 CHAPTER - VII

SUMMARY OF THE FINDINGS
AND
SUGGESTIONS FOR FUTURE RESEARCH

Organisations typically exist in turbulent environments where resources are limited and where threats to growth and survival can be relatively commonplace. The role of decision-makers under such circumstances is to organise and utilise the available resources in a way that minimises external threats and pressures and facilitates the attainment of the ultimate aims of the organisations.

It is the effective organisation which attains this efficiently. Most people allude to the concept of organisational effectiveness as some sort of end state that managers strive to achieve. Unfortunately, however, the notion of organisational effectiveness is referred to in the literature far more than it is studied in any systematic way. Thus if we accept the contention that effectiveness is a desirable trait for most organisations, questions are logically raised concerning how we assess the relative degree of organisational effectiveness. It is towards such questions like this that this study has been undertaken. This chapter presents synoptic view of the findings, recommendations and areas for future research.
Brief Summary :-

Industry is synonym for prosperity in today's world. The public and private sector organisations are playing pivotal role here. Both endeavour to make their respective organisations more effective, but since they have different roles to play in the society, their decision-makers' approaches will have bearing in their decision-making styles.

In pursuing this study we have liberally borrowed ideas from various sources. Generally studies take-up decision style as one dimensional approach, but we have explored it on two dimensions - participative style and entrepreneurial style. The multi-dimensional concept of organisational effectiveness have been studied through three independent measures namely perceived effectiveness, growth effectiveness and profit effectiveness and it will certainly help a lot in removing the confusion of effectiveness for the business organisations.

In this study we have selected twelve organisations, six from public sector and same number from the private sector organisations. We have received responses of 272 managers from these organisations. Questionnaire on decision-making styles and organisational effectiveness contains 72 structured questions and 3 open ended questions.
All the available members of top management were interviewed and at least 15% decision-makers of other levels were covered-up in this study.

The relative study of private and public sector organisations have yielded minor differences in decision-making styles and also it has been noticed in the study that both the sectors are being controlled by old age people and the presence of younger people in decision-making is negligible in both these sectors. The responses of our decision-makers have been analysed organisation wise as well as sector wise in terms of age and hierarchy and for the detailed analysis of organisational effectiveness, subjective as well as objective approaches are used.

This study consists of analysis of six scales i.e. i) preference for participation, ii) participative style and iii) entrepreneurial styles and three scales for organisational effectiveness i.e. perceived, growth and profit effectiveness. Interpretation of quantitative analysis is based on notes, knowledge of organisation and interviews whereas qualitative relationship has been worked out by statistical methods such as mean, weighted score, standard deviation as well as through the use of correlation coefficients.
Summary of findings :-

The findings of the study have been presented in the following manner :-

1. Decision styles
2. Organisational effectiveness

Decision Styles :-

The term "style" refers to distinctive but adaptive behaviour of a manager. It reflects the manner in which he acts or will act in an adaptive relationship. Style is a way of behaving and every person may has his own style of functioning. The styles of decision-making have been grouped in two types i.e. participative style and entreprenuerial style.

7.1 Findings of Participative style :-

Brief findings related to participative style are:-

i) Public sector shows higher preference for participation as compared to private sector. Private sector adopts comparatively an authoritarian approach. And they are more centralised in decision making activities but the difference is just marginal.

ii) Hierarchy-wise classification of managers of both the
1. Managers of public and private sector organisations have shown tendency towards moderate approach regarding growth and development of the organisations, meaning thereby that they are neither too entrepreneurial nor excessive bureaucratic.

2. In comparison to public sector organisations in Himachal Pradesh, private sector is slightly more entrepreneurial.

3. It is observed that young managers are more entrepreneurial in both the sectors. Middle age group decision makers have shown little enthusiasm towards entrepreneurial style of functioning in both the sectors. Managers above 55 years of age have shown their tendency towards entrepreneurial style of functioning in both the sectors, though private sector is slightly more entrepreneurial.

4. Middle level managers have shown more enthusiasm towards entrepreneurial style of decision making as compared to other two levels (level-I and III) in both the sectors.

However, when separate scores are taken, all the hierarchical levels of private sector have shown slightly more bend towards entrepreneurial style of functioning as compared to respective hierarchical levels of public sector.
5. Since the dimensions of entrepreneurial style are:
   a) Anticipation of problems  
   b) Problem solving  
   c) Reliance on precedents and rules  
   d) Process of goal setting and control  
   e) Source of influence  
   f) Communication process  
   g) Role of staff group  
   h) Consistency of top management  
   i) Quality/Acceptance of top management.

The present study has taken separate scores for both the sectors on each separate dimension of entrepreneurial style.

(a) Regarding anticipation of problems, both the sectors have shown moderate competence for anticipation of problems, private sector scoring a little better here.

(b) Regarding problem solving, both the sectors have shown a great zeal in dealing with emergent problems and human resource problems in addition to routine problem solving.

(c) Both public and private sectors have shown concerned about rules and precedents, yet private sector is more conscious about results i.e. private sector is a bit result oriented.

(d) The task of the review and control of performance is taken up by top management in public sector, whereas in private sector the managers at all the levels are engaged in
(e) On this dimension of source of influence, both the sectors are influenced with professional competency as major source of influence in decision making.

(f) Both the sectors have scored high on information flow i.e. all the policies or decisions taken by top management or any type of relevant information is properly communicated at all the levels of organisations under study in both public as well as private sectors.

(g) Both the sectors have revealed that staff groups act in advisory capacity and they are a better source of providing information relevant to decision making.

(h) Both the sectors have shown more or less consistency in follow up action of the policies formulated by the top management.

(i) Regarding quality, acceptance and effectiveness of decisions, private sector is more cautious than public sector. However, in the acceptance and achievement of goals, both the sectors are doing well.

It is concluded that both the sectors have revealed more or less similar results on dimensions of entrepreneurial scale. Only on two dimensions, i.e., on process of goal setting and control and on quality and
acceptance of decision, private sector is comparatively more particular than public sector.

7.3 Findings of Organisational Effectiveness:-

It is a multi-dimensional concept. The organisations have been ranked on the different measures which is suggestive of the fact that each measure gives only partial view of the overall organisational effectiveness. The findings on each dimensions of effectiveness are as under :-

Perceived Organisational Effectiveness:-

The subjective approach evolved here uses six questions on four dimensions. These dimensions are :- productivity of people and resources, morale of organisations' members, quality of product and rate of growth. The results reveal that the private sector in Himachal Pradesh is doing better over the public sector on all the dimensions perceived effectiveness except the morale of the workers. However, public sector has enhanced the morale of the workers. Both the sectors of Himachal Pradesh are moderate on efficiency of people and growth rate of their organisations as the managers on these two dimensions have scored at the medium to low range.

Growth effectiveness:-

Here we have used objective approach derived from
conventional performance data. Four dimensions used in this scale are:

i) Sales volume  ii) Capital employed  iii) Net worth and
iv) Net Block

The sample organisations have given average effectiveness core 9.24 and the scale volume contributing the least here. The comparative view of the Public Sector and Private Sector organisations reveal that Private Sector is better placed than Public Sector in growth effectiveness (Table 5.4). All the organisations show positive rate of growth in capital employed. The Private Sector shows higher rate of growth in net block whereas public sector shows retardation here, meaning thereby that public sector is going after full utilisation of existing assets and lagging behind in modernisation of its plants.

Profit Effectiveness:

This scale is also objective in nature. Three dimensions evolved for profit effectiveness score are: (i) profit before tax, interest and depreciation (ii) profit before tax and (iii) net profit after tax. The results as depicted in Table 5.5 reveals an overall score of 15.88 and maximum contributions come from profit after tax. Nine organisations out of twelve are giving positive profit effectiveness scores. The comparison of public and private
sector organisations shows that public sector is far ahead here. It is also observed that the scores of these two sectors in Himachal Pradesh on first dimension of profit effectiveness i.e profit before tax, interest and depreciation are more or less the same, but it is the third dimension i.e profit after tax which is showing contrast. In the third dimension public sector is scoring very high whereas private sector is giving poor results here. It might be because of the fact that some sort of tax rebate is being enjoyed by the public sector organisations or because of some faulty system, private sector is paying more taxes.

Overall Organisational Effectiveness:-

To know the overall organisational effectiveness, the rankings of the organisations in three measures of organisational effectiveness were interrelated. It is observed that the public sector in Himachal Pradesh contains high, medium and low effective organisations whereas the private sector in Himachal Pradesh contains only medium effective organisations.

Style Effective Relationships:-

The participative style of decision making is related with all the scales of the organisational effectiveness and among them the profit effectiveness is sharing a strong relationship with the participative style of func-
tioning. The entrepreneurial style of decision making is having moderate relationship with growth effectiveness. The two styles of decision making namely participative and entrepreneurial show correlation with at least one of the effectiveness scales which is suggestive of the fact that decision styles contributes to the organisational effectiveness.

In section VI of the questionnaire we had questions asking Decision-makers about improving the working of their organisation and reason for having low efficiency. Both the sectors suggest rewards for the personnel excelling in the respective fields. Proper recruitment and promotion rules, adequate staffing and computerisation are the fields where in maximum suggestions are received for improving the efficiency of the organisations. For the present low efficiency of the organisations low remunerations, stagnation and unnecessary file work, lack of technical know-how are some of the reasons which have been suggested by the decision-makers. Since the study has used both subjective and objective measures, therefore, limitations of response bias remains there. There are methodological limitations of evolving separate and independent measures of effectiveness. Moreover very few studies have been conducted in this area in Himachal Pradesh, hence few studies were available in this area.
7.4 Suggestions for Future Research :-

The study has been conducted for the realisation of certain objectives. Though every attempt has been made to make the study comprehensive, certain areas have still remained unexplored. Some of these thrust areas which may be attended in future attempts are as under:-

i) For broader applicabilities, a study with the similar focus on the organisations of other hilly states may be attempted to validate present results.

ii) Future study may also incorporate some other organisations and intervening variables such as urban / rural background, regional disparities, cultural differences, size of the organisation, nature of the organisation, professional competency for both public and private sector.

iii) The organisations which are termed as high on performance by observers may be studied in terms of growth, profitability, and other effectiveness dimensions.

A longitudinal study of their structures and styles will help in establishing the nature of relationship between organisational variables and organisational effectiveness.

iv) The organisational effectiveness may be attempted to be analysed with more quantitative methodological instruments.
to validate the distinctions between public and private sectors.

To conclude, the findings of this study may be utilised for improving organisational effectiveness by taking appropriate steps such as reconstructing the organisations, training of decision-makers, enhancing the morale of the workers and by taking their participation in decision making activities.