ABSTRACT

The evolving nature of organizations along with failure, downsizing, merger and acquisition call for strategic planning efforts in terms of soft issues in the organizations. They need entrepreneurial behavior that needs the illicit that need high degree of employee’s achievement motivation to achieve excellence. The corporate excellence is the combination of people, system, products and marketing excellence. Out of these people excellence is important because it has direct bearing on systems, products and marketing. Achieving excellence requires managerial effectiveness and positive organizational culture. Effective managers can exert high responsibility in turn will contribute substantial in making organization excellent. Managers can be effective only when there is a positive work culture to create a congenial environment to make the organization excellent. Since the publication of Peter and Waterman’s (1982) report on Mckinsey’s study of excellent American companies, organizational culture has been a hot topic of discussion amongst organizational theorists and management practitioners. A strong organizational culture facilitates coordination and communication over the competitors. Attempt has been made to examine the three variables (organizational culture, managerial effectiveness and corporate excellence) in an integrated way. Therefore the fundamental issue guiding this study is to look more specifically the possible disparity between public and private organizations in terms of organizational culture and leadership style and its effect on the organization’s performance in the Indian context.

Keywords: Corporate Excellence, Organizational Culture, Managerial Effectiveness

I. INTRODUCTION

In today’s changing business scenario excellent organizations can only survive. Excellence is just not increasing productivity or making profits. The evolving nature of organizations along with failure, downsizing, merger and acquisition call for better strategic planning efforts in terms of soft issues in the organizations. They also need illicit entrepreneurial behavior, which needs high degree of employee’s achievements motivation to achieve excellence. Corporate excellence is the combination of people, system, products and marketing excellence. Out of these people excellence is important because it has direct bearings on systems, products and marketing. In any organizations 10P’s are important to bring about excellence (Pattanayak, 2001). These are purpose, perspective, positioning, politics, partnerships, plans or policies, products, principles, philosophy, people and performance.

Achieving excellence requires managerial effectiveness and a positive organizational culture. Bolormann (1989) defines managerial effectiveness in behavioral terms which evaluated managers on selected job oriented criteria such as communication, cost awareness, delegation of work, labor relation, planning and scheduling, securing interdepartmental cooperation, training subordinates and utilization of capacity. Luthans, Welsh and Taylor (1998) developed the model of managerial effectiveness which suggests that human resource management activities (such as: staffing and motivating, reinforcing) may help attain more output (quantity of performance) but more traditional activities (such as planning, controlling and keeping in contact with outsiders such as suppliers) may help improve quality performance.

Effective managers can exert high responsibility in turn will contribute substantial in making organization excellent. Managers can be effective only when there is a positive work culture and organizational culture to create a congenial environment to excellent. Since the publication of the Peters and Waterman’s (1982) report on the Mckinsey’s study of excellent American companies, organizational culture has been a hot topic of discussion among the organizational theories and management practitioners. A strong organizational culture facilitates coordination and communication and this gives such a competitive advantages over the competitors (Ouchi, 1980), because it is difficult to imitate (Prahald & Hamel, 1990; Sathe and Davidson, 2000). Organizational culture determines the important issues within the organization. It helps in identification of goals, work methods and belief, work rules and interaction pattern in which employee address each other and the ways in which personal relationship are conducted. Most of the dimensions of organizational culture are positively related to the dimensions of work
culture (Singh, 2001). Except those belief as it moves through corporate life. Further more he has strongly advocated that the basic philosophy, spirit and drive of an organization have far more to do with its relative achievements than do technological or economic resources, organizational structure, innovation and timing. All these things have heavy bearing on corporate success and excellence but these depend on how strongly the people in the organization believe in its basic precepts and how faithfully people carry them out and all these depend upon the culture that is created, developed and maintained by the organizational leader.

Organizational culture makes people to understand and utilize organizational dynamics in order to achieve success. It is a key component of the ability to influence and impact organizations. The reality of the organizational function is different from the formal system. It is the real influences that exist in different lines of management and helps in achieving success providing better relationship, team building, conflict resolution, cross cultural sensitivity and paying attention to communication.

Excellent organizations don’t aim just to achieve one time profitability; rather they focus on excellence in every aspect of business including people, technology and performance and also to maintain it at an optimum level. Most large, apparently successful organizations are unhealthy (Peter Senge, 1997). Dive (2002) has stated that even small organizations, such as cooperatives are apparently unhealthy, as they seem to be poor at individual and leadership development and are prone succession crisis in both the primary and secondary tiers. They are unhealthy because they lack transparent decision-making ability. Hence, the organizations to be excellent should be healthy.

Organizations cannot rely on the so-called owners; rather they depend on their entrepreneurial behavior, which calls for a high degree of achievement motivation to bring the corporate excellence. Corporations need to shift from physical technology to information technology, from capital centered economy to human centered economy, from hierarchical to decentralized, from conflict to cooperative working relationship and from material growth to sustainable (Pattanayak, 2003). Peter Drucker (2002) has rightly observed that to make organization excellent we need to change an organization from flow of things to ‘ranks’ and ‘powers’ have to be replaced by mutual understanding and responsibility. The communication system should be good enough to aid the process of classification and implication. There should be a room for rational disagreement as protest, proper avenues for withdrawal for antipathetic individuals as well as minimum bureaucracy and control. It is essential to develop Corporate Moral Excellence (CME) to sustain the growth and development in the long run, which will not be the best amongst the competitors in terms of profitability and social accountability but also an ethical organization (Pattanayak, 2003). Awasthy, R. and Gupta, Rajen K. (2004) observes organizational excellence as the adaptability, innovativeness and accountability to the stake holder’s by the means of HR driven systems and policies. Executives today would like to consider themselves business partners and a learning oriented workforce is considered one of the key competencies of any organization to fulfill the needs of all stakeholders. Organizations should also understand and value the influence the internality on creative performance and encourage internal orientation among their people (Jain, S., Jain, R. and Dhar, U. 2004).

In today’s dynamic world, organization must be able to cope with the increasing volatility and turbulence of the environment due to the globalization era. The composition of the Indian workforce has changed dramatically since about 1990 due to the liberalization of economy and hence advent of multinationals, the workforce has brought different cultural values and leadership styles to organizations in South East Asian countries.

Due to this fact, it is important for firms to be more aware of management competencies, corporate culture and its interrelationship with corporate excellence because the fit of both variables has been noted to determine the success of firms in the future (Cartwright and Cooper, 1993; Carey and Ogden, 1998; Grossman, 1999, Block, 2003).

The study show that a positive corporate culture and effective managerial style can enhance organizational excellence and increase the consistency of employee behavior (Ogbonna and Harris, 2000; Lok and Crawford, 2004).

II. REVIEW OF LITERATURE

Achieving excellence requires managerial effectiveness and a positive organizational culture. There are a plethora of views as to what managerial effectiveness (ME) is. Bolormann (1989) evaluated managers on selected job oriented criteria such as communication, cost awareness, delegation of work, labor relation, planning and scheduling, securing interdepartmental cooperation, training subordinates and utilization of capacity.

Notwithstanding the utmost importance of innovation, recent literature shows that innovation is a double edge sword (Hall and Vredenberg, 2003). It is influenced by the market forces as well as by public policy and it can meet social and consumer’s need as well as involve risk of failure and societal turmoil. As a preventive strategy for such failures, Prahlad and Ramaswamy (2003) tend to promote a new frontier of experience innovation (a paradigm shift from company-centric and product-centric model to individual customer-centric model) stressing a new network of companies and consumers. Awasthy and Gupta (2004) suggest adaptability, innovativeness and accountability to the shareholder’s interest by following HR driven systems and policies.

Pathak and Kulkarni (2004) identify certain abilities, such as initiative, supervisory ability and intelligence, which may serve as significant sources of strength of the creative managers. Managerial creativity is a key to success in a highly competitive environment. Organizations hire creative people send managers for creativity sessions for developing a creative work culture. Locus of control is vitally important personality...
variable for confidence and interpersonal sensitivity and skills than those of the reactor organization creative performance if managers in both types of organizations, i.e. public and private (Jain and Dhar, 2004). In addition to that, Dwivedi (2005) suggests that the managers in prospective organization should have greater amount of proclivity for social and organizational innovation, environmental sensitivity, stress tolerance, problem solving skills, task drive and drive to win.

In order to enhance creative performance Innovation capabilities for sustained growth and profit, Dwivedi (2005) suggests that extrinsic factors (money, position and perquisites) as well as Intrinsic factors (sense of challenge, autonomy, sense of making significant contribution, sense of achievements etc.) motivate people to be creative and result oriented. It will help companies to attract and retain top talent, enhance corporate reputation and image, and better prepare them to address issues associated with globalization, technology and changing social norms and values. Moreover, Dave, Goldsmith and Saini (2006) suggest that companies desiring more dynamic, holistic approaches to ethics need to go beyond the basics and move towards total organizational integrity. It will help companies attract and retain top talent, enhance corporate reputation and image, and better prepare them to address issues associated with globalization, technology and changing social norms and values. Kermally (2006) emphasized on the use of appropriate human resource strategy that is critical to the success of any organization in meeting the challenges in today’s environment.

III. OBJECTIVES OF THE STUDY

To undertake the comparative study on corporate excellence, managerial effectiveness and organizational culture among executives and non-executives of public and private sector organizations
1. To find out the factors affecting on organizational culture in both public and private sectors.
2. To find out factors affecting managerial effectiveness in both the public and private sectors.
3. To find factors affecting corporate excellence both in public and private sectors.
4. To find out the impact of managerial effectiveness and organizational culture on overall corporate excellence.
5. To find out the relationship between managerial effectiveness, organizational culture and corporate excellence.
6. What extent organizational culture and managerial effectiveness determine corporate excellence in both public and private sectors?

IV. HYPOTHESIS

H1 There would be a significant difference between public and private sector executives/ non-executives on corporate excellence, managerial effectiveness and organizational culture.

H2 Organizational culture and managerial effectiveness will be positively correlated with corporate excellence in both public and private sector.

H3 There will be a positive impact of corporate excellence and organizational culture on corporate excellence.

H4 Managerial effectiveness and organizational culture will substantially and significantly contribute in determining corporate excellence.

V. RESEARCH METHODOLOGY

Questionnaire

Based on the above review of study, the attempt is to establish the impact of organizational culture and managerial effectiveness on corporate excellence in both the public and private sectors. Initially, the questionnaire was prepared into three parts for the purpose of the study. Part-I contained 35 statements based on managerial effectiveness, part-ii contained 25 statements based on organizational culture and part-iii contained 20 statements based on corporate excellence. The questionnaire was framed on 5-point Likert’s scale ranging from strongly disagree to strongly agree (1 - Strongly disagree, 2-Agree, 3 - Can not say, 4 - Agree and 5 - Strongly agree). These sets of questionnaire were distributed amongst the executives and non executives of Tata Steel and Boar Steel plant. The period of data collection was during Sept. 2013.

Survey Designing

Non probability sampling method was employed in the study because it provided a range of alternative techniques based on researcher’s subjective judgment. The most common type of probability sampling method applied in the study was convenience sampling, through which a researcher selects sample members who can provide required information and available to participate in the study. A total number of 1100 data are collected from both the organizations comprising both executive and non executive, where as only 1051 data is included in our study because there are 49 data which was collected were rejected due to insufficient information and biasness of the respondents (table 1.1). From BSP (SAIL) unit, total 417 data were collected for study (comprising 126 of executives and 291 of non executives) and from Tata Steel (private sector), total 634 data were collected for study (187 from executives and 447 from non executives).

The analysis has been done with one of the important statistical software called SPSS (Statistical Package for Social Sciences) 16.0 version. Now this software is called PASW (Predictive Analysis Software).

Tools and Techniques

Factor analysis denotes a class of procedure used for data reduction and summarising. It is multivariate technique and employed in our study for the purpose of analysing the data. We have applied factor analysis for CEQ questionnaire to find out the underlying factors and their importance. The principle component method is considered appropriate, as the primary purpose is to determine the minimum number of factors that would account for the maximum variance in
the data is analysed by using SPSS version 16.0. The data validity of Factor analysis is tested with the help of Kaisier - Mayers - Otholin (KMO) measures of Sample Adequacy and Bertelett's Test of Sphericity for the questionnaire. Bertelett's tests examines the Null hypothesis that the resultant 64 x 64 correlation matrix, this is an identity matrix, that all different diagonal different are zero. Should the researchers be unable to reject the null hypothesis than use of PCA should be considered (Chi Square)? The minimum accepted level of KMO measures in 0.5 where as in the case of Chi Square value, it is minimum of 0.05 level of significance.

The KMO measures for CEQ questionnaire is (0.01) and level of significance of the Chi Square at 0.00 level justify the validity of the data of factor analysis. The most scales had alpha values of 0.70 and above for individual items for CEQ questionnaire and for all variables of CEQ it is (0.961) [Cronebach]. The varimax rotation was employed to enhance interpretation of the components loadings to minimize the number of scales that have high loadings on the particular factor. PCA generates component scores for each case, which reflects the importance or otherwise of each component to each respondent. As the conclusion to the PCA Procedure Anderson - Rubin component Scores were obtained for each respondent for each of the seven extract of principal components. This generates on correlation scores with zero mean and unit standard deviation. Results of factors being extracted from the data collected from CEQ questionnaire and 7 factors from 29 questionnaires. Only factors with Eigen value (s) greater than 1 were retained and others were ignored. By comparing the Varimax Rotated Factor Matrix with unrotated factor matrix (entitled as component matrix), rotation has provided simplicity and has enhanced interpretability.

From the rotated factor matrix 3 factors have been extracted. One way ANNOVA, were conducted for OPQ to investigate for all the CEQ scales. The result of the analysis provides support for the existence of corporate excellence.

VI. FINDINGS

As evident from practical implications of the study's an attempt will be made below to examine relevant theoretical foundations and interpret as to why these seven specific elements of innovation sponsoring capability (which clearly differentiate and private organizations) facilitate the growth of the enterprise, its sustained growth and profit.

Resource Allocation and Mobilization Capability

This managerial skill is marked by: a track for mobilizing the necessary resources for a task even when resources are scared ability to inspire others and infuse them with enthusiasm for difficult task. Explicitly this is a political nature of capability involving influencing others for mobilizing necessary resource and support for the success of R&D projects. This is specifically pronounced in the context of the observation that innovation double edged sword can be a source of sustained competitive advantage as well as a significant source of competitive disruption (Hall and Vedenburg, 2003) For example, R&D projects cab be unpredictable and even when they are successful, unforeseen on uncontrollable external factors frequently determine whether ads innovation gains widespread acceptance. It is very difficult to manage this dynamics of innovation without possessing adequate level of resource and support mobilization skill. Moreover the magnitudes of this capability among the managers in both public and private organization are below the national norm. This has practical implication indicating an urgent need for developing and reinforcing it in the two companies under study.

Drive to Win

It is marked by putting one's best and expecting to come out way ahead of others; wanting to be on to in whatever one does. Theoretically, this capability has been termed as achievement motivation, the urge to achieve long back by McClelland (1961-1966). It differentiates significantly not only successful business leaders from less successful business leaders but also high and low performance organizations and even developed and developing countries. It is a desire to succeed in competitive situation based on standards of excellence. The managers propelled by this motivation are constantly preoccupied with the desire for improvement and better performance. They are fond of taking calculated risk and look for environments conducive to challenging opportunities. They set high standards of performance for themselves and their subordinates and are likely to be improvement and innovation minded in their positions. Accordingly, this drive among managers clearly differentiated public and private organizations and concerted effort must be made to develop it in the company.

Interpersonal Skill

Theoretically, for organizational excellence the managers are required to possess a set of interpersonal skills involving the capacity to respond to others sensitively and to deal with them appropriately. To accomplish it, there is need for empathy, ability to listen sympathetically. Ability to convey accurately what they are feeling and thinking and ability to make others feel that their ideas are valued. It may be noted that the amount of this capability among managers in private sector is greater than public sector organization.

Problem Solving Skills/ conflict Resolution

Theoretically, these managerial skills for organizational excellence embrace both convergent and divergent thinking abilities. These skills demand ability to analyze a complex situations (problem structuring ability) brainstorming ability, appropriate assessment of alternatives in depth, solution planning follow-up and execution ability. The magnitudes of these skills are substantially below in the BSP as compared to the Tata Steel. Thus as a practical implication of the study, there is an urgent need to develop them to bring at par with this standard.

Organization Innovation

It involves characteristics such as: keeping touch with major developments in one's field and with opportunities for innovation in one's organization, feeling very impatient with traditional solutions to work-related problems, etc. Without this orientation, managers
cannot be persistent innovators in organizations. This tendency necessitates a reference for novel and creative as compared to routine responses a preference for novel and an ability to come up with creative solutions. It also requires having a vision of a more desirable state of affairs which then breeds discontent with the status quo. This, in turn, fuels a desire to search for innovative options. It also demands the ability to rope in people for collective action on one's innovative ideas. Accordingly, innovation in organizational settings is strengthened by keeping touch with developments and opportunities and being able to come up with fresh ideas and being able to mobilize support for these ideas.

**Task Accomplishment Drive**

The executives must be equipped with task accomplishment drive for effective attainment of innovative goals. Theoretically this quality also relates to achievement drive, the desire to get job done, to set for one self demanding goal to seek personal quickly without lethargy.

**Environmental and Political Sensitivity**

This category of skills necessitate a certain level of sensitivity among executives about systems and structures: knowing or finding out who matters in the system, whether something is going wrong before symptoms are visible to others awareness of unspoken nut strongly held norms of the system and what would be right and more acceptable in the system knowledge of who has what resources, expertise and power; and the identification of and effective organizational politician. These skills help the innovator to operate levers of power smoothly for implementing possessed slightly lower level of this capability as compared to the private sectors and must be taken to develop it appropriately.

Overall, the innovation capability and its different elements embrace both social and intellectual skills. It is very difficult for the executives to possess all such skills. A serious weakness of executives in any of this skill can hamper their innovative efforts. They must learn that it is not a bed of roses. It is a complicated and frequently thankless Task. I may not necessarily lead to a conspicuous material gain for the executive personally. Notwithstanding this, successful innovations can strengthen problem solving skills. The seven specific capabilities (i.e. resource mobilization, drive to win, interpersonal sensitivity and skill, problem solving skills, proclivity for social and organizational innovation, task accomplishment drive and environmental and political sensitivity) make sense as characteristics which managers need to possess to perform effectively as innovators and change agents in the current chaotic environment. Last but not the least, in conjunction with managing these capabilities, the Indian companies need to revise their business strategies in consonance with HR strategies embodying new challenges of ongoing changing environment for their own sustained profit and growth and to ensure competitive advantages over their competitors over a long period of time.

**Managerial Implications**

As compared to national norms, the findings of study showed that managers in public sector organization possessed less magnitude of seven components of managerial effectiveness and that those in private organization possessed less magnitude of components of this capability. As an implication of these findings of the study of practitioners, concerted efforts must be made to develop and strengthen the innovation skills among executives in the two organizations accomplish excellent dividends. Several of these skills can be developed and strengthened through varied behavioral science techniques (Pareek et al. 1981). Thus participation in sensitivity training groups or T-groups can develop and strengthen the skills categorized under interpersonal sensitivity and skill. Likewise achievement motivation labs help in developing and strengthening task accomplishment drive, and drive to win. Similarly creative problem solving workshops can develop and strengthen problem solving skills.

Research suggests that while extrinsic factors (money, position and perquisites) as well as intrinsic factors (sense of challenge, autonomy, sense of making a significant contribution, sense of achievement, etc) motivate people to be creative the intrinsic factors may be both stronger and more durable (Amabile, 1983)

Indeed excessive reliance extrinsic motivators may be dysfunctional in reinforcing executive innovation capability because instead of focusing on the task, the executive are likely to merely focus on how to get the financial reward fair means or foul. Thus, there should be focus on challenge responsibility, a chance to accomplish something significant is an opportunity makes a significant contribution to the organization. Obviously, reasonable extrinsic motivators at the prevailing in the industry of sector) should be adequate or the motivator of executive innovation is meritocracy-reward and promotions to those who deserve them by virtue of efficient performance. The impulse of innovate is likely to rewarded and the only their seniority or loyalty to the boss is likely to help them caring reward.

What managers really need to do for inspiring superiors and colleagues?

Another practical implication of the study relates to stimulation of innovation among people in
work settings it is not merely enough to possess or even develop and strengthen innovation sponsoring skills among managers they must come forward to inspire innovation for excellent financial performance of the organization. A research study conducted a Harvard Business School. (2000) seeks to find out what some of today's most innovative leader really do to inspire innovation in their organizations. Based on the study, some of the following measures (as specified by the varied innovators) may also be taken by Indian executive to inspire innovation and creativity in organizational settings. making it he norm, putting aside ego, mixing people up, abandoning fear of failure, hiring outsiders asking what if, merging patience with passion experiment like crazy, making it meaningful, etc.

Overall for enhancing managerial efficiency and inspiring innovation, people should be allowed to experiment and take risks. They should be encouraged to keep reaching for and pursuing the most promising ideas. The executives should learn that hiring people with widely divergent skills and talents sets for increased innovation and combating the challenges of changing business environments.

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