

CHAPTER V

MAJOR FINDINGS

&

RECOMMENDED LINES OF IMPROVEMENT

- Major Findings
- Recommended Lines of Improvement

MAJOR FINDINGS

The major findings of the whole investigation are detailed as under:

Sector to Sector Comparison:

Organisational Effectiveness:

1. The public and private sector sugar mills do not differ significantly in the matter of organisational effectiveness on overall basis. However, productivity (an important aspect of OE) of private sector sugar mills is decidedly more than that of public sector sugar mills. It means the private sector sugar mills make better use of their resources than may be the case in public sector sugar mills.

2. Public and cooperative sector sugar mills do not differ significantly in the matter of their effectiveness on overall basis. Taking factorwise view of effectiveness of the two sectors, the position does not change. The two sectors are identical on all the eight dimensions of OE.

3. In between private and cooperative sector sugar mills, there is no significant difference in their effectiveness on overall basis. However, taking a factorwise view of effectiveness the private sector sugar mills' effectiveness is better than that of cooperative sector sugar mills on at least two dimensions of OE, viz., productivity and growth.

Comparison and Contrast with Objective Measures:

4. The profitability of private sector sugar mills is more than that of public sector sugar mills. However, in the matter of growth and efficiency, the objective measures confirm the results of behavioural measures, i.e., the two sectors do not differ in the matter of growth, whereas, they differ with regard to efficiency and further, that the efficiency element of OE is found more prevalent in private sector sugar mills than is the case in public sector sugar mills.

5. In between public and cooperative sectors sugar mills, it is found that the profitability of cooperative sector sugar mills is more than public sector Sugar mills. In the matter of growth, the objective results corroborate the behavioural results, i.e., the two sectors are identical in the matter of growth. However, as regards efficiency, the objective results do not confirm the results of behavioural assessment, i.e., while making behavioural assessment the two sectors were found identical in regard to efficiency, but the objective results suggest that cooperative sector sugar mills are more efficient than the public sector sugar mills.

6. In between Pvt. and cooperative sector sugar mills, it is found that private sector sugar mills are more profitable than public sector sugar mills. In the matter of

efficiency, the objective results confirm the view point of behavioural assessment, i.e., private sector sugar mills' efficiency is more than that of cooperative sector sugar mills. However, in the matter of growth, the results of behavioural and objective assessments are not identical. From the view point of behavioural assessment private sector's growth was considered higher than that of cooperative sector sugar mills, however, from the view point of objective assessment, the two sectors do not differ significantly..

Managerial Effectiveness: Sector to Sector Comparison:

1. The managers of private sector sugar mills are more effective than their counterparts in the public sector sugar mills on overall basis as well as with regard to six dimensions of ME, viz., integration, productivity, creativity, inter-role-linkage, influence and growth.

2. The public and cooperative sector mills are more or less identical in regard to managerial effectiveness on overall basis. However, considering factorial basis, the cooperative sector managers behave better on integration and inter-role linkage aspects of ME.

3. In between private and cooperative sector sugar mills, the private sector managers are found more effective on overall basis than their counterparts in the cooperative sector sugar mills. Also, taking into account factor wise

position, the private sector managers perceive that their role is more proactive, creative and they see more opportunities for their personal growth than may be the case in cooperative sector sugar mills.

Centralization: Sector to Sector Comparison:

1. The public sector sugar mills are more centralized on overall basis than private sector sugar mills. Also, the middle level managers decision making power as well as lower level managers decisions making power is found more restricted in public sector sugar mills than in private sector sugar mills.

2. The public and cooperative sector sugar mills are identical in the matter of centralization on overall basis. They are also found not significantly different in regard to any of the three dimensions of centralization, viz., top level intervention in the routine/day to day decisions, restriction on middle level managers decision making power as well as restriction on lower level managers decision making power.

3. In between private and cooperative sector sugar mills, centralized organisational structures are found more prevalent in cooperative sector than in the private sector. Further, two important dimensions of centralization, viz., middle level managers decision making power restricted and lower level managers decision making power restricted, are

found more prevalent in cooperative sector sugar mills than in private sectors sugar mills.

Formalization:Sector to Sector Comparison:

1. The public sector sugar mills are more formalized on overall basis than private sector sugar mills. Again, all the three properties of formalization, viz., enforcement of rules and regulations on operative class employees, enforcement of rules and regulations on managerial class employees and the extent to which rules and regulations are put in writing, are found more in practice in public sector sugar mills than in private sector sugar mills.

2. The public and cooperative sector sugar mills are identical in the matter of formalization on overall basis as well as on factorwise basis. It means that public and cooperative sector sugar mills run hand in hand so far as formalization property of organization structure is concerned.

3. In between private and cooperative sector sugar mills, the cooperative sector sugar mills are more formalized on overall basis as well as with regard to all the three dimensions of formalization than is the case in private sector sugar mills.

Managerial Effectiveness: Its Relationship with OE:

In Sugar Industry as a Whole and its three segments.

(Overall As Well as Factor Wise Basis)

1. Managerial effectiveness on overall basis is positively and significantly correlated with all the eight dimensions of OE in the sugar industry as a whole. Further, as many as five dimensions of OE, viz., planning, growth, communication, cohesive and satisfied work force are positively and significantly correlated with ME in all the three sectors of sugar industry. Also, productivity and stability aspects of OE are positively and significantly associated with ME in public and cooperative sector sugar mills, whereas, flexibility too is positively and significantly associated with ME but only in public and private sector sugar mills.

2. The ME dimension 'centrality' is related positively and significantly with all the eight dimensions of OE in the sugar industry as a whole. In public sector sugar mills: planning, flexibility, cohesive and satisfied work force are positively correlated at significant level. In cooperative sector sugar mills: planning, productivity, flexibility, communication, stability, growth and cohesive work force are positively and significantly correlated. However, in private sector, all the relationships are insignificant and inconsistent.

3. The ME dimension 'integration' is related to all the eight dimensions of OE in a significant manner in the sugar industry as a whole as well as in its public and cooperative segments. However, in case of private sector sugar mills, communication and satisfied work force aspects of OE are positively correlated with significant relationship.

4. The ME dimension 'proactivity' is positively and significantly correlated with all eight dimensions of OE except growth, considering sugar industry as a whole as well as its public sector. In case of private sector sugar mills, only three dimensions of OE, viz., planning, cohesive, and satisfied work force bear positive and significant relationship. In case of cooperative sector sugar mills, only one dimension of OE, namely communication finds positive significant correlation.

5. ME dimension 'creativity' is related positively and significantly with satisfied work force aspect of OE, considering sugar industry as a whole. In case of public sector sugar mills, all the relationships are inconsistent and insignificant. In case of private sector sugar mills also, none of the relationships is found statistically significant. However, in case of cooperative sector sugar mills, only three dimensions of OE, viz., planning, cohesive work force and satisfied work force are positively and significantly correlated.

6. The ME dimension 'inter-role-linkage' is related positively in a significant manner with all the eight dimensions of OE, taking into account the sugar industry as a whole. In case of public sector sugar mills: planning, productivity, flexibility, stability and satisfied work force are positively correlated in a significant manner. In private sector sugar mills: growth, stability and satisfied work force are positively and significantly correlated. In case of cooperative sector sugar mills, communication is negatively correlated in a significant manner.

7. ME dimension 'helping relationship attitude' of managers is positively correlated with all the eight dimensions of OE except stability in a significant manner, considering sugar industry as a whole. In case of public sector sugar mills: planning, productivity, flexibility, growth, stability and communication are positively correlated in a significant manner. In private sector sugar mills, communication and satisfied work force are positively and significantly correlated. In case of Cooperative sector sugar mills, only one dimension of OE viz., satisfied work force is positively and significantly correlated.

8. ME dimension 'superordination' is positively and significantly correlated with planning, communication, stability, cohesive and satisfied work force dimensions of OE. In public sector sugar mills, all eight dimensions of

OE except cohesive work force are positively correlated in a significant manner. In case of private sector sugar mills all the relationships are inconsistent and insignificant. In cooperative sector sugar mills, as many as five dimensions of OE, viz., planning, productivity, communication, stability and cohesive work force are positively correlated in a significant manner.

9. ME dimension 'influence' is related positively in a significant manner with all the eight dimensions of OE, considering sugar industry as a whole. In case of public sector sugar mills: planning, productivity, flexibility, growth, stability and satisfied work force are positively correlated in a significant manner. In case of private sector sugar mills, all the eight dimensions of OE except stability are positively correlated in a significant manner. In case of cooperative sector sugar mills, as many as six dimensions of OE, viz., planning, productivity, growth, cohesive work force, communication and stability are positively correlated in a significant manner.

10. ME dimension 'growth' is positively and significantly correlated with all the eight dimensions of OE except stability, considering sugar industry as a whole. In case of public sector sugar mills, as many as five dimensions of OE, viz., planning, productivity, flexibility, growth and stability are positively and significantly correlated with this attitude of managers. In case of private sector sugar

mills, all eight dimensions of OE except planning, flexibility and stability bear positive and significant relationship. In cooperative sector sugar mills, communication and satisfied work force are positively and significantly correlated.

11. The ME dimension 'confrontation' is not related to any aspect of OE in a significant manner, considering sugar industry as a whole. In case of public sector sugar mills, all the relationships are positive but insignificant. In case of private sector sugar mills, only planning aspect of OE bears positive significant relationship. Most of the other relationships are positive but insignificant. In case of cooperative sector sugar mills, the relationships are inconsistent and insignificant.

Centralization: Its Relationships with OE

In Sugar industry as a whole and its three segments

(Overall as well as Factor Wise Basis)

1. Centralization on overall basis is negatively and significantly correlated with all the eight dimensions of OE, considering sugar industry as a whole. In case of public sector sugar mills, as many as six dimensions of OE, namely, flexibility, growth, communication, stability, cohesive and satisfied work force are negatively and significantly associated. In private sector sugar mills, satisfied work force is the only dimension of OE which is

negatively and significantly correlated. However, in case of cooperative sector sugar mills, all the eight dimensions of OE except planning and stability are negatively and significantly correlated.

2. Centralization dimension 'top level intervention in the routine / day to day decisions is negatively and significantly correlated with the satisfied work force aspect of OE, taking into account sugar industry as a whole. In case of public and private sector sugar mills, all the relationships are inconsistent and insignificant. In case of cooperative sector sugar mills, communication is positively and significantly correlated, while satisfied work force is negatively and significantly correlated.

3. Centralization dimension 'middle level managers' decision making power restricted' is negatively and significantly correlated with all the eight dimensions of OE, taking into account the sugar industry as a whole. In case of public sector sugar mills, all the eight dimensions of OE except growth are negatively correlated with significant relationship. In private sector sugar mills, all the eight dimensions of OE are negatively correlated but with insignificant relationship. In case of cooperative sector sugar mills, satisfied work force is negatively associated with significant relationship.

4. Centralization dimension 'lower level managers decision making power restricted' is negatively and

significantly associated with all the eight dimensions of OE except planning, considering sugar industry as a whole. In case of public sector sugar mills, all the relationships are inconsistent and insignificant. In case of private sector sugar mills, satisfied work force is negatively correlated with significant relationship. In cooperative sector sugar mills all eight dimensions of OE are negatively and significantly correlated.

Formalization: Its Relationship with OE

In Sugar Industry as a Whole and Its Three Segments

(Overall As well as Factor Wise Basis)

1. Formalization on overall basis is positively and significantly correlated with four dimensions of OE, viz., planning, cohesive work force, communication and stability. In case of public sector sugar mills, all the eight dimensions of OE except productivity are positively and significantly correlated. In case of private sector sugar mills, all the relationships are inconsistent and insignificant. In case of cooperative sector sugar mills: planning, flexibility and growth aspects of OE are positively correlated with significant relationship.

2. Formalization dimension 'enforcement of rules and regulations on operating class employees' is not related with growth aspect of OE in a significant manner, considering sugar industry as a whole as well as its three segments viz. Public, Private and Cooperative.

3. Formalization dimension 'enforcement of rules and regulations on managerial class of employees' is not found related in a significant manner, considering sugar industry as a whole. In public sector sugar mills, flexibility and communication are positively and significantly correlated. In case of private sector sugar mills, all the relationships are negative and insignificant. In case of cooperative sector sugar mills, planning and growth are positively and significantly correlated.

4. The formalization dimension, extent to which rules and regulations are put in writing' is positively and significantly correlated with all the eight dimensions of OE except productivity and growth, considering sugar industry as a whole. In case of public sector sugar mills, all the eight dimensions of OE are positively and significantly associated. In case of private sector sugar mills, all the relationships are inconsistent and insignificant. In case of cooperative sector sugar mills, communication is positively and significantly correlated.

Predicting Organisational Effectiveness Through:
Managerial Effectiveness, Centralization and Formalization
in Sugar Industry as a whole and Its Three Segments.

1. ME has emerged as a significant predictor variable in the sugar industry as a whole as well as in all its three segments to predict OE on overall basis, formalization also becomes significant predictor variable to predict OE on overall basis in the sugar industry as a whole as well as in its public sector. Decentralization proves significant predictor variable to predict OE on overall basis in sugar industry as a whole as well as in its public and cooperative sectors.
2. ME has come out as significant predictor variable in the sugar industry as a whole as well as in its three wings, formalization also proves significant predictor variable in the sugar industry as a whole as well as in its public sector to predict planning aspect of OE.
3. ME has emerged as a significant predictor variable in the sugar industry as a whole as well as in its public and cooperative sector, decentralization becomes significant predictor variable in cooperative sector sugar mills to predict productivity aspect of OE.
4. ME emerges a significant predictor variable in the sugar industry as a whole as well as in its public and private sectors, formalization becomes a significant

predictor in the public and cooperative segments of sugar industry and decentralization proves significant predictor in sugar industry as well as in its cooperative sector to predict flexibility aspect of OE.

5. ME is significant predictor variable in the sugar industry as a whole, as well as in its public and private sectors, formalization is a significant predictor variable in the public and cooperative sectors of sugar industry and decentralization becomes significant predictor in cooperative sector sugar mills to predict growth aspect of OE.

6. ME emerges as a significant predictor variable in the sugar industry as a whole as well as in all its three wings, formalization proves significant predictor variable in the sugar industry as a whole as well as in its public sector and decentralization proves significant predictor in the sugar industry as a whole as well as in its public and cooperative sectors to predict cohesive work force dimension of OE.

7. ME emerges as significant predictor variable in the sugar industry as a whole as well as in its public and private sectors, formalization also emerges as significant predictor variable in the public sector of sugar industry and decentralization proves significant predictor in the sugar industry as a whole as well as in its public and

cooperative sectors to predict satisfied work force aspect of OE.

8. ME is a significant predictor variable in the sugar industry as a whole as well as in its three sectoral parts, formalization is a significant predictor variable in the sugar industry as a whole as well as in its public sector and decentralization becomes significant predictor in public sector sugar mills, to predict communication aspect of OE.

9. ME emerges as a significant predictor variable in the sugar industry as a whole and in its public sector, formalization emerges as a significant predictor variable in the sugar industry as a whole as well as in its public sector to predict stability aspect of OE.

Recommended Lines of Improvement

A perusal of the present study makes it evident that the investigator attempted to make new grounds in research on effectiveness of organisations. The focus on 'an integrated view of effectiveness' constitutes new dimensions of research on organisational effectiveness. The findings of the present study reveal some important industrial implications for planners/owners/managers/researchers and all those who are interested in the quality improvement of effectiveness of organisations.

Organisational effectiveness should be seen in correct prespective. Organisations are multi-facet phenomena and so is the effectiveness of organisations. It is right time to think as to what really constitutes effectiveness of organisations. Is it profitability alone which counts effectiveness or something else which should be looked into? In fact, output (ends) variables, such as, productivity, growth, satisfied work force and stability, which in essence constitute short term goals, as well as process (means) variables, such as, planning, flexibility, cohesive work force, communication/availability of informations, which in essence constitute long term goals should be incorporated in the domain of organisational effectiveness so that present as well as future worth of organisations can be judged upon in toto. In fact, such an integrated appraoch takes into account, the rational

goal model's view point [planning (Means), productivity (Ends)] as well as human relationists model's view point [cohesive work force(Means), satisfied work force (Ends)], it also takes into account the internal process model's view point [availability of information (Means), stability (Ends)] as well as open systems model's view point [flexibility (Means), acquisition of resources (Ends)]. Moreover, the behavioural measures should be supplemented/ corroborated by objective measures to the extent possible.

Only by adopting proper measures of OE that meaningful comparisons can be made among different organisations/sectors/industries, with more or less similar characteristics and if they differ, then in what constituent part/parts of OE they differ can be traced out. For instance in our study, though three types of sugar mills (viz, public, private and cooperative) do not differ significantly on overall basis, yet in the matter of productivity the private sector sugar mills are decidedly better than public and cooperative sector sugar mills. Also, in the matter of profitability, the private sector sugar mills fares better than both, public and cooperative sector sugar mills. Now, it is for the owners/managers of public and cooperative sector sugar mills to see as to how to fill the gap.

The effectiveness of managers or management effectiveness is another important issue which calls forth urgent attention. Conceptualizing the term ME and its

criterion measures are the difficulties to be sorted out, first. What traits a manager should possess (trait theory) or what skills a manager should have in order to be effective is only half truth. Managerial effectiveness can be better judged in terms of certain behavioural attitudes of managers regarding their respective roles in the organisation. If a manager perceives that his role is creative, proactive, problem facing, growth oriented, integrated with other roles, self-role linked, influencing, superordinated, central and helpful, he will be more effective in his role. It is on these lines that our study finds that private sector managers are more effective than public and cooperative sectors managers on overall basis as well as with regard to most of the dimensions of ME, particularly, proactivity, creativity, influence and growth. Now, it is for the public and cooperative sector managers to realise as to how to overcome their shortcomings so that they can match their performance with that of private sector managers.

Structural properties of an organisation play a vital role in the effectiveness of an organisation. The two important properties of organisation structure are centralization and formalization. Our study finds that private sector sugar mills are less centralized than both public and cooperative sector sugar mills on overall basis as well as with regard to two dimensions of centralization,

viz, middle level managers decision making power restricted and lower level managers decision making power restricted. Also, private sector sugar mills are less formalized than both public and cooperative sugar mills on overall basis as well as with regard to all the three dimensions of formalization. How do these two properties help in predicting organisational effectiveness will be seen a little later.

The relationship of managerial effectiveness with organisational effectiveness has been studied. ME is positively and significantly correlated with OE on overall basis as well as with regard to most of the dimensions of ME in sugar industry as a whole as well as in its three segments. It means that either ME positively contributes to the effectiveness of organisations or vice-versa. These relationships are clear indicators that both ME and OE should be enhanced for the growth and development of managers and organisations. A further study of prediction suggests that ME positively contributes to the effectiveness of organisations, in sugar industry as a whole as well as in its three segments. Thus, ME can play a vital role in the improvement of effectiveness of organisations.

The relationship of centralization with organisational effectiveness suggests that centralization on overall basis as well as with regard to most of its dimensions is negatively correlated with most of the

dimensions of OE. A further study of prediction suggests that centralization negatively contributes to the effectiveness of organisations. Thus, centralized organisation structures should be done away with to the extent possible.

The relationship of formalization with organisational effectiveness suggests that formalization on overall basis as well as with regard to most of its dimensions is positively correlated with most of the dimensions of OE. A further study of prediction suggests that formalization positively contributes to the effectiveness of organisations. Thus, formalization should be encouraged for the effective growth of organisations.

It can be emphasized here that our findings are applicable to the sixty-six sugar mills operating in northern part of our country. However, these findings can be applied to other organisations of public, private and cooperative sectors in a loose manner. That, these findings can be strictly applicable to the whole industrial set-up of our country, a further plan of research is suggested as under:

- i) A number of samples should be drawn industrywise as well as a composite sample from the aggregate of industries.
- ii) The study should also be conducted according to the perceptions of lower level managers and higher level managers.

iii) The study should also be conducted according to the perceptions of marketing managers, financial managers, stores, purchase managers etc.

iv) The study should be conducted according to the perceptions of managers of different age groups, having different sorts of qualifications, putting in different years of experience.

The study should be done within the same approach and framework as we have done. A consolidate view would emerge from the findings of these studies. At present we can hope that our findings may not be far away from the proposed findings.