

HR Dynamics and Trade Union-Management Relations in Regional Rural Banks Post-Amalgamation: A Quantitative Survey Report

Article prepared from the MSc Psychology dissertation and 46 complete survey responses

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Abstract: This article examines how employees of Regional Rural Banks (RRBs) in India perceive human resource (HR) dynamics roughly sixteen months after the fourth phase of state-wise amalgamation ("One State One RRB", effective 1 May 2025), which reduced the number of RRBs from 43 to 28, with particular attention to trade union-management relations. A descriptive, cross-sectional survey was conducted using a researcher-constructed 25-item questionnaire covering eight dimensions of HR dynamics on a five-point agreement scale. Of 51 responses obtained through purposive-cum-snowball sampling, 46 complete responses were analysed (45 officers; 78.3% from erstwhile West Bengal RRBs). The scale showed good internal consistency ($\alpha = .86$). Overall perceptions were slightly below neutral ($M = 2.71$, $SD = 0.52$). Training and exposure ($M = 2.13$), technology and systems ($M = 2.17$), and staffing and workload ($M = 2.27$) were rated least favourably, whereas career growth ($M = 3.40$), psychological climate ($M = 3.31$), and union representation ($M = 3.17$) were rated most favourably; views on unions were divided. Perceived favouritism and informal power were associated with a poorer psychological climate, $r_s(44) = .52$, $p < .001$, and this association survived Holm adjustment for multiple tests; the association between staffing and workload strain and climate ($r_s = .33$) did not. Union representation was positively but not significantly related to career, fairness, integration, and leadership perceptions. Perceptions did not differ significantly by branch location, gender, or length of service. Because the sample is small and drawn mainly from officer-cadre employees of West Bengal RRBs, the findings should be interpreted as preliminary, localized, cross-sectional, and associational rather than causal or representative of all RRB employees.

Keywords: Regional Rural Banks; amalgamation; HR dynamics; trade union-management relations; psychological safety; industrial psychology

1. Introduction

Regional Rural Banks (RRBs) were constituted in India in 1975 and are jointly owned by the Central Government, the concerned State Government, and a sponsor bank, conventionally in the ratio of 50:15:35. Human resource (HR) decisions in them are therefore shaped not only by the bank's own management but also by the sponsor bank, the government, and employee associations. After earlier phases of consolidation reduced the number of RRBs from 196 to 43 between 2006 and 2021, the fourth phase, effective 1 May 2025 under the "One State One RRB" principle, amalgamated 26 RRBs across 10 States and one Union Territory and reduced the total from 43 to 28, which now operate more than 22,000 branches [3], [4], [18].

For employees, consolidation is concrete and local: staff of each erstwhile bank find themselves in a larger institution with different service rules, seniority lists, reporting lines, systems, and workplace cultures. Research on mergers has long shown that uncertainty, perceived loss of identity, and cultural collision shape how employees experience change [5], [6], [17]. A merger that succeeds on paper may still fail on the ground if employees perceive unfair postings, inadequate resources, or weak representation.

The study adopts an industrial and organisational psychology perspective, drawing on industrial-relations systems theory [10], two-factor theory [16], equity theory [1], social identity theory [21], and organisational conflict theory [19]. Existing Indian work on bank mergers has concentrated on public sector commercial banks and on single outcomes such as commitment, ethics, or stress [9], [15], [20], while RRB studies deal mainly with financial and branch-level

performance. The central research gap is the absence of an employee-level survey that examines union-management relations alongside fairness, informal power, technology, staffing, training, psychological climate, and integration after the 2025 amalgamation. The present article provides an initial quantitative account.

2. Objectives and Hypotheses

- To assess employees' perceptions of union representation and union-management relations following amalgamation.
- To examine perceptions of career growth, fairness of transfers and postings, role clarity, and favouritism and informal power.
- To examine perceptions of technology, staffing, workload, and training and exposure, including differences between rural, semi-urban, and urban branches.
- To assess psychological safety and workplace climate and its relationship with workload and perceived favouritism.
- To assess perceptions of sponsor-bank integration, identity, and leadership, and their relationship with union representation.

Hypotheses were stated in null form and tested at the .05 level (two-tailed); dimensions D1–D8 are defined in Section 3.3:

- H_{01} : No relationship between union representation (D2) and career growth, fairness, and role clarity (D1).
- H_{02} : No relationship between D2 and sponsor-bank integration, identity, and leadership (D8).
- H_{03} : No relationship between staffing and workload (D5) and psychological safety and climate (D6).

- H₀₄: No relationship between favouritism and informal power (D3) and D6.
- H₀₅, H₀₆: No difference in overall favourability, or in training and exposure (D7), across rural, semi-urban, and urban branches.
- H₀₇, H₀₈: No difference in overall favourability by gender, or relationship with length of service.

A planned officer–clerical comparison could not be tested because only one clerical-cadre employee responded.

3. Method

3.1 Research Design

A descriptive, cross-sectional, correlational survey design was used. Perceptions were measured once, using an anonymous online questionnaire, on 20 September 2026, about sixteen months after the amalgamation took effect. The design does not permit causal inference.

3.2 Participants and Sampling

Currently serving RRB employees with at least one year of service were eligible; retired staff, sponsor-bank employees, and incomplete responses were excluded. Non-probability purposive-cum-snowball sampling was used because no sampling frame of RRB employees was accessible, and the link was circulated through professional and employee-association networks. Of 51 responses, five incomplete questionnaires were removed, leaving 46 (90.2%) for analysis. This is marginally below the 50–100 range typical for parametric analysis and was not inflated or weighted.

3.3 Measures and Questionnaire Structure

The questionnaire comprised a brief socio-demographic section (cadre, years of service, erstwhile RRB, branch location, optional gender) and a 25-item RRB Amalgamation HR Dynamics Questionnaire constructed by the researcher and reviewed for content and face validity by the project guide. Items were rated from 1 (strongly disagree) to 5 (strongly agree) and grouped into eight dimensions of three or four items: career growth, transfer fairness, and role clarity (D1); union representation and union–management relations (D2); favouritism and informal power (D3); technology and systems (D4); staffing and workload (D5); psychological safety and workplace climate (D6); training, development, and exposure (D7); and sponsor-bank integration, identity, and leadership (D8).

Twelve negatively worded items were reverse-scored so that higher scores indicate more favourable perceptions; without reverse-scoring, Cronbach's alpha was negative ($\alpha = -.53$). Because the instrument is not a standardised scale and its dimension structure was not validated by factor analysis, scores are referred to as favourability scores rather than standardised scale scores.

3.4 Data Analysis

Analyses used Python (pandas, SciPy). Frequencies, percentages, means, and standard deviations summarised the

sample and items; Cronbach's alpha assessed reliability; and Shapiro–Wilk tests guided the choice between parametric and non-parametric tests. Spearman's correlation (H₀₁–H₀₄), one-way ANOVA or the Kruskal–Wallis test (H₀₅, H₀₆), the Mann–Whitney *U* test (H₀₇), and Pearson's correlation (H₀₈) were used, with effect sizes and 95% confidence intervals. Because eight hypotheses were tested, Holm-adjusted *p*-values are reported alongside unadjusted values. No causal inference was attempted.

3.5 Ethical Considerations

Participation was voluntary and anonymous, and digital informed consent preceded the items. Names, e-mail addresses, branch names, and IP addresses were not retained, and the erstwhile RRB is reported only in aggregated form.

4. Results

4.1 Sample Profile

The 46 respondents were predominantly male ($n = 37$; 80.4%; female $n = 7$, 15.2%; not stated $n = 2$, 4.3%) and almost entirely officers ($n = 45$); only one clerical-cadre employee responded. Just over half were posted in rural branches ($n = 24$; 52.2%), with 12 (26.1%) in urban and 10 (21.7%) in semi-urban branches. Mean length of service was 7.88 years ($SD = 4.22$; range 1–20). Most respondents (78.3%) named an erstwhile West Bengal RRB, chiefly Paschim Banga Gramin Bank ($n = 29$; 63.0%), followed by Karnataka (8.7%) and Odisha ($n = 1$); five (10.9%) did not name one.

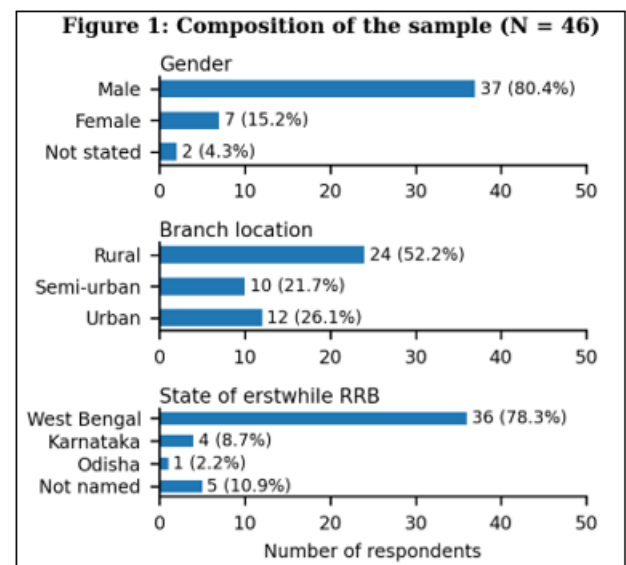


Figure 1: Composition of the sample by gender, branch location, and State of erstwhile RRB

4.2 Item-Level Responses

Resource-side items drew the most unfavourable responses (Figure 3). 84.8% agreed that technical glitches or downtime frequently disrupt work, 73.9% disagreed that technology is adequate, 56.5% disagreed that they had received sufficient training on the core banking system, and 65.2% judged staff strength inadequate; 67.4% reported frequently performing duties outside their sanctioned role, and 67.4% that workload had increased without more staff. On training, 73.9%

disagreed that training and skill development are adequate, 80.4% disagreed that rural and remote staff receive the same exposure as urban staff (the highest disagreement on any item), and 76.1% agreed that limited exposure restricts professional growth.

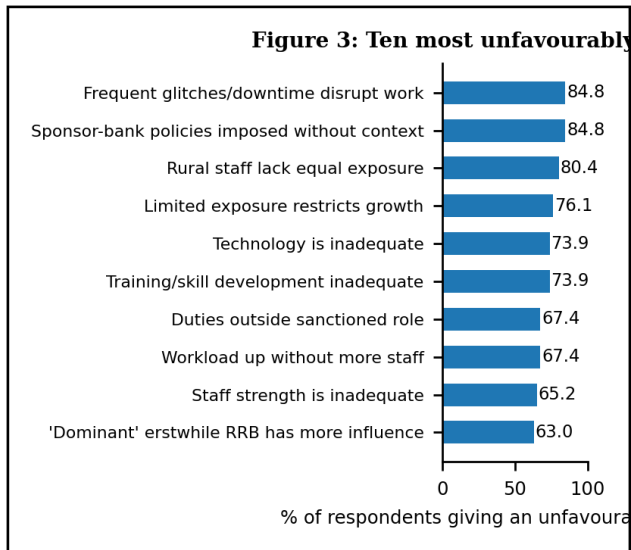


Figure 3: Ten most unfavourably rated items (percentage unfavourable after accounting for item wording)

Career prospects were the most favourable result: 71.7% agreed that the amalgamation improved their long-term career growth prospects, although only 32.6% agreed that transfers and postings are fair and transparent. On favouritism, 41.3% agreed that postings and appraisals depend on personal connections, 63.0% that staff of the erstwhile “dominant” RRB hold greater influence, and 37.0% that informal groups shape decisions. The interpersonal climate was described more positively: 76.1% agreed that colleagues are supportive and respectful, although 28.3% reported witnessing or experiencing bullying or harassment since the merger. On integration, 84.8% agreed that sponsor-bank policies were imposed without considering the RRB context, 58.7% felt their original identity and culture were overshadowed, and only 26.1% were satisfied with the leadership of the amalgamation (45.7% were dissatisfied).

4.3 Dimension Scores and Reliability

The overall favourability score averaged 2.71 (SD = 0.52; range 1.80–3.88), below the neutral midpoint of 3.00, and the 25-item scale showed good internal consistency ($\alpha = .86$). Dimension alphas ranged from .51 to .86 (Table 1) and were modest for the three-item dimensions, so dimension-level findings should be read with caution. Career growth (D1), psychological climate (D6), and union representation (D2) were most favourable; favouritism (D3) and integration (D8) fell below the midpoint; and staffing and workload (D5), technology (D4), and training and exposure (D7) were least favourable (Figure 2).

Table 1: Descriptive statistics and reliability of dimension scores (N = 46)

Dimension	M	SD	α
D1 Career growth, fairness, role clarity	3.4	0.82	0.6
D2 Union representation and relations	3.17	0.74	0.55
D3 Favouritism and informal power	2.78	0.79	0.51
D4 Technology and systems	2.17	0.92	0.74
D5 Staffing and workload	2.27	1.07	0.86
D6 Psychological safety and climate	3.31	0.88	0.78
D7 Training, development, exposure	2.13	0.73	0.62
D8 Integration, identity, leadership	2.54	0.72	0.64
Overall favourability (25 items)	2.71	0.52	0.86

Note. Scores range from 1 (least favourable) to 5 (most favourable); α = Cronbach's alpha.

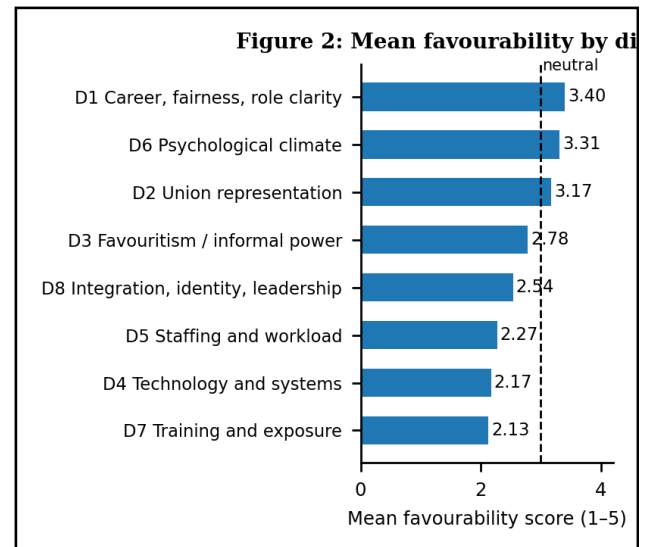


Figure 2: Mean favourability scores by dimension (neutral midpoint = 3.00)

4.4 Union Representation and Union-Management Relations

Views on unions were divided (Figure 4). 47.8% agreed that their union or association safeguarded their interests during the amalgamation (23.9% disagreed), and 47.8% agreed that they were adequately represented on service conditions and grievances (30.4% disagreed). Opinion on whether union-management relations had become more strained was evenly split (32.6% agreed, 34.8% disagreed, and 32.6% were neutral).

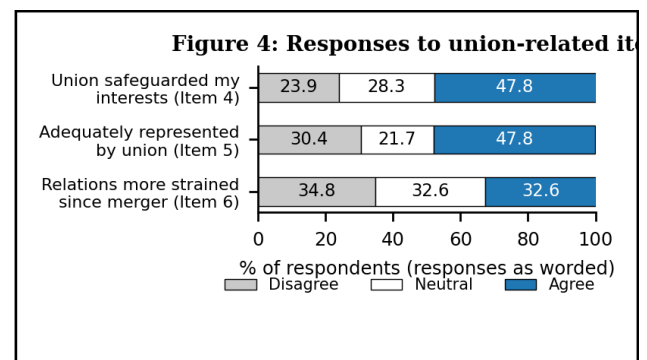


Figure 4: Responses to the three union-related items (responses as worded)

4.5 Relationships among Dimensions and Hypothesis Tests

Correlations among dimensions were positive except for one near-zero value. The strongest were between technology and training/exposure (D4–D7, $r_s = .60$), favouritism and climate (D3–D6, $r_s = .52$), and technology and staffing/workload (D4–D5, $r_s = .47$); union representation correlated only weakly with the other dimensions ($r_s = .09$ – $.29$), suggesting that perceptions of the union are partly independent of workplace resource and climate conditions.

Results of the eight hypothesis tests are summarised in Table 2 and Figure 6. Union representation was positively but not significantly related to career growth and fairness, $r_s(44) = .27$, $p = .072$, and was borderline for integration and leadership, $r_s(44) = .29$, $p = .050$ (Holm-adjusted $p = .302$); neither null hypothesis was rejected. Staffing and workload were positively related to climate, $r_s(44) = .33$, $p = .027$, but not after Holm adjustment ($p = .190$). Perceived favouritism and informal power (higher scores = less favouritism) showed a moderate positive correlation with psychological climate, $r_s(44) = .52$, 95% CI [.28, .71], $p < .001$, which remained significant after adjustment ($p = .001$). This was the strongest and only robust hypothesised relationship.

Table 2: Summary of hypothesis tests (N = 46)

Hyp.	Test and statistic	p	Holm p	Decision
H ₀₁	Spearman, D2–D1: $r_s(44) = .27$	0.072	0.358	Not rejected
H ₀₂	Spearman, D2–D8: $r_s(44) = .29$	0.05	0.302	Not rejected
H ₀₃	Spearman, D5–D6: $r_s(44) = .33$	0.027	0.19	Rejected (unadjusted only)
H ₀₄	Spearman, D3–D6: $r_s(44) = .52$	< .001	0.001	Rejected
H ₀₅	ANOVA, overall by location: $F(2, 43) = 0.56$	0.574	1	Not rejected
H ₀₆	Kruskal–Wallis, D7 by location: $H(2) = 1.43$	0.49	1	Not rejected
H ₀₇	Mann–Whitney, overall by gender: $U = 128.5$	0.987	1	Not rejected
H ₀₈	Pearson, service length–overall: $r(44) = -.01$	0.963	1	Not rejected

Note. Decisions use unadjusted p at $\alpha = .05$ (two-tailed); Holm-adjusted p indicates robustness to multiple testing.

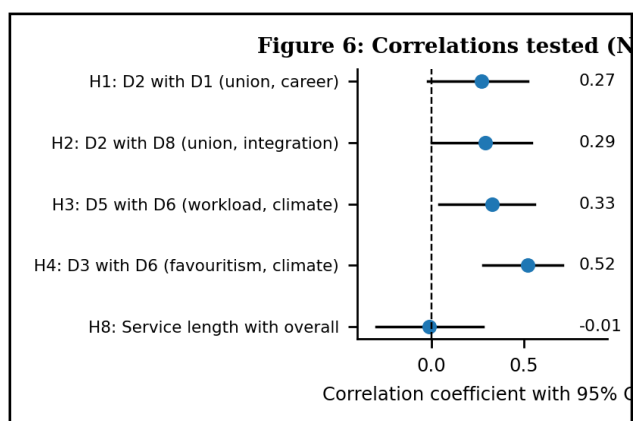


Figure 6: Correlation coefficients (with 95% confidence intervals) for the tested relationships

4.6 Branch Location, Gender, and Length of Service

Overall favourability was similar across rural ($M = 2.69$), semi-urban ($M = 2.86$), and urban ($M = 2.64$) branches, $F(2, 43) = 0.56$, $p = .574$, $\eta^2 = .03$, and training and exposure did not differ by location, $H(2) = 1.43$, $p = .490$ (Figure 5). All three groups rated training and exposure poorly (D7 means 2.04–2.33), which suggests a system-wide rather than location-specific shortfall. Rural respondents rated technology lowest ($M = 1.90$ versus 2.47 and 2.44), but this was not significant, $H(2) = 4.86$, $p = .088$.

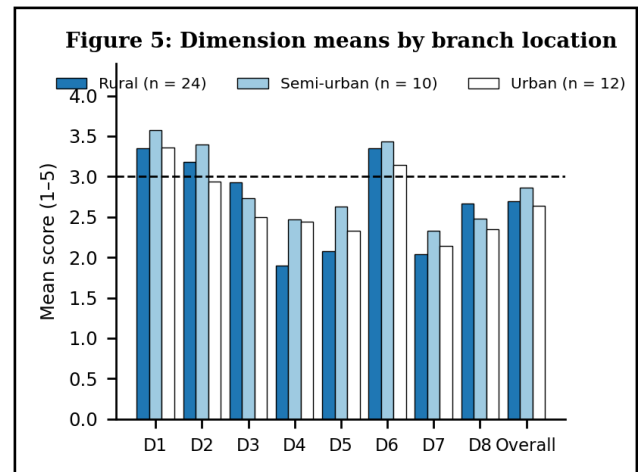


Figure 5: Dimension and overall mean scores by branch location (D1–D8 as defined in Section 3.3)

Male ($M = 2.69$, $n = 37$) and female ($M = 2.70$, $n = 7$) respondents did not differ, $U = 128.5$, $p = .987$, and length of service was unrelated to overall favourability, $r(44) = -.01$, $p = .963$. In an exploratory, unhypothesised analysis, longer-serving employees perceived more favouritism and informal power, $r_s(44) = -.43$, $p = .003$ (Holm-adjusted $p = .024$).

5. Discussion

The results show that employees judged material and developmental conditions of work far more critically than interpersonal and representational aspects. Technology, staffing and workload, and training and exposure were the weakest dimensions, with very high complaint rates about downtime, inadequate training, and unequal rural–urban exposure. In Herzberg's terms [16] these are hygiene deficiencies, expected to generate dissatisfaction even where motivators such as career growth are present, and this pattern is visible here. The results also fit the job demands–resources model [8]: heavy demands (increased workload, duties outside the sanctioned role) coincide with limited resources (technology, training, staff), consistent with role-overload evidence from Indian bank employees [22] and with the emphasis on technology and reporting systems as post-merger stressors [15].

The strongest and only robust hypothesised relationship was between perceived favouritism and informal power and psychological climate. Employees who saw postings and appraisals as merit-based and free from cliques and from the influence of a dominant erstwhile RRB also described a safer, more supportive workplace. This is consistent with research on perceived organisational politics [13], organisational

justice [7], equity theory [1], and psychological safety [11]. The 28.3% who reported bullying or harassment since the merger is not trivial in light of evidence linking organisational change and role conflict to bullying [12]. Why longer-serving employees perceive more favouritism cannot be determined from these data.

Roughly half of respondents agreed that their union safeguarded and adequately represented them, while views on strained relations were evenly divided. This mixed picture is consistent with unions performing a collective-voice function that employees judge unevenly [14], and with unions remaining durable features of Indian workplaces [2]. The weak, non-significant associations of union representation with career, fairness, integration, and leadership perceptions point in the direction expected from Dunlop's systems model [10], but the sample and the low reliability of the three-item union dimension ($\alpha = .55$) preclude confirmation. The divided views on strained relations are compatible with latent rather than manifest conflict [19], although conflict episodes were not measured.

Integration was viewed critically: most respondents felt that sponsor-bank policies ignored the RRB context, more than half felt their identity was overshadowed, and only about one in four was satisfied with leadership of the amalgamation. This accords with social identity theory [21], with work on culture clash in mergers [5], [6], and with the argument that psychological preparation and communication matter as much as strategic planning [17], [20]. Absence of differences by location, gender, or service length should not be read as evidence of no difference, since 46 respondents give limited power to detect small effects; and differences from broadly similar findings in public sector banks [9] may reflect institution type and merger scale.

6. Implications and Recommendations

- **Stabilise technology and strengthen training:** review downtime on the post-amalgamation core banking platform with published service-level targets, and provide role-based, refresher, and virtual training so rural and remote branches have equal access.
- **Review staffing and workload:** conduct branch-level assessments where duties outside the sanctioned role are routine, and align sanctioned strength with post-merger volumes.
- **Make postings, transfers, and appraisals transparent:** publish criteria, timelines, and rationale, with periodic audit of a sample of decisions.
- **Institutionalise union-management dialogue:** establish a joint consultation forum at the level of the merged RRB on seniority, service conditions, and posting policy.
- **Respect the identity and context of erstwhile RRBs:** consult employees before extending sponsor-bank policies, retain useful local practices, and communicate reasons for change.
- **Communicate and listen:** provide regular communication on integration and confidential channels for reporting bullying or harassment, with visible follow-up.

- Because shortfalls in training and exposure were reported in all branch types, remedies should be system-wide rather than targeted only at rural branches.

7. Limitations

- The analysed sample ($N = 46$) is modest, limiting statistical power, particularly for group comparisons and three-item dimensions.
- Coverage is narrow: 78.3% named a West Bengal RRB, 97.8% were officers, and only seven women responded; findings cannot be generalised to all 28 amalgamated RRBs, other States, or clerical staff.
- Purposive-cum-snowball sampling through professional and association networks may over-represent engaged employees or those with strong views.
- The questionnaire is researcher-constructed; several dimensions had modest alpha values, the dimension structure was not empirically validated, only three items address union-management relations, and union membership status was not recorded.
- Self-report data on sensitive topics may be affected by social-desirability bias despite anonymity.
- The cross-sectional design (20 September 2026) permits no causal inference, and only the favouritism-climate association is robust to multiple-testing adjustment.

8. Conclusion

In this sample of RRB employees, overall perceptions of HR dynamics after amalgamation were slightly below neutral ($M = 2.71$). Employees were cautiously optimistic about their careers and relatively positive about colleagues, but critical of technology, staffing, training, equal exposure, and the manner in which integration has been led. Union representation was viewed in a divided way, and perceived favouritism and informal power were robustly associated with a poorer psychological climate. From the employee's standpoint, the success of amalgamation appears to depend less on the structural merger itself than on whether everyday working conditions are adequate and whether decisions about postings and appraisals are seen as fair. A larger, probability-based sample including clerical staff, a psychometrically validated instrument, and qualitative interviews with employees, union representatives, and HR managers would provide a stronger basis for conclusions.

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Appendix A: Data and Reporting Note

The statistical results in this article are those reported in the dissertation “Study of the HR Dynamics in Regional Rural Banks Post-Amalgamation: An Industrial Psychology Perspective on Trade Union–Management Relations” (MSc Psychology, JAIN (Deemed-to-be University), Bengaluru, 2026), calculated from the 46 complete survey responses. The article distinguishes questionnaire favourability scores from standardised scale scores because the questionnaire is researcher-constructed. Figures were drawn from the summary statistics reported in the dissertation tables; respondent-level data are not reproduced.