CHAPTER V
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STATEMENT OF THE PROBLEM AND HYPOTHESES

The decisive importance of managerial effectiveness in the attainment of organizational goals has been fairly widely recognized. Nevertheless, it cannot be said that an equally important emphasis has been given to the understanding of factors determining effectiveness of managers. It is true that increasing attention is being given to the understanding of managerial effectiveness since 1960 as a result of which many studies have been conducted in countries such as the United States and United Kingdom. The results of such studies have been briefly reviewed in Chapter II. What one finds from the literature is that efforts of industrial psychologists have been directed largely toward the study of independent relationships between specific variables on the one hand, and various aspects of performance on the other.

But studies dealing with interactive effects of multiple variables are relatively few (Campbell et al, 1970; Uhlaner, 1970). Uhlaner (1970) has pointed out that effective behaviour and performance are not always additive effects of whatever variables may be involved, for different variables interact in this process with
different outcomes for different jobs. Behavioural research carried out in the context of its total context, that is, the person and the situation taken together only can throw light on the complex phenomenon of preference effectiveness. The present study is influenced by the interactional view of managerial behaviour and behaviour effectiveness.

**PROBLEM**

Based on this framework of behaviour, four variables have been chosen for the present study. They are:

1. Motivation; 2. Personality; 3. Leadership; and 4. Organizational climate. Among the four variables, one and two are person-centered, three is behavioural and four is environmental. Analysis of independent and combined effects of the aforesaid variables on managerial effectiveness will be made. The rationale for selecting the aforesaid variables have been presented in Chapter III. The problem chosen for the study is formulated hereunder:

Managerial effectiveness and motivation, leadership, personality and organizational climate.

**Objectives of the Study**

1. To study the independent relationship of motivation, leadership, personality and organizational climate and managerial effectiveness.
2. To study the interaction effect of the aforesaid variables on managerial effectiveness, and

3. To study the collective effect of the variables on managerial effectiveness.

**Definition of some terms**

1. **Manager**: A manager in this study is a person who is the head of a department such as production, purchase, personnel etc. in an industrial organization.

2. **Managerial Effectiveness**: Some of the problems and issues involved in the conceptualization of managerial effectiveness has been discussed in Chapter I. Productivity, profit maximization, organizational growth, optimization of both material and human resources of an organization, organizational efficiency, organizational stability are few of the numerous criteria suggested for evaluating managerial effectiveness (England, 1966, 67; Steers, 1977).

The crucial question is how shall the effectiveness of an individual manager be measured? A manager's worth or effectiveness has to be adjudged against organizational effectiveness since both are intertwined. The advantages of 'optimized goals' rather than 'maximized goals' for assessing organizational effectiveness has been pointed out in Chapter I. A manager is immediately responsible for optimized functioning of his department rather than
that of an entire organization. Through the coordinated efforts of all managers organizational goals are achieved to a level as an end result. A manager's main contribution for the achievement of organizational goals will depend upon how successful or effective he is in optimizing the material and human resources at his disposal.

First of all managers in an organization occupy different positions and perform different kinds of tasks. The tasks of a production manager are different from that of a personnel manager. Secondly, organizational goal achievement is the coordinated end result of all the managers in an organization. Because of these factors, to effectively identify managerial effectiveness it is necessary to operationalize the goals of a manager and through an effective appraisal system assess the extent of his goal attainment. Taking into consideration the aforesaid factors, managerial effectiveness is defined as follows for the purpose of the present investigation:

Managerial effectiveness is the outcome of the actions of a manager directed towards the optimal utilization of both material and human resources at his disposal for the achievement of the operationalised goals of his department or position over a long enough period of time.
HYPOTHESES

In line with the objectives of the study stated earlier, the following hypotheses were framed for verification. The first hypothesis is the principal hypothesis of the study and that is followed by a number of hypotheses of bivariate nature (that is, one independent variable and one dependent variable) to test the relationship between motivation, leadership, personality and organizational climate and managerial effectiveness.

**Hypothesis 1:** Principal Hypothesis: Motivation, leadership, personality and organizational climate significantly affect managerial effectiveness individually, interactionally and collectively.

The interactional and collective effects of the aforesaid variables on managerial effectiveness were analysed using the following multivariate methods: 1. Factor analysis; 2. Discriminant analysis; and 3. Profile analysis.

To test hypotheses of bivariate nature, the following hypotheses relating motivation, leadership, personality, organizational climate and managerial effectiveness were formulated. To assess the nature of these relationships, a one way analysis of variance (ANOVA) was done.
Motivation and Managerial Effectiveness

The motivational model adopted for the study is the need-fulfilment model. According to this, need satisfaction is a function of the strength of a need (expectancy level) minus the extent of satisfaction of that need on one's job. Where there is an expectation of the satisfaction of a need as a reward for performance, it is logical to hypothesize that managers with high levels of need will put in more effort than others whose need is low, thereby achieving a higher degree of performance effectiveness. The needs examined in the study are more or less directly tied to the jobs of managers and the manner of their performance. For example, the need for achievement can hardly be met by a manager unless he strives to achieve and succeed some work related goals. Consequently, a manager who has high need for achievement is likely to strive more than a manager whose need for achievement is low and, because of the former's higher effort or striving is likely to be more effective. The following hypotheses have been framed to examine the relationship between a number of motivational needs that are believed to be important in managerial positions and effectiveness of managers.

Individuals differ with reference to their need for esteem and status. Different jobs offer different degrees of esteem and status to people. Managerial jobs are
associated with high esteem and status in the eyes of the society. Therefore it is only natural those who have high need for esteem and status will strive for managerial positions. Hence

**Hypothesis 2:** The manager whose need for esteem is high is more effective than the manager whose need for esteem is low.

\[ H_2 : \ EF > \ EF \]
\[ n.o-h \ n.o-l \]

Managers are often confronted by the need to make decisions. Many of the situations demanding decisions may not be covered by established rules and procedures for managers to follow. Effective decisions can be made only within the framework of certain amount of freedom of action and choice. Therefore

**Hypothesis 3:** The manager whose need for autonomy is high is more effective than the manager whose need for autonomy is low.

\[ H_3 : \ EF > \ EF \]
\[ n.a-h \ n.a-l \]

Top management positions are associated with great responsibility, challenge and the need for high levels of achievement. Only people who can stand up to such demands can hold managerial positions successfully. The need for
high achievement is a key element in managers' success. Therefore

**Hypothesis 4:** The manager whose need for achievement is high is more effective than the manager whose need for achievement is low.

\[ H4 : \ EF > EF \]
\[ n.a-h \quad n.a-l \]

Some people have a high need for self actualization, and therefore, seek opportunities to utilise their talents to the utmost. For them the expression of their talents and potentialities is important and they make efforts to manifest their potentialities through concrete actions. That is to say, self actualization is of great importance to them. Managerial positions offer great opportunities for people to be creative, to make use of their talents and potentialities to meet the challenges associated with managerial positions. Hence

**Hypothesis 5:** The manager whose need for self actualization is high is more effective than the manager whose need for self actualization is low.

\[ H5 : \ EF > EF \]
\[ n.s-h \quad n.s-l \]

Managerial positions require getting the job done through other people. Therefore, a certain level of interest in and concern for interpersonal relationship is
necessary for achieving managerial goals. Nevertheless, there is some evidence to show that overly strong need for belongingness may be deleterious for effective performance. Therefore:

Hypothesis 6: The manager whose need for affiliation is high is less effective than the manager whose need for affiliation is low.

\[ H_6 : \ EF < EF \]
\[ n.o-h \quad n.o-l \]

It is commonly assumed that any one seeking entry into a higher management position does so for the higher pay it carries. Hence, money is a motivation for managers and the expectancy of more pay will keep them striving for it. However, some studies have shown that managers who have high need for money were found to be low in effectiveness (Ghiselli, 1971), the explanation being that since managers are well paid, money cannot be the prime motivator. On the contrary higher order needs such as achievement, autonomy etc. are the real motivators. But this reasoning is unlikely to be true of developing countries like India where money acts as a motivator. Hence:

Hypothesis 7: The manager whose need for economic reward is more fulfilled is more effective than the manager whose need for economic reward is less fulfilled.

\[ H_7 : \ EF \geq EF \]
\[ n.o-h \quad n.o-l \]
Those who are overly concerned about their job security spend large part of their attention and effort in safeguarding their positions within their organizations rather than for achieving excellence in their jobs. On the other hand, those who are so confident of their abilities and so sure of their positions that they are free from too much insecurity react more effectively to environmental demands.

**Hypothesis 8**: The manager whose need for security is high is less effective than the manager whose need for security is low.

\[ H_8: \ EF \leq \ EF \]

\[ n.s-h \quad n.s-l \]

It is believed that people who strive for managerial positions seek power, i.e., they like to control and direct others. This is power exercised in an authoritarian manner. Exercising such power is more suited in an organization where authoritarian climate is prevailing. But the authoritarian approach is giving way to the democratic approach in management. In an increasing democratic approach, power is exercised more through persuasion, guidance and example than through force by people in supervisory positions. Therefore, power in the former sense will be negatively correlated with managerial effectiveness. Hence:
Hypothesis 9: The manager whose need for power is high is less effective than the manager whose need for power is low.

H9 : \( EF < EF \)
\( n.p-h \quad n.p-l \)

The higher order needs and their fulfilment occupy much importance in the minds of top executives and therefore they act as powerful motivators. Though the economic motive is not considered as important by some western scholars in managerial effectiveness, the present investigator is of the view that economic need is also important. Therefore it is felt that the overall need expectancy level of esteem, self actualization, autonomy, affiliation and economic needs is significant for managerial effectiveness.

Hypothesis 10: The manager whose overall need expectancy level is higher is more effective than the manager whose need expectancy level is low.

H10 : \( EF > EF \)
\( n.e-h \quad n.e-l \)

Extent of reward, effort expended and goal achievement

The valency-expectancy-effort theory of motivation has interlinked reward, effort expended and achievement of goal to explain motivational behaviour. The following hypotheses are framed in the light of this.
Hypothesis 11: The manager who obtains higher reward is more effective than the manager who obtains low reward.

H11 : \[ EF_{h.r-h} > EF_{h.r-1} \]

Hypothesis 12: The goal achievement of a manager who obtains higher reward is greater than the goal achievement of a manager who obtains lower reward.

H12 : \[ G\text{Ach}_{h.r-h} > G\text{Ach}_{h.r-1} \]

Hypothesis 13: The goal achievement of a manager who exerts more effort is higher than the goal achievement of a manager who exerts less effort.

H13 : \[ G\text{Ach}_{e-h} > G\text{Ach}_{e-1} \]

Leadership and managerial effectiveness: Hypotheses

The motivational role of leadership is almost taken for granted. The empirical evidence has been presented in the review chapter. The path-goal theory (House, 1971) has emphasised a number of points to clarify the motivational role of leadership. The leader who makes the work-goal attainment easy and rewarding helps the subordinates achieve the work-goals. Managers' effectiveness is closely linked up with the effectiveness of their subordinates. Therefore the following hypotheses have been derived regarding leader behaviour and leader effectiveness.
**Hypothesis 14:** The manager who is high on representation is more effective than the manager who is low on representation.

\[ H_{14} : \ EF > EF \]
\[ r-h \quad r-l \]

**Hypothesis 15:** The manager who is high on demand reconciliation is more effective than the manager who is low on demand reconciliation.

\[ H_{15} : \ EF > EF \]
\[ d.r-h \quad d.r-l \]

**Hypothesis 16:** The manager who is high on tolerance of uncertainty is more effective than the manager who is low on tolerance of uncertainty.

\[ H_{16} : \ EF > EF \]
\[ t.u-h \quad t.u-l \]

**Hypothesis 17:** The manager who is high on persuasiveness is more effective than the manager who is low on persuasiveness.

\[ H_{17} : \ EF > EF \]
\[ p-h \quad p-l \]

**Hypothesis 18:** The manager who is high on initiation of structure is more effective than the manager who is low on initiation of structure.

\[ H_{18} : \ EF > EF \]
\[ i.s-h \quad i.s-l \]
Hypothesis 19: The manager who is high on tolerance of freedom is more effective than the manager who is low on tolerance of freedom.

H19 : \( EF > EF \)
\( t.f-h \quad t.f-l \)

Hypothesis 20: The manager who is high on role assumption is more effective than the manager who is low on role assumption.

H20 : \( EF > EF \)
\( r.a-h \quad r.a-l \)

Hypothesis 21: The manager who is high on consideration is more effective than the manager who is low on consideration.

H21 : \( EF > EF \)
\( c-h \quad c-l \)

Hypothesis 22: The manager who is high on production emphasis is more effective than the manager who is low on production emphasis.

H22 : \( EF > EF \)
\( p.c-h \quad p.c-l \)

Hypothesis 23: The manager who is high on predictive accuracy is more effective than the manager who is low on predictive accuracy.

H23 : \( EF > EF \)
\( p.a-h \quad p.a-l \)
Hypothesis 24: The manager who is high on integration is more effective than the manager who is low on integration.

\[ \text{H24} : \ EF_{i-h} > EF_{i-l} \]

Hypothesis 25: The manager who is high on superior orientation is more effective than the manager who is low on superior orientation.

\[ \text{H25} : \ EF_{s.o-h} > EF_{s.o-l} \]

Personality factors and managerial effectiveness: Hypothesis

Based on the interaction model of human behaviour, four personality factors were selected for the study. They are: 1. Supervisory ability; 2. Initiative; 3. Self-assurance; and 4. Decisiveness.

Supervisory ability refers to the capacity to direct the work of others and to organize and integrate their activities so that the goals of work groups can be attained. People vary with regard to supervisory ability. Supervisory ability is a key factor in management. Hence:

Hypothesis 26: The manager who is high in supervisory ability is more effective than the manager who is low in supervisory ability.

\[ \text{H26} : \ EF_{s.c-h} > EF_{s.c-l} \]
The capacity for initiative is a complex phenomenon. It consists of the ability to initiate actions independent of external stimulation and to perceive and direct new ways of goal achievement. Both these are important in managerial jobs. Hence:

**Hypothesis 27:** The manager who is high in initiative is more effective than the manager who is low in initiative.

\[ H_{27} : \ EF > EF \]
\[ i-h \quad i-l \]

Self assurance refers to the extent to which the individual perceives himself to be effective in handling the requirements and challenges of his environment. There will be much difference between a person who sees himself as a cog in the organizational machinery and another who sees himself as capable of exerting influence and whose effort counts. Therefore:

**Hypothesis 28:** The manager who is high in self-assurance is more effective than the manager who is low in self-assurance.

\[ H_{28} : \ EF > EF \]
\[ s.a-h \quad s.a-l \]

A manager's job involves much decision making. At one extreme there are people who are willing, self-confident and somewhat quick in decision making, while at the other extreme, there are people who avoid, postpone and are not
confident in decision making. The first category of people are likely to be more effective. Hence:

**Hypothesis 29:** The manager who is high in decisiveness is more effective than the manager who is low in decisiveness.

\[ H29 : \frac{EF}{d-h} > \frac{EF}{d-l} \]

Organizational climate and managerial effectiveness: Hypotheses:

Organizational climate by generating attitudes, beliefs and values directs and regulates performance outcomes of people (Litwin & Stringer, 1968). In this sense climate can be facilitating and motivating or disrupting and demotivating. Therefore:

**Hypothesis 30:** The manager whose perception of organizational communication is high is more effective than the manager whose perception of the organizational communication is low.

\[ H30 : \frac{EF}{p.c-h} > \frac{EF}{p.c-l} \]

**Hypothesis 31:** The manager whose perception of reward orientation is high is more effective than the manager whose perception of reward orientation is low.

\[ H31 : \frac{EF}{p.r.o} > \frac{EF}{p.r.o-l} \]
Hypothesis 32: The manager whose perception of autonomy is high is more effective than the manager whose perception of autonomy is low.

\[ H32 : \ EF \geq EF \]
\[ p.a-h \quad p.a-l \]

Hypothesis 33: The manager whose perception of planning of objectives is high is more effective than the manager whose perception of planning of objectives is low.

\[ H33 : \ EF \geq EF \]
\[ p.p.o-h \quad p.p.o-l \]

Hypothesis 34: The manager whose perception of decision centralization is high is low on effectiveness than the manager whose perception of decision centralization is low.

\[ H34 : \ EF \leq EF \]
\[ p.d.c-h \quad p.d.c-l \]

Hypothesis 35: The manager whose perception of supportiveness is high is more effective than the manager whose perception of supportiveness is low.

\[ H35 : \ EF \geq EF \]
\[ p.s-h \quad p.s-l \]

Hypothesis 36: The manager whose perception of conflict management is high is more effective than the manager whose perception of conflict management is low.

\[ H36 : \ EF \geq EF \]
\[ p.c.m-h \quad p.c.m-l \]
Hypothesis 37: The manager whose perception of achievement emphasis is high is more effective than the manager whose perception of achievement emphasis is low.

\[ H_{37} : \ EF \succ EF \]
\[ p.a.e-h \ p.a.e-l \]

Hypothesis 38: The manager whose perception of organizational policies is high is more effective than the manager whose perception of organizational policies is low.

\[ H_{38} : \ EF \succ EF \]
\[ p.o.p-h \ p.o.p-l \]

Hypothesis 39: The manager whose perception of organizational structure (rule orientation) is high is less effective than the manager whose perception of organizational structure is low.

\[ H_{39} : \ EF \prec EF \]
\[ p.o.s-h \ p.o.s-l \]

The results of the analysis of variance and multivariate analyses are presented in the following Chapter. The results of the analyses are then examined and discussed in the light of the hypotheses already framed. The discussions of the results will throw some light on the effects of motivation, leadership, personality and organizational climate on managerial effectiveness.