

**SOS POLITICAL SCIENCE AND PUBLIC
ADMINISTRATION,
JIWAJI UNIVERSITY, GWALIOR**

**MBA FA II SEM
PAPER- FA (205)**

SUBJECT NAME: ORGANIZATIONAL BEHAVIOUR

TOPIC: ORGANIZATIONAL EFFECTIVENESS

EFFECTIVENESS AND EFFICIENCY

- Effectiveness

 - Goal achievement

 - Doing the right thing!

- Efficiency

 - Level of resources used to
achieve goals

 - Doing things right

ORGANIZATIONAL EFFECTIVENESS ?????

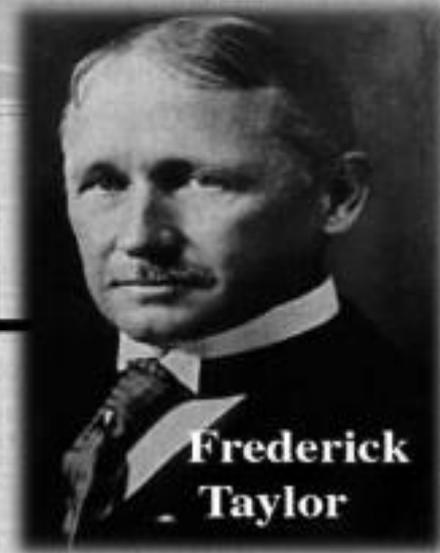


**MEETING ORGANIZATIONAL OBJECTIVES AND
PERVAILING SOCIETAL EXPECTATIONS IN THE
NEAR FUTURE, ADAPTING AND DEVELOPING IN
THE INTERMEDIATE FUTURE, AND SURVIVING
IN THE DISTANT FUTURE.**

HISTORICAL OPINIONS ABOUT ORGANIZATIONAL EFFECTIVENESS

- 1. FREDERICK TAYLOR**
- 2. ELTON MAYO**
- 3. HENRI FAYOL**

FREDERICK TAYLOR

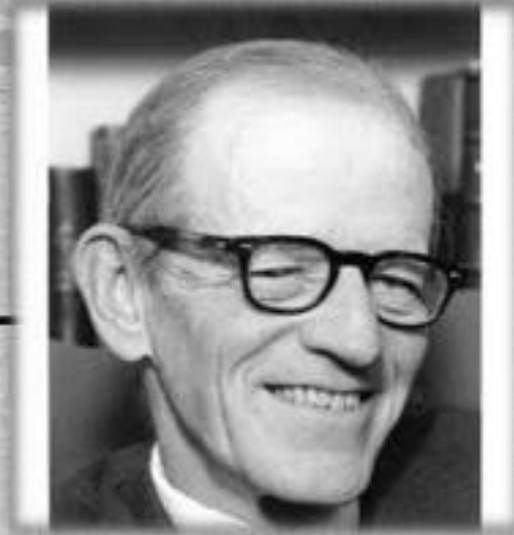


**Frederick
Taylor**

**EFFECTIVENESS IS DETERMINED BY
FACTORS SUCH AS :**

- **PRODUCTION MAXIMIZATION**
- **COST MINIMISATION**
- **TECHNOLOGICAL EXCELLENCE**

ELTON MAYO



EFFECTIVENESS IS A FUNCTION OF :

- **PRODUCTIVITY**
- **EMPLOYEE SATISFICATION**

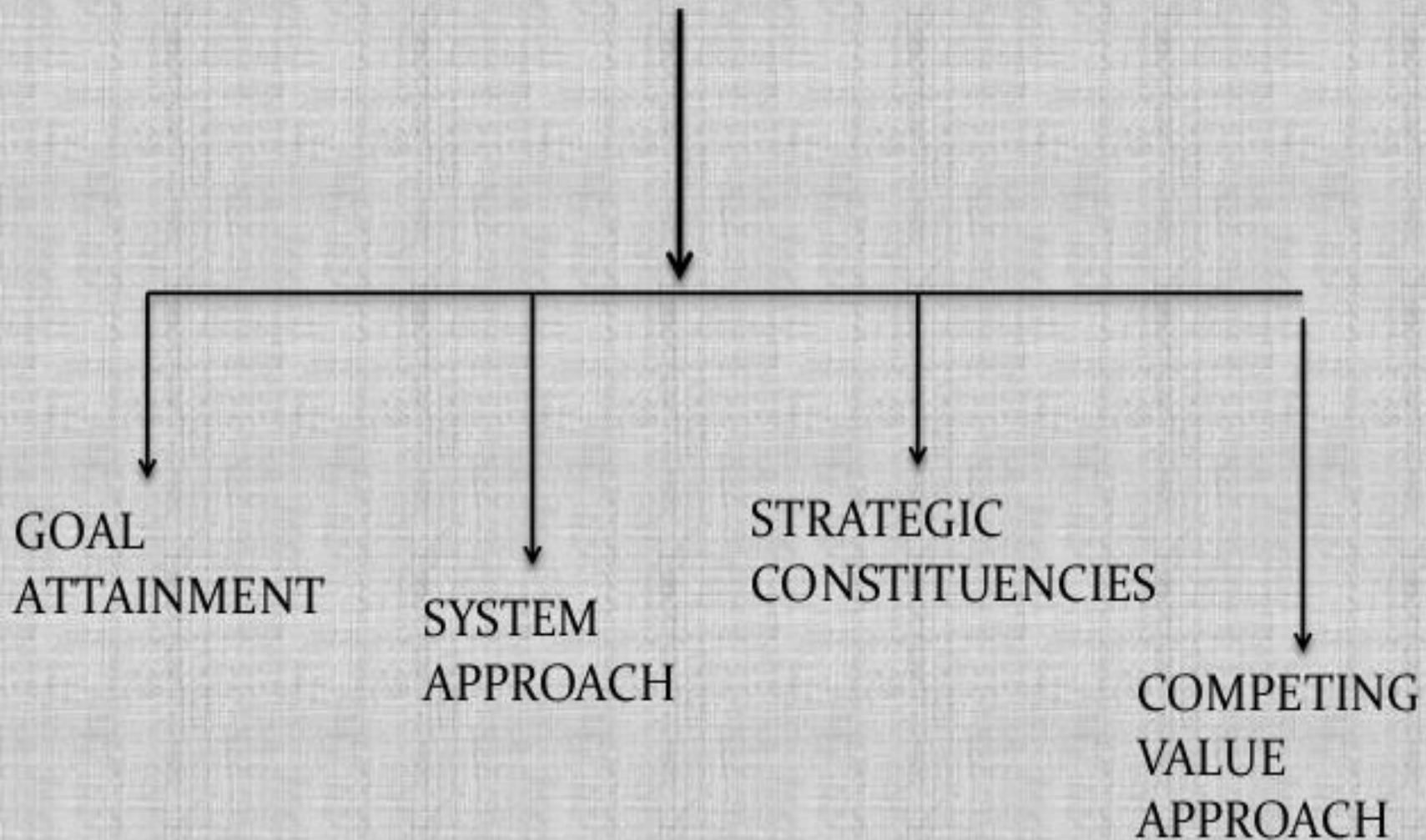
HENRI FAYOL



EFFECTIVENESS IS A FUNCTION OF :

- **CLEAR AUTHORITY**
- **DISCIPLINE WITHIN AN ORGANIZATION**

APPROACHES OF ORGANIZATIONAL EFFECTIVENESS



GOAL ATTAINMENT APPROACH :

- Effectiveness is the ability to excel at one or more goals
- The goal attainment states that an organization effectiveness must be appraised in terms of the accomplishment of its end goals
- Based on the identification of goals and the achievement of those goals
- Goals must be :
 - clearly identifiable
 - measurable
 - time bound

SYSTEM RESOURCE APPROACH

Effectiveness is the ability to acquire scarce and valued resources from the environment.

- Here end goals are not ignored but they are one element in a complex set of criteria
- system model emphasize criteria that will increase long term survival of the organization

CONSTITUENCIES APPROACH

- Effectiveness is the ability to satisfy multiple strategic constituencies both with in and outside the organization.
- An Effective organization is one that satisfies the demand of those constituencies in its environment from whom it required support for its continuous existence.
- it seeks to appraise only those in the environment who can threaten the organization survival

COMPETING VALUES APPROACH

- The competing value approach is the criteria you value and use in assessing organization effectiveness-
- Return on investment
- New product innovation
- Market share
- Job security

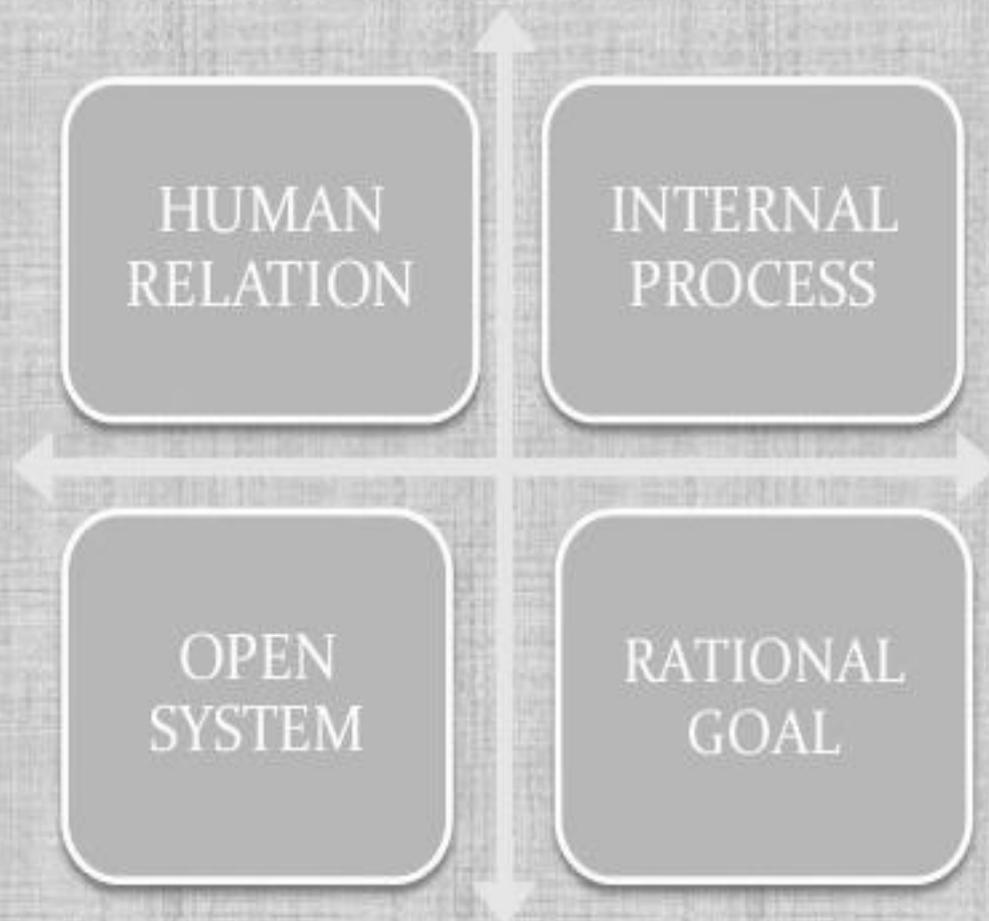
INTERNAL PROCESS APPROACH

- Effectiveness Is the ability to excel at internal efficiency, coordination, motivation and employee satisfaction

COMPARISON OF THE APPROACHES

APPROACHES	DEFINITION	WHEN USEFUL
GOAL ATTAINMENT	An organization is effective to the extent that it accomplishes its Stated goals	The approach is preferred When goal is clear, time Bound and measureable
SYSTEM APPROACH	It required needed resource	A clear connection exist between Inputs and outputs
STRATEGIC CONSTITUENCIES APPROACH	Constituencies should be satisfied	Constituencies have powerful influence on the organization, and it must respond to demand
COMPETING VALUE APPROACH	The emphasis of the organization In the four major areas matches constituent preferences	The organization clear about its own emphasis, or changes in Criteria over time are of interest

MODELS OF ORGANIZATIONAL EFFECTIVENESS



HUMAN RELATION MODEL

Focuses on the development of the organization's personnel.

For Example : Marlin travel sends its agents on the familiarization trips to expand their knowledge of specific hotels , cruises & destination.

INTERNAL PROCESS MODEL

Focuses on the effectiveness of the internal transformation process .

For Example : when Hamilton's steel company examine its steel making method to determine price & quality competitiveness it is focusing in its internal process.

OPEN SYSTEM MODEL

An organization is effectiveness to the degree that it acquire inputs from its environment & has outputs accepts by environment.

For Example : The university of Alberta follows this model when it is concerned about the quality and number of students applying for admission & what jobs they receive an graduation.

RATIONAL GOAL METHODS

Effectiveness of an organization is effective to the extent that it accomplished its stated goals.

For Example: The formal goals of the Toronto blue jays are to win their division, the American league pennant and the world series.

OE Criteria for Selected Constituencies

Constituency

Typical Criteria

- Owners earnings
Return on Investment; growth in earnings
- Employees satisf.
Compensation; fringe benefits; job
- Customers
Satisf. w/price, quality, service
- Suppliers
Satisf. w/payments, future sales
- Creditors
Satisf. w/debt payments
- Unions
Satisf. w/competitive wages & benefits;
satisf. working conditions, fairness in bargaining

Role of the important factors of an organization for its effectiveness

- **CEO-Ceo** has to make sure that there are strong systems in place to support the work of an organization and these systems can help in achieving goals.
- ***The Manager-Subordinate Manager Relationship.*** The manager is a conduit between the executives and the subordinate managers. His/her job is to translate the goals from the CEO to the managers and delegate responsibilities accordingly. Done effectively, this ensures a smooth line of communication and clarity between goals and activities. Done ineffectively, this creates a wide gap that threatens the outputs.

Contd....

- ***The Manager.*** The manager is responsible for the completion of tasks that will accomplish the goals. Some of this work is individual output, but the major part of the work is figuring out how best to delegate work and to manage your people as they do their part of the work. The manager's capability, competence, motivation, and ability to engage his or her team are crucial.

HOW DO WE INCREASE ORGANIZATIONAL EFFECTIVENESS

- To increase organizational effectiveness, winning companies create sustainable competitive advantage by aligning their talent & business strategies.
- Merges or acquisition , restructuring or shifts in business strategy are example of fundamental organizational changes that create strong demand for process & system to bring focus and restore the organization's capability to function effectively.

Contd.....

- Our organizational effectiveness capability brings values to our clients organizations by facilitating the integration & alignment of the business strategy with a workable talent management strategy.
- At the heart of right management's organizational effectiveness capabilities is our holistic approach to helping companies build and align the capabilities process, attitudes and talent needed to more effectively implement its chosen strategy.

