

A Study on Role of Leadership and its Impact on Enhancement of Technology, Processes, Workforce and Structure with Reference to Selected PSU in Karnataka

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Abstract

Leadership and Knowledge sharing allows members of an organization to learn more. Above all, and more importantly, knowledge and leadership provides the organization with an efficient tool to maintain competitive advantage.

Learning important knowledge and skills, within the organization through the establishment of relationship among members is helpful not only in enforcing collaboration, but also in spacing up the accumulation of knowledge assets for the organization to improve its innovative performance.

This approach is most prominent in leadership development programs that focus on identifying specific competencies that are important in a leadership setting. Leadership competencies have been defined as “the combination of knowledge, skills, traits, and attributes that collectively enable someone to perform a given job”.

The study suggests that to adopt participative Leadership style to emphasize development by imparting at each level of management with a serve of feel right and participation.

Senior level managers should develop work place association and leadership, which is one of the acute skills, every leader in today's work situation and need to own.

Keywords: Leadership; Better resource utilization; presence across value chain: focus on R & D and innovation: Performance Culture and Meeting Customer Demands.

1. Introduction

The essence of leadership involves changes that result in accomplishing specific goals. Planning is not representative of leadership, because planning involves providing order for present circumstances. Strategic planning is representative of leadership, because strategic plans prompt future action. Effective leaders are critical to the success of an organization, and leadership development is important in developing good leaders. The development process is not the primary focus of leadership because leadership is a model that includes individual relationships. Successful leaders must be proficient in adjusting the attitudes and actions of followers.

According to the study made by Panchanatham et al. (1993), which is an attempt to know the relationship between leadership styles and problem solving techniques of executives of Public Sector Enterprises, concluded that most of the executives used styles of leadership like democratic, authoritative and free rein etc. The study also suggested designing separate training programs for problem solving and leadership styles and executives of various branches should be considered equal for development programs. It is also clear that Leaders of independent India envisioned the public sector banks as a pillar of economic development and social support. This fundamental assumption may not have changed much over the years. However, the business landscape of the public sector banks has made a rapid shift in the last few years. Changes in the regulatory framework, rising customer expectations, shift in the employee demography and changes in technology have

emerged as key drivers of change for the public sector banks. As a result, business priorities have also changed. The public sector banks are gearing it to meet the expansion in demand, optimize resource utilization, increase its presence across the value chain, increase its focus on R&D and innovation, create a performance culture and better service customer demands.

They are doing so by strengthening their existing capabilities so as to respond to business priorities. Processes, technology, structure, workforce, and leadership constitute the basic building blocks of an organization capability. These capabilities ensure that the organization adapts, continues to learn and acts faster than competition. Our research and experience in working with public sector banks highlights that leadership is a critical capability for future success.

Stakeholder Leadership

In this competency, the leader demonstrates the ability to collaborate effectively, including seeking, building, leveraging & maintaining strategic alliances, networks, business relationships & collaborative arrangements through gainful partnerships. The leader also possesses the ability to communicate, influence & negotiate effectively to create win-win situations for the organization & its partners/ stakeholders.

Some of the key dimensions of this competency include winning with collaboration, stakeholder management, managing critical partnerships, building and leveraging networks and impact and influence.

Strategic Leadership

In this competency, the leader demonstrates the ability to translate the vision into long-term strategic objectives through clear understanding and knowledge of the external environment, industry and organizational capabilities.

The leader also demonstrates the ability to see the 'big picture perspective', plan scenarios, analyses situations and make decisions while taking calculated risks.

Furthermore, the leader recognizes strategic opportunities for success & capitalizes on them by linking initiatives to organizational goals & objectives.

Some of the key dimensions of this competency include strategic orientation, business acumen, sensing opportunities, risk taking, planning and decision making and analytical thinking.

Customer Leadership

In this competency, the leader demonstrates the ability to understand current and future customer needs and provide appropriate solutions to achieve customer delight. The leader exhibits intent to deliver value to customers through high responsiveness and service excellence. He/ she work towards building mutually beneficial business relations and conceive new means of developing customers.

Some of the key dimensions of this competency include customer focus, customer orientation, customer responsiveness, and delivering value to customers, building and developing customer relationships, customer service excellence.

Talent Leadership

In this competency, the leader displays genuine intent to foster learning and development of self and others in order to improve performance for the benefit of the individual and the organization.

The leader is also able to empower, motivate, coach people and build effective teams. Moreover, the leader creates a conducive environment for learning, development and skill building.

Some of the key dimensions of this competency include building and nurturing teams, developing self and others, learning focus, feedback and coaching and motivating and empowering.

2. Review of Literature

Agarwal R (1983) in her study showed that the leaders were not rigid in their approach. They choose their leadership styles in accordance with the needs of specific situations. The leader's concern was both for the task and for establishing cordial relationships with his subordinates. The worker's perception was identical in this area and points to the suitability of the small sized banking units as the model for future expansion.

Hinger A (1986) reported that the bureaucratic style was found to be significantly correlated with the effectiveness of superior, efficiency of superior and the efficiency of the organization. Participative style was found to be significantly correlated with effectiveness of subordinates, whereas the authoritarian style was found to be significantly but negatively correlated with effectiveness of subordinates.

Varshneya J.S (1987) concluded in his research that in today's world no sector of the economy had been left unscathed whether it is a public sector unit, manufacturing steel or electronic components or service industry like banking or transport. The emphasis now was on quality and greater customer satisfaction. The approach was now on task accomplishment. The emphasis was on achievement of results. One important quality which every leader must imbibe was a high degree of professional and personal integrity.

Goleman D(2000) in his research on Leadership that gets results found that leaders uses six styles namely Commanding, Visionary, Affiliative, Democratic, Pacesetting and Coaching. Each springs from different components of emotional intelligence. Commanding style used a phrase that "Do what I tell you". This style had a negative impact on climate.

Premji A (2000) this was a very short article on Leadership in the new millennium, highlighted the qualities of good leader. He stated that a leader must communicate the vision in a way that it generates enthusiasm. He should built strong foundation on Values. A leader should be aggressive, possessed high energy, emphasis on quality, innovative and must build star performers and teams.

Dhar U & Mishra P (2001) discussed studies that leadership was not about the strategy-structure-systems but about purpose-process-people. He opined that major challenges confronting organizations in recent times were increasing competition, technological advances and changing worker attitudes. An examination of the evolution of a retail firm over a sixty-year period led to the realization that a competent chief executive could successfully reorient the firm by changing strategies and organization structures.

Bhal K.T, Bharule D & Gautam V (2003) Leadership style of CEOs: A qualitative Assessment found that leadership style of CEO's had significantly affected the overall functioning of the organization. The style was evaluated using the framework of Transformational leadership style and Transactional leadership style. Transformational leadership style was defined as the process whereby an individual engages with others and creates a connection that raises the level of motivation and morality in both the leader and the follower whereas transactional leadership style motivates the followers by appealing to their self-interest.

Banne P (2004) in his article "Leading from within" holds that managing other begins with managing yourself. If you can manage your ego, you were better qualified to handle others.

Zaleznik A (2004) concluded that difference between managers and leaders lies in the conceptions they hold, deep in their psyches, of chaos and order. Managers embrace process, seek stability and control, and instinctively try to resolve problems quickly-sometimes before they fully understand a problem's significance.

Leaders, in contrast, tolerate chaos and lack of structure and were willing to delay closure in order to understand the issues more fully.

Kuchinke K.P (2006) The influence of leadership styles on subordinates' attitudes towards their leaders and towards performance, A comparison of US and German manufacturing employees in his research focused on investigated the influence of leadership styles on subordinates' levels of satisfaction with the leader, judgment of the effectiveness of the leader, and willingness to apply extra work efforts using data from 5,300 manufacturing employees in US and German.

3. Research Methodology

3.1 Problem Statement

Researcher state that public sector organizations are striving to carry their sustainable competitive advantage in globalized and economic environment effectively.

They are facing uncertainty, difficulty and challengeable situations in business procedures. Due to concentrated economic pressure and competitive situation, PSUs are facing glitches and they are probing different ways to augment their core capabilities with a view to gain competitive advantage.

Abdullah et al. (2013) explained that intensive competitive environment force organizations to keep themselves updated and learned about organizational environment in which they operate. This is an issue that how organizations can increase their intellectual assets and learning capabilities with a view to retain in competitive zone.

3.2 Objectives of the Research

1. To study the impact of leadership dynamics in Meeting expansion of financial services horizon in PSUs in Karnataka with special reference to Banking Industry.
2. To study the impact of leadership approaches in resource utilization and effectiveness of its value chain and R&D in PSUs
3. To study the impact of leadership styles in managing Performance Culture and Meeting Customer Demands in PSUs in Karnataka.

3.3 Relevance of Study

The quest to define effective leadership is not new. Since colonial times, the goals of PSU in India have been shaped according to the dominant ideology, which inevitably influenced expectations for administrator leadership.

When the foundations for PSU were laid, there were no specific guidelines for evaluating the effectiveness of leaders. Yet, the quality of leadership was always an area of concern. Contemporary research rarely focuses on examining the effectiveness of PSU at state level. As a consequence, examples of effective PSU are few in the banking literature. What is needed as we move deeper into an era of globalization and privatization of Banks is a set of guidelines, establishing a level of excellence toward which all PSU leaders should strive to lead to organization.

3.4 Population of the study

Sampling size: It is a method of choosing elements from a big population. So that a learning of the sample and an understanding of its characteristics would make it probable for us to simplify such properties or characteristics to the population elements. The number of supporters surveyed is $n = 79$.

Sampling procedure: In this study, sample area is Bangalore where questionnaires were oversaw to make our sample size more appropriate in accepting the impact of leadership on the productivity of employees.

Simple random sampling technique was used in this study. Accuracy and self-reliance are important issue in sampling because when we use sample data to draw implications about the population, we hope to be fairly on mark.

3.5 Sample and Sampling Technique

The study is based on 42 middle and senior level managers of commercial banks, ten in number in Karnataka- Bangalore region. It includes- S.B.I., Bank of India, Bank of Baroda. The study is based on Independent variables like- situational variable, personally centered variable etc. Dependent variables have been selected as- leadership styles.

3.6 Data Collection

The study has taken, which predict a relation between a manager's position in the hierarchy and its leadership style, with senior managers adopting more participative leadership style as compared to junior managers. Standard deviation of the leadership style score of managers drawn from five levels of the hierarchy in commercial banks.

Authorization to conduct the study was bidden and approved by the management and bank officials. The researcher individually oversaw the inquiry form with the support of banks administrative clerks and the concluded questionnaires were together by the research support group. Throughout the study, every effort was made to maintain high ethical values. Secrecy and privacy were protected at all times with a thorough explanation in the form of a covering letter provided to all members, detailing the purpose of the study. Data analysis and interpretation were done using the interactive model of quantitative data analysis (Miles & Huberman 1994), which first involved sorting or sifting through the data and sequences.

All the questionnaires had been returned, it was important that the mass of data collected should then be reduced to a format suitable for analysis. The respondents' reactions were then coded conferring to the emerging themes using the SPSS program. Data remained analysed by descriptive statistics, such as percentages, frequency and the Cronbach-alpha coefficient to test among other things, the consistency of describing the influence and the leadership style in

3.7 Scope of the Study (delimitation)

Since the topic of leadership effectiveness is such a huge field, we believe the scope for this article was focused only on Banking PSU in Karnataka. Leadership effectiveness is a very important subject for many stakeholders, mostly for leader and managers, but also for other people. We believe that there are so much more to study in this subject, and the knowledge should reach more people in order to become more effective in the PSU Banking sector.

3.8 Limitations of the Study

The limitations of this study are that we are only covering organizations in Bangalore. The sample size may be on the lesser side, it is likely that if there is large sample size, outcomes would be stronger and definite.

4. Analysis and Interpretation

Table No.1: Frequency distribution of Leadership parameters with productivity

Key Business Imperatives	Technology	Processes	Workforce	Structure	Leadership
Meeting expansion in demand	0.078	0.149	0.051	0.621	0.367
Better resource utilization	0.057	0.251	0.055	0.098	0.154
presence across value chain	0.149	0.314	0.129	0.619	0.322
focus on R&D and innovation	0.249	0.612	0.391	0.079	0.249
Performance Culture	0.214	0.054	0.151	0.157	0.451
Meeting Customer Demands	0.289	0.921	0.051	0.149	0.814

Source: Primary Data

Interpretation : also showing the correlation of sub dimensions (Meeting expansion in demand, Better resource utilization, Increased presence across value chain, Increased focus on R&D and innovation, Performance Culture, Meeting Customer Demands) of under study independent variables with dependent variable.

Meeting expansion in demand and Better resource utilization is correlated with organizational performance ($r= 0.142$, $p> 0.05$). Similarly Increased presence across value chain Increased focus on R&D and innovation with organizational performance ($r= 0.216$, $p> 0.05$) Performance Culture also associate with performance ($r= 0.012$, $p<0.05$) and Meeting Customer Demands positively correlate with Organizational performance ($r= 0.021$, $p<0.05$).

All variables are significance at 0.05%. All above results are supported by previous research.

5. Summary of Findings and Suggestions

Banks: (i) Command style should be employed in highly organized group, because this method is more effective, (ii) High-ranking level managers should advance work place affiliation, which is one of the precarious abilities, every leader in today's work situation need to persons. (iii) Bank managers should adopt participative leadership style to underline staff progress by infusing each level of successively with a sense of fit in and participation. This would require on their parts, discussion with their assistants and the latter's participation in judgment making

Meeting expansion in demand, most of the public sector banks are struggling to meet the increased demand of rapidly growing Indian economy. The organizations would need to rapidly augment their existing employee pool in order to respond to this exponential increase in demand.

Better resource utilization In view of the increasing competition from the private sector banks (old and new), public sector banks need to focus on better productivity of their existing resources - man and material. Going by anecdotal evidence, cost per unit of a product/ service produced by the public sector bank is much more than the cost incurred by their private sector counterparts.

Increased focus on R&D and innovation increasingly public sector banks are becoming sensitive to changing customer needs and improved ways of satisfying these needs. This could require significant investment in R&D and innovation. Also with cost optimization emerging as a new theme in the current hyper competitive market scenario, public sector banks need to adapt their existing operating models and cost structures.

Performance philosophy of many public sector banks traditionally operated in a protected business environment. However, post issuance of new licenses, not many banks enjoys such benefits. Thus, there is a need to make internal work culture of organizations as dynamic and performance oriented as the external business environment.

Meeting customer demands with government reducing its stake in public sector organizations, voice of other shareholders is likely to get more weight. Profit is no longer considered a bad word. Financial sustainability of public sector banks have already emerged as a key topic of discussion in the boardrooms. In this context, organizations can no longer be oblivious to the customer demands.

Conclusion

In a nutshell, with the fast changing business background, Indian public sector banks would have to promptly build the necessary competences so as to address the forthcoming business tasks. One of the most essential building blocks of organization capability is 'leadership'. Based on the aggregate data of 50 leaders across industries, we tried to generate the governance profile of Indian public sector banks in terms of six competencies on a five-point progressive headship scale.

Our results suggest that the leaders in the public sector including banks establish most of the leadership capabilities between Level-2 (Seasoned) and Level-3 (Advanced). In addition to the above, it was also observed that the front-runners currently are not able to establish some critical conduct traits, which may considerably risk the chances of the public sector banks to deliver on key business constraints. Therefore, public sector banks are opined to institutionalize the process of leadership improvement by classifying and providing key leadership advance interferences. Success of such interpositions is likely to emerge as a potential game changer for the public sector banks in India.

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