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CHAPTER 6

SUMMARY

INTRODUCTION

Management, as we know it today, is a development of the present century. Whereas the first industrial revolution (1760-1830) hastened its emergence in the West, it is, in fact, the second industrial revolution which developed it beyond its recognition. It is, therefore, the least surprising that men from different disciplines such as psychology, science, engineering, mathematics and politics have contributed to its growth in one way or another. Several schools of management sprang up which now tackle different aspects of the same problem in different frames of reference. The unskilled man is no longer necessary to the industrial growth of any country anywhere in the world. It is now also well known that human mind can store and process limited amounts of information at a time. So computers and gadgets have become handy to man to solve his problems daily within a fraction of second. There is immense impact of science and technology on society which are now cultivated with objectives in mind. Its natural consequence is the tremendous increase in the size of market. This market is becoming more and more global in nature. So any industrial enterprise requires managerial skills on the part of its managers for sustained growth. At the same time, different countries of the world are at different stages of industrial development and growth.
It is quite difficult to define management in precise terms. The reason behind this is that one does not arrive at its unanimously agreed definition. According to Harold Koontz, it is the art of getting things done. Batten is more specific when he stays that management is the development of people rather than direction of things. Management is also occasionally seen as a process such as planning, organizing, coordinating, executing etc. Managerial activities have also been seen as a function of philosophy. In short, managerial function is becoming more and more professional day by day. So Peter F Drucker goes a step further when he says that management is a multi-dimensional organ that manages business, managers, works and workers. Having said this, we have not to miss the second industrial revolution which is dependent upon time information. The question now arises: why have we abject poverty on our back? There are many answers to this question. Several factors such as poor personnel, lack of coordination and funds etc. impede the growth of managerial services. V.S. Naipaul, feelingly remarks when he says: "In seeking to rise, India has undone itself. No one could be sure of anything now; all was fluid. ...policeman, thief, politicians; the roles had become interchangeable". (1)

The situation is not as bleak because it is a perceptive remarks of a novelist. We have our own great reservoir of spiritual wisdom. The liberal economic measures are in progress at the moment. It is our hope that the growing field of management will surely tackle a major part of our country's problems. It is only possible if we have effective managers.
MANAGERIAL EFFECTIVENESS:

It is a very difficult term to define because it suffers from multiplicity of meanings in literature. It applies more to the individual than to the organisation or institution. Whereas managing human resource is very essential in any organisation at the present times: the role of human element in the development and growth of organisation is the least known and least understood everywhere. Even the people in the business frequently do not know what they are doing at their place of work. In this context, assessment of managerial potential is very important for the stability and growth of business. More precisely, the concept of managerial effectiveness is one of the priority areas which differs from organisation to organisation. In every organisation, there are some effective managers, while others are less or ineffective managers. It then becomes very important to pinpoint such casual factors. Moreover, this term has to be distinguished from leadership, efficiency, and organisational effectiveness. Several authorities such as B.C. Muthiya, Bass and Stodgill, Bill Reddin, Boleman and Deal, Broader and Bennet, Morse and Wagner, Peter F. Drucker, Singh and Paul, T.V. Rao et al. and U. Pareek have attempted to define this term. Let us, now quote the definition given by Campbell et al:

"It is any set of managerial actions believed to be optimal for identifying, assimilating and utilizing both internal and external resources towards sustaining over a long period, the functioning of the organisational unit for which a manager has some degree of responsibility". (2)

Managerial effectiveness is a distinguishing characteristic/set of characteristics of the individual rather than of the organisation. If so, the individual (manager in our case) tries
his best to achieve the objectives of his enterprise even in adverse circumstances. In other words, he tries to integrate the two deficient situation into a positive as well as productive situation on the basis of his rationality and intuition. He does not follow the rules of the book mechanically. The working definition of the present investigation on the managerial effectiveness is as follows:

It is a composite set of actual as well as potential diverse activities carried out in toto (totality of experience) which is reflected in their various styles of work and personality.

RESEARCH ON MANAGERIAL EFFECTIVENESS:

Managerial effectiveness appears to be a single term, which it is not when attempts are made to analyse its hidden meanings. Unfortunately, hardly much researches exist in this area, but whatever exists is scattered in literature. So, this term is an open research frontier awaiting invasion by the research workers. However, the review of literature sums up the whole literature in the form of following key statements:

1. It has proved a difficult exercise to define managerial effectiveness. This term needs to be distinguished from leadership, efficiency, organisational effectiveness and managerial style.

2. We know very little about the varied ways in which managers think feel, react and solve problems when confronted with change and uncertainty of job. Currently, there is a lot of talk about managerial abilities and skills. But we know very little about these multiple abilities and skills from
the measurement point of view.

3. Automobile industry in an important and prestigious industry from the national point of view. It should be interested in determining and developing the potentialities of its managers. It is so obvious when market is becoming not only global but highly competitive too. So studies in this area are yet to be sponsored by this industry. We may then know about the various aspects of managerial effectiveness such as integration, growth, profitability and confrontation.

4. It is believed firmly that the future of automobile industry depends upon the cultivation of science and technology among people on gigantic scale. On the close analysis, it appears to be one of the important factors among several other factors such as socio cultural environment, changing technology, government's attitude, maintaining the competitive edge, changing tastes and preferences of customers, etc.

5. It is seen when international comparisons are made that certain uniformities and differences exist among managers of different countries in attitudes, beliefs, values and modes of solving the problems. There are regional differences not only within the country, but also in grouping the countries. Such knowledge, in the highly changing and competitive world, is very important in running business effectively as well as profitably.
6. It is further seen that variations in standards of management are important variables which influence significantly the growth of a given enterprise. It saves the business from disaster at times. In certain ways, the exercise of formal authority goes a long way in enhancing managerial effectiveness. Otherwise managers tries to get work done successfully from workers with less and less use of authority.

7. Peter's principle is not supported. Also the popular view that effective managers plan and structure their subordinates so as to carry out the work assigned to them is also not supported. However, effective managers are characterised by above average intelligence, analytic, achievement oriented ability,initiativeness, emotional stability and optimism. There thinking is not unidimensional for they see the same problem in more than one frame.

8. It is suggested that the dimensions of managerial effectiveness are to be determined mathematically. The "management effectiveness profile system" is an attempt in this direction. Such an attempt showed the existance of three components of managerial effectiveness such as "task skills, people skills and personal factors". It is worth mentioning here that the hypothesized construct of managerial effectiveness did not appear as distinct, dominant and meaningful factor in Indian studies. It needs further scrutiny.

9. It is a matter of serious concern when it is seen that the industry is not making the right use of their first level managers. It is also observed that the develop negative
attitudes on the job. Consequently, the industry loses attrition costs as well.

10. There is seen a close relationship between managerial effectiveness/executive effectiveness of managers and personality variables such as intelligence, creativity, adaptiveness, ego development, neuroticism, adjustment patterns and finally job satisfaction. Knowledge of such relationship is highly desirable for the selection and training human resources. However our knowledge about such relationships is dismal and fragmentary. Lastly, much is at stake when managers at the top level are faced with "confrontation of change, contradiction and ambiguity".

To sum up, we do have some vague idea about the content and form of managerial effectiveness. At the same time, how it develops over the years at different levels of management is not known.

DIFFERENCE BETWEEN THE PRESENT STUDY AND PAST STUDIES

The present study is different from the past studies in the following respects:

(i) It attempts to clarify the concept of managerial effectiveness by surveying the relevant literature. It is also distinguished from other allied terms such as leadership, efficiency, organisational effectiveness, managerial style and success.
(ii) It consolidates scarce research available in this area at one place and that too in an evolving framework.

(iii) It investigates the elusive concept of managerial effectiveness among managers working in automobile industry of Haryana. For achieving this objective, it makes use of a managerial effectiveness test whose items have been psychometrically determined. It reflects several aspects of managerial effectiveness. Its reliability and validity coefficients are .73, and .650 and .653 respectively.

(iv) This composite test is then examined in relation to eight managerial styles as propounded by Prof. Bill Reddin and 16 PF test developed by Prof. R.B. Cattei.

(v) It also determines the mathematical structures underlying tools and tests used in this study in two ways, that is along with styles separately and for all the twenty seven variables.

(vi) It also determines the characteristics of effective and ineffective managers.

FORMULATION OF THE PROBLEM

In the light of what has been said above, the following problem is formulated for further investigation:

MANAGERIAL EFFECTIVENESS
IN
AUTOMOBILE INDUSTRY
OF
HARYANA
JUSTIFICATION OF THE PROBLEM:

It is justified on the following grounds:

(i) The review of the literature shows that little work has been done on managerial effectiveness, not only in this country but also abroad.

(ii) Managerial effectiveness is here studied in relation to managerial styles and personality traits. It has been little studied in this manner in earlier studies.

(iii) The setting for this study in automobile industry which is of immense economic concern to the country. As far as the knowledge of the investigator goes, no such study has been conducted on managers of this industry so far.

(iv) Lastly, it is an exploratory study in this area. It is hoped that other studies will follow soon which may build up a solid body of knowledge on managers, in general and automobile industry in particular.

AIMS AND OBJECTIVES OF STUDY:

The aims and objectives of this study are as follows:

1. To clarify the concept of managerial effectiveness by surveying the relevant literature.

2. To document the scattered research in this area at one place along with key statements to research.

3. To prepare a status cum development survey on automobile industry.
4. To determine the relationships between the score on managerial effectiveness and the following eight managerial styles.

5. To determine the relationships between the score on managerial effectiveness and following sixteen personality traits:

   (i) Reserved Vs. outgoing
   (ii) Less intelligent Vs. more intelligent
   (iii) Affected by feelings Vs. emotionally stable
   (iv) Humble Vs. assertive
   (v) Sober Vs. happy go lucky
   (vi) Expedient Vs. conscientious
   (vii) Shy Vs. venturesome
   (viii) Tough minded Vs. tender minded.
   (ix) Trusting Vs. suspicious
   (x) Practical Vs. imaginative
   (xi) Foresighted Vs. shrewd
   (xii) Placid Vs. apprehensive
   (xiii) Conservative Vs. experimenting
   (xiv) Group dependent Vs. self sufficient
   (xv) Undisciplined Vs. controlled
   (xvi) Relaxed Vs. tense

6. To determine the characteristics of effective and less effective managers.

7. To determine the mathematical structure of tools and tests used in this study.

8. And lastly, to point out the implication of the present study for further research.
HYPOTHESES TO BE TESTED:

It is proposed to set up and test the following hypotheses. These hypotheses have been phrased in the "Null" form as follows:

\( H_01 \) There are no significant relationships between the scores on managerial effectiveness and the following outside variables:
1. Age, (2) Experience, (3) Eight managerial styles,
4. Sixteen personality factors.

\( H_02 \) There are no significant relationships between the scores of eight managerial styles, each taken separately; and age and experience.

\( H_03 \) There are no managerial styles which are manifested explicitly and significantly by the managers of the manufacturing concerns of automobile industry.

\( H_04 \) There does not exist any underlying unitary mathematical structure among the mutual relationships of managerial effectiveness, age, experience and the eight managerial styles.

\( H_05 \) There does not exist any underlying unitary mathematical structure among the mutual relationships of age, experience, eight managerial styles and 16 personality variables.

\( H_06 \) There are no significant characteristic differences between the two groups of effective and ineffective managers.
METHOD OF PROCEDURE:

It is to be noted that the concept of managerial effectiveness and research on it along with key statements has already been mentioned in brief above. A short note on "status cum development survey on automobile industry" in general and automobile industry in particular was also prepared which appears separately in appendix I.

(a) SAMPLE AND SUBJECTS:

The study sample comprised 70 managers who were drawn from three automobile manufacturing concerns, namely, Escorts Ltd., Maruti Udyog Limited and Hero Honda Motors Limited. All the three manufacturing concerns are situated in Haryana. They came from diverse departments such as engineering department, establishment (operation), export, finance, machine shop, quality management/control and personnel. They also came from top, middle and lower levels of management. Their ages ranged from 25 years to 57 years, the mean age being 40.21 years. Their experience ranged from 4 years to 5 years, the mean experience being 14.89 years.

TOOLS AND TESTS:

The following three tools and tests were employed in this study. These tools were:

(a) The managerial effectiveness test.
(b) The managerial styles test.
(c) The sixteen (16) P.F. test.
(a) **THE MANAGERIAL EFFECTIVENESS TEST:**

This test originally contained 45 items which were selected psychometrically. The respondent is asked to rate each of these items on a five point scale. Ten of the items had reversible scoring. It reflects as many as 16 aspects of managerial effectiveness such as confidence in subordinates, communication and task assignment, motivation, discipline, team work and image building and delegation etc. At a later stage of the investigation, it was considered to add nine more items which were classified in three categories, namely, problem solving adequacy, cohesiveness and morale. The reliability of the test came to be .73, using test-retest and split half method. The validity of the test came out to be .653.

(b) **THE MANAGERIAL STYLE TEST:**

A manager has to perform different type of activities. So the term style becomes an important concept to demand our attention. Professor Bill Reddin equated this term with behaviour which is manifested in particular ways. He listed eight styles out of which the first four are effective and the remaining four are ineffective. These eight styles have been proposed in the question form such as:

(a) Are you a deserter ?
(b) Are you a missionary ?
(c) Are you an autocrat ?
(d) Are you a compromiser ?
(e) Are you a bureaucrat?
(f) Are you a developer?
(g) Are you a benevolent autocrat?
(h) Are you an executive?

Each style has its distinct indicators. This test has been used in several countries of the world for training purposes. It is being examined in relation to the hypothesized construct of managerial effectiveness, in the present investigation.

(c) THE SIXTEEN PF TEST:

There is a close link between personality and performance. A standardized by R.B. Cattel and Eber is used which provides data on sixteen factors of personality. All the personality factors are assumed to be right angle to each other. Each of the factor is a bi-polar factor. This standardized test samples almost all aspects of adults behaviour. Lastly, it has been used here to examine the hypothesized construct of "managerial effectiveness" for the purpose of meaningful interpretation. It has already been pointed out earlier that for all the personality factor available are factorially known tests. Interpretation of factors from the psychological point of view is thus facilitated collection and handling of data.

Whereas the items of the managerial effectiveness test were scored on a five point scale, the other two tests were scored as per the instructions given in their respective manuals. The soft were of the social science package (RFYAD -1022 computer) was used to provide us the following statistical measures:
(a) Mean, (b) Standard deviation (c) Standard error, (d) Correlations (Karl pearson) (e) 't' test (f) Factor analysis (Hotelling method).

The remaining statistical measures such as median, percentage and coefficient of variation were computed manually:

MAIN FINDINGS:

The subsidiary findings being numerous, the main findings of this study are mentioned below:

1. The managers are in their middle age groups, the mean age and experience being 40 and 15 respectively. They also possess diverse experential functional areas such as personnel, finance, marketing, heat temperature, quality control etc.

2. The means of eight managerial styles vary from 5.43 to 9.17 points. Their coefficients of variation have varied very widely from 21.4 per cent to 48 per cent. This shows that our managers neither rejects style nor they have developed anyone of the eight styles to the degree of dominant and supporting style. To put in other words, it means that the styles of managerial development lie in the category of "Least emerging styles". This picture is, however, deceptive.

3. It is observed that the most outstanding style that emerges among managers is the "Missionary" style when individual scores are considered. It is an ineffective style. The corresponding percentages in the case of three effective styles, namely, "Bureaucrat", 'Developer' and 'Benevolent Autocrat' are 11.43 each. This percentage declines to 8.3
in the case of executive style. This picture does not change at all when the percentage of the corresponding supporting styles are also clubbed together.

4. It is further seen that whereas sixteen per cent of our managers show all the four ineffective styles, the percentage of variables showing all the four effective styles goes up to twenty per cent. To put differently, it means that just less than two thirds of our managers do not develop either of the styles.

5. There is no significant relationship between age and each of the eight managerial styles. This observation is equally true in the case of experience.

6. There is a positive as well as significant correlation between the scores on managerial effectiveness and the two effective styles: developer and executive. Further, there is a significant and positive relationship between the scores on managerial effectiveness and the following personality factors which are as follows:

   (i) Affected by feelings Vs. emotionally stable ($V_{14}$).
   (ii) Expedient Vs. conscientious ($V_{17}$).
   (iii) Shy Vs. venturesome ($V_{18}$).
   (iv) Foresight Vs. shrewd ($V_{22}$).
   (v) Undisciplined Vs. controlled ($V_{23}$).

But it has a significant and negative relationship with Placid Vs. apprehensive. Its correlation with the remaining ten bi-polar factors of personality are insignificant. There is no significant relationship between the scores on managerial effectiveness and each of the following variables:
(1) Age, (2) Experience, (3) Missionary style (4) Autocrat
style (5) Bureaucrat style (6) Benevolent Autocrat

7. Top group differed from the bottom group when classified
on the basis of median value of the managerial effectiveness
test scores in following respects:

[a] Low mean scores on three ineffective styles such
deserter, autocrat and compromiser.

[b] Eight bi-polar factors of personality such as:

(i) Affected by feelings versus emotionally stable,
(ii) Humble versus stable.
(iii) Expedient versus conscientious.
(iv) Shy versus venturesome.
(v) Trusting versus suspicious.
(vi) Foresight versus shrewd.
(vii) Placid versus apprehensive.
(viii) Undisciplined versus controlled.

they do not differ significantly, statistically speaking,
on the remaining eight bi-polar factors of personality.

[c] They do not differ significantly, statistically speaking
in respect of age and experience.

Incidentally, it provides support to the various corners
of effective managers as enunciated by the National
Management, Association of America.

8. The mathematical structure of tests and tools, using the
"Hotelling method" showed the existence of two sets of factors
when two correlation matrixes containing managerial effectiveness, age, experience and eight managerial styles (N=11); and in addition sixteen personality factors (N=27).

[a] (i) Managerial effectiveness Vs. managerial less effective factor, closely akin to Executive style.
   (ii) Maturity factor.
   (iii) System and people Vs. yielding and ambiguous.
   (iv) Result oriented Vs. relationship oriented factor.

[b] (i) Managerial effectiveness Vs. managerial less effective.
   (ii) Autocrat style factor.
   (iii) Maturity factor.
   (iv) Missionary style factor.
   (v) Conservative Vs. experimenting factor.
   (vi) Group dependent Vs. self-sufficient factor.

9. The following structure is suggested by reconciling the above two factor analytic studies:

1. First factor - Managerial effectiveness closely asking to executive and developer style.

2. Second factor - Autocrat style/Maturity factor.

3. Third factor - System and people versus yield and ambiguous.

THE LIMITATIONS OF THE PRESENT STUDY

No research study is complete in itself. It is also true of the present investigation. Let us, therefore, list some of the important limitations of the present investigation. These were:

1. We could not obtain a larger size of the sample despite our personal and official efforts. Hence, we could not go for further subtle analysis by sub-grouping managers on the basis of their common functionings.

2. It would have been better had we studied the functioning of managers, using case studies for further support of our findings.

3. There was no cross check available for ascertaining the considered opinions of the superiors and subordinates of the managers under study for the support of our findings. However, all managers under study liked the "managerial style test".

4. Whereas the 16 PF test is a standardized test adapted to Indian conditions, it became difficult to report data on the reliability and validity of the eight managerial style test. Our experience with the test shows that it is difficult to fake on this test.
SUGGESTIONS FOR FURTHER RESEARCH:

The present study aimed at exploring the existence of the hypothesized construct of "managerial effectiveness" in relation to managerial styles and personality traits - among the managers of three loading manufacturing units of automobile industry which are situated in Haryana. When a study is not sponsored and supported by any agency, it definitely suffers from certain deficiencies. For example, it becomes difficult not only to contact a right sample of managers but also to contact the same study sample a number of times again. The reason is that managers are very busy people who have hardly any time for such research investigation. Still, for a research student, it is an educational experience to attempt to understand a complex notion such as "managerial effectiveness". Keeping all these limitations in mind, the present study gathered ideas about relevant variables, mutual relationships among them; and finally analysed the mathematical structure underlying the tests and tools used in this study. In this context, the following problems are listed for further research.

(a) How does the concept of "managerial effectiveness" differ from industry to industry at different levels of management? How is it related to carry out different responsibilities such as marketing, finance, human resource etc.?

(b) What exactly is the mathematical structure of this hypothesized construct (managerial effectiveness)?

(c) Intelligence did not appear as a dominant factor in this study. It is suggested that a fullfledged intelligence test
be added in future studies. The use of other two tests is also suggested namely, creativity test and formal reasoning test.

(d) What are personal characteristics of effective and ineffective managers at different levels of management in different industries.

(e) A distinction, statistically speaking, been made between effective and ineffective styles in this study. So it is prudent to develop effective training programmes for the development of effective managerial styles.

(f) "How does managerial effectiveness develop over a period of time" ? is a problem which needs to be investigated urgently.

(g) It is also equally necessary to confirm or disconfirm the existence of "Peter's principle" which states that a manager occupies a higher position in direct proportion to his incompetence.