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Remonetisation in India and Reasons of Underlying Organisational Conflict among Bank Employees during the Remonetisation Phase (A study focused on employees of State Bank of India, Hooghly, West Bengal, India)

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Abstract:

In the wake of November 8, 2017, demonetisation decision, there was much hue and cry among commercial bank employees who are believed to have faced ample problems during the demonetisation drive. The agony in which bank employees were working was pitiable, they gave their maximum output ignoring their obligation towards their family, went through mental as well as physical fatigues, worked late nights to play the national responsibility, it was much of a situation of bonded labours. Against this backdrop, this study is an attempt to analyse the conflict situation. This study is focused on analysing the conflict situation and the main factors underlying the conflict during Remonetisation phase. The survey of 100 employees of different branches of State Bank of India, situated in Hooghly, West Bengal was conducted. The result of the study suggests that employees suffered from a high level of conflict leading to mental and physical disturbances mainly due to lack of resources such as insufficiency of scanner machines for detecting fake notes, shortage in supply of Rs. 100 notes and non-supply of new Re. 500 notes, among various other factors. The study also revealed that despite the existence of a natural good work environment, the remonetisation phase also created work-life imbalanced among the employees, especially among female employees.

Keywords:

Remonetisation, Demonetisation, Organisational Conflict, Conflict Management, Functional Dysfunctional Conflict

I. INTRODUCTION

Restoration to the status of legal tender is termed as 'Remonetisation', it is just opposite of Demonetisation, and comes after the demonetisation has been done, in order to replace the old discontinued currency with new currency notes in the economy. After Demonetisation, Remonetisation is an uphill battle which can only be won by the banks and especially the bank employees.

The Indian Government demonetised old Rs. 500 and Rs. 1,000 currency notes on November 8, 2016, and also restricted cash withdrawal and deposits, and RBI Chief Urjit Patel announced the launch of new currency notes from November 10, 2016. The whole exercise of Remonetisation had its fulcrum and the primary activator of the colossal design was the 'Commercial Banking System', the hard work involved in the process of accepting old notes from system and disbursing currency through branches almost took 50 days, and adding up to the whole misery was to comply with over 60 regulatory changes and ensuring that all 1, 30,000 odd branches were made aware of the same.

The brave move to counter black money saw a diverse response, while a fraction of the nation welcomed and supported this decision, some were also there who protested and argued it to be a menace for the common man. On the other hand, in the middle of this chaotic situation, the bank employees were not only seemingly sidelined

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but also ignored. It was of utmost importance to ensure smooth remonetisation the bank employees gave their all efforts. They put extra hours every day in order to conduct a maximum number of transactions right from the day of the announcement and commencing of remonetisation.

It is a wide known fact that for bank employee's work does not finish just after the counters are closed, following this the cross-check and closing of every transaction is done. During the remonetisation phase bank employees not only worked for late hours but they also sacrificed their family responsibility, weekends, holidays as well as sleep, and ensuring the comfort of the general public had become their centre of life.

The whole situation became more rampant due to venting of customers on the bank employees and hence gave rise to conflict situation among the bank employees. The process of remonetisation was alarming, and it happened without any strategy particular for the banking system, the employees had to face lots of problems, and one of those problems was organisational conflict.

Organisational Conflict is ubiquitous, and it is inherent in the structure of the organisation. While the management must ensure a little bit of friction to keep the engine moving and to be on track, too much of it leads to various ill will also. So, these studies try to unearth those underlying causes which gave rise to unwanted conflict at the workplace.

Since conflict is inescapable so, it becomes indispensable for managers to be able to analyse the various sources of conflict and to view it is potential for constructiveness and destructiveness, to learn ways to manage conflict and to apply most appropriate conflict management technique (Fleerwood, 1987).
The scope of Organisational Behaviour is vast, and the critical aspect of conflict and stress, as well as work-life balance during remonetisation, is crucial to enhance the effectiveness of bank employees and help in better understanding of the situation to manage them well.

II. RESEARCH OBJECTIVES

The specific objectives of the study are as follows:

a) To know the various reasons for organisational conflict among bank employees during the remonetisation phase,
b) to analyse whether organisational conflict during remonetisation phase caused an increase in stress level
c) To find out that did remonetisation caused any work-life balance or not due to rising organisational conflict during that phase.

III. STATEMENT OF THE PROBLEM

The brave attempt of Government was aimed to rid the entire country's economy from distress and hence serve the interest of the population at large. It was effortless to criticise the effectiveness of the bank employees working behind the stage and doing that would only mean to stand in the way of the economy's growth. It is crucial to analyse the problems faced by the bank employees during remonetisation to seek measures for such future situations and find out the reasons for the dilemma they have been through.

IV. LIMITATIONS

Apart from the limited time and resource, some other constraints were the inadequacy of the research being carried out in the phenomenon of Remonetisation. Hence leasing to no significant review of literature available for inferences to be made based on references. The study is done at the micro-level so, generalisations still needs to be done on a larger sample for further clarification.

V. LITERATURE REVIEW

In this research study, the literature has been reviewed from the below-mentioned topics:

a) Remonetisation:

'The return to circulation as money some valuable metal like silver or gold, or coins or banknotes that were not previously used as money. Remonetisation might be used by a country that has suffered from an extreme bout of inflation and currency devaluation in order to restore a means of exchange within its economy'[i]. It is just reverse of demonetisation and to put it's the process in which a form of payment is restored as legal tender.
It was advocated by Economic Survey 2016-17, it would make India the world's fastest-growing economy by cutting the tax rates, reduction in stamp duties and restrain the alarm able tax administration.

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The process of remonetisation can be very rapid and challenging in the short term, but it has the potential for long term economic growth. It is the only way in which there can be changes of national currency in the economy, as to introduce new currency unit needed to replace the old unit currency which has been retired by the act of demonetisation.

Remonetisation is the process of injecting a new form of currency in the economy after the old ones have been discontinued. It becomes necessary whenever there has been demonetisation; the process starts right after the old currency notes are retrieved or during the retrieval process by replacing them with new currency. In this process, either new notes or coins are introduced of the same denomination or completely replaces the old denomination by the new denominations. When talking about India, this process has been carried out thrice:

- Firstly, on January 12, 1946 (Saturday),
- Secondly, on January 16, 1978) Monday, and
- Thirdly, November 8, 2016 (Tuesday).

b) Demonetisation:
"Demonetization is the act of stripping a currency unit of its status as legal tender. It occurs whenever there is a change of national currency: The current form or forms of money is pulled from circulation and retired, often to be replaced with new notes or coins. Sometimes, a country completely replaces the old currency with new currency"[ii].

"The term demonetisation has become much more than a household name since the old Rs 500 and Rs 1,000 notes were pulled out of circulation. While as per dictionary demonetisation means "ending something (e.g. gold or silver) that is no longer the legal tender of a country", one needs to understand that there is much more than the literal meaning to the word"[iii]. In a comparative study conducted by Syansundar Palanisamy (2017), it was claimed that "India would be in a better financial position with the help of demonetisation policy and will certainly have a optimistic influence in the long run"[iv]; the study was an analysis of demonetisation effect on Indian economy in comparison with other countries such as, Soviet Union, Zimbabwe, Ghana, Mynamar, North Korea, Nigeria, Pakistan, and Australia.

While there are various reasons behind demonetisation few most prominent are to counter inflation, to put a stop to corruption and crimes like tax evasion, counterfeiting etc. , another one is to economic dependency on cash, and for smooth facilitation of trade.

c) Organisational Conflict:
"Conflicts are inevitable; indeed, they are an everyday phenomenon not only in each organisation but in every individual's work life. In this era of 'Emotional Intelligence' understanding of the existence and importance of conflict are vital. The management of organisational conflict involves the diagnosis of the styles (strategies) used to handle conflict arising at the workplace"[v]. For every organisation, Conflict is crucial; it has its roots in a business organisation or any formal, informal group. Defining conflict is not that difficult though there is not much consensus in one strong definition. It would be convenient to highlight the concept of conflict keeping in view the various theories which are functional, situational and interactive.
The advocates of functional theory opine that conflicts serve a social function, while because of situational theorists believe it to be an expression under certain circumstances, and the third view suggests it to be interactive.
George Simmel (1995), belonged to functionalist theorists, and he defined conflict as "designed to resolve divergent dualisms; it is a way of achieving some unity, even if it will be through the annihilation of one the conflicting parties."
Another definition given by Lewis Coser (1967), says that "Conflict is a clash of values and interests, the tension between what is and what some groups feel ought to be"[vi], according to him conflict is a channel to push society and to lead to new institutions, technology and innovation in economic system.

d) Stress:
The issue of stress is one of the most discussed issues in the field of organisational behaviour; hence the attempt to study its facets is numerous. Stress is what we feel when we have to respond to demand our energy. Stress is a natural part of life and occurs whenever there are significant changes in our lives, whether positive or negative. It is generally believed that some stress is okay (sometimes referred to as challenge or positive stress), but when stress occurs in amounts that individuals cannot cope with, both mental and physical changes may occur (Canadian centre for occupational health and safety, 2000)[vii].

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Scholars of organisational behaviour have tried to distinguish between two types of stressors known explicitly as the Challenges stressor and the Hindrance Stressors.
Where Challenge stressor include job demands which are viewed by employees as gratifying work experience that generate opportunity for personal development and growth on the other hand Hindrance stressors infer to job demands that hinder or strains one's ability to achieve valued goals (Cavanaugh et al. , 2000)[viii].

e) Work-life Balance:
The word "Work-life balance" marks its existence since the Year 1986, though the usage of the work-life programs existed long back since the early 1930s, it implies the degree to which employee encounters fulfilled feeling and meeting various needs in both work and non-work facade of life. If work-life balance is achieved or actualised, the employees testify feeling better in general. The contentment feeling is observed when the organisation establishes the policies and the procedure in such a manner that they are focused to enable employees to be effective performer in their jobs and simultaneously provide them with the flexibility to manage personal and family life.
Clark (2000) defines 'balance' as “satisfaction and proper functioning at work and at home, with a minimum of role conflict”, stating that “though many aspects of work and home are difficult to alter, individuals can shape to some degree the nature of the work and home domains, and the borders and bridges between them, in order to increased concern for understanding the boundary and the create the desired balance”.
Role overload, dependent care issues, quality of health, problems in time management and lack of proper social support are the major factors influencing the work-life balance of women employees in India (Mathew and Panchanatham, 2011)[ix]. The significant factors that affect are education, incoming ratio, professional experience, spouse stress and workload and stressors of professional women's work-family conflict (Fan Wei and Liangliang, 2009).

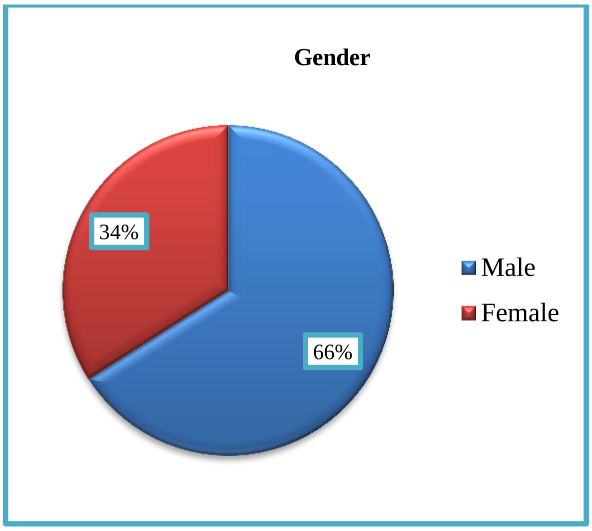
VI. RESEARCH METHODOLOGY

This research paper is based on empirical pieces of evidence for validating the facts. The Sample size is 100 employees. These 100 employees were selected from a few branches of State Bank of India, situated in District Hooghly, West Bengal, which a public sector unit. Further, a well-designed questionnaire was prepared to gather first-hand responses, the responses were classified, and the results are presented with the help of graphs, and each graph is being discussed for further clarity of the results.

VII. DATA ANALYSIS AND GRAPHICAL PRESENTATION Of RESULTS

a) Demographics: The analysis of question number 2 reveals that the percentage of male respondents was 66%, whereas the female percentage was only 33%.

Gender	Number	Percentage
Male	66	66
Female	34	34



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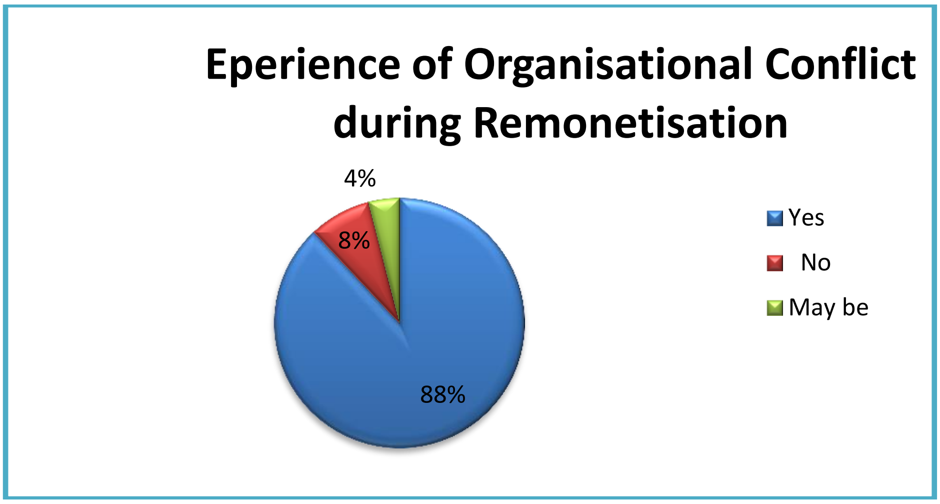
b) Experience of organisational conflict in your organisation during the 5o days' phase of Remonetisation process:

Response	Number	Percentage
Yes	88	88%
No	8	8%
May be	4	4%



Analysis of question no. 3 reveals that most of the employees feel that they have experienced organisational conflict during remonetisation phase. The dominant group representing the 88% agreed that they have faced whereas only 4% of the respondents accepted that they did not experience organisational conflict during remonetisation phase whereas the percentage of respondents not sure was only 2%.

Question VII b: Experience of organisational conflict in your organisation during the 5o days' phase of Remonetisation process

Ho: Bank employees did not experience Workplace conflict during demonetisation. (Mean=1; Neutral)

H_1: Bank employees experienced Workplace conflict during demonetisation (Mean not Equal to1; Biased)

Response	Count
No	8
Maybe	4
Yes	88
Grand Total	**100**

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
ExpConflict	100	1.800	0.56854	0.05685

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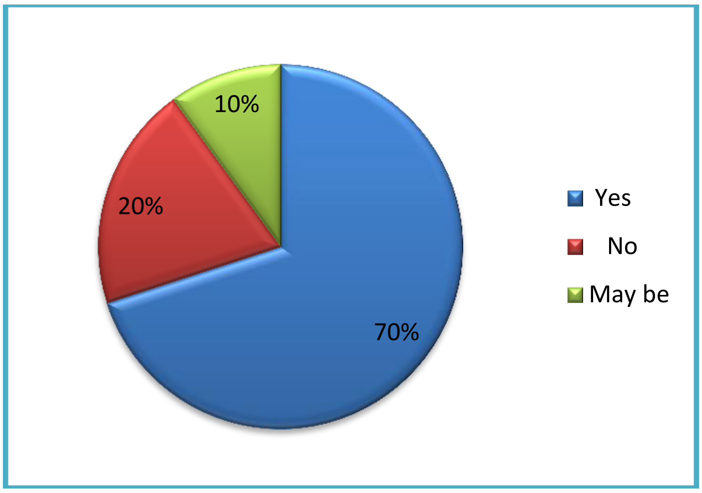
One-Sample Test						
Test Value = 1						
	t	**df**	**Sig. (2-tailed)**	**Mean Difference**	**99% Confidence Interval of the Difference**	
					Lower	**Upper**
ExpConflict	14.07125	99	0.00000	0.80000	0.65068	0.94932

Conclusion: p-value is less than 0.01. Hence not enough evidence to accept the null hypothesis. The conflict was experienced, and since mean is on the higher side, conflict was experienced

c) Organisational conflict-affected your **work-life balance during** the 50 days phase of **Remonetisation** process

Response	Number	Percentage
Yes	70	70%
No	20	20%
May be	10	10%



From the analysis of question no. 4 we infer that organisational conflict during the remonetisation phase affected employees work-life balance, the large percentage of respondents, i.e. 70 %, while 10% believed that it didn't affect them at all, whereas a very less percentage, i.e. 10% of the employees were not able to identify that whether remonetisation caused any work-life imbalance or not.

Ho: Organisational conflict did not affect the work-life balance of the bank employees during the Demonetisation process (Mean=1; Neutral)
H_1: Bank employees did not experience Workplace conflict during demonetisation. (Mean not Equal to1; Biased)

Question VII c: Organisational conflict-affected your work-life balance during the 50 days phase of Remonetisation process

Response	Count
No	20
Maybe	10
Yes	70

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Grand Total	**100**

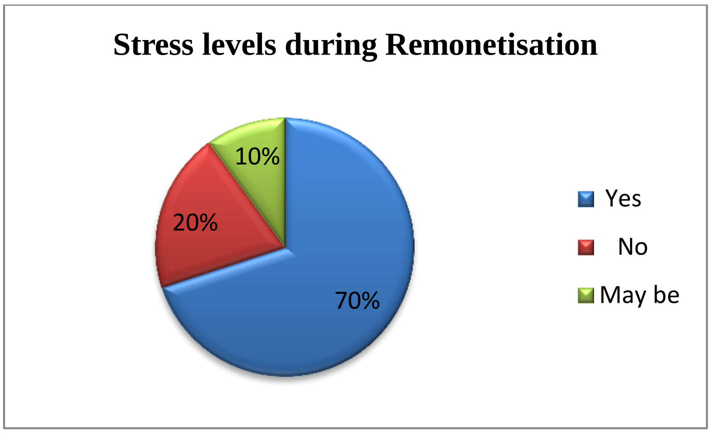
One-Sample Statistics						
	N	**Mean**	**Std. Deviation**	**Std. Error Mean**		
WLBalance	100	1.500	0.81029	0.08103		

One-Sample Test						
Test Value = 1						
	t	**df**	**Sig. (2-tailed)**	**Mean Difference**	**99% Confidence Interval of the Difference**	
					Lower	**Upper**
WLBalance	6.17065	99	0.00000	0.50000	0.28719	0.71281

Conclusion: p-value is less than 0.01. Hence not enough evidence to accept the null hypothesis. Work-life balance was affected, and since mean is on the higher side, it became worse.

d) Stress levels caused by organisational conflict **during** the 50 days **phase of Remonetisation process**

Response	Number	Percentage
Yes	74	74%
No	16	16%
May be	10	10%



In the question number 5, the intention was to know that whether during the remonetisation phase did the respondents faced increased level of stress, 70% of the respondents agreed that stress level increased during the remonetisation phase, while 16% didn't face the stress problem and 20% of the respondents were not sure that whether they had stress problems or not.

Ho: Organisational conflict did not cause Increased Stress levels among bank employees during the Demonetisation process (Mean=1; Neutral)

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H_1: Organisational conflict caused Increased Stress levels among bank employees during the Demonetisation process (Mean not Equal to1; Biased)

Question VII d: Stress levels caused by organisational conflict during the 50 days phase of Remonetisation process

Response	Count
No	16
Maybe	10
Yes	74
Grand Total	**100**

One-Sample Statistics						
	N	**Mean**	**Std. Deviation**	**Std. Error Mean**		
StressL	100	1.580	0.75452	0.07545		

One-Sample Test						
Test Value = 1						
	t	**df**	**Sig. (2-tailed)**	**Mean Difference**	**99% Confidence Interval of the Difference**	
					Lower	**Upper**
StressL	7.68706	99	0.00000	0.58000	0.38183	0.77817

Conclusion: p-value is less than 0.01. Hence not enough evidence to accept the null hypothesis. Stress levels were created, and since mean is on the higher side, it became worse

e) Reason for organisational conflict during the 50 days phase of **Remonetisation process**

S.N.	Reasons	Agree	Neutral	Disagree
a)	Short Supply of new Rs. 500 and Rs. 2000 notes	66%	14%	20%
b)	Insufficient number of systems/machines to open more counters to meet the needs of the crowd	55%	15%	30%
c)	Work Overload	70%	10%	20%
d)	No proper time for lunch or tea breaks	78%	7%	15%
e)	Late working hours	65%	10%	25%
f)	No proper arrangement for senior citizens, handicap as well as female customers	50%	20%	30%
g)	Insufficiency of scanner machines for detecting fake notes	70%	5%	25%

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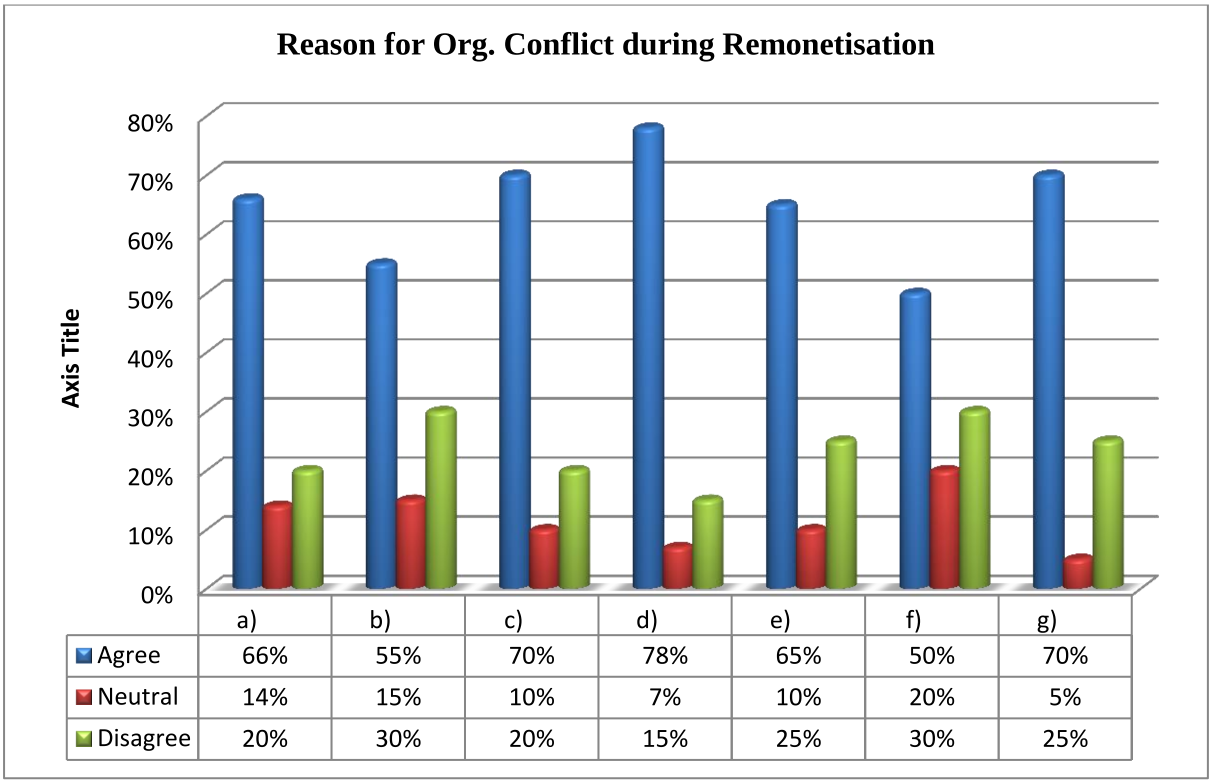

When the respondents were asked to choose the reasons for organisational conflict during the 50 days phase of Remonetisation process from a list of a given set of reasons the results were vivid, and they gave a clear picture of the causes underlying the rise of the conflict situation. The most agreed reason was no proper time for lunch or tea breaks with 78 %, the second most agreed reason were work Overload and insufficiency of scanner machines for detecting fake notes with 70%, the third most agreed reasons were short Supply of new Rs. 500 and Rs. 2000 notes with 66%, and Late working hours with 65%. Lastly, 55% of the responded accepted that none availability of machines to open counters was also a significant cause besides with 55% rate of acceptance for no proper arrangement for senior citizens, handicaps or female customers.

Question VII e: Reason for organisational conflict during the 50 days phase of Remonetisation process

Ho: There is no dominant reason for the workplace conflict during the demonetisation phase (Mean=1; Neutral)
H_1: There is a dominant reason for the workplace conflict during the demonetisation phase (Mean not Equal to1; Biased)

Response	**RA**	**RB**	**RC**	**RD**	**RE**	**RF**	**RG**
No	20	30	20	15	25	30	24
Maybe	14	15	10	7	10	20	5
Yes	66	55	70	78	65	50	71
Grand Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**

<u>Correlation for all the responses</u>

Correlations								
		RA	**RB**	**RC**	**RD**	**RE**	**RF**	**RG**
Exp Conflict	Pearson Correlation	0.55	0.34	0.57	0.69	0.49	0.36	0.40
	Sig. (2-tailed)	2.4E-09	5.7E-04	6.0E-10	1.5E-15	1.9E-07	1.9E-04	3.4E-05
WL Balance	Pearson Correlation	0.29	0.24	0.38	0.50	0.40	0.38	0.25

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	Sig. (2-tailed)	3.1E-03	1.4E-02	7.8E-05	1.1E-07	3.1E-05	8.0E-05	1.1E-02
Stress L	Pearson Correlation	0.15	0.20	0.28	0.37	0.29	0.33	0.21
	Sig. (2-tailed)	1.3E-01	4.3E-02	4.6E-03	1.3E-04	3.3E-03	9.0E-04	3.2E-02

Conclusion: All the correlation are significant, and the ones marked in green across each row is a dominant factor (Correlation higher than 0.35).While no single factor is dominant for the conflict experience and WL balance, for the stress level "No proper time for lunch or tea breaks" is a significant factor of stress.

CONCLUSION

The process of remonetisation has both useful and harmful impact on bank employees but the negative impact dominated, while increased conflict, increased stress levels, and imbalanced work-life equilibrium were most prominent issues that bank employees had to face, the various reasons causing the ill effects where lack of proper resources and lack of advance strategy formulation at the Governmental front. While still, the bank employees proved to be the most significant activators of this process, they managed all the diversities and adversities very effectively.

VIII. SUGGESTIONS

Here are Suggestions for the **bank employee**:

a) Work on Emotional Intelligence

b) Gain full knowledge of work-life balance and organisational Conflict

c) Incorporate Yoga and 20-30 minutes of exercise

d) Learn time management skills

A few suggestions for **bank management**:

a) Create awareness among employees for various work-related stresses

b) Arrange a time to time Stress Management Programs and Conflict Management Workshops

c) Establish work-like balance policies and procedures

A few suggestions for **the Government**:

a) Increase Research and Development in the field of the banking sector

b) Increase awareness of the digitalisation of the economy

c) Come with counter plans now and then for combating ill practices involving currency notes

d) Increase the number of banks, and arrange for increasing employment in the banking sector

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