Summary and Conclusion
SUMMARY AND CONCLUSIONS

As the focus is on the twenty first century, the issue of the effectiveness of organizations is of paramount importance, since in a highly competitive economy and with the ever-changing scenario at the global level having its own implications on the Indian economy, only the fittest, i.e. effective organizations can survive in the long run. All this makes the need to study organizational effectiveness obvious.

Human beings are by nature gregarious and community or group life is one of the earliest and most enduring features of human existence on this planet. The natural inclination for living and working together with others underlies the prevalence of a variety of social groupings, such as family, clan, community, friendship groups and formal organizations. These social groups are not merely a number of individuals collected at random but they are composed of persons who are interrelated. Thus, our society
is organizational with large and complex organizations dominating every sphere of human activity in almost all countries of the world, irrespective of ideological and other differences.

Modern thinking has advanced so much that it has rendered it difficult to develop an all comprehensive definition of an organization. However, there are some acceptable definitions which cover most of the characteristics of organizations. Bakke (1959) for instance, gives an elaborate definition of organizations. He describes them as continuing systems of differentiated and coordinated human activities utilizing, transforming and welding together a specific set of human material, capital and natural resources into a unique problem-solving whole which is engaged in satisfying particular human needs and is in interaction with other systems of human activities and resources in its environment. Schein (1965) sees organizations as units engaged in the rational coordination of activities of a number of people through division of labour and functions through a hierarchy of authority and responsibility. Most simply defined an organization is a pattern of rational interactions and activities invented by people to fulfil the goals of individuals and groups. All organizations have goals which set the stage for organizational actions. How successfully these actions are carried out is the demonstration of organizational effectiveness (OE).
OE is a debatable concept which makes theorists disagree on the proper definition and the criteria of effectiveness. If we take a historical perspective, we see that different schools of thought had their own particular ways of defining effectiveness. Taylor, the founder of Scientific Management school, held that effectiveness was determined by factors such as production maximization, cost minimization, technical excellence, optimal utilization of resources etc. Fayol, who was the main thinker of the Principles of Management school of thought, believed that effectiveness was a function of clear authority and discipline within an organization. Mayo, an adherent of the Human Relations school conceived effectiveness as productivity resulting from employee satisfaction and satisfaction through attention to worker's physical and emotional needs.

Many theories have been offered to explain OE, such as traditional or rational goal theory (Barnard, 1938), systemic or functional theory (Etzioni, 1960), system resource theory (Yuchtman and Seashore, 1967), process theory (Steers, 1975 and Pfeffer, 1978), strategic constituencies theory (Pfeffer and Salancik, 1978) and behavioural theory (Rao and Narayanan, 1987). However, it is notable that researchers having written so much about OE eventually conclude that since an organization can be effective or ineffective on a number of different facets that may be relatively
independent of one another, organizational effectiveness has no operational definition (Campbell, 1973, p. 36). It is, thus, admitted that there is no single best way to define the term "Organizational Effectiveness" (OE). However, simply put, OE can be described as getting the job done.

Moreover, whatever researches exist in the area of OE stand scattered in literature which, in turn, appear to contradict each other. For instance, for some OE is reflected by the bottom line (profit). But defining OE strictly in terms of dollars and cents, or in our case, rupees and paise fails to capture the complexity of organizational operations and the meaning of effectiveness. Mainly four things are to be considered while studying or evaluating OE - first, whether or not, and to what extent organizational goal are met; second, what means are used to achieve them (i.e., how well resources are utilized); third, to what extent organizational members are integrated in it, and four, to what degree the needs of the critical organizational environmental constituents like suppliers and customers are met.

All the above requirements are met by the systems approach to organizations. This view of OE implies that organizations are made up of interrelated and interacting elements. The effectiveness of the total system is viewed as being dependent on the performance of all its sub-parts. The closed system
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perspective tends to give priority to the internal factors while explaining OE, whereas the open-system perspective emphasizes the interrelationships between various parts of an organization and its environment. Hence, for this study we have made use of this perspective, focusing on the financial, as well as, behavioural indicators of OE and the internal, as well as, external factors determining OE. Specifically, the study aimed at the following:

1. To study organizational effectiveness in four selected electronic manufacturing industrial organizations in terms of the two types of indicators, i.e., economic (productivity, growth and profit) and behavioural (job satisfaction, commitment, absenteeism and turnover).

2. To analyse the significance of factors, both internal (working conditions, communication and decision making) and external (environmental elements like suppliers, competitors and customers) in determining OE, in these organizations.

3. To examine and compare the perceptions of managers and workers about OE in terms of above indicators and factors, and

4. To probe whether or not there is any difference in the actual, as well as, perceived effectiveness of public and private sector organizations.
The work organizations which supplied the data for the present study are medium sized units located at Mohali, Punjab, each manufacturing electronic products and components. Since the thrust of the study was to investigate OE of public and private sector units in comparative terms, the study was carried out in four electronics industrial units, two in the public sector and two from the private sector. As far as selection of respondents was concerned we used stratified random sampling technique, the sample for the present study including 264 respondents, out of which 220 were workers and 44 were managers, ie, 20% of workers belonging to the three strata of highly skilled, semi-skilled and unskilled and 40% of the managers belonging to different categories like senior level, middle level and junior level.

Data collection took considerable time and was done from February 1996 to July 1996. OE in the present study has been studied in terms of its indicators and determinant factors. For measuring the effectiveness the questionnaire has used a number of indexes on various aspects which contained a total of over 100 questions, using a four point Likert scale. The questionnaire was divided into four sections. In the first section general questions regarding personal data, such as age, designation, number of years of service in the company etc were included. Section two dealt with the profile of organization and the last two sections consisted of questions
dealing with indicators and factors related to OE. Data for the present study were collected through personal interviews and published records of the organizations.

As the study basically deals with the perceptions of the employees of the electronics units, the respondents were interviewed at their places of work at a time convenient to them after seeking prior approvals of their respective managements or employers. Although all units gave permission easily to interview the employees after the objectives of the study were outlined to them yet, when it come to actually collecting data, mostly it was observed that the respondents, managers as well as workers, showed a tendency not to disclose information about working of their organizations willingly or readily and had to be cajoled into replying to many of the questions. The relevant data and discussion on different aspects of them have been presented in separate chapters. Let us now review the findings of the study. The presentation in this section is so organized as to bring together the relevant findings in a sequential arrangement.

Research studies in the field of organization present considerable confusion regarding the indicators of OE. In this study an attempt has been made to appraise the OE of four electronics industrial units in public and private sectors through some of the indicators which have been found to be of considerable importance.
in determining OE. Two types of indicators are usually used for measuring OE. The first are financial in nature which deal with the fiscal and productive aspect of the organizations and the second are behavioural focusing on the behaviour of people within the organization. In most researches either the financial or behavioural criteria are used for evaluating OE which tends to give a partial picture of OE, but our study focused on indicators which were based on both economic and behavioural dimensions of OE. The indicators selected for this purpose keeping in view their relevance to the present study were productivity, profit and growth (financial), and job satisfaction, commitment, absenteeism and turnover (behavioural). The study of the indicators of OE was made in two sections. The first throws light on the economic effectiveness or financial performance of the sample organizations, while the second discusses OE in behavioural terms.

Measuring economic effectiveness is relatively simple because various techniques based upon systematic accounting data have been developed and standardized. The financial effectiveness of the sample units has been measured over a period of four years from 1992-93 to 1994-95. There are two ways of measuring the financial indicators of OE, (a) through the secondary data and (b) through the perceptions of the people in the organizations. For the present study both the subjective and objective measures were used to study the financial indicators of OE.
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The productivity indicator should be of utmost importance to any organization because it provides a fairly good idea of the state of effectiveness of any industry. As far as the collection of hard data was concerned, it was obtained from the past four years' Annual Reports of the units. A comparison of public and private sector units in our sample in terms of productivity revealed that in the public sector the total rate of productivity during the period under study was 57.60% while in the private sector it was 65.84%. Thus, the overall rate of productivity was higher in the private sector organizations than in the public sector organizations. As far as profit of these organizations was concerned the sectorwise data reveal that the profit of public sector organizations during the period 1992-95 was 64.74% whereas in the private sector the total rate of profit from 1992-95 was 78.57%, which was higher than the public sector organizations during that period. When we looked at the growth of these organizational it came to our notice that here also private sector seems to be doing better than the public sector organizations as in the years 1992-95, in the public sector units there was growth at the rate of 57.43%, while in the private sector the total rate of growth was 62.97%. So, the growth rate was also higher in the private than the public sector organizations.

When we scrutinize the perceptions of employees concerning these three indicators, we found that regarding
productivity, 44.70% of the employees in all the units perceived high rate of productivity, 37.5% perceived it as moderate and only 17.80% respondents perceived a low rate of productivity in their organizations. Thus, a majority have perceived fairly high rates of productivity. But a comparison of public and private sectors exhibits a higher perception of productivity in the private sector than the public sector which tallies with the hard data on productivity. The comparison of managers and workers regarding the rate of productivity revealed that both expressed somewhat similar views. But a comparison of the perceptions of managers of both the sectors showed different results as private sector managers perceived slightly higher rate of productivity than the public sector managers. Similarly, private sector workers perceived a much higher rate of productivity than the workers in the public sector. Hence, the private sector organizations exhibit a better productivity rate than the public sector. This finding is substantiated by number of studies (Bhatia, 1995; Sabbarwal, 1990; Sinha, 1973; Sinha, 1980).

The parameter of profit is generally regarded as an important indicator of organizational effectiveness. From the results, it can be seen that the overall financial performance of the electronics industry remains satisfactory, being somewhat better in the private sector for obvious reasons because profit is their main motive for being in the business. The private sector units present a better
picture despite fairly wide fluctuations during the four year period. Apart from the factual data, perceptions of employees of our sample units revealed that 40.53% perceived moderate rate of profit, 40.16 perceived highly satisfactory rate of profit and only 19.31% detected low profit rates in their units. So, generally the profit rate was perceived to be adequate in these industrial organizations. The perceptions of managers and workers about profit rate is somewhat similar. But comparative data of managers of both the sectors revealed different results as private sector managers perceived higher rate of profit than the public sector managers. Similarly, workers of both the sectors showed considerable differences in their perceptions about profit as private sector workers too perceived a much higher rate of profit than the workers of public sector. Thus, analysis of both the sectors revealed that profitability was perceived to be much higher by the private sector employees, a result which matches the finding of Jha’s (1983) study of state level public enterprises in Bihar.

The growth effectiveness scale showed that all the organizations of the public and private sectors had experienced growth in sales during the four year period although the contributory factors to their growth and the levels of achievement vary. The hard data revealed that private sector had achieved significantly higher growth effectiveness than the public sector. As far as perceptions of employees were concerned, 38.64% perceived
high rate of growth, 34.09% perceived moderate growth rate and 27.27% perceived low rate of growth in these organizations. Thus, most of the respondents perceived moderate to high growth rates. When we looked at the perceptions of managers and workers of both the sectors, we learnt that not much differences can be seen in their perceptions regarding the growth of these units. But a comparison of managers of both the sectors again revealed that private sector managers noted a slightly higher rate of growth than the public sector managers, a finding which is supported by various other studies (Maheshwari, 1980; Sinha, 1978). Same is the case with the workers as the rate of growth was perceived to be greater by the private sector workers than the public sector.

Thus, an important thing that emerges from our findings on the financial indicators is that the employees' perceptions regarding the productivity, profit and growth, placing the private sector higher than the public sector, is supported by the objective scale derived from the four year performance data. Based on the results we can say that as far as financial indicators of OE are concerned, (economic) effectiveness is high in the private sector as compared to public sector organizations. Which is also highlighted by a number of studies comparing the performance of both the sectors (Jha, 1980; Khandwalla, 1985; Krishnaswamy, 1981; Maheshwari, 1980; Sinha, 1978).
However, as has already been mentioned, the popular view about effectiveness, which is largely based on economic measures gives us a narrow focus. It is true that economic effectiveness is useful but it provides only a partial clue to total effectiveness. So, for a more complete understanding of OE, it is necessary to view organizations from the behavioural point of view as well. In order to investigate OE through the behavioural indicators we focused on job satisfaction, commitment, absenteeism and turnover in the sample organizations. Job satisfaction, one of the most important behavioural indicators of OE is a complex phenomenon since it refers to an affective state, and is comprised of attitudes towards different aspects of a job (Friedlander, 1976; Gibson, 1973; Steers, 1976; Negandhi and Reiman, 1975). In order to measure job satisfaction, an index was constructed and the respondents were divided into three categories of less satisfied, moderately satisfied and highly satisfied.

We discovered that 39.77% were highly satisfied, 30.30% were moderately satisfied and 29.93% were having low level of job-satisfaction. Thus, most of the respondents from both the sectors have shown moderate to high levels of satisfaction. But sector wise data show that degree of satisfaction was little greater in the public than the private sector units. As far as job satisfaction of managers and workers is concerned, some difference can be observed as workers in general have showed higher satisfaction than the
managers. This corresponds with the findings of our earlier study (Malhotra, 1993) of units manufacturing watches and their components in which lower level employees exhibited higher job satisfaction than the upper level employees. Sectorwise data showed that private sector managers have shown more satisfaction than the managers of public sector due to availability of better job related facilities while private sector workers showed somewhat lesser satisfaction than public sector because there the workers work in the absence of job security and find it extremely difficult to satisfy their basic psychological needs continually.

The next indicator of OE was organizational commitment which may be defined as an affective attitude in which an employee feels emotionally attached to the employing organization as a whole (Porter and Steer, 1974). Organizational commitment is of prime importance for any organization because only then employees will work to the best of their capacity which will then lead to the effectiveness of an organization (Price, 1968; Schein, 1968). For the present study commitment was considered an important behavioural indicator of OE. To measure job commitment, an index was constructed and the respondents were divided into three categories of less committed, moderately committed and highly committed.

It has been observed that 47.34% respondents fall within
high commitment category, 28.42% fall in the moderate category and 24.24% display low commitment. On the whole majority of the employees exhibit moderate to high levels of commitment with the public sector employees being relatively more committed than the private sector. As far as commitment of managers and workers of both the sectors was concerned, the results showed that workers exhibit a much higher degree of commitment than the managers. The matches with the results of our earlier study (Malhotra, 1993) of units manufacturing watches and their components in which lower level employees showed higher commitment than the upper level employees. Private sector managers revealed lower commitment than their public sector counterparts, and similar results can be seen in the workers' category as public sector workers exhibit higher degree of commitment than the workers in the private sector.

Absenteeism is another important human factor in industry which results in loss of production, increased labour cost and reduced operational efficiency and has been considered as an important indicator of OE (Bhatia, 1981; Negandhi and Reiman, 1975). Absenteeism for the present study is defined as the tendency on the part of the employees to abstain from their scheduled work without authorization. To measure employee absenteeism two methods were used, namely, the study of the raw data of these
organizations and the perceptions of the employees. Factual data regarding the quantum of absence were obtained for 1992-95. It is visible from the results regarding the rate of absenteeism of the both the sectors from their attendance records that 39.78% of the total number of employees from the public and private sectors have shown an absenteeism rate of the 15 to 24%. When absenteeism pattern in terms of the number of days of absenteeism per year was seen, it comes to our notice that a large number (45%) of the employees were unauthorizedly absent for less than 0 - 20 days, 13.64% employees were absent for the 20 - 30 days and only 4.93% were absent for 30-40 days.

The managers were found to be relatively less absent than the operative employees as has also been found by Dagar (1993). Among the sectors, the rate of absenteeism of managers was more in the public than in the private sector. On the other hand, 39.55% workers were absent for 10-20 days in a year and here also the rate of absenteeism was more among the workers of public sector than the private. As far as perceptions are concerned it was observed that 40.91% perceived low absenteeism, 34.09% discerned moderate and 25% noted a high rate of absenteeism in their organizations. On the whole a majority of the respondents perceived low to moderate levels of absenteeism. The comparison of the perceptions regarding absenteeism of employees of both the sectors revealed that absenteeism was perceived as much higher in the public than
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the private sector. However, not much difference was visible in the perceptions of managers and workers. As managers of public sector organizations perceived a higher rate of absenteeism than the private sector managers, while the workers of private sector organizations perceived much lower rates of absenteeism than the workers of public sector. The reason for unauthorized absence were also looked into and the responses revealed that personal work and health problems were the most important reasons cited by the employees. Other reasons given for absenteeism were health problems of the family members, maternity, ceremonies, functions or festivals and academic reasons. Similar findings have emerged from Bajaj's (1976) study.

The last indicator of organizational effectiveness studied by us was employee turnover which has been defined as the rate of change in the working staff of an organization during a definite period. It is a measure of the extent to which old employees leave and new employees enter the service of a concern in a given period. Though a certain degree of employee turnover is inevitable and even healthy, excess of it is a setback both the employer and to the employees because it influences the working of an organization (Negandhi and Reiman, 1975). Here also, to measure employee turnover two methods were used. Data were derived from the published records about the employee turnover and the perceptions of employees were also studied, for which an index was constructed
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and respondents were divided into three categories of those perceiving low, moderate and high turnover rates.

When we checked the records of our sample organizations regarding the rate of employee turnover it gave the picture that the turnover rate ranged between 9% to 28%. The turnover rate of public sector organizations was 22% and turnover rate of private sector was 52% which means that turnover rate of private sector units was more than the public sector units. Similar, results have emerged in the study of public and private sector textile units by Sabbarwal (1990). Regarding the perceptions of employees it has been observed that 45.08% have perceived low turnover rate in their organizations, 28.03% have noted high turnover and 26.89% have perceived moderate rate of turnover of their organizations. The majority of the respondents were of the opinion that turnover rate in their units was low to moderate. It was clear that the rate of turnover was perceived as much higher by the private sector organizational personnel. The managers observed a slightly higher rate of turnover than the workers which may be due to lack of factual information available to the latter. Here also the reasons for turnover were enquired into and the responses revealed that insufficient pay was the most important reason mentioned by 53.03%. Lack of promotion and increment was the next most important reason cited by 49.24% employees. Willingness to work in large scale organizations was another important reason expressed by 41.67% employees and job
insecurity was also a reason expressed by 37.5% employees. Lack of commitment was not considered to be important in causing employee turnover. Thus, where behavioural indicators are concerned the public sector units exhibited greater effectiveness in terms of job satisfaction, job commitment and turnover while the private sector seemed to have less absenteeism.

Any examination of organizational effectiveness also includes the study of the factors which influence it because it has been recognised that OE may be affected by a number of variables. These have been divided into two types, namely internal and external. The former are the elements which (fall inside) the organization and the latter includes factors (outside) the organization, i.e., the environment. Success of the organization is dependent on both internal and external factors, which, if properly coordinated, lead to the effectiveness in organizations. The internal factors influencing OE selected for the present study are working conditions, decision making and communication.

The physical conditions existing at work place are important in determining organizational effectiveness because they affect the employees' general health, efficiency, productivity and so on. Non-conducive physical environment may cause absenteeism, apathy to work and occupational diseases. Physical conditions of work include the factory sanitary conditions, ventilation,
Our observations of the four organizations showed that working conditions were satisfactory in all these factories. When we inquired from our respondents how satisfactory they considered the working conditions in their organizations, we found no marked differences in the perceptions of the employees of all four organizations. Most of the respondents showed moderate to high levels of satisfaction with the working conditions. As stated earlier, the employees of the public and private sector organizations seemed equally happy with the working conditions though the private sector employees showed slightly more satisfaction, a finding that is supported by Sabbarwal’s (1980) study of public and private spinning and weaving units in Punjab. When managers and workers were compared, the managers showed higher satisfaction than the workers probably because they are provided better facilities. Comparison of managers from both sectors revealed that private sector managers seem to be more satisfied with the working conditions than the public sector managers. The workers of both the sectors, also showed some differences in terms of their satisfaction regarding the working conditions. Interestingly, the public sector workers showed slightly higher satisfaction with the working conditions than the workers of private sector because of latter’s dissatisfaction with different benefits and services provided to them in this regard.

Hard data, obtained through the records of their meetings
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revealed that the decisions making process in these organizations was centralized. When we studied the perceptions regarding the level of participation in decision making process in these organizations, it appeared that most of the respondents observed low to moderate level of participation. A look at the two sectors showed that level of participation in the organizational decision making is discerned as being higher in public than the private sector organizations. This is an unusual finding because generally it is believed that private sector organizations are more open in their attitude than the public sector. However, in our case the exact opposite has been found which is probably because the owners of these private sector units are very authoritarian. They are afraid to delegate authority and tend to take most of the decisions themselves. Similar results have been provided by Maheshwari (1980) and Prasad (1984) studies of public and private sector units.

When we compared the perceptions of managers and workers regarding the degree of participation in the decision making process it appeared that both categories in the two sectors perceived moderate to low levels of participation in their respective organizations. The reason for this may be the tradition of Indian business organizations being by and large authoritarian. On the other hand, a comparison of managers of both the sectors exhibited that private sector managers perceived lower level of participation. Similar views were given by the workers as private sector workers.
perceived lower degree of participation in the organizational decision making than the public sector workers. This is also contrary to general findings. The reason is that the private sector organizations in this study are medium sized organizations where generally authority and decisions making is centralized, resting in the hands of top management only which leads to lower participation in the organizational decision making by the rest of the employees.

Another internal process which determines OE is communication. Various studies have suggested that performance of organization is related with the amount of communication and the success of organization is dependent upon communication patterns to a great extent. The data regarding the amount of communication in both the sectors reveal that the amount of communication perceived is almost equal in both the sectors as people in these organizations do not seem to share a large amount of information. Aggarwal (1974) and Prasad (1984) work also indicated that majority of respondents in the organizations studied by her felt the need for substantial improvement in the communication systems of their organizations. Similarly, Prasad has also pointed out that communication is mostly one way, i.e., top down and upward communication does not seem to exist in most organizations. Hence, they don't claim high degree of openness in their organizations because they think that there is a tendency to
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withhold information. Here also, no significant difference is seen between the perceptions of managers of public and private sectors and also of workers of both the sectors as both perceived equal amount of communication with the private sector employees observing a little lesser information sharing in their respective organizations. A deeper probing traced this problem to the method of communication of decisions on important matters in the private sector. We observed that an overwhelming number of employees are in favour of oral communication in groups. It appears that senior executives generally follow the practice of calling together their subordinates for communicating decisions. Sometimes they do send written notes and hold informal discussion with subordinates but they rarely send written commands demanding action. Due to this information does not reach every employee in the organization and they think that their organization tends to withhold information and hence perceive low amount of communication. Thus, in terms of internal determinant factors OE our findings show that the private sector provides better working conditions than the public sector, the public sector units allow greater participation in decision making than the private sector units and both sectors are similar where communication is concerned, although the employees of public sector units perceive greater communication than the private sector employees.

No doubt, internal factors like working conditions,
decision-making and communication are important in determining OE, yet factors outside the organization also have a major role to play in influencing OE. Thus, we examined some important external factors which are associated with organizational effectiveness. As defined earlier, environment refers to all external forces which have a bearing on the day-to-day functioning of an organization, the most crucial being the people supplying inputs to the organization (suppliers), the clients of the organization (customers) and the rival organizations (competitors).

The first important external factor which we examined was suppliers, since effectiveness of an organization is dependent to a large extent upon the supply of inputs. If supplies are not made in right time and are of inferior quality it would affect the functioning of the organization. Data regarding the supply of inputs revealed that majority of the respondents displayed moderate to high satisfaction regarding the availability of inputs in their respective organizations as almost equal percentage of respondents, ie, 35.98% and 36.37% showed moderate to high satisfaction levels and only 27.65% were not at all satisfied with the supply of inputs. Sectorwise data showed that the degree of satisfaction regarding the supplies of inputs was greater among the private sector employees. As far as satisfaction of managers and workers regarding the supplies of inputs was concerned, they expressed different levels of satisfaction, as managers showed high satisfaction while workers displayed low
level of satisfaction. Sectorwise data revealed that private sector managers were slightly more satisfied with the supply of inputs in comparison with the public sector. Similarly, private sector workers felt more satisfied than the public sector workers regarding the supply of inputs.

Another important external factor which affects OE is competitors. The data on this aspect presented the result that by and large respondents claim high degree of competition in these organizations for the selling of their products as it was found that 40.53% perceived high degree of competition, 34.85% discerned medium level competition, while 24.62% have the opinion that there is low level of competition. We also found that in general the two sectors appear to be more alike than different in this regard. The comparison of managers and workers exhibited almost similar results, as both perceived a high level of competition.

Next we studied the success of these organizations in coping with competition related uncertainties. Results have revealed that 40.15% perceived moderate level of success in coping with competition induced uncertainties, 32.95% perceived it as high and only 26.90% said that their organizations have less success in coping with uncertainties. Thus, on the whole respondents perceived moderate to high levels of success in coping with uncertainties. Regarding public and private sectors both have different results
with the private sector being more successful in coping with uncertainties than the public sector. The comparison of managers and workers regarding this aspect provided the data that managers were less satisfied with the coping ability of their organizations than the workers. The responses of managers of both the sectors gave a different picture with the private sector managers being more satisfied than the public sector once. Similarly, private sector workers have perceived a higher level of success in coping with uncertainty as compared to public sector workers. Thus, on the whole the private sector have given a better picture in this regard than the public sector organizations.

Finally, the last factor determining OE which we have studied was customers. The basic reason for the existence of any business organization is making profits and the profits are created by customers. So, the customer's need and fulfilment of these needs is an organization's primary concern. It is the management's responsibility to see that the interest of customers are protected otherwise they change their loyalties. Data on the perceptions of employees regarding the satisfaction of customers towards their organization reveal that on the whole, majority of the respondents perceived moderate to high level of satisfaction among their customers, as 40.5% perceived moderate satisfaction, 32.95% felt it was high and only 26.90% perceived low level of satisfaction among the clients towards their organization. Intersectoral results depict
the picture that employees of both the sectors perceived moderate satisfaction of their customers. But the perceptions of managers and workers regarding this aspect were different as they exhibit some differences. The managers of both sectors discerned it as moderate while workers of all four units perceived greater amount of satisfaction among customers.

Thus, the analysis of external determining factors shows that where the success in obtaining quality inputs, coping with uncertainty and satisfaction of customers is concerned, the private sector comes out as superior than the public sector. Only on one dimension, i.e., the amount of competition induced uncertainty faced by the organization, the two sectors appear to be more alike than different. Thus, we may firmly say that private sector has presented a better picture regarding the external factors determining OE.

**Major Findings :**

From the above discussion, the major findings that emerge are :

1. In terms of the financial indicators of OE, the performance of private sector organizations is far better than the public sector units.
2. Where the behavioural indicators of OE are concerned, the exact opposite is true as the public sector organizations
have exhibited higher degree of job satisfaction, job commitment and lower turnover than their counterparts in the private sector.

3. It is obvious that it is not necessary that an organization or sector will score equally high on both economic and behavioural dimensions, and may be more effective in any one of these.

4. The managers and workers do vary in terms of both the financial and behavioural indicators. The workers perceived greater productivity, profit and growth than the managers in all the organizations. They also exhibited higher job satisfaction, job commitment and lower absenteeism and turnover than the managers.

5. Managers in the private sector perceived a much superior financial performance and those in the public sector scored better in the behavioural aspect.

6. The workers in the public sector seemed to have greater job satisfaction, commitment and lower turnover than the private sector workers, even though this has not resulted in greater financial effectiveness of their organizations.

7. In terms of the determinant factors of OE, the performance (OE) of the public sector units seems to be affected more
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by the internal factors while in the private sector the external factors play a more crucial role in determining OE.

Conclusion

To sum up, the private sector organizations are doing well financially whereas the public sector units are better off in terms of behavioural effectiveness. This bring us to the two crucial issues related to effectiveness, namely, a) which kind of effectiveness is more critical in evaluating the organization's performance and b) which type of factors are more important when it comes to determining OE.

Traditionally, the effectiveness of an enterprise has been gauged in terms of financial indicators, which are considered as an essential feature of all forms of business organizations. Those subscribing to this view hold that it is finance which provides the focus of effectiveness and the true measure of OE should be financial results. Thus, for them economic results are the key element in studying OE.

Another view, however is that evaluation of OE should take into account not only how far an organization has promoted its material objectives but also by what means. In other words, OE should refer both to the economic, as well as, behavioural dimensions, and preferably give precedence to the behavioural
dimension. In fact, it is averred that the financial performance itself is based on the behavioural effectiveness, the most noted example of this being the Human Relations approach used in the Hawthorne experiments which showed that worker attitude and motivation can influence productivity.

A third viewpoint is that an organization need not be cent per cent effective in all the areas. This perspective advocates achieving a balance between the financial and behavioural effectiveness. In this view, both aspects are considered equally important in an enterprise's success so that even medium degree of success in both dimensions is considered preferable to high amount of effectiveness in one and low amount in other.

In our view while studying organizational performance it must be kept in mind that an organization can only persist under two conditions; i) it must be effective, i.e., it must accomplish its goals to the maximum extent and ii) it must be efficient, i.e., it must satisfy the individual motives. In other words, whereas the first implies the end, the second involves the means. Since our study is concerned with the effectiveness of organizations we would like to emphasize the fact that an effective organization is one which achieves its goals to the maximum possible extent. If this view is taken, then in evaluating OE one must take into account the goals of the organizations. As has been stated earlier, the goals of public
and private sectors tend to be quite different from each other. It is held that the private sector aims for economic success whereas the public sector is more concerned with the human and social dimensions of organization which include the behavioural effectiveness. On this measure, organizations of both the sectors in our study can be considered effective since the private sector units were economically very successful while the public sector units had more satisfied employees.

Where the factors determining OE are concerned, the closed system view holds that internal functioning determines OE whereas the open system perspective believes that the success of any organization depends on its external environment. From our experience it appears that there seems to be a direct connection between the economic effectiveness (of the private sector units) and the external determinant factors probably because the latter are concerned mainly with the financial aspect of the organization, since supplies, sales (customers satisfaction) and survival (coping with competition) are ultimately economic issues. Although a clear relation is not visible between the internal determinant factors and behavioural OE, yet it would be safe to assume that organizations in which communication, decision making and working conditions are better, would show higher levels of OE in behavioural terms which is easily explained since better communication, working conditions and participatory decision making would naturally
arouse a feeling of belonging to the organization which would result in high job satisfaction, job commitment and lower turnover.

Thus, if OE is defined in terms of financial success then it is clear that although the internal factors may not be completely unimportant, yet it is external environmental factors which ultimately determine organizational effectiveness. On the other hand, if effectiveness is measured only in behavioural terms, then it is the internal factors which would matter more in determining OE. Therefore, while looking at the performance of both sectors one must not get puzzled by the relatively lesser economic success of the public sector organizations and the comparative lack of behavioural effectiveness in the private sector units because the objectives which the two sectors emphasise are different from each other. Hence, the criteria of effectiveness can not be the same.

Nevertheless, one thing that stands out from our research is that by and large organizations from public and private sectors have not given very different picture regarding their effectiveness. This goes against most of the findings on comparative studies of public and private sector units, majority of which evince the differences in their effectiveness. The reasons for the approximately corresponding results of the public and private sector units in our study are: a) all the units studied by us are business organizations whose primary objective stend to be somewhat similar, namely, to
maximize profits, to create manufacturing potential and to expedite national development; b) all of these units are electronic enterprises falling in an industry which is modern and contemporary so that organizations in both the sectors are similar in terms of technological advancement and organizational structuring due to which their functioning tends to be similar; and c) all the organizations in our study are operating in a similar industrial climate characterized by economic liberalization which has pitted them against foreign companies and in order to overcome international competition and survive, organizations both in public and private sectors must pay equal attention to the financial, as well as, behavioural aspects.

In conclusion, we can say that organizational effectiveness has both economic and behavioural components. Ideally, an effective organization is one which gives due attention to both the aspects and in the course of doing so, simultaneously fulfills a composite set of economic and behavioural criteria. No doubt, for practical reasons, it not possible to maximize results in both the areas, yet effectiveness in one aspect should not be achieved at the cost of the other which is what is normally demonstrated by most works on public and private sectors. It would be more judicious if both the dimensions—financial, as well as, behavioural—were treated as being equally crucial to organizational success so that whatever the sector, public or private, a balanced approach is maintained towards them.