CHAPTER-II

RESEARCH DESIGN
2.1 Introduction:

One of the most important human activities is managing. Ever since people began forming groups to accomplish aims, they could not achieve as individuals, managing has been essential to ensure the coordination of individual efforts. As society has come to rely increasingly on group efforts, and as many organized groups have become large, the task of managers has been rising in importance. Managers are charged with the responsibility of taking actions that will make it possible for individuals to make their best contribution to group objectives. 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 effectiveness 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 terms of performance not personality. Effective managers and
effective managing will lead inevitably to good things that is the achievement of goals for which they are working in the organization. Thus what will be the outcome depends upon the type of organizations they are working for. There may be some conflict about the goals and their measurement criteria, but here it is sufficient to say that managerial actions and behaviors must contribute to the realization of organizational goals.

Banking system in India is an important service sector of the economy and has developed itself into an effective instrument of socio-economic change. After nationalization of major banks, their network has expanded geographically and diversified in complex and challenging areas. Now public sector banks are growing in size and entering into new areas of business, which are most probably merchant banking, mutual funds, credit cards, non-banking company etc. All this requires technical and managerial human power for future. The future need of the banking sector can only be met, if the present human resources are developed and utilized.

Management is a universal process in all organized, social, and economic activities. Wherever there is human activity, there is management. In our real life we see that every activity we undertake involves an element that ensures coordination and
cohesiveness to the activity, without which our acts would be unproductive and ineffective like the domain of ancient philosophers all mankind is the management’s province.

In developing countries like India Public enterprises are treated as one of the principal agents for rapid economic and social transformation by establishing an integrated infrastructure and core sector and closing the gap in industrial structure. The productivity and performance of public sector including public sector banks is not very satisfactory especially after nationalization in India. The falling rate of performance growing job dissatisfaction and disturbed industrial relations exists in most of the enterprises.

Effective management is main component of any organization and its proper development is the key to success. The growth and survival of service organization like banks depends upon the managers in which people are recruited, developed and utilized effectively. Effective utilization of human force is essentially a first step in process of effective management.

2.2 Present Study: The present study is concentrate on “Managerial Effectiveness of Public Sector Bank Officers’ with
special reference of Punjab National Bank in Himachal Pradesh”. The Punjab National is one of the biggest and largest public sector banks in India. PNB was incorporated as a part of swadeshi movement. It was owned by 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 the Britishers. PNB was born on May 19th 1894 on the economic horizon of the country. The bank opened for the business on April 12, 1895 and Lala Lajpat Rai opened the first account with the bank. Punjab National Bank is serving 3.5 crore customer through 4474 offices. The bank was recently ranked 38th amongst banking companies by the leading financial daily, Economic Times. PNB’s attempts to provide vast customer service has earned it 9th place among India’s most trusted to quality brands in economic times – A.C. Nielson Survey. PNB is also ranked 313 amongst 1000 banks in the world according to “The Banker” London.

At the same time, the bank has been conscious at its social responsibilities like development of agriculture and allied activities and small-scale industries. Considering importance small scale industries bank has established 31 specialized branches to finance exclusively such industries. The bank has contributed

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significantly to the development of trade and industry for the country.

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 officers in PNB of H.P.

2.3. **Problem Areas:** The researcher was motivated to study the area of effective management, because of growing lacks of leadership qualities, dissatisfaction, lack of integration of organizational goals of employees, lacks of professional skills, low productivity and return on investments etc.

Our effort is to elicit from a large cross section of practicing managers from the public sector banks, their opinion on the subject of managerial effectiveness. The study shall not only help the banks and its officers but also guide policies makers in various ways. The study is expected to suggest new areas of research in the subject of researcher.

2.4 **Need of the Study:** Managerial effectiveness is a basic requirement of any dynamic organization. Success of an
organization depends on the working styles and effectiveness of management. Effectiveness represents output, not input. Manager must think in terms of performance and not personality. Effective management depends on how well managers do their jobs, i.e., how well they perform the management functions in seeking to accomplish predetermined objectives. We need result oriented managers these days. All these factors make the study of management effectiveness most important in India. Only effective managers can achieve organizational goals and hence the goals of our national planning. The manager has become very important factor in the progress of any organization. Nothing can be achieved without the effectiveness of manager. All activities of manager, will effect directly on the working of any concern.

From the history of bank it is very clear that it is an old organization which has completed more than 100 years and spreading all over the country. By opening the branches not only in Himachal Pradesh, but also in different part of India has generated the employment for educated people. Employment has been given at lower as well as higher level. Every branch is run by a manager/ deputy manager means manager/ deputy has become key factor for the functioning of bank. More over manager's efficiency or effectiveness will directly hit the atmosphere of bank
and development of bank. Managers take most of decision. So I decided to study the topic, managerial effectiveness of public sector bank officers.

2.5 **Objective of the study:** Since management effectiveness is the basic importance of modern organization. Various experiments have been conducted which have resulted in the development of certain scientific principles, which cannot be ignored; its importance is to be effected in the working of organization.

The Objectives of present study are –

1. To study the organization structure and operations of the Punjab National Bank in Himachal Pradesh.

2. To see how the effectiveness parameters are in Punjab National Bank in Himachal Pradesh.

3. To study the effect of managerial effectiveness in working of Punjab National Bank in Himachal Pradesh.

4. To study various dimensions of organizational climate and role of management effectiveness in Punjab National Bank.

5. To study the effects of H.R.D. and development programs on working of managers in Punjab National Bank.
6. To study the existing system and practices of managerial effectiveness in Punjab National Bank in detail.

7. To give overall conclusion and suggestions to improve the managerial effectiveness in Punjab National Bank.

2.6 Scope of the Study: 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.

The study will not cover theoretical frame of reference but practical aspects also. The theoretical framework shall include concept, philosophy and evolution of managerial effectiveness. The practical aspects shall cover analysis of data connected with current practices and contribution of managerial effectiveness in terms of goals of the organization and objects of study.

2.7 Methodology:

2.7.1 Universe: The officers of Punjab National Bank, Shimla Zonal Office form the universe of study. Zonal Office Shimla came into being on 13th April, 2002. The entire operational area of
Zonal Office Shimla is divided into four administrative Regions, each under one Regional Manager. The Deputy General Manager/Zonal Manager is the executive head of the all four Regions.

2.7.2 Sample: The sample size is 200 officers of Zonal Office. The total PNB branches in Himachal Pradesh are 214. The sample consists of Officers from all grades selected on the basis of random sampling.

2.7.3 Variables and Indices: As the study covers managerial effectiveness in PNB, the various indicators such as appraisal system, training techniques and facilities, career planning, organization development interventions were considered and analyzed.

To study the appraisal system of the organization indicators like satisfaction of appraisal system and how it helps in identifying training needs were studied. Respondents were asked about the basis of evaluation of performance and were asked to rank three criterions in order to their preference. Respondents were also asked to give suggestions for the improvement of existing appraisal system to enable the researcher to throw light on the weaknesses of the system and furnish suggestions for management and organization as a whole.
To see the extent of organization development and various steps taken to improve the organization climate, questions were asked in the form of statement where respondents were to say yes or no or give extent of their agreement. The statements were designed to conclude the belief of management. Four statements were designed and used to measure relationship of work and job satisfaction. To studying organizational climate five dimension viz., working conditions, training, rewards, discipline and communications pattern were analyzed on the basis of respondents.

2.7.4 **Data Collection**:- The data was collected from the organization under study from primary as well as secondary sources. The primary data for the purposes was collected through questionnaire, interviews and observations. Questionnaire was prepared with all care keeping in view the objective of the study. Before finalizing the questionnaire, it was shown to the experts in the field and it was altered and reformulated a number of times. Pre-test was conducted on 10% and a few questions or statements, which were not clear enough to get a proper response were altered and final questionnaire was prepared.
The primary data was supplemented by secondary data available from published reports, manuals, circulars, notifications, publications and other literature related to the topic under study. The relevant information from various research journals, book etc. were also referred for the purpose.

2.7.5 **Tabulation & Analysis:** After collection of data, it was categorized. Coding in numerals was done and a code designed was prepared before tabulation. The code given are as follow :-

- To high extent = 3
- To some extent = 2
- Not at all = 1
- Agreed = 3
- Neutral = 2
- Disagreed = 1
- Good = 3
- Average = 2
- Poor = 1
- yes = 1
- no = 2

The collected data was edited and tabulated before statistical treatment was given. Various statistical tools viz. averages, percentages, Standard Deviation, Co-efficient of variation, Skewness, Co-relation, Chi-Square tests etc. were applied to derive results and findings. The data was analyzed through S.P.S.S.
The Chi-Square is calculated as

$$\chi^2 = \sum \frac{(F_o - F_e)^2}{F_e}$$

Where:

$F_o$ = Frequency of occurrence as observed.

$F_e$ = Frequency of occurrence as expected.

The degree of freedom (d.f.) is calculated as under

$df = (K-1)$

Where $K$ = Number of classes.

The significance is tested at 0.01 and 0.05 level for various degrees of freedom to interpret the data and to arrive at the conclusions.

2.8 **Limitations:-** The study is subjected to the certain limitations, which could not be perhaps avoided. The limitations may be explained in following points:-

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

3. Human beings were hesitant and reluctant to depose functioning and weak points of their organization in the course of opinion survey conducted by the researcher. It was difficult to get data on certain aspects in the course of survey through questionnaire and interviews.

4. The scope of the study was kept limited due to scarcity of time and resources.

5. Incomplete and wrong information and responses to some questions could not be avoided.

6. The authenticity of the information, collected through the primary probe is also of a limited extent.

2.9 Plan of the Study:- The study has in all 7 Chapters including the present one. The study of managerial effectiveness of public sector Bank officers with special reference to Punjab National Bank in Himachal Pradesh has been divided in seven chapters. All chapters cover very aspects of the topic.
Chapter-I: deals with managerial effectiveness examine the theoretical references and aspects on managerial effectiveness. Attempts have been made to find out the suitable and comprehensive meaning and definition of the concept of managerial effectiveness. Chapter-II deals with Research design, contains various aspects of research such as need, objective and scope of the study has also been included in this chapter. Review of existing literature and contribution of various scientists is examined in the chapter. Chapter-III gives an over all view of Punjab National Bank history, functions, objectives, creations and present position. Chapter-IV contains various aspects of organization structure of Punjab National Bank. Draw backs and suggestions for improvement in organization structure has also been discussed in this chapter. A brief profile of PNB in Himachal Pradesh is also included in the chapter.

Chapter-V: Examine the operational prospective of PNB, its growth, expansion, business area, technology and information network of the bank. Chapter-VI, Analysis of Data deals with opinion survey, personal discussion with respondents through questionnaire regarding managerial effectiveness and satisfaction of appraisal system etc. Chapter VII in last summary findings, conclusion and suggestions of the study is given. It highlights the
strength and weakness of Punjab National Bank and suggestion is given for improvement of PNB with related management effectiveness.

2.10 **Review of Literature:** In this Chapter, an attempt has been made to present a review of literature available in the area of bank management in general and performance appraisal of Commercial Banks in particular. We have, however, selected only the empirical studies conducted on the subject. The review of literature, albeit in brief is likely to provide a birds’ eye view of the work done in India and abroad relating directly or indirectly to the subject matter of the study. It may also indicate the search gap that exists today in the important area of management of Commercial Banks particularly in India.

Susan J Ashford and Ane S. Tsui (1991) conducted a field study on **Self – Regulation for Managerial Effectiveness - The Role of Active Feed back seeking.** This field study examined the feed back – seeking behaviour of 387 managers as observed by their superiors, subordinates and peers. They concluded that managers tendency to seek negative feed back increased the accuracy of their understanding about how these feed back sources evaluated their work. Seeking Negative feed back further enhanced the three constituencies’ opinions of the managers
overall effectiveness. Seeking positive feedback, in contrast, decreased constituent's opinions of the manager's effectiveness. Such results demonstrate the importance of both instrumental and impression management concerns in the feedback seeking process and support the proposition that active feedback seeking is a central part of a total process of self-regulation for managerial effectiveness.

P.S. Asthana (1997) delivered an article on **Personal effectiveness and Value** system. He concluded that Personal effectiveness leads to managerial effectiveness. This can be improved by adopting our ancient value system. Ethics and values must remain at the centre of our concern for Human resource development. He has suggested thirteen elements of value system i.e. the individual must be respected, co-operation and trust, jealousy is harmful, chitta-shudhi or purification of mind. Top quality service, work is worship, containment of greed, ethics — moral soundness, Self discipline and self restraint, customer satisfaction, creativity, the inspiration to give renunciation and detachment. To be effective one has to do work with pure mind and heart. To have pure mind, he has suggested five practices i.e. Silence, Pranayam (Deep breathing), Shunya (making mind blank), Concentration, Concentrate on your heat. Practicing all these steps leads to
effectiveness and self-purification. It is difficult to have this attitude all on a sudden, one has to take the first step and try to reach the goal.

Dr. Badar Iqbal (1994) conducted a study on **Performance Appraisal of Commercial Banks**. He writes commercial banks have been playing vital role in the process of growth and development in Indian economy. They act as Trustees for the savers, who deposit their money with them. They also act as facilitators for those who need resources for growth and development and investment for productive use. They are considered to be the most vital facet of country's economic infrastructure. A modern economy could not function effectively and efficiently unless they work well as they provide a channel through which a credit flows. Effective and efficient institutional support is the need of the day. The existing level of managerial and institutional support must be strengthened. They must be technological sophisticated, commercially responsive, managerially innovative in nature and character. What should be done:

1. To develop and generate a sense of competition.
2. To ensure high quality service.
3. To make them financial sound.
4. To formulate realistic business strategies.

5. To evolve decisions support structure meaning thereby MIS.

6. To ensure greater degree of control on HRD.

7. To inject the very concept of work culture.

8. To streamline internal control system.

9. To ensure high degree of supervision of the banking operation.

10. To infuse high degree of morale among the employee.

If the said issues are carried out on their merits and spirits, then a better future could be assured to Indian scheduled commercial banks, which is the need of hour.

Dr. Sunita Singh, Sen Gupta (1999) conducted a study on Competence: The Source of Managerial Role Effectiveness. The authors were interested in studying the work group effectiveness. Five departments i.e. Savings, loan, clearing, current and cash were chosen from each sampled banks. These groups were consisted of One manager and Two-Three non-managers depending on the size of the department. Altogether 190 respondents participated in the study. Study concluded that for
organization to survive economically and to gain competitive advantage, in the current environment, due recognition must be accorded to people working their in. Since people can and do contribute meaningfully to the success of any organization, their development and growth should be genuine interest of the managers. The findings of the present study emphasized on competence to be dependable source of being effective in ones role. Supportive work environment along with good history of relationship between managers and non-managers make the work environment congenial.

Dr. David Freemantle (1988) has written in his book “Complete guide to Modern Management” that Britain's Industrial decline in the 1960s 1970s and early 1980s resulted from one thing: Poor Management – of the economy, of Industrial relations and of Managers. Atrocious industrial leadership led to declining productivity, declining profits and declining morale. In 1978, investment increases in British due to renaissance of effective British management. The key has been in the management of human relation. Substance of human relation for effectiveness are – leader have to be by nature entrepreneurial, innovative, caring, accountable, honest, problem solving, of course highly motivated to achieve a personal vision of success.
S. Bhattacharya (1983)\(^6\) has mentioned that for managerial effectiveness. The Thames Valley Regional Management Centre (U.K.) has given the following criteria:-

Managerial effectiveness is the relationship between performance and task objectives and between achievement assessed against goals and purposes with in the constraints imposed by the manager himself, by his position in the organization and by the social-economic environment.

Dr. Shailendra Singh (2000)\(^7\) conducted a study on “Relationship between Managers Authority, Power and Perception of their Subordinates behaviour.” 340 Managers belonging to four Public and for private sector banks participated in the study. These managers had average work experience of 18 years and average education of Graduation. He concluded that managers consider themselves either powerful or powerless depending on how they perceived their subordinates. Managers preferred to use the available authority sparingly. Enforcing discipline, authority to sanction, authority to reward and persuasiveness contributed positively to powerfulness of managers. While appeasement and doing personal favour to superior contributed negatively to the same. Powerful managers
considered themselves more effective and satisfied. Persuasiveness and enforcing discipline were positively related with personal effectiveness and satisfaction with work and satisfaction with support. This study also suggests that ideally both personal and position power should be used to influence ones subordinates. What when one is forced to opt between the two opt for position power that produces both love and fear among subordinates.

According to Dr. C.B. Gupta (1992) managerial effectiveness is the function mainly of three variables namely:-

- Managers
- Organization, and
- Environment.

Effective executives tend to be decisive, well informed, energetic, creative, responsible, foresighted enterprising and intelligent. Empirical studies have revealed that an executive who joins an organization ultimately adopts the work culture and commitment prevailing in his organization. Environment has become a key variable in managerial success. To some extent an organization and its executives can influence the environment to make it conducive to managerial effectiveness.
Paul and Keneth (1996)\(^9\) have distinguished between management effectiveness and leadership effectiveness. Leadership is a broader concept than management. Management is thought of a so special kind of leadership in which the accomplishment of organizational goal is paramount. Leadership is simply an attempt to influence, for whatever reason. If one is successful in attaining his personal goals in a Company, he may be effective leader, but not effective manager.

K.K. Ahuja (1996)\(^10\) concluded that managerial effectiveness of public enterprises depends on establishing clear objectives and goals to be achieved over a specific period of time.

**The objective of public sector are:-**

- To create enough surplus for their operation as well as growth and expansion.
- Ability to compete in market by choosing the right marketing mix.
- Leading in area of innovation, technological research and development.
- Optimum utilization of its resources
• Satisfaction of its employee, maintaining their motivation and morale by providing them growth and development in the organization.

• Maintaining good industrial relation and creating a feeling of confidence and understanding among organized groups.

• Satisfying the expectation of various clients, groups such as consumers, state and public.

• Last but not least achieving the socio-economic objectives.

There is confusion in public mind as well as in public sector management itself as to criterion on which there performance should be judged. The multiplicity of objectives leads to alibis on the one hand and discouragement on the other. Therefore, it is necessary that all the objectives be spelled out right at the beginning and should formed the basis of gauging the performance of the public sector.

W.J. Reddin (1987)\textsuperscript{11} has explained that managerial effectiveness needs to be sharply distinguished from apparent effectiveness. Apparent effectiveness is simply looking effective. Think of those qualities, which may or may not lead to effectiveness, "usually on time, answers letters promptly, makes quick decision, good at public relations, good writer". These all gives air of apparent effectiveness. However, they may or may not
lead to managerial effectiveness. Any behaviour must be evaluated in terms of its appropriateness to the needs of situation. Appropriate behaviour is effective behaviour. In short, energy or appearance is often confused with effectiveness. Managerial effectiveness is not an aspect of personality. Managerial effectiveness can only be described in output terms and all needed positions have outputs.

L.M.. Prasad (1998)\textsuperscript{12} has explained that the managerial effectiveness has been mostly defined in terms of organizational goal achieving behaviour. Managerial effectiveness, like organizational effectiveness, must be seen in terms of optimization and not maximization. The effectiveness manager is an optimizer in utilizing all available and potential resources – material, human and financial – both within and without organization towards its sustained long terms functioning. Based on this effectiveness managerial job behaviour has been defined as ‘any set of managerial actions believed to be optimal for identifying, assimilating and utilizing both internal and external resources towards sustaining over the long term, the functioning of organizational unit for which managers have some degree of responsibility’.
S.K. Chakroborty (1987) has concluded that each manager is an energy processor. Therefore, managerial effectiveness is to be judged by the proficiency, attained in energy processing in the psychological sense. The two principle instruments that manager employs in energy processing for work are his or her mind and brain. Brain is a part of physiology while mind is a psychological concept. Managerial effectiveness besides knowledge needs wisdom. Indeed, wisdom subsumes and transcends knowledge. A manager can not be a wise without being integrated, an integrated personality can not but be wise.

C.L. Littlefield, Frank, Donald (1978) have defined management’s tasks as setting objectives for an enterprise, then leading the enterprise in achieving these objectives. An integrated management system plays the vital role in managerial effectiveness. Specifically, a system may be defined as a group of integrated and inter-dependent parts operating in the sequence, according to a pre-determined plan in order to achieve a goal or series of goals. System make the following contribution to managerial effectiveness:-

- Focus on end results.
- Plan on action i.e. purposeful, orderly and efficient.
Co-ordination of specialized activities.

Basis for control.

Liberation of management.

N.M. Panda (1997) states that since nationalization of 14 major commercial in 1969 and further 6 in 1980, the banking industry has grown significantly in size and stature resulting in phenomenal geographical expansion and functional diversification. The massive expansion of banking programmes has called for setting up a number of controlling units, viz. zonal, circle offices, divisions, regional offices, areas offices, branch offices etc. and style of decentralized management. The role of corporate Head office is now confined to making strategic policies and controlling the performances of zonal and divisional offices and also of other functional departments for the attainment of the banks objectives. In practice, since the dynamic environment guiding various controlling units remains unpredictable to some extent, the banks are to provide some degree of flexibility to adopt to the changed environment. In such a situation effectiveness of the above-decentralized units depends on the quality of management at various levels. Hence, it has become imperative for the Corporate office to gauze the quality of management at various units level.
viz. the objectives set and to ensure their satisfactory functioning on the lines expected.

The executive merit in banks is not to be determining on the narrow basis of performance against targets, which is often the case of MBO. The assessment of merit as the executive advances in organization echelon, is related to an increasing number of other factors, contributing to overall objectives such as his ability to work with others, adoptability to organizational changes, creativity, ability to take unpleasant decisions and face the consequences, ability to sense, respond and communicate with different groups in the environment and above all to do all these things without compromising the integrity of the organization.

Nadhu (1977) studies customers perceptions of commercial banks. Findings are

(1) Commercial banks are satisfying the older bank customers more than the young ones.

(2) Older bank customers as groups are more aware of the existence of the various services provided by the bank than the young customers.

(3) Commercial banks are satisfying the female customers more than male customers.
(4) College education or the lack of it does not significantly affect the perception of bank customers in varying degrees.

Stephen Martin (1998) explained that growth in the disposable income of the population, the changing life styles and the global changes and their impact on each economy result in ever changing and diversified needs of the customers. Banks needs to understand the dynamic needs of the society to detailed market survey and structure, innovative products so as to channelise the savings of community and also to satisfy the credit requirements of various sectors of economy. Tele banking, customer terminals, anywhere connectivity of bank branches, are some of the technology oriented innovations, which enhance the convenience of customers. Some section of society do not mind even paying a higher price for such facilities. Specific products needs to be developed suitable to ‘Cost Conscious Customer’ as well as ‘Convenience Conscious Customers’. Further, banks may have to focus product specific innovations to carve out niche market.

K.K. Dewett, J.D. Varma (1988) in their topic on “Banking in India” have expressed that to point out short-comings in the working of nationalized banks is not to be detracted from
their achievements. Their performance is no doubt creditable in several respects:- Diversification of Credit, a distinct shift in accent from the security of the parties to viability of their proposal and a phenomenal growth of small accounts are undoubtedly commendable factors of tier performance. Above all, they have succeeded in changing the image from "a stiff –collared urban bankers to an easily accessible and helpful financier", to millions of Agriculturist and small borrowers, who have never been exposed to banking facilities earlier.

But there is some room for improvement in several directions. Flexibility in the dispersal and collection of advances is needed, procedures streamlined, corruption eliminated and operational efficiency improved.

Sunderam (1984)\textsuperscript{19} in his study has explained that banks have done fairly well in the credit facility programmes under integrated rural projects. But the recovery of loans is the main obstacles in the way of success of programmes.

Although most of the states have passed relevant acts for recovery of advances to agriculture sector, the result has not encouraging and the main constraint is that additional staff and qualified trained managers has not been provided to the institution.
He finds out that the banks should provide adequate staff and skilled manager to follow up and to ensure the end use and recovery of banks dues. Since advances under IRDP other than to agriculture sector would be made by banks under the state-sponsored scheme, these advances may be made recoverable under the public money recoveries Act.

Dr. Man Mohan Singh (1984)\textsuperscript{20} opined that cost of raising resources and earnings from the advances and investments will continue to depend upon rates of interest on deposits and advances prescribed by RBI. Even then there was scope for individual banks to improve profitability by paying greater intention to improving funds management, optimum utilization of staff, improvement in productivity and expenditure control.

C. Rangarajan (1991)\textsuperscript{21} stated that Banking Business had inherent risks and suggested that banks should earn enough to enhance their own resources. He noted that “Net Interest Margin” as percentage of net working funds in India was similar that of US Banks (3.2\% and 3.5\% respectively), however ‘establishment’ and ‘other costs’ were higher in India while non-interest income was lower resulting in low profitability. Besides “external environment” the profitability is also dependent upon “internal efficiency” of operations, which was evident by wide variation in ratio of ‘gross
profit to working funds' amongst various banks. He emphasized that banks had to develop expertise in ‘risk management’ as they were entering new areas of activity where risk was greater.

Murg Sen and Rao (1991)\textsuperscript{22} conducted inter-bank comparison and found that there existed a very low relationship between Banks, profitability. Similarity banks performance in terms of its social objectives was in no way influenced by productivity. They further observed that profitability was in no way pulled back due to banks performance in social objectives and negated the claim made by the banks. They listed low internal productivity as the main reason for bad performance. They advise more flexible interest rates structure, lowering of SLR/CRR in addition to creation of competitive environment for banks.

G.S. Dahotra (1994)\textsuperscript{23} observed that future of Indian banking system would be for performing banks. The banks have to develop and sharpen their skills to scan constantly the environmental changes and in turn adjust their strategies within minimum time. Quick response to the changed environment would be the watch-word for improving and sustaining the profits of the banks.
According to S.B. Singh, the role of manager can best be compared with a honey bee, which collects juice from buds and flowers of different plants without disturbing their texture or fragrance and converts the juice into one of the best natural eatables i.e. honey. In the same way managers using their skills, must gather relevant information through senses and sources for updating and sharing their knowledge for providing best services to their industry, organization and clients. So, for being a successful and effective manager one must be an effective communicator, efficient listener, veracious learner and a willful sharer, which put together will improve his level of knowledge and performance. As has been rightly said, knowledge is strength, which comes only through learning. Therefore managers must make conscious efforts to develop the skills of communication, learning and sharing, which are helpful in acquiring knowledge and thereby making them efficient, effective and performing managers. Thus it can be opined that the knowledge driven performance oriented managers; having their personal brand, are the individuals of worth assets of the organization and ambassadors of the industry. Based on the informal discussions with the employees, managers and executives of the banking industry, (i) Communication skills (ii) Listening skills (iii) Learning skills (iv) Sharing skills are such important critical skills, which result
Sameer 25 writes, that a sustainable society is that society which encompasses itself in the dynamism of the environment. Forces and counter-forces, which influences our environment, are always concurrent. The absence of any these will lead to the disintegration of the society. Any healthy society will overcome the illness of the environment and the situation. The function of effective management education is to instill in the managers, solidarity and dynamism. It is rightly said that the only thing constant in the world is change. Yet all the changes in the world are not good in their own right, hence effective management education as a tool of social control has to perform two basic functions—firstly, to assimilate, preserve and transmit the useful elements of technology and secondly, to develop convenient patterns of consumption. A durable society has to absorb new changes without losing its originality and ethos. In the state of constant flux the management and industry has to respond to such a stimulus by a paradigm shift—to a new viewpoint of modification of ideals. Managers in this world are in a quagmire of indecision and hyper decision. To have a really sustainable society the process of growth will mean media, education, rational ordering of
social, economic, political life and management education last but not least, every industry striving to words the goal of capturing the global markets buoyed by the screams of perestroika and glasnost should discard malevolence of indifference towards a particular society.

Mayer opines that, as a manager you understand your own objectives but here do you define objective for your staff to maximize their efficiencies. After 15 years of pain and triumph in learning about productivity and how objectives are defined, he has outlined tests for good objectives.

These are:

(1). It must be specific.
(2). It must be measurable.
(3). It must be attainable.
(4). There need to be enough Resources.
(5). It must be timed, and
(6). It must be important.

Ideally, we want the employee to attain the objectives without relying on us at every step. We also want the
employee to feel ownership of the objectives. The best success comes when we measure objectives are short periods. For most of us, six weeks is more than long enough to get into trouble and forget our priorities. Measuring and rewarding success each six weeks has the wonderful effect of reinforcing our values with little effort on our part. If we set short and clear time objectives, we transfer ownership to the employee. We can reward success because it is measured.

Traditionally, performance has been viewed as a function of ability and motivation. Dr. Imparato thinks something is missing from this neat equation: an accurate ideas of the managers true role. Increasingly, the failure to boost performance reflects not a lack of motivation or ability, but an inaccurate reading of the manager’s role, which has change significantly from what was needed yesterday, especially in our fast-paced, information-limited, and highly competitive technology-based organizations. Less effective managers dislike changes and prefer predictability, order and stability. Highly effective managers recognize turbulence, flux and ambiguity as facts of life. They know the environment will never “Settle down”. Less effective managers recognize the importance of expertise but are “too
busy" to grow it, often, they see developing expertise as some one else's job. They tend to discourage curiosity and discourage efforts to keep abreast of developments in the technical field, the company and the industry. In dealing with lower levels and other departments, they see their role as moderating and filtering information flow, assuming that this will give people what they need to know to do "most things right".

Highly effective managers, however, see their role as developing experts and expertise throughout the organization. They promote specific skills and "deep talent" in everything from computers to business literacy. They encourage subordinates to find application for new technologies and promote mentoring and education programmes to ensure professional vitality. They concentrate on helping people understand the business and emphasize the importance of widening information flow and building internal systems to pump more knowledge through the organization. In summary, the tumultuous changes around us demand new behaviour and actions. It is much more critical that we understand here how our management style influences our effectiveness.
Fred Luthans and his colleagues conducted a comprehensive study to answer three major questions.

1. What do managers do?
2. What do successful managers do?
3. What do effective managers do?

Answers to these questions can provide insights and specific descriptions of the daily activity of successful (those promoted relatively rapidly in their organizations) and effective (those with satisfied and committed subordinates and high performing units) managers.

1. What do managers do?

(a). Communication: This activity consists of exchanging routine information and processing paperwork. Its observed behaviours include answering procedural questions, conveying the results of meetings, giving and receiving routine information over the phone, reading and writing reports, memos, letters and general deskwork.

(b). Traditional Management: This activity consists of planning, decision making and controlling. Its observed behaviours include
setting goals and objectives, providing routine instructions, inspecting work, monitoring performance data.

(c). Human resource management: This activity contains the most behavioural categories—motivating, disciplining, punishing managing conflict, staffing and training.

(d). Networking: This activity consists of socializing, politicizing and interacting with outsiders. The observed behaviour associated with this activity include non-work related chitchat, informal joking around, discussing rumours, and the grapevine, complaining and putting others down and attending community service events.

(2) What do successful managers do?

To answer the question of what successful managers do, several types of analysis were conducted. In all these analysis, the importance of networking in managers’ success was very apparent. Of the four major activities, only networking has a statistically significant relationship with success. Over all it was clear that networking made the biggest relative contribution to managers’ success and, importantly, human resource management activities made the least relative contribution.
(3) What do effective managers do?

It was found that communication and human resource management activities made by for the largest relative contribution to the manager’s effectiveness and that the traditional management activities and especially the networking activities made by for the least relative contribution. In other words, if effectiveness is defined as the perceived quantity and quality of the performance of a manager’s unit and his or her work group member’s satisfaction and commitment, then the biggest relative contribution to the effectiveness comes from the human oriented activities – communication and human resource management.

S.K. Sinha\textsuperscript{29} opines that all maladies such as increasing incidence of frauds, scams misfeasance, financial irregularities, disregard for prescribed norms and procedures in respect of internal controls apart from a lack of will to serve the bank’s clientele, are persisting due to the administrative failure of human machinery and therefore, requires to be overhauled keeping in view emerging challenges for the banking institutions. This CMDs of Public Sector Banks must ensure that even the good intentions of management are not misunderstood for lack of
communication and participative management. There should be minimum secrecy in decision making. To conclude, the administrative reform in PSBs should concentrate on the following aspects.

(1) PSBs cannot efficiently and effectively function with a galaxy of dissatisfied disgruntled and demoralized rank and file personnel. There should be minimum secrecy in decision making and even personal matters of the personnel should be taken to account before they take shape of grievances and avoidable unrest.

(2) Recruitment of personnel should be merit based from the open market and should be left to individual banks to do this job. The remuneration levels of different categories of staff must be at par with those of the foreign banks and private sector banks.

(3) The placement policy should be such so as to check overstaffing or understaffing. The principle of rotation of duties, desks and places must be scrupulously observed.

(4) A system of inter-bank transfer of CMDs, Executives, Directors and even GMs should be introduced.

(5) The promotional policies should be streamlined. The entire issue of promotional policy should be linked with the object
of achieving administrative efficiency, high morale and effective functioning of the officers who are responsible to get the work done in a manner which is conductive to the overall productivity and viability of banking institutions.

(6) Politicization of appointments of Board of Directors, Chairman and Executive Directors should be avoided and Board should consist of professionals and experts in banking and finance. Government interference in administrative matters should be check.

Without the administrative reforms suggested above it would be difficult to ensure effective supervision and control over the functioning of PSBs.

Ritu Lehal conducted a study on organizational Climate, job satisfaction and managerial effectiveness, total 120 executives selected from different sectors. The data were collected through three questionnaires cum scales.

Organization climate is the human environment within which an organization's employees work. Job satisfaction is a result of various personal and job related factors. It was found
that management must take all the three variables – organization climate, job satisfaction and managerial effectiveness simultaneously if it wants better results and improved productivity in the organization. Management development programmes should be well arranged in the interest of all level of executives. Proper training can be imparted to the executives in order to achieve high level of effectiveness. The level of organizational climate, job satisfaction and managerial effectiveness should be checked at continuous intervals with the help of experts so that the future development policies can be chalked out. For differentiating between effective and ineffective managers, a few professional characteristics may be added to personal characteristics.

Dr. and Ms Boyett write in their article, 'Four essentials for motivating employees in a changing environment', that in the new economy, the days of lifetime job and simple commitment are over. Employees readily announce layoffs. Employees just as readily leave for better offers. In an ironic twist, the new economy knowledge organization proclaims people to be its most important asset then treats them like they are disposable. Balancing the corporations need for flexibility with employee demands for respect and fair treatment
is becoming increasingly difficult, and effective management of human resource is critical. Here are four practices most management experts feel are essential for getting the best performance from employees.

1. **Provide meaning and purpose in work** :- Companies must have a product, a mission, or simply a vision of the industry that employees find exciting and energizing. These employees may not be with you for the long term but while they are part of your work force, they want to accomplish something worth while.

2. **Be work / life friendly** :- Offer your workers a range of benefits such as flextime, compressed work weeks, telecommunicating, job sharing, on site child care, banking and dry cleaning. More importantly, it means working with employees in a genuine effort to be flexible.

3. **Share the rewards** :- In our knowledge economy, time is becoming increasingly disconnected from value. Today, value lies in the knowledge and skill which are applied to create, innovate, produce, service, entertain and excite – not in hours expended. Employees today want to share in the financial rewards of what they produce, and they want to
be compensated for the value they deliver not the hours they invest.

4. **Open the Books**: By definition, open book management means just that opening the books, sharing the information, giving every employee access to the financial and operating data. If you really want to motivate your employees, you have to quit keeping secrets. You have to “Open the Books”.

Times really have changed. Employees’ expectations are certainly much different. You can no longer motivate them any longer with the offer of a simple exchange — their commitment and loyalty in return for a job. Maybe that is why these four essentials are essential.

Manohar Padhi writes in his article ‘management effectiveness’ that after economic liberalization, pruning of surplus staff through VRS and vast competition for banking business, an increased need has been felt to increase the managerial effectiveness. A manager is often regarded as the hub centre of the vehicle of
development of a bank the key factors for improving managerial effective are: -

- Managing Self
- Managing relationships
- Managing stress
- Time management
- Planning and focus

Before managing the resources and people, a manager must first manage himself. A manager must has to make a self introspection of his abilities, experiences, strength and weakness for achieving the organizations mission. It is essential for a manager to develop a good support with the boss. He has to remember that a subordinate is expected to be flexible and not the boss. Needs can be met, Greed’s never. “Chitaa” burns is only we are dead, but chinta burns while we are alive. Chintas make a beeline at the entrance gate of human mind, and if allowed admission; it would lit the lamp of “stress”. A manager should know how to manage his time which is interrupted by his boss, subordinates, colleagues, outsider and also by mail, telephone calls and social engagements and so on. It is better to think and Ink than Ink and think. The effective managers are successful
because they spend more time in planning, evaluating and getting concurrences from various people affected.

Thus a manager will be effective when his words, thoughts and actions are creative. A manager to be champion of the present day banking has to develop Will and Skills. But will is more powerful than the skill.

Carole Page, Marrie Wilson, Denny Mayer in their research paper presented at the Academy of Business and Administration Science Conference, Barcelona, Spain in July 1999 have expressed that effectiveness is most often defined in terms of individuals' ability to set and achieve goals, where it is implicitly assumed that managerial effectiveness leads to organization effectiveness. To be effective they identified two dimensions of input, skills and characteristics and three areas of applications, self, interactions and organization.

(1) Personal Characteristic refers to those things about managerial effectiveness that are abstract and tend to be hard to objectively
define and measure. Many believe these characteristics can not be taught / developed either one has it or one does not.

(2). Technical skill refers to those things that are relatively easy to objectively define and measure. There are development programmes teaching skills.

Management attributes on the basis of skills and characteristics are, Positive attitude, Conceptual thinking, Manage change, Creditability, Initiative, work pressure, Critical thinking, self / time management, Communication objectives, influence others, Verbal Communication, Communicate vision, Perceptive, Goal / Results focus, Interpersonal Skill, Delegate, Strategic vision, Role model, Business planning, value people, Responsiveness. Only managers who were rated extremely effective were included in this analysis to determine the skills and characteristics of an extremely effective manager: there is substantial evidence that managers seeking to become more effective could follow the example of extremely effective managers and concentrate on developing and applying these skills and characteristics.
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