

Relationship of Organizational Effectiveness with Demographic Variables

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INTRODUCTION

Organizational Effectiveness is one of the most complex and least tackled in the study of social organizations. In simple terms, organizational effectiveness is an organization's ability to maximize results in the competitive external environment. The concept of organizational effectiveness is an important innovation in business management. Initially, organizational effectiveness focused on how well an organization compete, how quickly they bring products to the market, their status in the community, their attractiveness to potential market and their profitability. In other words, organizational effectiveness considers how well an organization performs business. Instead of defining corporate success by a few short-term measures, such as sales or profit, it fostered a holistic long-term perspective. This expanded perspective that resulted from a focus on the overall effectiveness of an organization has become central to corporate survival and success in today's economy. The focus on people, their performance, innovation and creativity is the professional concern of organizational effectiveness. The current research attempts to define a broad perspective on organizational effectiveness and its relation to managerial creativity.

With heightened levels of competition and an uncertain economic environment, many organizations are encouraging their teams to be more creative so as to enhance their competitive edge. In the past, organizations mainly focused on producing in bulk and selling at targeted margin as there were very few competitors and buyers didn't have significant bargaining power. But with the advancement of technology and globalization, buyers' power has grown significantly and it is forcing companies to be highly innovative and customer centric. In this backdrop, it becomes quite imperative to deploy all their resources in a way that help them create more value for

the customers. This makes it important for managers to adopt a management style that encourages employees to come up with new ideas that can enhance productivity.

Organizations are in a constant state of change and this is considered essential for its survival. It is vital that the organization continuously reviews its people, processes and structure. For decades, organizations simply focused on developing ways of coordinating and controlling the efforts of a group of people towards the achievement of its broader objectives. However, for an organization to be truly competitive and successful, it needs to synergize all its resources, functions, and activities with a structure and system that can work well and blend all together.

INTRODUCTION

Organizational Effectiveness

In general sense, Organizational Effectiveness means aligning the workplace to the strategic business initiatives and earnings. It means ensuring business agility, enabling your workforce to be adaptable and respond swiftly to changing market conditions. Organizational effectiveness also means fostering innovation and workforce productivity by making it easier for people to find, reach and collaborate with each other, and with the right information at the right time and place and all of this must be done while optimizing costs and delivering return on investment.

The first step towards understanding organizational effectiveness is to understand organizational goals and strategies, as well as the concept of fitting design to various contingencies. Organizational goals represent the reason for an organization's existence and the outcomes it seeks to achieve. Goals are the desired future state of the organization. Organizational Effectiveness is the degree to which an organization realizes its goals.

MANAGERIAL 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. In the managerial context creativity can be defined as creative decision making process of taking the decision from the newer perspective. Thus, a creative and successful manager will be that manager who is able to modify and utilize the information in a useful manner. Today, a manager needs to be a guide and a coordinator who recognizes the need for and is able to bring out the best in his staff so that they can come up with their own solutions to problems. This requires the managers to be creative.

RATIONALE OF THE STUDY

Majority of the concerns in organizations are attributed to its people as their creativity becomes a determining factor for their effective management. In fact, the focus on people, their performance, innovation and creativity is the professional concern of organizational effectiveness. In this scenario, the managerial creativity possessed by the employees has a bearing on the extent up to which an organization can enhance their productivity and thus effectiveness.

So, the researcher identified the present problem more clearly as follows – ‘Organizational Effectiveness and Managerial Creativity - A study of selected Indian organizations’. The current research contributes new knowledge and understanding of the relationship between organizational effectiveness and managerial creativity.

OBJECTIVES OF THE STUDY

The present study is carried out primarily to understand the Organizational Effectiveness and Managerial Creativity in Indian IT organizations with the following objectives:

- To study the factors contributing to organizational effectiveness and managerial creativity;
- To study the relationship of organizational effectiveness and managerial creativity with demographic variables (age, qualification, gender, marital status, hierarchy level etc.)
- To study the type of relationship between organizational effectiveness and managerial

creativity and;

- To suggest measures for the improvement of organizational effectiveness and managerial creativity.

SAMPLE DESIGN

Sample Size

Managerial personnel of selected IT organizations of Delhi and NCR are the respondents for this present study, but it was difficult to contact all the managerial personnel of selected organizations. The researcher has contacted 306 managerial personnel of top, middle and executive level positions from four Indian IT organizations namely HCL Technology (75), Safe net Inc. (66), Tata Consultancy Services (123) and Eastern Software Systems (42). Every effort is made to make the sample more representative, more purposeful and in accordance with the objective of the study. Convenient sampling technique is adopted in order to choose the ultimate unit i.e. the respondents. Every sincere effort is made by the investigators to avoid biasness in the selection of respondents.

SAMPLE PROFILE

Table: 1

Demographic Variables		No. of respondents
Age	25-30 (A1) years	103
	31-35 (A2) years	124
	36 years & Above (A3)	79
Sex	Males	239
	Females	67
Marital Status	Married	187
	Un-married	119
Qualification	Graduate	102
	Post-Graduate	204
Hierarchy	Top (G1)	55
	Post-Graduate (G2)	184
	Executive (G3)	67

Source : Field Survey

INSTRUMENTS FOR DATA COLLECTION

To achieve the objectives of finding the factors affecting

the organizational effectiveness and managerial creativity in selected Indian IT organizations (NCR & Delhi) and also to find out the type of relationship between organizational effectiveness and managerial creativity, a five point scale is used for each section. For each statement, the following scale is being used (Strongly Disagree, Disagree, Indifferent, Agree and Strongly Agree).

A score of 'for the response -1. 'Strong Disagree', 2. for 'Disagree' 3. for 'Indifferent' 4. for 'Agree' and 5 for 'Strongly Agree' is assigned. By adding the scores of these said components, score for overall organizational effectiveness and managerial creativity is computed.

MAJOR FINDINGS AND CONCLUSION

The complexity and competitiveness of today's business environment requires that companies continuously raise the bar on their effectiveness. In order to satisfy the customers, every company is trying to implement different ideas through their managers. The present research is carried out while keeping the objectives in mind and the findings are drawn on the basis of careful analysis and interpretation of primary data collected.

Top performance increasingly demands excellence in all areas, including leadership, productivity, and adaptation to change, process improvement, and capability enhancement (knowledge, skills, abilities, and competencies). According to studies undertaken by various researchers in the yesteryears, there are some directions to improve organizational effectiveness, viz., Process mapping and measurement, Process improvement, Expert facilitation of internal Interventions, Productivity improvement, Monitoring and evaluation, Measuring and assessing climate and culture, Improving communication processes, Team building and Team Effectiveness improvement, Cohering management teams and Rationalizing the complexities of Organizational structure.

In the current environment of knowledge economy and business scenario of globalization, privatization and liberalization, a company's market value is less dependent on tangible assets, but relies heavily upon its intangible resources such as brands, technology, and principally, people. As the industries become more knowledge intensive, a change of direction has taken place that calls for top executives to focus on human capital management as never before. With heightened levels of competition and an uncertain economic environment, many organizations are encouraging their teams to be creative. Creativity has been described as a cornerstone of organizational change, the foundation of innovation, and a key to organizational effectiveness. The present study is confined to the 306 respondents from the top, middle and

executive levels of managerial personnel of the selected companies, namely, HCL Technologies Ltd. (Noida), Eastern Software Systems (New Delhi), Tata Consultancy Services (Noida) and SafeNet Inc. (New Delhi) investigated across age, gender, marital status, qualification, hierarchy of the organization. The number of respondents from the different companies was: Eastern Software Systems - 42, SafeNet Inc. - 66, HCL Technologies Ltd. - 75, Tata Consultancy Services - 123. The composition of the respondents on the basis of Age is for 25-30 years of age group: 103, 31-35 years of age group: 124 and 36 and above age group: 79 respondents. The proportion of the Male and Female respondents is 239: 67. Out of the total of 306 respondents, 187 are married and the rest are unmarried. According to qualification, the composition of Post-graduates and Graduates is 204 and 102. The Top, Middle and Executive level respondents are 55, 184 and 67 respectively. Attention is also focused to give practicable suggestions to improve on the aspect of organization effectiveness so as managers can apply their creative potential to pursue success and competitive strength.

FINDINGS

- There is a significant difference between the mean score of respondents of age-groups of 25-30 years, 31-35 years and 36 years and above regarding one of the factor of organizational effectiveness i.e. Readiness which clearly indicate that people in the age-group of 25-30 years and 31-35 years have different opinion regarding Readiness factor of organizational effectiveness. The difference is not significant between the means of respondents of various aforesaid age-groups regarding rest of the factors of organizational effectiveness (Overall Effectiveness, Career Growth, Job Satisfaction, Flexibility, Information Management and Communication, Readiness, Efficiency and External Entities).
- The gender-wise analysis reveals that there is no significant difference between the opinions of male and female respondents regarding different factors of organizational effectiveness viz Overall Effectiveness, Career Growth, Job Satisfaction, Flexibility, Information Management and Communication, Readiness, Efficiency and External Entities. Thus it can be said that both male and female respondents have the same opinion regarding different factors of organizational effectiveness.
- The marital-status wise analysis reveals that the

difference is not significant regarding different factors of organizational effectiveness between the views of married and unmarried respondents. In conclusion, it can be said that both married and unmarried respondents have same opinion regarding different factors of organizational effectiveness.

- Further qualification-wise analysis extracted that the difference is not significant between the mean score of respondents of various qualification regarding Overall Effectiveness, Career Growth, Job Satisfaction, Flexibility, Information Management and Communication, Readiness, Efficiency and External Entities. Graduate and post-graduate respondents have same opinion regarding different factors of organizational effectiveness.
- Hierarchy-wise analysis abstracted that the difference is significant between the mean score of top, middle and executive level respondents about Information Management and Communication factor of organizational effectiveness. While the difference is not significant between the mean score of the respondents of the said hierarchy regarding the rest of factors of organizational effectiveness (i.e. Overall Effectiveness, Career Growth, Job Satisfaction, Flexibility, Readiness, Efficiency and External Entities).

SUGGESTIONS

- As the mean value for Career Growth comes out to be the highest therefore this factor Career Growth has emerged as the most important factor of organizational effectiveness. Thus it is recommended that Indian IT organizations should provide ample growth opportunities so as to maximize their effectiveness. While External Entities comes out to be the least important factor of organizational effectiveness, therefore perception among the outsiders should not be given preference.
- As the difference is significant regarding Readiness factor of organizational effectiveness of different age groups. Therefore organizations should improve on the strategic planning and internal environmental aspects so as to enhance the overall effectiveness of the organizations.
- Further the difference is significant of different hierarchy levels regarding Information Management and Communication factor of

organizational effectiveness. Thus organizations in Indian IT sector should improve upon management information system and there should be transparency on the MIS system so that people of different hierarchy levels must be clear about their roles and goals.

This research study has established it beyond any doubts that managerial creativity plays an extremely crucial role in enhancing organizational effectiveness in an organization. Additionally, it is evident from the results that an organization's efforts towards enacting better Human Resource policies go a long way in ensuring its effectiveness. For instance, the results indicate that an organization that understands the effect of offering better career growth opportunities and remuneration structure and a stimulating and transparent environment is bound to be more effective and benefit from enhanced competitiveness as it will have a satisfied and loyal workforce that is confident, flexible, and efficient and is willing to take initiatives. An organization is also bound to benefit if it encourages its managers to be more creative when approaching business issues. The approach towards encouraging managerial creativity should be a holistic one. While at one hand the organization must ensure a conducive environment by offering more autonomy to the managers in decision making and rewarding them on coming up with creative solution to a problem that enhances the organization's effectiveness and improves upon its competitiveness. At the same time, the managers must also be made aware that they are also accountable for the decisions they take and therefore, reckless creativity should be discouraged.