

CHAPTER - VI

SUMMARY AND CONCLUSIONS

In this closing Chapter, it is endeavoured to present the findings in a summary form and the conclusions of the investigation are drawn. Practical implications of the findings for the organisation understudy, professionals as well as for future research are dealt at the end. An executive is a pilot of an organisation. He has authority and responsibilities to carry out certain actions which affect the entire organisation and large number of people. He sets the tone of the organisation (Mandell, 1970). He creates a true whole that is larger than the entire sum of its parts (Drucker, 1977). Vitality and endurance of an organisation depends upon him (Barnard, 1971). In a banking industry he occupies the position of a business leader. He is a visionary. He provides direction, solves problems and harnesses human energy for achieving higher objectives of the organisation.

Screening people to fill up the executive position involves important decision making process. The executive job is very complex and varied. Deep psychological insight supplemented by sophisticated measurement help in efficient selection of executives. Future executives in commercial organisations would be expected to produce goods and services as well as solve the various socioeconomic problems of the society. Only competent and capable executives can successfully face the challenges of their

roles. In this context selection of executives is a vital managerial function. It places heavy demand on time and attention of the top management to have a proper personnel policy and scientific systems for identifying executive potentialities. The field of the study was a large commercial bank having branches all over India. It is supposed to be an instrument of socio-economic change that is taking place in the country. With stiff competition, high operating cost, increasing size and demands for new services, and demands growth in specialization and automation it looks for a new breed of executives to share its burden.

The study covers executives in Scales II, III and IV groups of executives in the bank. Some of the titles covered in these Grade/Scale were Accountant, Branch Manager, Senior Manager (Planning), Senior Manager(Inspection), Manager(Personnel), Regional Manager, Chief Manager, etc. Broadly speaking, a Scale IV executive evolves strategies and takes policy decisions, a Scale III executive makes plans, designs systems and evaluates resources, and a Scale II executive plans day-to-day activities and implements policy decisions. An outline of duties of executives is given in Appendices A to F.

In Indian banks, appraisal of potentialities of executives is made by rating scales and is generally integrated with annual performance appraisal. The bank in question had a performance-oriented appraisal system which was introduced in 1981. The system

consisted of 5 different forms designed on the basis of key responsibility areas. Appraisals were made annually on 5 point scales by the immediate superior. A superior's superiors reviewed the appraisals to maintain high level of objectivity. Besides rating forms, it consisted of a self-performance-reporting instrument to give an opportunity to the reviewer for communicating the factual position about his performance and his needs for development.

The policy of the bank was to provide weightages to seniority, educational qualification and merit. Merit was assessed on the basis of performance appraisal and interview rating.

Seniority or performance appraisal ratings do not give adequate information about potentialities of an executive. Interviews generally serve as a means to reject candidates rather than identify merits. Potentialities appraisal through scientific assessment methods helps in development of human resources and increasing personnel administration.

Concept of Executive Potentialities

Psychologists differ in their views regarding the concept of potentialities. One view is that potentiality is the sum total of biographical and sociological factors, the interplay of which leads to executive success. The other views are that it is

similar to intelligence, aptitude, talent or qualities which are likely to enable an executive to reach an upper-middle management level. In the present study, the concept of potentialities of executives is based on the view of Grant and Smith (1979) that potential assessment is a process of comparing the attributes of the employees concerned with personal specifications for the jobs to which they may be considered promotable. It was defined as set of manifested or unmanifested qualities covering intellectual abilities, attitudes, interests, skills and personality traits that would be responsible for efficient functioning in prospective role(s).

Managerial psychology is of recent origin in India. The review of relevant literature points to a growing interest in the subject of management and managers. The popular areas of research seem to be managerial motivation, job satisfaction, morale, managerial values, organizational development, MBO, social origin of managers, managerial training and comparison between private sector and public sector organisations.

Outside India, psychologists have made in-depth studies in the techniques of potential appraisal, application of rating scales, personality inventories and other psychological tests, assessment centre, etc., for selection of executives. Successful experiences have been reported in application of each of these techniques. Some of the attributes found to be predictors of

potentialities were loyalty, general alertness, comprehensiveness of interests, flexibility, intelligence, leadership, drive, initiative, creativity and self-actualisation. Positive relations have been reported between various combinations of these attributes and business success.

A few studies, which have been conducted in India, have remained to be prescriptive or descriptive. They are not of much use for predictive purpose.

The above provide a framework for studies on work life of Indian managers. The major omission in research seems to be the personality of Indian managers and the facilitating or the hindering effects of the personality attributes in the path of their success and growth. Such studies may help the management to safeguard the organisation and the executives from pathological consequences arising out of mismatching of person with the job.

Aims and Objectives of the Study

The basic thrust of the study was to investigate the personality of executives in a large banking organisation: to study and identify their strong behavioral traits, temperaments, motivations and other mental abilities: to study their job success and locate their causal factors. After establishing the relationship between their traits and performance it was intended to draw inferences regarding their potentialities. The specific

objectives of this investigation comprised of the following :

1. To identify the mental abilities, personal attributes, traits and temperaments of executives in a large nationalized bank.
2. To identify the attributes that would be significantly associated with high performance, among them.
3. To measure the extent of influence of these personality attributes on job success. In other words, it was intended to find out the predictors of potentialities causing success at higher level and to measure the extent of their predication.
4. To find out the differences in importance of these attributes in determining performance.
5. To identify the differences between different categories of executives in terms of these predictors of potentialities.

Hypotheses

Keeping in view the above objectives the under mentioned hypotheses were evolved. Separate hypotheses for different grades were formulated in view of their duties and responsibilities. The detail logic for each hypotheses has already been given in the main body (see chapter III, hypotheses section).

Hypotheses related to Scale II executives :

1. Judgement ability, decision making, risk taking ability, creativity and innovativeness would be significant predictors of potentialities of a Scale II executive.
2. Conceptual ability and practical thinking would be significantly related to the performance of Scale II executives.
3. High performance would be significantly dependent on being tough-minded, objective and dependable in Scale II group of executives.

4. Traits like achievement motivation, critical thinking, initiative and resourcefulness were hypothesized to be the significant contributors of performance of Scale II group of executives.
5. The significant attributes of Scale II executives contributing towards high performance would be relational skills, stress tolerance, emotional stability, shrewdness and self-assuredness.
6. It was hypothesized that knowledge and ability and readiness to learn would be significant attributes of Scale II executives.

Hypotheses related to Scale III executives :

7. For Scale III executives the personality traits like dependability, decision making, judgement, practical temperament and risk taking ability would be significantly associated with their high performance.
8. It was assumed that conceptual ability, achievement motivation, critical thinking, initiative, self-assuredness and resourcefulness would be significant predictors of potentialities of Scale III executives.
9. It was hypothesized that the attributes like relational skills, emotional stability, tough-mindedness, stress tolerance, objectivity, shrewdness, and creativity and innovativeness would be the significant contributors of high performance of a Scale III executive.
10. Ability and readiness to learn and acquisition of knowledge would be significant determiners of potentialities of Scale III executives.

Hypotheses related to Scale IV executives :

11. It was assumed that dependability, conceptual ability, practical temperament, risk taking ability, creativity and innovativeness and resourcefulness would be significant attributes of Scale IV executives.
12. It was assumed that judgement, decision making, shrewdness, relational skills, stress tolerance, tough-mindedness, self-assuredness and emotional stability would be the significant predictors of potentialities of Scale IV executives.

13. It was hypothesized that achievement motivation, critical thinking, initiative, knowledge, ability and readiness to learn and objectivity would have significant influence on performance of a Scale IV executives.

Sample

A total of 138 executives (i.e., 11% of the population consisting of 66 Scale II, 38 Scale III and 34 Scale IV executives) from a large nationalized bank participated in the study (please see Table 1). The age of the sampled subjects ranged from 25 to 60 years with an average of 45.7. More than 50% of the respondents had a minimum of 20 years' experience in the bank. Executives with experience ranging from 10.5 - 30.5 years as officers in the bank accounted for 85.5% of the sample. The respondents belonged to a group having fairly high education (graduation/post-graduation). Around 60% of them were having banking qualifications.

Variables under study

12 personality attributes, namely, judgement, emotional stability, tough-mindedness, practical temperament, shrewdness, self-assuredness, critical thinking ability, resourcefulness, initiative, objectivity, achievement motivation and conceptual ability were identified for study on the basis of a preliminary survey. Besides, 8 more attributes, namely, dependability, ability and readiness to learn, knowledge, decision making, stress tolerance, relational skills, risk taking ability,

creativity and innovativeness, included in the performance appraisal system of the bank were also added to the list.

Instruments and tests used

The following psychological tests were administered on the executives :

a. Cattell's 16 P.F. test - Form 'A'

(only for 7 variables, namely, practical temperament, shrewdness, emotional stability, self-assuredness, critical thinking ability, tough-mindedness and resourcefulness).

2. Thordike's Dimensions of Temperament
(only for 'objectivity')

3. Terman's Concept Mastery Test

4. Lynn's Achievement Motivation Questionnaire.

5. Executive Initiative Scale (developed by the present researcher).

Supervisors assessment on the executives on the Administrative judgement Test was also obtained during the course of investigation. Three years' supervisors' ratings on 8 potentialities dimensions were collected from the performance appraisal reports of the executives.

Construction of Executive Initiative Scale (EIS)

A behaviourally anchored rating scale called Executive Initiative Scale to measure initiative taking ability of executives was constructed for the study. 20 live problems from the day-to-day life of executives in banks were collected and each was written in the form of a problem. Against each problem

five possible alternative solutions were evolved. These solutions were purported to be representing the initiative taking behaviour of executives, ranging from the lowest degree to the highest degree in a 5 point scale. A scoring key with scores ranging from 1 to 5 was evolved. Item analysis and successive screening at two stages resulted in retention of only 8 significant items which constituted the final test. Reliability, calculated by Cronbach's alpha coefficient formula, was .61 and validity obtained was .78. Factor analysis of the test scores resulted in identification of 3 distinct factors with eigen value of more than 1. Norms were calculated for executive and student groups.

Analyses of data

Means and standard deviations of scores of predictors were calculated. Scores of the 20 predictors were correlated with the average annual performance appraisal ratings (criterion). Factor analysis of predictor variables was made. It yielded extraction of seven factors with eigen value of more than 1 (Table 18). These seven factors together explained 64.3% of common variance of which Factor 1 was the largest factor accounting for 24.5 % of variance.

Variables were grouped by factors and sorted according to their size of factor loading. A cutoff point of .44 was used for inclusion of a variable in a factor. Scores of variables each factor were summed to arrive at factor scores, after transforming them into standard scores. These factors were converted into composite variables (called independent variables) for use in

regression analysis. The first independent variable (IV) was constituted by ability and readiness to learn, relational skills, knowledge, decision making and stress tolerance. The second IV was constituted by creativity and innovativeness and risk taking ability. The third IV was constituted by emotional stability and self-assuredness, critical thinking ability and tough-mindedness constituted the fourth independent variable. The fifth was composed of conceptual ability, resourcefulness and achievement motivation. The sixth was constituted by practical temperament, judgement and objectivity. The seventh was constituted by initiative and shrewdness.

Step wise multiple regression analysis was made with the use of above 7 composite variables as independent variables and performance as dependent variable (DV). The analyses led to the following results :

R e s u l t s

1. From a preliminary study of correlations between the predictors and the criterion 13 predictors were found significant. At that stage, the result was not very much meaningful as many of these variables were highly correlated among themselves. Therefor other statistical analysis were made and results achieved after further analyses are give here-in under.
2. On the basis of multiple regression analysis it was found that there were identifiable group of potential predictors of high performing executives. These predictors were some what different in different levels of executives.
3. The potentialities of Scale II group of executives were ability and readiness to learn, relational skills, knowledge, decision making ability, dependability and stress tolerance capacity.

4. The predictors of potentialities of Scale III executives were emotional stability, self assuredness, ability and readiness to learn, knowledge, decision making, relational skills, stress tolerance, dependability, creativity and innovativeness and risk taking ability.
5. The potentialities of Scale IV executives constituted of risk taking ability, creativity and innovativeness, dependability, decision making, ability and readiness to learn, knowledge, relational skills, and stress tolerance capacity.
6. Achievement motivation, conceptual ability, judgement ability, shrewdness, critical thinking ability, practical temperament, initiative, objectivity and resourcefulness were not found as significant predictors. However, the inter-correlations between variables indicated that the superiors' perceptions were influenced by the strength of the executives on some of these traits. The assessors seem to have rated their executives more on rational basis than on personal considerations. The assesses were high in technical capabilities and administrative skills. Their average scores on many of the predictors were fairly high. Thus, they were found to be professional executives and not executives by chance.
7. In regression only three basic Factors (IV-1, IV-2 and IV-3), were found significant. The regression coefficients of significant Factors ranged from .015 to .070 for all-executives group, from .037 to .067 for Scale III group and from .027 to .174 for Scale IV group. For Scale II group only Factor I (IV-1) was significant (regression coefficient value was .077). Thus, the weightages of different predictors were varying. For different groups, the weightages of a Factor (IV) were also different. The regression coefficient of IV-1 was 0.070 for all-executives group, .077 for Scale II group, .067 for Scale-III group and .027 for Scale IV group. The regression co-efficients of IV-2 were .037 and .174 for Scale III and IV groups respectively.
8. A Scale II executive was perceived by superiors to be high in ability and readiness to learn if he was found to be strong in creativity and innovativeness. He was considered to be knowledgeable if he was also found to be high in conceptual ability. He was considered to be high in relational skills if he was also found to be high in conceptual ability, in risk taking ability and creativity and innovativeness. He was found to be highly dependable if

he was strong in both relational skills and tough-mindedness and he maintained a balance between these two. He was considered to be high in the potentiality of stress tolerance provided he was also strong in creativity and innovativeness and critical thinking ability, supported by practical temperament. He was perceived to be high in risk taking ability provided he was also high in creativity and innovativeness and would normally take initiative.

9. Judgement and tough-mindedness were significant predictors of potentialities of Scale II executives, when they were examined as individual variables. In the regression analysis their importance paled into insignificance, as they were correlated with other significant variables. Judgement was correlated with ability and readiness to learn, knowledge, stress tolerance, dependability, practical temperament, resourcefulness and conceptual ability. Tough-mindedness was correlated with shrewdness, negatively correlated with ability and readiness to learn and dependability.

10. A Scale III executive was considered to be high in ability and readiness to learn if he was high in risk taking ability along with high achievement motivation. He was perceived to be knowledgeable if he was high in creativity and innovativeness and objectivity. He was considered to be stress tolerant if he was found to be thinking critically, resourceful and having high achievement motivation. He was viewed to be high in relational skills if his relations were guided by achievement motivation combined with creativity and innovativeness. A Scale III executive was rated high on risk taking ability if he was also high in achievement motivation and was creative and innovative. An executive in Scale III with high achievement motivation was perceived to be high in creativity and innovativeness and dependability. A Scale III executive who was group - dependent but objective was found to be emotionally stable. A self - assured Scale III executive was also found to be objective. A Scale III executive with high achievement motivation was found to be good decision maker.

11. A good decision making Scale IV executive was perceived to be knowledgeable. A Scale IV executive with high level of conceptual ability, achievement motivation, and critical thinking ability was rated high on ability and readiness to learn. A Scale IV executive with high level of achievement motivation and creativity and innovativeness was rated high in stress tolerance. A high level of creativity and innovativeness, critical thinking ability and initiative was

helpful for a Scale IV executive to receive high rating on relational skills. For a Scale IV executive emotional stability, achievement motivation and creativity and innovativeness were favourable factors for getting high rating on risk taking ability. Achievement motivation was also a supporting trait for a Scale IV executive to receive high rating on creativity and innovativeness, dependability and decision making ability.

12. The above results indicated that there were enough evidence to prove the hypotheses Nos. 6 and 10. The hypotheses Nos. 1, 3, 5, 7, 8, 9, 11, 12 and 13 were partly accepted. The hypotheses Nos. 2 and 4 could not be proved and, hence, rejected.
13. There was a definite trend of potentialities. The traditional qualities of ability and readiness to learn, knowledge, relational skills, stress tolerance, dependability and decision making ability were found to be more important at lower levels. At senior executive level (Scale IV), high performance was greatly associated with creativity and risk taking ability.
14. It was also found in the study that executives with more than average age were found to be relatively more creative, innovative and shrewd.
15. More educationally qualified executives were found to be relatively more able and ready to learn, knowledgeable and better decision makers.
16. Executives with more length of experience in bank were relatively more stress tolerant, creative, innovative and shrewd.
17. More experience as officer in bank was found to be a facilitating factor to enable them to take better decisions and make better judgement. More years of experience as officer was also associated with their shrewdness.

Implications of the Findings

There are wide implications of the findings of the study for the organisation. It makes imperative for the management to have a more systematic strategy for selecting executives. The present method of identifying potentialities through interview needs to be reviewed. The results of the study suggests for a multiple assessment procedure.

Selection of executives should not be treated in a simple administrative way. It requires specialized skills of identifying complex potentialities. Performance appraisal is not enough. Therefore, bank may think of associating psychologists, particularly psychometricians for the work.

Ratings on the dimensions of potentialities obtained through performance appraisal are also to be used discreetly, since the results show that each variable carries different weightage as compared to other variables. Similarly, instead of using a general list of attributes for assessing potentialities, assessment should be made on attributes related to jobs and levels of responsibilities.

Since certain predictors were found to be influenced by biographical factors, the organisation may evolve a cut-off point for demographical variable such as age, etc., after which potentialities scores may be moderated to reduce the effect of the biographical factors.

Limitations of Study

1. The differences in terms of criterion, personality variables and other factors between the co-operators who had participated in the study and non - coperators who did not respond could not be studied.
2. The data was collected under variety of conditions and the conditions were not possible to be controlled.
3. For convenience of administration, and to make the test suitable to the testees certain alternations were made in the standard procedure of administration of the tests.
4. Categories of subjects were made logically for making the study manageable. There was no scientific basis for such classification.
5. Dimensions of the jobs could not be systematically be studied.
6. Theoretically the potentialities and the talents of executives under study could be many. However, through a method of preliminary survey a screening of attributes was made. Many other aspects of traits could not be covered.
7. The terminologies used by the researcher during the preliminary survey were defined in brief. The respondents also added some adjectives. There could have been differences of perception and understanding of traits between the respondents and the meaning conveyed in this research.
8. Standard tests of personality, mostly borrowed from outside the country, were administered.

Suggestions

1. Due to maturation and learning there would be changes in the nature and strength of the traits found significant. There would also be changes in the content of a job. Therefore, the results of the study may be followed up from time to time.

2. A larger study sponsored by the bank in question covering a cross section of the entire managerial population in terms of different levels, functions, departments, geographical locations and nature of business like rural, semi - urban, urban and metropolitan branch - business may be made for developing better in - sight into the subject.
3. Similarly, studies making inter - bank comparisons may reveal many other aspects like influence of management philosophy, styles of executives, etc., on growth and development of potentialities of executives (sub - ordinates).
4. The standard of some of the tests used in the study seems to be very high for the Indian population. More simple tests, with specific focus on executive groups need to be developed.
5. For convenience of administration and to make the standard tests suitable to the testees of the executive nature, simple procedure of administration of the tests and simple instructions may be evolved.
6. Theoretically, the potentialities and the talents of executives could be as many as the number of subjects or even more. Many of the traits could not be studied due to limitations of resources. Studies may be undertaken in areas of values, attitudes of executives, etc., as potentialities.
7. Most of the potentialities and dimensions found significant were included in the performance appraisal system. They were mentioned only in one or a few words. For developing clarity of thinking regarding each dimension, the details may be worked out by identifying various items to be included under each trait. A fullfledged potentialities appraisal system may be evolved.
8. The management of the bank should hold assessment workshop periodically, in which the executives - assessors and related staff -- may be given adequate exposure to concepts. It may be used to develop skills for objective assessment.
9. Many of the significant predictors were correlated among themselves. One of the reasons could be the rater's personality. An intensive study may be undertaken to develop an understanding of the rating behaviour of executives, with particular reference to their potentialities.