

Empirical Study of Managerial effectiveness in Service Sector

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Abstract

This study contributes to understand the managerial effectiveness perception of executives in selected service centers of Punjab by assessing and validating the related constructs that have been developed and standardized. Employing a standardized scale, a diverse sample was collected from executives of service centers of UT, and a total of 100 responses was collected and evaluated using principal component analysis to provide a clearer picture of the construct of managerial effectiveness perception of Indian managers at different levels of hierarchy. The results of the study provide a comprehensive and fresh in-depth view of managerial effectiveness in selected Indian organizations as the results of the present study are somewhat different from those gained with the original scale. An important finding of the study is reassembling of the variables / items of the original scale with the significant value and correlation pattern for perception of managerial effectiveness. These observations ensure for human resource management (HRM) policy and practices in contemporary Indian service organizations.

Keywords:

Managerial effectiveness, Service sector, Effectiveness

Introduction

In highly competitive global economy, companies realizing the fact that their employee, especially those at the managerial levels, is the only sources of competitive advantage. In the past decade managerial effectiveness is the hottest issue and measuring manager's performance has increasingly focused. Managerial Effectiveness is fast becoming a competitive advantage for organizations, especially in the context of high demand for and, therefore, continuous migration of competent managers from one organization to another. Organizations, therefore, have started investing in retaining competent managers and putting in place systems for developing new cadre of effective managers. In those respect managers have played a considerably more significant role in the overall success of their organizations and development of their nations. It is inevitable for sustainable development of managers and also potential source for managerial

effectiveness. This research tries to link process factors, product factors with most successful managers and least successful managers. It enables to find factors relation effectiveness of executive skill with and without formal education.

Managerial Effectiveness

Managerial Effectiveness is fast becoming a competitive advantage for organizations, especially in the context of high demand for and, therefore, continuous migration of competent managers from one organization to another. Organizations, therefore, have started investing in retaining competent managers and putting in place systems for developing new cadre of effective managers.

Managerial Effectiveness is often defined in terms of output - what a manager achieves. This result oriented definition leads us to look for the factors that contribute towards the "results". Studies find three factors to be responsible for the results that an organization achieves through its managers. These are: (a) the efforts and ability of the managers, (b) the environment in which the managers and the organization operates, and (c) the efforts and ability of the subordinates. Thus, the managers' ability is the key element in achieving the desired results.

Overview of Literature

Bamel, U. K., Rangnekar, S. & Rastogi, R. (2011). Managerial Effectiveness in Indian Organizations: Reexamining an Instrument in an Indian Context, *Research and Practice in Human Resource Management*, 19(1), 69-78. With an increasing 'cut throat' competition and dynamic business environment around the globe organizations require a team of managers to run the day to day operations (Boyatzis 1982). Managers play a significant role in the development, formulation, and execution of the organization's long term as well as short term strategies, that determine corporate success (Al-Madhoun & Analoui 2004).

Shirazi and Mortazavi (2009) found that responsiveness, pro-activeness, effective communication, team building, negotiation, and decisiveness are the main characteristics of an effective manager. They also support the view point of other management authors that the competitive business environment is making organizations more customer-focused. Good managers respond proactively and are paying a lot of attention to market conditions.

The study of Wickrama singhe and Zoysa (2009) revealed broad level competencies that are important for managers working in different functional areas. They divided 31 individual competencies into three competency clusters (knowledge, skill and value), across all functional areas and suggested that competencies from value and skill clusters

are more important than knowledge cluster across all functional areas. Qiao and Wang (2008) found that team building, communication, coordination, execution, continual learning are the most critical managerial competencies for the success of middle managers in China and viewed that middle managers require different set of competencies from senior managers. Self-confidence, achievement-orientation, inspirational leadership, change catalyst are the competencies which differentiate between successful leaders with typical leaders as per the study of Hopkins and Bilimoria (2008).

Ram Charan (2007) identified the following six personal characteristics for success Rao (2007) found that job knowledge is the most important competency required to be successful on the job. He also indicated that hard work, effective communication skills, team skills, calmness are frequently used competencies by Service, Manufacturing, and pharma- sector managers. He recommended that to be world class managers, the Indian managers need to develop Vision, Continuous learning and learning sensitivity, Self renewal, Delegation, Empowerment, Ability to recognize, empower, and develop juniors, Result-orientation, Perseverance, Integrating ability, and Sense of priority and purpose. On the similar lines but at global level, Hellriegel et. al. (2005) identified that Communication Competency, Planning and Administration Competency, Teamwork Competency, Strategic Action Competency, Global Awareness Competency, and Self-Management Competency as the six core managerial competencies which are required to be an effective and successful manager. Abraham et. al. (2001) identified six most critical competencies that are leadership skills, customer focus, result orientation, problem solver, communication skills, and team leader.

Management performance is the extent and quality of managers' contribution in realizing the objectives of the organization (Shirazi and Mortazavi, 2009). A competency is considered as a measurable characteristic of a person that is related to effective performance in a specific job, organization or culture. These characteristics are defined in terms of behavior. Cockerill (1989) suggested that management performance is related to managers themselves than to their positions and authority within the organizations. Hence, performance of the managers depends upon the experience and the competencies they bring to their jobs. Competencies are defined as the cognitive (e.g. skills and knowledge), affective (e.g. values and attitude), behavioral and motivational characteristics and dispositions of a person to perform well in a specific situations (Boyatzis, 1982). Finn (1993) argues that the performance of a manager (output competencies) is influenced by their job related knowledge and experience (input competencies), and personality characteristics

(process competencies). Maximum performance is believed to occur when the person's capability or talent is consistent with the needs of the job demands and the organizational environment (Boyatzis, 1982). Abraham et. al. (2001) found that the organizations are willing to identify a set of managerial competencies that describe the successful managers. But these organizations are not paying due concern to these competencies in their performance appraisal system. They recommended that to be a high-performance organization, an organization should identify the most critical managerial competencies and incorporate them in the performance appraisal system. Graham and Tarbell (2006) made an attempt to elicit competency requirements of managers working in different functional areas of the same organization that they thought were necessary for effective performance. Ramo et. al. (2009) found that both social and emotional competencies and personality traits are the valuable predictor of job performance and also stressed that competencies are more powerful predictor of performance as compared to global personality traits. The use of competencies serves to enhance an organization's performance and hence a competitive advantage (Lawler, 1994).

Business case studies have shown many benefits associated with competency usage including increased employee productivity, reduced training costs, and reduced staff turnover (Homer, 2001). Boyatzis (2009) found that emotional, social and cognitive competencies predict effectiveness in professional, management, and leadership roles in many sectors of the society. The study of Dreyfus (2008) revealed that highly effective managers demonstrate interpersonal ability as compare to average peers. He also emphasized that social and emotional intelligence competencies are very important for R&D managers.

Researchers suggest that mapping of the degree of effectiveness of any individual is not only based on skills, knowledge and personal competencies, but also on interpersonal interactions as well as the way teams are managed. Regardless of its increasing importance, the field of managerial effectiveness has been neglected as compared to other issues of management (Willcocks 1992). India being a rapidly growing economy largely depends upon its human capital and increasing attention is being directed in Indian organizations towards improving managerial effectiveness.

Research Objectives: Attempt is made to assess the overall managerial effectiveness of selected stores on the basis of evaluation made by the supervisors of service centers.

1. To find relation among product factors and the process factors of the effectiveness
2. To find relation among factors and success rate of

executives.

3. To find relation among factors and factors least contributing to success of executives

Research questions / Hypothesis: Managerial effectiveness standard questionnaire is used in which statements related to questions in terms of the extent to which the concerned goal/objectives has been achieved by manager. 9 statements of product taken in section A, Whereas in questionnaire Part B includes (12) statements to find successful key executives and (12) statements to find least successful executives. In Part C consists of (13) statements which are related to process to find the extent to which manager is a successful manager. In order to measure managerial effectiveness, the responses for each statement have been obtained on a five point Likert- Scale rating.

Research Methodology

In this widely used approaches to measure the managerial effectiveness of class I managers is by identifying the number of 50 supervisors at class III & 50 workers of class VI on the basis of 46 key statements to find successful manager. The questionnaire is divided in three main factors i.e. Product, Person & Process. The number of statements designed for Product are 9, for person (least successful) 12, Most successful consists of (12) statements, Process consists of (13) statements.

Data Collection

Random sampling was done. 100 employees were selected for the study.

2. Both primary and secondary data were used for the study.
3. Various interviews were held with the management and the employees to understand the environment of service sector. The questionnaire analyzed on a scale of 4 to 0. For every marked tick on strongly agree "4", agree "3", disagree "2" were given "1" for strongly Disagree

Data analysis

Karl- pearson coefficient of correlation and F - test were used to find whether two attributes are related or not.

Data collection, data analysis, Interpretation

1. Correlation in factors of product factors and process factors that contribute towards the managerial effectiveness and towards effectiveness of manager indicates positive relation which leads to increase in managerial effectiveness.

R (Product & process)

	<i>Column 1</i>	<i>Column 2</i>
Column 1	1	
Column 2	0.094654	1

R calculated value is 0.0946 as r falls between -1 to +1 and calculated value indicates that a fairly strong positive relationship.

- Correlation in product factors and most successful managers that contribute towards the managerial effectiveness indicates positive relation which leads to increase in managerial effectiveness.

R (Product factors & Msuccessful Managers)

	<i>Column 1</i>	<i>Column 2</i>
Column 1	1	
Column 2	0.3185	1

R calculated value is 0.318 as r falls between -1 to +1 and calculated value indicates that a fairly strong positive relationship which indicates that product factors contributes to make successful managers.

- Correlation in process factors and most successful managers that contribute towards the managerial effectiveness indicates positive relation which leads to increase in managerial effectiveness.

R B/w process factors & Most Successful

	<i>Column 1</i>	<i>Column 2</i>
Column 1	1	
Column 2	0.112385	1

R calculated value is 0.11 as r falls between -1 to +1 and calculated value indicates that a fairly strong positive relationship which indicates that product factors contributes to make successful managers.

- Anova single factor calculated in product factors and process factors contribute towards managerial effectiveness

One way Anova: Single Factor

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Column 1	9	3124	347.1111	5843.611
Column 2	13	1694	130.3077	1159.564

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	249974.3	1	249974.3	82.41321	1.56	4.351243
Within Groups	60663.66	20	3033.183			
Total	310638	21				

As the calculated value (82.4) is greater than the critical value (4.35) at 5% level of significance, null hypothesis is rejected and hence it can be concluded that there is a significant difference between product factors and process

factors contributes towards managerial effectiveness.

- F - Test between Most successful managers and Least successful managers factors is

F-Test Two -Sample for Variances

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	148.25	145.0833
Variance	31.11364	64.99242
Observations	12	12
df	11	11
F	0.478727	
P(F<=f) one-tail	0.118732	
F Critical one-tail	0.35487	

Interpretation : As calculated value is less than critical value at 5% level of significance, null hypothesis is accepted and hence it can be concluded that there is no significant difference between the factors of most successful managers and least successful managers.

- F Test two sample for variance in product factors and process factors contribute to managerial effectiveness

F-Test Two-Sample for Variances

	<i>Variable 1</i>	<i>Variable 2</i>
Mean	347.1111	130.3077
Variance	5843.611	1159.564
Observations	9	13
df	8	12
F	5.039489	
P(F<=f) one-tail	0.006368	
F Critical one-tail	2.848565	

Interpretation : As calculated value is less than critical value at 5% level of significance, null hypothesis is accepted and hence it can be concluded that there is no significant difference between the factors of most successful managers

and least successful managers.

- One way Anova for Process factors and Most successful managers which leads to managerial effectiveness.

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	2008.821	1	2008.821	3.240711	0.084961	4.279344
Within Groups	14257.02	23	619.8704			
Total	16265.84	24				

Interpretation : As the calculated value (3.24) is lower than the critical value (4.27) at 5% level of significance, null hypothesis is accepted and hence it can be concluded that

there is a no significant difference between process factors and most successful managers.

5. One Way ANOVA for Product factors and most successful managers

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	288841.1	2	144420.5	73.38693	1.750	3.304817
Within Groups	61005.91	31	1967.933			
Total	349847	33				

Interpretation: As the calculated value (73.30) is greater than the critical value (3.30) at 5% level of significance, null hypothesis is rejected and hence it can be concluded that there is a significant difference between product factors and most successful managers.

6. Relation in interest in social welfare and in interest in social welfare is -0.0177

7. Relation in manager contributed towards achievement of organization efficiency with

manager contributed towards achievement of high productivity is 0.1666

8. Managers contributed towards organizational growth = 3.35

Conclusion

It is concluded that product factors such as industrial leadership, employee welfare, social welfare, contribution towards organizational growth, factors contributed towards organizational stability positively contributed towards the managerial effectiveness and enable to find contribution towards most successful managers. Where as it is suggested from the conclusion of study that organizations should focus on product factors which positively contribute towards the managerial effectiveness and contribution towards the organization. Success of manager and the effective contribution of manager influenced by process factors which delegate manager authority and full control, freedom of decision making.

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