Study on Main Factors Contributing To Organizational Effectiveness

Suman Yadav[1] Dr. Satyapal Yadav[2]

[1]Associate Professor Deptt. Of Commerce & Management, Govt. P.G. College, Narnaul

[2]Research Scholar, CMJ University, Shillong, Meghalaya

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FACTORS INFLUENCING ORGANIZATIONAL EFFECTIVENESS

There are many ways to measure success, a number of factors consistently show up in effectiveness metrics. It is also important for a manager to identify the underlying factors in organizational effectiveness. Individually, each factor matters in affecting organizational effectiveness. But, the more important is each factor's relationship to the entire organization. Singh and Chhabra (2000) classified the factors influencing organizational effectiveness into following three groups:

• Casual Factors: these are the factors that cause or influence development within an organization. Basically, casual factors are the independent variables that determine the course of development within an organization. The casual variable can be changed by the organization and its management. Examples of casual variables are organizational structure, managerial policies, leadership styles, and skills.

• Intervening Factors: intervening factors are those factors which get their reflection in the internal state of organization. Casual variables cause intervening variables or factors. Intervening factors are reflected as the loyalties, attitudes, motivations, performance goals and communication and so on.

• End-result Factors: these are the dependent factors caused by casual and intervening factors. These are often in terms of the factors which managers use to measure effectiveness of organization. Production, sales, earnings, etc., are examples of end-result factors.

For any given organization, measures of effectiveness vary, depending upon its mission, environmental context, nature of work, the product or service it produces, and customer demands. Thus, the first step in evaluating organizational effectiveness is to understand the organization itself—how it functions, how it is structured, and what it emphasizes.

There are certain limitations in the measurement of effectiveness as discussed by Sharma (1982) are as follows:

• Criteria of Effectiveness: one reason is that no one is able to say whether an organization should be regarded effective if profits are high but there is high labor unrest, absenteeism, dissatisfaction etc., or vice versa or if an organization is manufacturing a poor quality product but selling it at a very high price and making huge profits. Like this, one is faced with a serious problem of developing a criterion of effectiveness.

• Measurement of Effectiveness: another reason is that if one wants to measure attainment of objectives, some of the goals are measureable or tangible and some others are less measurable or are not so tangible. It is very easy to say whether an organization has failed or succeeded in the construction of a dam, but it is very difficult to ascertain whether the foreign policy of the government of India has failed or succeeded, Hence, goals which are highly measurable do not pose in the study of effectiveness, but goals which are not subject to so much measurement create several problems of estimation.

• Degree of Effectiveness: another important reason is that there is no way of estimating the degree to which a great number of variables other than the organizational elements may have contributed to the achievement of certain objectives. Organizations can hardly be classified as good or bad on the basis of their earnings record alone.

• Frame of Reference: still another problem

relates to frame of reference. Often people try to apply their own yardstick and proclaim an organization as a success or failure. Individuals within an organization often see and opt for entirely different indicators of performance than do individuals or groups outside the organization. Public agencies point with corporate officials talk about efficiency in response to questions about social goals. The choice of effectiveness criteria depends on whether one is inside or outside a given organization.

- **Stability of Criteria:** lastly the criteria used to measure effectiveness may not be sufficiently stable. Their meaning for organizational performance may change. In times of fast changing price levels, comparing profits for one year with those of another year may be of no use. Instability effectively precludes the possibility of a long-lasting, generalized set of performance indicators on which the manager, administrator or researcher can relay.

Creativity over the years has gained importance specifically when we talk of managerial decision making process. After intensive research done on this aspect, creativity can be defined as something abstract or something which is beyond the wall or which is out of the box. In simple terms creativity can be defined in terms of the output of a creative effort. In this sense creativity may be defined as the discovery or production of something that is novel and also useful or relevant or economical, or superior or valuable (Rastogi , 2000).In the managerial context creativity can be defined as creative decision making process of taking the decision from the newer perspective. The following discussion get into the detail about the concepts underlying creativity and give a better understanding to understand creativity in the managerial perspective.

CONCEPT OF CREATIVITY

The term creativity means different things to different people. To some it is deeply personal, to others a product of environments. In fact creativity is not new; it is as old as the mankind is on this earth. The earliest man when started living inside the caves for physical comfort-it was a creative act. Then he started using sharp stone as weapon for hunting and wheels for lifting and carrying it. These are all the creative act of mankind. But creativity, as a science, is new. So there are several definitions and several viewpoints on "what is creativity?"

The following discussion facilitates discussion on definition of creativity from different viewpoints and perspective:

The word 'Creativity' is defined by the Oxford English dictionary as "the ability to create." "To create" in turn, means "to bring into being, cause to exit, especially to produce where nothing was before, to form out of nothing."

Newell and Shaw (1972) have explained creativity as the generation of imaginative new ideas, involving a radical newness innovation or solution to a problem, and a radical reformulation of problems."

Although creativity can be seen in the products, it can also be considered in terms of the process. Weisberg (1986) proposed that Creativity can be defined by the novel use of tools to solve problems or novel problem solving.

Sternberg and Lubart (1995) explained that novelty must be coupled with appropriateness for something to be considered creative. Novelty for its own sake can't be considered creative unless the idea is backed by an element of appropriateness, which makes it useful.

Thus it can be said that creativity involves the generation of new ideas or the recombination of known elements into something new, providing valuable solutions to a problem. It also involves motivation and emotion.

According to Boden (1994), creativity is coming up with ideas which are new, surprising, and valuable. She has identified and explained three main types of creativity, involving different ways of generating novel ideas.

- **The Combinational Creativity:** involves generating new combinations of familiar ideas. Examples of combinational creativity may include poetic imagery, collage in painting or textile art, and analogies. These new combinations can be generated either deliberately or, unconsciously. A songwriter of a rock band is utilizing his combinational creativity when he writes lyrics comparing today's politicians to vultures. Similarly, a child comparing his father or teacher to Hitler for their autocratic behaviour is also displaying combinational creativity. The novelty and value of combinational creativity, however, is negligible when compared to the other two forms of creativity. It's all very well for someone to come up with new ideas, but these must be recognized as valuable if they are to be called really creative.

- **The Exploratory Creativity:** involves the generation of new ideas by the exploration of structured concepts. Conceptual spaces are structured styles of thought. They're normally picked up from one's own culture or peer-group, but are occasionally

borrowed from other cultures as well. In either case, they already exist and are not originated by one individual mind. Examples of conceptual spaces may include ways of writing prose or poetry; styles of sculpture, painting, or music; theories in chemistry or biology; choreography etc. All professional artists and scientists utilize their exploratory creativity to explore their space and come up with something new – a song, or a new theory, which is valuable but not invaluable, something that brings about a radical change or transformation.

- The Transformational Creativity: involves the transformation of some dimension of the structure, so that new structures can be generated. Transformational Creativity involves radical changes to the conceptual space, not minor adjustments. The deepest cases of creativity involve someone's thinking something which, with respect to the conceptual spaces in their minds, they couldn't have thought before. The impossible idea can come about only if the creator changes the pre-existing style of thinking in some way. All professional artists and scientists, who come up with path breaking work like a new genre of music or a new chemical formula to generate renewable energy, are displaying transformational creativity.

From the above description of the three main categories of creativity, one shouldn't assume that every example of creativity, originality, or imagination can be slotted into one, and only one, of the three categories explained above. Human thinking, is often much complex than that and so are the ideas generated by human brains. There are certain limitations in the measurement of effectiveness as discussed by Sharma (1982) are as follows:

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- Frame of Reference: still another problem relates to frame of reference. Often people try to apply their own yardstick and proclaim an organization as a success or failure. Individuals within an organization often see and opt for entirely different indicators of performance than do individuals or groups outside the organization. Public agencies point with corporate officials talk about efficiency in response to questions about social goals. The choice of effectiveness criteria depends on whether one is inside or outside a given organization. Lastly the criteria used to measure effectiveness may not be sufficiently stable.

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