

DRIVING FORCES OF MANAGERIAL EFFECTIVENESS

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1. Introduction

Nowadays the society is facing an acute problem of increasing the social production's qualitative level and consequently the level of competitiveness of national economic. Its solution in many ways depends on the improvement personnel's labour quality, i.e. the growth of their qualification. The key moment in this situation is the professional competence of managerial staff and the effectiveness of their activity. That's why a determination of a qualification of different categories and groups of human structural capital (first of all, the top executives) and impact factors on its development represents one of the main directions of analysis of the social and economical evolution's basic tendencies of modern society. The urgency of the article is readily apparent from foresaid. The issue problem of this research lies in the elaborating of new technologies (of advisory and imperative nature), which provide development of the staff's professional skills (including managerial), thereby ensure the management effectiveness' improving and the effectiveness of the whole enterprise in general. Thus the determination of the factors, which influence the effectiveness of the managerial staff's work, is the aim of this article.

Many world's leading experts in economic and management sphere devoted themselves to the problem of the managerial effectiveness. Piter F. Drucker, Robert Kaplan, David Norton, Robert Eklz, L. Bossidy, R. Charan, Justin Menkes have contributed this problem significantly. The question of professional skills and competency was given great consideration in the works of David Whetten and Kim Kameron. Thus the authors in the book *Developing Management Skills* consider these categories, propose new techniques of manager's training and improving their professional abilities (that the manager needs in his/her practice), their diagnostical and appraisal approaches [1, p.205–311]. Doctor Ichak Adizes also focused his attention on the problem of professional competencies. In his book *The Ideal Executive: Why You Cannot Be One and What To Do About It* the author describes different managerial roles, which give managers opportunity to make their organization more effective, proposes his own theory of "ineffective supervisor", examines the factors, that causes ineffective management [2, p.120–190]. The category "culture of effectiveness" was studied by L. Bossidy and R. Charan [3, p.23–68].

Among Ukrainian scientists, which are occupied themselves with this topic, are V. A. Beloshapka, I. S. Nydga, V. V. Stremyadin, V. V. Palamarchyk, G. V. Angelov.

2. Presentation of material

One of the main tasks of the construction of a mechanism of managerial staff's effectiveness appraisal in the enterprise is the identification of the influence factors on the effectiveness of their work. The determination of such factors allows:

- 1) to fix main critical moments in mechanism of the effectiveness appraisal;
- 2) to systemize the appraisal mechanism;
- 3) to identify mechanism's internal and external direction;
- 4) to define the appraisal criterions in the development process of this mechanism.

Factors that influence on the effectiveness of the personnel administration can be classified by the features, represented in table 1 [4].

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Tab. 1. Description of the factors of influence on the managerial effectiveness

Criterion of description	Factors	Characteristic
By the content	organizational	structure of management, functional differentiation of labour, personnel selection and placing, labour discipline, documents circulation
	economical	system of material incentive and material responsibility
	technical	technical level of production, mechanical availability and labour automation, level of an usage of technics, managers' technical culture
	physiological	sanitary and hygienic conditions of the work
	social and psychological	interpersonal relationship, the manager's authority, system of moral motivations
By the forms of an influence	direct exposure	organization of a manager's individual work, their qualification, rightness of a personnel selection and placing in the management system
	indirect exposure	team's psychological atmosphere, management style, dynamics of formal and informal groups
By the duration of an influence	short-term exposure	for example, violation of a labour discipline
	long-term exposure	the majority of the factors are of a long-term influence; for example, management style and psychological atmosphere
By the degree of a formalization	quantitatively measurable	the degree of a labour mechanization, dataflow's intensity
	immeasurable	they cannot be formalized: satisfaction with a work, psychological atmosphere
By the direction of an influence	internal	individual features of an agent of the management
	external	organizational factors of the managerial effectiveness

Source: Practical personnel administration – Access mode: <http://www.managepeople.ru/index.htm>

The literature analysis shows, that it is necessary to pay particular attention to the classification of the main powers by the direction of an influence distinguishing them by individual features and organizational factors of managerial effectiveness.

The individual features define the managers' behavior and effectiveness in an organization. They are divided into three interrelated groups:

- knowledge and practices (competency);
- skills;
- position (mindset).

Knowledge and practices is the main product of the classical management education. In 2002 The Quality Assurance Agency for Higher Education (Great Britain) has determined the international standards of the specialists' training in the management sphere.

According to them the managers' target knowledge is determined in such spheres of their activity:

- 1) external environment and its influence on an organization;
- 2) functioning of markets and consumers' behavior;
- 3) principles of a production and marketing organization;

- 4) enterprise's financial sources and financing methods (including, understanding of a managerial and financial accountancy);
- 5) company's personnel administration;
- 6) knowledge of tools of qualitative and quantitative business researches;
- 7) formation and use of data systems (including communication technologies);
- 8) business policy design in the conditions of an unsteady external environment.

The practices expected from the graduate of the management sphere are chiefly boiled down to the following:

- 1) formulation and substantiation of the conclusions, including demonstration of a critical and creative thinking;
- 2) analysis and solving business problems;
- 3) work with data array, ability to conclude the main idea;
- 4) running and administrating company's researches;
- 5) effective use of informational and communication technologies;
- 6) two-way communication;
- 7) work in a team;
- 8) leadership and administration of the implementation;
- 9) individual effectiveness;
- 10) ability of a constant training and self-improvement [5, p.23–24].

Knowledge and practices are checkable and developable; they are partially intercrossing and interrelated. The practices follow from the knowledge, and in accordance with D. Whetten and K. Kameron, they are the set of actions, which the individual, who aims to the goal achievement, implements [1, p.45]. In this case the matter is a practical usage of the practices for the solution of a clearly defined task in the real-life environment. Thereafter, knowledge and practices are the basic elements of the manager's professional competence, i.e. of the executor's ability to do his/her work accordingly to the job responsibilities, tasks and standards, which are established in an organization or branch of the national economics. Nowadays not the category of the professional competency, but the system of the professional competencies is used. The usage of this system as the tool of the personnel administration:

- allows to tie directly a system of the human resource administration with business goals of an organization in the current term and in the strategic prospect;
- bases a system of the work with the staff, when all the elements and the aspects of this system are oriented towards the highest possible outcome in certain field of economics;
- is equally suitable for the different types of the organizations, because it's based on the coordination mechanisms, that ensures unity and conformity in the work of the all organizational departments;
- increases an output in case of its using as a tool combined with the other practices of management.

In obedience to aforementioned, the development of managerial staff supposes a learning and usage the body of the up-to-date professional skills and practices, an acquisition the effective methods and technologies. Generally five components of the manager's professionalism can be defined. They are:

- intimate knowledge of the management theory and practice, sufficient proficiency in the sphere of production technology that is specific for the managed object, and also a grasp of the economic, juridical, psychological knowledge (to the extent required), which features and extent vary depending on the particular kind and level of a managerial activity;
- specific managerial abilities (table 2);
- practical skills that are necessary for the managerial activity;
- psychological features of the personality: dominancy (the feature of the personality, that consists of an and requirement to influence other people and bend them to one’s will), self-confidence, emotional stability, stress tolerance, creativity, conation the achievements, entrepreneurial spirit, responsibility, reliability, self-dependence, wavelengthmanship, exactingness, fairness in the relationships with subordinates and so on.

Tab. 2. Abilities that are specific for the managerial activity

General abilities (specify an effectiveness of this type of activity in general):	Particular abilities (provide an effective performance of the certain managerial functions):
<ul style="list-style-type: none"> – psychological selectiveness and empathy; – practical psychological intellect (for example, the exertion of an adequateness of the responsibilities’ allocation between the subordinates); – psychological grace (a sense of moderation in relationships with colleagues and subordinates); – social vitality (logical convincing by words and deeds); – exactingness; – criticism; – addiction to an organizational activity 	<ul style="list-style-type: none"> – aptitude to a goal-setting (formulation and generation of goals and priorities of a firm); – ability to forecast; – planning facility; – addiction to make managerial decisions; – communicative abilities; – motivate aptitudes (to infect with one’s idea); – control facility (comparison a result with performer’s individual capabilities); – ability to sort out people (to pick up cadres); – professional competency

Source: developed by the author

Therefore, the manager’s peculiarity is an integrative mode of thinking and spacious mind, which is confirmed by a qualification and a practice. But the context of the listed elements forms only a potential of worker’s professionalism, and the main component of this context is a realization of the executive’s potential. It is a practical activity of an organization of subordinates’ labour efforts that are the managerial working objects; this activity defines by high intensity and effectiveness and is based on a sum of all the above mentioned components. Herewith the differences of each individuum in a speed of learning, duration and effectiveness of usage of the same experiences in the practical conditions have to be taken into account, what depends on the individual particularities and especially on the supervisor’s abilities. Manager’s abilities are the system of psychological and physiological features which provide an easiness of knowledge and practices acquisition and predetermine results achievement in the particular activity type. Six key abilities are pointed out in management:

- 1) capacity to keep facts in mind;
- 2) analysis facility;
- 3) intuition;
- 4) stress tolerance;
- 5) training aptitude;
- 6) leadership ability [6, p.97].

Besides mentioned typology, D. Golman has proposed the conception of emotional intelligence (EQ) that was added by J. Menkes, who has initiated a category of executive intelligence. It is the system of the intellectual or rather cognitive abilities (brainpowers) as suppositions of managerial success. Herewith, he proposes methodic of executive intelligence metric for its appraisal aside of traditional valuation methods, such as IQ-testing and Past Behavioural Interview. It bases on the statement, that the vast majority of managerial situations suppose the necessity of developing three main types of executive’s competencies: accomplishing tasks, understanding people, judging oneself (table 3) [7, p.39–55].

Tab. 3. Main types of executive's competencies (by J. Menkes)

Type of manager's competency	Its characteristics
Accomplishing tasks	<ul style="list-style-type: none"> - adequate definition of a problem content, separation main tasks from secondary ones; - prediction of difficulties in goal reaching and settling the ways of their overcoming; - critical appraisal of key assumption's objectivity, which underlie the drawn scenario; - clear formulation of advantages and disadvantages, that are said during arguments' and assumptions' discussion; - determining data needs for the task's accomplishing and the ways of data receiving; - ability to remember different views at the problem, especially with a goal of risks' identification
Understanding people	<ul style="list-style-type: none"> - motives' and agenda's definition; - prediction of subordinates', clients' and other stakeholders' potential reaction on the undertaken actions and the ways of their communication; - determining key questions and positions, tied to the conflict situation; - ability to understand and balance different needs of stakeholders
Judging oneself	<ul style="list-style-type: none"> - implementing feedback, that is able to define mistakes in one's judgments and make necessary corrections; - accounting one's stereotypes of thinking for the improvement of a quality of the made decisions; - ability to identify the weaknesses in one's ideas and actions, when they need public acknowledgement of mistakes and making amendments in a scenario; - identifying weaknesses in positions of the other people and using advantages of their argumentation; - ability to define, when an opponency of objections of others' and a continuation of the made scenario is necessary

Source: J. Menkes, Executive Intelligence: What All Great Leaders Have, Collins, 2005

Such approach has following advantages: 1) it takes in account an important, but often ignorable feature of manager's profession, that consists in that, that manager achieves one's results only via interactions with other people; 2) the result of cooperation increases by virtue of using such ability as estimation subordinates' weaknesses and strengths and finding the ways of an effective usage of everyone's advantages; 3) training of manager's cognitive aptitudes depends on conclusions, which he/she draws from his/her own successes and failures. Supervisor's position (mindset). In accordance with a category's definition of J. Newstrom and K. Davis, position is a set of feelings, awareness and faiths that determines individual's perception of an environment and prompts him/her to the planning certain actions and behaviors [8, p.102]. Manager's skills are reflected in his/her position, and his/her needs, motives and values have the vast influence with it. Herewith three main components of the position (mindset) are discerned. They are cognitive, emotional (affective) and behavioural aspects.

The system of components of individual factor in the management theory is defined as "a manager's triangle". In this case each element has the different grade of importance from the point of view of its influence on the effectiveness of a manager's activity. In the world and national practices their correlation is 10:30:60 accordingly. Three causes of executive's ineffectiveness can be determined in accordance with above-mentioned components of individual factor. They are: 1) because of lack of knowledge and skills; 2) because of lack of certain abilities that are necessary for a specific task accomplishing; 3) on account with the manager's unwillingness to solute the concrete task, expressing in that way one's position (mindset).

However, even if the executor possesses the necessary knowledge, skills, abilities, and his/her position coincides with existing wish to accomplish one's activity, and he/she shows amazing

results in the company, belonging to the category of “stars” among the colleagues, the huge probability is existing, that if he/she changes the organization, there he/she won't be so successful as in the previous one. Such a phenomenon in management practice is called “stars’ paradox”. It makes us fall to thinking, why high results cannot be carried over from one company to the other. And consequently, in this case the main task of the supervisor is to understand, what inside the organization and how influences on the administrative process. The answer is: it is an organizational factor that is also important driving force of managerial effectiveness. Hereby the special attention is paid to the its following components:

- company’s data system;
- company’s resource and tool bases;
- “Appraisal – Stimulation – Control” system (ASC);
- system of responsibilities’ allocation.

First the ideas of effective work with information were stated by professor T. Gilbert (USA) in 1978, which are still urgent. In his opinion, the clear task assignment and valid feedback (confirmation of the rightness of activities) are the powerful and necessary components of an informational effectiveness [5, p.35–36]. However, they are insufficient or nearly entirely absent at the most workplaces. The subordinates do not understand mission and strategy of the organization; they have no clearly determined tasks, goals and criteria of work. Accordingly, they are not able to define, if their work is effective, if a correction of their activity is necessary, how results of their work correspond to the organizational requirements. In this regard a special attention has to be paid to such an important moment of data interaction with subordinates as task setting, taking in account a psychology of each subordinate and providing everyone with the necessary information for accomplishing tasks. Thereby the providing of a reliable feedback is one the important components of a data communication. Tools, resources and ASK system. The other layer of the organizational factors, which determines the results of a manager’s activity, is the ASK mechanism. The same as the systems of data communication it is formed by a manager in his/her own, and the main criterion of its effectiveness is how the manager effectively accomplishes his functions in an organization.

The "star’s paradox" is considerably explained by the differences in the resource bases, with which a company provides an executive staff. In this case the main criterion of effectiveness is a quality of the resource base and how managers use it, playing three roles in a company, of: a negotiator, a resource allocator and an entrepreneur (G. Mintzberg). And the last but not less important factor is the system of responsibilities’ allocation in a company. The assurance of a balance of responsibilities and authorities is one of the most important and a fundamental principle of the effective managerial work’s designing of all the companies. Hereby the way of allocation of responsibilities influences on the all elements of the managerial effectiveness. When the manager delegates his responsibilities, he delegates his authorities, consequently his possibilities to affect the formation and allocation of a data, usage of resources and work of the ASK mechanism. Thus an influence on each subordinate and the possibility to use his qualification, skills and mindsets is realizing.

So a culture of effectiveness is built in accordance with all above-mentioned driving forces of the managerial effectiveness. The culture of managerial effectiveness is an aggregate and integrating vector of competencies, knowledge and skills, behaviour, mindsets and positions of all employees of a company. Thereby “the culture of managerial effectiveness has to become a part of the general corporate culture” for the purpose of determining the successes of an effective supervisor (L. Bossidy, R. Charan) [3, p.143]. At the same time the main component of such a culture is the professionalism of the all personnel of an organization and especially of a group of the executive managers, which is an integral and systematic attribute that is compiled due to the received theoretical knowledge during the practical activity of the specialists on basis of worked out organizational conditions and individual features, possibilities and mindsets of managers. So the multipurpose and comprehensive development of a manager as the individuality, scientific and practical leader is necessary in the modern society.

3. Conclusion

The individual features (professional competency, skills and mindsets) and organizational factors (data ware, resource and tool bases, system of responsibilities' allocation) were considered in the article as the main conditions of the managerial effectiveness in a company. However, these factors are insufficient in the modern conditions of development of the national economic and an enterprise, because they don't entirely reflect specificity of the goals of an organization (its main goal is an extended reproduction of the capital on the innovative basis). In accordance with this, the attention must be paid to the innovative trend of the transactor's activity and the level of its innovative potential, the conditions of functioning of a system of an extend reproduction of the capital in the whole structure of the company's activities, the conditions of an intellectual capital's development, and also make an accent not only at the individual features of the managers, but also at a company's team-work (it was said above, that even if a manager is super effective in one company, he/she cannot be the prime power of success in the ineffective team) and culture of effectiveness. Therefore, the challenging task set before the author is to study a phenomenon of an executive intelligence, a category of the culture of effectiveness and principles of its interaction with other company's systems, to analyze an innovative activity and a specific of intellectual capital as the impact factors of the managerial effectiveness.

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Summary

In the article the author analyses the main factors, which affect the effectiveness of personnel management, and gives their classification. Also the categories of culture of effectiveness, managerial intelligence and professional competency were considered in the article, it was given the classification of professional skills, which the modern supervisor needs.

Key words: individual factors of effectiveness; organizational factors of effectiveness; professional competency; managerial intelligence; “Star paradox”; effectiveness culture.

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