CHAPTER – VII

Summary, Findings, Conclusions & Suggestions
7.1 Introduction:

The word management implies identifying a special group of people whose job is to direct efforts towards common objectives through the activities of others. In simple terms, it means, ‘getting things done through others’. In today’s changing world, characterized by growing competition, technological changes, which is giving birth to new products and process, shifts of demands from one product to another due to population growth, changes in tastes and preferences and mass advertising, change in Socio-economic environment, the growing complexities of human relationship, specialization of labour and increase in the scale of operations, management has become complex and a challenging affair in any business concern. Future of any organization is determined by the dynamism, competence and effectiveness of its management. The skills and techniques needs for the job have to be identified, acquired and utilized for effectiveness.

The liberalization policies of Government of India aim at improving the competitive environment as a means to improve the productivity and efficiency as against the earlier regulatory regime. These policies include the removal of various barriers to entry and restrictions of growth in the area of industrial licensing,
foreign trade, foreign investment and financial sector. With these liberalization measures, various sectors of economy are striving hard to survive in the increased competitive environment. The same is true for banking sector as well wherein pace of reforms has been set in motion by the recommendation of Narsinham committee set up to suggest reforms in the financial sectors. With the acceptance of these recommendation by the Government of India, the Banks are now required to establish themselves as commercial viable organizations besides simultaneously performing the role of agents of socio-economic development.

In India, the productivity and performance of Public sector bank is not very satisfactory, especially after nationalization. The falling rate of performance, growing job dissatisfaction and disturbed industrial relations exists in most of the enterprises. Employees do not interested in work. They try to get satisfaction outside the job. The failure to achieve the targets is caused by either the management or employers. They held responsible to each other. Even public keeps on complaining about the efficiency and the poor quality of services. However, now the banks are being made to survive in more competitive environment due to entry of new banks in the private sector. So, effective management is the basic requirement of any dynamic organization. The success of an
organization depends on the efficiency of its management. In ever changing environment and competitive era, need of good management is felt. The effective management is the emerging area of knowledge that has fascinated the researchers in social sciences. The present study hopes to contribute positively to the existing pool of knowledge.

The present study entitled, "A Study of Managerial Effectiveness of Public Sector Bank Officers' with special reference to Punjab National Bank in Himachal Pradesh," is a need based study in a fast changing scenario of economy and expectations of the public. The study was undertaken with the object of presenting an overall view of managerial effectiveness of public sector bank officers with special reference to PNB in HP. The main objective of study are :-

1. To study the organization structure and operation of Punjab National Bank in HP.
2. To see how the effectiveness parameters are in PNB in HP.
3. To study the effects and role of managerial effectiveness in working of PNB in HP.
4. To study the effects of HRD and development programmes on working of managers in PNB.
5. To study the existing system and practices of managerial effectiveness and provide suggestions to improve the managerial effectiveness in PNB.
The officers of PNB in Himachal Pradesh form the universe of the study. The sample size is 200 officers of the HP zone from all grades selected on the basis of random sampling. Number of variables were used to evaluate the managerial effectiveness, appraisal system etc. in the organization under study. A 30 items questionnaire was administered to the respondents for collecting the data followed by semi-structured interview. The primary data was supplemented by secondary data available from the published reports, manuals etc. and the relevant information from various research papers for the purpose. The collected data was coded and tabulated before it was given statistical treatment.

Various statistical tools viz. Averages, Percentages, co-relation, standard deviation, Skewness, Chi-square were used to derive conclusions and results. The technique of Chi-Square test was made wherever feasible and necessary.
The value of Chi-Square is calculated as

\[ X^2 = \frac{(F_o - F_e)^2}{F_e} \]

Where:
- \( F_o \) = Frequency of occurrence as observed.
- \( F_e \) = Frequency of occurrence as expected.

The significant is tested at 1% and 5% level of significance for various degrees of freedom to interpret the data and to arrive at the conclusions. The degree of freedom (df) is:

\[ df = (K-1) \]

Where:
- \( K \) = Number of classes.

The study is based on 30% sample of universe and is limited in its scope and its findings can be generalized to a limited extent only. However, this does not detract us from the significance of the study. The scope of study was kept limited due to scarcity of resources.

In order to gain familiarity and in-sights into the problem and in view of the objectives of the study, the analysis was divided into seven chapters. From the analysis and discussion on the above stated parts of the study, following results were found.
CHAPTER – I

Managerial Effectiveness

Managers and supervisors are measured what they and their organizations achieved. When management is effective, it produces results which further company goals. Although all management personnel fulfill technical or analytical functions in occasions, their major functions is to achieve results through managing their own actions and those of others. “Managerial effectiveness is the extent to which managers achieved the output requirement of their positions” (1.3). It is the output not input in order to meet these performance expectations, each manager and supervisor is expected to ensure that objectives are set which further company goals, plans are prepared and implemented to meet each objective and actual performance is reviewed against each objective.

Managerial effectiveness is a central issue in management, every independent organization wants to achieve goals effectively and efficiently. Managerial effectiveness is essential for smooth running of organization. It helps in co-
ordination of management and workers. Managerial effectiveness creates value based leaders in the organization and innovates new devices of motivation. Future oriented leadership and motivation techniques are utmost requirements of managerial effectiveness. Thinkers have suggested various methods of managerial effectiveness such as role playing, case study, MBO, learning on jobs, Business schemes, juniors boards, seminar, student sponsorship etc.. They should be applied to different organizations, according to their job needs. Managerial effectiveness should be directly linked to organization philosophy, induction training, organization development and business environment in the economy (1.4)

Conventional job descriptions often lead to an emphasis on what could be called managerial efficiency i.e. the ratio of output to input. The problem is that both input and output are low, efficiency could still be 100%. In fact, a manager or department could easily be 100% efficient and zero effective. The qualities of efficient managers and effective managers are illustrated below (1.6) :-

- 268 -
### Efficient managers vs. Effective managers

<table>
<thead>
<tr>
<th>Efficient managers</th>
<th>Effective managers</th>
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<tbody>
<tr>
<td>Do things right</td>
<td>Do right things.</td>
</tr>
<tr>
<td>Solve problems</td>
<td>rather than Produce creative alternatives</td>
</tr>
<tr>
<td>Safe guard resources</td>
<td>rather than Optimize resource utilization.</td>
</tr>
<tr>
<td>Discharge duties</td>
<td>rather than Obtain results</td>
</tr>
<tr>
<td>Practice apparent effectiveness</td>
<td>rather than Practice managerial effectiveness</td>
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What a manager achieve is more important than what he does. An effective manager has to all the time beware of the dead wood that gathers in the course of his daily chores, namely unnecessary correspondence, meetings and minor decisions or jobs which juniors could do. One has to develop the knack of picking out the key jobs and doing them well. The business acumen and entrepreneurial flair that one keeps on developing helps him to effectively do the jobs selectively. A manager must learn how to make short-term tactical decision without hindering long-term strategic consideration.

The ability to persuade other people to adopt one’s ideas and secure willing participation is equally important. He must...
continuously develop and shape necessary plans for higher turnover, profit, expenditure control, Manpower, product development and introduction of new methods. To operate as an effective business manager one must have Knowledge of scales of management and organization, this involves learning the art and techniques of various management functions, namely establishing objectives, synthesizing information, analysis of problem, selecting from alternatives, direction, mechanics of co-ordination, staffing, communication, motivation, control and measuring results.

Ability to grasp strategic situations and problems power of expression, numeracy, drive, leadership and initiative, maturity of judgment, creativity, integrity, awareness of social responsibility, ability to act through stresses and emergencies makes a manager effective in his organization.

Managerial effectiveness can be increased can be increased through self imposed disciplines (for himself and subordinates) radiating confidence, control through inspiration, development of enthusiasm, loyalty and co-operation, being more positive than negative, avoiding creating favorites, learning to adjust flex, according to the exigencies of circumstances, preferring team work suitable for improving organization and operational
efficiency and having ability to size up a situation, self development, this may be through acquiring ever-increasing knowledge, skill and experience relating to the profession or business (1.10)

Leadership makes a difference – management alone will not bring organizational success, organizations of all types are discovering that something more is needed – leadership. If managers are to succeed, they must cultivate leadership skills. Among those skills are a commitment to quality and integrity, a willingness to innovate, and a sensitivity to the concerns of others. However the development of leadership skills is dependent upon the employing institution’s giving the aspiring manager the freedom and responsibility to be an innovative leader early in the managerial career (1.11)

Managers who possess the quality of guiding and directing the subordinates to perform their jobs efficiently can be called business leaders. A leader interprets the objective of the group and guides it towards the achievement of these objective. According to Louis. A. Allen, “a leader is one who guides and directs other people” 12. Thus manager at all levels have to perform the function of a leader. As a leader manager has not only
Leadership involves the way a manager behaves in his man to man relationship with his subordinates. In interacting with employees in the work environment the manager has to play four different leadership roles. These are :-

Leadership involves the way, but also lead the group towards a predetermined goal. This can be explained by the diagram as given below -
(1) **Educator** :- Prima facie, a manager have to perform the role of educator by teaching employees not only jobs skills but also acceptable behaviour and organizational values. The work habits, attitudes and behaviour of management leaders serves as a role model to the followers.

(2) **Counselor** :- In his second leadership role of counselor the manager has to listen, give advice, as also to prevent and solve problems faced by employees. In performing this role managers have to fulfill two expectations of employees :-

- Awareness of and concern for the individual employee
- Assistance in solving problems

(3) **Judge** :- The role involves (a) appraising or evaluating the performance of subordinates (b) Enforcing policies, Procedures and regulations (c) Setting disputes (d) Dispensing justice.

(4) **Spokes Person** :- In this role managers have to relay their suggestion, concerns and points of view to higher authorities. To do justice to this role a manager must be
willing to represent the views of subordinates even when they disagree with it (1.11.4)

Motivation is no doubt the best potential source to increase productivity and profitability. But it does not mean necessarily imply a greater expenditure of energy on the part of worker. Rather it implies that the abilities of employees will be used more effectively with the same or even less – expenditure on effort. This, in its turn, is likely to lead to greater job satisfaction. How important is need for motivation becomes quite clear from the fact that it is possible to buy a man’s time or physical presence at the work place, but it is not possible to buy enthusiasm, initiative, loyalty and devotion of hearts, minds and souls. These things are to be earned. Thus there is a need to consider motivation as more inclusive than the mere application of some specific tools and device to stimulate increased output. In general it is observed that the employees who receive rewards on the basis of their actual performance tend to do better than employees in groups where rewards are not based on performance. Consequently managers who know this, and know how to apply given incentives, can hope to be able to realize in enhanced productivity from employees.
Thus the most important factor for performance and satisfaction of managers are worthwhile accomplishment, work itself, recognition, opportunity for personal growth, autonomy, decision making authority followed by other factors such as pay and benefits, organization prestige and job security, apart from that studies carried out on the subject also reveal that – a challenge in job, satisfaction in inter-personal relation, management’s support for decision, innovation and creating work, clear job’s definition, congenial working conditions and commitment to goal also affect or influence managerial performance (1.12)

CHAPTER – II
RESEARCH DESIGN

Effective management is the concern of corporation president, chairman and managing director of bank, the chief medical officer, and the university vice chancellor. Effectiveness is the extent to which a manager achieves the output requirement of his position. This concept of managerial effectiveness is the central issue in management. It is managers job to be effected. Managerial effective has to be defined in terms of output rather than input, by what a manager achieves rather than by what he does. Managerial effectiveness is not an aspect of personality. Effectiveness is best seen something a manager produces in a situation by behaving in it appropriately. The manager must think in
The study of managerial effectiveness of public sector bank officers specially Punjab National Bank in H.P. is a need based study in a fast changing scenario of the economy and expectations of people. The study was undertaken with the object of presenting overall view of managerial effectiveness of officer in PNB of H.P. (2.2)

The study covers the existing mechanisms and practices of management for effectiveness in Punjab National Bank. The researcher shall assess the contribution of managerial effectiveness in the development and growth of the organization. The scope and coverage of the study shall be limited to management of Punjab National Bank in Himachal Pradesh, in view of the objectives of the study. The study will cover all branches of Himachal Pradesh. (2.6).

Managerial effectiveness is a wide field of study and large number of factor contribute towards the development of people in any organization. It was difficult to study all indicators.
contributing to the managerial effectiveness. The study is limited to its scope. The findings of the study cannot be generalized to limited extent only. (2.8).

CHAPTER – III

Punjab National Bank – Historical Perspective

PNB- a bank born with the vision of future. A vision towards efficient and customer friendly banking. Today’s world is driven by information technology. PNB endeavours to upgrade itself towards modern and progressive banking, serving over 35 millions customers through a large network of over 4022 branches. (3.1).

The bank was a part of the Swadeshi Movement. It was owned by the Indian people and would work for the Indian people, especially at a time when Indian capital was being used to run English Banks and companies, the profits accruing from which entirely to Britishers, whilst Indians have to contend themselves with a small interest on their own capital. The bank open for the business on April 12, 1895 and Lala Lajpatroy opened the first account with the bank, housed in a building in the Anarkali Bazar, Lahore. The authorized total capital of the Bank was two lacs and the working capital was rupees twenty thousands. The bank appropriately choose the world, ‘STABILITY’ as its telegraphic,
which proved prophetic as was shown by the events that followed in later years. (3.2).

An important function of PNB is to attract deposit from the public. It accepts deposits from every class and from every source and in all cases, without exception, it undertakes to repay the money, either in part or in full, in legal tender money. Deposits are of various types – Demand Deposits, Saving Deposits and Fixed Deposits. The second major function of PNB is to make loans and advances out of the deposits of public. Direct loans and advances are given to all types of persons particularly to business and investors, against personal security, gold and silver and other movable and immovable assets. The most common way of lending is by over draft facilities.

Other miscellaneous functions performed by PNB include:-

- Lockers to keep valuable articles of customers in safe custody,
- Acting as agents for its customers to buy and sell gold and silver and securities on their behalf,
- Making and receiving payments on the behalf of its depositors,
- Issuing letter of credit and travelers cheque for the convenience of its customers,
- Performing all functions, which will bring in profits?
PNB also offers Internet banking services in the country for corporates, individuals. Internet banking service are available through all branches which net worked under CBS. Providing 24 hours, 365 days banking right from the users, Internet banking offers world class banking facilities like any time. Access to account, complete details of transaction, and statement of accounts, information of deposits,. Loans over draft account etc. PNB has recently installed on line payment facility for railway reservation through IRCTC payment Gate and online Utility Bill Payment Services which allows internet banking access to pay their telephone, mobile, electricity, insurance and other bills any time anywhere from their desk top. (3.3)

PNB has four subsidiaries. PNB Housing Finance Limited, the first subsidiary of PNB is a wholly owned subsidiary of PNB. It is engaged in providing loans for purchase, construction and upgradation of dwelling unit. Second subsidiary, PNB Capital Services Limited, is also a wholly owned subsidiary of PNB is registered as a non - banking finance company (NBFC) with RBI and as a Merchant Banking Company with SEBI. PNB Asset Management Company Limited a wholly owned subsidiary of PNB, is the investment manager of Mutual Fund. Fourth subsidiary is
PNB Gilts Limited. It is ISO-9002 certified company to deal in Government security market, as a primary dealer. (3.4).

CHAPTER – IV
Organization Structure of Punjab National Bank

Organization structure is essential for exercising leadership. Organization structure provides an indispensable sort of coordination in an organization. Peter Drucker suggests that the three ways to and the organizational structure are:-

a) Activity analysis – what activities are to be performed?
b) Decision analysis – what types of decisions are required?
c) Relation analysis – what type of relationship required at various levels?

An organization structure serves various functions of the business. It is designed to serve specific motives. There should also be efforts to match organization structure with changing needs. A good structure not only facilitates communication but also brings efficiency in different segments. Optimum use of resources and job satisfaction are basic motive of organization structure. (4.1).

The organization structure of Punjab National Bank has its Head Office at the apex, controlling zonal offices, which in turn control Regional Offices, looking after domestic network of
branches. The foreign offices are directly controlled and supervised by the Head office of the bank. The Banks domestic operations are grouped into the different customers groups representing market segments to achieve a focused business thrust as the branch levels. Performance budgeting and review systems were introduced in the bank to provide for both resource and output budgets to determined as a result of a dialogue at different levels in the organizational on an annual basis. While the branches are organized in a market segment basis, the zonal offices and regional offices are structured on a market segment as well as functional basis and integration between functions is achieved through review meetings and structured forms like District Coordinator Offices. The banks international operations are organized along functional lines viz. credit, general banking and personal services. (4.3).

At the zonal office level, the office is headed by General Manager (GM) or Deputy General Manger (DGM) and a team of Assistant General Manager (AGM), Chief Managers (CM). All are responsible for operational control over Regional offices in their Zone. It fixes the targets to be achieved by the Regional offices. Zonal office is responsible for execution of Information Technology Policy and Planning. Business development
possibilities are studied and forwarded to the Head office for adoption. New products launched by the bank are dispatched to Regional offices for marketing and advisory campaign for the same is undertaken by zonal office. (4.5).

Regional office is headed by Assistant General Manager (AGM) or Chief Manager (CM). A team of managers (MMG –III & II) is responsible to assist in operational control over the branches in their Region. They provide necessary support to the branches by prompt attendance to the financial needs of customers, which falls outside the purview of Branch Managers. Management of NPA has received focused attention by creation of position of a functional manager for specific asset management at Regional office. (4.6).

At the end of March, 2004, the total number of branches of the Bank stood at 4,022 and 452 extension counters. The bank has 57 specialized branches, out of which 28 branches for small scale industries, 11 international banking branches, 2 large corporate offices, 7 mid corporate offices, 4 trade finance branches, 1 personal banking branch, 1 industrial finance branch, 1 Hi-tech agriculture finance branch, 1 Off-shore banking unit and 1 branch exclusively for non-resident Indian business. The objectives functions of branches are –
Execution of policies and planning of Head offices, which have been directed through Zonal offices and Regional offices.

Achievement of targets

Customers satisfaction and counseling of customers

Communication of customers' needs and marketing opportunities to the superiors

Maintenance of customers accounts (4.7).

Whenever and wherever any man or woman enters a contract with the bank to purchase those services offered by the bank is said to be creating customers relationship with the bank. All the services of bank are offered through the branch offices. Any individual or group can purchase these services. Bank charges a nominal fee on safe deposit, lockers, where individuals can keep their valuable articles and Jewellaries in safe custody of bank. As per the instructions of RBI, Banks also exchange soiled or mutilated currencies notes to the new notes.

As a part of organizational restructuring, a new Zone was created at Himachal Pradesh with zonal Head Quarter at Shimla., on 13th April, 2002. As on last day of March, 2004, it was comprised of total 214 branches and 23 extension centres. Out of which, 194 are rural branches and 21 semi-urban branches. There
is Nil urban branches in the zone. PNB has lead districts out of 12 districts of HP zone. There are 6 lead district managers offices and 5 district co-ordinator offices in HP zone. Total numbers of employees working in the HP zone are 1877 as on March, 2004.

Deputy General Manager is the Head of Zonal Office, Shimla. The entire operational area of Zonal office Shimla is divided into 4 Administration Regions. Each under 1 Chief Manager (CM) known as Regional Manager. The Deputy General Manager is the Executive Head of all the 4 Regions and Shimla Mall branch. The DGM is assisted by the 2 Chief Managers for exercising control over the branches. Besides this, Mall Branch Shimla is under direct control of Chief Manager. (4.9.2).

Whereas the machines depreciate, howsoever well they may be maintained, when human force appreciate as time elapses. It is the human resource, which has to harness all other resources effectively. Greater the sophistication of technology, methods and business, greater is the availability is required of the human resource to ensure the productive utilization of all other resources. Productivity is normally measured by output / input ratio. (4.9.2).
Highest body in the Zone is General Manager and under his there is along layers of officers, those who are responsible for their decision and facts directly to General Manager. So, it is not possible for a officer to handle this type of big organization. Although, proper delegation of powers and authority has been implemented in the bank, but it is suggested that more powers should be given to different level officers, more over they should be held responsible for their authority. Further any decision taken by the Government has to effect the functioning of banking industries. It is suggested that any decision taken by the Govt. related to the bank should be adopted after consulting the banking experts. Although highly competitive have been appointed as managers in the PNB but it could be better some consultancy services may be taken at different levels.

Zonal office of Punjab National Bank in HP has with its routes of excellence in human resources, values and tradition, excelled and realized a laudable performance of business and has subsequently contributed to the realization of corporate and national goals during the past years. It has improved its deposits, advances and profits substantially.

Customers' satisfaction has always remained in H.P. zone offices. Primary concerns, customer meetings regularly at
identified branches to suggest improvement in ways and means of customers services are conducted. While suggestion and complaint boxes are available at all the branches and offices. A special cell is working at zonal offices to attend immediately to the complaints lodged by the customers. (4.1).

CHAPTER – V

OPERATIONS OF PNB

To evolve and position the bank as a world class progressive, cost effective and customer friendly institution providing comprehensive financial and related services, Integrating frontiers of technology and serving various segments of society especially the weaker section, committed to excellence in serving the people and also excelling in corporate values. To be India’s most profitable universal bank. To provide excellent professional services and improve its position as leader in the field of financial and related services, build and maintain a team of motivated and committed work force with high work ethos, use latest technology aimed at customer satisfaction and act as an effective catalyst for socio-economic development. (5.1).
Financial Highlights of P.N.B. as on March, 2003:-

1. Total business stood at Rs. 116,041 crore in March, 2003 as compared to Rs. 98,492 crore in March, 2002, registering an increase of 17.8%.

2. Total deposits were Rs. 75,813 crore at the end of March, 2003 compared to Rs. 64,123 crore at the end of March, 2002, registering a growth of 18.2%.

3. Operating was Rs. 2317.29 crore at the end March, 2003 as compared to Rs. 1473.80 crore in previous year passing a growth of Rs. 57.2%.

4. Low cost deposits comprising saving and current deposits formed 49.6% of total deposits at the end March, 2003.

5. Total advances grew by 17.0% from Rs. 34369 crore at the end of March, 2002 to Rs. 40228 crore at the end of March, 2003.

6. Priority Sector credit at Rs. 18659 crore was 46.68% of net credit, surpassing the National goal of 40%.

7. Ratio of net NPA's to net advances declined to 3.86% from 5.32% at the end of March, 2002.
8. Staff productivity measured in terms of business per employee rose to Rs. 1.96 crore from Rs. 1.68 crore at the end of March, 2002.

9. The bank achieved a net profit of Rs. 842.20 crore in March, 2003 as compared to Rs. 562.39 crore in March, 2002 registering a growth 49.8%.

With technology emerging as a key driver of business growth, the bank continued its efforts towards technology upgradation. As a recognition of its efforts, the bank was conferred the “Best Bank Award for Excellence in Banking Technology” by the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad for the year 2001-02.

The bank has computerized 3035 branches constituting more than 75% of total branches. Geographically, 98% of metro, 96% of Urban, 89% of Semi-urban and 58% of rural branches of the bank are either totally or partially computerized. Thus 87.3% of bank’s total business is captured through computerization. The bank has installed 242 ATMs out of which 174 are interconnected to provide anywhere, any time banking service to ATM card holders.
In order to have a well co-ordinated information transmission system, the bank is implementing a system for computerization of management information system (MIS) asset classification and credit monitoring. This system is known as LADDER (Loans and Advances Data Desk for Evaluation Reports System) (5.7).

Recognizing the importance of corporate Governance, the bank has been making efforts towards adoption of Best Practices. The bank has an Audit Committee of the Board (ACB) which provide direction and oversees the operation of total audit function of the bank, in particular, the system of internal inspection-audit, its quality, effectiveness, etc. Besides, the bank has implemented risk management systems to mitigate market and credit risks. In recognition of its corporate governance initiatives the bank was adjudged “Runner-up” in the Golden Pea-cock Award for Excellence in Corporate Governance by the Institute of Directors. The bank has implemented the requirements of the code of Corporate Governance formulated by Securities Exchange Board of India. (5.16)

The bank has a well defined Recovery Management Policy, which regularly reviewed. Due to initiatives at all level and special emphasis on recovery management, at the end of March
2003, the ratio of net NPAs to net advances declined to 3.86% from 5.32% at the end of March 2002. Among the measures taken to bring down the level of NPAs are holding of recovery camps, close follow up with defaulting borrowers, negotiated settlement and compromises keeping in view guidelines issued by RBI and recourse to debt recovery tribunals and Lok Adalats. (5.13)

To sum up the opinion survey conducted by the researcher, it was found that majority of the respondents were satisfied with the appraisal system. As far as the basis of evaluation is concerned, the survey shows that general intelligence, initiative etc. have no place to evaluation. Most of the respondents stated job knowledge, contribution to business development and good relation with boss are basic criterions used for appraisal. Some respondents preferred good relation with customers is necessary to improve the business. Hence it should be considered while the performance appraisal is conducted.

People are aware of their career path, but the path is long to cover in ones normal work life span. Placement decisions claimed to be taken on the basis of appraisal and career path needs were found and verified to be based on none of the above, maximum placement decisions are taken on the basis of top
management requirement and not on the basis of individual manager career growth. Few managers responded that placement decisions are taken on the basis of performance appraisal.

Thus, it is very clear that managerial effectiveness is primarily concerned with converting plans into action in an enterprise. This involves highly personal men to men interaction between top to lower management. People want to work and it is manager's job to create situations where they can. Managers in Industry are managers of material resources of a country; they are solely responsible for combining resources in useful ways. Thus, society benefits if the managers are effective. It is the managers who can motivate and train 'their' people to achieve the desired outputs of their job. But it is not only to their subordinates that they can be useful, if they are effective in this sphere, they can also help their superiors to achieve a higher degree of effectiveness.

With its presence in virtually in all the important centres of the country, Punjab National Bank offers a wide variety of banking services which include, Corporate and merchant banking, industrial finance, agricultural finance, financing of trade and investments in the economy. Among the clients of Bank are Indian conglomerates, medium and small industrial units, exporters, non-resident Indians and Multi-National Companies.
Unique presence and vast resource base have helped the PNB to build strong link between people and industry. Punjab National Bank has been conscious of its social responsibilities towards agriculture and allied activities and Small Scale Industries (SSI).

**Conclusions and Suggestions**

On the basis of findings following conclusions has been drawn. All organization of today are producing products and services which were unknown in the past. And, thus giving the new life with more material comforts than ever before. All these comforts are possible through effective utilization of human resource, which had to be polymerized in an organization to result in cohesive and enormous force. The human polymerization needs individuals, ideas, and desire of organization system. Polymerization could be possible if an individual would establish a bond with other individuals, multiply and generate powers to create, build and to produce. It is the human resource, which has to be harness all other resources effectively. It is only the human resource which appreciates with time whereas all other resources undergo the process of depreciation. There is need for effective manpower planning and development, motivation, effective personnel policies and dynamic leadership, resulting in an...
organization climate which may adapt to the changing and dynamic environment.

After deregularization and globalization the scope for new business opportunities is expanding. The Banks are expanding and entering into new areas of business. With the entry of private sector in banking industry competition is ever increasing. All this, require technical and managerial human power for future. The future needs of banking sector, only be met if the present human resources are developed and utilized.

Punjab National Bank is the one of the biggest and largest Banks in India and abroad, in terms of man power and spread of branches in rural areas. PNB have 4474 offices network in India and serving more than 3.5 Crores customers. The number of employees in the service of Banking activities through the organization of PNB is 58839 as on March, 2004. Punjab National Bank has rural base as there are 1933 rural branches of the bank. This shows bank's concern for upliftment of rural area to achieve the objective for which it was created.

The financial performance of the Zonal office of PNB Himachal Pradesh and its branch set up in the state has excellent customer services record and community services and the bank
tries to identify itself more as the bank for the society. This shows that Bank is committed to and makes efforts for the development of society through its team of Human resources and effective management for the realization of corporate and national goals.

In Punjab National Bank, system of performance appraisal is well designed and carefully implemented. The study and analysis shows insignificant level of satisfaction in respect of the system.

The survey made it clear that job knowledge and business performance alongwith good relations with boss influence the appraisal. General intelligence and initiative have no place in appraisal. Placement decisions in PNB are claimed to be taken on the basis of career growth need and skills requirement of each role were found to be base of none. It seems that appraisal system through well thought out exercise but it fails to serve the purpose for which it was designed. People like self-appraisal and as many as 90% of the respondents feel that it motivates self development.

Management is primarily a human activity. The various functions of manager, may be in any discipline – material, finance, production or an engineering - can be classified as managerial functions and operative functions. The managerial functions in all the above disciplines are identical i.e. planning, organizing, directing, co-ordinating and controlling but the operative functions
vary depending on the disciplines. Therefore, for effective managerial functions, the professional art and science of working with and through the people is very important. Effective management is the life blood of an organization.

Management in PNB feel concerned and consider human resources as important. Majority people are found satisfied with the job on the basis of indicators. They find their colleague helpful, job interesting, and recognition of good work. Use of creative ideas that job provide are not tried. However, employees are satisfied with the working of HRD department for the efforts made for development of human resources.

Management is the composite and comprehensive discipline concerned with the introduction of effective means and method for achieving organizational objectives. Present day management has no choice but to have a deep knowledge and understanding of the effective system and methods. Management must try to understand and help in solving the genuine problems of workman arising in the course of their work but in order to effectively use their productive skills.

It found that majority of sample managers agreed that self appraisal motivate the self development. But
it is vivid from the survey that as the work experience and age of managers are increasing their satisfaction with performance appraisal is decreasing. So it is a need of ours to change the method of performance appraisal consequently to motivate employees. Managers opine that they prefer performance based appraisal rather than trait based.

From the data related to the factors contributing to managerial effectiveness, it is clear that the individuals qualities of managers are considered as the major factor for managerial effectiveness. So it is suggested that a proper and effective system should be introduced in the Punjab National Bank for the managerial staff, so that the individual quality may be improved.

As per findings of survey job knowledge and decision making ability are important attributes of an effective manager. So top management should make arrangement to impart training to the managers regarding the job to be assigned them. Proper system should be designed to acquaint the managers about the changes incurring in their jobs. If managers are
well versed in knowledge regarding their job, they could be good decision maker, ultimately effective managers.

It is found that respondents agree that there is needless infighting and politics at all level amongst the managers. Infighting and politics may be functional or dysfunctional to the organization. So manager may be trained about making the conflict management or converting the conflict into professional competence.

It is also found that intelligence, experience and pressure from the top are considered as main factor for quick decision making by the managers. It is suggested that for making quick decision, managers should have the support from the top and his colleagues also. Manages should be asked to improve their qualification time and again. Managerial staff should be given chances to attend the seminars, workshops and lectures series related to their field.

It is seen that the personality of top man goes a long way in the motivation and morale of manages as a team. It is suggested that on one side bank should consider the personality of the manger for motivation
and the other side career growth opportunities of employees should also be considered. Because career growth of employee is considered as motivating factor.

Further it is also concluded that loyalty is essential for managerial effectiveness. Loyalty means deep involvement in the organization objectives. Only those manager can be effective, who involves themselves deeply in the working of organization. So, it is suggested that extra facilities on the job and off the job should be given to the managerial staff, so that they feel affectionate with the organization. By this manager may be deeply involved in the organization and will stay for a longer period in the organization.

In rural area some branches are under staff and even in the semi-urban branches some managers claim over burdened. It is suggested that manager should be provided with the proper workload, otherwise over work load creates monotony in the work, ultimately results in ineffectiveness. Proper working conditions and job enrichment should also be considered for better productivity from the employees.
It is also found that decisions are mainly taken by the meetings. But most of the managerial staff is not involved in decision making and important decisions are postponed again and again. It is suggested that managerial staff should be made part and partial of every decision and decision should not be postponed. Meetings should be held regularly to take important decision. Too many meetings should be avoided as it leads to wastage of time. It is also drawn from the survey that these meetings are normally have battlefield between two or three managers. It is suggested that meetings, whenever it is held should be held in congenial atmosphere and should be held only when these are necessary.

Promotion channel in bank is time bound. But respondents opined that time bound promotion are in theory only. In practice there is delay in promotion process. Top management merely takes interest in the area of business development. It is suggested that to keep the morale of managers high, which is required for managerial effectiveness top management should
give priority to the process of time bound promotion. Delay in promotion means reduction in potential and motivation of managers.

It is also found that people reached to the post of managers through promotion. Although, there is also a method of direct recruitment to these posts, but the percentages are very low. It is suggested that younger professional should be inducted directly on the higher posts, because they are educated with latest techniques. So this will effect the team effectiveness favorably.

It is also seen that while appointing in the bank on the different cadre, no difference made for their qualifications as Arts, commerce and science. It is suggested tat due weightage should be given to professional qualification. Managers should be appointed with the background of professional
degrees. This will effect the managerial effectiveness of the bank.

It is found that managerial effectiveness of the mariners is judged by the higher rank person. But best judgement can be done by the colleagues and customers. So it is suggested that colleagues should be asked to assess the effectiveness of the manager. Young managers consider customer are best judge to assess effectiveness of manager. The boss and the subordinates should not be taken into consideration.

During the survey it is also told by the respondents that they are transferred before the expiry of the stipulated period. This creates instability in the family life of the managers. When they become familiar with the new environment, in the meanwhile they are transferred. It is suggested that duration of stay should be increased to 3 to 5 years. By implementing this suggestion, managerial effectiveness of managers will increase.
During the survey it is found that majority of the managers are concerned with job satisfaction and some managers of the branches in H.P. are not satisfied due to lacks of facilities. It is suggested that working conditions of the managerial staff should be improved so that they can get job satisfaction. Hence it will effect the working of the bank.

Inputs are obtained from the outside the system, for an individual human being, the inputs are food, air, heat and information, for an organization they are information i.e. energy, raw materials, people, knowledge etc. In the era of IT, it has been observed during the survey that 82% of managers are positive towards use of information of technology in the bank. It is suggested that keeping in view the throat cut competition in banking sector, top management should stress for employment of Central Banking System (CBS), which in result reduce transaction cost and easy access to consumers.

During the survey, it is also seen that in Bank's salaries of the subordinate staff exceeds those of the persons in management cadres. It is suggested that
something creative has to be done about this to save the situation arising from driving away managerial talent. Some difference in the total pay should be made for different cadre. Delay in promotions is to be stopped.

Communication system is the backbone of any organization in this era of information technology but communication facilities in the bank are found at average. For effective management effective communication is required. So communication facilities in the bank may be improved to increase the performance of managers.

The performance of managers depends firstly on his ability or skills to perform the job and secondly his motivation to use his ability or skills in actual performance of the job. The performance of manager is not equal to the sum total of his ability or skills, to perform the job. The performance of managers is not equal to sum total of his ability and motivation but rather to the product of ability and motivation. Last but not least, it is suggested that to effect the managerial effectiveness in bank top management should take
steps to increase overall skills of managers required to perform the banking functions and motivate the managers to use their skills for rendering the banking functions.

Bank being a financial institution has some constraints in executing new ideas. Still a positive and analytical thought is required for the new ideas conceived by the managers. In this age of change, bank management should accept the change and try to execute the new ideas of managers in the interest of bank and economy as well.