



A STUDY ON MANAGERIAL EFFECTIVENESS IN SELECTED NATIONALIZED AND PRIVATE BANKS WITH SPECIAL REFERENCE TO GUNTUR DISTRICT

Chevula Narasimha Raju* **Dr. Talluri Sreekrishna****

**Research Scholar, Department of Commerce and Business Administration, Acharya Nagarjuna University, Andhra Pradesh.*

***Department of Management Sciences, R.V.R & J.C. College of Engineering, Andhra Pradesh.*

Abstract

The present study is based on effectiveness of management in banks in India. Banks have efficient organizational structure consisting of well qualified, trained and experienced managers and staff members. The study of the bank's performance along with its managerial effectiveness is herewith undertaken. The study has also undergone the history and evolution of the banks in India. For the banks, effectiveness of managers is crucial. They undertake best effort to motivate their employees within the banking system. The study proposes a reflection both on research opportunities and on the management challenges of banks with particular emphasis on managerial effectiveness.

Keywords: Banks, Effectiveness, Management etc.

Introduction

The word "Bank", itself is derived from the word 'Bancus' or "Banque" that is, a bench. The early bankers, the Jews in Lombardy, transacted their business on benches in the market place. When, a banker failed, his 'banco' was broken up by the people, it was called 'bankrupt'. This etymology is, however, ridiculed by McLeod on the ground that "The Italian money changers as such were never called Bunchier in the middle ages."

Banks Nationalization

After independence, India adopted a socialist pattern of society as its goal. This means in non-technical language a society with wealth distributed as equitably as possible without making the country a totalitarian state.

So, in 1955, the Imperial Bank of India was nationalized and its undertaking was taken over by SBI. Its transformation into SBI has been effective from July 1, 1955. There were 7 Subsidiaries Banks. Their Associate Banks were 5960. The State Bank group including State Bank of Hyderabad, State Bank of Mysore, State Bank of Travancore, State Bank of Bikaner and Jaipur, State Bank of Indore, State Bank of Patiala and State Bank of Saurashtra.

As regards the scheduled banks, there were complaints that Indian Commercial Banks were directing their advances to the large and medium scale industries and big business houses and that the sectors demanding priority such as agriculture, Small Scale Industries and exports were not receiving their due share. This was one of the chief reasons for imposition of social control by amending the Banking Regulation Act., with effect from 1-2-69.

Importance of the Research

The study gives an idea of customer oriented managerial effectiveness of both types of bank managers. Sometimes, managers are also helpless and facing some problems. They can also assist bank authority by giving some extra ordinary suggestions. This study focuses on this area.

Research Gap

According to the researcher, no research was found related to customers' preference. Customer's satisfaction leads to preference of his or her bank. The satisfaction is depended on the managerial effectiveness of a manager of the particular bank. As far as the study of customers' preference and its relation with managerial effectiveness (customer oriented) in nationalized and private banks have not been found so far. There is a competition between nationalized and private banks regarding services to customers. So it is a keen need to study this matter. That is why this topic is selected by the researcher.

Sampling Design

The population of the study consists of all types of customers in nationalized and private sector banks. It also consists of all the managers in different categories of a particular branch in both the banking groups. But as far as the number of customers and managers in the banks of Gujarat is quite more, and the study is undertaken by an individual researcher. It is not easy to contact all. So, the convenient random sampling is selected as under:

For Managerial Effectiveness

Bank	Given	Response
Nationalized	60	41
Private	40	15
Total	100	56



Scope of the Study

The scope of the study is very wide. To evaluate managerial effectiveness, six cases are developed by the researcher related with customers. The priority to meet the customers, and the problems and suggestions from the managers to improve managerial effectiveness are covered also. So, the scope of this research is wide in this direction.

The Nature of the Study

It is an empirical research. The number of managers of selected nationalized and private banks is quite more. So, it may be beyond the capacity of an individual researcher to pursue the study on hundred percent enumerative basis. So, the study is undertaken on the basis of adequate size of sampled bank customers and managers discussed in sampling design.

Investigative Questions

This study focuses on satisfying measures taken by nationalized and private sector banks. It also focuses the managerial effectiveness related to customers in both the banking groups. Through this research, the researcher would like to address the following questions:

1. Whether the information availability in nationalized and private banks is same as not.
2. Whether the rates of both the banking groups are affordable and attractive for the customers or not.
3. Whether the process of loans and advances of both types of banks is satisfactory for customers or not.
4. Whether the behaviour of staff towards customers in both types of banks is satisfactory or not.
5. Whether the office environment and physical condition of both types of banks are same or not.
6. Whether the managerial effectiveness of managers in both types of banks are satisfactory and same as not.

Objectives of the Study

1. To evaluate the product information readiness for nationalized and private banks.
2. To evaluate rates and loan process in both the banking groups.
3. To observe behavioral aspect of employees towards customers in both the groups.
4. To observe internal & external office environment in both the banking groups.
5. To evaluate managerial effectiveness of nationalized and private banks.
6. To study the problems faced by the customers and managers of both the banking groups.
7. To get suggestions from customers and managers for better managerial effectiveness.

Hypotheses

The Broader Hypothesis would be as under:

- H_{01} There is no significant difference in managerial effectiveness in nationalized and private sector banks.
 H_{02} There is no significant difference in mean score of managerial effectiveness and other variables.
 H_{03} There is no correlation between customers' preference and other individual variables in case of all types of banks.
 H_{04} There is no correlation between managerial effectiveness and other individual variables in case of banks.

Data Collection

The study is based mainly on primary data and supported by secondary data. The primary data is collected from the managers with the help of questionnaires to evaluate managerial effectiveness. To evaluate the customer oriented managerial effectiveness, a case based questionnaire is prepared by the researcher regarding six cases related to customer service orientation and the problems faced by the managers and suggestions received from the managers of both types of banks. The priority to meet the customers is also asked to managers.

Data Analysis

The collected data is duly edited, classified and analyzed by using appropriate and relevant statistical techniques. The most appropriate parametric and non-parametric tests are used by the researcher. The data has been presented through univariate and bivariate classification with the help of percentage, average dispersion, correlation and association.

Findings of the Study

A study of managerial effectiveness of bank managers was done by the researcher. To find out managerial effectiveness, a case based questionnaire was framed by the researcher having five point scaling technique. After testing of hypotheses, the following findings were found:

1. After studying all the six cases and their responses from the sampled managers with five point scaling technique, it was found that the managerial effectiveness of nationalized and private sector banks was very much high and satisfactory. It says that the approach of service in bank managers is positive towards customers in this sampled study.
2. By testing the hypothesis regarding managerial effectiveness of bank managers, it was found that there was no significant difference in mean score of managerial effectiveness and qualifications of managers. Qualifications do not affect on managerial effectiveness. May be the other qualities can be more important factors to be effective.



3. It was also found during this study that there was no significant difference between mean score of managerial effectiveness and area of activity of managers. Area of activity does not affect on effectiveness, particularly in this sampled study. It may be urban, semi-urban and rural areas; the concept of effectiveness of managers remains same in banks.
4. People generally believe that private banks are more effective than nationalized banks. But in this study, it was found that there is no significant difference in effectiveness of bank managers regarding types of banks. Effectiveness of private and nationalized bank managers are almost same.
5. The correlation between age group and managerial effectiveness was found negative. It was the indication, that in this sampled study, there is a negative correlation between age and managerial effectiveness. So, it can be said that, in this study, young managers are more enthusiastic and effective, so young managers have the higher managerial effectiveness. If the age increases, managerial effectiveness may be reduced. No doubt, the degree of negative correlation is very low.
6. Very low but positive correlation was found between the managerial effectiveness and experience. It has shown that more experience can lead to better managerial effectiveness of these sampled managers. On the other side, less effectiveness may be in managers because of their less experience. Some situations may arise in banks, where only experience can work. Experienced managers have the sense of solutions and sense of serving customers.
7. Financial aspect is one of the important incentives for any employee. It is also proved in this study. Very low and positive relationship was found between the income and managerial effectiveness. It had shown that if a manager earns more income, he might be more effective. But it may not be right in all the cases because there was very low degree of positive relationship between these two variables.

Suggestions

- Customers are expected to know the bank procedure in order to know the bank procedure.
- Customers ombudsman should be opened in main city of the district.
- The bank should provide good environment in order to face huge number of customer like head branch all sub branch need same facility.
- The bank should charge deposit rate and discount rate the bank should inform to the customers mobiles.
- Effective use of communication network by the bank
- If the bank introduced new bank scheme the notice board should display in front of the bank.
- Customer queries should be opened in order to avoid mistake.
- The separate counters should be allotted for providing passbook and collection of cheque.

Conclusion

The managerial effectiveness calls for urgent attention. It can be better judged in a certain behavioral attitude of managers regarding their positive role in the cooperative functions, public management is more sensitive, personalized, context-dependent and cannot be managed through a set of predefined techniques. Public management is no longer just a support function but a strategic tool for competitive advantage. If a manager perceives his role as creative, proactive, reactive, problem facing, integrated with other roles, influencing, he will be more effective in his role. Managerial effectiveness in cooperative banks in multi faced phenomena and it is the right time to think as to what really constitutes effectiveness in cooperative banks.

References

1. Chakrabarty, K. C. (2013), "Banking Structure in India - The Way Forward", Discussion Paper released by Reserve Bank of India on August 27, 2013 and accessed from <http://rbi.org.in/Scripts/PublicationReportDetails.aspx?ID=713> 60.
2. Chakrabarty, K. C., (2012), "Human Resource Management in Banks- Need for a New Perspective", Inaugural Address by Deputy Governor, Reserve Bank of India at the HR Conference of Public Sector Banks at Mumbai, RBI Monthly Bulletin, July 2012, 1285- 1290
3. De Grip, A., and Sieben, I. (2005), "The effects of Human Resource Management on small firms' productivity and employees' wages," *Applied Economics*, 37, 1047-1054
4. Dreher, G.F. and Dougherty, T.W. (2005), "Human Resource Strategy: A Behavioural Perspective for the General Manager", New Delhi: Tata McGraw-Hill Publishing Company Limited
5. Firth, L., Mellor, D. J., Moore, K. A. and Loquet, C. (2004), "How can managers reduce employee intention to quit?", *Journal of Managerial Psychology*, 19(2): 170- 187
6. Harel, G. H., & Tzafirir, S. S. (2001), "HRM practices in Public and Private Sectors: Differences and Similarities", *Public Administration Quarterly*, 25 (3/4)