Chapter 1 – Introduction

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CHAPTER - 1
INTRODUCTION

THE PROBLEM

The Indian economy is growing rapidly both in terms of the share in global population as well as in terms of its production structure and size. Presently India’s population is more than one billion which forms one-sixth of the world population. As far as economic progress is concerned, India is ranked among the few fastest growing economies in the world.

The economic reforms in India were initiated as a result of severe economic crisis. These reforms led to increased foreign investment, growth and entrepreneurial ability, higher collaboration and enhanced India’s economic credibility at the global level. After independence, domestic industries enjoyed considerable protection but towards the end of the eighties the country has witnessed severe economic crisis. At that juncture the Indian government was compelled to go for liberalisation of its greater private partnership in economic activities and alternatively to link these activities at the global level. Prior to 1991 when the process of liberalisation was initiated the focus of the government was on not to open the national boundaries to the outside world.

The pre-liberalisation period in India (1947-1991) witnessed an economic policy which was inward looking, regulated, monopolistic and non competitive. Because of the inconvertibility of Indian currency and restricted import policy for foreign goods there was low economic growth rate of Indian economy which stagnated at 3.5 per cent from 1950 to 1980, while per capita income averaged at 1.3 per cent. Due to irresponsible licensing raj self-perpetuating bureaucracy existed throughout the country and corruption flourished under the system.

In 1980, the government led by Rajiv Gandhi initiated light economic reforms to reduce the license Raj for prompting the growth of the telecommunications and software industries. Liberalisation moved the country from its traditional insular and self-reliant stance to a global system with different cultures and
economic systems. For the Indian corporate world it was totally a different ball game as liberalisation had changed the entire business from a government protected system to a system where the indigenous markets were forced to compete with market forces and large corporations with significant brand equity and vastly different human resource strategies and practices.

After liberalisation in 1991, the industry was deregulated and private partnership was encouraged. There was a fusion of foreign technology, funds, knowledge and talent. Public sector units were exposed to domestic and international competition and greater autonomy was ensured to them. Organizations were not confined to national boundaries and the whole world became a global village.

In the last two decades there have been remarkable changes in the world economy as; many countries that were emphasizing upon the public sector in their domain found a new manta of economic progression by emphasizing greatly upon or switching over to the privatization. This shift from public sector to the private sector has been slow or fast; partial or substantial; fruitful or painful, but concentrated on economic reforms and its implications in India and resulted in the emergence of the private sector.

Globalization of our economy has become an irreversible phenomenon. In the current environment of superfast communication and breaking down of geographical barriers, no country can live in isolation from the rest of the world as inter-dependence rather than self-reliance has become the key word.

The process of globalization relies primarily on private sector initiative, aided by the evolution of the global information network. The government has a very important role in connection with macro adjustments, maintaining, efficient infrastructure and promoting human development including anti-poverty programmes. In the west there are many outstanding examples of corporations which have shaken up and changed their top management with a view to bring about a “turn-around”.

Since 1990 with the rapid changes in the economy, an unprecedented capacity for change on a number of fronts is required. To quote Peter F.
Drucker: “The years ahead will be years of repeated changes in technology, in markets and market segmentation, consumer values and consumer behaviour, in finance, in political and geographical realities and in economic and trade policies”. Few executives accept that for a turn around a company requires fundamental changes in the assumptions on which the business is being run. The phenomenal inventions in the field of information technology, satellite communication and related fields have not only shortened distances between various countries but have also made it possible to shift strategic information and funds across the globe at a moment’s notice.

Globalization is essentially an attitudinal change that does not confuse markets or areas of operation with national and geographical boundaries and looks upon the whole world as the legitimate field of operations.

People in so called multinational enterprises should stop thinking in terms of a parent holding company and subsidiaries, but look upon themselves as global players with no particular attachment to any single country. At the same time, they should get accustomed to working with a team of transitional managers recruited from all over the world. Similarly the end of geographical paradigm is still psychologically a difficult concept to accept, but is fast becoming a reality.

On the managerial front, the managers are faced with challenges like working with people from different cultures and increased foreign assignments like improving the quality, productivity and customer service which requires a work force with different needs, aspirations, attitudes and style. These challenges could be handled only by empowering people and changing the decision making style. Decisions may be made at a lower level of management and instead of an authoritarian style, democratic or subordinate leadership style, (self-supervision and control) may be adopted. The organization should be a place of learning where everybody is engaged in identification of problems and finding their solutions by continuous experimentation and improvement. It means a change is needed in leadership style team based structure, empowerment of employees, open information and adoptive culture which may result in a significant change in organizational and managerial paradigm.
The focus of the old organizational paradigm was on vertical organization, local market orientations, homogeneous work force, mechanical technology and stable value system. Whereas, the new paradigm after the impact of liberalisation focussed on innovative organization, global market orientation, diverse work force, electronic technology and a chaotic and changing value system. Similarly, the old paradigm was centred around profit maximisation, autocratic leadership style, individual performance and conflicting relationship between the management and employees whereas, new managerial competencies were required to focus on customer satisfaction, empowering leadership style, team performance and collaborative relationship between management and employees.

In response to the global challenges, the Indian Industries have started relating to strategic changes like mergers, acquisitions and takeovers, demergers, diversification, share buy back, disinvestment, joint ventures, strategic alliances and collaborations. On account of process related strategic responses the Indian industries have began responding to setting vision and missions, international quality strategies, benchmarking, building core competencies, cost and assets utilization strategies, research and development, technical upgradation, advancement of information technology, global marketing strategies, corporate governance, learning and innovative organizations. Due to competitive market situation created by multinational companies the Indian organizations underwent certain meaningful structural changes by focussing on strategic business units, matrix and flatter organization structures and consequently the economic growth Rate has reached to the level of 8.6 per cent.

There was a boom in the Indian economy upto 2007-08, then the unpredicted down fall started in the global economic activities, which led to the great recession throughout the world, including developed countries like USA, Germany and most of the European countries and, thus, most of the multinational companies started following the strategy of downsizing to cut down the cost of human resources. A number of researches indicate that it is only the capable human resource that may ensure the survival and growth
during the acute recessionary periods. And, therefore, the focus of the Indian government as well as domestic Industries in general and public sector units in particular has been on retaining their capable employees and creating even more jobs for the people. The Indian government stressed upon creating more jobs rather than cutting them down and consequently the public sector organizations have started working on these lines particularly in banking and hospitality industry, which proved that human resource can give an edge to the economy even during recession.

Thus, based on the above discussion it could be summarised that under any economic environment or condition along with other resources, managerial effectiveness plays a significant role in achieving the organizational effectiveness. Therefore, the present study has been designed to examine how managerial effectiveness is related to communication styles, decision making, credibility, and work culture by examining the linkages with these co-relates. First the focus of the analysis would be to see the association between the individual co-relates and finally the efforts have also been made to examine an aggregate impact of all the identified co-relates on managerial effectiveness by conducting macro analysis. The study also focusses on differences between private and public sector organizations with respect to demographic variables, communication styles, credibility, decision making and organizational culture.

Further, the scholar has also tried to assess if there is any difference between public and private sector organizations with respect to managerial effectiveness on the basis of above isolated independent variables.

REVIEW OF LITERATURE

MANAGERIAL EFFECTIVENESS

No doubt a number of studies have been conducted by scholars in India and abroad on isolated co-relates of managerial effectiveness. But so far no comprehensive study on communication styles, decision making, credibility and work culture as co-relates of managerial effectiveness has been conducted , in Indian context .In the succeeding paragraph a brief review has
been conducted to highlight the observations made by the earlier scholars on the above mentioned co-relates of managerial effectiveness.

Managerial effectiveness is one of the central themes of work psychology. The issue of managerial effectiveness assumes paramount importance especially in a developing country like India with limited resources. If inefficient managers were at the helm of affairs in organizations, pace of development would slow down. Hence, there is an overriding need to identify predictors of managerial effectiveness. Do effective managers demonstrate distinctive competencies and which competencies distinguish effective managers from less-effective managers?

Effectiveness involves doing the right things in the right way. Effectiveness is particularly important in the case of managers as they are responsible for the performance of others. There is a general misconception that managerial effectiveness is an inherent quality that cannot be learnt. The reality is that effectiveness can be learnt, and with practice, be perfected. In short, managers can be trained to be effective.

There are no specific personality traits common to all successful managers. Some of them are analytic while others are intuitive. Some are good decision makers, while others are good planners. However, managers have some characteristics in common i.e. they are effective in whatever they do and wherever they are. Successful managers may be intelligent, imaginative, and knowledgeable, however, only effectiveness translates this intelligence, imagination, and knowledge into results, and ultimately makes a manager successful. Managers with good human skills are able to get the best out of their people as they know how to communicate, motivate, lead and inspire enthusiasm and trust in them.

There is a growing level of interest and focus on managerial competences and managerial performance with a wealth of literature on factors leading to effectiveness. Lot of research work has been done to understand the managerial performance and effectiveness both in India and abroad. But still the scholars are continuously debating on the issue of building managerial effectiveness in Indian organizations.
Klauss, Rudi (1977)\(^1\) the research investigated the relationship between manager’s interpersonal communication behaviour and subordinate satisfaction with supervision, job satisfaction and performance. A two-stage communication model was proposed and tested in which six interpersonal communication dimensions (careful presentation of ideas; open and two-way communication; frankness; careful listening; brevity; informality) serving as independent variables were seen to put impact on the intervening variables; subordinate role clarity and three measures of manager source credibility (trustworthiness, informativeness, and dynamism). These intervening variables in turn were seen to influence the following dependent variables: subordinate’s satisfaction with supervision; job satisfaction and work unit effectiveness.

Kotter (1987)\(^2\) in his study analysed 15 general managers, using interviews, questionnaires, archival data, and most importantly 500 hours of direct observation. One of the most interesting and consistent findings was that these top managers spent considerable amount of their time interacting with others, often outside their work units, through short and disjointed conversations that consisted mainly of jobs and discussions of topics unrelated to work. Kotter points out that building this “network” of cooperative relationships enabled these managers to influence others and implement their agendas. Kotter did not observe these managers making decisions, giving direct orders, or planning in advance to spend time with others.

Smircich and Morgan (1982)\(^3\) discussed how concepts and ideas that dominate management theory and ideology shape managerial practice and the reality of organization. Specifically, the authors analyze leadership as distinctive type of social practice and present a case study of leadership in an organizational context, and analyze its consequence for understanding the basic nature of modern corporate life.

Maitra (1983)\(^4\) studied 200 middle-level management industrial executives and rated them on executive effectiveness and Thematic Apperception Test was subsequently administered to 40 high effective and 40 low effective subjects, to examine whether high effective subjects would differ on thematic
fantasy as measured by TAT. The study also examined whether high and low effective subjects would differ with regard to their achievement orientation, drive level, maturity and decision making abilities and the obtained results showed that overall effective subjects were more intellectually motivated and original in thought, had broad interests and could see beyond individual details of their work. Effective subject projected the future more often than unsuccessful subjects and showed high drive and activity orientations in addition of being friendlier with colleagues and subordinates than non effective subjects.

**Gupta and Govindarajan (1984)** collected data from 58 strategic business units which reveal that greater marketing/sales experience, greater willingness to take risk, and greater tolerance for ambiguity on the part of the SBU general manager contribute to effectiveness in the case of “build” SBUs but hamper it in the case of “harvest” SBUs.

**Krishan and Krishnan (1984)** observed that employees in private sector are more satisfied with their pay.

**Singh; Warier and Fore research team (1984)** conducted the evaluation of a 4-factor theory of effective management under Indian conditions. The 4-factor pertain to the process of human relations, personnel policies and practices and welfare programmes for employees, developing coping mechanism (i.e.; technology, market forces and sociological changes, financial management, allocation of job responsibility, creativity and innovation, planning and free communication and sharing of information), leadership (i.e. participative management, leadership, initiative and enterprise) and finally control dimensions of organization’s (relating to discipline and community development, innovation, planning and free communication and sharing of information). The preponderance of people orientation in their theoretical model, over adaptability and coping mechanisms is seemingly related to the erroneous people related problems and issues in this country.

**Walton (1985)** brought to light the use of a meaningful system of subordinate
appraisals of managers, which enhance employees’ perception that they play significant role with regard to such issues as production methods, human resources policies and practices. In addition, subordinate appraisals provide a valuable source of information on the extent to which managers are behaving in accordance with the commitment philosophy.

Cangemei (1986) presents and describes 21 characteristics of good managers’, including self-confidence and knowledge of one’s own limitations. Good managers are also responsible, decisive and strong principled. They also learn how to handle stress, and intuition, and perceive mistakes as ways to learn.

Das (1987) examined conflict management styles of efficient branch managers. Respondents were asked to identify efficient branch managers. By analysing the content of the response, three main categories could be indicated. The three main categories of efficiency and the characteristics within each are, selling an example by personal qualities which includes personal integrity, self confidence, self control, man of principles, flexible in adverse situation and take decisions which are necessary in the interest of the bank, committed to organisation, knows what is expected by him. Job knowledge and business acumen which means taking quick decision, provide good customer service, achieve targets, sanctions secured loans, is a moderate risk taker in most of his activities.

Mathur and Yadav (1987) examined the relationship between managerial effectiveness and leadership styles in 100 Indian middle-level managers of public sector organizations. Findings indicate that managerial effectiveness was significantly related to subjects’ leadership styles.

Sashkin (1987) analysed what makes leaders successful in terms of revitalizing an organisation and creating a place where employees want to contribute their best and whether there is a difference between effective managers and leaders. Research on leadership behaviour by J.Hall and S.M. Donnell, D.M. McClelland and D.M. Burnham and R.M. Stogdill (1957) is cited to support the view that it is appropriate combination of individual personality,
behavioural skills and situational factors that best describes the successful leader.

**Dosier ; Case and Keys** (1988)\(^{13}\) embarked upon the responses of 257 managers from structured interview to determine the pattern of influence tactics used to influence subordinates. Results reveal that explanation, delegation, showing confidence, encouragement or support, listening, counselling or soliciting ideas were the downward influence methods most commonly used. Yet, none of these categories was more likely to be successful. Successful attempts resulted in a sense of personal satisfaction; failures let to a sense of disappointment. subjects tended to involve other persons in attempts to influence subordinates, however they were more likely to be successful when assistance was not used.

**Luthans, Welsh and Taylor** (1988)\(^{14}\) gave the dimensional model of managerial effectiveness. The model consists of a ranging from a Quality oriented human resource manager (who exhibited considerable staff motivating and reinforcing activities and was perceived to have quality performance in the unit) to a Quality oriented traditional manager (who exhibited a lot of interaction with outsiders, controlling and planning activities and was perceived to have quality performance in the unit).

**May and Kruger** (1988)\(^{15}\) in their study set about showing that managers should adhere to the four principles of empowerment; self-mastery, integrity, executive communication and partnership. A paradigm is proposed based on process steps leading from mediocrity, through awareness, transformation and commitment to mastery. A comprehensive experiential learning course is outlined and the results of 3 studies 11 courses conducted by the authors during 1983 and 1985 are reviewed. It is concluded that managerial excellence involves viewing all events and circumstances as opportunities to experience peak performance. To grow from the experience and master all situations, managers must be willing to accept feedback among themselves as valid and use it to expand their self-awareness and strengthen their relationships with co-workers.
**Amsa and Aithal** (1989)\(^\text{16}\) categorised regional managers in a commercial bank and found that there are “more effective” and “less effective” managers. Regional managers differed in terms of degree to which they displayed, communication behaviour, (where two different kinds of communication emerged as important (I) actionable instructions, guidance and feedback provided by Regional Manager’s to the branches (ii) person to person interaction between the Regional Managers and others). Participative behaviour (Regional Manager’s ability to trust and delegate responsibilities to their subordinates as well as to involve them in various activities). and Supportive behaviour (Regional Manager’s behaving like a facilitator of branch functioning rather than merely a controller of branches). Positive behaviour (Regional Manager’s ability to see the positive or the brighter aspects of the various system and practices adopted by the bank without getting unduly bagged down by their negative aspects). Responsive behaviour (Regional Manager’s tendency to look into himself and take responsibilities for things rather than taking resources to constraints in the environment).

**Kool and Saxsena** (1989)\(^\text{17}\) study highlighted leadership styles and its effectiveness among Indian executives. They explored prevalent managerial styles and their effectiveness among Indian executives in private and public sector organization by surveying 220 executives in top, middle and lower level management. Four relationships: High task/low relationship, high task/high relationship, high relationship/low risk, low task/low relationship. Results indicate that 87 per cent of managers adopted style 2 as their primary or secondary leadership style followed by style 3. Top and middle level managers preferred style 2 more than middle level managers. 74 per cent of private sector managers were found to be effective.

**Nwachuku** (1989)\(^\text{18}\) talked about the importance of some skills necessary for managerial effectiveness, an appropriate skill mix appears necessary in order to meet the instability in organizational demand. At lower levels of management process skills (directing, controlling and planning) are not essential; and at senior level conceptual skill is most relevant.
Yukl McCalı and Combardo (1989) proclaimed that several types of managerial behaviour were related to managerial effectiveness. Interviewed some managers who advanced to middle or top management, but subsequently ‘derated’ and were unsuccessful. A consistent pattern of results was found in the other studies also. Traits that relate most consistently to managerial effectiveness include high self-confidence, energy, initiative, emotional maturity, stress, tolerance and belief in internal locus of control, with respect to interests and values. They conjectured that successful managers tend to be pragmatic and result oriented and they enjoy persuasive activities requiring initiative and challenge.

Hall and Cockburn (1990) developed an interpersonal skills training programme for managers, based on an action learning approach to skills development. The program’s 4-phase model (confidence to learn, competence, comfort, improved work performance) evolved over 5 years through evaluations of traditional programs and improved program participant’s performance. Post course evaluations of program indicated that participants at 6 months and 1 year demonstrated, using a learner-centered modelling design that the effectiveness of traditional management skills training can be increased by 10 to 70 per cent.

Hay (1992) outlines nine core characteristics of effective managers: response to change, sense of responsibility, impact, conceptualizing, multiple perspectives, prediction, respect and responsiveness, communicating, and self awareness. The characteristics were identified broadly following a process outlined by A. Stewart and U. Stewart (1976). Criticisms of this typical assessment-type research process are considered as well as how well the results compare with other studies. The characteristics are personality orientations that can be inferred through observation of behaviour and communication from the basis of identifying the effective managers of the organisation of the future.

Ghosh (1991) investigated whether different facets of managerial talent can predict managerial success both in public and private sector organizations. Indices of managerial success were career progressions, salary gains.
Results indicated that managerial succession in terms of role progression cannot be effectively predicted on the basis of different facts of managerial talent.

London and Wohlers (1991)\textsuperscript{23} surveyed the measures of agreement between subordinate relationship in an upward, feedback process conducted in a large department of Fortune 100 firms. Ratings were provided for 86 target managers from an average of six subordinates per manager. Individual characteristics of the target managers (sex and age) and organizational level and organizational unit (the target managers organizational level and organizational unit, line and staff) were examined as correlates of agreement. Profile agreement (the correlation between self-ratings and the average subordinates’ ratings across 48 items) was higher for line than staff units. Also profile agreement increased over time for 39 TM's rated one year later. Other findings indicated psychometric properties of upward feedback data.

Chakraborty (1992)\textsuperscript{24} feels that when the attitude of managers is result-driven, success alone becomes their motivating factor. This utterly deprives them of morals and ethics and they get burnt out fast, thus making them less effective

Darling (1992)\textsuperscript{25}, analysed attributes of successful leadership in organizations using a total quality management approach. Over 100 interviews were conducted with individuals who had been identified as successful managerial leader. Results suggest that successful managerial leadership in the quality-oriented organization is highly situational in its context and is based on 4 key strategies. These strategies are attention through vision, meaning through communication, trust through positioning and confidence through respect.

Lipshitz (1992)\textsuperscript{26} reviewed the studies done on effective managers and found that applying their findings to particulars settings is problematic. He discussed competencies distinguishing between effective and ineffective managers (e.g. efficiency orientation) and activities of real managers (e.g. problem solving, motivating) are discussed. The research provides a basis for designing tailor-made training and development programs, organized around collaborative interpretation and dissemination of managerial practices.
Srivastava and Sharma (1992)\textsuperscript{27}, administered managerial effectiveness and leader effectiveness adaptability description questionnaires to 25 executives (aged 23-38 yrs.) and 35 age matched supervisors. There was a significant relationship between managerial effectiveness and low task and low relationship leadership behaviour. No significant differences between executives and supervisors emerged in terms of managerial effectiveness. There were significant differences in the leadership styles of executives and supervisors on high task and low relationship, and on low task and high relationship leadership behaviour.

Laad and Sharma (1993)\textsuperscript{28} in their investigation used values from Indian philosophy to explain managerial effectiveness (ME). Emphasizing Indian psycho-philosophy, this review discusses guidelines from the Bhagavad Gita on how to work effectively, the yoga concept, Guna from the sankhya philosophy, the doctrine of Karma, and teachings from the Upanishads. According to Indian psycho-philosophy, both human effectiveness and managerial effectiveness begin with education to inculcate appropriate values and principles for attaining wisdom. On the other hand, the western model of ME emphasise training in skills and knowledge.

Pareek (1993)\textsuperscript{29} analyzed the essence of effectiveness as a concept based on mutuality, significant others with whom the manager has to interact and deal with called the sole senders. The manager will have certain expectations from him. Similarly, the role occupant too will have certain expectations, from that role. Unless these expectations are articulated, shared and integrated roles cannot become effective.

Prahalad & Hamel (1993)\textsuperscript{30} have turned much recent thinking upside down asserting that the real function of effective managers is not to match the company’s resources with its opportunities but to set goals which “Stretch” a company beyond what most of its employees believe is possible.

Gable and Dangello (1994)\textsuperscript{31} carried out the study on the moderating effect of locus of control (LOC) on the relationship between Machiavellianism and job performance of 48 male store managers in a retail setting. Results reveal
no relationship between LOC and managerial job performance; however, there was a significant moderating effect on the relationship between Machiavellianism and job performance. Subjects high in Machiavellianism traits who perceived themselves as being subject to external control were more effective than managers with an internal LOC.

Jurma and Powell (1994)\textsuperscript{32} examined perceived conflict-management behaviour and effectiveness of 30 managers who had been rated by 107 subordinates as representing masculine, feminine, or androgynous gender-role types of the Personal Attributes Questionnaire. Analysis indicated that managers perceived by their subordinates as being androgynous were rated as better handlers of conflict situations than their masculine or Feminine Peers.

Maczynski Jago Reber and Bohnisch (1994)\textsuperscript{33} categorised leadership style differences among samples of 146 Polish, 891 Austrian, and 2631 U.S. managers. Austrian Subjects were most participative, Polish subjects were most autocratic, and the U.S. subjects were between these two extremes. These differences produced the greatest agreement with the prescription of a normative model of decision-making among Austrian managers and the importance of the problem declined, and Austrian managers were more participative when conflict among subordinates was likely.

Okechuku (1994)\textsuperscript{34} compared the influence of western conceptualized managerial abilities, traits, and motivation to assess effectiveness of 210 managers in People’s Republic of China and Hong Kong, in relation to 107 managers in Canada. Managerial characteristics included supervisory ability, achievement motivation, intellectual ability, self-activation, self-assurance, and decisiveness. Several characteristics were significant predictors of managerial effectiveness in both the eastern cultures and Canada. Senior managers in China were quite similar to their counterparts in Canada but differed from those in Hong Kong in their use of characteristics to infer the effectiveness of their subordinates. The most important predictor of managerial effectiveness rating was self-actualization in Canada, self-assurance in Hong Kong, and
intellectual ability in China. Supervisory ability was the Second most important predictor in each country.

**Bahl, (1995)**[^35] in his study brought to light that Indian system of philosophy, mainly Advaita Vedanta, can help modern managers determine goals, identify capabilities, and focus actions on the goals. Vedanta identifies key areas in which modern man is ignorant in terms of the principles and laws of life. This ignorance causes a loss in both physical and mental energies, and thus tremendous damage to the effectiveness of an individual's decisions and actions. Keys to managerial effectiveness include management of ideas, rationality, unselfish goals, emphasis on the means, reduction of ego tendencies, adherence to one's inherent nature, and a non-competitive attitude.

**Gronhaug, and Lines, (1995)**[^36] the study was designed to evaluate the ways in which the top managers attend to their even-changing environments. Data was collected over 7 years from top managers in two Norwegian firms, a commercial bank and an industrial firm. Results reveal that the subjects in the two organizations differed in their environmental foci are selective and tend to be rigid. Competitors and customers represent the segments in the external environments which were attended to the most. Managers allocated an important part of their limited attention capacity to the internal organisation.

**Carroll and Teo, (1996)**[^37] research efforts focussed on comparing the original membership networks and core discussion networks of 534 managers and 728 non managers. Analysis revealed that managers and non managers differed, when compared to non-managers, managers showed wider original membership networks; they belonged to more clubs, societies and similar organizations. Managers had larger core discussion networks, and these networks contained more co-workers, more stranger pairs, and more people with whom the focal person had close or intimate ties. Moreover, with the exception of network size, these differences remained significant even after differences for education, age gender, and ethnicity were controlled.

**Ibarra, (1997)**[^38] explored gender differences in characteristics of middle managers.
information and carrier support networks using the network-analytic concepts of homophily, tie strength, and range. Findings show that when the effect of position and potential for future advancement were held constant, women’s networks were less homophilous than men’s. Women high in advancement potential, however, relied to a greater extent than both HP men and less potential women on close ties and relationships outside their subunits.

Seibert, Crant and Kraimer, (1999)\(^3\) gauged the relationship between proactive personality and career success by surveying & sampling of 496 employees from a diverse set of occupations and organizations. Proactive personality was found to be positively related to both self-reported objective (salary and promotions) and subjective (career satisfaction) indicators of career success.

Walker and Smither, (1999)\(^4\) summed up that the managers initially rated poor or moderate, showed significant improvements in upward feedback ratings over the 5-year period, and that these improvements were beyond what could be expected due to regression of the mean. It was also found that managers who met with direct reports to discuss their upward feedback improved more than other managers and managers improved more in years when they discussed the previous year’s feedback with direct reports than in year’s when they did not discuss the previous year’s feedback with direct reports.

Crant & Bateman, (2000)\(^5\) tested the hypothesis regarding the relationship between proactive personality and perceptions of charismatic leadership. The results suggest that the self reported proactive personality is positively associated with supervisors independent ratings of charismatic leadership. Hierarchical regression analysis revealed that proactive personality accounts for variance in a manager’s charismatic leadership above and beyond that accounted for by an array of control variables (the Big Five Personality Factors, in-role behaviour, and social desirability).

Dess and Picken, (2000)\(^6\) identified 5 keys roles of leadership as: Using strategic vision to motivate and inspire empowering employees at all levels,
accumulating and sharing internal knowledge, gathering and integrating external information and challenging the status quo and enabling creativity.

Andrew, Neal, Michael A. West and Malcolm G. Patterson, (2005)\(^{43}\) dedicated that the concepts of internal and external fit suggest that the positive relationship between HRM and subsequent productivity will be stronger for firms with a positive organizational climate and for firms using differentiation strategies. Resource allocation theories of motivation predict stronger relationship between HRM and productivity for firms with poor climate due to greater amount of spare capacity of employees. Results support resource allocation theory.

Natalie M. Ferry (2006)\(^{44}\) pre/post assessments were designed to collect data on effectiveness of the curriculum to increase the use of communication and decision-making skill components in everyday situations. Using a test of significance for differences in means, socio-demographic group scores were analyzed for pre-post significant differences. The outcome was positive for some groups, supporting the use of the curriculum to teach personal skills that enhance individuals' workplace effectiveness.

Catherine T. Kwantes and Cherly A. Boglarsky (2007)\(^{45}\) added to the knowledge that organisational culture was strongly perceived as being related to both leadership effectiveness (explaining 40% of the variance) and personal effectiveness (24% of the variance). Aspects of organizational culture that promote employee fulfilment and satisfaction were uniformly viewed as positively related to leadership and personal effectiveness.

The perceived relationship across samples was stronger between organizational culture and leadership effectiveness than between organizational culture and personal effectiveness.

The above studies throw light on the essence of various facets of Managerial talents and efficiency. Keys to Managerial effectiveness include management of ideas, rationality, unselfish goals, emphasis on the means, reduction of ego tendencies, adherence to one's inherent nature (Swadharma) and non-competitive attitude. Leadership styles of executives affect the extent of
Managerial effectiveness. When the attitude of managers is result-driven, success alone becomes their motivating factor. Nine core characteristic of effective managers are: (1) response to change, (2) sense of responsibility, (3) impact, (4) conceptualizing, (5) multiple perspective, (6) prediction, (7) respect and responsiveness, (8) communicating, and (9) self-awareness. Managers should adhere to the four principles of empowerment: Self-mastery, integrity, executive communication and partnership.

CO-RELATES OF MANAGERIAL EFFECTIVENESS

Managerial Effectiveness is an outcome of the following co-relates:

COMMUNICATION STYLES

Effective communication helps to improve and develop better interpersonal relations. Communication often leads to failure to co-operate and co-ordinate and failure may hinder the organization’s effectiveness. To improve organizational communication is to improve the organization because communication and organizational success are related. It is only through communication that members of the organization acquire and pass on information, give and receive instructions, make group decisions, persuade, advice, explain and give orders and get the job done. The purpose of communication is to enable managers to clearly view their communication abilities, dilemmas and challenges.

Klauss & Bass (1982) defines Communication style as a set of critical essential elements or behaviours that in combination can be used to describe in a generalized way how a focal person communicated with colleagues.

Krayer and Bacon (1984) investigated the relationship between the ambiguity perceived in subordinates’ job roles and the ambiguity that they perceived in the instruction they received from their superiors. 127 hospital employees’ responses to a questionnaire show that communication ambiguity was a significant correlate of role ambiguity.

Luthans and Larsen (1986) combined direct observations of managers in natural setting with self-report measures to determine how managers
communicate. Canonical correlation analysis of the relationship between communication behaviour and managerial activities revealed a two-dimensional managerial communicator model. The first dimension represents a continuum from humanistic interactor (who interacts more frequently both upward and downward and exhibits more staffing and training/developing activities) to mechanistic isolates (who communicates very little but frequently engages in conflict management activities). The second dimension represents continuum from informal developer (who communicates spontaneously and is involved in training/developing activities) to formal controller (who scheduled communication interaction and exhibits monitoring/controlling activities). It is concluded that this model provides an empirically based framework for determining how managers communicate.

Marshall and Cacioppe (1986)\textsuperscript{49} reviewed the relationship between perceptions of communication performance in 223 Australian managers and subordinates in both public and private organizations. The sample included 20 federal and state government organizations, and 20 private businesses. Results show that managers felt that they communicated with subordinates on job related and personal matters significantly more than subordinates perceived being communicated within these areas. Managers perceived communication on aspects of personal life to be more important than did subordinates. While managers reported striving to achieve the level of communication with subordinates that they feel appropriate, while there was significant discontinuity between their aspired for and actual levels.

Sveiby & Lloyd (1987)\textsuperscript{50} acknowledged that in an age where the ultimate context is global and “communication” amplify our business far beyond their walls and shores, their durability will be radically challenged. They also said organization is based entirely on the know how of human beings. “Know-how” for the purpose might be described as the blending of “core business”.

Sveiby and Lloyd (1987)\textsuperscript{51} summed up a leader as “a creator of the work environment and a tutor”, explaining that, as such, a leader ideally “channelises intellectual energy”. He urges respect for and communication with all sectors of staff concerning institutional goals, to “give them
opportunities to develop skills and to treat them as professionals within their own profession”.

Huseman and Miles (1988) found through the research that organisational communication in the information age. They argue that in the information age the use of computer technology has and will increasingly changed the way communication occurs in the organizations. They proposed an integrative model of information-systems and organizational communication. Based on this model the communication implications of 4 computer-based systems are: Electronic messaging systems, Executive information age, Group decisions support systems, and Executive presentation systems. Through a series of proposition, the potential impact of these computerized systems upon the traditional areas of organizational communication is examined.

Koike (1988) appraised out that upward, downward and the lateral communication openers and length of employment were associated positively with both relational and organizational satisfaction.

Level and Ormsby (1990) surveyed data from 190 banks and suggest a strong relationship among the use of MBO (management by objectives), improved superior-subordinate communication, and organization performance effectiveness. Discussion focuses on the various objectives by MBO and non-MBO banks, breakdown in managerial communication; and communication failure as a result of functional or dysfunctional behaviour of managers within MBO banks.

Fulk and Boyd (1991) reviewed recent theoretical developments in four areas of organizational communication that have a common man concern with information processing: communication media choice, computer supported group decision making, communication networks. A review of current theory, an assessment of empirical evidence, and proposals for further theoretical and empirical development for each topic are included. The wealth of scholarship in these areas in the last 5 years testifies well to the substantial contribution of information processing-related theories to a new case of organizational communication theory.
Gupta (1991)\textsuperscript{56} studied the effect of Communication style on managerial effectiveness results indicates that there is no clearly established communication style which significantly differentiates between highly effective, less effective and undifferentiated groups. However, Open and two-way and careful transmitter styles are only two styles of communication that do differentiate between two groups.

Penley and Alexander (1991)\textsuperscript{57} described the relationship between managerial performance communication competency by identifying communication skills and social cognitive abilities that are associated with managerial performance for both male managers and female managers. The communication variables investigated were oral/written communication apprehension, communication competency, media sensitivity, perspective talking, cognitive differentiation and self-monitoring. Female managers provided lower self-reports of skills than male managers, and results linked managerial-performance primarily to communication skills.

Erez (1992)\textsuperscript{58} examined the patterns of the communication system in Japanese corporations' in light of antecedents (cultural values) and in relation to consequent (productivity and innovation). The analysis is based on the visits of 10 large Japanese companies and on interviews with 37 managerial and non-managerial employees. Foregoing discussion proclaimed that the interpersonal communication system is shaped by the cultural values in link with the traditional patterns of communication.

Geddes (1992)\textsuperscript{59} focused on manager communication, specifically the perceived effects of stereotypical gender/power speech styles. Usually respondents judged both male and female manager using the mixed gender/power speech style as most effective and as being associated with the most satisfied employees.

Yates and Orlikowski (1992)\textsuperscript{60} propose genres of organizational communication and concept useful for studying communication as embedded in social process rather than as the result of isolated rational actions. Genres (e.g., the memo, the proposal, the meeting) are typified communication
actions characterized by similar substance and taken in response to recurrent situations. These games involve over time in reciprocal interaction between institutionalized practices and individual human actions. They are distinct from communication media, though media may play a role in genre form, and the introduction of new media may occasion genre evolution.

**Young and Post** (1993)\(^{61}\) carried out the study in 10 leading US companies to find out how they reconciled with the needs for organizational change with the need on the part of the employees, for security. It was hypothesized that communication processes are an important ingredient of successful change. Eight principles of effective corporate communications emerged from the study are: Accepting the CEO as communication champions, Matching actions and words, committing to two-way communication, Emphasize face to face communication, dealing with bad news, listening to customers, initiating the employee communication strategy.

**Hoffman and Zaki** (1995)\(^{62}\) research efforts directed to the variability of communication processes between and within hierarchical levels. Results show that the hierarchical level of the manager sending the communication had a greater impact on the sources of information used. Frequency of disseminating information to receivers at different status levels.

**Mehrish** (1996)\(^{63}\) study aimed at on managers belonging to Indian and Japanese organizations. Results revealed that there is a significant difference between the two organizations on careful transmitter of Communication style and Indian management shows higher mean score on this dimension.

**Analoui** (1998)\(^{64}\) revealed that several aspects associated with managerial effectiveness are good planning, communication, human relations, organizing and supervisory skills.

**Berr, Church, & Waclawski** (2000)\(^{65}\) judged the impact of personality variables on managerial behaviours in the workplace. 343 senior managers and 3,158 of their peers and supervisors were interviewed. Results showed that senior managers with preference for intuition, feeling and perceiving received higher ratings from coworkers on selected managerial behaviours.
conversely, although extraverted managers gave themselves higher rating in a number of areas, these effects were not supported by peer perceptions. Thus it was concluded that individual differences in personal preferences do have a moderate yet significant impact on managerial behaviour as perceived by others in the workplace. In particular, senior manager with preferences for intuition, feeling and perceiving received higher ratings from their coworkers and supervisors on selected management behaviour (for example, innovation and learning, strategic thinking, relationship and change management, feedback and recognition and effectiveness) than did their counterparts.

Owen, Steves, Nelson-Christenedaughter, Roy & Heineman (2000)\(^{66}\), conducted a study to verify today's employers are seeking employees who are capable of solving problems, making effective decisions, and communicating with co-workers and management. Low-income individuals often do not have these skills or a work ethic that meets employers' expectations.

Natalie M. Ferry (2006)\(^ {67}\) assumed that low-income individuals' lack of personal skills can be a barrier to workplace success. Using the skills for taking control of your future curriculum, extension educators taught communication and decision-making skills to enhance individuals' workplace competency. Pre/post assessments were designed to collect data on effectiveness of the curriculum to increase the use of communication and decision-making skill components in everyday situations. Using a test of significance for differences in means, socio-demographic group scores were analyzed for pre-post significant differences. The outcome was positive for some groups, supporting the use of the curriculum to teach personal skills that enhance individuals' workplace effectiveness.

Hence, on the basis of the above review of literature it can be assumed that managers must be effective in communication. Since they deal with other people, improper communication can lead to misunderstanding and conflict. Also they have to communicate at both the levels; organizational and individual.
DECISION MAKING

The essence of management is Decision-Making since (1960). It is universally defined as choosing between alternatives. When a manager plans, organizes and contracts he or she is making decisions. Numerous studies have been conducted on this issue.

Herbert A Simon (1976)\textsuperscript{68}, the well known Nobel Prize winner, organization and decision theorist, conceptualises three major phases of decision making process as intelligence activity (This initial phase consists of searching the environment for conditions for decision making), design activity (During the second phase, inverting, developing and analysing possible course of action take place), choice activity (The third and final phase is the actual choice-selecting a particular course of action from among these available).

Rangnekar (1977)\textsuperscript{69} suggested that for the effective decision making the organisation should have the characteristics like performance evaluation should be result oriented, the long term and short term objectives should be defined and planning should be based on these objectives, organizational structure and functional relationship should be clear, there should be adequate delegation, there should be internal pressure for achievement.

Freeland and Stabell (1978)\textsuperscript{70} designed the study to evaluate the decision making process in complex organizational system. Decision making rules are investigated which seem plausible in that they are consistent with assumption concerning limits on a decision-makers information processing capacity. The structure and relation between decision environment, manager and decision strategies are modeled in scholastic terms and resulting performance is studied under Monte Carlo simulation. The basic analytic framework initially developed by R. Rodner and M. Rothschild (1975) considers a manager who is responsible for activities. At the beginning of each time period the manager must decide how to allocate time among competing activities. If at time t, manager devotes all efforts of activity v, its performance will improve or remain unchanged. Different decision strategies are investigated including putting out fires, adaptive random selection and constant proportions.
McAllister, Mitchell and Beach (1979)\(^\text{71}\) tested a contingency model for the selection of decision strategies, using 40 practicing managers and 115 undergraduates in theory organisation course. This model suggests when decisions are more significant and cannot be reversed then the decision-maker is responsible for his actions, than the decision strategy will be more analytic and results in a greater investment of time and effort than when the opposite conditions are true. The results support these assumptions.

Stein (1981)\(^\text{72}\) addressed the methods with which top managers search for solutions, analyze alternatives and show the authority to make decisions. Several decision models, such as behavioural, political-bureaucratic and classical rational are examined. Four dimensions emerge as the most important evaluative variable: analysis of alternatives, search for possible solutions, flexibility in the problem definition and group behaviour displayed by the advisory or decision making group. Based on combinations of these four dimensions, 16 models of decision process are identified.

Cosier an Alpin (1982)\(^\text{73}\) separated 111 undergraduate business students into high and low intuition groups, on their ability to identify cards before actively seeing them. Subjects then make a series of simulated managerial decisions. Subjects in the highly intuitive group performed significantly better than did other subjects. Results suggest that some individuals may have unique intuitive abilities that may adjust in decision making.

Rao (1983)\(^\text{74}\) in a synthesis of managerial decision making suggests that decision making is an integral part of the management process. The manager selects one strategy over the other decision processes. Decisions are influenced by internal and external factors and have temporal variations which emphasize the dynamic nature of the decision process.

Boulgarides and Oh (1974)\(^\text{75}\) compared the managerial styles of 16 Japanese and 71 American business managers, using a decision style inventory based on a cognitive contingency decision style model that categorizes decisions as either directive, analytic, conceptual or behavioural.
Results indicate that primary decision style was conceptual for Japanese managers and analytic for American managers.

Nuti (1984)\textsuperscript{76} discusses findings from an analysis of decision making processes and structures of 78 organizations involved in services delivery (e.g., hospitals, government agencies, insurance companies and consulting firms). Analysis revealed evaluative, historical model off-the self, search and nova process types. These processes differ in their approach to idea generation, the guarantors applied and process management rationale. Variations in each type are described to lay out distinctions between the processes. Process-evoking stimulation detailed. It was found that managers did not use the normative methods (prescribed by scholars for good decision making). Most decision processes were found to be solution centered, which seemed to restrict innovation, limit the number of alternatives considered and perpetuate the use of questionable tactics.

Stewart and Nishida (1986)\textsuperscript{77} examined the influence of decision making style on Communication openness and Satisfaction in Japanese organizations. 297 employees of Japanese organizations were surveyed to determine their preferred managerial decision making style and the actual decision making style of the supervisors. They were asked to rate their supervisor’s message-sending and message receiving openness and their satisfaction with facts of their jobs and organizations. Results show that supervisors preferred persuasive decision making styles and were more satisfied when there was a decision making style that of their manager.

Menon (1987)\textsuperscript{78} feels that a manager has following tools for decision-making, work-study and time and motion study network analysis operation research and logic. further logic decision making can be explained in six steps: identification of problem, selection of aim, own strengths and weaknesses, environmental, courses of action, implementation.

Miller (1987)\textsuperscript{79} surveyed formal structural and strategy making processes in a random sample of 97 small and medium sized Canadian firms using a questionnaire with established measures of structure and strategy making.
Analyses show that structural formalization and integration were related to levels of interaction and pro-activeness among decision makers and to four aspects of rationality in decision making analysts of decisions, planning, systematic scanning of environment and explicitness of strategies. It is concluded that strategy making processes are highly interdependent and ensure performance under challenging conditions.

Dastur (1987)\(^8\) points out that modern decision making has to be a co-operative effort. Even if an important member takes it, his juniors can gun down the implementation. The decision has to be sold. Decision making can be sharpened, refilled and made poignant through reading, conferring, combating, surveying, modeling and experimenting. Decision making which affect an employee’s career must be discussed with him/her, prior to its being taken and must be fair. Decision making is a state of art. It needs to be updated continually, if not continuously.

Field Read and Louvier (1990)\(^8\) appraised a model of participation in decision making developed by V.H. Vroom and A.G. Jago (1988) that makes prescriptions for the amount of participation a manager should allow a group of subordinates in a given situation. The importance of the 12 situational attributes specified by the model in moving actual decision makers from an autocratic to either a consultative or a decision method was examined by presenting 36 decision scenarios to 68 MBA students. Findings show that 8 of the 12 attributes were of significant importance to decision makers in choosing a decision method (subordinate information, motivation development, commitment requirement, commitment probability, time constraint, leadership information, geographic dispersion, and motivation time).

Tayler and Griffin (1991)\(^8\) aimed at examining 220 experienced decision makers’ goals of enhancing organizational effectiveness and promoting positive interpersonal relations shape their decision making when they are allocating scarce resources among group members. Past research has conceptualised this problem as one of the balancing between the use of 2 distributive justice principles: equity and equality. Results suggest that subjects believed that when trying to maintain positive interpersonal relations
it is as important to use decision making procedures that will be regarded as fair as it is to allocate outcomes in ways that will be regarded as fair.

**Cosier, Schwenk, and Dalton** (1992) carried out the research to examine differences in conflict and cooperation in decision making between American, Hong Kong, and Japanese managers, and explored how these differences may impact decision making. It was found that the Japanese decision makers may be more open, resolve conflict prior to reaching consensus, and exert less centralized control than the decision makers in the U.S; contributing to their abilities to make effective business decisions.

**James W. Dean, Mark P. Sharfman,** (1996) this study set about to examine whether strategic decision-making processes are related in decision effectiveness, using a longitudinal field study design. They studied 52 decision in 24 companies to determine if procedural rationally and political behavior influence decision success, controlling for the favourability of the environment and decision implementation. The results indicate that decision-making processes are indeed related to decision success.

**Mehrish** (1996) organised a study on 204 managers belonging to three different companies, viz.; private sector, public sector being managed by Indians and private sector being managed by Japanese. Results showed that there is a significant difference between Indian and Japanese organizations on the dimensions of Decision making, the managers from Indian management differs from those from Japanese management on Thinking and Feeling. On Thinking, the Japanese managed company shows higher mean score and on Feeling the managers under Indian management show higher mean score.

**Lam, Simon S.K., Chen, Xiao-Ping, Schaubroeck, John** (2002) in the investigation relationship between perceived participative decision-making and employee performance was examined in matched samples of employees from the Hong Kong and U.S. branches of one organization. Self-efficacy in regard to participating in decisions and idiocentrism moderated the relationship between perceived participative decision-making opportunity and
individual performance. Perceptions of the participation efficacy of a work and allocentrism moderated the relationship between participative decision-making opportunity and group performance idiocentrism and allocentrism appeared to explain regional differences in how participative decision making and efficacy perceptions interacted to predict performance.

Kushi Yameguchi (2005) revealed that: there is no relationship between information-seeking behaviour and the reduction of work-related uncertainty; information-seeking behaviour induced a change of voice, explanation, and rational interpersonal communication from decision makers; the provision of voice, explanation, and social sensitivity from decision makers caused outcome recipients’ perception of procedural justice; and their perception of procedural justice caused the reduction of job-related uncertainty.

On the basis of above research studies, it can be concluded that effective managers make decisions in a systematic manner. They collect all the information about available alternatives and weight their effect on the decision. Decisions are made after identifying the cause and effect.

**CREDIBILITY**

Credibility is mostly viewed as having particular communication effects. The linkage from interpersonal communication style to credibility was suggested by Deutsch (1958) who found communication to be control variable in the development of trust (a form of credibility). In a more general sense, however the idea is that credibility is based on authenticity. Open communication has been consistently suggested in the organization development literature as a precursor to improved organizational effectiveness.

**Dimensions of Credibility**

In the present study credibility is viewed in terms of three separate dimensions and the measures used are derived from the factor analytic work of Berlo et.al (1969) as well as Falicone (1997). These dimensions are:
**Trustworthy:** Trustworthiness refers to an inter-personal safety that a person may feel towards another and gets as the extent to which a person is viewed as fair, pleasant, friendly, honest, just and patient in dealing with others.

**Informative:** This dimension involves the extent to which a person is seen as well qualified, well informed, well experienced and well trained for a job situation.

**Dynamic:** It refers to the achievement of a person appears to be. In terms of the over arching notion of credibility, it suggests that a person must demonstrate a creation level of activity and energy in relating to others in order for them to see the person as a credible referent point in the work environment.

Evidence of the linkage from the focal person credibility as an information source and communication on the other is suggested in the work of Gibbs (1984) who found that lack of trust in information flow causes groups to operate at lower efficiency. In a longitudinal study Friedlander (1970) found that trust facilitated group accomplishment, while Robert and O’Reilly (1974) found a positive relationship between latest supervisory and subordinate job satisfaction. O’Reilly and Robert (1977) reported a positive relationship between there aspects of supervisory credibility and subordinate perception of information accuracy.

**Baird** (1980) defines credibility as the willingness of one individual to believe another individual and discusses six characteristics that enhance an individual’s particularly manager’s credibility, competence, character, intent, dynamism, personality and admiration.

**Kamei** (1987) proclaims that the basis of good leadership and management involves trust and co-operation at a level of equal ranking, qualities of leadership in those of dealing with subordinate ranking and power of persuasion in dealing with those of superior-ranking.

**Conger** (1989) and others argue that, after recruitment and sound orientation the matter is one of trusting motivating and tangibly empowering
staff. He writes in support of the self-fulfilling prophecy capabilities of empowerment. “…if you believe in people’s abilities, they will come to believe in them (too)”. Demonstrably valuing and empowering the staff that the organization has seen fit to recruit pays high dividends and lends an air of credibility to assertions about, for instance, a university that values its client-students.

Rangnekar (1990) underlines three characteristics, which seem to contribute to the effectiveness of supervisors, first being, Credibility amongst subordinates and consequent mutual loyalty when a supervisor who keeps complaining about his subordinates as being inadequate is rarely able to give good results from his department. He must be able to take care of his subordinates where they are weak and keep strengthening them. Second is self confidence in dealing with his boss and colleagues. And the third is the ability to develop a rapport with the union leader characterised by mutual respect, the successful supervisor does not necessarily like or dislike the union leader, he accepts him and is ready to deal with him. In this process, they develop certain respect for each other and this is very important for the supervision.

Burgoon, Birk and Plan (1991) research efforts were directed towards examining relationships among non verbal behaviour, dimensions of source credibility and speaker persuasiveness in a public speaking context. Sixty undergraduates gave videotapes speeches that were judged on the credibility and persuasiveness by classmates. Trained raters coded 22 vocalic, kinesics and polemics nonverbal behaviour in the tapes. Greater vocal and facial pleasantness and greater facial expressiveness contributed to competence perceptions. Greater sociability and greater perceived persuasiveness were associated with more kinesics/proxemic immediacy and relaxation. Greater sociability also correlated with dominance. Most cues also enhanced character judgment.

Dubey (1993) did co-relational study on 69 executives and supervisors using a questionnaire. One of the findings was that there was a significant and
positive correlation between informative dimension of credibility and effectiveness of executives

Mitchell S. Nesler, Herman Aguinis, Brian M. Quigley, James T. Tedeschi (1993)^97, the research efforts focussed that credibility had a direct effect on power ratings and results are particularly meaningful with respect to the credibility manipulation, given that the scales used were designed specifically to measure reward, coercive, legitimate, expert, and referent power. Suggestions for future research on credibility and its relationship to social power are offered.

Mehrish (1996)^98 did a cross-cultural study on Indian and Japanese managed companies revealed that on the dimensions of Credibility, the two companies show a significant difference on the dimensions of trustworthy and managers working under Indian management show higher mean value than manager under Japanese management.

Sinclair (1998)^99 proclaimed that in these days of heightened accountability and swift-moving leadership tenure, managers who isolate themselves, clinging to “position” alone as the bastion of their credibility, will become enervated and will fail as they sap the life and blood of their organizations. In opposition, a positive leader who books contingency plans for his or her succession, sharing knowledge and empowering, educating, and affirming others, fosters organizational health and vigour.

Sinclair (1998)^100 appraised that new millennial leaders will need to be credible. Leaders may be well respected not so much by virtue of their positions, but for their performances in them, in accordance with social mores. “Leadership”, writes Sinclair, “is always a transaction, by which a group of people recognize in someone something, toughness, purpose, or, more rarely, generosity and nature.

James Greenan (2004)^101, using a pre and post-test design, this study examined the relation of an adult’s credibility and measure frequency to the beliefs of female high school students participating in a job-shadowing program. Hypotheses were based on the Elaboration Likelihood Model of
attitude formation and change. Findings indicate that credibility of the adult moderated the relation between message frequency and student evaluations of the program’s usefulness to their careers, and between message frequency and student confidence. Students perceived program participation to be more useful if adults were seen as having high credibility than if adults’ credibility with the students was low. Additionally, a student’s confidence in her ability to be successful in a job was positively related to message frequency, when the adults in the program were credible. Future areas of research for school-to-work programs using the Elaboration Likelihood Model are discussed.

It may thus be concluded that credibility is one of the most important contributors for the effectiveness of supervisors. The basis of good leadership and management involves trust and co-operation at a level of equal ranking. Research on credibility suggests that trustworthiness of the source may be more important than the source expertise.

ORGANIZATIONAL CULTURE

Perhaps the most important single factor in the determination of organizational climate is the nature of leadership under which the workers function. It is the function of the leader to organize or integrate his men into a highly motivated and cohesive work group, so that everyone identifies himself with the group and the group goal and takes pride in belonging to it. If the group is split up into factions fighting each other, if its members are indifferent to the interest of the organization and its work and do not hesitate to change their jobs for minor material benefits the primary responsibility for their state of affairs is with the leaders of the organizations.

Broadly speaking, organizational climate is the psychological feel of a work-place or an organizational unit and the organizational norms that seem to correspond to this feel. Various research studies have been done on this issue.

Gilmer & Forehand (1964) have pointed out that the study of Industrial Psychology itself is a study of psychological climates. The various dimensions of organizational climate interact to determine the totality of a
psychological climate. They delineated the following dimensions: size and Shape; leadership patterns; communication Networks; goal direction, and decision-making procedures.

Litwin & Stringer (1968)\textsuperscript{103} developed a Climate questionnaire that covered 9 dimensions of organizational climate: structure, responsibility, reward, risk, warmth, support, standard, conflict and identity. The instrument tries to measure the totality of the psychological environment in which the individual works. They pointed out that climate would differ with respect to the management approach applied in an organization.

Campbell et al (1970)\textsuperscript{104} identified 4 factors comprising organizational climate as Individual Autonomy: which includes the elements of individual responsibility, independence, orientation towards rules and freedom of individual initiative. It essentially refers to the decision making. The Degree of Structure imposed upon the Position: it is the degree to which the objectives of and the methods for the job are established and communicated to the individual by superiors. Reward Orientation: It comprises of range of reward-related elements including not only the formal aspects of reward but also satisfaction and “promotion-achievement orientation”. Consideration, warmth and Support: Which includes peer relationships in the organization at the vertical as well as the horizontal levels.

James & Jones (1974)\textsuperscript{105} have broken the factors influencing organizational climate into 5 major components; organizational context (goals, objectives and functions), organizational structure (size, degree of centralization and operating procedures), processes (leadership styles, communication, decision making and related processes), physical environment (employee safety, environmental stressors and physical space characteristics), systems, values and norms (conformity, loyalty and reciprocity).

Spector (1986)\textsuperscript{106} in the meta analysis of 101 studies and found a high level of perceived control to be associated with high level of job satisfaction,
commitment, involvement, performance, motivation and low levels of absenteeism and employee turnover.

Chadha & Kaur (1988)\textsuperscript{107} conducted a correlational study of organizational climate with job satisfaction and job involvement. The samples taken were while collar and blue-collar supervisors in a public sector undertaking. Results indicated that job involvement is significantly related to decision making, communication, growth, standard, trust, recognition and motivation among white-collar supervisors with standard support and motivation among blue-collar supervisors.

Chadha & Sharma (1991)\textsuperscript{108} found private sector managers to score significantly higher than public sector managers on all the sub-areas of job satisfaction, namely, influence, amenities at work place, nature of job, nature of management and total job satisfaction.

Siehl and Martin (1990)\textsuperscript{109} elaborated this view and also suggest that culture may serve as a filter for the factors that influence the effectiveness of the organization. Indian managers held significant value expectancies for economic gains, good working

Sinha (1990)\textsuperscript{110} embarked that the empirical research clearly shows that social support from the co-worker and the supervisor encourages the employee development activity (Noe and Wilk) 1993.

Marcoulides and Heck (1993)\textsuperscript{111} used a structural equation model and found that various intra organizational factors influence the organizational performance. Just like Danison in 1990 they labelled these factors together as organizational culture.

Spreitzer and Quinn (1996)\textsuperscript{112} identified that subjects (managers) with low levels of self esteem, job affect, and social support tended to limit their efforts to changing themselves and thus had little impact on the organisation. Subjects with high levels of self-esteem, job affect, and social support were more likely to make transformational changes.
Herbig and Dunphy (1998)\textsuperscript{113} opined that culture is the catalyst capable of transforming private meanings into public meanings and by it they become understood by other members of the society. Culture consists of both explicit and implicit rules through which experience is interpreted. The function of culture is to establish modes of conduct, standards of performance, and ways of dealing with interpersonal and environmental relations and this reduces uncertainty, increases predictability, and thereby promotes survival and growth among the members of any society.

Srivastava (2000)\textsuperscript{114} added to the knowledge that there is positive correlation between organizational culture, organizational performance, individual effectiveness and success. Organizations having strong culture performed better compared to organizations with weak cultures. The results suggested that culture of the organization had its effect on organizational and individual performance.

Srivastava (2001)\textsuperscript{115} brought to light that there are value systems classified both as functional and traditional are most likely to contribute to development of work values and consequently to organizational effectiveness from the perspective of culture.

Hofstede Budhwar & Sparrow (2002)\textsuperscript{116} research efforts supports that national culture is known to significantly influence managerial styles and functions of an organization.

Aaron Cohen (2007)\textsuperscript{117} using Mancova & regression analysis conducted a study to show the strong effect of culture on multiple commitments. First, the five cultural groups related to commitment forms even when cultural values are controlled. Second all of the cultural valued are related to forms of commitment, and they add to the variance already explained cultural groups.

Catherine, T. Kwatnes and Cheryl, A. Boglarsky (2007)\textsuperscript{118} appraised the viability that organizational culture was strongly perceived as being related to both leadership effectiveness (explaining 40% of the variance) and personal effectiveness (24% of the variance). Aspects of organizational culture that
promote employee fulfillment and satisfaction were uniformly viewed as positively related to leadership and personal effectiveness.

Giri, Vijay N. & Kumar B. Pawan, (2007)\textsuperscript{119} acknowledged in an investigation that organisational climate had a significant effect on job satisfaction & job performance.

Soumendra, (2007)\textsuperscript{120} concluded that organizational culture and communication had a significant impact on employee performance and organizational effectiveness. The results indicate the need to consider cultural factors and communication procedures to shape human resource development, practices in Indian Organizations.

Therefore, on the basis of the above review it could be conceptualized that the organizational culture is determined by the normative behaviour, human environment within which an organization’s employee’s work. It is a system’s concept influenced by everything that occurs within the organization. Employees expect certain rewards, satisfaction and frustrations based on their perceptions of the organizational culture.

**CONCEPTUALISATION**

No trend has been more dynamic in Industrial Psychology during the past decades than the growth of interest in organizational behaviour. The evolution of organizations has encouraged the emergence of a new type of professional, the manager. It is through organization, that management channelizes resources, binds people to a common pursuit, gives them an identity in the enterprise, defines their authority, responsibility, relations and establishes channels of communication. Proper management increases business. Increasing competition around the globe require a cadre of effective managers to run day to day operations in the organizations.

The vital and important role a manager plays on employee performance and retention is evident from the existing literature. The potential list of activities that a manager can do or the qualities a manager possess is as long as the oceans are wide. Numerous experts claim that the most effective manager
use approaches that balance their focus between interpersonal skills and striving for results.

Effectiveness of managers means delivering what their job really is and creating conditions so that subordinates may also become effective.

Peter Drucker wrote, “Efficiency is doing things right and Effectiveness is doing the right things”. Effectiveness in leadership is learnt. A manager is, first of all expected to get the right things done wherever he works.

“To be effective is the job of the executive”, this was stated by Peter F. Drucker in his book titled “The Effective Executive”. Perhaps, the same can be said about Management, i.e. to be effective is the job of management. However, there seems to be no uniformity of opinion with regard to effective management. He also said that effectiveness does not come by itself. It is a habit, a complex set of practices. And practices can always be learned. However, it can be learned and it must be learnt. According to Drucker (1967) Brilliant men are often strikingly ineffectual; they fail to realize that brilliant insight is not an achievement by itself. They never have learned that insight becomes effective only through hard and systematic work. He also said that effectiveness is the foundation of success whereas efficiency is the minimum condition for survival after success”. Peter F. Drucker considers management as a multi-purpose organ that manages business, managers, workers and work.

Managerial Effectiveness is a combination of many critical factors, like organizational climate, managerial styles, job requirements and the individual competencies (communication styles, decision-making) that the manager brings to the job. Reddin (1970) points out that managerial effectiveness is not a quality but a statement about the relationship between behaviour and some task situation. According to Reddin, “it is the extent to which a manager achieves the output requirements of his positions”. The manager’s only job is to be effective. It is therefore not possible to discover as fact the qualities of effectiveness, which would then be of self-evident value. This suggests that
the practice of management is, by definition, almost an activity that should be considered only from a holistic viewpoint.

Some of the definitions of managerial effectiveness are given from literature for clarifying this concept further:

Managerial effectiveness is a measure of a manager’s output. It is performance based and is not at all, an aspect of personality. Instead it develops through the medium of situations.

According to Devonshire managerial effectiveness is equal to “ability x motivations x opportunity” where ability is more or less synonymous with skills and attributes.

T.V. Rao (2007)\textsuperscript{123} opined that it is difficult to define Managerial Effectiveness precisely. However, several characteristics have been used to study it. These are human potential, human personality, physical as well as financial resources.

Singh and Paul\textsuperscript{124} added that, managerial Effectiveness is more individualistic in nature but relates to group and organizational function. Any change has to be initiated by individuals.

Campbell (1970)\textsuperscript{125} went a step further and embarked that in the situation of complexity and ambiguity, an effective manager is an optimiser of resources for better organizational functioning. Managerial effectiveness should reflect in organizational effectiveness as well.

Drucker (1977)\textsuperscript{126} however, gave ‘situation’ lesser importance as a determinant of managerial effectiveness. According to him what matters is the habit of the manager to tackle problem in a specific way, once this habit (through practice) develops, then whatever the situation may be, he is going to perform well.

Organizational efficiency, as a measure of performance, owes a lot to planning. Planning, as an organized, intelligent attempt to select the best
available alternative for achieving specific goals requires alteration of those institutional arrangements that are obstacles to the achievement of this aim. As such, organizational planning would determine, to a large extent, the managerial effectiveness obtained in any institution.

Managerial effectiveness is defined as the goal achieving behaviour. Managerial effectiveness is achieved if a person is an effective manager. An effective manager is one who is positive in his personality, his managerial process and the result of the process. One of the main attributes that contribute to the managerial effectiveness is leadership.

Good leadership requires deep human qualities, beyond conventional notions of authority. Effective leadership does not necessarily require great technical or intellectual capacity. These attributes might help but they are not pivotal.

Good leadership in the modern age requires attitudes and behaviour which characterise and relate to humanity. Good leaders are followed chiefly because people trust them and respect them, rather than the skills they possess. Leadership is about behaviour first, skills second. It relies mostly on things like trust, inspiration, attitude, decision making and personal character. Hence an environment and culture that encourages employees to participate needs to be built.

There is no best way to manage. There is one best way to perform a repetitive physical task, but it is not the time of planning, organizing, leading, controlling or decision-making. The best concept and techniques can be selected only after one is aware of the particular circumstances he is facing.

Leadership is largely about one’s orientation and ability in persuading others. If people trust their leaders, they will offer their best. Recent decades have witnessed an explosion of interest in leadership effectiveness of managers that has protracted in several directions.

The traditional model of managerial effectiveness emphasizes the ability to set and achieve goals where it is implicitly assumed that the managerial effectiveness (in problem solving perspective) refers to an ability to solve four
of the systems problems. They are (a) adaptation, (b) goal attainment, (c) integration and (d) latency and tension management Sutton & Ford, (1982)\textsuperscript{127}. Drucker (1967)\textsuperscript{128}, Rao (1985)\textsuperscript{129}, Katz (1974)\textsuperscript{130}, Bandura (1982)\textsuperscript{131}, emphasize the development of individual competency to be an effective executive.

Managerial effectiveness would be defined as a measure of efficiency (using resources well), effectiveness (achieving goals) and being productive and satisfying to the customer. However, this measurement of efficiency and effectiveness is the outcome of personal attributes of the manager and some intermediate variables as indicated through the outcomes of number of research studies. The following few studies highlight the factors leading to efficiency e.g. decision making, communication skill, credibility and work culture.

It is Clampitt’s (2001)\textsuperscript{132} perspective that effective communication is at the core of managerial effectiveness, managers must have a clear view of their abilities to communicate and the challenges involved in the process. He also said that it is not only a tool for facilitating managerial initiatives, it is both the source and means of strategy and process. Thus its value resides in its new insights into the essential skills of management.

Communication skills is generally understood to be the art or technique of persuasion through the use of oral or written language. Further, it is the ability to effectively communicate with clients, colleagues, subordinates and supervisors in professional manner. In organizational effectiveness communication transforms a group into a team.

Effective managers make decisions in a systematic manner. They collect all the information about available alternatives and weigh their effect on the decision. They make a decision after identifying the cause and try to avoid its recurrence.

Credibility of the managers is yet another insight into the phenomenon of effective management. The art of managing people centres on how well one understands them and positions with them in times of troubles and challenges.
alike. If people trust their leader, they will offer their best. When managers are credible, subordinates feel loyal and committed to them and eventually to the organization. Effective managers, by being credible create opportunities for them to live up to and practise what they declare and profess.

The patterns of work relationships at work reflect the organizational culture. The managers are encouraged to follow the role model of their seniors. The work culture of the organization comprises of managerial values, attitudes and styles. Peters and Waterman (1982) argued that companies with strong culture are highly successful. Schein (1985) points out that effectiveness of actions taken by the employers shapes the employees value and norms, which become elements of the corporate culture.

Marcoulides and Heck (1993) used a structural equation model and found that various intra organizational factors influence the organizational performance. Just like Danison they labelled these factors together as organizational culture.

It is concluded that managerial excellence involves all events and circumstances as opportunities to experience peak performance. To grow from the experience and master all situations, managers must be willing to accept feedback among themselves as valid and use it to expand their self-awareness and strengthen their relationships with co-workers.

**OPERATIONALISATION OF THE CONCEPT**

In the above background we can safely say that managerial effectiveness is an affair of heart and soul as much as it is a matter of reason and effort. An effective management has to take into account the interest of not only the organisation but also other related components of the environment with which the organization has to interact. In order to be effective, managers may be encouraged to be concerned about achieving their output and displaying exemplary behaviour. Managing, to sum up, maybe appreciated as a complex, broad ranging engagement, requiring managerial skills and abilities for planning, communicating, decision making and above all dependable and
trustworthy in a social context. Hence, it may be concluded that managerial effectiveness largely depends on the four facets of managerial talents namely:

- Being open to the employees ideas and suggestions which means adopting an effective communications style
- Manager will be able to make the correct choice and take decisions with an open mind.
- Credibility means trustworthiness or that may be believed. It is essential precondition that a communicator will be able to bring out intended change in attitude and behaviour on the part of receiver and this in turn influences the decision making.
- Work Culture or psychological feel of the work place which includes prevailing pattern of values, myths, beliefs, assumptions and norms.

FOCUS OF THE STUDY

Intensive studies have been carried out to develop and apply psychological/management theory and methodology to problems of organizations and individuals in varied settings, but still information is utterly lacking on the various aspects of efficiency and effectiveness in the management of organization. The review of literature shows that the focus of earlier studies on management effectiveness has been on organizational culture, communication styles, decision making, job satisfaction, supervision, performance, credibility, work unit effectiveness, risk taking ability, leadership and personality. Some work has also been done on variable like empowerment of subordinates, interpersonal relations, conflict management behaviours Machiavellianism, goal setting, motivation, etc. No doubt lot of research work has been done on these parameters but there are no studies where all the four variables of the present study are taken together. The earlier work suggests that communication styles, decision making credibility and work culture are important determinations of managerial effectiveness.

Therefore, the focus of my study would be on the four identified co-relates which will determine the managerial effectiveness individually and also when
they are taken together.

**OBJECTIVES OF THE STUDY**

1. To analyse the prevalent co-relates which are being taken for managerial effectiveness in the sampled organisation.
2. To identify the deficiencies in the existing system of managerial effectiveness particularly in relation to the identified co-relates in the present economic scenario in the sampled organizations.
3. To make certain valuable observations in view of identified deficiencies, to improve the managerial effectiveness for betterment of Indian organizations in general and sample organizations in particular.

**HYPOSTHESIS:**

Higher the relationship with co-relates (communication styles, decision making, credibility and organizational culture) better will be the managerial effectiveness.

**LIMITATIONS OF THE STUDY**

The research is intended as a first new step in understanding the current role of managers and the behaviours expected of them in being effective. The findings are limited by virtue of the fact that the sampled respondents may be biased in responding to various statements incorporated in the administered schedules.

The personal biases of the respondents may have crept in due to lack of proper understanding of the statements. The size of the sample of the study was limited hence proper generalisations cannot be made. For the purpose of the present study we have selected four dimensions to assess the managerial effectiveness which may not depict the clear picture of impact on organizational performance. Time frame of the study did not allow a more extensive research. Though for the purpose of collection of primary data we have used standardised questionnaires, however, possibly isolated
statements may not be adequate for the purpose of the set objectives of the study.

ORGANIZATION OF STUDY

The whole study is divided into six chapters. The chapter one ‘Introduction’ incorporates the subject with the help of a brief description of the nature of the problems, review of existing literature, conceptualisation, focus of the study, the objectives, hypothesis, limitations and chapterisation scheme of the study. The second chapter has been devoted to research methods & statistical tools used which includes, general profile of sampled organizations, research design, universe & survey population, sample, selection of observational units, sources and methods employed for collection of data, pattern of analysis, statistical tool employed and variables involved. The third chapter covers examining the importance of managerial effectiveness by analyzing the impact of effective communication, credibility, organizational culture and quality of decisions. The analysis of significance of co-relates which are taken for managerial effectiveness in the sampled organizations in particular is also given in chapter three. Chapter four throws light on the analysis of prevalent situation and identified deficiencies in the form of shortcomings and suggestions to improve the managerial effectiveness for betterment of the organizations. Major findings, deficiencies and recommendations of the study have been summarized in the concluding chapter five.
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