

Effectiveness in Organizations – A Review

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Introduction

People in the organization can tilt either way towards growth or toward stagnation. The design of the systems in which people work can significantly influence which way they go and how far. The more they tilt towards stagnation the high the probability of developing organization illness. And in general, the more they orient themselves toward growth the better the organizational health. Behavioral research scientists are of the opinion that organization can be made more humane and at the same time more effective. It is possible to design organization system where individual participants can give of themselves and not given themselves up. In spite of the fact that some basic conflict's between the individual and the organizational that can be new organization structures, heightened competence in inter – personal relations among the managers, and increased group effectiveness, on the other hand incompetent organizational structures create executive environments, lacking in trust, openness, dynamism and results in effective problem, poor decision making and organizational illness.

Organizational effectiveness is the central theme of organizational theory. No management can think of a theory of organization that does not include the concept of effectiveness.

Organisational Effectiveness:

Organizational effectiveness represents a desirable attribute in organization. According to **Auritai Eliziani**, Effectiveness could be defined as the degree to which the organizational realizes its goals.

PAUL. E. MOTT defines effectiveness as, it is the ability of an organization to mobilize its centers of power for action production and adoption.

JOHN KIMBALY states, effectiveness of an organization can be seen in terms of survival of the organization.

According to **HOUCK LEVIS**, “organizational effectiveness is the tool to which a goal that has been set for an operating task is attained in terms of quality and completion”.

According to **DAVID LAWLESS**, “Effective organizations are built of effective individual, who work effectively in group”.

According to **WILLIAM SCOTT** “organizational effectiveness is the degree to which an organization. Attain its short term (ends) and long term (means) goals, the selection of which reflects strategic constituencies the self interest of the evaluator and the life stage of the organization.

Perspectives:

According to **DAVID LAWLESS**, there are three different perspective of effective they are:

1. Individual
2. Group
3. Organization

The relationship among these three different perspectives of effectiveness is given below.



The perspectives of individual effectiveness throw light on the task performance of the employees or members of the organization. This performance of individual is relatively assessed through evaluation techniques and it serves as useful benchmark for pay rises, promotion, rewards, etc.,

Approaches to organizational effectiveness

Organizations are a complex entity. It has to strive hard to attain goals, so that both institutional and social objectives are achieved with minimum effort and cost, now – a – days, organizations are facing a host of problems – employees behavioral problems, environmental problems, technological changes, cut – throat competition, liberalization etc., Under the circumstances the need for organization effectiveness has assumed paramount importance.

If organizations are to survive and compete successfully in turbulent and often hostile environment greater attention must be focused to the fact managers must understand the nature and process of organizational effectiveness.

Organizational effectiveness requires a multi – dimensional approach to the study. There are five broad approaches to organizational effectiveness, namely;

- A. Goal attainment Approach
- B. System-Resource Approach
- C. Functional Approach

A. Goal attainment approach

The effectiveness of an organization is determined by the degree to which it attains its goals. An organization primarily exists to accomplish goals. Primarily exist to accomplish goals. The very existence of an organization is unwarranted if the purpose for which the organization exists, cannot be achieved. The effectiveness of an organization is measured by the amount of resources used.

Stephen **P.Robbins** makes the following assumptions to make the goal attainment as useful approach:

1. Organization has ultimate goals.
2. The goal of the organization are well defined and properly understood by all the members of the organization.
3. There must be general consensus on these goals.
4. The goals must be few enough to be manageable.
5. Progress towards these goals must be measurable.

Whether goals are single or multiple, official or operational, over these goals are identified it would be necessary to develop some measurement device to see how well these are realized. Not only that the tangible verifiable and quantifiable goals are to be developed, but conditions under which they are to be accomplished and the degree to which each goal must be satisfied must be specified. Organization then measure the actual performance and compare it with the standard / goals set to see the degree of effectiveness.

The goal attainment approach limitation

The goal approach is often adopted by investigators because it seems to safeguard them against their own biases. However Etzioni has Criticised this assumption. He states that the model (goal is considered on objective and reliable analytical tool because it omits the values of the explorer and applies the values of the subject. Under study as the criteria of judgment. We, suggest, however, that

this model has some methodological short comings, and it is not objective as it seems to be. He, further, states that goal approach may be rejected on theoretical consideration as well.

B. System – Resource Approach

System-resource approach of the organizational effectiveness is derived from the open system model as it is applied to formal social organizations. This model emphasizes the distinctiveness of the independency of the process that relate the organizational to its environment takes from of input –output transactions of various kinds relating to various things. These are scarce and valued resources. Broadly defined, these resources are generally means or facilities that are potentially controllable by social organizational and that are potentially usable-however indirectly in relationships between the organization and its environment.

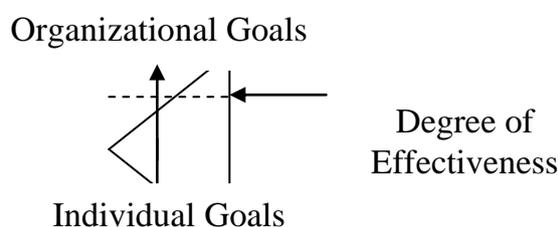
C. Functional Approach

The functional approach to organizational effectiveness can be characterized as normative in the sense that the framers of the organization report what the goals of the organizational should be as dictated by the logical consistency of their theory about the relationship among parts of larger social systems. From this point of view, derived goal approach or functional approach has an important advantage over the formal goal approach since solves the problem of identification of organizational goals. Organizations can be evaluated and compared from the perspective of different groups or individuals. One may judge the effectiveness of an organization is relation to its own welfare or in term of its contributions to some other entities.

Integration of Individual – Organizational goals and effectiveness

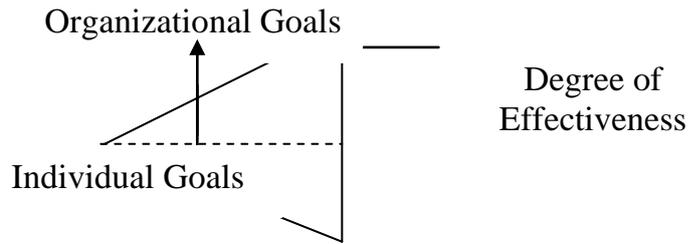
The integration of individual and organizational goals affects organizational effectiveness because each individual tries to satisfy his needs by working in the organization. Thus, he may try to satisfy his own needs without taking into account the organizational needs if he is able to do so. Since, the organization puts certain control mechanism; often he is not able to satisfy only his own needs without regard to organizational needs. Not with standing this, the integration of two goals will affect the organizational effectiveness because the individual is able to satisfy both goals simultaneously. He may see his need satisfaction in satisfying organizational needs. This may further energies his activities. Since, there is not perfect integration of individual and organizational goals, organizational effectiveness is affected adversely.

Broadly three positions may be analyzed in terms of degree of integration of organizational and individual goals, and the degree of organizational effectiveness. In the first case, when there is low degree of integration, that is low degree of fusion score, the degree of organizational effectiveness is also low as shown below



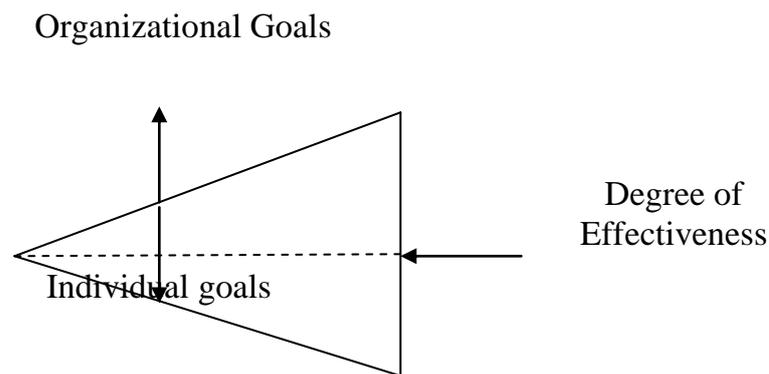
Low degree or integration of goals and low degree of organizational effectiveness.

In the second situation, there is moderate degree of integration of organizational and individual goals, and consequently there is moderate degree of organizational effectiveness as shown below the diagram.



In this case, the organizational and individual goals are somewhat compatible but they are not exactly the same. The result of interaction between two sets of goals is a compromise, and actual performance is a combination of both.

In the third situation, there is high degree of interaction between organizational goals, and consequently high degree of organizational effectiveness shown as below.



Predictors of organizational effectiveness

Some studies have been made predicting organizational effectiveness by using some sort of independent variables.

According to silvers and Sherman, the following are the predictors of organizational effectiveness.

1. Goal:

The organization without inters locked goals and objectives can be compared to a ship without a radar.

2. Adaptability:

Another measure of organizational effectiveness is it's ability to adopt to changing opportunities by developing sensors to pick up and allow changes in the system, whether those changes be threats or opportunities.

3. Communication:

An over – controlling environment and bureaucratic rituals tend to chop off and destroy input from employees and stifle the flow of ideas.

4. Job Descriptions:

An important dimension of organizational effectiveness is that clarity of job–description based on reality is essential to effective work.

5. Man Power Development:

Organizational development and manpower development are no longer luxury service for companies to expect to be vital and competitive over years to come.

6. Organizational Self Concept:

Every organization needs to look at itself and its value.

7. Information Sharing:

An effective organization needs to look at itself and at its value.

8. Performance Feed Back:

The effective Organization will prevent proliferation of unneeded staff experts.

9. Planning:

Effective organization planning levels to be on a relatively long time scale and from bottom to top planning as opposed to unilateral planning from the top.

Mott has development the following criteria if organization effectiveness.

- (i) Quantity of the product
- (ii) Quality of the product
- (iii) Efficiency with which the product is produced.

A. Organization centers of power for routine production (Productivity)

B. Organizing centers of power to charge routines (Adaptability)

(i) Symbolic adaptation:

- a. Anticipating problems in advance and developing satisfactory solutions.
- b. Staying abreast of new technologies and methods applicable to the activities of the organization.

(ii) Behavioral adaptation:

- a. Prompt acceptance of solutions.
- b. Prevalent acceptance of solutions.
- c. Organizing centers of power cope with temporarily unpredictable over loads of work (flexibility).

Time dimension and organizational effectiveness:

Though different scientists have identified different variables of organizational effectiveness, these is one dimension that is generally agreed upon is time. Survival of the organization is long run measure of effectiveness. The short run indication comprise of production, efficiency and satisfaction measurement. The intermediate indicators include adaptive ness and development.

The following charts short the relationship between time dimension and organizational effectiveness criteria.

TIME



CRITERIA



Reviews:

FLEISHUMAN, HARIS & BURTT (1955) in a study of effectiveness among supervisors found that correlation existed between styles of foreman behavior and effectiveness, but varied between production and non-production department “objective” criteria and workers linking correlated positively with consideration and negatively with structure superiors ratings correlated positively with structure and negatively with consideration.

WESTER LAND & STORMBAG (1965) in a study frequency of the contacts of foreman with supervisors and peers found that there is no definite evidence of any correlation between the frequency of contracts and any criteria.

DAVIS & WALFER (1966) in a study on responsibility and authority of supervisor in an organizational changes involving new responsibility for supervisor found that lower total cost resulted in are change, not in other. Quality improved in charge, not is the other. Personnel costs were not affected. Productivity did not charge positive attitudes were expressed by workers and supervisor, charged orientation from personnel to technical problems.

JAMES L. PRICE (1968) in conceptual study on organizational effectiveness found that (i) organizations which have a high degree of division of labor are more likely to have a high degree of effectiveness (ii) higher the degree of vertical communication higher the degree of effectiveness (iii) higher the degree of autonomy, more likely to have a high degree of effectiveness.

REIMAN and NEGANDHI (1976) in a study of organizational structure and effectiveness have noted positive relationship between decentralization and organizational effectiveness structure as independent variable, influence several factor like technical economic and human – which in turn are intervening variable for behavior.

MAHESWARI B.L (1980) in a study a decision marking styles and organizational effectiveness, found that in there is a high degree of dependence on the higher levels of hierarchy for goal setting and decision marking on important matters (ii) Indian manages need for participation in decision – marking is not high (iii) Participation is positively related with certain dimension of effectiveness but the relationship is neither strong nor significant. (iv) Growth dimension of effectiveness seems to be independent of the style dynamics (v) External environment is more important than other factors for effectiveness of the Indian organization.

PIERCE J.L. S. DUNHAM R.P (1983) in their study of organizational commitment have found that there is negative relationship between organizational commitment and both absenteeism and turnover.

STEPHEN ROBBINS (1985) is a study to relate social – demographic factors and performance says that (i) Greater the age, more satisfaction the individual is, so better is the performance. (ii) Married employees have fewer absences, undergo less turnover, and more satisfied and hence more effective. (iii) There exists a positive co –relation between number of dependents and satisfaction which has a great impact on the performance. (iv) Greater the number of years of service a sense of wholeness and integrity many develop which increases performance levels.

MAYA REDDI (1989) in her paper on “Role of human resources for increasing organizational effectiveness”. Says that individual effectiveness will arise when there is (a) Creative atmosphere (b) Performance appraisal and development (c) Counseling (d) Education (e) rewards and recognition submitted the questionnaire for scrutiny and also here a synopsis about the tool of data collection. After this the researcher was given permission conduct the study.

Conclusion

The present review study aims to study the socio-demography back ground, to find out the level of organizational effectiveness of the employees through the determinant like work, work-environment, motivation, participation and involvement, quality, communication, welfare activities, training and development, long term settlement and productivity in order to find out the association between socio-demographic characteristics and suggest suitable measures for improving the existing system.

The present study reveals that the overall organizational effectiveness is found to be moderate.

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