

Current ownership style structure and recommendations business essay

[Business](#)



Much research has focused on the forces shaping the ownership structure of modern corporation. It is now well recognized that each ownership structure has its efficiency cost. A natural question that arises is whether the market will tend to produce those structures that minimize the sum of various types of efficiency costs and are thus most efficient. Amana Bank Limited, A Public Limited Liability Company Incorporated in Sri Lanka in February 2009 and Licensed by the Central Bank of Sri Lanka. a public limited company like Amana Bank is an incorporated business and is therefore separate legal entity from its owners. The owners of a public limited company are its shareholders and each shareholder enjoys the benefit of limited liability. Amana Bank benefits operating as Public Limited Company Raising capital A public limited company such as Amana Bank can issue shares for sale to the general public and therefore it should be able to raise more capital than any other form of business enterprise. Limited liability A public limited company is an incorporated business and therefore is a separate legal unit from its owners. This also means that any debts or losses accrued by the business are not the responsibility of the individual shareholders. Therefore, if a company such as Amana Bank were to run up huge debts, the individual shareholders would only lose the money they had invested in the business. Continuity Because Amana Bank has a legal existence separate from that of its owners it will not be affected if one particular shareholder decides to sell his/her shares. Shares in public limited companies change hands regularly with very limited impact on the operation of the business. Specialization Public limited companies such as Amana Bank are generally large companies who can have a large number of directors or

managers. This means that each manager can specialize in the area where they are best suited. This specialization and division of labor should help Amana Bank become more efficient and productive

- Drawback for Amana operating as Public Limited Company
Set up costs
Setting up Amana Bank as a public limited company was a time consuming and costly process as there were official procedures to complete to ensure that the business complied fully with the department of registrar of companies Sri Lanka. Divorce of ownership and control
In Amana Bank the shareholders are the owners of the company but it is the directors and managers who make the day to day decisions and therefore it is they who control the company. This situation can cause difficulties if the objectives of those who control the company differ from the objectives of those who own it. Accounts to public
Amana bank should generate reports end of every month and issue to general public, Very expensive to produce accounts and to list on the stock market. Amana Bank have many task to perform when socialize in the market, they got high traffic competition between other banks, Amana bank should have very protective managers and well experienced labors in order to compete in the market with more Clients. Amana Bank has to prepare many source documents and maintain all the documents well so that they will be free of problems, Financial accounts
Record keeping
The company tax return
Paying corporation tax
Directors' responsibilities
Where to get more help. Amana Bank holds more than 500+ labors but they have to outsource works to evaluate about the company performance and productivity level. Amana Bank Culture
Let me

start this article with what is Organization Culture ' shared meanings, shared understanding and shared sense making.....In talking about culture we are really talking about a process of reality construction that allows people to see and understand particular events, actions, objects, utterances or situations in distinctive ways. These patterns of understandings also provide a basis for making one's behavior sensible and meaningful' (Morgan 1986)When it comes to the banking world, the banking environment and their culture are not common in all the organizations, usually before asking for an overdraft, but whether that counts as cultural interaction. Amana Bank has many aspects of culture in different forms, Employee Dress, Interior Architecture, Financial Reporting, Employee Training and customer Satisfaction. All these include building culture to the business. The culture of the bank leads to influences the decisions and tasks taken place in the bank; therefore, understanding culture is more important to the analysis of organizational culture . Amana Bank builds link between employees and the customers when they are banking with them, they treat their customer's well, builds up cultural relationship to bank. Amana Bank Should develop Team working skills throughout all their branches so that they will to comprise all the cultural developments to all their branches, have a good communication method between the customers, This is more like in to Power Culture where as sharing common facilities put pursuing own goals separately. Leadership StyleWhat is leadership? The ability of a superior to influence the behavior of subordinates and persuade them to follow a particular course of action. (Barnard 1938)What does leadership act as? 1 Leadership is a process. 2 Leadership involves influence. 3 Leadership occurs

in a group context. 4 Leadership involves goal attainment. In all the Business Organization there is 2 types of leaders1. Appointed by management2. Asserted by persons over others because of their special skills or resources to meet the needs of the group or of its members. Successful leadership inspires enthusiasm and commitment, enhancing both employees and organization performance. This study to examine the impact of leadership skills of Mr. Mohamed Zimam Cader (Business Development Officer) Of Amana Bank. He is leader who influences general public to work with them; he has been appointed by the management because he got talents on influencing the general public. His leadership has increasingly become the focus of attention management; He is being given as the leader based on the Leadership Qualities and Leadership Behavior. Leadership styles can be different from each leader, AutocraticBureaucraticLaissez-faireDemocraticEffective leadership is a key factor in the life and success of an organization, Mr Zimam Cader is good leader who is performing a major task to change people minds of others and move Amana Bank forward to accomplish identified goals. As Mr Zimam Cader told us when we interviewed him a he told a leader should be Clever and persuasive , adaptable to situations and self confident these should be targeted first. Mr Zimam Cader is leader who is under a manager of Customer Relationship manager who leads him to develop his skills and performance. As we interviewed him we found that he is Bureaucratic leader, where as he involves manager in the decision making, although the process for the final decision may vary. Drawback on the leader maybe problematic when there is wide range of opinions and there is no right way of reaching a perfect decision. We feel like

being autocratic is better where leader makes the decision without consulting others, since he is under a manager he will have to approach in Bureaucratic leadership. So that it will be free of problems to the Bank.

Motivation methods used

What is motivation? To address this question let us begin with a definition of motivation. ' Motivation is the term used to describe those processes, instinctive and rational, by which people seek to satisfy the basic drives, perceived needs and personal goals which trigger human behavior'

Amana Bank employs and resources

Labors are resources of Amana bank, they will have to protect them and motivate them to perform well in the organization. Most of us have seen people who perform their jobs by doing little as possible. They come to work late and leave early. We also see people who work and give 100% attendance for project they found to be punctual. They approach new projects with smiles but some don't. So they should be motivated to gain smiles when a project is given. Managers at Amana Bank work more hard and manage all their labors under him, as a manager he should develop and encourage good employee performance and good performance come from strong employee motivation. But there some occasions where managers will not able to motivate the employee's .

Motivation is an internal state, like emotions and attitudes. Managers can create environment workplace that will inspire and support employee motivation. Amana Bank has a great workplace that helps employees to satisfy psychological needs, set clear goals for employee performance, Amana Bank also encourage employees good performance though rewards and promotions. High Level managers maintain open communication with all employees. Motivation can be effected when a decreasing emphasis on

money, increasing amount of work and increase need to work together in teams. Motivation for Mr Zimam Cader , is been developed by his manager he has a great a workplace where he is free from rules and he is able to communicate with all the employees and he is motivated with bonus and commission when he finds new clients , he told us he is enjoying his job with his good manger . Since they are rewarded for performance and compensated bonuses it makes them to work more harder and productive for that they will be able to reach all the goals. He is given Physical Needs, Security needs, social needs, status and self actualization. He is protective because of the company and he can afford a living well as protecting the company and getting through Amana Bank goals.