

**APPRAISAL OF EXECUTIVE  
POTENTIALITIES IN A BANK**

*An Abstract of  
The Thesis Submitted in Partial  
Fulfilment of the  
Requirements for the Degree of*  
**DOCTOR OF PHILOSOPHY**  
**( PSYCHOLOGY )**

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## A B S T R A C T

Executives are the business leaders. The economic and social growth of the nation is steered by them. Their cause is the cause of the nation. Their field is wide. The role is very challenging and determining. Whole hearted adoption of the role, active participation in the social processes of the organization and enabling capability would make him come out successful. The personality variables of these business leaders stimulate their behaviour in diverse situations. A wide range of these variables may form the profile of any executive. But studies have revealed that only a core group of these attributes are essential for their success in various situations, kinds of group in which they are working and the types of personality of the subordinates through whom they fulfill the corporate objectives. The organization under study is a large nationalized banking organization. There is a growing awareness in the organization about the need for a scientific selection and placement system for its executives. In view of this, the study attempted to find out the significant potentialities of executives in the bank, with the ultimate objective of generalizing the outcome, if possible. The report gives the complete results of the research along with the detailed process, tools and techniques used.

The report contains six chapters, along with a list of bibliographical references followed by thirteen appendices consisting of six psychological tests, job descriptions of executives, etc. It contains thirty seven tables.

## CHAPTER - I

### INTRODUCTION

The study was conducted in a large commercial bank with branches spread, all over India. It is expected to play the role of an instrument of socio - economic change that is taking place in the country. The executives in the organization have to operate it with highest customer satisfaction and economy of cost while meeting the challenges of staff, market competition, growth and automation. The bank had a policy of promoting executives on the basis of seniority, educational qualification and merit assessed through performance appraisal and interview rating. The present method is inadequate to measure actual potentialities of executives. Potentialities, as defined in the study is a 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). a well developed potentialities appraisal is expected to accelerate human resources development and efficiency in an organization.

The study covers policy makers (Scale IV), Planners (Scale III), and implementors of policies and plans (Scale II).

## CHAPTER - II

### REVIEW OF PERTINENT LITERATURE

The review of literature of the past two decades has revealed that researchers in India have only recently turned

their attention towards managerial psychology and have made interesting contributions on issues like managerial motivation, values, job satisfaction and comparison between private sector and public sector organizations.

Outside India, intensive studies have been made on the techniques of potential appraisal including the sophisticated ones like assessment centre. Both academicians and industrial executives are showing keen interests. Weighted biographical data, rating scales, personality inventories and simulation exercises are reported to have been successfully used. Studies have also pointed positive relationship between personality and performance of executives. Some of the attributes found significant in various studies were loyalty, general alertness, comprehensiveness of interests, flexibility, intelligence, leadership, drive, initiative, creativity and self - actualization. The review has suggested that there is a great scope for investigation on the personality of India Managers and facilitating and hindering factors of their personality for success and growth. Commercial organizations have to go a long way.

### CHAPTER - III

#### STUDY PLAN AND METHODS

The general purpose of the study was to investigate the personality of executives in a large banking organization and to identify the predictors of potentialities for Scale II, II and IV groups of executives. 13 hypotheses were formulated with basic

assumption that various attributes would be significantly associated with executive performance and the significant predictors of potentialities would be different according to levels.

**Hypotheses**

The following hypotheses were framed for the study :

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 executive.
4. Traits like achievement motivation critical thinking, initiative and resource fulness 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.
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 resourcesfulness 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.
- 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 executive.

Variables in Study

A preliminary survey to identify variable perceived significant by the target group, yielded 12 personality attributes for intensive study. These attributes were judgement, emotional stability, tough-mindedness, practical temperament, shrewdness, self-assuredness, critical thinking ability, resourcefulness, initiative, objectivity, achievement motivation and conceptual ability. Besides, 8 more attributes, namely dependability, ability and readiness to learn, knowledge, decision making, stress tolerance, relational skills, risk taking ability and creativity and innovativeness, included in the performance appraisal system of the bank, were added to the list of variables.

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 the bank participated in the study .

Instruments and Tests used

The following psychological tests were used for data collection :

- 1. Cattell's 16 P.F. Test - Form 'A' (only relevant portion for seven variables namely practical temperament, shrewdness, emotional stability, self - assuredness, critical thinking ability, tough - mindedness and resourcefulness).
- 2. Thorndike's Dimensions of Temperament (only relevant portion for one variable, namely, 'objectivity' was used).
- 3. Terman's Concept Mastery Test
- 4. Lynn's Achievement Motivation Questionnaire
- 5. Executive Initiative Scale (developed by the present researcher)

Besides superior's ratings on the executives on Administrative Judgement Test and on 8 dimensions included in performance appraisal reports were obtained.

An eight - item behaviorally anchored rating scale called Executive Initiative Scale (EIS) was constructed by following the necessary psychometric steps of test construction. Reliability and validity of the scale were .61 and .78, respectively. Factor analysis of the test yielded 3 distinct factors.

### Analysis of Data

Means and standard deviations of scores of predictors were calculated. Scores of predictors were correlated with the average annual performance appraisal rating which was used as the criterion. Inter - correlations among variables were calculated and factor analysis was made to study the meaningful relations among them. It yielded 7 factors explaining 64.3% of common variance. These factors were used as independent variables (IV) and performance as dependent variable (DV) for multiple regression analysis. t - tests and F - tests were also used for testing the different hypotheses.

## CHAPTER - IV

### RESULTS

The results of the study are given in this Chapter. The analysis of data as explained above led to the following results.

1. It was found that there was identifiable group of potential predictors of high performing executives. These predictors were somewhat different for different levels of executives.
2. The potentialities of Scale II group of executives were ability and readiness to learn, knowledge, relational skills, decision making, dependability and stress tolerance capacity.
3. The predictors of potentialities of Scale III executives were emotional stability, self - assuredness, ability and readiness to learn, knowledge, decision making ability relational skills, stress tolerance, dependability, creativity and innovativeness and risk taking ability.
4. The potentialities of Scale IV executives constituted of risk taking ability, creativity and innovativeness, dependability decision making, relational skills, ability and readiness to learn, stress tolerance and knowledge.

5. Achievement motivation, conceptual ability, judgement 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 superior's perceptions were influenced by the strength of the executives on some of the traits. The assessors seems to have rated their executives more on rational basis than on personal considerations. The assesses were high in many of the attributes found significant in various other studies. Thus, they were found to be professional executives and not executives by chance.
6. Potentialities of executives at lower levels (Scale II) were more of classical leadership qualities. However, higher level executives were characterized by non - conventional talents like creativity and innovativeness and risk taking ability. The weightage for these attributes was higher at higher levels.
7. Achievement motivation was found significantly associated with performance at all levels of executives, when considered as an independent variable. In the final analysis, it did not find place in regression equations. However, this variable was highly correlated with many of the significant predictors. It seems the raters were keeping this factor in view and giving proper weightage to it while assigning ratings to their executives.
8. The results proved 2 hypotheses, partially proved 9 and could not support 2 hypotheses.

The following were some of the other findings :

1. Executives with more than mean age were more creative, innovative and shrewd.
2. Highly educated executives were more ready to learn, knowledgeable and better decision makers.
3. Executives with longer experience in bank were more tolerant to stressful conditions. They were creative, innovative and shr
4. Executives with more experience as officer in bank were better decision makers and they made better judgements. They wee relatively more shrewd in handling banking problems.

## CHAPTER - V

## DISCUSSION

The results presented in the previous Chapter are discussed and interpretations made in this Chapter.

The core group of executives comprising of Branch Managers, Accountants, Joint Accountants, etc., were bogged down with the day - to - day "debt and credit" aspects of administration. Most of them were under the pressure of fulfilling the deposits and advances, targets, arranging to keep customers in good humor, submitting of statements and returns to statutory authorities, house keeping and clearing work. Even managers in administrative offices are imprisoned in the jungle of various directives and statute books. Therefore, qualities of leadership or entrepreneurship were not significant. Only attributes which were traditionally associated with sub - ordinate officers or 'followers' were found to be significant at this level.

At relatively higher level (Scale III) in bank, job stress and fear of not fulfilling target might be bothering them. The qualities which would make them overcome this situation and helped them getting along with people, like emotional stability and self - assuredness seem to be important for them.

However, there was a departure in requirement at Senior Executive level (Scale IV). Setting of long term goals solving

10

problems which could not have any solution for a long time, exploring new market and customers, bringing about a new work culture and humanizing work were, it seems, the focus of attention of this level of executives. It was rightly found that creative and innovative approaches to work and a high level of ability to take risk were significant for them. They were less bureaucratic and more business like in their attributes.

The attributes described above did not reflect their predictive capabilities so much when examined individually. They were better predictors of executive performance when combined in regression.

## CHAPTER - VI

### SUMMARY AND CONCLUSIONS

Conclusions are drawn on the basis of results presented in Chapter IV and discussion in Chapter V.

It was found that there was identifiable group of potential attributes of high performing executives. These attributes were some what different in different level.

One of the important implications is that the selection of executives require specialized skills of identifying complex potentialities. A professionally designed potentialities appraisal system can make the job of top management easy.

It suggests a review of the policy of the bank to promote executives on the basis of limited performance ratings or interview ratings. Assessment of executives deserves a professio

-nal approach calling for the support of psychometricians and clinical psychologists.

The limitations of the study, suggestions for the management and the probable studies arising out of the present research are indicated in this chapter.