CHAPTER - III

SCOPE AND METHODOLOGY OF THE STUDY

This investigation was aimed at measuring performance differences among bank managers and to understand whether these performance differences had any association with the psychological orientations and the bio-social backgrounds of the managers.

The psychological variables selected in this study included (1) Achievement orientation (2) Leadership orientation and (3) Personality pattern (i.e Type A behaviour pattern) of the managers. The bio-social backgrounds explored in the investigation covered such bio-details as age, education, parents, family, native region, religion, etc. of the managers.

The specific objectives of the study, the hypotheses and the scheme for measuring the different variables of the study are detailed in the following pages.

OBJECTIVES OF THE STUDY

I. To assess the Deposit performance and Advance performance of branch managers of a scheduled commercial bank, to rank them on the basis of their performance effectiveness and to classify them into High Results Producers (HRPs), Moderate Results Producers (MRPs) and Low Results Producers (LRPs).

II. To portray accurately the Leadership orientation of managers in terms of their Task orientation and People orientation
and to find out whether the HRPs, MRPs and LRPs differ significantly in their levels of Task orientation and People orientation.

III. To measure the differences, if any, in the level of Achievement orientation among the managers and to understand whether such differences have any association with their performance differences.

IV. To measure the level of Type A behaviour pattern among the managers under study and to find out whether Type A behaviour pattern is associated with the performance of managers.

V. To find out the inter-associations, if any, among the psychological variables of the study viz. Achievement orientation, Leadership orientation and Type A behaviour pattern of the managers.

VI. To find out whether performance differences among managers have any association with the bio-social background of managers such as education, age, religion, native region and parental and family particulars.

With these objectives in mind certain hypotheses were formulated for giving direction to the investigation. Regarding the psychological and sociological variables selected for this study, adequate literature with theoretical significance are
available in the case of the former, but not sufficient in the case of the latter. In the case of the psychological variables viz. Achievement orientation, Leadership orientation and Type A behaviour, theoretically more is known about their relevance to organisational conditions and managerial applications. On the contrary, regarding the sociological variables included in the study, no available literature enable us to understood their relationships with managerial behaviour and performance. Accordingly, hypotheses have been formulated only with regard to the psychological variables. Regarding bio-social variables no specific hypotheses have been formulated; however, their associations with performance effectiveness of managers were explored in the study.

HYPOTHESES OF THE STUDY

1. The High Results Producers among the managers are more task oriented than the Moderate Results Producers and the Low Results Producers.

2. The High Results producing managers possess more People orientation than the Moderate Results producing managers and the Low Results producing managers.

3. The level of Achievement orientation is more among the High Results producing managers than among the Moderate Results producing and Low Results producing managers.
4. The High Results producing managers display more Type A behaviour pattern than the Moderate and Low Results producing managers.

DEFINITION AND MEASUREMENT OF VARIABLES

Performance Effectiveness: In evaluating the performance of branch managers, banks usually consider a number of financial and non-financial criteria. In this investigation, in defining Performance Effectiveness, the researcher has confined to the financial side of managerial performance, with special reference to Deposit performance and Advance performance of managers.

Accordingly, Performance Effectiveness has been operationally defined as the extend to which a manager achieves the deposits and advances targets assigned to the branch under his charge. Assuming that measurement of effectiveness of a manager in producing results should be based on his performance over a long period of time, the Deposit performance and Advance performance of managers have been measured for a continuous period of three business years. The average of the Deposit performance and Advance performance of a manager for the three year period under review has been labelled as Combined Performance and was expressed in the form of a Combined Performance score (CP Score).

HRPs, MRPs and LRPsl: For the purpose of classifying branch managers on the basis of their differences in the level of Performance Effectiveness, the managers were percentile ranked
using their Combined Performance scores. Those managers who fell above the 66th percentile were labelled as High Results Producers (HRPs), those placed above the 33rd percentile up to the 66th percentile were called Moderate Results producers (MRPs) and those placed up to the 33rd percentile were called Low Results Producers (LRPs).

**HDPs, MDPs and LDPs:** The managers were Percentile ranked on the basis of their Deposit performance scores and were classified as above, using the 66th and 33rd percentile splits, into High Deposit Performers (HDPs), Moderate Deposit Performers (MDPs) and Low Deposit Performers (LDPs).

**HAPs, MAPs and LAPs:** The managers were percentile ranked on the basis of their Advance performance scores and, using the 66th and 33rd percentile splits, were grouped into High Advance Performers (HAPs), Moderate Advance Performers (MAPs) and Low Advance Performers (LAPs).

**Branch manager:** A manager of the bank who is directly in charge of the banking operations of any one of its branches and has authority and accountability for the branch's performance.

**Leadership orientation:** It is defined as the concern or attitude or mental predisposition held by a leader toward task and people while leading the activities of the work group placed under his direction. The concern for task is called TASK ORIENTATION and
concern for people is called PEOPLE ORIENTATION of the leader.

**Task orientation:** In this study, Task orientation is defined as the expressed concern of a manager toward the accomplishment of specific task assignments and responsibilities entrusted to him. It is measured by the emphasis a manager gives to such task-relevant factors as endeavouring to establish well-defined patterns of organisation, channels of communication, methods of procedure and controlling performance and initiating corrective action.

**People orientation:** People orientation is defined as the expressed concern or predisposition of a manager toward the human side of managing the subordinates under him. It is measured by the emphasis given by the manager to such people-related factors as friendship, mutual trust, respect, psychological support and warmth in his relationship with subordinates.

**Achievement orientation:** It is formally defined as the mental orientation of an individual to perform in terms of a standard of excellence, to be successful in competitive situations and to improve one's own position in life.

Operationally Achievement orientation is measured as the mental predisposition of manager toward such achievement-related aspects as competition, ambition, hardwork, creativity and desire to improve one's own social standing.
Type A behaviour pattern (TABP): TABP may be conceptually defined as an action-emotion complex that can be observed in any person who is aggressively involved in a chronic, incessant struggle to achieve more and more in less and less time, and, if required to do so, against the opposing efforts of other things or persons (Friedman and Rosenman, 1974).

Operationally Type A behaviour pattern may be defined as involving the following characteristics: (1) behavioural dispositions (eg. ambitiousness, aggressiveness, competitiveness, and impatience); (2) specific behaviours (eg. alertness, rapid and emphatic speech stylistics and accelerated pace of most activities); and (3) emotional responses (eg. irritation, hostility and anger).

Bio-social background: It includes those personal and social particulars of the managers such as their age, education, religion, native region, family and parental background, etc. These particulars represent the general social context in which a manager was socialised or grown into an adult human being.

PILOT STUDY

A leading commercial bank in Kerala having 324 branches (264 in Kerala and 60 in other parts of India) was selected for the purpose of this study. The researcher's interest through this study was to gain some insight into the psycho-social
characteristics of the managers of the bank working in the state of Kerala. The bank had most of its branches in Kerala and the investigator could collect information from managers working in all parts of Kerala.

The first step in the process of data collection was a pilot study undertaken to collect preliminary information regarding the scope for undertaking the study. During the pilot study the investigator contacted the authorities of the bank at the Head Office and sanction was granted for conducting the enquiry in the bank. The Head Office authorities also assured complete co-operation for making available all documents required for the study. The few weeks spent at the Head Office helped the investigator in delimiting the universe of the study and in fixing the number of respondents to be covered by the study.

The consultations with the Head Office managers helped the researcher in gaining some preliminary insights into the variables of the study and especially in perfecting the bio-social particulars of the managers, to be included in the study.

It was decided to delimit the universe of the study to those branch managers of the bank placed in charge of branches located within the geographic boundary of Kerala State. There were a total of 264 such managers.

However, in the study, performance effectiveness has been measured in terms of the targets achieved by the manager
over a continuous period of three consecutive business years. Therefore, it was decided that the managers covered in the study would be those with a minimum of three years' continuous branch assignment. Accordingly, the universe of the study was further delimited and defined as all those branch managers of the bank managing the bank's branches in Kerala and having a minimum of three years' continuous branch experience.

Pilot study data indicated that there were 181 such branch managers in this category and for the purpose of this study all of them were regarded as the universe of the study.

It was presumed that this delimitation of the universe would help the researcher in arriving at valid findings and conclusions in terms of the objectives of the study.

As the size of the universe was considerably small it was decided that sampling should be eliminated and that data should be collected from all the managers in the delimited population.

However, data could be collected only from 132 managers out of a total of 181 managers in the defined universe. The other managers, however, did not co-operate in responding to the investigator's request. Thus the actual number of respondents covered in this study is 73% of the universe. It was felt that this respondents size would be sufficiently representative and adequate enough to generalise the findings to the entire managers in the study.
NATURE AND SOURCES OF DATA

The data required for the study consisted of both primary and secondary data. Primary data pertained to such psychological variables as Achievement orientation, Leadership orientation, and Type A behaviour pattern of the managers and their bio-social particulars. These were to be collected directly from the respondent managers placed at the different branches of the bank, through questionnaires and scales selected for the purpose.

The secondary data for the study covered all those performance-related details of the managers, available with the Head Office of the bank. These data were to be collected from the records kept with the various departments. Most of these data were located in the Planning Department, Staff Administration Department and Computer Department of the bank.

TOOLS OF DATA COLLECTION

Data regarding the different variables of the study were collected using different tools used for the purpose. The nature of the various tools are detailed below:

1) **Performance checklist**: A performance checklist was designed by the researcher to gather data regarding the performance details of each manager (See Appendix-II). The checklist covered details regarding the results produced by the managers in terms of the deposit and advance targets assigned to them over the three
year period under review. From the data collected through the checklist it was possible to determine the level of effectiveness of each manager in terms of (1) Deposit performance, (2) Advance performance and (3) Combined Performance.

ii) **Achievement orientation scale (Appendix No.III)** This scale measures the level of Achievement orientation of a person on the basis of thirty statements given in the scale. The response to each statement is spread over a three point scale indicated by three alternatives viz. YES-UNDECIDED and NO. In the scale, there are twenty-three positively keyed statements and seven negatively keyed statements that measure the different components of Achievement orientation such as competitiveness, ambition, determination, productivity and creativity orientation of the respondent individual.

While scoring the scale, an YES answer to a positively keyed statement is given 1 score and a NO answer is given zero score. For the negative statement a No response gets 1 score and YES response gets 0 score. The UNDECIDED response in either case gets 1/2 score. Thus the maximum possible score on the Achievement orientation scale is 30 and minimum is zero.
The scale was taken from the personality inventory constructed by H.J. Eysenck and Glen Wilson and was pretested among managerial and other samples before being used in this study. The test-retest reliability was found to be +.878.

iii) Leadership orientation questionnaire (Appendix No.IV):

The scale was in the form of a 40-item questionnaire that quantifies the leadership orientation of the managers responding to the instrument. The questionnaire instructs the managers to indicate how a manager SHOULD behave in his relations with the work group (Edwin A. Fleishman: The Leadership opinion questionnaire) by either agreeing or disagreeing with the given statements in it. There were 20 statements on Task orientation and 20 statements on People orientation. These statements were randomly distributed in the questionnaire. There were both positively-keyed and negatively-keyed statements. For the positively-keyed statement an AGREE response gets one score and DISAGREE response carries zero score. For the negatively-keyed statements scoring is done in the reverse manner. The aggregate scoring is done separately for Task orientation and People orientation, with the maximum possible score on each dimension being 20 and the minimum being zero.
The questionnaire was adapted with minor modifications from the leadership opinion questionnaire prepared by the Business Research Bureau of Ohio State University, U.S.A. Before actual use in the study, it was pretested among different groups of managers and others. The test-retest reliability was found to be +.831.

iv) **Life Style Questionnaire (Appendix No. V)**: The life style questionnaire measures the degree of Type A behaviour displayed by an individual as endorsed by himself or herself. The questionnaire contained 20 items, each of which was to be rated by the respondent on a scale ranging from zero to ten. All items were positively-keyed. The maximum aggregate score possible for an individual is 200 and the minimum is zero.

The scale was taken from the work of Edward A. Charlesworth and Ronald G. Nathan originally titled as "The A/B Life-style Questionnaire'. Prior to using in this study, it was tested for its suitability among different samples of population. The test-retest measure was found to be +.791.

v) **Bio-social description sheet (Appendix No. VI)**: This part deals with all those personal and social background variables considered in the study. Entries were to be
made by the respondent himself or herself. Most of the responses were to be either in the form of tick marks or in the form of writing numbers in the appropriate spaces.

PRETESTING OF THE TOOLS OF DATA COLLECTION:

After preparing the tools of data collection, they were pretested on an actual subsample of the managers in the study. Ten managers from different branches of the bank were selected for the purpose. During the pretest, it was found that the Achievement orientation scale and the Leadership orientation questionnaire were quite legible and clear to the respondent managers. The life style questionnaire, however, required more clarification on how to fill in the questionnaire. So the introductory part dealing with the filling of the questionnaire was expanded a little in consultation with the managers in the pretest sample. The bio-socio proforma also required slight refinements and the proforma was perfected on the basis of the recommendations of the pretest managers and experts in the field.

During the pretest, the investigator came across an important observation which was very useful later in the collection of data from the managers. On going through the pretest questionnaire, the managers expressed very good opinion about the contents of the questionnaires and most of them desired to get a feedback about their own personal orientations reflected in the questionnaire.
Furthermore, most of the pretested managers advised the investigator that in the actual data collection from the managers of the bank, the response rate would be better if the investigator could promise and give a 'confidential feedback' to all those managers taking the test. The investigator also discussed with the pretested managers about the strategy to be adopted for data collection. When asked about the merits of personal interviews Vs. mailed questionnaires all of them favoured the latter. They opined that a personal questionnaire, like the one used, that asked for the inner orientations of the managers, would be answered better in an anonymous situation than in the presence of the investigator.

Moreover, it was learnt that personal interviews would be rather difficult with the branch managers because the very busy work schedule of the managers would make it very difficult for them to sit down with the investigator for a personal interview.

These suggestions of the pretest managers were taken care of during data collection and proved to be very productive in getting a high response rate from the managers.

DATA COLLECTION:

The data collection for this study was performed in two phases. During the first phase, the investigator spent a few months at the Head Office of the bank collecting all those informations required for assessing the performance.
effectiveness of managers. Of the 324 branch managers of the bank the investigator first identified those managers who had a minimum of three continuous years of branch experience immediately preceding the period of data collection. There were 181 such managers about whom data were available. The performance records of all these managers for three year period under study were analysed by the investigator. The necessary data were finally transferred into the 'performance checklist' prepared for the purpose (See appendix -II).

The data collection at the Head Office started in August 1987 and lasted for two and a half months. During this period the investigator made use of the opportunities available to conduct discussions, talks and informal chats with the people at the Head Office. Most of the department heads, managers, officers and clerical staff whom the investigator selected for this purpose had sufficient branch experience before they were posted at the Head Office. Interactions with these people helped the investigator very much in gaining considerable insights into the dynamics prevailing at the branches of the bank. The investigator could elicit the viewpoints of both the managers and their subordinate staff regarding the diverse aspects of branch management.

In the second phase of data collection the investigator sent mailed questionnaires to all the 181 managers comprised in
the universe of the study. The decision to mail the questionnaires was taken on the basis of the advices given by the managers in the pretest sample that the managers would favour a mailed questionnaire than a personal interview, to give their true responses. In accordance with their suggestions the investigator also promised a 'confidential feedback' to all those managers who required it. As expected there was a good response from the managers. 132 of the managers returned the questionnaires and 90% of them asked for the personal feedback, which the investigator sent to them after processing of the data. On receipt of the feedback there were enquiries from the managers to know more about the psychological variables, especially literature regarding Type A behaviour. The investigator helped them in whatever way that was possible.

The technique of mailing the questionnaires thus proved very successful in getting a high return rate from the managers and in eliciting genuine responses from them. If the enthusiasm shown by the managers in responding to the questionnaires is any indication, it can be strongly held that the findings of this study will be a true representation of their internal mental attitudes and dispositions.

On receipt of the filled in questionnaires, the investigator started processing the data contained in them for further statistical treatment.
EDITING, CODING AND STATISTICAL TREATMENT OF DATA:

The collected data were edited, coded and then entered into a master chart manually by the investigator. Each item of data was strictly checked for its accuracy before being entered into the master chart.

Thereafter, the entire data were taken to the Tata Institute of Social Sciences, Bombay, where the statistical treatment of data was done through computer applications, using the SPSS package. In the computer processing of the data and in selecting the statistical tools of analyses, the investigator was generously assisted by the computer staff of the Institute.

DATA ANALYSIS AND INTERPRETATION:

After the statistical treatment of data tables, charts and diagrams were prepared. Using these as the guideposts, the data were analysed in terms of the objectives and hypotheses of the study. The findings arrived at during analysis were then discussed in relation to the practical and theoretical insights available on the variables under consideration. The chapters that follow contain these analyses and discussions. The last chapter summarises the major findings of the study.

SCHEME OF CHAPTERISATION

The first chapter deals with the problem under investigation and highlights the context and focus as well as the theoretical framework of study. The second chapter gives an
account of the available literature on the variables included in the study. In the third chapter the methodology adopted for investigating and analysing the research problem is presented.

The next three chapters comprise the analyses of the data collected, their results and interpretations. Chapter IV details how Performance Effectiveness of managers was assessed in the study and the method of classifying managers into HRPs, MRPs, and LRPs. Chapter V focusses on the statistical test results and findings regarding the relationship between performance of managers and their psychological characteristics. In Chapter VI the bio-social background of managers and its relationship with their performance are analysed.

Chapter VII contains the major findings of the study and some suggestions for future research.