

**AN EMPIRICAL STUDY OF MANAGERIAL EFFECTIVENESS AND ITS
FLEXIBILITY AND ADAPTABILITY COMPONENTS IN INDIAN
ORGANIZATIONS**

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***Abstract:** Effective managers try to balance the imbalances for achieving the goals and objectives of the organizations. Managerial flexibility is an important aspect to be considered in current global economy. The managerial effectiveness is highly contributed by flexibility and adaptability. This empirical study tries to explore the role of flexibility and adaptability for overall managerial effectiveness in Indian organizations. The data has been collected from the manufacturing and non-manufacturing organizations. The data has been analyzed by SPSS 15.0 for correlations. The paper reveals the managerial effectiveness and vis-à-vis flexibility and adaptability in select Indian Organizations. The study is useful for the middle and senior level executives to enhance their managerial effectiveness by understanding the role and importance of flexibility and adaptability.*

Key words: managerial effectiveness, flexibility and adaptability

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INTRODUCTION

Managerial Effectiveness – Definition & Concept

An organization has man, machine, material, money, methods and minutes as resources for the output but results cannot be produced unless these resources are efficiently managed by the managers. As remarked by the Peter F. Drucker, “Management is a dynamic, life giving element in every business. Without it the resources cannot be converted into high production” (Drucker, 1974). Efficient managers provide leadership to the business and help in achieving the objectives. The role of professional managers has increased to achieve growth and prosperity, to coordinate human efforts to meet challenges and for economic development of the organization.

The development of any organization virtually depends upon the quality of management and its use of resources. In the organizations, integrity of the managers is a more important qualification for holding the jobs as compared to becoming yes man to the bosses (Rangnekar, 1973). The important features which distinguish between the professional and traditional managers are professional qualification, age, mobility of managers, job satisfaction and adaptability. The Indian managers give high value to job satisfaction. They would prefer the job of their aptitude and they would want to excel in the area of their specialization.

Managerial Effectiveness & Efficiency

The managerial effectiveness depends on how a manager develops a relationship with organizational goals and utilization of resources. Effective managers communicate clearly and explain organizational goals to the employees for their achievement. Managers involve employees and delegate responsibilities accordingly. They develop a climate of openness and trust by providing straight information. The approach has been seen helpful creating constructive environment and by developing superior subordinate relationship (Ivancevich, Donnelly, Gibson, 2003). The organizational climate and HRD practices also contribute towards managerial efficiency and effectiveness. The managerial effectiveness shows higher significant correlations with HRD climate as compared to organizational climate and job involvement (Narayan and Rangnekar, 2008).

Managers try to achieve the balance between three Es namely Efficiency, Effectiveness and Equity. Managerial success many times sacrifices one E at the expense of the other two. Efficiency is a measure of how well resources are transformed into outputs. Effectiveness is an assessment of how far a stated objective is achieved. Efficiency leads to a quantity of production however effectiveness focuses on quality and quantity both. Equity is the fairness to all. Managers are always concerned with efficiency, effectiveness and equity. The blend of the three is a changing choice for all managers. The balance among the three Es has clearly shifted towards overall managerial effectiveness. Managers have to form the equilibrium as per organizational objectives (Naylor, 1999).

Managerial Effectiveness & Managerial Functions

Organizational culture creates the thinking process for the managers; as a result it spreads to all employees of the organization. Managers must develop a system for commitment to quality. A large amount of time management is required for the promotion of quality and establishment of the relationship between competitiveness and performance. Entrepreneurship is another criterion of managerial effectiveness which harvests technological innovations. Entrepreneurship is the ability of a manager to consider the resources and use these resources for the betterment of the business performances. The successful organizations have been flexible and adopted new ways of for being competitive in the market. Here we can take the example of Ford Motors where Henry Ford neither invented the automobiles nor the division of labour but applied the labour force for the production of automobiles in a new way *viz.*, the assembly line. Another example is that of Akio Morita, the President of Sony, who used the vision of creation of a new product *viz.*, Walkman personal stereo (Stoner, Freeman and Gilbert, Jr., 1998). The manager always looks towards the opportunities to create value addition for customers, employees and other stakeholders. Managers make all the moves towards business development to achieve the performance close to perfect.

Managerial Skills

Analoui (1995a) in his paper entitled 'Management skills and senior management effectiveness' argued that managerial effectiveness is proportionately emphasized on the importance of technical or task-related knowledge and skills as a means of improving the performance. In Indian Railway Organization, managers have not linked themselves as a change agent for further development of the organization. This response might be due to rules and regulations of the organization. The parameters of managerial effectiveness perceived by Indian managers are decision making, effective communication, managing and motivating people, improving one's overall work, problem resolution, analysis of the organization, dealing with conflict, training and development of the employees, leading individuals and groups, managing finance and introduction and management of change.

Adaptability

Under 'Research note: factorial constitution of managerial effectiveness - Re-examining an instrument in Indian context', Chauhan, Dhar and Pathak (2005) revealed that a manager must be highly adaptive in order to be effective. In this study, the authors attempted to re-examine the factorial structure of the instrument developed by Mott. Dealing with complex and ambiguous situations is a part of manager's job, as manager climbs up the ladder of complexity and ambiguity (Jaques, 1961; Katz and Kahn, 1978). Judge et. al. (1999) in their study hypothesized that managerial responses to organizational change are influenced by seven dispositional traits, i.e. locus of control, generalized self-efficacy, self-esteem, positive affectivity, openness to experience, tolerance for ambiguity and risk aversion. According to Black and Edward (1979), the best way to measure effectiveness is by obtaining difference between the quantity actually produced and the quantity planned. Hill (1979) had also viewed that an effective manager showed high concern for the people and the productivity. Margerison (1981) proposed that situation is important and if manager behaves appropriately in tune with the situation, then he is highly effective. Page et al. (2003) found that personal attributes of the individual support in various forms which is a key to influence the ability of an effective manager. Superior subordinate relationship and organizational culture emphasize on effectiveness of a manager. The success of manager is an interaction

between managerial success and environmental factors. Seery et al. (2004) examined the notion that individuals with unstable high self esteem possess implicit self-doubt. Schleicher et al. (2004) concluded that affective-cognitive consistency is a significant moderator of the job satisfaction-job performance relationship with those employees higher in affective-cognitive consistency showing a significantly larger correlation between job satisfaction and performance than those lower in affective-cognitive consistency. According to Tsui et al. (1995) impression management plays a critical role in managerial effectiveness. Managers deal with different constituencies having different interest, demands and expectations. It is important to keep these constituencies satisfied because it is they (managers) who have the control over resources. To achieve results these resources are critical for performance, it becomes imperative for the managers to manage impression.

Mott (1971) in his measures developed three dimensions of managerial effectiveness viz., productivity, flexibility and adaptability. Jain (1999) on the basis of factor analysis had identified three factors viz., functional effectiveness, interpersonal effectiveness and personal effectiveness. Rangnekar (1999) commented views on managerial effectiveness that behaviour and performance are directed by organizational culture. The study concluded that for enhancing managerial effectiveness in both theoretical and practical terms it is essential to improve ones effectiveness in both dimensions i.e., functional as well as personal. Managers in a conducive work environment must use his education and apply his skill along with his ability to cope with varied situations.

METHODOLOGY

The Objectives

- (i) To study the managerial effectiveness and its flexibility and adaptability components of the executives in select Indian organizations.
- (ii) To find out inter-factor correlations of managerial effectiveness.
- (iii) To study inter-item analysis and correlations of the flexibility and adaptability factors of managerial effectiveness.

The Sample and Data Analysis

A total of 286 samples were collected from respondents located in the ten states of India based on convenient sampling. The respondents comprised of middle and senior level executives of manufacturing and non-manufacturing Indian organizations. The instrument used was the Managerial Effectiveness Scale developed by E.P. Mott. The scale comprised of eight items spread over 3 factors *viz.* Productivity, Flexibility and Adaptability. Data were analyzed with the help of SPSS 15.0 for correlation analysis and factor analysis to achieve the objectives of the study.

RESULTS AND DISCUSSION

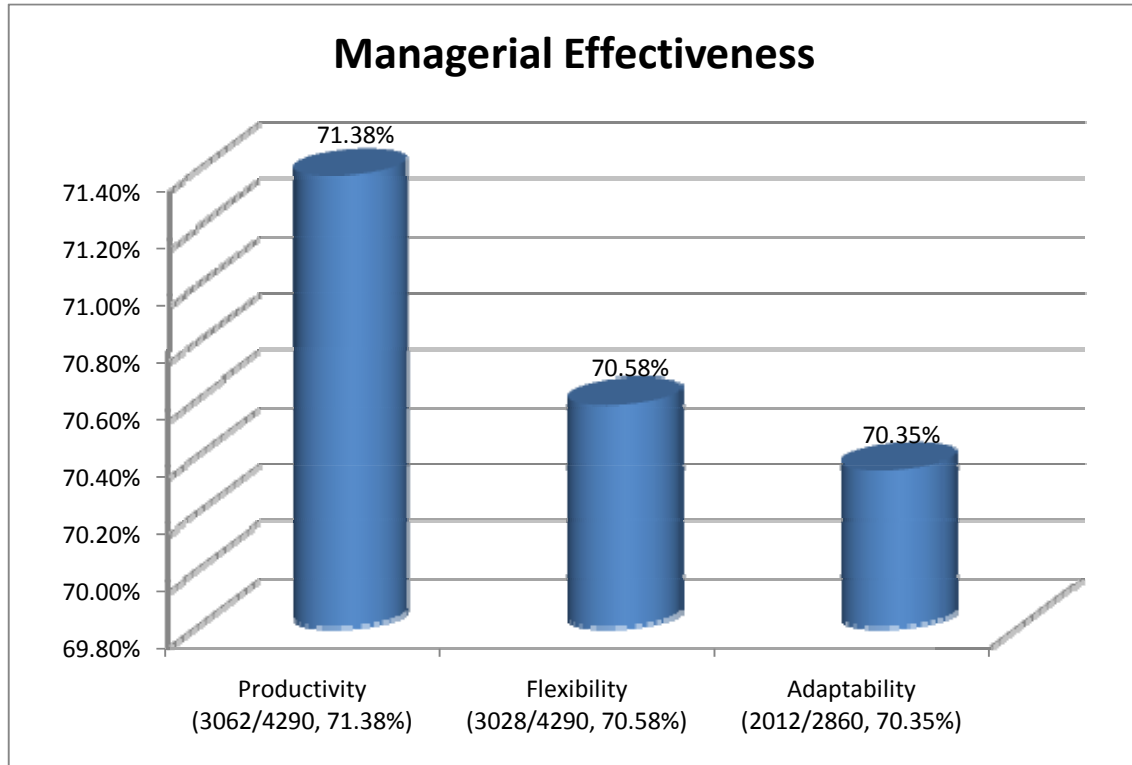
The managerial effectiveness scale comprised of 8 items distributed into 3 factors *viz.*, productivity, flexibility and adaptability. To identify the consistency amongst the items, the 8 items of the managerial effectiveness scale were analyzed for reliability statistics and the results revealed the value of Cronbach's alpha (α) as .726 (Table 4.3.1).

Table1: Reliability Statistics of Managerial Effectiveness Scale

Cronbach's Alpha	N of Items
.726	8

The productivity and flexibility comprised of 3 items each while adaptability comprised of 2 items. The total respondents were 286 in number. The minimum and maximum possible score for productivity and flexibility is 858 and 4290 respectively while that for adaptability is 572 and 2860. The productivity factor (71.38%) is found to be slightly higher as compared to flexibility (70.58%) and adaptability (70.35%) (Figure 1). The similar results were also reported in the pilot study (Narayan and Rangnekar, 2009) based on the sample size of 48 respondents.

Figure 1: Factors of Managerial Effectiveness Scale



As shown in Table 2, the correlation between managerial effectiveness and its component factors is found highly significant i.e., productivity (.799**), flexibility (.795**) and adaptability (.693**). It proves that all the three factors - namely productivity, flexibility and adaptability - contribute highly to managerial effectiveness. The productivity factor has significant correlation with flexibility (.441**) and adaptability (.471**). The flexibility factor has significant correlation with adaptability (.231**).

Table 2: Correlations of Managerial Effectiveness Scale

		Productivity	Flexibility	Adaptability	Managerial Effectiveness
Productivity	Pearson Correlation	1	.441(**)	.471(**)	.799(**)
	Sig. (2-tailed)		.000	.000	.000

	N	286	286	286	286
Flexibility	Pearson Correlation	.441(**)	1	.231(**)	.795(**)
	Sig. (2-tailed)	.000		.000	.000
	N	286	286	286	286
Adaptability	Pearson Correlation	.471(**)	.231(**)	1	.693(**)
	Sig. (2-tailed)	.000	.000		.000
	N	286	286	286	286
Managerial_ Effectiveness	Pearson Correlation	.799(**)	.795(**)	.693(**)	1
	Sig. (2-tailed)	.000	.000	.000	
	N	286	286	286	286

** Correlation is significant at the 0.01 level (2-tailed).

The results reveal that the managers are well aware of the excellence of work and output from the resources. The respondents also emphasized on their ability to change themselves, maintain the quality of their products or services. However, the respondents have shown comparatively lower adaptability (.693**) in managerial effectiveness. On an average, managers are more concerned with production and seem to be less adaptable. The flexibility is an important aspect to be considered in managing projects. The managers often look negatively at flexibility. According to managers, it is a cost for those who have to adapt to the changes. The project owners and users, who have incentives related to achieving the purpose of the project, prefer flexibility (Pundir, Ganapathy and Sambandam, 2007).

The managers are change agents and in flexibility and adaptability factors, the change management has been responded on higher side (985/1430) by the respondents. The results of our study indicate that senior managers hold a capacity of coping with emergencies as compared to effective change. The finding of this research is supported

by the findings of other similar studies (Labbaf, Analoui and Cusworth, 1996; Katz, 1974). This finding is also indicated by the response for the item acceptance of change (921/1430) of the adaptability factor. The respondents were highly aware and concerned of their managerial responsibilities and factors which were affecting their effectiveness. The items which were affecting managerial effectiveness were;

- coping with emergencies 1091/1430
- production estimation 1055/1430
- quality of production 1047/1430
- job excellence 1036/1430
- problem anticipation 996/1430
- change management 985/1430
- output from resources 971/1430
- acceptance of change 921/1430

The managerial effectiveness is to co-opt business environment. Managers are to be flexible and structured in their approach along with significant focus at their work place. The productivity demands smart work along with hard work (Estienne, 1997). Managers require higher skills for greater team work and flexibility. To develop these skills managers are to be trained under organizational culture practices.

Farhad Analoui (1998) in his study entitled 'behavioural and causal influences on individual managerial effectiveness in the Ghanaian public sector' identified the different behavioural and causal variables necessary to determine the effectiveness of managers/officials within developing countries institutions and organizations. He elaborated the appropriate methods to be used for the collection of data relating to managerial effectiveness. The study revealed that the most important qualities for being effective manager were - ability to plan, set objectives, determine results and being output oriented. The managerial skills, which have been considered more effective were - good

planning skills, effective communication, good human relations, organizing ability and supervisory skills. The role of organizational culture was also discussed in the study and the top five cultural factors criteria which were identified were - meeting targets, publications, self-discipline, achievement and self-motivation. Motivation was an important factor for managerial effectiveness. The remuneration was found most important item amongst all other items of greater effectiveness. To create an organizational culture and for managerial effectiveness, senior officers felt that recognition of subordinate is an important factor. However, most of the senior officer did not know how to motivate their staff. The most important finding reflexes that organization's expectation of its manager is seen in the nature of the criteria for managerial effectiveness in the organization. It confirms that organizational culture plays a significant role related to managerial effectiveness.

It has been found that all the three factors namely productivity (3062/4290, 71.38%), flexibility (3028/4290, 70.58%) and adaptability (2012/2860, 70.35%) are essential for managerial effectiveness. All the three factors of managerial effectiveness are influenced by senior level of hierarchy. There is not much gap amongst the three factors namely - productivity (3062/4290, 71.38%), flexibility (3028/4290, 70.58%) and adaptability (2012/2860, 70.35%) in the respondents, which provide an opportunity to make use of all the three factors to develop managerial effectiveness. The developed countries have been relatively more benefited from recent progress in the field of management development, the approaches adopted by developing management scales emphasize on flexibility and adaptability (Jaeger, 1990). Recently, scholars have paid attention to improve the managerial effectiveness through achievement motivation; here flexibility and adaptability factors of our study contribute to the need of achievement of the middle and senior level executives. In addition to productivity skills, senior managers require more attention to be flexible and adaptable to achieve individual goals. We can correlate productivity skills with technical skills and flexibility and adaptability skills with human skills. Similarly, Katz (1955) developed a management development model which incorporated the above basic category of the skills - namely technical (productivity) and human (flexibility and adaptability). Katz (1974) commented upon his original article written some twenty years earlier, "I now realize more fully that managers

at all levels require some competency in each of the technical, human and conceptual skills". These skills are still applicable in training, promotion and selection of managers at all levels. Katz further stated that the skills are so closely interrelated that it is difficult to determine where one ends and another begins. Moreover, all three sets of skills are important and they vary in relative importance at different managerial positions. In our study, productivity (3062/4290, 71.38%), flexibility (3028/4290, 70.58%) and adaptability (2012/2860, 70.35%) – all the three factors are found important and there is relatively a little variation in their importance. The study, concepts and model provided by Katz in the last 30 years are still found to be relevant for managerial effectiveness, as is also established in our study. These findings also encourage further research in the area of achievement motivation

As indicated above, the managerial effectiveness by senior managers is a combination of all the items of productivity, flexibility and adaptability factors. Overall, the average score for the managerial effectiveness scale was 70.82%. The respondents have shown a tendency to higher performances. This study further focused on flexibility factor of managerial effectiveness. The inter-item analysis of flexibility factor reveals quality of production as top on priority as compared to change management and problem anticipation.

On inter-item analysis of the flexibility factor (Figure 2), it was found that the quality of production item was responded with the maximum score of 1047/1430, 73.22% as compared to problem anticipation 996/1430, 69.65% and change management 985/1430, 68.88%. The responses show less difference in problem anticipation and change management, the cause could be pressure of economic recession due to which organizations are restructuring people, process and technology. The quality of production has been emphasized in spite of the limitations of problem anticipation and change management. Interestingly, flexibility factor is more towards behavioural aspects and taken as component of human skills.

Figure 2: Items of Flexibility Factor of Managerial Effectiveness scale

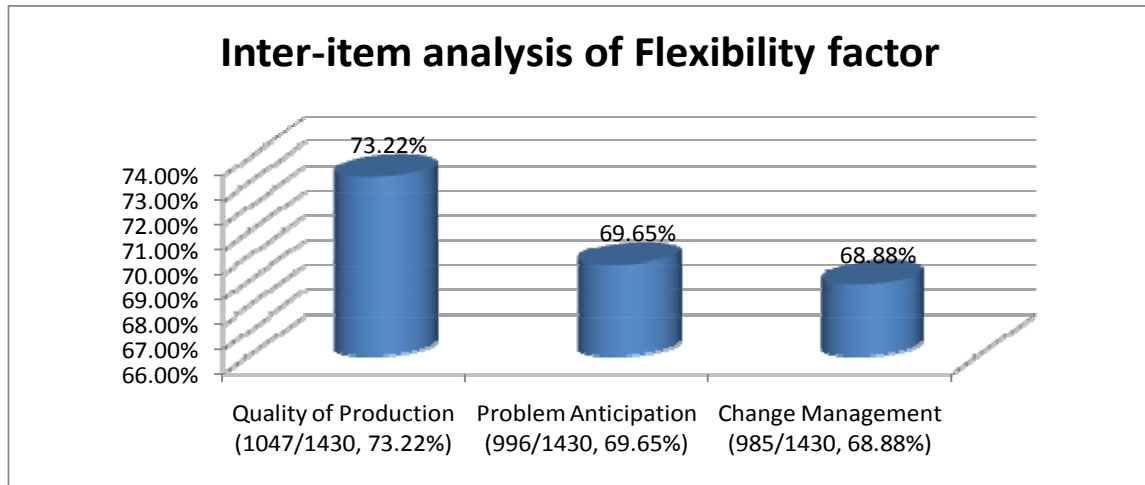


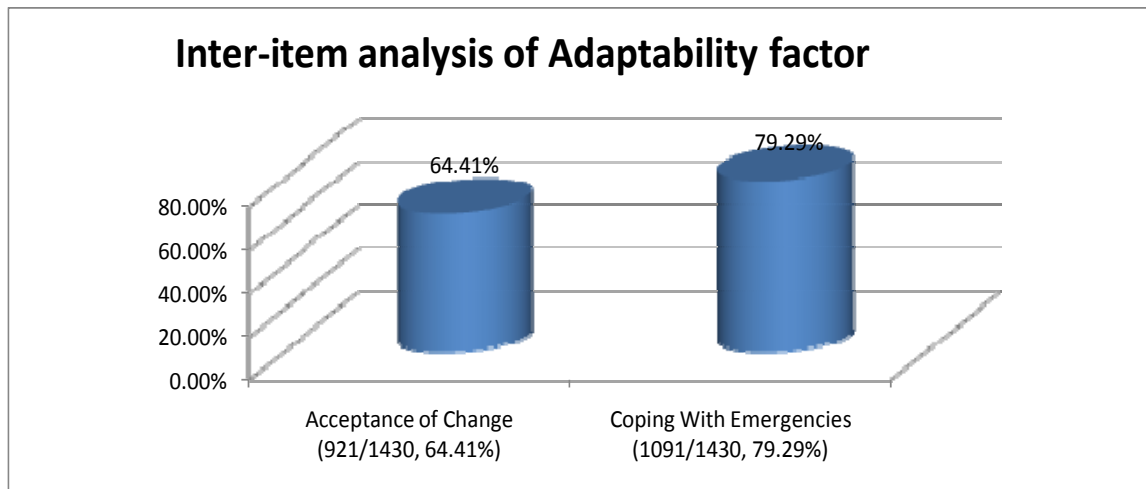
Table 3: Inter-item correlations of Flexibility Factor of Managerial Effectiveness Scale

		Quality_of_ Production	Problem_ Anticipation	Change_ Management
Quality_of_Product ion	Pearson Correlation	1	.494(**)	.448(**)
	Sig. (2-tailed)		.000	.000
	N	286	286	286
Problem_Anticipati on	Pearson Correlation	.494(**)	1	.485(**)
	Sig. (2-tailed)	.000		.000
	N	286	286	286
Change_Manageme nt	Pearson Correlation	.448(**)	.485(**)	1
	Sig. (2-tailed)	.000	.000	
	N	286	286	286

** Correlation is significant at the 0.01 level (2-tailed).

As shown in Table 3, the quality of production has shown a significant correlation with problem anticipation (.494**) and change management (.448**). Problem anticipation has also shown significant correlation with change management (.485**). All the three items are interconnected and show strong relationship.

Figure 3: Items of Adaptability Factor of Managerial Effectiveness scale



On inter-item analysis of the adaptability factor (Figure 3), it was found that the coping with emergencies item was responded with more score of 1091/1430, 79.29% as compared to acceptance of change 921/1430, 64.41%. The coping with emergencies is a reflection of higher positions of respondents and also their acceptance of change reflects managerial effectiveness in achieving the goals of the organizations. The senior managers are working like change agents and catalysts for organizations' development. The nature of authorities and responsibilities is more challenging for their organizational performances.

Table 4: Inter-item correlations of Adaptability Factor of Managerial Effectiveness Scale

		Acceptance_of_Change	Coping_With_Emergencies
Acceptance_of_Change	Pearson Correlation	1	.444(**)

	Sig. (2-tailed)		.000
	N	286	286
Coping_With_Emergencies	Pearson Correlation	.444(**)	1
	Sig. (2-tailed)	.000	
	N	286	286

** Correlation is significant at the 0.01 level (2-tailed).

As shown in Table4, the acceptance of change has significant correlation with coping with emergencies (.444**). The relationship between the two items is found strong and effective.

Above three figures of inter-item analysis indicate that the items of the flexibility and adaptability factors require more human skills expertise as compared to technical skill of the production factor.

CONCLUSION

The study concludes that flexibility and adaptability contribute highly to managerial effectiveness. The respondents are well aware of the job performance and proper of resources. They have ability to become change agent and effective project managers. The managers showed capacity of coping with emergencies as compared to effective change. Managers are found to be flexible and structured in their functions. The study has also paid attention to improve the managerial effectiveness through achievement motivation. The managerial skills are correlated with productivity and technical skill. To develop managerial competency technical and human skills are very important and significantly contribute at different managerial positions. The top priority of respondents is found to be management of change and quality of production to meet competitive environment.

The further research can be carried out by understanding the relationship between productivity and flexibility components of managerial effectiveness. The study can be carried out in cross cultural organizations and can further explore managerial effectiveness of middle and senior level executives. The study helps to business

executives in adopting the flexibility and adaptability function in their managerial effectiveness.

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