

Case Study**Italics****To Be or Not To be a Leader****G. Loganathan**

Union Bank of India

Nilanjan Sengupta

SDM Institute for Management Development, Mysore, India

Mousumi Sengupta

SDM Institute for Management Development, Mysore, India

INTRODUCTION

This is a case study of a public sector bank in India. The case is based on the situation of a service branch of the bank located in Bangalore city. The events that took place are after the Branch Manager Mr. Sachin took charge of the branch in 2009. The case depicts the year long efforts of Mr. Sachin in turning around the atmosphere of a de-motivated branch into one where people feel proud to be belonging as a member of this branch which has now elevated its image as one of the best performing branches of the bank in the region. This is a story of the efforts of a leader who with his style of functioning, personal leadership qualities and improvements in systems was able to turn things around and make it a performing unit. The case is also demonstrative of the fact that where there is a will there is a way.

The names of the characters and the bank and certain facts and figures have been changed to protect the identity of the organization.

THE BANK

The bank is century old and one of the "14" banks nationalized in 1969. It was known for conservatism and a low profile bank. Recently (for the past 10-15 years), with the change in leadership styles, it has undergone a lot of transformation in terms of organizational restructuring, product innovation, technology and human relations. Thus from a low profile, it has emerged as one of the top banks.

NATURE OF THE BRANCH

The branch in focus, is called as a "back office" as it undertakes different functions like cheque clearing functions, electronic credit system, opening of customer accounts, managing statement of accounts of customers, cheque books etc., pertaining to "40" local branches through a centralized system of functions. Since the above functions are shifted to back office which were earlier looked after by the business banking branches, the business banking branch units are freed and are supposed to concentrate on the development aspects like deposit growth, credit growth, enhanced customer delight etc.,. Hence the huge volume of the above functions of different branches is concentrated in the branch under study.

As far as the infrastructure of the branch is concerned, it has 33 employees consisting of officers, clerks, peons and housekeepers. The working hours extend from 9.00 AM to 7.30 PM. All the functions are time bound. There is no substitute provided during times of absenteeism.

Normally these kinds of branches are not the preferred destination, especially after getting promotion to the executive level, due to the following reasons:

1. It is only back office operations and the duties are of routine nature without intricacies.

2. The staff working in such branches are not well motivated and not interested in career progression or promotion.
3. Managing this category of staff is difficult as they are not self driven or motivated and want to bask under the sanctity of job security.
4. Top management does not give that much priority in terms of rewards and recognitions.
5. There is no power assigned to the executive as compared to the regular business banking units and other high value branches.

Appointment of Mr. Sachin, the Branch Manager

In spite of all the above, the management took a decision to appoint Mr. Sachin to this branch, which he accepted. This acceptance was based on Sachin's confidence that he could take up this challenge and prove otherwise and his strong belief in management principles which were as follows:

- There is no area in an organization which can be differentiated as "Important and not important" OR "superior" or "inferior".
- In management, excellence can be brought in any assignment provided the manager understands the assignment, take initiatives and has an objective to fulfill.

Situation Mr. Sachin observed when appointed (in 2009)

At the time of taking charge in 2009, Mr. Sachin saw to his dread that the overall working condition in the branch was dismal and therefore he first went about classifying the problem areas follows:

Physical environment:

Air-conditioning system very old and not functioning properly.

The premises not clean and tidy and even white washing not done for many years.

The computers systems very old.

The furniture not maintained and looked dirty.

System (accounting) environment:

No control and monitoring done for day- to-day accounting functions.

Nobody responsible for the day to day bookkeeping.

A very large number of outstanding accounting entries which were not reconciled.

The audit rating of the branch downgraded and the auditors had a bad impression about the branch.

Employee related situations:

Highly non professional way of functioning without accountable for what the employees do.

No liaison with the associates like other banks, RBI.

There were conflict groups in the branch and cordial relationship missing.

Lack of discipline in areas like behavior, absenteeism, quality of work done.

Domination by some of the employees due to their influence.

Perception about the branch at top level:

- The branch is not functioning properly.
- The branch does have a lot of complaints.
- There is likelihood that it may run into risk of committing mistakes and errors.
- It is difficult to work in the branch considering the piled up old issues and staff related matters as the influence of the unionism is more.
- It is not possible to improve the branch.

Based on the above listing, Mr. Sachin went about drawing up his own estimation as to what should be the ideal conditions in contrast to the prevailing one in the branch as a first step to diagnose as he started thinking about turning things around over there. The

following table was drawn up by him through careful analysis as a part of his diagnostic change management plan.

6. Tjosvold, Dean (1993), Learning to Manage Conflict: Getting People to Work Together Productively, Lexington, New York.

Areas	Expected	Actual
Physical environment	Reasonably good	Not ideal
Maintenance of books of accounts	Regular and update	Irregular and lot of pending issues
Employee relations	Cordial	Groupism, infighting among various members, regular conflicts
Perception of the branch at top level	Good	Not so good and in fact a negative opinion prevailed

Challenges faced at the beginning

Whenever meetings are held, there was staff problem as one staff was relieved without getting a substitute. There was hue and cry about shortage of staff. The culture of the branch was that the head of the branch use to work along with the staffs by taking some of their regular routine works. So they also insisted the present Branch Head also should do the same. The whole staff was influenced by one or two vested interests that disrupted the whole lot and exercised control over the entire affairs of the branch. Mr. Sachin, seeing the sorry state of affairs of the branch, decided to initiate corrective action wherever required and started to concentrate on those areas, instead of routine. This evoked feelings of resistance among the staff under the leadership of vested interests in the branch. Some members of the staff revolted against the branch head and insisted for the staff strength and duties as per the bank's order and rules.

Challenges accepted

Undeterred by the sequence of events of periodic rebellion in many quarter, Mr. Sachin decided not to

give up and this determination was mainly driven by the following background and his strong belief which he had in management principles:

- He had self confidence to face these kinds of challenging situations.
- His exposure in the earlier assignment as faculty dealing in HR and marketing really gave confidence to effect change.
- The support of higher management increased his confidence levels, greatly.
- He also observed that some members of the staff were really sincere and cooperative and knowledgeable. He knew that with the help of this group, he would be able to improve functioning of the branch.

Next he decided to take the following actions and measures to improve the working environment and the culture of the branch. They were tough decisions and he had to go through trying times, but decided not to give up and went about his way to initiate the following measures:

Mr. Sachin saw that under the misguidance of people with vested interests, the staff tried to threaten the Branch Head. He began by first telling the staff about the need for role clarity. He explained through several rounds of meetings one fact: that the head has to concentrate on activities which are vital to the development of the branch to increase the image of the branch. It was not easy. Several clashes took place between him and the staff members and Union representatives who tried to interfere and also insisted that the Branch Head do whatever the staff demanded.

Mr. Sachin stood by his approach and undertook the activities of the branch by taking stock of the situation. A formal plan was chalked out and documented. The follow-up measures were started step by step to improve all the lacunae found at the branch as enumerated above. In spite of the indifferent attitude of the staff members (shown mainly due to groupthink), Sachin, continued to work on the schedules to improve the different functions of the branch.

Along with the systemic changes being brought in, certain HR Initiatives were also undertaken. They were as follows:

Wishing each staff by going to their seat every day after entering the office.

Taking a list of birthday of the staff and celebrating the birthday with a bouquet of flowers and praising them about their good qualities.

Conducting the staff meetings at regular intervals.

Even though the above initiatives were initiated for

the first time in the branch, Sachin could not find a definitive enthusiasm among the staff members. Meanwhile, the following measures continued:

Following up with the staff about old issues.

Notes were sent to the staffs regularly for changes to be required in office matters.

This went on for some time, and soon, Mr. Sachin understood that there were lots of gaps to be filled up in the branch. So instead of doing the routine, he started to concentrate in the areas of gap which were as follows. For this, the key parameters for the effective performance of the branch were identified. They are as follows:

1. Elimination of old entries in impersonal accounts.
2. Rectification of audit irregularities.
3. Streamlining the function of clearing, back office, ECS operations –no creation of new entries.
4. Liaison with participating agencies like RBI, MICR center, member banks, own branches of the bank.
5. Reconciliation of interbank entries.
6. Staff relations and efficient management of the branch with available resources – staff meeting /celebration of birthdays.
7. Improving the physical environment.
8. Improving the profitability of the branch.

The following table summarizes the actions taken and the results achieved in the branch:

Actions Taken	Results Achieved
Elimination of old entries in impersonal accounts	The branch reduced the outstanding entries

Actions Taken	Results Achieved
Rectification of audit irregularities	Suspense: All the entries are adjusted including old entries. This was achieved after a gap of more than "4" year. POB: All the entries are adjusted including old entries. The head has become "NIL" after a gap of "8" years. The branch has not added new entries for the past one year .All the new entries are adjusted within a week
Streamlining the function of clearing, back office, ECS operations - no creation of new entries	Though the branch undertook clearing operations for " 40" branches, there were no major complaints from the branches / customers No new entries created and all of them were monitored and adjusted within a week
Liaison with participating agencies like RBI, MICR center, member banks, own branches of the bank.	Due to the close liaison with the implementing agencies, the branch could organize a face to face meeting with the staffs for the first time in the branch. The RBI, MICR officers participated and appreciated the efforts of the branch
Reconciliation of interbank entries	As of March 2010, no bank has reported any outstanding entry either on payable or receivable side reflecting our bank name
Staff relations and efficient management of the branch with available resources - staff meeting /celebration of birthdays.	Due to the various efforts and initiatives undertaken by the Branch Head, the employees slowly started to understand the Branch Head and started to operate as a team and maintained cordial relationship.
Improving the physical environment Old ACs system was replaced with new ones after a gap of more than a decade	All this improved the hygiene factors and improved the comfort levels of the people working in the branch.
Old generator was replaced with a new one after a gap of "15' years	It also gave the branch a new look and décor of which people felt proud.
Necessary repairs of furniture were undertaken to provide comfort to the staffs	Branch operations improved drastically due to fast and improved technology and computerized systems.

Note : Facts and figures have been modified for the sake of maintaining anonymity of the organization.

Recognition and appreciations

The management took cognizance of the effort of Mr. Sachin and the branch staff and was full praise for their effort. The Branch was able to enhance its image working conditions and profitability due to the able leadership of Mr. Sachin and his sound vision to steer clear of the cobwebs and emerge successful in the end.

The Branch received the following appreciations and rewards from various quarters which in turn have tremendously boosted the morale and the motivation of the branch staff, who are now even more eager to perform and retain their glory.

- Appreciation from Regional Head
- Appreciation from General Manager
- Appreciation from the concurrent auditors:
- Appreciation from accounting Division of central management
- Appreciation from RBI and MICR center:
- Award of Trophy for the best performing branch under Best "Accounting Category for the year 2009-2010
- Appreciation from the internal auditors:
- The branch head elected as the Secretary of the Bankers club
- The branch was selected by the management for award of performance incentive
- The branch was selected as the best model branch by the management and identified for award of performance oriented Cash Incentive

CONCLUSIONS

The case study reveals certain facts about the significance of an effective leader who can generate results under difficult situations. The learning points in management are summarized as follows;

- An effective leader can generate results in any kind of situations
- The situations need to be thoroughly understood about the strength, weakness and opportunities
- And create rapport with the connected agencies, people and create a link
- Win the support of higher officials in difficult situations
- Be genuine in the efforts
- Communicate effectively and continuously with all-oral and written, electronic mode
- Monitor the action at regular intervals
- People do not like excessive involvement on them. For eg. Initially the branch manager wished all the staffs by going to their table. He stopped after getting the feedback. So the employees like to have their own space. Excessive courtesy is not relished.
- The leader needs great determination to deal with the resistance of people at times of change. If the leader is focused on the results, he can face any situation..
- Once the results are achieved, the people will follow naturally to gain from the results.
- The leader continues to implement the strategies even when there is resistance and see ultimately the results are achieved. Thus leaders need to demonstrate the results.

- The leader can make the employees understand that the role of leaders (managers) lies in the areas of management, rather than in “routine operations”.
- The most important learning point is ... We can bring excellent results and performance and win accolades from the management even in Departments perceived as “Non Business portfolios”.

About the Author(s):

Dr. Nilanjan Sengupta has more than 17 years of working experience as an educator and practitioner in the field of management. He has worked as a teacher, trainer, researcher and management consultant in national level management institutes like, NIBM Pune, EDI Ahmedabad, IMT Nagpur, and has held important academic and administrative positions in his career. He has taught in the management programs offered by foreign universities in India, like University of Michigan, Lubeck University Germany, and Cambridge University UK (British Council Kolkata). He has also worked in the corporate sector covering both the manufacturing and IT sectors in managerial positions. He has consulted with international bodies like The World Bank, E.C. and IFAD (Rome) and OXFAM (India) in a number of international and national projects. He is in the Editorial and Advisory Boards of several prestigious journals and a registered PhD guide at VTU, Belgaum. He is also an empanelled consultant at TRI, Mumbai and ConnectEd, Thailand. The Author can be contacted at nilanjan@sdmimd.ac.in

Dr. Mousumi has more than 12 years of working experience as a consultant, teacher, researcher and trainer. She has been associated as a faculty member with reputed management education institutes such as, IISWBM, Kolkata; IMT, Nagpur; PESSE, Bangalore; KIAMS, Harihar; SIBM, Bangalore; and I2IT, Pune. She

has also been associated with the management programs offered by foreign universities in India, such as, Dominican University, US; Lubeck University, Germany; Auckland University of Technology, New Zealand; Cambridge University, UK (British Council, Kolkata). She is a registered PhD guide at VTU, Belgaum. She has been an empanelled consultant at TRI Mumbai, and ConnectEd Thailand. She has been a trainer for many public and private sector companies, such as, Union Bank of India, Alstom, Oxfam India, Selvel, Ness Technologies, Oracle, ISRO. Her PhD Thesis has been awarded as the Best Management Thesis at PIMR Indore in 2005. Among the four books she has co-authored in the area of management, the book entitled “Emotional Intelligence: Myth or Reality” has won the Second Prize of the ISTD Book award 2007-2008. The Author can be contacted at mousumi@sdmimd.ac.in

C. G. Loganathan, an executive in a leading public sector bank, and is currently working as a branch Head. A post graduate and a chartered Associate of Indian Institute of Bankers (now IIBF), he also holds a Diploma in Bank Management awarded by Indian Institute of Bankers, Mumbai. He is currently pursuing PhD in Management with VTU, Belgaum. He has got about three decades of banking experience in the areas of credit, developmental banking foreign exchange and planning. As a faculty trainer for five years, his areas of specialization are Human Resource Management (HRM) and marketing and has trained officers of various banks and other organizations. He has authored various paper publications in leading journals like, The Indian Banker (IBA), Mumbai, Vinimaya (NIBM, Pune), Prism (Kolkatta). He has also presented papers at International Conference, in 2008 at IIFM, Bangalore

