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THE SETTING AND METHODS OF THE STUDY

This empirical study is an attempt to explore the nature of existing management practices in private and public sector undertakings. In the present study managerial effectiveness is taken as dependent variable or consequent variable while the independent variables which affect the dependent variable are: communication styles, credibility, decision making and organizational culture.

Managerial effectiveness is one of the central themes of work psychology. The issue assumes paramount importance especially in a developing country like India where the pace of development has slowed down even further with inefficient managers. Hence there is an overriding need to identify predictors of managerial effectiveness.

Intensive studies have been carried out to develop and apply psychological theories and methodology to problems of organizations in varied settings, but still there is a need to study various aspects of efficiency and effectiveness among private and public sector organizations.

The public sector in India has been the principal instrument for fulfilling the role of the state as an entrepreneur. The initial objectives of the public sector were to bring about balanced development and open enterprises in the backward areas to build up economic infrastructure of the nation to generate employment and improve living standard and to utilise the public sector, to implement the socio-economic policies of the government. To attain "commanding heights" was the, then sentiment for the public sector. To run public sector enterprises as commercial concerns was far from the mind of the policy makers. In fact, "profit" was considered a dirty word and for the first twenty years the public sector did not make any profit. In the mixed economy of India, private sector plays a complementary role to the public sector. Private sector possessed unparalleled advantage in terms of entrepreneurial
talent, skill and initiative. Managers in the private sector operate in a competitive and dynamic environment, where profitability is the ultimate criterion of success. In order to achieve these objectives, they are expected to be responsive to market and customer demands and to implement organizational policies that facilitate efficient and economically rational action.

Even though the public sector has played a critical role in the economic development of the country, the current benefits do not commensurate with the investment made. Despite attracting the best human resources in brains, talents, and skills, the problems of poor performance, lack of competitiveness and low productivity were entirely due to management control structure characterised by multiple principals and multiple goals, which forced the public sector enterprises into a bureaucratic rather than commercial mode of behaviour, a characteristic of which was lack of autonomy and accountability. Where as the private sector companies have only one objective "profit maximization", the public sector enterprises have to cater to a number of objectives and are subject to several constraints. The public enterprises have to meet several social obligations. They have to pay wages and salaries, which are not determined by market forces, but by the norms fixed by state policies. They are not free to adjust their prices with an escalation in the costs of production. A large number of persons workings in the public sector enjoy better pay scales, better perks, more in the form of leave and retirement benefits.

As against it, the private sector has the image of exploitative efficiency. Still the work ethics in the public sector is at low ebb and workers take undue advantage of the security of service enjoyed by them. The promotional policy only pays lip sympathy to merit-cum-seniority principle, but is based on pure seniority principle. This saps the initiative to put in their best for the enterprise and the spirit of competition is destroyed. Overstaffing, lack of suitable personnel and managerial policies and higher cost on social obligations are the reasons for the poor performance of the public sector enterprises.

The New Industrial Policy 1991 heralds a new approach to public enterprises. One important policy decision in this regard relates to greater thrust on
performance improvement through the Memoranda of Undertaking (MOU) system through which managements would be granted greater autonomy and will be held accountable. Boards of public sector companies would be made more professional and given greater powers.

In a developing country like India to make the economy more competitive and efficient the public sector and the policies governing them must follow the trend of the overall economic policy, which, in the, current context, is heavily tilted towards liberalisation, democratisation, marketisation and globalisation and a decisive move away from extensive social controls.

In the government, structural frame work of rules and regulations ignore people, where as private organizations give more importance to people. If private organizations fare better than public sector units is yet to be proved. Factors that contribute to the greater success of private sector units, as against their counterparts in public sector units, still need to be delineated on the basis of some research findings. Therefore, a comparative and empirical assessment of managerial effectiveness among public and private sector organizations is necessary as both organisational and personal attributes count for managerial effectiveness. A number of isolated studies have been conducted on the subject but no comprehensive evaluation has been made on the topic. Thus based on the above fact the present study would synthesize relevant previous research in the field of study and try to develop a useful framework in Indian organizations for better performance and productivity. What competencies or skills make an effective manager? How is the effectiveness of a manager is related to attributes like communication style, credibility, decision making and organizational culture? To achieve the objectives of the study the following model was also prepared:

MODEL ADOPTED FOR STUDY

Keeping in view the constructs and relationships that help in understanding the holistic patterns of the mutually interactive, structural and behavioral components of work settings, the following model was adopted:
The above given model illustrates that credibility, communication style, decision making and organisational culture are the independent variables which affect the managerial effectiveness of managers.

**RESEARCH DESIGN**

The research design was taken to assess the competences of effective managers through a series of standardized questionnaires/schedules in the area of communication styles, decision making, credibility, organizational culture and managerial effectiveness in the selected organizations. This provided an exploratory-cum descriptive-cum-diagnostic design. It is exploratory in a sense that very little research work has been done to examine the association between managerial effectiveness with independent variables like communication styles, decision making, credibility and organizational culture. It also aims to compare the public and private sector units in terms of managerial effectiveness and its correlates. It is descriptive because the study also includes identification and analysis of factors influencing managerial effectiveness and it is diagnostic in its nature as an attempt has also been made to see the association between managerial effectiveness and independent variables. From reviewing the research studies done earlier, observing the employees and expert opinions some dimensions of managerial effectiveness were isolated and a scale developed by Kaur and Chadha was adopted to measure managerial effectiveness. The details about the scales used and statistical treatments are given further in this chapter.
UNIVERSE & SURVEY POPULATION

Universe and survey population for the study have been confined to only two organizations namely: BHEL from public sector and Pacnet from private sector organization. In recent years there has been an increasing interest in research comparing the public and private sectors with a view towards improving productivity in the public sector. In India, a mixed economy model was adopted which gave the public sector a strategic and pivotal role in the process of development since 1956.

SAMPLED ORGANIZATIONS

Private Sector- Pacnet

Against a backdrop of explosive economic growth and increasing demand in Asia is Pacnet, the region’s leading independent telecommunications service provider, formed from the operational merger of Asia Netcom and Pacific Internet. Pacnet brings together innovation, technology and knowledge to define a new paradigm in Asian Connectivity.

The former Pacific Internet Limited was the leading telco-independent Internet Communications Service Providers in the Asia Pacific Region. The company delivered a comprehensive suite of internet data, voice and video services to corporate business and consumer customers.

In 2010, Pacnet obtained a Network Service Provider (NSP) license from the Malaysian Communications and Multimedia Commission (MCMC), paving the way for future expansion into Malaysia, shortly after that, Pacnet, through its joint venture Internet India Pvt. Ltd. (Pacnet India), obtained National Long Distance (NLD) and International Long Distance (ILD) Licenses from the Department of Telecommunications of India, setting the stage for providing businesses in India and broader access to Pacnet’s suite of advanced telecommunications solutions.

It delivers our comprehensive portfolio of advanced IP, data, voice and managed solutions to tens of thousands of satisfied customers including
major carriers, over 40 percent of fortune 500 enterprises and small/medium enterprises.

Headquartered in the heart of Asia in both Hong Kong and Singapore, we have more than 1,200 employees spread across our 28 offices located in 13 countries, including Australia, China (including Hong Kong), India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and the United States.

In a mixed economy like India, public sector has played a strategic and pivotal role in the process of development since 1956. It has also played a complementary role to the private sector. Public sector in India has been the principal instrument for fulfilling the role of state as an entrepreneur and to implement the socio-economic policies of the government.

**Public Sector – Bharat Heavy Electricals Limited**

BHEL is the largest engineering and manufacturing enterprises in India in the energy related/infrastructure sector, today. BHEL was established more than 40 years ago, ushering in the indigenous Heavy Electrical Equipment industry in India – a dream that has been more than realized. The company has been earning profits continuously since 1971-72 and paying dividend since 1976-77. BHEL caters to the core sectors of the India Economy Viz- Power, Transmission Industry, Transportation, Renewable Energy, Oil & Gas and Defence.

BHEL has acquired certifications to Quality Management Systems (ISO-9001), environmental Management Systems (ISO14001) and occupational Health and Safety Management Systems (OHSAS 18001) and is also well on its journey towards Total Quality Management. BHEL’s vision is to become a world class engineering enterprise, committed on enhancing stake holders value.

The greatest strength of BHEL is its highly skilled and committed 45,505 employees. Continuous training and retraining, career planning, a positive work culture and participative style of management. All these have
engendered development of a committed and motivated workforce setting new benchmarks in terms of productivity, quality & responsiveness.

The company has realized the capability to deliver 15,000 MW p.a. and the capacity expansion programme is underway to reach 20,000 MW p.a. by 2012. Currently 74 percent of the total power generated in the country is through BHEL sets.

SAMPLE

As already indicated earlier the study was conducted in two organisations i.e. one from public and the other from private sector. To select a representative part of the population, the total sample consisted of 300 middle level managers, 150 from each organization. The representative sample of 150 from each organisation was selected randomly for the purpose of determining characteristics of the population. An effort was made to select every third person from the public sector organisation and every second person from the private sector organisation. Both the public and private organisation were of medium size. The two companies were selected keeping in mind the diverse organizational culture and work conditions so that differences could be studied.

DATA COLLECTION

Secondary Data:

Since the nature of the study is empirical and therefore primarily it has been completed with the help of primary data. We have used secondary information for the development of the research problem which has been collected through review of existing literature pertaining to the study and using relevant documents published by the company like annual reports, profile and background literature made available about the company.

Primary Data:

For the collection of primary information we resorted to the technique of interview of the respondents with the assistance of structured questionnaire
which were used as schedules and lot of things like company work culture, employee motivation and reward systems were judged through direct observation and group discussion. A combination of observation, self rating questionnaire was adopted to carry out the present study. For collecting the data, standardised questionnaire for different variables were used. Managers were selected both from Public and Private sector organisations i.e. BHEL at Delhi and Pacnet at Bombay. These questionnaires were administered to the middle level executives of both the organizations so that desired objective can be achieved. Maximum care was taken to see that no item was omitted amongst the screened questionnaire on which the results of the study were based. Rapport was maintained throughout the process of data collection. The subjects were asked to give free and frank responses and the responses that come first to their minds.

TOOLS FOR DATA COLLECTION

The following data collection tools were employed:

Information schedule

Information schedule was prepared for getting information about demographic variables. This includes information about the respondents age, educational qualification, salary, designation in the organization, tenure in the organization and number of members in the family.

Communication Style

The communication style questionnaire by Klauss and Bass, 1982 was used. Communication style is defined as a set of critical essential elements or behaviour that in combination can be used to describe, in a generalized way, how a focal person communicated with colleagues. The different components of communication style described by Klauss and Bass are:

I. Careful Transmitter (C.T.) : The items focus on the idea of careful organisation of thoughts and choice of words when communicating with each other. The test-retest reliability is .76.
II. **Open & Two-way (O.T.)**: Items focus on asking for other people’s view and giving feedback. The test-retest reliability is .82.

III. **Careful Listener (C.L.)**: Items relate to communication attentiveness and careful listening to others. The test-retest reliability is .89.

IV. **Informal (I)**: Items include three key factors all of which focus on the notion of natural, relaxed and informality in communicating with others. The test-retest reliability is .88.

V. **Frank (F)**: Items pertaining to frank refer to a clear and assured communicating style. The test reliability is .85.

VI. **Brief and Concise (BC)**: Items pertaining to this component refer to the notion of conciseness or to the opposite notion of wordiness or lack of brevity which have negative factor loading. The test-retest reliability is .76.

The communication style scale is a 8 point rating scale in which responses vary from 7 to 0. These 7 response categories are:

- 7: Always;
- 6: Constantly;
- 5: Usually
- 4: Fairly often
- 3: Once in a while;
- 2: Rarely
- 1: Never;
- 0: Can't say/don't know.

The scale consists of 25 items constructed on the above described 6 components which have been accepted as separate variables by Klauss & Bass. The representation of different components according to item number is given below:

1. Careful Transmitter (CT) : 2, 4, 8, 21, 25
2. Open & Two-way (OT) : 1, 5, 13, 14, 19
3. Careful Listener (CL) : 6, 22
4. Information : 7, 12, 15, 16
5. Frank (F) : 9, 17, 18, 23, 24
6. Brief & Concise (BC) : 3, 10, 11, 20

**Credibility Measure**

Credibility questionnaire used has been developed by Klauss and Bass (1982). It contains 26 items, and can be viewed under three dimensions.

- **Trustworthy**: Items pertain to the extent to which a person is viewed as fair, pleasant, friendly, honest, just and patient in dealing with others.
Informative: Informative involves the extent to which a person is seen as well qualified, skilled, experienced and well trained for a job situation.

Dynamic: It refers to the notion as to how forceful, aggressive and energetic a person appears to be.

The items corresponding to the above mentioned three dimensions are:

1. Trustworthy- 1.6.9,13.16,19,21,25
2. Informative- 2, 3,5,7, 10. 11, 14,17,23, 26
3. Dynamic -4, 8. 12, 15, 18, 20, 22, 24

The seven point rating scale describes the following response categories:

7: Completely agree; 6: Very much agree;
5: Moderately agree; 4: Neither agree nor disagree/undecided;
3: Moderately disagree; 2: Very much disagree;
1: Completely disagree

4. Decision-making Questionnaire

The decision making questionnaire used for the present study has been adopted from the Myres – Briggs Type indicator and a scale developed by D. Hellriegel, J. Slocum, and R. W. Woodman.

The four dimensions on which the questionnaire is based are:

Intuition: The items reflect the ability of decision maker to see the world in holistic terms and his creativity

Sensation: The items reflect the ability of decision maker to be realistic and see the world in term of facts.

Feeling: The items reflect the gut feeling of the decision maker.

Thinking: Reflects the ability of the decision maker to be logical and use analytic approach to decision making.

It is a simple tick mark scale. The responses are marked on the following scales and then the point column is used to arrive at the score. For example,
if the response for the first question is option 'a', the scale would be checked for 1a and scored accordingly.

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<tbody>
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<td>2b</td>
<td>1</td>
<td>2a</td>
<td>2</td>
<td>1b</td>
<td>1</td>
<td>1a</td>
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<td>1</td>
<td>3b</td>
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<td>5a</td>
<td>1</td>
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<td>7a</td>
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<td>6a</td>
<td>0</td>
<td>8a</td>
<td>0</td>
<td>8b</td>
<td>1</td>
</tr>
<tr>
<td>9b</td>
<td>2</td>
<td>9a</td>
<td>2</td>
<td>10b</td>
<td>2</td>
<td>10a</td>
<td>1</td>
</tr>
<tr>
<td>12a</td>
<td>1</td>
<td>12b</td>
<td>0</td>
<td>11a</td>
<td>2</td>
<td>11b</td>
<td>1</td>
</tr>
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<td>15a</td>
<td>1</td>
<td>15b</td>
<td>1</td>
<td>13b</td>
<td>1</td>
<td>13a</td>
<td>1</td>
</tr>
<tr>
<td>16b</td>
<td>2</td>
<td>16a</td>
<td>0</td>
<td>14b</td>
<td>0</td>
<td>14a</td>
<td>1</td>
</tr>
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<td>Maximum</td>
<td>10</td>
<td>7</td>
<td>9</td>
<td>7</td>
<td></td>
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</tbody>
</table>

4. Organisational Culture

Broadly speaking, organizational culture is the psychological feel of a work-place or an organizational unit and the organisational norms that seem to respond to this feel. The organizational culture questionnaire was constructed by Singh & Pandey (1985). It comprises of 55 items of which 21 are negatively phrased. There is a Five-Point response dimension running from always true to never true, being scored from 5 to 1 respectively. For the negatively phrased items, the reverse scoring pattern of 1 to 5 is applied. The total score ranges from 55 to 275. The following table lists the items being scored positively and negatively.

**Positive items**

1,3,5, 6,8,9, 10, 11, 12, 13,

14, 17, 18, 19, 20, 21,22, 23,

24,25,27,28,29,31,32,33,

34, 37, 38, 42, 46, 48, 50, 53

**Negative items**

2,4,7, 15, 16, 26,30,35,

36,39,40,41,43, 44,45,

47, 49, 51,52,54,55
5. Managerial Effectiveness

The managerial effectiveness was measured by questionnaire developed by Kaur and Chadha (1998). It contains 45 items. According to them Managerial Effectiveness is the extent to which a manager carries out the activities in an organisation to achieve the organizational goals and make the organization work effectively and more productively.

The sixteen dimensions of managerial effectiveness, explained by Kaur and Chadha are:

**Belief about Subordinates** - It means what a manager thinks regarding his/her subordinates work and whether he/she has faith in them.

**Innovation/Creativity** - Creativity involves combing responses or ideas of individuals or groups in novel ways. They help managers work effectively.

**Assignment of Tasks** - How a manager manages and successfully assign the work to be done by subordinates.

**Planning and Co-ordinating** - Planning is an attempt to shape the future. To decide where one wants to arrive and how to provide the resources one needs to get there. After proper planning next step is co-ordination of the activity.

**Motivating and Reinforcing** - It is what makes people act or behave in the way they do. If we want them to do something i.e. reinforcing them we ask “How can we motivate them.” Therefore, both motivation and reinforcing are in that way responsible in making a manager effective.

**Managing Conflict** - An effective manager can reduce conflicts both in the organisation as well as between subordinates, through three principal ways peaceful co-existence, compromise and problem solving.

**Communication** - An effective manager knows how to communicate with the employees and other people within or outside the organisation and help them to overcome the barriers to communication.
**Discipline/Example Setting** - If an organisation is to reach its goals, there must be some form of discipline. The best form of discipline is, however, self discipline.

**Client Management** - The duties of the manager are to deal rationally and objectively with the subordinates, help them to come out from the crisis and situations leading to crisis and successfully handling the client and the client environment.

**Control Function** - It is the medium by which directives are given, problems identified, motivation is encouraged and performance is monitored.

**Decision Making / Problem Solving** - An effective manager helps his subordinates to improve their skills to consider possible course of action to solve the problem and evaluate them.

**Mutual Understanding** - The ability is needed in a manager to understand all the elements of the organisation needed to run it effectively. This needs a diagnosis by the manager and to understand the intricacy of the system.

**Organising** - It is basically about who does what. It means assigning responsibilities, building structures and developing relationships. The essential element is people; what they do and how they work together.

**Empowerment** - Longer and Kanugo (1988) define empowerment as a psychological construct. They suggest that empowerment is the process of fostering self efficacy, belief among employers.

**Training and Development** - At any level of the organisation for which you work as apprentice, management trainee - the training opportunities provided for you are important.

**Delegation** - You can't do everything yourself, so you have to delegate. An effective manager not, only gets his/her work done but can also use delegation to improve this subordinates performance.
On the basis of 5 point scale the subjects’ responses on items were scored as follows.

*Scoring of the Questionnaire*

<table>
<thead>
<tr>
<th>Positive Items</th>
<th>Negative Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Strongly Agree</td>
<td>1</td>
</tr>
<tr>
<td>4. Agree</td>
<td>2</td>
</tr>
<tr>
<td>3. Undecided</td>
<td>3</td>
</tr>
<tr>
<td>4. Disagree</td>
<td>2</td>
</tr>
<tr>
<td>5. Strongly Disagree</td>
<td>5</td>
</tr>
</tbody>
</table>

The items under each dimension have been framed positively and negatively. The following table lists the number of each item dimension-wise being scored as positively and negatively. Details of items under each dimension are presented below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the Dimensions Items</th>
<th>Positive Items</th>
<th>Negative Items</th>
<th>Total No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Belief about subordinates</td>
<td>1,9,15,21</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>Innovation and Creativity</td>
<td>2,10</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Assignment of Tasks</td>
<td>3</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Planning and Coordinating</td>
<td>4, 22</td>
<td>19, 25</td>
<td>4</td>
</tr>
<tr>
<td>5.</td>
<td><strong>Motivating and Reinforcing</strong></td>
<td>20,23</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>6.</td>
<td>Managing Conflict</td>
<td>7,24,26</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Communication</td>
<td>8,14,18,33,38,40</td>
<td>11,27</td>
<td>8</td>
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<tr>
<td>8.</td>
<td>Discipline / Example Setting</td>
<td>12,28</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Client Management</td>
<td>17</td>
<td>13</td>
<td>2</td>
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<tr>
<td>10.</td>
<td>Control Function</td>
<td>16,29</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Decision Making and Problem Solving</td>
<td>30,34,39,41,44</td>
<td>5</td>
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<tr>
<td>12.</td>
<td>Mutual Understanding</td>
<td>31</td>
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<td>13.</td>
<td>Organizing</td>
<td>32</td>
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<td>14.</td>
<td>Empowerment</td>
<td>35,43</td>
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<td>15.</td>
<td>Training and Development</td>
<td>36,42,45</td>
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<tr>
<td>16.</td>
<td>Delegate</td>
<td>37</td>
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</table>

Positive items are scored from 5 to 1 for strongly agree to strongly disagree, while negative items are scored from 5 to 1 for strongly disagree to strongly
agree. The total score would range from 45 to 225. Higher the score would imply high on managerial effectiveness.

ANALYSIS PATTERNS

VARIABLES:

Independent Variable

In terms of the objectives of the study as outlined in the preceding chapters our independent variables are communication styles, decision making, credibility and organizational culture.

Dependent Variable

To examine the impact of independent variables individually and taken together on the dependent variable following statistical tools were used.

STATISTICAL TREATMENT OF THE DATA

The raw data was scored and tabulated for each variable being studied for both the organizations independently. The raw data was computed in order to do the following statistical analysis

Descriptive Analysis - This was done to obtain mean and standard deviation of each variable.

Inferential Analysis - This analysis was done using ‘t- test’ to find the significant differences, if any, between means related to different groups for different variables

Correlational Analysis - Pearson’s product moment correlation was used to discover the relationship between variables.

Multiple Regression - It is the determination of a statistical relationship between two or more variables, in this study, number of independent variables were employed to predict the single dependent variable.