity.

Objectives of SHG Federation:

- To facilitate linkages between SHGs and banks/Govt.agendes / local institutions.
- To have better access to development information and marketing linkages
- To help in achieving sustainability of SHG
- To strengthen the capacity of member-SHGs through training, information dissemination, on-site support, etc in one or more of a variety of fields like bookkeeping, accounting, marketing, financial management, advocacy, bank- linkage, accessing government schemes, etc
- To provide credit, especially multiple credit lines.
- To provide savings facilities
- To undertake marketing of the produce of the members of the SHGs.
- To provide life/loan insurance services
- To create the political/ social space that women need to live their lives as fully as they desire to.

7. ESAF Staff Welfare Trust (ESWT)

ESWT was registered as a trust under the Indian trust act on 16th January 2008 with an intention of providing welfare activities for the advancement in the conditions and standard of employees

of ESAF and its affiliated group of companies and hence will lead to the organization in delivering services to the less privileged in the society.

Objectives:

- To encourage the thrift and credit activities among the staff members of ESAF to help and improve their economic and social conditions by promoting and executing social and financial services among its members and their families.
- Inculcate the habit of the thrift among the members
- Enable the members to access to insurance, credit, mutual fund and other financial activities for their betterment.
- Undertake income generation and other livelihood programs for the members. Conduct training programs at different levels
- Make investments in shares, stocks, other companies for the benefit of members
- Open and run hotels, schools and other institutions for the welfare of members in particular and nation at large.Act as network of institution that has similar vision and activities
  Conduct social welfare activities for the underprivileged.

Future scope of ESAF

ESAF Microfinance, one of the 10 largest microfinance companies in India, has been granted in-principle license for 'small finance bank' by the Reserve Bank of India. ESAF is the only company based in Kerala to receive me small finance bank licence. The licensing of small finance bank is to provide basic savings and deposit, payment and remittance services to people without access to the formal banking system.

ESAF is one among the 10 players chosen by me Reserve Bank from among the 72 applicants, including two from Kerala. As instructed by the RBI, the primary focus will be given by ESAF on the supply of credit to small business units, small farmers, micro and small industries, and other unorganised sector entities, in their limited areas of operations, through high technology-low cost operations. It can also undertake other simple financial services with the prior approval of the RB

Career Management –An Analysis

Chapter 5

CAREER MANAGEMENT- AN ANALYSIS

The employees' career management behaviour was analysed by constructing an 'Employees Career Management Index' which included dimensions like commitment to work, knowledge about self, job security and career growth, motivation and achievement, change catalyst, initiative, job opportunities, satisfaction in the present position and hopes and aspirations. The dimensions were analyzed by obtaining the responses of the employees on five point attitude scale. This chapter deals with the analysis of data, presentation of findings and discussion. One hundred employees were selected as respondents using simple random sampling method.

Based on the objectives of the study, the results are presented under the following heads:

5.1 Socio-economic profile of employees

5.2 Career management behaviour of employees

5.3 Career plans of employees

5.1 Socio-economic profile of employees

This section contains the socio-economic background of sample respondents. The socio-economic factors which may influence the response of the sample respondents like age, gender, educational qualification, number of years of service in ESAF, number of years of service prior to ESAF are explained.

5.1.1 Age of sample respondents

The various age categories of sample respondents who are working in ESAF are depicted below. The respondents were divided into four categories based on their age limit like, respondents having age less than 25 years, age between 25 to 35 years, between 36 to 45 years and between

46 to 60 years. Age is an important parameter to explain to which age class, majority of the employees belong.

Table 5.1 Classification of respondents according to their age

(n=100)

Age limit (years)	Percentage
Less than 25	9
Between 25 and 35	59
Between 36 and 45	27
Between 46 and 60	5

Source: Primary data

Table 5.1 shows that, majority of the employees, (59 per cent) belonged to the class 25-35 years and 27 per cent of the employees belonged to the class 36-45 years. There were only 5 per cent of the employees between the age 46-60 years. i.e., majority of the employees working in ESAF were middle aged, at the same time 9 employees were of the age less than 25 years, it showed that ESAF had more of young and energetic employees and hence it had immense potential for tapping their talents by providing them prospective career options.

51

5.1.2 Gender of sample respondents

Gender wise classification of sample respondents is helpful to identify the involvement of men and women employees in ESAF.
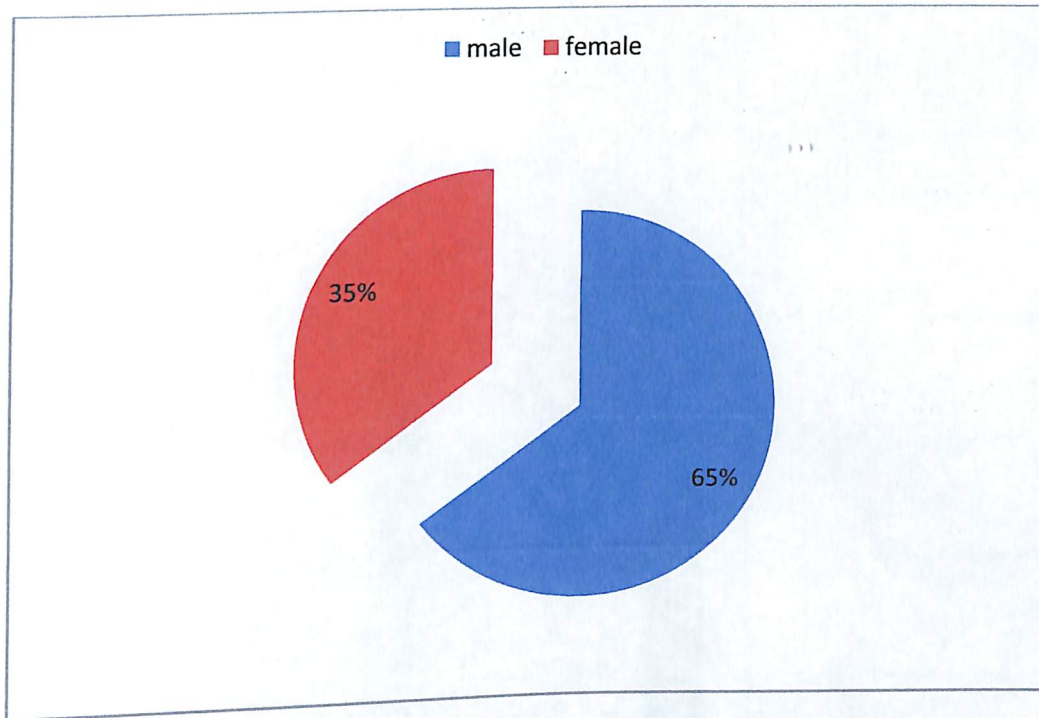
Fig.5.1 Distribution of employees according to their gender

From the above Figure 5.1, it is clear that majority of the employees (65 per cent) were male and female employees represented 35 per cent of the selected respondents. This shows that involvement of males in this organization was more than that of female employees.

5.1.3 Number of years of service in ESAF

Number of sample respondents based on their service in ESAF is shown below. The employees were divided into four categories like service less than 1year, service between 1 to 5 years, 6 to 10 years and 11 to 15years.
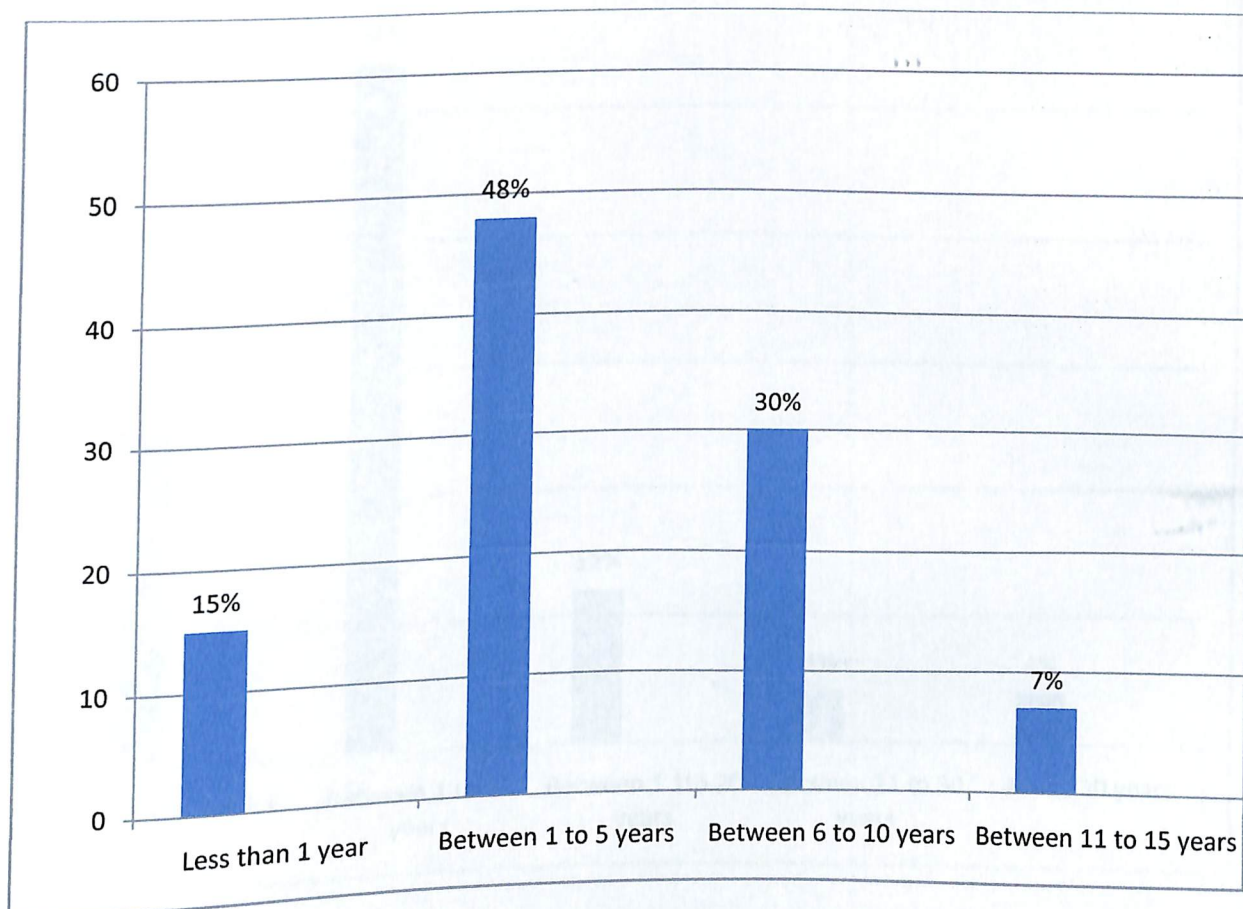
Fig.5.2 Classification of employees based on their service in ESAF

Figure 5.2 shows that majority of the employees (48 per cent) belonged to the category between 1 to 5 years of service followed by 30 per cent of the employees had service in ESAF between 6 to 10 years. At the same time 15 per cent and 7 per cent of the employees belonged to the categories of less than 1 year and between 11 to 15 years respectively. This indicated that majority of the employees were experienced between 1 to 10 years. The vast experience gained by the employees in ESAF will be of valuable resource for building up of small banking sector.

5.1.4 Experience prior to ESAF

Number of sample respondents based on their prior service to ESAF is shown below. The employees were divided into five categories like, no prior service, service between 1 to 10 years, 11 to 20 years, 21 to 30 years and above 30 years.
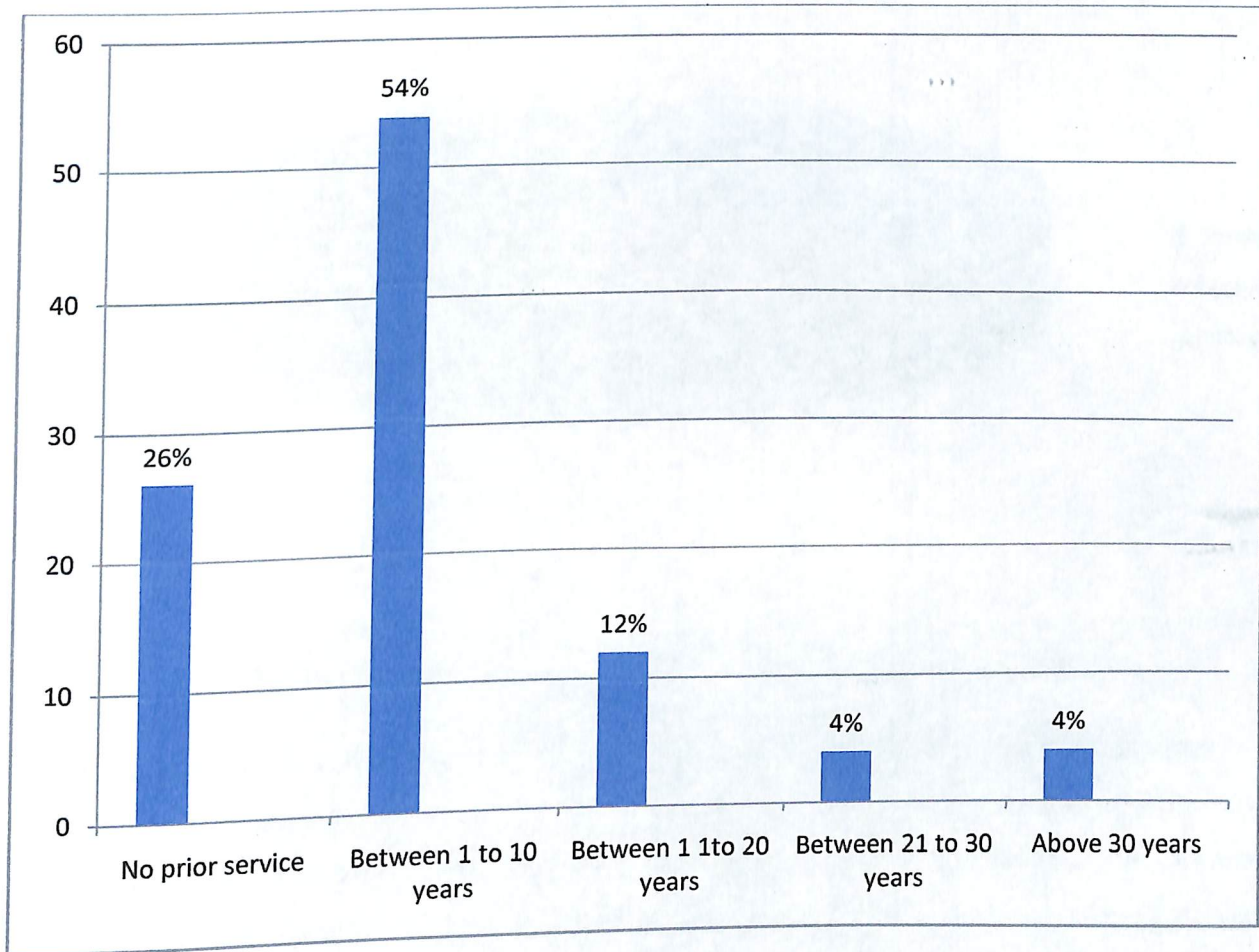
Fig.5.3 Classification of employees based on their years of service prior to ESAF

Figure 5.3 shows that majority of the employees (54 per cent) belonged to the category of between 1 to 10 years of prior service. Just above one-fourth of the employees (26 per cent) were freshers. Employees with prior work experience greater than 21 years and above 30 years were of 4 per cent each. The prior experience possessed by majority of the employees will also benefit ESAF for improving its activities.

5.1.5 Educational status of Employees

The sample respondents were divided into three categories based on their educational qualification like graduation, technical and post graduation.
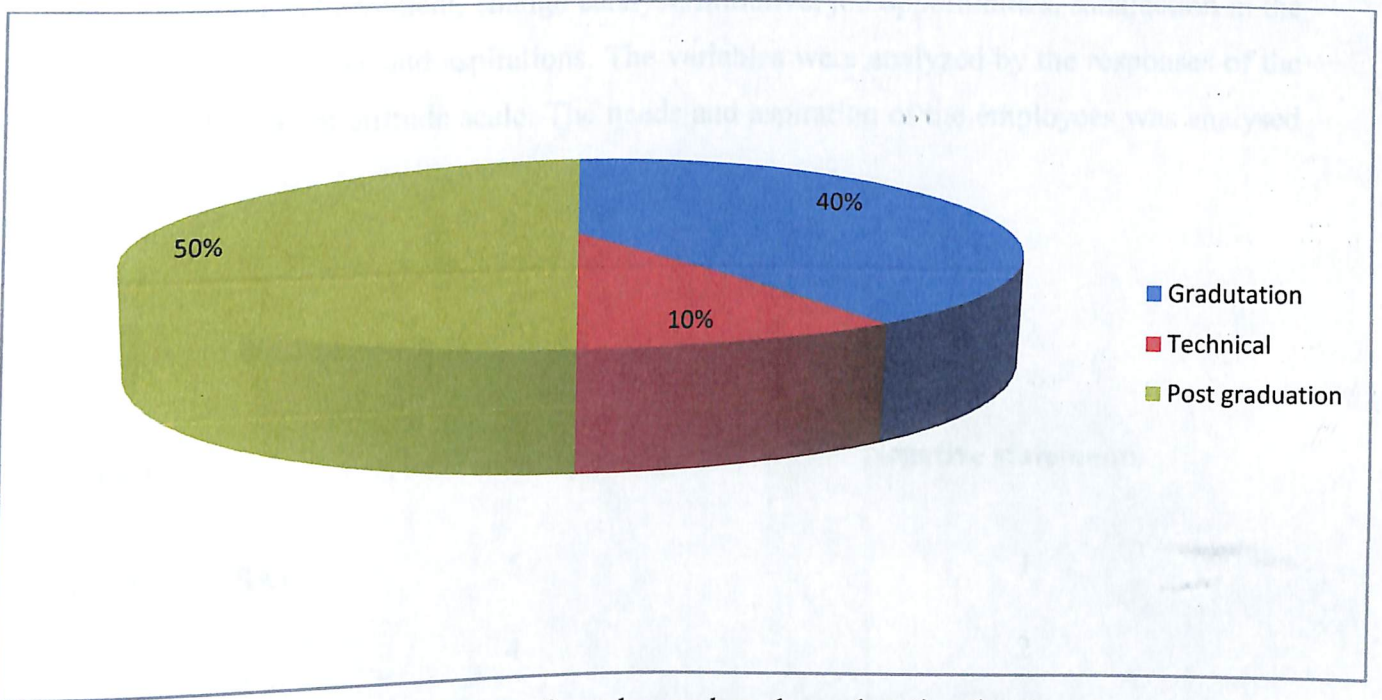
Fig.5.4 Classification of employees based on educational status

From the Figure 5.4 shows that half of the employees (50 per cent) were post graduates. They did their post graduation in the streams of MBA, M.com, M.A (economics) and PGDRM. Little less than half the per cent of the (40 per cent) employees were graduates, in the streams of B.com, LLB, B.A (Economics) and BBA. Only 10 per cent of the employees were qualified with technical backgrounds like B.Tech and B.C.A. The employees qualified in management, administration, commerce, economics, finance and computer applications will be of great help for strengthening the activities of the organization.

5.2 Career management behaviour of employees

This part of the analysis is the core part of the study that shows the employees' needs and aspirations was analyzed by constructing an 'Employees Career Management Index' which captured variables like commitment to work, knowledge about self, job security and career growth, motivation, achievement, change catalyst, initiative, job opportunities, satisfaction in the present position and hopes and aspirations. The variables were analyzed by the responses of the employees on five point attitude scale. The needs and aspiration of the employees was analysed using indices.

The responses of the employees were given values as follows:

Continuum	Positive statements	Negative statements
Strongly Agree (SA)	5	1
Agree (A)	4	2
No opinion / Undecided (NO)	3	3
Disagree (D)	2	4
Strongly Disagree (SD)	1	5

5.2.1 Commitment to work

Commitment to work is the feeling of responsibility that a person has towards the mission and goals of an organization. When an individual has job commitment, he or she is more likely to perform tasks and responsibilities that will help an organization achieve a goal. The commitment of the sample employees was measured by obtaining their response to four identified statements.

Table 5.2 Distribution of respondents according to their commitment to work

(n=100)

Sl. No	Statements	No. of respondents					Total score	Index	Category
		SA	A	NO	D	SD			
a.	I work long hours and make personal sacrifices to complete the assignment on time	41	40	12	6	1	414	82.80	High
b.	I don't believe that time is money in business	4	23	21	33	19	340	68.00	High
c.	My commitment to work is proportional to the increase in salary and incentives	13	29	32	21	5	324	64.80	Medium
d.	I never believe that if the process is right results will be also be right.	10	24	18	35	13	317	63.40	Medium
Grand total score							1395		
Composite Index								69.75	High

Source: Primary data

Table 5.2 indicates that the composite index for commitment to work of the sample employees was in the "High" category with a value of 69.75. Among them, the statement (a) got the highest index (82.8) followed by the statement (b) scored an index of 68. It shows that employees dedication and interest towards the work in the organisation. The statement (c) secured the index of 64.8 comes under " Medium" category, indicates that the employees gave importance to complete the targeted work in time and also reflected that commitment to work and salary were

57

directly related. Statement (d) got the lowest index with a value of 63.4, shows that appreciable number of employees never believed that if the process was right, results would also be right.

5.2.2 Knowledge about self

Self awareness of employees means conscious knowledge of employee's own character, feelings, motives and desires. The knowledge about self of the sample employees was measured by obtaining their response through four identified statements

Table 5.3 Distribution of respondents according to their knowledge about self

(n=100)

Sl. No	Statements	No. of respondents					Total score	Index	Category
		SA	A	NO	D	SD			
a	I can work hard to get new skill and knowledge to improve my performance.	61	32	7	0	0	454	90.80	High
b	I am not at all capable of doing my work with perfection.	1	4	16	43	36	191	38.20	Medium
c	I am being asked to do jobs that I am not capable of doing.	2	5	28	43	22	222	44.40	Medium
d	I believe that more than the knowledge it's the right attitude and passion for work that brings the results	36	45	13	4	2	409	81.80	High
							1276		
Grand total score Composite Index								63.80	Medium

Source: Primary data

The table 5.3 shows the knowledge about self of the employees managed to stay in the 'medium' category with an index of 63.8. Among the statements, (a) got the highest index with value 90.8 and (d) got the index value 81.8, show their readiness to improve skills and also believed that passion for the work brought the result. Statement(c) showed that employees risk taking attitude, which was categorized to "medium". Statement (b) showed the lowest index with a value 38.2

58

indicated that the employees had reasonable level of knowledge in doing their work with perfection.

5.2.3 Job security and career growth

It means becoming aware of how the present job is secure to continue it. Career growth means an employee take up more responsibilities today than the employee did yesterday and continue to do that at regular intervals. The job security and career growth of the sample employees was measured by obtaining their response through four identified statements.

Table 5.4 Distribution of respondents according to their job security and career growth

(n=100)

| Sl. No | Statements | No. of respondents | | | | | Total score | Index | Category |
		SA	A	NO	D	SD			
a.	I believe to be doing a job that I had wished and eagerly wanted to do in my life.	32	50	16	2	0	412	82.40	High
b.	I never believe that my job is secure in ESAF.	2	9	25	39	25	376	75.20	High
c.	My work and contribution is valued and recognized in ESAF.	43	38	17	2	0	422	84.40	High
d.	I never get lot of opportunity to grow and learn new things since I have joined ESAF.	9	14	25	33	19	339	67.80	High
Grand total score							1549		
Composite Index								77.45	High

Source: Primary data

The composite index of "Job security and career growth" was in the 'high' category with a score of 77.45.The index value was the high as 84.4 for the statements (c), showed that the employees were fully contented with their present job and realized that the organization had recognized their contribution. Statements (b) and (d) showed employees trust towards ESAF. They believed that their job in ESAF was secure and it would help for their career growth.

5.2.4 Motivation and achievement

Internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal. The need for motivation and achievement of the sample employees was measured by obtaining their response for the given four identified statements.

Table 5.5 Distribution of respondents according to their motivation and achievement

(n=100)

Sl. No	Statements	No. of respondents					Total score	Index	Category
		SA	A	NO	D	SD			
a	I have set my career goals and I am clear about my position after 5 years.	28	42	23	6	1	390	78.00	High
b	My workplace never gives me positive energy.	2	6	17	52	23	388	77.60	High
c	As I work hard I am sure to get rewards and recognition in ESAF.	40	38	19	3	0	415	83.00	High
d	I was never offered what was promised to me.	4	11	42	32	11	335	67.00	High
Grand total score							1528		
Composite Index								76.40	High

Source: Primary data

The composite index of this domain (76.4) was in the 'high' category, indicating employees need for motivation and achievement in their career. Among the statements, (c) got the highest index i.e, 83, showed employees' faith in ESAF, that the employees would be rewarded reasonably as they work hard. The motivated workforce means a highly productive group of employees which was considered as an asset for the organization. Statements (a), (b) and (d) were also categorized to "high", indicating employees had career goals and they were clear about their future plans and always they were offered what they were promised.

5.2.5 Change catalyst

Change catalyst means the ability of the employee's acceptance to accommodate changes and facililate others to change in the organization. The change catalyst behaviour of the sample employees was measured by obtaining their response through four identified statements.

Table 5.6 Distribution of respondents according to their nature of change catalyst

(n=100)

Sl. No	Statements	No. of respondents					Total score	Index	Category
		SA	A	NO	D	SD			
a	It is difficult to work in any department and with any team as per the decision of the management.	7	15	19	43	16	254	50.80	Medium
b	I personally can't lead change initiatives if given a chance.	3	6	23	42	26	382	76.40	High
c	I am ready to learn and unlearn new skills and lessons to adapt myself to change.	46	41	12	0	1	431	86.20	High
d	I believe that changes destroy the existing culture.	2	16	25	40	17	354	70.80	High
Grand total score							1421		
Composite Index								71.05	High

Source: Primary data

Table 5.6 shows employees change catalyst index, was rated in the" high" category with a score of 71.05. It was found that employees felt difficulty to accommodate change, but if they were convinced that the change was for the betterment of the organization as well as themselves they would accept that change. Statement (c) was rated with "high" category, showed employees readiness to learn new skills and to adapt themselves to the organizational change. Statement (a) got the lowest index i.e. 50.8, showed the employees faced difficulties to work in any department with any team as per the decision of the management. Therefore employees preference may also be considered while placing them in various departments.

5.2.6 Initiative

Initiatives are the employees action that begins a process, without direct managerial influence. Initiatives are the self starting and proactive nature of employees. The initiative behaviour of the sample employees was measured by obtaining their responses to four identified statements.

Table 5.7 Distribution of respondents according to their initiative nature

(n=100)

Sl. No	Statements	No. of respondents					Total score	Index	Category
		SA	A	NO	D	SD			
a	I am given the freedom to come up with my own ideas or initiatives.	28	57	11	3	1	408	81.60	High
b	My work is monotonous so I never think of bringing anything new to my work.	3	9	26	49	13	360	72.00	High
c	I will make use of my power and give opportunities to others	24	62	12	2	0	408	81.60	High
d	I don't have time to think about any initiative.	3	4	18	64	11	376	75.20	High
Grand total score							1552		
Composite Index								77.60	High

Source: Primary data

The composite index 77.6 was obtained for the initiative behaviour of employees, indicates that the employees of ESAF interested to do things voluntarily, and also they took initiative not only for the organizational benefits but also for the benefits of their colleagues. Employees showed the 'high' category for the statement (a), indicated employees had freedom to come up with their own ideas and they would make use of their power and give opportunities to others. Statements (b) and (d) were also rated with category 'high' showed that they were tried to take initiative for the organizational growth.

5.2.7 Job opportunity

Job opportunity means an occasion or situation that makes employees possible to do something that they want to be. The need for job opportunity of the sample employees was measured by obtaining their responses through four identified statements.

Table 5.8 Distribution of respondents according to their job opportunity

(n=100)

Sl. No	Statements	No. of respondents					Total score	Index	Category
		SA	A	NO	D	SD			
a	I am expecting a change in my job profile with the new ESAF SFB.	47	36	14	3	0	427	85.40	High
b	I fear if I may lose my job after ESAF transformation.	3	11	22	14	24	267	53.40	Medium
c	I am highly confused about my position in the SFB.	10	30	27	28	5	312	62.40	Medium
d	There are no opportunities for promotion in my role, when ESAF becomes a bank	4	10	33	36	17	352	70.40	High
Grand total score							1358		
Composite Index								67.90	High

Source: Primary data

Table 5.8 shows that the job opportunity index of employees was categorized to "high" with a score of 67.9. Among them, statement (a) got the highest index (85.4) which revealed that employees expected a change in their job profile, when ESAF would be transformed into small bank. Statement (b) and (c) rated to "medium" category, showed that employees had confusion about what job would they get when it would be converted into SFB and also there was a fear of losing job among employees. Statement (d) showed that employees were aware of increasing job opportunities when ESAF would become a bank.

5.2.8 *Satisfaction in the present position*

Job satisfaction represents the level of contentment that employees feel about their work, which can affect their performance. The satisfaction in the present cadre of the sample employees was measured by obtaining their responses through four identified statements.

Table 5.9 Distribution of respondents according to their satisfaction in the present position

(n=100)

Sl. No	Statements	No. of respondents					Total score	Index	Category
		SA	A	NO	D	SD			
a	I am satisfied with my present job position and salary	8	48	23	20	1	342	68.40	High
b	My satisfaction level may not increase when it transforms into bank	3	11	35	43	8	342	68.40	High
c	I felt that I am an important part of the company	30	49	15	6	0	403	80.60	High
d	My job makes good use of my skills and abilities	27	55	16	2	0	193	38.60	Medium
Grand total score							**1280**		
Composite Index								64.00	**Medium**

Source: Primary data.

The composite index of satisfaction of employees in the present position scored an index of 64 and categorized to "medium". Statement (c) got the highest value 80.6, showed that employees thought that they were the important part of the company. Statements (a) and (b) showed, that they were not satisfied with present position but they were afraid of their future job when ESAF would be transformed into SFB. Statement (d) revealed that their interest to make use of their skill and dedication to work.

5.2.9 Hopes and aspiration

Employee's aspirations and hopes means employee's strong desire to achieve the personal as well as organizational goals and their expectations from the organization. The hopes and aspirations of the sample employees was measured by obtaining their responses through four identified statements.

Table 5.10 Distribution of respondents according to their hopes and aspiration

(n=100)

Sl. No	Statements	No. of respondents					Total score	Index	Category
		SA	A	NO	D	SD			
a	I want to stay with ESAF till my retirement	37	34	26	2	1	404	80.8	High
b	I never want to become an expert in professional area	7	9	15	44	25	371	74.2	High
c	I want my children to work in ESAF.	14	34	41	5	6	345	69	High
d	I am never happy with the welfare schemes and HR services for the ESAF staff and their families.	8	8	23	34	27	364	72.8	High
Grand total score							1484		
Composite Index								74.2	High

Source: Primary data

The composite index of hopes and aspirations of employees was categorized to "high" with a value of 74.2. Among the statements (a) got the highest value 80.80 shows that employees wanted to stay with ESAF till their retirement because they considered ESAF as their family. Statements (b), (c) and (d) were also categorized to "high", which showed that employees were expected much more privileges from the organization. The statement (c) secured the lowest index value of 69. It is the natural tendency of employees to place their children in better position.

65

Table 5.11 Overall career management behaviour of employees

(n=100)

Sl. No	Career management	Index	Rank
a	Initiative	77.60	1
b	Job security & career growth	77.45	2
c	Motivation and achievement	76.40	3
d	Hopes and aspirations	74.20	4
e	Change catalyst	71.05	5
f	Commitment to work	69.75	6
g	Job opportunity	67.90	7
h	Satisfaction in the present cadre	64.00	8
i	Knowledge about self	63.80	9
Career management behaviour index		**71.35**	

Career management behaviour

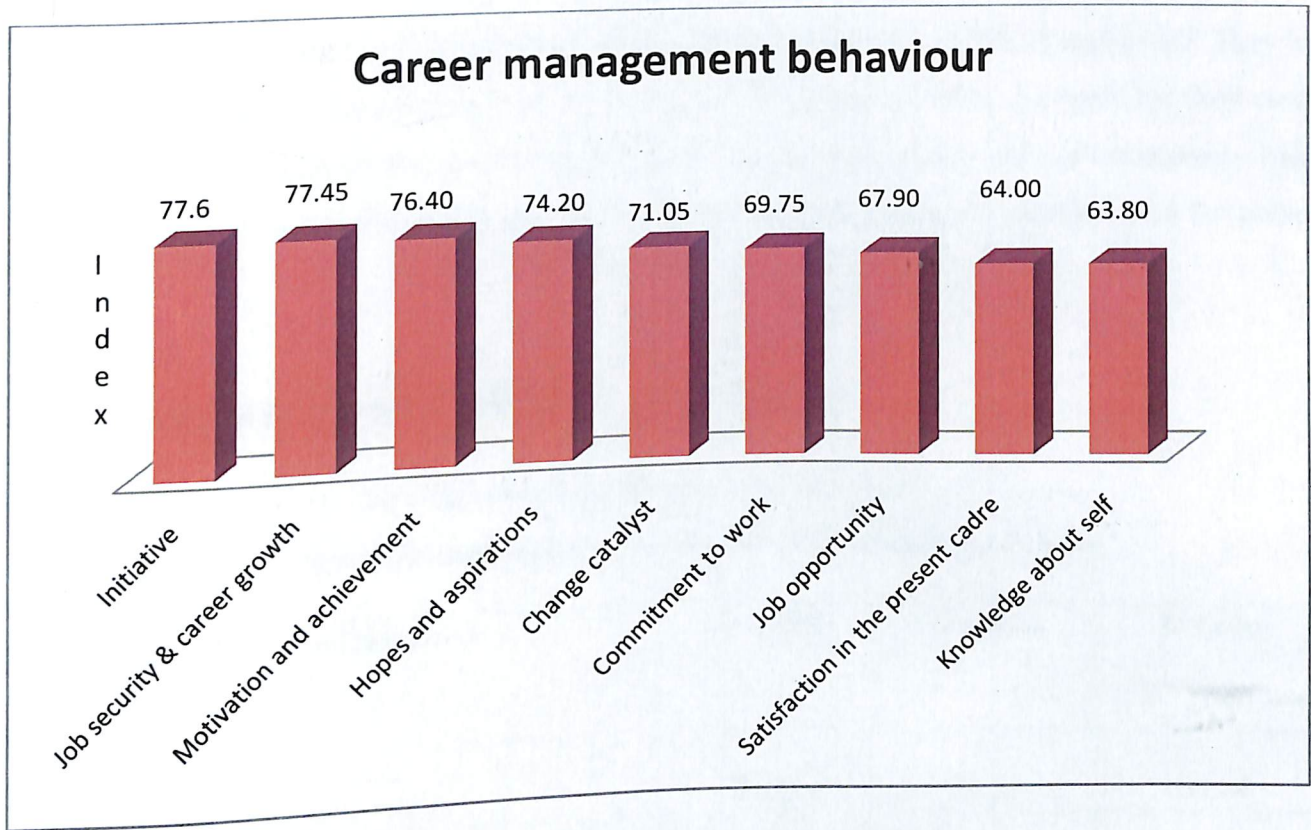| Category	Index
Initiative	77.6
Job security & career growth	77.45
Motivation and achievement	76.40
Hopes and aspirations	74.20
Change catalyst	71.05
Commitment to work	69.75
Job opportunity	67.90
Satisfaction in the present cadre	64.00
Knowledge about self	63.80

Fig 5.5 Career management behaviour of the employees

Table 5.11 indicates the overall picture of career management behaviour of the employees. The overall career management behaviour among the employees of ESAF was assessed with a composite index of 71.35. It indicated that the employees had a high level of career management behaviour. In the listed nine variables the composite index for "Initiative" was ranked the highest (77.6). It indicated that The employees of ESAF had the interest to do things voluntarily, and also they took initiative not only for the organizational benefits but also for the benefits of their colleagues. "Job security and career growth" was scored second. Employees gave priority to job security and career growth. So they looked for a job promotion and salary increment. The composite index of "motivation and achievement" and "hopes and aspirations" were 76.4 and 74.2. This showed that employees are expected much more privileges from the organization. "Change catalyst" was ranked 5th. It is depicted that employees found difficulty to accommodate

67

change, but if they convinced that the change was for the betterment of the organization as well as for themselves they would accept that change.

Commitment to work" and "job opportunity" got composite index of 69.75 and 67.90. They had reasonable level of commitment to work and they also expected much exposure for their career growth. "Satisfaction in the present cadre" and "Knowledge about self" got composite index comparatively low i.e, 64 and 63.80. which showed that they were not satisfied with the present cadre.

5.3 Career management behaviour of employees

The table below shows the cadre wise classification of employees

Table 5.12 Career management behaviour of employees according to cadre

Sl. no	Dimensions	B cadre	C cadre	D cadre
1.	Commitment to work	70.28	69.34	69.66
2.	Knowledge about self	65.98	61.71	63.85
3.	Job security and career growth	74.31	77.63	81.15
4.	Motivation and achievement	75.42	75.39	79.23
5.	Change catalyst	70.43	71.18	70.38
6.	Initiative	77.78	77.24	77.88
7.	Job opportunities	63.61	72.11	63.27
8.	Satisfaction in the present position	70.42	65.00	63.08
9.	Hopes and aspirations	76.67	73.16	72.31
	Composite Index	**71.66**	**71.42**	**71.20**

The employees of B cadre include posts of managerial level with job titles Regional Manager / Manager, Senior Manager, Deputy Chief Manager and Chief Managers. For the study, 36 employees under B cadre were selected as respondents. Table 5.12 shows the overall composite index of 71.66 for the employees of 'B' cadre. It could be inferred that B cadre employees had "high" career management behaviour. Among the dimensions of career management behaviour, initiative nature of employees secured the index value 77.78, ranked first indicate that the employees power or opportunity to act or take charge earlier than others was very high. The employees with high level of initiative nature motivated to do more things. Hopes and aspirations of employees was ranked 2nd with an index of 76.67, showed that employees expected much more privileges from the organization, when it starts working as small bank. Need for motivation and achievement among the employees were ranked 3rd with a composite index of 75.42, showed their need for success in life by acquiring job promotion and increment in the salary etc. The motivated workforce means a highly productive group of employees which considered as an asset for the organization. Such employees tried to do their best for the organization. Other dimensions of career management behaviour such as job security and career growth, change catalyst, job opportunity and commitment to work were ranked 4th to 6th, index values within the range of 75-70.

The dimensions such as 'knowledge about self' and 'satisfaction in the present cadre' got the least index values i.e, 65.98 and 63.61, showed that the passion for the work was there but lack of confidence in doing things and also they were not satisfied with the present position. They expected higher job position when ESAF is transformed into SFB.

The employees of C cadre included the posts of like Branch Manager, Senior Branch Manager, Area Branch Manager and Senior Area Manager. For the study, 38 employees under C cadre were selected as respondents.

The overall career management behaviour of the employees of 'C' cadre with values 71.42. Among the dimensions of career management behaviour, job security and career growth ranked 1st with an index of 77.63. They believed that their job in ESAF was secured and it would help for their career growth. Initiative nature of employees in the "C" cadre ranked 2nd with a composite index of 77.24. Their readiness to use opportunities were high among the employees of C cadre. Motivation and achievement and hopes and aspirations among the employees secured

3rd and 4th rank respectively. They were also expecting higher job opportunity when ESAF starts working as small bank. Satisfaction in the present cadre and self awareness of employees of C cadre employees were ranked least i.e. 8th and 9th with index values of 65 and 61.71. It showed that their level of satisfaction with current job status was much lower.

The employees of D cadre include the posts of Junior Credit Officer, Assistant Credit Officer, Credit Officer and Assistant Branch Managers. For the study, 26 employees under D cadre were selected as respondents.

The career management behaviour of the employees of D cadre with a composite index of 71.20. Among the dimensions of career management behaviour, "job security and career growth" and need for "motivation and achievement" ranked 1st and 2nd with an index values of 81.15 and 79.23 respectively. They felt high level of job security and believed that they had only limited knowledge or skill, hence they wanted to improve their skills to succeed in their job. Initiative nature of the employees was ranked 3rd, implied that the employees were capable to act on opportunities without any difficulty. Job opportunities and satisfaction in the present cadre were ranked least i.e. 8th and 9th. As they were the lower level of employees their job opportunities were limited. They expected career growth and afraid of losing job when it is transformed into small financial bank. Their apprehensions are to be wiped out by providing suitable explanations and necessary action on the part of the organization.
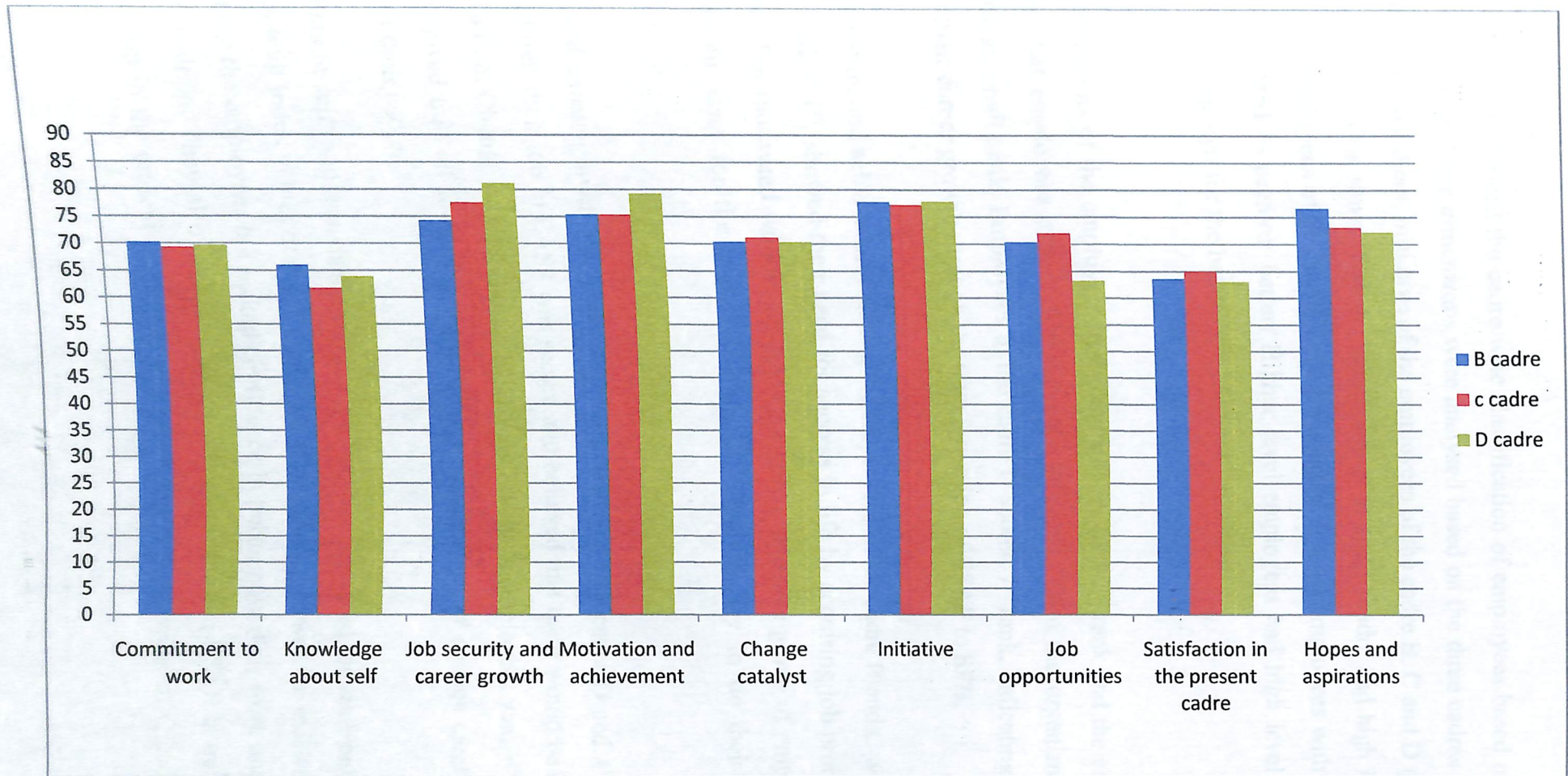
Fig 5.6 Cadre wise classification of employees based on their career management behaviour

Table 5.12 and Fig 5.6 showed the cadre wise classification of employees based on their career management behaviour. Nine dimensions were analysed based on the three cadres of employees viz; B, C and D. Among them, initiative of the employees of the cadre B, C and D got 1st, 2nd and 6th rank respectively. This shows that the employees of B and C cadre had high initiative skill compared to the employees of D cadre. It can be inferred that the employees with high level of initiative is motivated to perform better. Higher level employees had high level of initiative, which is a welcoming sign for the betterment of the organization.

Hopes and aspirations of the employees in the cadre B secured 2nd rank and the cadre C got 4th rank, showed that employees expected much more privileges from the organization, when it starts working as small bank. Employees in the cadre D scored 7th rank, indicating that they did not expected their career growth through the transformation of ESAF to SFB.

Need for motivation and achievement among the employees in the cadre B and C were ranked 3rd and D cadre ranked 1st, showed their need for success in life by acquiring job promotion, salary increment etc. The motivated workforce means a highly productive group of employees which considered as an asset for the organization. Such employees try to do their best for the organization.

Job security and career growth was ranked 1st by cadre C, 2nd by cadre D and 4th by cadre B. They believed that their job in EASF was secure and believed that there would be career growth in the organisation. Change catalyst ranked by B and C cadre of employees were 6th and cadre D ranked 5th, showed that all levels of employees had almost similar change catalyst behaviour irrespective of their cadre.

'Knowledge about self' and 'satisfaction in the present cadre' marked the least indices for cadre B employees with index values of 65.98 and 63.61 respectively, showed the existence of passion for work among the employees but lacked confidence in performing their work and not satisfied with present position. They also expected higher job position when ESAF is transformed into SFB. Satisfaction in the present cadre and self awareness of employees of C cadre employees

were ranked least i.e. 8th and 9th with index values of 65 and 61.71. It showed that they C cadre employees were not satisfied with the current job status.

'Commitment to work' and 'knowledge about self' were ranked least i.e. 8th and 9th by the employees in the cadre C. As they were the lower level of employees, their responsibilities were limited, therefore their commitment to work was comparatively lower. The cadre D employees had less hopes and aspirations in ESAF-SFB.

5.3 Career plans of employees

This is an important part of the study, shows the analysis of career plans of employees of ESAF. In this section open ended questions were used among the selected employees.

5.3.1 Job preferences of employees

Number of sample respondents based on their job preference is shown below. The employees were divided into six categories like administrative level, managerial level, training and teaching, marketing level, IT and others.
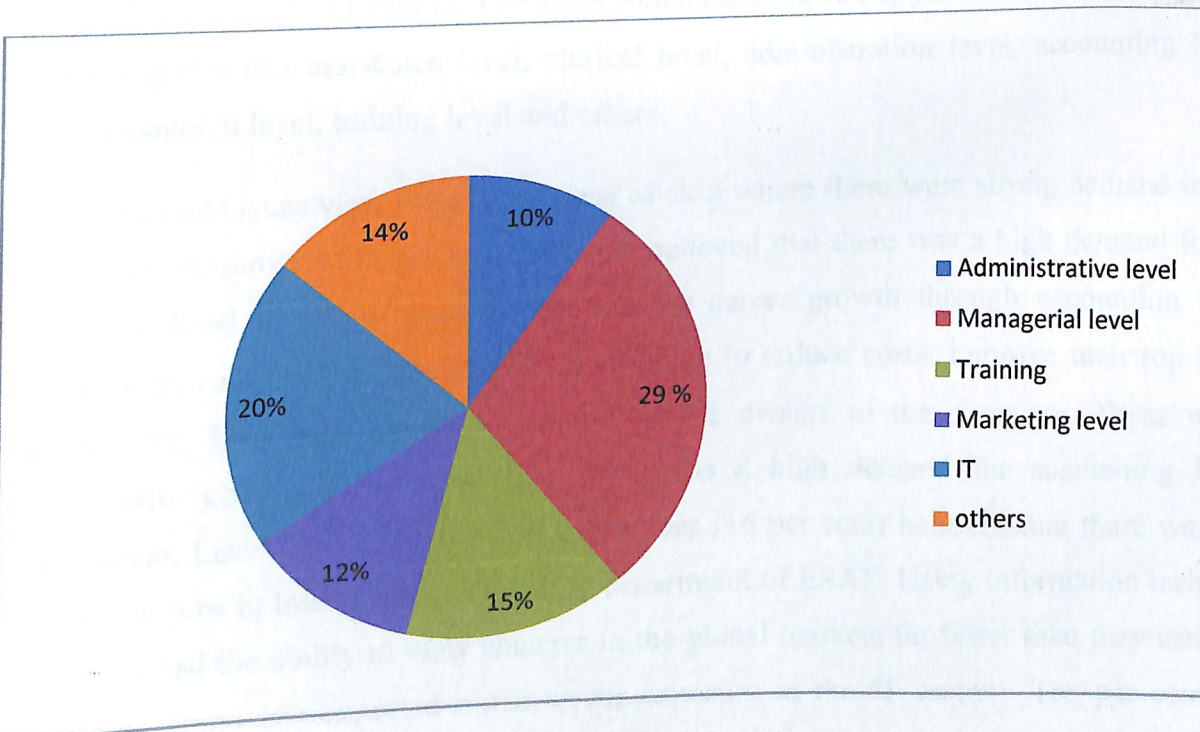

Fig 5.7 Classification of employees based on their job preferences

According to the fig 5.7, majority of the employees preferred jobs at the managerial level i.e. 29 per cent. Most of the employees strongly believed that there was a high interest for jobs in managerial level. It was because they deal with more personnel, human relations, responsibilities and delegation of duties. At the managerial level itself majority of the employees wanted to work in the cadre of senior manager.

One-fifth of the employees (20 per cent) were found to have interest to work in the IT field. Information technology is a wide area where ample opportunities are emerging. Fifteen per cent of the employees preferred to work under training department. Marketing and administration level was preferred by 12 per cent and 10 per cent of the employees and 14 per cent of the employees chose "others" category, which included entrepreneurship, professional singer and cricketer.

5.3.2 Areas of strong job demand or skill shortages in ESAF

Number of sample respondents based on areas where there is strong job demand or skill shortages in ESAF shown below: The areas which required strong job demand were divided into eight categories like assistance level, clerical level, administration level, accounting level, IT level, managerial level, training level and others.

As per the employees view there were areas of skill where there were strong demand in ESAF. Most of the employees (38 per cent) strongly believed that there was a high demand for job at accounting level. So they expected much more career growth through accounting level of employment. Accountants provide advice and help to reduce costs, improve their top line and mitigate risk. They represented the interest of the owners of the company. These were the reasons why employees believed that there was a high demand for accounting level of employment. Less than one-fifth of the employees (16 per cent) believed that there was a high demand for jobs in information technology department of ESAF. Using information technology, employees had the ability to view changes in the global markets far faster than they usually do. Therefore, employees expected much career exposure in the IT sector. Ten per cent of the employees believed that "managerial level" and "assistance level" had high job demand or skill

shortage in ESA. Least per cent of the employees i.e 5 per cent considered that there was a strong demand for jobs in the " Clerical level" and "Others" each.
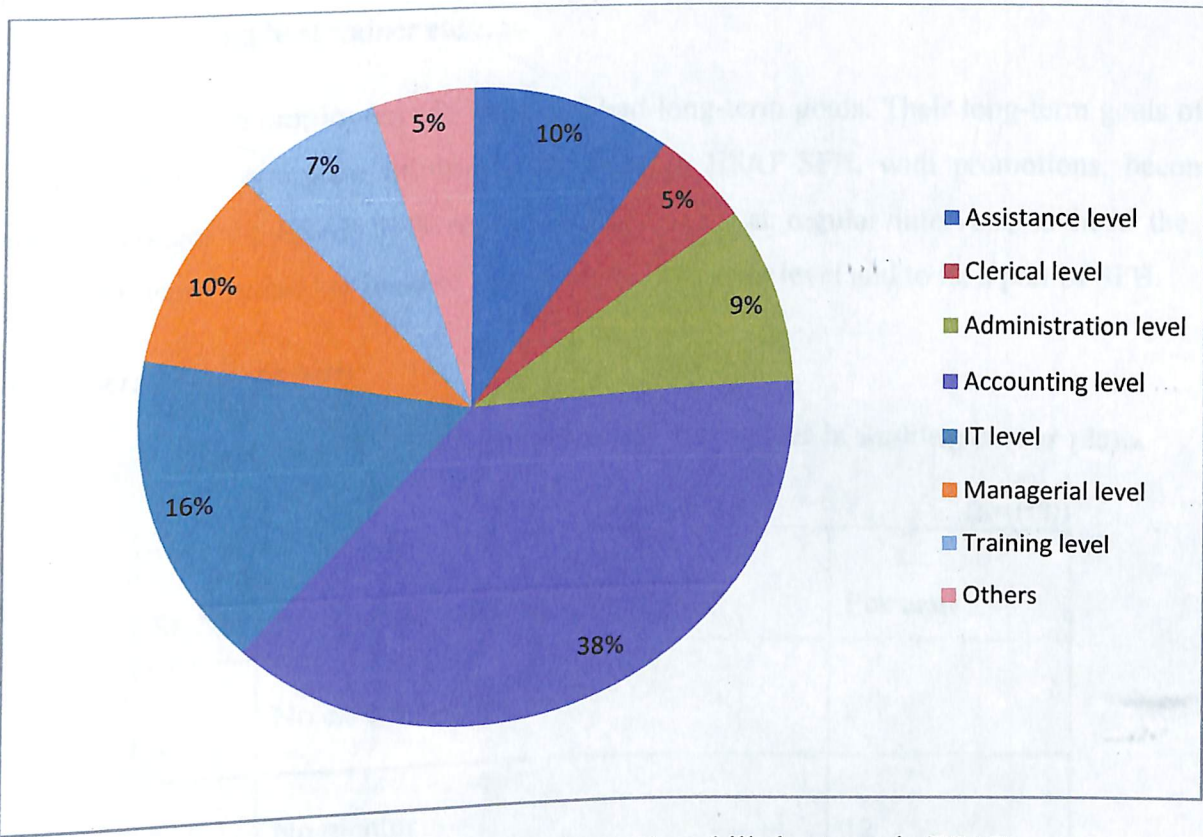
Fig 5.8 Classification of areas of strong job demand or skill shortages in ESAF

5.3.3 Short term and long term goals

Employees' responses were analyzed based on the table given below:

Table 5.13 Classification of employees based on their Short-term and Long-term goals

(n=100)

| Responses | No. of employees | |
	Short-term goals	Long- term goals
I Have	38	56
I don't have	62	44
Total	100	100

Source: Primary data

As per the table 5.13, more than one-third of the employees (38 per cent) had short-term goals. Short-term goals were to enhance the quality and achieve the target in the present role, work in building the capabilities of the staff on soft skills, to deliver quality services, complete the course on MBA and reaching higher managerial position in SFB, becoming Regional Manager within six months, becoming best trainer etc.

More than half of the employees (56 per cent) had long-term goals. Their long-term goals of the employees were to complete minimum 10 years in ESAF-SFB, with promotions, becoming Regional Manager of ESAF-SFB receiving increments at regular intervals, to head the risk management team, becoming head of the department at state level and to be a part of SFB.

5.3.4 Barriers of career plan

Table 5.14 Barriers perceived by employees in making career plans

(n=100)

Sl. No	Barriers in making career plan	Per cent
a.	No career guidance	9
b.	No mentor	12
c.	Not bothered about the career	10
d.	Accepting things as such it comes to me	61
e.	Others	8

Source: Primary data

Table 5.14 showed that majority of the employees (61 per cent) accepted things as such it comes to them. The mind set of employees was considered as the major barrier in making career plans. Less than one-fifth of the employees (12 per cent and 9 per cent) said that their barrier in making

76

career plan was 'lack of mentors and career guidance". Ten per cent of the employees are did not bother about their career plans.

5.3.5 Periodical review of career plan

The periodical review of career plans of employees in ESAF were analysed into four classifications such as once in 6 months, once in a year, once in 3 years and once in 5 years.
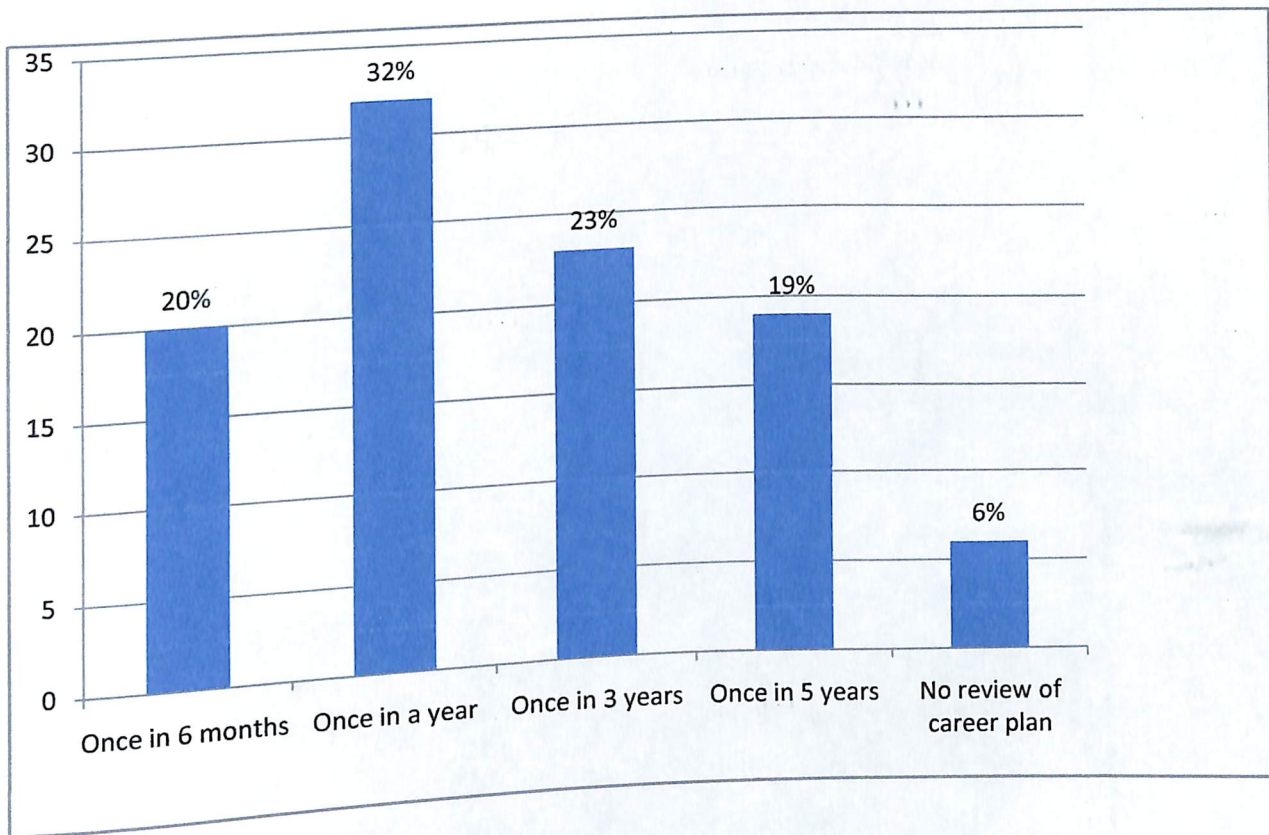
Fig 5.9 Periodical review of career plan by the employees

Fig 5.9 showed that nearly one-third of the employees (32 per cent) reviewed their career plans once in a year. This indicated that they \achieved their target within a year. Just above one-fifth of the employees (23 per cent) reviewed their career plans once in 3 years. Only 6 per cent employees were not reviewing their career plan as they were not bothered about their career growth. It could be concluded that majority of the employees reviewied their career plans at a specific interval of time period.

Chapter - 6

Summary of Findings and

Suggestions

Chapter 6

SUMMARY OF FINDINGS AND CONCLUSION

Career is a lifelong assignment, which enables individual to earn money or to satisfy himself. It is a way of life for a person. A career imposes a number of responsibilities and duties on an individual. Different careers have different requirements for example human skills, location, climate, etc. "A career may be thought of as a long- term project for an individual life. An individual can reach a realistic career choice by performing a number of jobs and by utilizing his abilities, interests, thoughts, feelings and skills. Other perceived important career anchors for success include organizational stability, identity, geographic security and services". Personality of a person also play an important role when we talk about or it comes to selecting the right job for an individual. It has become necessary for all persons to find appropriate careers today not merely for financial reasons, but also for the satisfaction or excellence of life. By choosing a career that matches our needs, our personality, we are more likely to perform a job happily.

For any organization, having considerable size of human resource segment, managing human relations assumes equal importance with other areas. Career management is helpful to the decision making in development of individual as well as organizational growth. ESAF Microfinance and Investment (P) Ltd. is one of the leading NBFC- MFIs (Microfinance institution) in India now it is transforming into small bank. There are no systematic studies have been conducted on the career management among the employees of ESAF Microfinance and Investment (P) Ltd. which is an emerging banking institution.

Hence this study on the career management among the employees of ESAF was proposed for the effective development and deployment of all the employees for the mutual benefits for the employees as well as the better organizational performance. One hundred employees were selected as respondents using simple random sampling method.

The results of the study were summarized under the following heads:

6.1 Socio-economic profile of employees

6.2 Career management behaviour of employees

6.3 Career plans of employees

6.1 Socio-economic profile of employees

a) Analysis of the socio-economic profile of the employees reveals that, majority of the employees (59 per cent) working in ESAF were middle aged, at the same time 9 per cent employees were of the age less than 25 years, it showed that ESAF had more of young and energetic employees and hence it had immense potential for tapping their talents by providing them prospective career options.

b) Majority of the employees (65 per cent) were male and female employees represented 35 per cent of the total population. This showed that number of males in this organization was more than that of female employees.

c) Just below the half the per cent (48 per cent) of employees belonged to the category between 1 to 5 years of service followed by 30 per cent of the employees had service in ESAF between 6 to 10 years. This indicated that majority of the employees were experienced between 1 to 10 years. The vast experience gained by the employees in ESAF would be of valuable resource for building up of small banking sector.

d) It was found that 54 per cent of the employees belonged to the category, between 1 to 10 years of prior service to ESAF. Just above one- fourth of the employees (26 per cent) were freshers. Employees with prior work experience greater than 21 years and above 30 years were of 4 per cent each. The prior experience possessed by majority of the employees will also benefit ESAF for improving its activities.

e) Half of the employees (50 per cent) were post graduates. Little less than half the per cent (40 per cent) of the employees were graduates. Only 10 per cent of the employees were qualified with technical education. The employees qualified in management, administration, commerce, economics, finance and computer applications will be of great help for strengthening the activities of the organization.

6.2 Career management behaviour of employees

a) Composite index for commitment to work of the sample employees was in the "High" category with a value of 69.75. It showed the employees dedication and interest towards the work. The employees gave importance to complete the targeted work in time and also reflected that commitment to work and salary were directly related.

b) Knowledge about self of the employees managed to stay in the 'medium' category with an index of 63.8. It showed that their readiness to improve skills and also believe that passion for the work brings the result and employees risk taking attitude.

c) The composite index of "Job security and career growth" was in the 'high' category with a score of 77.45. It showed that the employees were fully contented with their present job and their trust towards ESAF. They believed that their job in EASF was secure and it would help for their career growth.

d) The composite index of need for "motivation and achievement" domain (76.40) was in the 'high' category, indicating employees need for motivation and achievement in their career. Employees had career goals and they were clear about their future plans and always they were offered what they were promised.

e) Employees' change catalyst, was ranked in the" high" category with an index of 71.05. It was reported that employees found difficulty in accommodating change, but if they were convinced that the change was for the betterment of the organization as well as themselves they would accept that change. Employees' readiness to learn new skills and to adapt themselves to the organizational change was ranked with "high" category. But employees faced difficulties to work in any department with any team as per the decision of the management. Therefore employees' preference may also be considered while placing them in various departments.

f) The composite index 77.6 was obtained for the initiative behaviour of employees, indicated that the employees of ESAF interested to do things voluntarily, and also they took initiative not only for the organizational benefits but also for the benefits of their colleagues. Employees had freedom to come up with their own ideas and they would make use of their power and give opportunities to others. As a result they tried to take initiative for the organizational growth.

g) Job opportunity index of employees was categorized to "high" with a score of 67.9, which revealed that employees expected a change in their job profile, when ESAF is transformed into small bank. Employees had confusion about what job would they get when it is converted into SFB and also there is a fear of losing job among employees. Employees were aware of increasing job opportunities, when ESAF becomes a bank.

h) Satisfaction of employees in the present position scored an index of 64.00 and categorized to "medium". It Showed employees thought that they were an important part of the company. They were not satisfied with present position but they were afraid of their future job, when ESAF is transformed into SFB.

i) The composite index of hopes and aspirations of employees is categorized to "high" with a value of 74.20. Employees wanted to stay with ESAF till their retirement because they considered ESAF as their family. Employees expected much more privileges from the organization.

j) The overall career management behaviour among the employees of ESAF was assessed with a composite index of 71.35. It indicated that the employees had a high level of career management behaviour. Therefore, the organisation may define its own career advancement programme to meet the expectations of employees.

6.3 Career plans of employees

a) More than one-fourth of the employees (29 per cent) strongly believed that there was a high interest for jobs in managerial level. One - fifth of the employees (20 per cent) were found to have interest to work in the IT field. Fifteen per cent of the employees preferred to work under training department. Marketing and administration level was preferred by 12 per cent and 10 per cent of the employees respectively

b) More than one-third of the employees (38 per cent) strongly believed that there was a high demand for job at accounting level. So they expected much more career growth through accounting level of the employment. Less than one- fifth of the employees (16 per cent) believed that there was a high demand for jobs in information technology department of ESAF. Ten per cent of employees believed that "managerial level" and "assistance level" had high job demand or skill shortage in ESAF.

c) More than one-third of the employees (38 per cent) had short-term goals. Short-term goals were to enhance the quality and achieve the target in the present role, work in building the capabilities of the staff on soft skills, to deliver quality services, complete the course on MBA and reaching higher managerial position in SFB, becoming Regional Manager within six months, becoming best trainer etc. More than half the employees (56 per cent) had long-term goals. Long-term goals of the employees were to complete minimum 10 years in ESAF-SFB with promotions, becoming Regional Manager of ESAF-SFB receiving increments at regular intervals, to head the risk management team, becoming head of the department at state level and to be a part of SFB.

d) Majority of the employees (61 per cent) accepted things as such it came to them. The mind set of employees was considered as the major barrier in making career plans. Less than one-fifth of the employees (12 per cent and 9 per cent) said that their barrier in making career plan was 'lack of mentors and career guidance". Only ten per cent of the employees did not bother about their career plans.

e) Almost one-third of the employees (32 per cent) reviewed their career plans once in a year. This indicated that they achieved their target within a year. Just above one-fifth of the employees (23 per cent) reviewed their career plans once in 3 years. Only 6 per cent employees were not reviewing their career plan as they were not bothered about their career growth. Majority of the employees were found to review their career plans at a specific interval of time period.

Conclusion

Career planning and skill development among employees are considered as an important issue faced by an organization. The key to success in any organization relies on both customer and employees satisfaction. Employees' performance can make or break organization's success. ESAF Microfinance and Investment (P) Ltd. is one of the leading NBFC- MFIs (Microfinance institution) in India now it is in he process of transforming into small bank. In this case there may be mismatch between these two aspects i.e, aspirations of employees and their achievements and this leads to employee's dissatisfaction and they may quit the job. The present study analysed career management bahaviour and career plans of employees.

The employee's career management behaviour was measured with 9 dimensions: commitment to work, knowledge about self, job security and career growth, motivation and achievement, change catalyst, initiative, job opportunities, satisfaction in the present position and hopes and aspirations. Cadre wise analysis was done using these dimensions.

Among these cadres, employees of B cadre secured "High" score for all dimensions, except for the dimensions: 'knowledge about self' and 'satisfaction in the present cadre'. This showed that the employees had passion for the work, but lacked of confidence in doing things and also they were not satisfied with present position, they expected higher job position when ESAF is transformed into SFB. High initiative nature of the employees showed that the employees power or opportunity to act or take charge earlier than others, was very high. So the employees with high level of initiative nature was motivated to do more things. Hopes and aspirations of employees showed that employees expected much

83

more privileges from the organization, when it starts working as small bank. Need for motivation and achievement among the employees shows their need for success in the life by acquiring job promotion and salary increment.

In the cadre C, all dimensions except 'satisfaction in the present cadre' and 'self awareness of employees' were ranked to "High" category. It showed that they were not satisfied with the current job status. They believed that their job in EASF was secure and it would help for their career growth. Initiative nature of employees showed their readiness to use opportunities or to proactive towards their workwere high among the employees of C cadre. They expected higher job opportunity when ESAF starts working as small bank.

The employees of D cadre got "High" index except for the dimensions: Job opportunities and satisfaction in the present cadre. As they were the lower level of employees their job opportunities were limited. They had less hopes and aspirations in ESAF-SFB. They believed that they had only limited knowledge or skill and they wanted to improve their skills to succeed in their present position. Overall analysis of career management behaviour among the employees of ESAF was at high level. Therefore, to meet the expectations of the employees and to match with career management behaviour of the employees, ESAF may define its own career advancement programme and implement at regular intervals.

Most of the employees strongly believed that there was a high interest for jobs at managerial level. It was because they deal with more number of personnel, maintain human relations, responsibilities and delegation of duties. At the managerial level itself majority of the employees wanted to be senior manager. Employees strongly believed that there was a high demand for job at accounting level. So they expected the prospects of career growth through accounting level. Short-term goals of the employees were to enhance the quality of their service and achieve the target in the present role, to build the capacity of the staff on soft skills, to deliver quality services, complete the course on MBA and reaching higher managerial position in SFB, becoming Regional Manager within six months, becoming best trainer. Long-term goals of the employees were to

complete minimum 10 years of service in ESAF-SFB with promotions, becoming Regional Manager of ESAF-SFB, receiving increments at regular intervals, becoming head of the department at state level and to be a part of SFB. One-third of the employees reviewed their career plans once in a year. Majority of the employees reported that they had the mindset of simply accepting things as they came to them, which was considered as the major barrier in making career plans.

Suggestions

- Employees in the B and D cadres were not satisfied with the present privileges getting from the ESAF. Annual interactive sessions between employees and management may be organised so that the management can take necessary steps to satisfy the employees' needs.
- ESAF should provide orientation and training programmes to employees. Because they lack confidence in performing their job, when it transforms into SFB.
- As the ESAF is transforming into small bank, ESAF should give priority to existing employees than the freshers. Because employees of B and C cadre expected higher job opportunity when ESAF starts working as small bank as result their commitment to work will also increase.
- Monthly review meetings should assess the employees' performance and best performing employees should be appreciated and properly rewarded. Therefore the competition among the employees to become the "best employee" will increase and thereby the productivity of the organization will also improve.
- Motivational and skill development programmes may be organised at regular intervals among the employees of D cadre.
- Appropriate mentoring techniques may be used to understand the learning requirements of the employees.
- The organisation may conduct career advancement programme at regular intervals with clearly defined criteria for attaining each cadre. Employees should be made aware of career growth or career opportunities available at ESAF-SFB. Clarity on the career opportunities among the employees will lead them in right direction of improved performance which in turn enhances the organisational performance.

85

Bibliography

BIBLIOGRAPHY

Books

Bruce, A. and Pepitone, J. S. (1999). "Motivating Employees" McGraw-Hill International pp.62-73.

Davis, K. and Nestrom, J. W. (1985). Human Behavior at work: Organizational Behavior, 7 edition, McGraw Hill, New York, p.109

Fleishman, E. A. (1992). The description of supervisory behavior. Personnel Psychology. 37p.

George, J. M. and Jones, G. R. (2008). Understanding and Managing Organizational behavior, Fifth Edition, Pearson/Prentice Hall, New Yersey, p. 78

Goleman, D. (1995). Emotional intelligence. New York: Bantam pp.38-52.

Kaliski, B. S. (2007). Encyclopedia of Business and Finance, Second edition, Thompson Gale, Detroit, p. 446 Lawler, E.E. III and Porter, L.W. (1967). The Effect of Performance on Job Satisfaction, Industrial Relations, pp. 20-28

Lockley, M. (2012) "The Secret to Motivating a Team" The Guardian.

Luthans, F., Avolio, B. J., and Youseff, C. (2007). Psychological Capital: Developing the Human Competitive Edge. Oxford, England: Oxford University Press.

Marchington, M., Goodman, J., Wilkinson, A. and Ackers, P. (1992). New development in employee involvement, Employment Department Research Series, Employment department publication 300p.

Oscar, G. (1966). Career mobility and organisational commitment, *Administrative Science Quarterly*. 10 (4): 488-503.

Robert, A. S. (1970). On misunderstanding the concept of commitment. Theoretical classification. *Social Forces*. 48 (4): 526-529.

Thomas, K. T. (2009). "Intrinsic Motivation at Work: What Really Drives Employee Engagement" 2nd edition, Berrett-Koehler Store 260p.

Timmons, J. A. (1994). *New Venture Creation*, 4th edition. Homewood, IL: Richard D. Irwin 80p.

Wallas, G. (1926). *The Art of Thought*. New York: Harcourt-Brace 70p.

Journals

Ang, A. (2002). An eclectic review of the multidimensional perspectives of employee involvement. The TQM Magazine, Bedford. 14(3):192.

Aryeh, K. (1978). Work values and organisational commitment. *Academy of Management Journal.* 21 (2): 239 – 247.

Carter, E. (2008). Successful change requires more than change management, *The Journal for Quality and Participation.* 31(1): 20-23.

Clark, Andrew, E. (1998). Measures of job satisfaction. *What makes a good job? Evidence from OECD countries.* OECD Labour market and social policies – occasional paper number 34.

Cook, J., and Wall, T. D. (1980). New work attitude measures of trust, organisational commitment and personal need non fulfillment. *Journal of Occupational Psychology.* 29-52.

Fottler, M. D (1977). Management commitment and manpower program success. California *Management Review.* 19 (3): 71 – 77.

Hrebiniak, L. G. and Alutto, J. A. (1972). Personal role related factors in the development of organizational commitment. *Administrative Science Quarterly,* 17 (4), 555 – 573.

Jauch, L. R., Glueck, W. F. and Osborn, R.N. (1978). Organisational loyalty, professional commitment and academic research productivity. *Academy of Management Journal.* 21 (1): 84 – 92.

Locke, E. A. (2005). Why emotional intelligence is an invalid concept. *Journal of Organizational Behaviour.* 26: 425-431.

Lord, R. G., DeVader, C. L. and Alliger, G. M. (1986). A Meta-analysis of the Relation Between Personality Traits and Leadership Perceptions: An Application of Validity Generalization Procedures. *Journal of Applied Psychology.* 71(3): 402-410.

Maslow, A. H. (1943). "The Theory of Human Motivation" *Psychological Review.* 50(4):6.

Mowday, R. T., Steers, R. M., and Porter, L.W. (1979). The measurement of organizational commitment. *Journal of Vocational Behaviour.* 14: 224 – 247.

Porter, L. W., Steers, R.M., Mowday, R. T., and Boulian, P. V. (1974). Organisational commitment, job satisfaction and turnover among psychiatric technicians. *Journal of Applied Psychology.* 603-609.

Ritter, Joseph and Richard, Anker (2002). Good jobs, bad jobs: Workers' evaluations in five countries. *International Labour Review.* 141(4):331-358.

Stogdill, R. M., Goode, O. S., and Day, D. R. (1962). New leader behavior description subscales. *Journal of Psychology.* 54: 259-269.

Tucker, Deborah (2002). *'Precarious'* non-standard *employment – A review of the literature.* New Zealand Department of Labour Occasional Paper Series, Paper 2002/2. Wellington, New Zealand.

Thesis

Gupta, O. P. (1977). A sociological study of commitment to work of Industrial workers in an Indian public sector undertaking. Unpublished Ph.D Thesis, Banaras Hindu University.

173860

KERALA AGRICULTURAL UNIVERSITY
COLLEGE OF CO-OPERATION, BANKING & MANAGEMENT
MBA IN AGRI-BUSINESS MANAGEMENT

Career management among the employees of ESAF Microfinance and Investment (P) Ltd.

QUESTIONNAIRE

(FOR ACADEMIC PURPOSE ONLY)

Section A

1. Age.........................years
2. Gender: □Male □Female
3. No.of years of service with ESAF.......................years
4. No.of years of service prior to ESAF.........................years
5. Present Cadre

Put a √ in the degree of the statement that you feel is closer to the statement given.

COMMITMENT TO WORK

Sl.No	Statement	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
a.	I work long hours and make personal sacrifices to complete the assignment on time					
b.	I don't believe that time is money in business					
c.	My commitment to work is proportional to the increase in salary and incentives					
d.	I never believe that if the process is right results will be also be right.					

KNOWLEDGE ABOUT SELF

Sl.No	Statement	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
a.	I can work hard to get new skill and knowledge to improve my performance.					
b.	I am not at all capable of doing my work with perfection.					
c.	I am being asked to do jobs that I am not capable of doing.					
d.	I believe that more than the knowledge it's the right attitude and passion for work that brings the results					

JOB SECURITY AND CAREER GROWTH

Sl.No	Statement	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
a.	I believe to be doing a job that I had wished and eagerly wanted to do in my life.					
b.	I never believe that my job is secure in ESAF.					
c.	My work and contribution is valued and recognized in ESAF.					
d.	I never get lot of opportunity to grow and learn new things since I have joined ESAG.					

2

MOTIVATION AND ACHIEVEMENT

Sl.No	Statement	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
a.	I have set my career goals and I am clear about my position after 5 years.					
b.	My workplace never gives me positive energy.					
c.	As I work hard I am sure to get rewards and recognition in ESAF.					
d.	I never offered what was promised to me.					

CHANGE CATALYST

Sl.No	Statement	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
a.	It is difficult to work in any department and with any team as per the decision of the management.					
b.	I personally can't lead change initiatives if given a chance.					
c.	I am ready to learn and unlearn new skills and lessons to adapt myself to change.					
d.	I believe that changes destroy the existing culture.					

INITIATIVE

Sl.No	Statement	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
a.	I am given the freedom to come up with my own ideas or initiatives.					
b.	My work is monotonous so I never think of bringing anything new to my work.					
c.	I will make use of my power and give opportunities to others					
c.	I don't have time to think about any initiative.					

JOB OPPORTUNITIES

Sl.No	Statement	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
a.	I am expecting a change in my job profile with the new ESAF SFB.					
b.	I fear if I may lose my job after ESAF transformation.					
C	I am highly confused about my position in the SFB.					
d.	There are no opportunities for promotion in my role, when ESAF becomes a bank					

SATISFACTION IN THE PRESENT POSITION

Sl.No	Statement	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
a.	I am satisfied with my present job position and salary					
b.	My satisfaction level may not increase when it transforms into bank					
c.	I felt that I am an important part of the company					
d.	My job makes good use of my skills and abilities					

HOPES and ASPIRATIONS

Sl.No	Statement	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
a.	I want to stay with ESAF till my retirement					
b.	I never want to become an expert in professional area					
c.	I want my children to work in ESAF.					
d.	I am never happy with the welfare schemes and HR services for the ESAF staff and their families.					

Career plans of employees:

1) Your optional areas:

    I.   List out 3 types of jobs that suit to you the best   ...

        a)

        b)

        c)

    II.   List out 3 areas where there is strong job demand or skill shortages: (Eg: Assistance level, Clerical level, Administration level, Accounting/ IT/ Managerial level / Training…)

        a)

        b)

        c)

2) Have you got a career plan of your own? If yes,

    a) What are your career goals?

      - Short term goals (within 5 years)............................ ....

      - Long term goals (beyond 5 years)...

b) If you have no career plans, what were the barriers in making career plans?

- ☐ No career guidance
- ☐ No mentor
- ☐ Not bothered about the career
- ☐ Accept things as such it comes to me
- ☐ Any other, please mention……………………………

3) Have you reviewed/ adjusted your career plan? If yes, how often? Once in 6 months/ 1 year/ 3 years/ 5 years. If no why?

4) Have you modified your career plan? If yes, from which cadre career plan shifted to another cadre? What were the reasons for modifying your career plans or not modifying your career plans?