

## Chapter VII

## **Management Planning And Control System with Particular attention to Performance budgeting Monitoring and Review.**

### **Introduction**

The Regional Rural Banks (RRBs) have important supporting role in the development of rural economy. The success of special rural development programme to a great extent depends on the sustained growth and survival of these rural financial institution. Consequently, the efficiency and effectiveness of such organisation depends upon the adoption of modern management tools, technique and systems. The adoption of well-conceived, well-designed and well-implemented management. Planning and control system has thus become imperative for the RRBs like other rural banking sector to achieve the organisation objectives.

Management of RRBs essentially is a financial decision making Process in meeting credit needs of the rural sector. This involves establishment of policies taking decisions and implementation in accordance with the statutory provisions guidelines from RBI and NABARD. The basic principles underlying the management of these rural banks is the economic and democratic way of planning control, direction, organisation and implementation.

The RRBs like other commercial Banks have gradually embarked upon a performance budgeting/target and achievement exercise. In view of the renewed emphasis accorded by the Govt. of India for restructuring and revamping of RRBs in providing credit for agriculture and rural development, the RRBs are required to prepare Development Action Plan (DAP), w.e.f 1994 for attainment of viability within a reasonable period of time (maximum five years period). The DAP envisages several measures to be taken by RRBs for improving their performance. Among which are:

- a) Planning for remedial measures which are specific to the diagnosed problems;
- b) An analysis of the impact of remedial measures on cost, yield and margins;
- c) Preparation of branch wise performance budget for key performance areas; and
- d) setting-up an effective monitoring system.

The UBKGB, like other RRBs in the country has adopted the preparation of DAP from 1994-95 to achieve economic viability within a maximum period of five years.

### **Objective and methodology.**

In this chapter an attempt is made to understand and analyse on the performance budgeting, monitoring and review systems adopted by the bank (UBKGB). The objective is to highlight the system and the constraints of applying the system by the bank and to assess the level of participation at different hierarchical levels.

The basic approach is to study the system and problems with the help of interview schedule. For this propose, two separate sets of questionnaire were designed keeping in mind the objective of the study. Appendix IV illustrates the branch level questionnaire and appendix III presents the apex level questionnaire along with other questions. The branch level questionnaire sought information on the process of formulation of draft branch budget, its settlement with the controlling area office (A.O)/Head Office (H.O), the performance monitoring and review process. The apex level questionnaire comprised the planning & control system. It focused on the questions on the planning process, the framing and the settlement of the branch budget, the performance monitoring and review process, the reward and punishment system and the effectiveness of the system. For this purpose, twenty

branch managers were interviewed and almost all the senior managers of the H.O., officers in-charge of the various sections, the G.M. and the chairman of the Bank were interviewed. The data so obtained were summarised, tabulated and analysed accordingly.

## **Definition of the terminology**

### **a) Management Planning**

Management or corporate planning is a process concerned with the future and continuously provides the basis for futuristic decision making and ensures the desired consistency in organisational direction. It is a continuous process rather than an once-for-all process. Constant review and revision of planning are necessary to make management planning adoptable to the changing environment<sup>1</sup>.

### **b) Management control**

A control system is a monitoring device which measures the performance in terms of efficiency and effectiveness at different levels of Management. Anthony defines management control as, "The process by which the managers assure that the resources are obtained and used effectively and efficiently in the accomplishment of organisational goals"<sup>2</sup>. According to R.J. Mockler, "Management Control is the systematic effort to set standard with planning objectives; to design an information feedback system; to measure actual performance; to note deviation of the actual performance from standards and their significance; and to take control action for ensuring that all resources of the organisation are most effectively and efficiently used to achieve the corporate goals"<sup>3</sup>

Thus, the central purpose of management planning control system is to encourage or motivate the managers to achieve the corporate objectives.

### **Performance budgeting system**

A performance budget, in the context of banking is a comprehensive operational document which translates the aspirations of such a service organisation into meaningful and feasible actions programmes and activities for realising the objectives by integrating the financial as well as physical targets of performance for major areas of business, such as deposits, advances, branch expansion and manpower planning. The performance budgeting system (PBS) enables a judicious use of resources, creates a healthy competition between branches and aids in evaluating the adequacy or otherwise of the existing policies and procedures.

Since 1974, most of the nationalised banks have adopted this PBS. The major objectives of which are stated as under.

- (a) To enable a bank to prepare a realistic business plan from the grass-root level upwards and workout its financial and manpower implication thereby ensuring a satisfactory business growth.
- (b) To enable the branch managers to gain competence in planning and monitoring of the performance of the operations of the branch.
- (c) To enable the regional managers to exercise effective control on the performance of branches for identifying the strengths and weaknesses and initiating corrective action.
- (d) To improve the involvement of different levels of management of the bank on the setting up of the targets and evaluating the performance and to improve the communication between different levels.<sup>4</sup>

The performance budget of a bank has to be formulated, taking into account. (i) The policy guidelines provided by RBI/NABARD; (ii) The business potential available; (iii) Physical facilities available and staff strength, (iv) The past trend of the business. (v) The long-term corporate goals and (vi) The anticipated changes in both environmental factors as well as policies of RBI/NABARD. The overall process of performance budgeting practiced consists of two phases namely, (a) The formulation and settlement of the budget and (b) the review or monitoring

of the performance.

### **Performance budgeting in Regional Rural Banks vis-a-vis in UBKGB**

In the initial years of the operations, the UBKGB like other RRBS, had not followed the practice of performance budgeting system when it followed the some sort of planning which can at best be termed as target and achievements, wherein the controlling authority(H.O) fixed targets and passed them down to the performing units at branch levels. In other words, the higher level management made the decisions and the operating units become target-tackers. And the targets fixed were restricted to a few parameters only, such as, mobilisation of deposits and lending to the target groups. The performance of the branch was then judged on these restricted parameters only.

In the emerging scenario, the RRBs are required to prepare the performance budget for achieving the long-range objective of economic viability.

#### **A. The formulation and settlement of the branch budget.**

##### **The inputs of branch budget**

The inputs of a branch budget comprise the past performance of the branch, policy guidelines from the Head office, environmental data and the changing needs of the branch. To examine the relative usefulness of each of these inputs in preparing the draft budget for the branch, the branch managers were asked to rank these inputs.

Table 7.1 indicates that the branch managers attached maximum value to the past performance, total scores given is 47, out of total 121, (38.8 percent of total score) followed by policy guidelines from Head office, score is 41 (33.9 percent of total score). The environmental data was given third importance, the score of which was 28 (23.1 percent). The changing needs of the rural economy scored very low only 5 (4.1%).

The overwhelming significance attached to the past performance and the policy guidelines from head office could be due to readily availability of past performance data at the branches and the appreciation of the utility and relevance of the policy guidelines issued by the head office. A comparatively low weightage given to the branch environmental data indicates less importance in the preparation of draft branch. Whereas, no importance is given to the changing needs of the economy.

The past performance is merely an indicator of past attainments and is not a good measure of the decisions regarding future potentialities. In fact, judgments about the future potentialities should be based on branch environmental data to which third importance is given (23.1% to total score). Thus, this finding clearly brings out that the budget of the branch is not based on the business potentialities of that area. This lower importance to branch environmental data, compared to the past performance of the branch indicates inability of the branch managers in getting this data and thereby to fully translate this data into business potential due to inadequate guidance for this purpose.

At the corporate level budgeting, the head office personnel assigned maximum value to the change in govt policy and NABARD's guidelines, average score of which is 50.5 out of total score of 203 (24.9%) followed by past performance, score 49 (24.1%). The needs of the rural economy and the viability of the operations scored the lowest (table 7.2). This also indicates that the bank budget is more or less based on the past performance and very negligible attention is given to the viability of operation of the bank (table 7.2).

### **The Settlement of branch budget**

The manner in which the budget settlement meeting takes place is equally important for the effectiveness of the performance budgeting exercise in achieving its objectives.

Regarding the manner in which the decisions concerning targets for deposits, advances is arrived at in actual practice, both the branch managers and the head office personnel were divided in their response to a specific question. The summary of these responses are shown in table 7.3.

The percentage of the branch managers supporting the view that the target/assessment are made jointly by the branch manager/area manager & head office personnel by participation & discussion was 52.9 . A sizable number of respondents 41.2 percent held the view that targets are first made by the higher authorities (H.O) and then discussed with the branch managers for finalisation. One of the branch managers (5.9%) indicated that targets are made by the higher authorities and announced without giving any scope for discussion. Head office personnel (72.2% of the respondents), on the otherhand, indicated that target/assessment are first made by the head office and then discussed with the A/M and B.M for finalisation. Whereas, only 27.8 percent expressed view that target/assessments are made jointly.

The foregoing discussion on the findings of the study clearly brings out the imperfection that exist in the process of budget settlement. The reasons for this imperfection may be attributed firstly, the budget settlement meetings often do not offer much scope for an open discussion. Secondly, lack of sufficient interest and initiative lack of required information and knowledge of some branch manager vitiated the problems. The problems gets further aggravated due to the fact that in a settlement meeting the discussion is restricted to levels of deposits and advances. The manpower, physical facilities and feed back information or other resources needed for achieving the increased business are either by passed or no importance in given which in turn demotivates the branch managers from putting forth the best efforts for the accomplishment of the goals set by the head office. Another reasons for unsound settlement procedures is the lack of suitable methods for drawing meaningful interpretation from the environmental data by both the parties for judging business potentials. The involvement of the clerical and supervisory staff at the branch level in formulating the branch budget has often been lacking. 60% of the respondents viewed that they do not involve the clerical or other supervisory staff in budget formulation. While only 40% stated that the do involve those staff.

### **Resource/Input Support for achieving branch performance budget**

The provision of adequate and timely inputs/resource is imperative for achieving the planned level of business. Table 7.4 focuses on the branch managers views on the extent of support received by them from the H.O/A.O . It is evident from the table that the branch managers differ on the extent of support received by them from the controlling authority . The majority of the respondents (53.3%) have stated that they received only partial support. While, 26.7 percent have stated that they do not received any support for manpower, physical facilities and feed back information for achieving the additional business targets. Thus, partial support or no support of resouress was the dominant view to which 80 percent of the respondents expressed their views.

In response to the same question in the apex level questionnaire (table 7.5), 47 percent of the respondents stated that though the requirements are worked out they can not be provided at all or only temporary arrangements/readjustment are made for manpower. About 53 percent of the respondent, however, stated they are provided within 1-6 months. A failure to provide adequate manpower and other resources assistance to the branch managers simply makes the budget process a partial exercise.

### **B. Performance Evaluation and review System**

Performance evaluation is indispensable for effective management planing and control system. The Evaluation and review of performance involves periodic monitoring and control of the actual performance of the various budgeted parameters and inputs. The central purpose of the performance evaluation system(PES) is to motivate the managers at different levels in achieving the corporate goals.The analysis of variances of the actual performance, compare to the budgeted levels is another important part of the evaluation and review process. According to P.Chattopadhyaya:"variance analysis sharpens the budget targets by way of

feedback. It helps assessment of whether the budgets are unduly optimistic or pessimistic in the context of the resources deployed.”

In this section an attempt is made to understand the performance evaluation and review system followed by our bank (UBKGB). The analysis is done on the basis of interview responses received from the respondents of the branches and head office.

### **PES in operation**

The performance evaluation of the bank is normally done at the three different staged, namely (i)at the branch level, (ii)at the area office level, and (iii) at the head office level.

The first stage of performance monitoring and review starts with the periodical performance reports compiled and submitted by the branch managers to their respective area manager in respect of selected variable, deposits and advance, wherein the actual performance is compared with the budgeted figures. In the second stage the head office review the performance of the area office. At the third stage, a mid-term review of the performance of the bank as a whole is attempted after consolidating the performances of the area offices.

The periodicity of reporting differs from branch to branch. In most of the cases branch managers compiled and submit a detailed quarterly progress report to their Head office. In some cases, the branch managers are to furnish monthly progress reports on selected variable.

As regards the periodicity of reporting 61.9 percent of the branch manager stated that they compile & submit report quarterly. While, 14.3 percent said that they submit it half-yearly and another 14.3 percent said it monthly. Some of the respondents 9.6 percent, stated that the report is either sent yearly or very irregularly (table 7.6).

### **Review Procedure**

Table 7.7 presents the branch managers responses as to the procedure of review of actual performance with the budgeted figures. It is seen from the table that 20 percent of the branch managers indicated that the review of performances of their branches is mostly made in the head office. While, 66.7 percent of them mentioned that the review is shared equally by the head office, area office and branch manager. Another 13.3 percent stated that either review is not done at all or it is done in improper way. Thus, it appears from the table that for about 1/3rd of the branches the review was either done at head office without the involvement of the respective branch managers or the review is not done at all which is far from the spirit of the performance budgeting system.

### **Periodicity of review of actual performance with the budgeted figures.**

It appears from the table 7.8 that about 68 percent of the respondents viewed that the review of actual performance with the budgeted figures is done quarterly. While, about 23 percent of the respondents stated that it is done yearly and another 9 percent said that it is done on half-yearly. This clearly indicates that due importance is not given for the review of the performance, of the operating units, which should have been the basis for improvement of the performances of the branches and for the bank as a whole.

### **Variance analysis**

In reply to the question 50 percent of the respondents viewed that the review of variance between the actual and budgeted performance is done quarterly. While, another 50 percent stated that it is done either half-yearly or yearly (table 7.9).

### **Action taken on variance**

Table 7.10 indicates that about 11 percent of the respondents from the head office expressed that no action is taken on variance of actual performance with the budgeted figures. Majority of the respondents (about 78 percent )stated that stragegis/targets in respect of credit & deposit is revised while. another 11 percent said that

resources (men) are redeployed to achieve the targets.

### **Kind of comparison made.**

An inter-branch and inter area office comparison is useful for ascertaining the relative position of the various branches and area office. Table 7.11 represents the responses of the head office personnel as to the kind of comparison made by them. Of the respondents only 43.5 percent said that inter-branch comparison is made. While, 17.4 percent said that inter area office comparison is also done. While about 39 percent of the respondents viewed that no such comparison is made and it is proposed to be done (8.7%). It thus reveals that the inter-branch and inter-area office. Comparison, has not been dopted by our bank in true spirit, which has a positive bearing on the improvement of performance.

### **Steps taken by the management (higher authorities)for non-compliance of the norms in compiling and sending reports/statement.**

As regards steps taken by higher authorities for non-compliance of norms in compilation/preparing and sending the reports to the higher authorities (H.O/A.O) or in achieving the targets, 40 percent of the respondents (branch managers) have expressed that only reminder is given to them. And 20 percent said that no steps are taken for non-compliance of the norm or for achieving the targets while, another 40 percent of the respondents viewed that some steps are taken (table 7.12).

### **Reward and punishment system**

The interview at the apex level revealed that the bank has not yet introduced the system of reward for outstanding performance in relation to the budget and discouraging or punishment that which does not conform to it which in turn demotivates/discourage the efficient staff for taking interest or initiative. Table 7.13 shows that of the total 18 respondents all of them have said that no such system

has so far been introduced by the bank and 4 of them have said that the system is proposed to be implemented soon.

The study made by 'Kaura' revealed that the commercial Banks have introduced some sort of system of appreciating the outstanding performance and discouraging that which does not conform to the budgeted figures. The form of reward and discouragement however differs from bank to bank. For appreciating a good performance the most common practice is the issue of letter of appreciation to the branch manager concerned. Similarly for discouraging the poor performance letters are sent to them to make an increased effort to realise the planned targets.(6)

### **C. Operational planning and control system**

The operational planning and control system form an important constituent of the management planning and control system also used in RRBs like that of CBs. These systems are needed for ensuring that specific tasks associated with day to day operations are carried out efficiently and effectively by the concern branches.

#### **Types of control**

##### **(a) Direct Control**

Direct Control includes periodic inspection and audit by a team of inspectors from the head office. Normally, these inspections are made once in a year for CBs. Interview with the head office personnel revealed that this inspection and audit was very irregular in the initial years and even now it is not followed strictly by the bank (UBKGB).

##### **(b) Indirect Control.**

Indirect Control consists of **ongoing** control through structured periodical returns and statements submitted by the branches and area offices to the head office.

The periodicity of these reports and statements are weekly, monthly or quarterly depending upon nature and purpose of it. The discussion and interview revealed that the controlling head office scrutinise these reports/returns and provide feedback to the branches mainly through correspondence and for non compliance of the norms for sending the reports to the controlling office no steps are usually taken but only a reminder is given by the controlling office.

**(c) Other area of operational control.**

This relates to the system of periodic reporting of income and expenditure and the cash & bank balances to be maintained by each branch. For this purposes UBKGB has introduced a system of half-yearly reporting of income and expenditure by the branches to the area office/head office wherein the maximum cash in hand that can be kept by a branch has been fixed for proper utilisation of this fund and for earning income. Recently, the bank also started preparing the credit plan separately for non-target group.

**Summary**

The foregoing analysis on the findings of the study clearly bring out the present position of the process of the performance budgeting formulation, settlement and evaluation system of our bank. The findings leads us to the following conclusions:

- 1) The performance budgeting for UBKGB like that of other RRBs is a recent origin when they are required to prepare it for achieving the long-range objective of economic viability.
- 2) Though the system is followed by the bank as a vital instrument of Management Planning and Control System, due importance was not given for its effective implementation in achieving its objectives.
- 3) The performance budgeting of the branches are mainly based upon the past performance to which highest weightage is given by the respondents. This clearly

brings out that the budget of a branch is not based on the business potentialities of that area (environmental data). The needs of the rural economy and viability gets negligible attention.

4) In the settlement of the budget due importance or scope is not given for open discussion with the branch managers for judging the business potentialities. Lack of sufficient data and information, initiative and interests, knowledge and involvement of other staff stand way to the effective implementation of the system.

5) Though the higher authorities (H.O) worked out the requirement of various resources (manpower, physical facilities, etc.) they are provided either partially or by temporary adjustments only. Hence, the budgeting exercise is not carried out in true spirit.

6) The periodicity of reporting (compilation and submission of reports statements) differs from branch to branch. No steps or a minor steps by reminder are taken only for non-compliance of the norms.

7) The review procedure is far from the spirit of the performance budgeting system. In ~~the review~~ about 33% branches the review is either done at the head office without the involvement of the respective branch managers or the review is not done at all. The periodicity of review is also not uniform for all the branches. Though the practice is to review the performance quarterly, about 30 percent cases, it was done yearly or half-yearly.

8) Though the review of variance between the actual and budgeted performance is done, no actions are taken on variance. In most of the cases targets/strategies are revised for non achieving the norms.

9) The inter-branch and inter-area office comparison which has a positive bearing on the improvement of the performance has not been adopted by our bank in true spirit.

10) The reward for outstanding performance in relation to the budget and discouraging or punishment for very poor performance for motivating the managers of the performing units is absent in all the cases.

11) The direct operational control in the form of audit and inspection and indirect control through structured periodical returns and statements is not followed strictly for our bank. The inspections and audit are very irregular and for non-compliance of the norms, Very minor actions or no actions are usually taken by the management.

### References

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4. Kaura, M.N. opcit, p56
5. Chattopadhyaya, P "Variance analysis in Banks productivity" New Delhi, april-June, 1979, 20(1) p. 78
6. Kaura, M.N. opcit, p100

Table No. 7.1

**Branch Managers' ranking of importance of various factors  
in formulating branch performance budget.**

<i>Factors</i>	<i>Priorities</i>					<i>Total score</i>	<i>Percentage to total score</i>
	<i>1st</i>	<i>2nd</i>	<i>3rd</i>	<i>4th</i>	<i>5th</i>		
a) Past Performance of the branch	6	5	4	—		47	38.9
b) Policy guidelines from Head Office /Area Office	6	5	1	—		41	33.9
c) Environmental data/business potentialities	1	6	3	—		28	23.1
d) Changing needs	1	—	—	1		5	4.1
e) Total						121	100

**Note :** Score given to the priorities. 4 to 1st; 3 to 2nd; 2 to 3rd & 1 to 4th.

Table No. 7.2

**Budget formulation : Ranking of Importance of the  
Head Office Personnel**

<i>Factors</i>	<i>Priorities</i>					<i>Total score</i>	<i>Percentage to total score</i>
	<i>1st</i>	<i>2nd</i>	<i>3rd</i>	<i>4th</i>	<i>5th</i>		
a) Change in Govt. Policy	8	3	—	1	1	55	27.1
b) NABARD's Guidelines	1	5	7	—	—	46	22.7
c) Past performance	3	2	6	4	—	49	24.1
d) Needs of the rural economy	—	4	2	7	1	37	18.2
e) Viability	3	—	—	—	1	16	7.9
f) Total						203	100

**Note :** Score given to the priority 5 to 1st; 4 to 2nd; 3 to 3rd; 2 to 2nd & 1 to 1st  
**Sources :** Interview responses.

Table No. 7.3

**Procedure for settlement of branch budget : Views of the branch Managers and Head Office (HO) personnel**

<i>Settlement Procedure</i>	<i>No of Respondents</i>		<i>Percentage to total respondent</i>	
	<i>B.M.</i>	<i>H.O.</i>	<i>B.M.</i>	<i>H.O.</i>
a) Targets/assessments are first made jointly by the branch Managers, Area Managers and Head Office by participation and discussion	9	5	52.9	27.8
b) Targets/assessments are first made by the higher authorities (H.O) and then discussed with the Branch Manager for finalisation.	7	13	41.2	72.2
c) Targets/assessments are made by higher authorities and announced with out giving any scope for discussion	1	—	5.9	—
d) Total	17	18	100.0	100

Sources : Interview responses.

Table No. 7.4

**Resource support received from Head Office/Area office on achieving the branch budget.**

<i>Resource</i>	<i>Full support</i>	<i>Partial support</i>	<i>No support</i>	<i>Total respondents</i>
a) Manpower	2(13.3)	5(33.3)	8(53.3)	15(100)
b) Physical facilities	3(20.0)	10(66.7)	2(13.3)	15(100)
c) Feedback information	4(26.7)	9(60.0)	2(13.3)	15(100)
d) Total	9(20.0)	24(53.3)	12(26.7)	45(100)

Note : Figures in brackets are percentage to total  
Sources : Interview responses.

Table No. 7.5

**Budget formulation : requirement of various factors-views  
of the head office personnel**

<i>Factors</i>	<i>Requirements worked out</i>		<i>Requirements provided</i>			<i>Temporary Adjustments only</i>
	<i>Yes</i>	<i>No</i>	<i>within a month</i>	<i>within 3-6 month</i>	<i>Never</i>	
a) Manpower	15(88)	2(12)	4	5	5	3
b) Physical facilities	15(88)	2(12)	4	5	5	—
c) Feedback information	15(88)	—	4	5	5	—
d) Total	15(88)	4(24)	4	5	5	—
e) Total No. of respondents	17(100)	—	4(23.5)	5(29.4)	5(29.4)	3(17.6)

**Note :** Figures in brackets are Percentage to total.

**Sources :** Interview responses.

Table No. 7.6

**Periodicity of reporting of actual performance against budgeted : views of the  
branch managers**

<i>Reporting Period/interval</i>	<i>No of Respondents</i>	<i>Percentage to total</i>
a) Monthly	3	14.3
b) Qly	13	61.9
c) Hly	3	14.3
d) Yly	1	4.8
e) Very irregular	1	4.8
f) Total	21	100

**Note :** A few respondents given Priorities for more than one factors.

**Sources :** Interview results.

Table No. 7.7

**Procedure for review of branch performance in  
relation to performance budget**

<i>Procedure</i>	<i>No. of Respondents</i>	<i>Percentage to total respondents</i>
a) Mostly done in the Head Office/Area Office	3	20.0
b) Shared equally by H.O./A.O./and by the branch managers	10	66.7
c) Review is not done at all/properly	2	13.3
d) Total	15	100.0

Table No. 7.8

**Periodicity of Review of actual performance with the budgeted figures.**

<i>Periodicity of review</i>	<i>No. of Respondents</i>	<i>Percentage to total respondents</i>
a) Quarterly	15	68.2
b) Halfyearly	2	9.1
c) Yearly	5	22.7
d) Never	—	—
e) Total	22	100.0

**Note :** A few respondent given opinion for morre than one place.

**Sources :** Interview results.

Table No. 7.9

### Review of variance between actual and budget performance

<i>Mode of calculation of variance</i>	<i>No. of Respondents</i>	<i>Percentage to total</i>
a) Monthly	Nil	-
b) Quarterly	11	50.0
c) Halfyearly	6	27.0
d) Yearly	5	22.7
e) Never	-	-
f) Total	22	100.0

Table No. 7.10

### Actions taken on variance

<i>Actions</i>	<i>No. of Respondents</i>	<i>Percentage to total</i>
a) Not appropriate, no review takes place	Nil	-
b) No action is usually taken	2	11.1
c) Strategies/targets for deposits and credit revised	14	77.8
d) Resources (men) are redeployed	2	11.1
e) Total	18	100.0

Sources : Interview results.

**Table No. 7.11****For monitoring performance; kind of comparison made**

<i>Kind of comparison</i>	<i>No. of Respondents</i>	<i>Percentage to total</i>
a) Inter branch Comparison	10	43.5
b) Inter Area office comparison	4	17.4
c) None	7	30.4
d) Proposed to be done	2	8.7
e) Total	23	100.0

**Table No. 7.12****Steps taken by the management (higher authorities) for non-compliance of the norms— in preparing and sending the reports/statements and in achieving the targets : views of the branch managers**

<i>Actions/Steps</i>	<i>No. of Respondents</i>	<i>Percentage to total</i>
a) Actions/Steps are taken	4	26.7
b) No steps/Actions are taken	3	20.0
c) Some/Partial steps are taken	2	13.3
d) Only reminder is given	6	40.0
e) Total	15	100.0

**Table No. 7.13****Reward and punishment system based on comparison of actual against budgeted performance.**

<i>System</i>	<i>No. of Respondents</i>	<i>Percentage to total</i>
a) No system of punishment/reward	18	100
b) System of punishment/reward	Nil	—
c) proposed to be introduced	4	22.2
d) Total	18	

Source : Computed from interview responses of the branch managers and head office personnel.