4.1 THE CONCEPT OF MANAGERIAL EFFECTIVENESS

“The manager shifts the locus of sovereignties”
- James Burnham

Managerial effectiveness possess one of the most important and delicate structures of an organisation. For the higher growth and prosperity of an organisation it is must for the organisation or the boss to have an efficient manager, whose effectiveness is shown not only in a given circumstance but also in every circumstance that comes his way. If he is able to sort out such problem with ease, then he is considered as a manager with effectiveness among his subordinates and workers.

In early period of time, managers were also there but there job was not so difficult in comparison today. Earlier, market of products was small and most of the workers were not educated. The workers did not know the minimum wages declared by the government. At that time there was no worker union so there was no problem of strike and lockouts.

Afterwards, the industrial revolution started in Britain, Germany, and France. Large sized factories employing millions of employees and using modern machinery were set up. The market of products was now not limited to one country only and instead export to other countries was also started.

Of late manager’s job entails more responsibility. A good manager is
one who is always aware of changes in the government policy regarding the business world. Today, new policies are made continuously and old ones are gone away. Recently, India has introduced a new policy of liberalization. By this step, Indian government has opened up the market of India for foreign countries.

The managerial effectiveness of a manager is the base of an organisation. It is on his thinking ability and organizing power, that a company progresses. As also in BHEL, Hardwar that managerial effectiveness of manager’s are quite good are also keen to it by different training and development programmes.

Srivastava and Sinha (2000), revealed that a positive significant relationship existed between the certain individual level variables and managerial effectiveness variables. The individual level variables were values, needs, maturity, locus of control, work ethic, self-monitoring, learned helplessness, self-awareness, self-limiting behavior, and self consciousness whereas managerial effectiveness was conceptualized in terms of competence, satisfaction, conflict resolution, need fulfillment, value realization, self-concept and recognition.

If a manager is not effective enough then he is the only person to be blamed for the ruining his organisation. If he is simply effective then also he is responsible for the stable profit graph of his organisation but if he is effective enough then also he is the only one to be praised for the growth of his company.
A few decades ago, the general feeling of an individual or group as a whole was that the effective managers are god gifted; they have supernatural power to undertake every work. However, the modern manager has proved them wrong. Any individual with certain skill can be made into an effective manager through the guidance and training granted by Master of Business Administration (M.B.A.) Institutions.

Sen and Saxena, (1999), suggested that effective management is the culmination of synergy of effectiveness of individual managers in the organisation. BHEL, Hardwar frequently sends their executives to different institutions like MDI Gurgaon and so on. Government and private millionaires have felt the need for managerial effectiveness and so they have opened a number of Master of Business Administration (M.B.A.) courses. As the world is going into 21st century, the need of managerial effectiveness is gaining importance.

An effective manager is like the good captain of a ship, efficient pilot of an aeroplane, who under all circumstances knows he is responsible for the welfare of his vessel and is aware that a slight mistake on his part can sink the ship or crash the plane.

Managerial effectiveness is like walking on the edge of a razor blade, in which the slightest mistake will only bring about ruination. Managerial effectiveness varies widely from organisation to organisation and from job to job and hence the criteria of effectiveness need to be carefully and objectively defined.
4.2 EFFECTIVE MANAGERS

4.2.1 **Who is a Manager?**

Manager is one who manages. Manager can be an executive while all executives need not be managers. Managers have position of responsibility and decision making authority. At the same time executives make decisions relating to their job and job situations. Manager owns the responsibility for which he has authority. Just because one has a lot of people to be supervised he doesn’t become a manager. For example, a shop floor supervisor need not be a manager. A manager has authority to plan, organize, integrate, motivate, evaluate, control and so on, who is expected to own responsibility for the performance of his people on the one hand and that of the organisation on the other. Both the top and the subordinate managers have same type of job or identical functions in their own spares, which have to make decisions or irreversible impact, of course the manager has the responsibility to manage his people also. In this context, our memory goes to the approach that a manager is the one who is responsible for the work of the other people. In recent times, however, there is a considerable shift of emphasis from ‘the work of others’ to ‘result of the enterprise’. Now, the manager is more responsible for the performance of the organisation as a whole, while he is responsible for the work of his people also. Manager’s job is specific type of work for the achievement of the objectives of the organisation, making the best use of the people available. Then, he is responsible for the work of
other people while taking care of the organisational goals and objectives. It is to be emphasized that manager and owner can be distinguished in terms of their functions. Manager’s principle responsibility is his function to make appropriate contribution to the organisational goals and objectives for which he would be vested with powers. Thus, power can be a distinctive criterion. Similarly, a manager may have command over people, who need not be the first and the foremost aspect; his performance is the basic factor.

Drucker’s observation is very relevant in this context. “Within the management group, there will be people whose function includes the traditional managerial function, responsibility for the work of others. There will be others who do not carry this responsibility within their specific assignment. And there will be a third group which is some what ambiguous and in-between, people whose job is that of team leader or task force captain, or people who combine both the function of advisor to top management and the conscience of a business in a certain area, with supervisory and administrative responsibility over a staff in a given area”.

The manager’s job also includes his ability to translate the objectives of the organisation into the objectives of the environment in which the organisation operates. In this process, he should be able to convert the output of the people including specialists available for him to suit the needs of the customers, prospects and the environment at large.
4.2.2 **Behavioural Characteristics of Effective Managers**

Several types of managerial behaviours have been found to be related to managerial effectiveness. Balaraman (1989) defined managerial effectiveness in behavioral terms which evaluated managers on selected job oriented criteria such as communication, cost awareness, delegation of work, labour relation, planning and scheduling, securing interdepartmental cooperation, training subordinates and utilization of capacity.

Luthans, Welsh and Taylor (1988) developed a model of managerial effectiveness which suggests that human resource management activities (such as staffing and motivating, reinforcing) may help attain more output (quantity of performance) but more traditional management activities (such as planning, controlling, and keeping in contact with outsiders such as suppliers) may help improve quality performance.

Contingency theory proposes that different situations call for different types of managers. The situation might be characterised in terms of environmental stability, the rate of industrial growth (Norburn and Birley 1986), stage of product life-cycle (Kerr 1982), degree of bureaucratisation or technology in use (Child 1975). Despite the situational demands and pressures, managers have choice in what aspects of the jobs to emphasis, how to allocate time and with whom to interact (Kotter 1982).

Although research relating managerial behaviour to managerial
effectiveness is very limited, however, this encourages researcher to examine more specific behaviours contributing to managerial effectiveness rather than fixating oneself to the idea of ‘consideration’ and ‘initiating structure’.

**Operationalisation of Effectiveness**

Joshi (1982) found that effective managers are more participative than the less effective managers, they are also younger, having comparatively lesser working experience.

A. Stewart and Y. Stewart (1976), criticism of the typical assessment type research process are considered, as well as how will the result compare with other studies. The characteristics are personality orientation that can be inferred through observation of behavior that can form the basis for identifying the effective managers of the organisations of the future. The characteristics lend support to the emphasis of self-development and self-awareness.

Assessment centres use the method of multi-dimensional assessment and the competency approach was devised to identify those personal characteristics, which result in effective and or superior performance in a job. Assessing managerial effectiveness can focus upon one or more of the following component-

- The individual knowledge, experience, skills, attitudes and characteristics of the manager as a person.
- The work practices and behaviours embarked upon by the
manager and which make up the management process.

- The targets and goals achieved as a result of managerial action during the period under review.
- The likelihood that the manager will be able to take on work at higher or different level and still be effective, leading to judgments about potential performance.

Faced with the new challenges of the Indian economy, corporate increasingly realising the fact that their people, especially those at the managerial levels, are the only source of competitive advantage. This has resulted in a renewed focus on HR strategies that can ensure retention, commitment, as well as continued growth and effectiveness of the managerial personnel. Managerial effectiveness, no doubt, is the key to success and growth of any organisation in the present day business scenario. Although the criteria of managerial effectiveness depends on the nature of the organisation as well as the nature of the job, experts have over the years, attempted to describe the work of all managers by a set of common behaviors or roles.

These and many others such models on managerial effectiveness focus on individual competencies (i.e., knowledge, skills, and attitudes), experience, work practices, managerial actions and behaviours, potential for growth, etc. and their impact on the effectiveness of a manager. Also, most of the studies have taken into account actual performance measures and superiors appraisals rather than self-report
measures while deciding the effectiveness of a manager. In fact, there is paucity of studies dealing with the self-perceptions of managerial personnel regarding their effectiveness and the role of various personality variables in it.

4.2.3 Criteria of Effective Managers

Dealing with People
Both for managerial effectiveness and organisational effectiveness the manager should be able to deal with people, may be his boss, subordinates, problem employees or peers. The way that the manager deals with the people within the organisation, affectionate boss or coercive boss, faithful subordinate or arrogant subordinate, constructive trade union leads to the formation of simultaneous relationships. Such interpersonal relationship may be intimate or impersonal, harmonious or conflicted, supportive or destructive, or a combination of any of these and any other type of relation as well. In fact, the quality of the interpersonal relationships the executive establishes in various groups to which he belongs can be a source of satisfaction or frustration leading to his effectiveness or ineffectiveness.

Problem Employees
Among the various types of people, a manager has to deal with, problem employees are important, because the task of dealing with problem employees is not an easy job. In fact one problem employee can create problems for all. A little fire has the potentiality to consume a
gigantic skyscraper, a small hole can sink a big ship, and a weak link can weaken a very strong chain. Many organisations have gone to difficulties just because of one problem employee.

Many employees, even good workers, become problem employees due to their emotional excesses. It is always advisable to deal with such people positively so as to improve the emotional competence. Methods like desensitization, catharsis, insight, developing new patterns, etc. are generally useful for improving the situation of emotional “weak spot”.

According to Desensitisation once an animal has been shocked in a particular situation, it will continue to avoid it indefinitely. This is quite true in respect of human beings also. Once he is shocked in a particular situation, he gives himself no chance for the situation to recur (except the ‘habitual criminals’ and ‘hoarders’). Perhaps after a long time by exposing himself to the same situation he would discover that the anticipated pain did not materialize and his conditioned fear would be extinguished. He can be motivated for the same if he can experience the dreaded situation first in a very mild form and in pleasant company or with other sources of reassurance and pleasant emotions close by, it will lose its power to trigger a fear reaction in him. This method can be used to overcome avoidance reactions, so as to improve the emotional weak-spots.

Perversion, criminal tendencies and dishonesty of individual employees very often results in problem emotions. The problem will aggravate
when they are protected by militant trade unions, as we see in the Indian industry. Rehabilitation, education, redemption, revitalization, compassion, counselling, etc., would be effective in normal cases of perversion. However, in chronic cases criminal tendencies, character and behavioral problems, dishonesty, etc. normal methods may not produce much result.

Then extreme steps would become necessary. When the methods of ‘Sarna’, ‘Danda’, and ‘Bheda’ become ineffective only ‘Danda’ alone would become possible. In several case of cancer ointment application is bound to be useless. Irreparable cases of individuals are exceptional who cannot be retained in the larger interest of the organisation, in which abrupt and brisk action is necessary.

**Subordinates**

Effectiveness in dealing with the subordinates is an essential aspect of managerial effectiveness. Just by virtue of you being (happen to be) the boss you are not expected to deal with your subordinates in a mechanical way, because your subordinate is not a machine and cannot work like a machine. He is an individual with all the passions, emotions, strengths, and weaknesses as you are. Perhaps you are better off, since you are well placed and highly exposed to better opportunities and connections, than what your subordinate is. He is subjected to fatigue, boredom, lack of stamina and strength, and so on. Obviously, he may have problem emotions and emotional problems. He
may not be as efficient as you expect always. You, being the boss, have the responsibility to provide an environment and motivation for your subordinates to enable them to contribute their best towards the achievement of organisational goals.

**Dealing with people in meetings and conferences**

Any effective executive will be effective in meetings and conferences. Every executive in meetings usually spends a considerable amount of time. There are many executives who keep ‘minutes’ of the meetings while they waste hours and hours in mere discussions without any result. Sometimes for the purpose of postponing decisions meetings are held. On the contrary, effective is the one who is bound to be effective in meetings, while every minute is made productive. Making a meeting productive is the art and skill of the concerned executive, which basically depends on how he is able to deal with people in the meetings.

One of the most essential aspects of a meeting is to formulate clear-cut objective or objectives of the meetings. Any meeting, to be purposeful should have definite objectives, which can be a consultation, information giving, getting more enlightenment on any particular subject, educating the people, facilitating collecting and conscientious decisions, ensuring participation of the subordinates, group decision-making, inculcating unity of purpose, avoiding conflicting interests, ensuring organisational commitment, gaining popularity and acceptance,
Dealing with Peers

Peers are equals in standing, rank or in any respect. An effective manager knows how to get along with his peers in his own department, in other functional areas and line or staff executives. There are possibilities in human organisation for misunderstanding and conflict. Particularly competition and conflict between various functional executives as well as between line and staff executives are common. Reasons are many for the executives to deal with each other in terms of frequent memos against each other; after all every individual has his own ego-bound personality. It not only affects the manager’s effectiveness, but also hampers the organisational effectiveness.

A little thoughtful approach to problems can help to avoid many unpleasant situations. As you get irritated by some words or deeds of your peers you need not immediately re-tort or react. Why not you take some time to think of his difficulties, deviations, strengths and weaknesses before you react? When your feelings are hurt and your emotions are affected rather than immediately retorting, why not you ignore and wait for some time? Postponing decisions is the best method of approach in such situations. The time will take care of it. You need to avoid harboring the thoughts about it. The more you think of it, the more tension prone you will be, and the more possibility you have for heart attack.
Dealing with the Boss

‘The Boss is always right’. This is what the boss wants of you, if you are his subordinate, Even if your stand is right it is better not to develop an argument with him. Your efforts to convince him of his inability or fault may turn to be futile. Rather it may create misunderstanding in his mind, and he may brand you as an extrovert. His approach to you can become prejudicial then, for which he cannot be blamed. Many of the management graduates today face this problem to deal with their less professional superiors; in the process frustration engulfs them.

Unfortunately, there exists a conflict between the professionally trained executives and their traditional superiors in the Indian Business. Young management graduates, who come out of the reputed management training institutions, with great expectations, join business houses at lower or middle levels under the traditional managers. They dream to be powerful decision makers overnight. They regard their training as their capital and asset. The untrained traditional managers are a sort of deadlocks for them. They expect that they ‘the young Turks with great professional background’ can easily guide these ‘unprogressive old men’,

But to their utter dismay the things move in the opposite direction. The managers, who have been successful over the years and who could gain considerable operational expertise, feel that the trained youngsters are merely white elephants who do not have any practical outlook.
Naturally, they take it for granted that ‘these inexperienced boys should learn from our wisdom and should reveal implicit obedience of us, the richly experienced giants’. Thus the waves of conflict are generated which affect the entire working of the organisation. Ultimately, ‘the might is right’ and the young professionals get frustrated.

4.2.4 Manager’s Job
Managers form the backbone of any organisation even in this age of computer revolution. Efficient managers take the organisation to success, while inefficient managers are bound to bring in mismanagement and downfall of the organisation. Starting with nothing in 1905, Henry Ford was able to almost monopolise the automobile market not only in America but, also in most of the other automobile markets of the world within a very short period of about 15-20 years. But by 1927 that business empire was in shambles mainly due to inefficient management, which continued upto about 1944, when the founder’s grandson Mr. Henry Ford II (a 26 year old man without any professional training or experience) took over. He has been able to revitalise the entire organisation with the help of a new array of managers after having dispensed with all the old cronies of his grandfather.

The Ford Motor Company is brought back to a commanding position again with the help of a new team of managers. This is the very example of the decisive role the manager’s play determining the Disney of an organisation.
Just like Henry Ford I many bosses even now foster the idea that all what is needed for the success of a business is the own entrepreneur with his caucus or cronies around him. Though this philosophy may work for short period, in the long run any organisation, especially business enterprises, will come to a stand still or decline without competent and capable managers. The owner may be able to manage his own property. But managing an enterprise is a different type of task for which managers are needed. One may not rule out the owner’s ability to acquire managerial skill. Yet he needs managers to assist him in his mission. The success of Alfred P. Sloan Jr., President of General Motors has been associated with his professional philosophy of ‘managers should manage the businesses’.

Manager’s job also includes motivation and communication. For the achievement of group goals and objectives teamwork is necessary for which the manager makes a team out of the people available. He should be able to communicate with them effectively both vertically and horizontally, and to motivate them to ensure their best contribution.

He/she is the manager who formulates the policy, plans the operation, coordinates the activities and people, and controls and streamlines. Manager’s job also includes evaluation of the performance. He establishes yardsticks not only for the organisational performance but also for individual performance. Analysis, appraisal and interpretation will be periodically made in which process actual performance is
compared with the yardsticks. Findings of such evaluations are properly
communicated and used for further policies and strategies.

The main job (quality) of effective manager is:

1. Effective manager should be able to set realistic objectives and goal.
2. His policies and strategies should suit the environment in which he
operates.
3. He should have healthy attitudes and approaches.
4. He should be able to control his emotions.
5. He should be energetic.
6. He must have good communications skill.
7. He encourages, expects, and ensures freedom of action.
8. He should be able to control weak temperaments.
9. He must be creative.
10. He must be a leader.
11. He is willing to take risks.
12. He takes initiative.
13. He should be highly motivated.
14. He should be a good planner and coordinator.
15. He should be a good motivator.
16. He must be able to set high but realistic standards.
17. He must be socially oriented.
18. He should be able to manage his men well, giving respect and
commanding respect from them.
19. He should have frustration tolerance.
20. He should be a good listener.
21. He should have necessary flexibility to adapt himself to different situations and environments.
22. He should be a tenacious person.
23. He should be able to analyze and synthesize.
24. He is able to create a good impression.
25. He appreciates and is appreciated by others.

4.3. MANAGERIAL EFFECTIVENESS AND ORGANISATIONAL GOALS

To manage employees effectively a manager should know various stimuli, which cause a person to behave in particular manner. A person in an organisation is simultaneously affected by a number of factors, as human behaviour is very complex and difficult to understand. If managers understand various factor affecting human behaviors they can predict human behaviour which is very necessary for managerial effectiveness.

The managerial effectiveness has been mostly defined in terms of organisational goal-achieving behaviour. For example, Guion states that the success of an executive lies largely in meeting major organisation goals through the coordinated efforts of his organisation; in part, at least. These efforts depend upon the kind of influence the executive has upon those whose work behaviour affects. The executive’s own
behavior contributes to the achievement of organisational goals only by its influence on the perceptions, attitudes, and motives of other people in the organisation and on their subsequent behavior.

Managerial effectiveness, like organisational effectiveness, must be seen in terms of optimization and not maximization. The effective manager is an optimizer in utilizing all available potential resource material—human, and financial both within and without the organisation, toward its sustained, long-term functioning. Based on this, effective managerial job behavior has been defined as ‘any set of managerial actions believed to be optimal for identifying, assimilating, and utilizing both internal and external resources toward sustaining, over the long term, the functioning of the organisational unit of which a manager has some degree of responsibility’.

Apart from the behavioral approach in describing managerial effectiveness, there is another approach in analyzing managerial effectiveness. This approach takes into account the person concerned, his managerial process, and the result of managerial process, although all these three are interdependent.

1. The Person

The basic question in this context is: What types of persons are most likely to become effective managers, and what types tend to fail? There are various such studies to suggest the possible personal qualities of a successful manager. Jorgenson has depicted the characteristics of
successful manager as follows -

<table>
<thead>
<tr>
<th>Most descriptive of successful key executive</th>
<th>Least descriptive of successful key executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decisive</td>
<td>Amiable</td>
</tr>
<tr>
<td>Aggressive</td>
<td>Conforming</td>
</tr>
<tr>
<td>Self-starting</td>
<td>Neat</td>
</tr>
<tr>
<td>Productive</td>
<td>Reserved</td>
</tr>
<tr>
<td>Well-informed</td>
<td>Agreeable</td>
</tr>
<tr>
<td>Determined</td>
<td>Conservative</td>
</tr>
<tr>
<td>Energetic</td>
<td>Kindly</td>
</tr>
<tr>
<td>Creative</td>
<td>Mannerly</td>
</tr>
<tr>
<td>Intelligent</td>
<td>Cheerful</td>
</tr>
<tr>
<td>Responsible</td>
<td>Formal</td>
</tr>
<tr>
<td>Enterprising</td>
<td>Courteous</td>
</tr>
<tr>
<td>Clear thinking</td>
<td>Modest</td>
</tr>
</tbody>
</table>

2. The process

Managerial success depends upon managerial process involved in managing the affairs of the organisation. In this category, there is long list. However, following are important behavior of successful managers—

1. They manage work instead of people.
2. They plan and organize effectiveness
3. They set goal realistically.
4. They derive decisions by group consensus but accept responsibility for them.
5. They delegate frequently and effectively.
6. They rely on others for help in solving problems.
7. They communicate effectively.
8. They are stimulus to action.
9. They coordinate effectively.
10. They cooperate with others.
11. They show consistent and dependable behavior.
12. They win gracefully.
13. They express hostility tactfully.

3. The Product

Effective managers and effective managing will lead inevitably to good things, i.e., the achievement of goals for which they are working in the organisation. Thus, what will be the outcome depends upon the type of organisations they are working for. This can further be stated that managerial behavior must lead to the realization of some sort of goals, whatever these may be and how these are measured. In a survey of 1072 managers by England, he found that managers had the tendency to attach the following items as significant for their effectiveness.

<table>
<thead>
<tr>
<th>GOAL</th>
<th>PERCENT OF MANAGERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational efficiency</td>
<td>60</td>
</tr>
<tr>
<td>High productivity</td>
<td>60</td>
</tr>
<tr>
<td>Profit maximization</td>
<td>48</td>
</tr>
<tr>
<td>Organisational Growth</td>
<td>43</td>
</tr>
<tr>
<td>Industrial leadership</td>
<td>38</td>
</tr>
<tr>
<td>Organisational stability</td>
<td>17</td>
</tr>
<tr>
<td>Employees welfare</td>
<td>4</td>
</tr>
<tr>
<td>Social Welfare</td>
<td>2</td>
</tr>
</tbody>
</table>
4.4 REVIEW OF LITERATURE

Srivastava and Sinha (2000), revealed that a positive significant relationship existed between the certain individual level variables and managerial effectiveness variables. The individual level variables were values, needs, maturity, locus of control, work ethic, self-monitoring, learned helplessness, self-awareness, self-limiting behavior, and self consciousness whereas managerial effectiveness was conceptualized in terms of competence, satisfaction, conflict resolution, need fulfillment, value realization, self-concept and recognition.

Sen and Saxena, (1999), suggested that effective management is the culmination of synergy of effectiveness of individual managers in the organisation.

Gupta (1996), identified from the literature nineteen culturally relevant characteristics/dimensions of managers working in India. After a factor-analytic study, the nineteen factors were reduced to sixteen and a comprehensive scale incorporating all these sixteen factors was developed to measure managerial effectiveness.

Miles (1992), suggested that constructive use of authority entails the ability to formulate clear goals and to determine what steps are necessary to achieve them, including getting people to do what is necessary for achieving the targets.

Balaraman (1989), defined managerial effectiveness in behavioral terms
which evaluated managers on selected job oriented criteria such as communication, cost awareness, delegation of work, labour relation, planning and scheduling, securing interdepartmental cooperation, training subordinates and utilization of capacity.

Misumi and Misumi and Peterson (1989), defined the ideal manager in Japan in terms of both performance and maintenance orientation, namely, a manager who leads the group towards goal attainment and preserves its social stability.

Das (1987), identified the characteristics of efficient branch managers as setting an example by personal qualities, job knowledge and business acumen and man-management ability.

Joshi (1982), found that effective managers are more participative than the less effective managers, they are also younger, having comparatively lesser working experience.

A. Stewart and Y. Stewart (1976), criticism of the typical assessment type research process are considered, as well as how will the result compare with other studies. The characteristics are personality orientation that can be inferred through observation of behavior that can form the basis for identifying the effective managers of the organisations of the future. The characteristics lend support to the emphasis of self-development and self-awareness.