# Awareness of Managerial Effectiveness Amongst Managers and Subordinates: An Indian Perspective

Shraddha Manohar Kulkarni

**ABSTRACT :** *The tasks performed by managers and the impact of managerial performance on the survival and effectiveness of organizations have received considerable attention in both academic research and the applied management literature. There has been debate over the extent to which managers (or leaders) are crucial for the success of organizations, with some writers (such as Kerr and Jermier, 1978) arguing that dimensions of organizational structure perform the same functions as those which a manager might undertake. Nevertheless, there is general agreement that managers fill a significant niche within organizations, although fewer consensuses have been reached on the specific tasks they need to perform to be effective. In the present study the researcher has tried to identify the awareness of managerial effectiveness from the managers' and subordinates' point of view. A managerial behavior model developed by Luthans et al. (1988) has been used to find out manager and subordinate perceptions of managerial effectiveness. Activities were obtained to ascertain the links between performances of these activities and perceived managerial effectiveness. Regularity of task performance was basically unrelated to perceived competence, but how well managers performed in various tasks (particularly motivation and reinforcement of subordinates, and decision making) predicted subordinate ratings of managerial effectiveness. Disciplining and planning emerged as the most projecting contributors to subordinate ratings of departmental effectiveness. Consistent with Luthans' model of managerial effectiveness, perceived quality and quantity of departmental functioning was linked with different managerial behaviors. These findings supported the utilization of Luthans' typology and highlighted the significance of examining the differential impact of a range of managerial activities on different facets of organizational effectiveness.*

**KEY WORD:** *Managerial Effectiveness, awareness, managers, subordinates*

## I. INTRODUCTION

Gaining information on the performance and effectiveness of managers within organizations is a tough task. While observations of authentic behavior and assessments of the links between managers' behavior and objective guides of effectiveness (such as organizational productivity) represent an ideal strategy, these approaches are not always viable. A substitute strategy is to solicit perceptions of managerial tasks and performance from both managers and their subordinates, to enable comparison of their perspectives and consensual validation of managers' self-reports. Subordinate assessments are highly relevant in this context, since the behavior and performance of these employees will be influenced by their beliefs about their managers' competence. Hence subordinate viewpoints provide an important supplement to managers' own reports of their behavior. Related to the above issue are staff perceptions of managerial competence, which Mott (1972) has defined as encompassing technical knowledge, human relations skills, administrative expertise, as well as issues such as mutual trust and confidence. In the current study these perceptions were tapped to examine the relationship between managerial effectiveness and to ascertain whether particular kinds of tasks were more closely linked to judgments about overall competency.

Discussions of the managerial role have highlighted the performance of an organizational unit or department as an important criterion of managerial effectiveness (Luthans et al., 1988; Mott, 1972; Van de Ven and Ferry, 1980). Few studies, however, have empirically analyzed the link between managerial behavior and departmental effectiveness. Luthans et al. (1988), using an instrument designed by Mott, reported that traditional management activities were strongly correlated with the quality of departmental effectiveness, while attention to human resource management tasks was associated with performance quantity (the amount of work performed by the section). They did not, however, discuss relationships between managerial activity clusters and overall departmental effectiveness. The current study set out to determine whether particular dimensions of the managerial role contribute more than others to the prediction of subordinate perceptions of departmental effectiveness. Consistent with the effective/successful distinction drawn by Luthans (1988), we predicted that, while traditional management may be more closely linked with quality and human resource management more

associated with quantity, in general, high levels of performance on communication and HRM tasks could contribute more to departmental effectiveness than would networking or traditional management activities. A final issue considered in this research was development of the managerial role. When assessing managerial competence it is important not only to examine current performance levels, but also to explore further skill acquisition and development (Carnevale, 1988; Keys and Wolfe, 1988). To complement information on existing performance levels, asking managers to indicate areas of their role they would like to devote more time to and subordinates to suggest areas in which their manager might expand his/her expertise enables construction of a more integrated profile of important areas for managerial development. A subsidiary aim of the present study was to investigate potential areas for managerial development from the perspective of both managers and their staff.

**Objectives of the present study:**
[1] To compare manager and subordinate ratings of managerial performance on the set of activities developed by Luthans Model;
[2] To determine the relevance of particular activities for perceptions of manager competence;
[3] To examine the contribution of specific managerial activities to subordinate beliefs about the effectiveness of manager
[4] To assess manager and staff beliefs about areas for further managerial development.

## II.    LITERATURE REVIEW
The existing literature available on related topics suggests that Mintzberg's typology has attracted widespread attention, but has in fact received relatively little empirical confirmation. Carroll and Gillen (1987) have argued that it 'lacks specificity, does not point out the relationship between his role types and organizational effectiveness, and was developed on the basis of the questionable practice of not going beyond the observable work activities themselves' (1987: 39). Nevertheless, Mintzberg's work stands as an important contrast to the classical approach developed by earlier management theorists. Yet another perspectives developed by Kotter (1982) and Stewart (1982). Kotter (1982) found that managers spent a great deal of their time interacting with other people, both within and outside the organization. He described this interaction as 'network building' and argued that it is essential for the manager to gather information, attain goals and set plans for the future. While Kotter's conclusions are based upon a small sample size (fifteen general managers in a variety of industries), Luthans has noted that 'his work represents a progressive step in answering the question of what managers do' (1988: 127). Stewart (1982) focused attention primarily on the form of managerial work, rather than on its actual content, and has been prominent in addressing the context in which managerial activities occur, rather than simply examining action per se. Her major contribution has been her emphasis on the demands, constraints and choices which managers face in deciding which activities to engage in and how to behave. Research conducted on managers has generally been based on one or more of the above perspectives. Few studies have examined Mintzberg's model, although some supporting data have been reviewed by Carroll and Gillen (1987), who concluded that an integration of perspectives would be most fruitful and that Mintzberg's critique of the classical management functions has not been borne out empirically. Carroll and Gillen went on to suggest that many of the 'classical' functions have as much validity in today's organizations as in the past and 'still represent the most useful way of conceptualizing the manager's job' (1987: 48). Building upon the foundation laid by earlier theorists, Luthans *et al.* (1988) conducted extensive behavioral observations of seventy-eight managers in a diverse range of settings, recording the frequency with which these managers performed various activities. Subsequent analysis generated several types of managerial activity, divided into four major clusters: communication, traditional management, networking and human resource management (Luthans, 1988).

From these observations and the findings of an earlier study (Luthans *et al.,* 1985), Luthans and his colleagues distinguished between *effective* and *successful* managers. Effectiveness was defined as a combination of quality and quantity of performance within the unit or department which the manager had responsibility for. Success, on the other hand, was associated with rapid promotion of an individual within his or her organization. Effective managers performed activities which were distinctly different from those which 'successful' managers engaged in. Whereas the former spent high proportions of their time in communication and human resource management (HRM), successful managers spent relatively more time in networking activities (socializing, politicking and interacting with outsiders).Given the distinct sets of behaviors engaged in by individuals who were effective and those who achieved rapid promotion, it is not entirely surprising that only 10 per cent of managers were judged to be both effective and successful. Luthans' system of classification of managerial behaviors provided the framework upon which the present research was designed. While we were not directly concerned with validating the effective/successful distinction articulated by Luthans and his associates, one

implication of their findings is that systematic attention to the nature of activities performed by managers will enable researchers to determine more precisely the behavioral dimensions which contribute to effective management in organizations.

## III. METHOD

**Sampling:** To examine managers' roles and the development of managerial expertise through experiential learning, questionnaires were completed by 77 managers (57 males and 20 females) and 197 subordinates (134 males, 63 females) from eleven private- and public sector organizations in Pune Region. To ensure a broad representation of organizational types, the sample included banks, manufacturing and retail firms, research and service organizations. Individual participants were assured of confidentiality and anonymity. The mean age of managers was 38 years (range 31 to 42 years) and they had held their present position within the firm for 3 years on average, although most had occupied managerial roles for a considerably longer period of time. Their functional specialties spanned a wide range, including financial management, human resource management, production, operations management and research and development. Tenure in their present organization ranged from nine months to 41 years (mean 16.2 years). To obtain the subordinate sample, each manager was asked to supply a list of names of all his or her subordinates, from which three were randomly selected by the researchers and asked to participate. Questionnaires were distributed directly to each subordinate participant and returned personally. The mean age of this sample was 32 years (range 25 to 55 years). On average, they had worked with their present manager for 4 years (varying from six month to 17 years), had been in their current job for almost three years (range six month to 19 years), and had been employed by the organization for 7.3 years (range six month to 38 years).

### Measures

### Manager questionnaire
**Managerial activities:** Managers were asked how frequently (on a scale of 1-6) they engaged in thirteen managerial activities derived by Luthans *etal.* (1988), how important each activity was to their managerial role (scale of 1-6), and how well they felt they carried out each task (1-5 response scale). The thirteen activities were: exchanging information, paper-work, planning, decision making, monitoring and controlling performance, interacting with outsiders, socializing, politicking, motivating and reinforcing subordinates, disciplining subordinates, managing conflict, staffing and training/developing personnel. Respondents were also asked to list activities they would like to devote more time to.

### Subordinate questionnaire
**Managerial activities:** Subordinates rated their managers' performance of the thirteen managerial activities listed above, using a 5-point response scale. They also listed areas in which they felt their manager needed to develop his or her skills further.

**Managerial competence:** Thirteen items adapted from Mott's (1972) organizational effectiveness survey tapped subordinate perceptions of their managers' technical knowledge, human relations skills, administrative expertise and related issues. Items were summed to derive an index of perceived managerial competence, which had an internal consistency (Cronbach's alpha) of .91.

**Departmental effectiveness:** The Mott (1972) survey also contains eight items focusing on the effectiveness of the department or division in which an employee works. Quantity and quality of work, efficiency and coping flexibility are each represented by a single item, while adaptation to change is reflected in a 4-item subscale of this questionnaire. An index of global departmental effectiveness was obtained for each respondent by summing mean scores for the four adaptation items with responses to the other individual items. The internal consistency of the overall measure was .75.

### Findings
**Managerial activities:** Mean ratings of managers' performance on the thirteen managerial tasks constructed by Luthans *etal.* (1988) are presented in Table 1. These ratings were relatively uniform across the thirteen dimensions and were generally making and least well on tasks such as disciplining subordinates and politicking. The pattern of subordinate ratings was similar to that of their managers, although in several instances staff perceptions were more positive. In particular, subordinates gave significantly higher ratings to interaction with outsiders, socializing and politicking. Managers' performance in respect of disciplining subordinates, paperwork and planning was also rated more highly by staff than by managers themselves.

**Table 1** Manager and subordinate ratings of managerial task performance

| Activity | Performance Rating by Managers | Performance rating by subordinates | *t* |
|---|---|---|---|
| Exchanging information | 3.9(.68) | 4.0(.68) | -2.4 |
| Paperwork | 3.9(.74) | 4.2(.63) | -2.52* |
| Planning | 3.6(.90) | 3.9(.76) | -2.02* |
| Decision making | 4.3(.62) | 4.2(.69) | 1.11 |
| Monitoring/controlling performance | 3.7(.72) | 3.5(.66) | 1.21 |
| Interacting with outsiders | 3.9(.69) | 4.3(.54) | -6.03*** |
| Socializing | 3.6(.91) | 4.0(.71) | -5.31*** |
| Politicking | 3.3(1.03) | 3.9(.70) | -5.13*** |
| Motivating/reinforcing subordinates | 3.7(.89) | 3.6(.76) | .42 |
| Disciplining subordinates | 3.2(.98) | 3.5(.80) | -2.66** |
| Managing conflict | 3.6(.83) | 3.6(.77) | -.45 |
| Staffing | 3.9(.68) | 3.9(.59) | .33 |
| Training/developing personnel | 3.7(.80) | 3.7(.73) | -.05 |

*Notes*
*p<.05 **p<.01 ***p<.001.
Scores ranged from 1 ('very badly") to 5 ("very well').
Standard deviations are indicated in brackets.

Correlations between managers' reports of how frequently they engaged in these activities and subordinate perceptions of managerial competence (based on the Mott index) are illustrated in Table 2. Generally, these correlations were low to modest, with just six coefficients reaching statistical significance. Managers who reported spending more time motivating and reinforcing their subordinates, politicking and socializing were rated as more competent by their subordinates, as (to a lesser extent) were those who devoted time to decision making, planning and training/ developing personnel. However, a stepwise multiple regression analysis on competency ratings yielded no significant beta coefficients for frequency of task performance.

**Table 2** *Correlations of subordinate perceptions of managerial competence with activity frequency and performance*

| Activity | Frequency (Manager ratings) | Performance (Subordinate ratings) |
|---|---|---|
| Exchanging information | .09 | .59*** |
| Paperwork | -.12 | .27*** |
| Planning | .20* | .67*** |
| | .23* | .64*** |

| | | |
|---|---|---|
| Decision making | .16 | .56*** |
| Monitoring/controlling performance | .12 | .50*** |
| Interacting with outsiders | .26** | .49*** |
| Socializing | .27** | .53*** |
| Politicking | .30** | .65*** |
| Motivating/reinforcing subordinates | .08 | .51*** |
| Disciplining subordinates | .10 | .59*** |
| Managing conflict | .06 | .56*** |
| Staffing | .18* | .70*** |
| Training/developing personnel | | |

*p<.05 **p<.01 ***p<.001

Correlations were also computed between perceived managerial competence and subordinate ratings of their managers' performance on the thirteen Luthans' dimensions (see Table 2). All of these coefficients were statistically significant. To determine more specifically which activities contributed most to perceived competence, stepwise multiple regression analyses were performed on competence ratings? For simplicity, only the significant predictors of competence are displayed in Table 3. Six of the thirteen activity dimensions were identified by these analyses as contributing significantly to staff opinions of their managers' competence. Consistent with the data in Table *2,* motivating and reinforcing of personnel was a major predictor variable, along with decision making. Training/developing, socializing, exchanging information and planning were also significant predictors. Together these variables explained 68 percent of the variance in competency ratings.

**Table 3** *Regressions for subordinate ratings of managerial activity performance and managerial competence*

| Significant predictors | Multiple R | R^ | Change F Change | Adjusted R^ =P |
|---|---|---|---|---|
| Motivating/reinforcing | .66 | .43 | 152.99 | .000 |
| Decision making | .74 | .12 | 55.67 | .000 |
| Training/developing | .78 | .06 | 32.04 | .000 |
| Socializing | .81 | .04 | 20.15 | .000 |
| Exchanging information | .82 | .02 | 14.93 | .01 |
| Planning | .83 | .01 | 8.40 | .68 |

**Departmental effectiveness:** Further analyses were conducted to examine the relationship between subordinates' opinions about their managers' performance in each area and their beliefs about the effectiveness of their department of the organization. With the exception of paperwork and politicking, all activities correlated significantly with departmental effectiveness. Regressions for the five aspects of departmental effectiveness assessed by the Mott (1972) survey and the overall effectiveness index are displayed in Table 4. Again only the significant predictors are included. The amount of variance in departmental effectiveness ratings accounted for by managerial activities was relatively low (ranging from 4-12 per cent), with only three activities making a predominant contribution. Staff perceptions of overall departmental effectiveness were most strongly linked with disciplining and planning. Disciplining was also associated with performance quantity and efficiency, while planning was linked with performance quality, adaptation to changes and overall effectiveness. A manager's capacity to motivate and reinforce subordinates was related to both adaptation and coping with emergencies. Finally, correlations were computed between subordinate ratings of managerial competence and their perceptions of departmental effectiveness. Perceived competence was significantly correlated with overall departmental effectiveness (r = .35), as well as being linked with separate facets of effectiveness. Adaptation (r = .36, p<.001), coping with emergencies (r = .27, p<.001) and efficiency (r = .25, p<.001) were the dimensions

of effectiveness most associated with managerial competence. Quantity (r =closely related to subordinate perceptions of their manager.

**Areas for managerial development :** In response to a question about which areas they would like to devote more time to, four activities were listed by a substantial proportion of managers: planning (69 per cent), motivating/reinforcing subordinates (52 per cent), monitoring and controlling performance (45 per cent) and training/ developing personnel (43 per cent). Although lower percentages of subordinates identified areas in which their manager could improve his or her performance, similar activities were listed: planning (17 per cent), motivating/reinforcing (16 per cent) and training/developing (14 per cent).

## IV. DISCUSSION

Inferences from research findings based on self-report must be drawn tentatively, especially in the absence of more direct observations of managerial behavior and organizational performance. In addition, data aggregated across organizational settings may obscure between-sample variance which could be relevant to understanding the performance of managers in different contexts. Finally, while every effort was made to examine a sample which was broadly inclusive of managerial types and experience, no population figures were available to ascertain the actual representativeness of managerial personnel in our sample. Recognizing these potential limitations, the data obtained in the present study nevertheless shed some interesting light on the activities performed by managers and the link between those areas and managerial effectiveness. Manager and subordinate ratings of managerial performance were generally favorable, with subordinates displaying a tendency to rate their managers' performance of some activities even more highly than did managers themselves. This was particularly evident for networking tasks, such as interacting with outsiders, socializing and politicking, activities which managers claimed to do relatively less frequently. It may well be that individual managers had difficulty judging their performance in these areas, whereas subordinates, as observers, were more willing to estimate how well or badly their manager carried out these aspects of the managerial role. Similarly, there may have been a self-serving bias in managers' reports of their engagement in and performance of activities such as politicking, which are frequently stereotyped as 'undesirable' for managerial personnel. As noted by Luthans (1988), there is little agreement in the management literature on criteria (or measures) of managerial effectiveness. Luthans *etal.*(1988) focused on departmental performance as an index of a manager's effectiveness. The present study extended the assessment of managerial effectiveness by investigating links between managerial activities and subordinate perceptions of (a) their managers' competence and (b) the effectiveness of their sections.

Interestingly, there were few correlations between managers' ratings of how frequently they carried out each activity and staff beliefs about managerial competence. Subordinate perceptions were related to some aspects of human resource management (such as motivation and reinforcement of subordinates and training/developing personnel), along with networking activities (politicking and socializing) and two of the traditional management tasks (planning and decision making), but none of these dimensions emerged as significant predictors in the regression analysis. It is evident that, in the present sample at least, there was no consistent association between subordinate perceptions of managerial competence and managers' own reports about how *often* they carried out particular tasks. Further analyses examined subordinate ratings of how *well* their manager performed each activity. Substantial correlations were obtained between competence ratings and almost all of the activities, but regression analysis indicated that a manager's ability to motivate and reward subordinates and to make decisions were the most outstanding factors. While all four of Luthans' activity categories were represented in the regression equation, human resource management and traditional management activities were most prominent. These findings offer partial confirmation of Luthans' perspective on effective management. Although Luthans and his colleagues did not assess subordinate perceptions of managerial competence, the present data support the view that people management skills and some of the traditional management activities, especially planning and decision making, are important elements in the assessment of manager competency. Confidence in the overall ability of their manager is likely to be higher when subordinates perceive strengths in these areas.

The regression analyses for departmental effectiveness lend further support to Luthans' theoretical model of managerial effectiveness, although linkage between specific departmental effectiveness variables and activity categories were not as strong as those obtained by Luthans *et al.* (1988). Our finding that planning was the most significant contributor to performance quality is consistent with the observation by Luthans *et al.* that quality was most strongly associated with traditional management activities. Similarly, the link drawn by Luthans *et al.* between engagement in human resource management tasks and performance quantity was reflected in the current finding that discipline contributed to quantity.

Of interest in the present context was the connection between managerial behavior and other dimensions of departmental effectiveness, such as adaptation to change and coping with emergency situations. In both cases, motivating and rewarding personnel was the primary contributor to effectiveness ratings, with planning a secondary predictor of adaptation. These findings indicate that HRM activities may be highly salient for the development of an organization's potential for coping and adaptation. Similar considerations were reflected in managers' descriptions of tasks to which they would like to devote more time and subordinate reports of areas in which their managers' performance could be improved. The emphasis noted above on HRM and traditional management activities was likewise evident in these reactions. Both groups identified planning, motivating/reinforcing and training/developing as activities requiring further development, with managers also including monitoring and controlling of performance.

## V. CONCLUSION

The current findings highlight important themes concerning the behavior of managers in organizations, and raise implications for the development of managerial skills and competencies. Over-all, our data suggest that different dimensions of managerial behavior may have varying effects on diverse components of department (and, by extension, organizational) effectiveness. While elements of both the human resource management and traditional management categories were associated with overall effectiveness, the patterns of relationship with discrete components of departmental effectiveness were distinctly different. Consistent with conclusions drawn by Luthans *et al.* (1988), these results illustrate that greater recognition should be given to the differential impact of managers' behaviors on specific performance dimensions within organizations, rather than attempting to concentrate solely on their overall influence. Clearly the behavior of managers represents just one influence on organizational effectiveness, but the current research follows earlier studies in highlighting its potential importance for organizational functioning. What managers do may have a substantial bearing on perceptions of their competence and the performance of their section. Consistent with interaction-influence theories of leadership (see Dienesch and Liden,1986), examination of subordinate beliefs and responses to managerial behavior has illustrated the central role of certain activities, especially planning and human resource management, which make a significant contribution to perceptions of both managerial competence and departmental effectiveness. The identification by both managers and subordinates of deficiencies in these areas further confirms the need for greater concentration on these issues in management training and development programs, as well as their integration into organizational expectations about the managerial role. Finally, this study suggests that the typology constructed by Luthans and his colleagues offers a useful framework for understanding managerial roles and activities, particularly since it provides a specific classification based on observations of actual behavior. Attention should now be focused on the factors which mediate the impact of managers' behaviors on staff and the organization as a whole. For example, in some settings effectiveness may demand an emphasis on traditional management roles (such as decision making and planning), whereas in others human resource functions may be of greater significance. Classification of organizational contexts and mapping of these contexts on to the behavioral category system developed by Luthans and his associates is an important agenda for future research.

## REFERENCE

[1]     Barrett, G. V., and Bernard Bass, "Comparative Surveys on Managerial Attitudes and
[2]     Behavior," in J. Boddewyn, ed.. Comparative Management (New York: Scott, Foresman1970).
[3]     Campbeil, et al.. Managerial Behavior, Performance, and Effectiveness (New York: McGraw-Hiii, 1970).
[4]     Carnevale, A. (1988) 'Management Training: Today and Tomorrow', Training & Development Journal. 42. 12: 19-29.
[5]     Carroll, S. and Gillen, D. (1987) 'Are the Classical Management Functions Useful in
[6]     Describing Managerial Work?',Academy of Management Review, 12: 38-51.
[7]     Dienesch, R. and Liden, R. (1986) 'Leader-Member Exchange Model of Leadership: A Critique and Further Development', Academy of Management Review, 11: 618-34.
[8]     Drucker, Peter, The Effective Executive (New York: iHarper, 1967).
[9]     Fayol, H. (1949) General and Industrial Management. London: Pitman.
[10]    Kerr, S. and Jermier, J. (1978) 'Substitutes for Leadership: Their Meaning and Measurement', Organizational Behavior and Human Performance, 22: 375-403.
[11]    Keys, B. and Wolfe, J. (1988) 'Management Education and Development: Current Issues and Emerging Trends', Journal of Management, 14: 205-29.
[12]    Kotter, J. (1982) 'What Effective General Managers Really Do', Harvard Business Review,60,6: 156-67.
[13]    Luthans, F. (1988) 'Successful vs Effective Real Managers', Academy of ManagementExecutive, 2: 127-32.
[14]    Luthans, F., Rosenkrantz, S. and Hennessy, H. (1985) 'What do Successful Managers Really Do?',Journal of Applied Behavioral Science, 21: 255-70.
[15]    Luthans, F., Welsh, D. and Taylor, L. (1988) 'A Descriptive Model of Managerial Effectiveness', Group & Organization Studies, 13: 148-62.
[16]    Mintzberg, H. (1975) 'The Manager's Job: Folklore and Fact', Harvard Business Review, 53,4:49-61.
[17]    Mott, P. (1972) The Characteristics of Effective Organizations. New York: Harper & Row.
[18]    Moursi, M., "The Applicability of Newer Management Training Techniques to Developing Countries (Ph.D. diss.. New York University, Graduate School of Business Administration, 1970).

[19]    Reddin, W. J., Managerial Effectiveness (New York: McGraw-iHili, 1970).
[20]    Stewart, R. (1982) 'A Model for Understanding Managerial Jobs and Behavior', Academy ofManagement Review, 7: 7-13.
[21]    Van de Ven, A. and Ferry, D. (1980) Measuring and Assessing Organizations. New York: Wiley.