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The Influence of Managerial Efficiency and Skills on Organizational Leadership: A Study on Management Roles

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Abstract

Managerial effectiveness is assessed through various perspectives, including organizational and individual competency-based views. Our model measures functional, interpersonal, and personal effectiveness, as well as overall managerial effectiveness. Objectives include integrating managerial effectiveness and efficiency, assessing its impact on organizational performance, evaluating executives' effectiveness, identifying personal factors affecting effectiveness, and determining behavioral patterns. Efficient management teams are crucial for achieving organizational goals. Performance management tools support employee development through regular feedback and goal monitoring. Enhancing management and leadership skills is essential for effective performance. The study identifies three approaches to managerial effectiveness: Person, Process, and Product. Employee satisfaction with effectiveness improvement is high with 85% strongly agree and 14% agreeing. Four essential managerial skills include technical, human, conceptual, and diagnostic skills. Organizational effectiveness and efficiency are vital for enhancing performance and gaining a competitive advantage. Evaluating managerial efficiency is crucial in today's dynamic business landscape. Key findings emphasize the role of managerial efficiency in improving financial performance and enhancing production systems. Effective resource utilization is essential for evaluating efficiency and overall enterprise performance.

KeyWords: managerial efficiency, organizational goals and managerial skills

1. Introduction

Managerial effectiveness has been studied from three perspectives: traditional, organizational competency-based, and individual competency-based. The traditional model focuses on goal setting and achievement, linking effective management to organizational success. The organizational competency-based approach emphasizes long-term planning and external/internal factors to create a vision and strategic objectives. The individual competency-based perspective focuses on developing transferable management skills but has been criticized for not considering contingencies and contexts. Companies seek managers who can reduce costs, drive innovation, and lead transformation. Effective managers exhibit communication, support, and responsiveness. Globalization requires managers to utilize global personnel effectively. Offshore resources are used for high-value services like design and consulting. Leadership competencies such as innovation and mentorship are crucial. Action-oriented managers make decisions and ensure tasks are

completed. Self-disclosure builds intimacy with the team. Feedback enhances performance and satisfaction. Discipline and persuasion are key influence strategies. Receptive feedback fosters a positive work culture. Perceptiveness is essential for understanding the team and business environment effectively. Acting on business dynamics leads to better outcomes.

Model of Managerial Effectiveness

Our model measures managerial effectiveness based on variables identified in the literature. It assesses functional, interpersonal, and personal effectiveness, which have been shown to be positively related to managerial effectiveness (Dhar and Jain, 2006).

- 1. Functional Effectiveness:** - Managers are essential for organizational success, especially in today's fast-paced business environment. They play a critical role in achieving strategic objectives and ensuring the organization remains competitive and efficient.



Factors such as globalization, technology, and workforce diversity highlight the importance of effective management in maximizing human capital.

2. **Interpersonal Effectiveness:** - Strong interpersonal skills are crucial for managing people in organizations. This includes leading teams, resolving conflicts, and negotiating. As organizations increasingly rely on their people for competitive advantage, managers must enhance these skills to foster employee engagement. Effective interactions among individuals and groups are essential for achieving common goals. Teamwork is vital, especially in the face of current challenges, emphasizing the importance of interpersonal effectiveness in building strong, impactful teams within organizations.
3. **Personal Effectiveness:** - Personal Effectiveness is crucial for effective leadership as it focuses on self-awareness and improving job performance. Managers can assess their progress, identify areas for growth, and develop skills necessary for leading and managing others effectively. This concept emphasizes continuous improvement in skills, knowledge, and behaviors essential for modern leadership. It introduces managers to principles of effective performance and strategies for achieving it through behavior and skill development.

2. Objectives

The study aims to analyze managers' perceptions of their effectiveness in public and private organizations in India. It will identify factors contributing to managerial effectiveness and compare differences between managers in public and private sectors in areas such as leadership style, decision-making, and communication.

1. Functional, Interpersonal, Personal, and Overall Managerial Effectiveness.
2. Explore the integration of managerial effectiveness and efficiency in organizations.
3. Assess the influence of this integration on organizational performance.
4. Evaluate the Managerial Effectiveness of executives across industries.
5. Identify personal factors that impact Managerial Effectiveness in executives.
6. Determine behavioral patterns displayed by executives in various industries.

Questions to Ask for Increased Efficiency & Effectiveness

- a. What steps can be taken to streamline processes and increase productivity?
- b. How can we identify the most profitable products or services in the market?
- c. Which markets offer the greatest potential for high returns?
- d. Where resources and efforts should be directed to achieve exceptional results rather than just average outcomes?

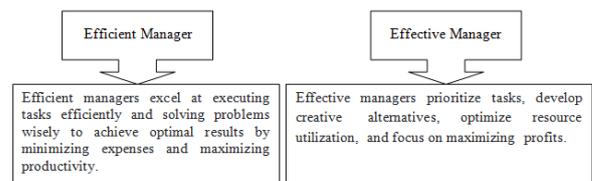
- e. How can we align departmental goals with the overall objectives of the organization?

Efficiency and effectiveness are crucial for the success of any organization, impacting both internal operations and external outcomes. By focusing on common goals and aligning actions with strategic objectives, departments can work together more cohesively to achieve optimal results. The illustration highlights the difference between an efficient department, which is highly focused and goal-oriented and other departments that may not be as aligned with the organization's overarching objectives.

Distinguish b/w Efficiency & Effectiveness

Efficiency and effectiveness are two key concepts in business management. Efficiency refers to how well resources are utilized to achieve a specific goal or objective. It focuses on minimizing waste and maximizing output. On the other hand, effectiveness is about achieving the desired outcome or result. It is concerned with whether the goal was achieved and how well it was accomplished. In simple terms, efficiency is doing things right, while effectiveness is doing the right things. Both are important in achieving success in business, but they are distinct concepts that require different approaches.

Figure 1: Bill Reddin contrasts managers who prioritize efficiency and effectiveness in his book on managerial effectiveness.

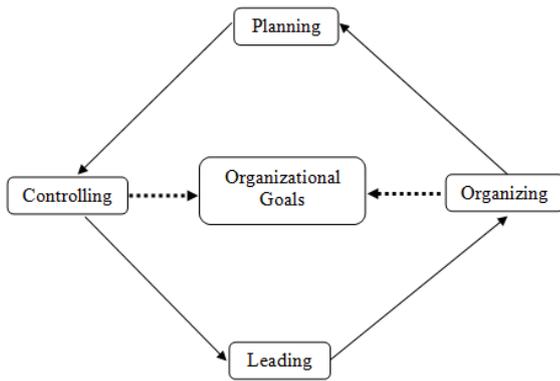


Efficiency involves asking "What else?" in a specific setting or circumstance to find the most effective way to add value to that situation.

Interrelations of Management Functions for Achieving Organizational Goals

Achieving organizational goals is a journey that requires time and effort. Success cannot be achieved overnight or solely through determination. It is essential for an organization to have an efficient management team that can effectively plan, organize, lead, and control functions in order to ensure the attainment of its goals.

Figure 2: Functions of Management to Achieve Organizational Goals.



Effective management requires a manager to engage in planning, organizing, leading, and controlling activities to achieve organizational goals. Planning is the initial step, setting the direction for the organization. Organizing involves allocating resources, coordinating work, and establishing authority and accountability. Leading requires managers to set an example, foster a shared culture, support performance, and communicate goals. Controlling involves evaluating performance, comparing outcomes to goals, and making adjustments as needed. These functions work together to guide the organization towards success.

Planning: Planning involves selecting tasks necessary to achieve organizational goals, determining how they should be carried out, and setting deadlines for completion. The primary focus of planning is goal achievement. Managers specify the actions required for organizational success. Planning addresses both short-term and long-term organizational success.

Organizing: Organizing involves assigning tasks developed during the planning stage to different individuals or groups within the organization. It is about creating a system to implement plans. Employees are given specific work assignments that align with the company's objectives. Tasks are structured in a way that each person's output contributes to departmental success, which then leads to divisional success, ultimately benefiting the entire organization.

Leading: Influencing, also known as motivating, leading, or directing, involves guiding the activities of organization members towards achieving the organization's goals. The main goal of influencing is to boost productivity. Work environments that prioritize human relationships typically result in higher long-term productivity compared to task-oriented settings, as people generally prefer the former.

Controlling: Controlling involves the manager's role in: 1. Gathering performance measurement information. 2. Comparing current performance to established norms. 3. Deciding on the next steps and adjustments needed to achieve desired performance levels.

3. Methodology

As a manager, it is crucial to recognize and reinforce strong performance in your employees while also identifying areas for improvement. Performance management should be viewed

as an ongoing dialogue that occurs throughout the year. Employees should not be surprised by the feedback they receive during formal performance reviews. Here are some key responsibilities for managers in the performance management process:

- ✓ Use performance management as a tool to support employee development and improvement.
- ✓ Schedule regular performance conversations with direct reports.
- ✓ Provide regular positive and constructive feedback.
- ✓ Monitor progress on goals.
- ✓ Communicate and revisit performance expectations.
- ✓ Enhance management and leadership skills.
- ✓ Understand the management needs of different generations.
- ✓ Coach employees to strengthen communication and reinforce desired behaviors.
- ✓ Support employees' professional development and hold them accountable.
- ✓ Submit completed employee reviews on time.

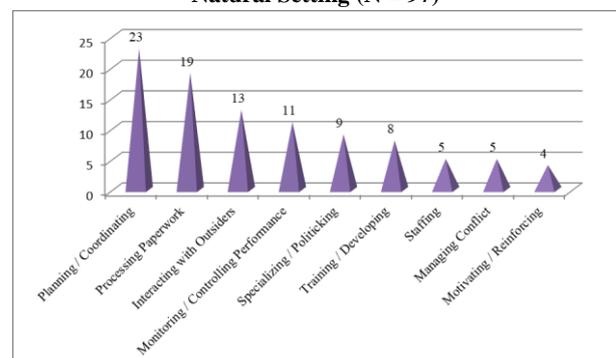
According to White (2009), organizational leaders and managers must develop the following managerial skills for effective management and success:

1. Observation
2. Monitoring employee performance
3. Implementing professional development programs
4. Demonstrating working knowledge and expertise
5. Making good decisions
6. Conducting and evaluating research (Bronwyn, R. (2012).

4. Results

Figure 3 displays the average scores and standard deviations for the different subscales of the Mott (1972) organizational subunit effectiveness questionnaire. These scores reflect how subordinates view the effectiveness of their organizational subunit.

Figure 3: Directly Observed Activities of Managers in the Natural Setting (N = 97)



The figure displays the relative frequencies of activities observed in managers' natural settings. Planning and coordinating were the most common activities at 25%, followed by processing paperwork at 19%, interacting with outsiders at 13%, and monitoring performance at 11%. Traditional functions like planning and control comprised

over a third of the observed activities, while human resource management tasks collectively accounted for almost one-fourth of the managers' activities.

Table 1: Experience & Managerial Efficiency Association

Sl. No.	Working Experience	Effective Managers	Less Effective Managers	Total
1	< 5 Years	6 (35.29%)	11 (64.71%)	17 (100%)
2	6-10 Years	8 (61.54%)	5 (38.46%)	13 (100%)
3	11-15 Years	4 (44.55%)	5 (55.55%)	9 (100%)
4	16 > Years	16 (44.55%)	20 (55.55%)	36 (100%)
Total		34 (45.33%)	41 (54.67%)	75 (100%)

Chi-square value = 16.11 with 3 degrees of freedom at a significance level of 0.05, indicating statistical significance.

Based on the data, it is clear that a majority of effective respondents (61.54%) have 6-10 years of experience, showing a significant correlation between experience and effectiveness.

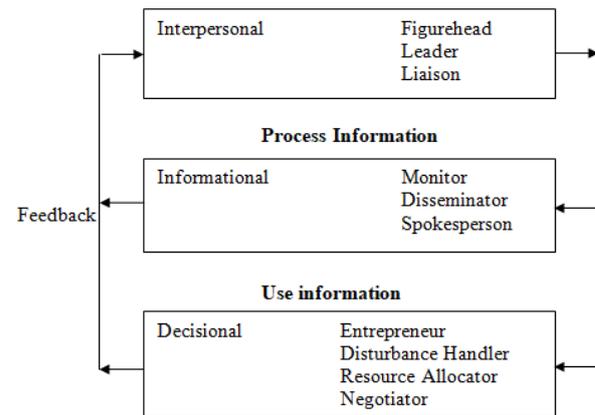
- ✓ Effective executives have more promotional opportunities, but this was not statistically significant.
- ✓ Effective respondents are more likely to attend training programs frequently, although this was not statistically significant.
- ✓ Most effective respondents are from the service and engineering sectors, while less effective respondents are more common in the textile sector. However, the distribution of executives from the engineering sector is even between effective and less effective categories.

Managerial Roles

A classic study of top executives found that they spend their time performing ten roles, which are grouped under three categories: interpersonal, informational, and decisional. The study was conducted by Henry Mintzberg and published in "The Nature of Managerial Roles" in 1973. These roles are common to the work of all managers. (Figure-4)

Figure 4: Managerial Roles

Provide Information



Interpersonal Role: The three interpersonal roles in management focus on relationships and communication within an organization. The figurehead role involves representing the organization in official capacities and performing legal and social duties. As a leader, the manager serves as the symbolic head of the company and interacts with external stakeholders. The supervisor represents the work group to higher management, motivates the team, and handles tasks like hiring and training. The liaison role is used by managers to gather information and maintain smooth communication within the organization. Supervisors also utilize this role to ensure efficient work flow and build networks to strengthen relationships.

Informational Role: The informational role in management ensures managers have access to necessary information for effective daily tasks. This role connects all aspects of managerial work by providing managers with a comprehensive understanding of the organization and its environment. Managers gather and analyze information in the monitoring role, while also serving as spokespersons for the organization. They communicate policies, actions, and decisions to external stakeholders and disseminate information within the organization. The informational role is crucial for effective management and decision-making.

Decisional Role: The decisional role is crucial in utilizing information effectively. Managers have unique access to information that enables them to make key decisions within the organization. There are four decisional roles that managers perform:

- a. Entrepreneurial Role: Managers initiate and search for new opportunities and projects to drive change within the organization.
- b. Disturbance Handling Role: Managers address threats to the organization and take corrective actions to mitigate risks.
- c. Resource Allocation Role: Managers decide where the organization will allocate its resources, including financial and other resources, to support various departments, units, and individuals.

- d. **Negotiation Role:** Managers negotiate on behalf of the organization with external parties and internal stakeholders, representing the organization in major negotiations.

Top management makes decisions for the organization as a whole, while supervisors make decisions at the work unit level. All managers perform various roles, with the emphasis and focus varying based on their position. Supervisors focus on short-term goals within their units, with less emphasis on the figurehead role and more on disturbance handling and negotiation. Leadership is crucial across all levels of management, influencing all managerial activities. Effective decision-making is essential for achieving organizational goals.

Measuring Managerial Efficiency

Figure 5 there are three main approaches to managerial effectiveness: Person, Process, and Product. These approaches focus on how managerial characteristics and resources are transformed into outputs within a business organization operating in an economic system and society.

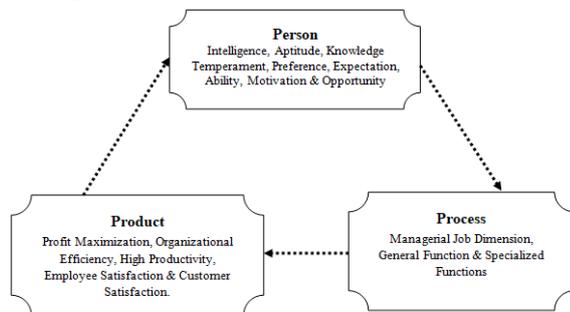
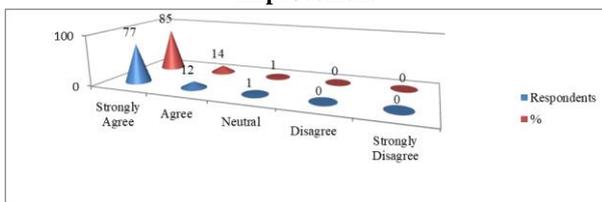


Figure 6: Workers' Opinions on Managerial Efficiency & Improvement



The figure 6 shows that out of 90 employees, 85% strongly agree, 14% agree, and 1% is neutral about their satisfaction with the improvement in managerial effectiveness. The majority of employees, 85% strongly agree that they are satisfied with the improvement.

Four Managerial Skills

Szilagy (Jr) (1981) identified four essential managerial skills that all managers need to enhance staff efficiency and achieve organizational goals: 1. Technical Skills 2. Human Skills 3. Conceptual Skills 4. Diagnostic Skills.

Technical Skills: The ability to use specialized tools and techniques effectively is crucial for managers and government leaders to plan, organize, and evaluate scientific performance.

Human Skills: Managers must excel in selecting, motivating, and leading employees to foster positive relationships and boost morale within the organization.

Conceptual Skills: Leaders need to understand the big picture, integrate organizational activities, and think creatively to achieve organizational goals effectively.

Diagnostic Skills: Managers must possess strong analytical abilities to identify core issues quickly and make informed decisions to address challenges such as employee turnover or changing consumer behavior.

5. Discussion

Mohammad Eshteiwi Ahmouda Shafter (2016) explores the relationship between management roles and employee satisfaction. The study highlights how employee satisfaction can improve efficiency and performance, leading to effective leadership and enhanced management performance. It defines management as the process of achieving organizational goals through collaboration with people and resources. The research focuses on the importance of good leadership in management and identifies tools for successful leadership. Emphasizing the need for coordination between managers and employees, the paper aims to optimize management and leadership practices for organizational success and national development.

Valeria Anatolevna Cheymetova (2017) stresses the significance of assessing managerial efficiency in organizations to impact their socio-economic status, foster growth, identify growth drivers, and facilitate informed decision-making. The article explores the methodology of evaluating managerial efficiency, discussing research areas and addressing challenges in techniques and applications. The authors conducted a theoretical study on the concepts of "efficiency" and "managerial efficiency" and their influence on organizational functioning and development. They also organized and elucidated the methodological foundation for evaluating managerial efficiency, emphasizing the management system's influence on financial and operational performance.

Pooja Singh Negi (2022) highlights the growing importance of managerial effectiveness in enhancing stakeholder well-being and employee performance. The study aims to identify key factors contributing to managerial effectiveness and proposes a conceptual model for measuring it within organizations. By reviewing 40 studies, the research focuses on factors such as action orientation, self-disclosure, receptivity to feedback, and perceptiveness. This model can aid practitioners, decision-makers, and managers in developing and implementing HRM programs and policies effectively.

Gopal Chandra Saha (2024) conducted a study on the impact of combining managerial efficiency and effectiveness in organizations. Managerial effectiveness refers to achieving desired outcomes, while efficiency focuses on utilizing skills to guide others. The study analyzed existing literature on these concepts to provide insights into their contribution to

organizational success. Findings emphasized the importance of balancing effectiveness and efficiency for achieving goals without resource wastage. The study highlighted the need to consider both aspects in leadership practices to enhance financial performance.

Rajankar Satish Ramesh (2024) highlighted the significance of managerial effectiveness in boosting organizational productivity. Effective management involves setting clear goals, allocating resources efficiently, motivating employees, and aligning strategies with organizational objectives. This paper explores the concept of managerial effectiveness, its key components, and its direct influence on organizational productivity. It also addresses the current challenges faced by managers and suggests strategies to enhance managerial effectiveness, ultimately driving improved productivity in organizations.

6. Findings

Key Findings from the Study:

1. Organizational effectiveness and efficiency play a crucial role in developing organizational competencies.
2. The impact of diverse organizational capabilities and managerial competencies on organizational performance can lead to new ideas for enhancing effectiveness.
3. Effective management can enhance efficiencies, opening up opportunities for new business ventures and providing a competitive advantage.
4. Individual and organizational elements can collectively improve organizational performance.
5. The career life cycle of individuals can influence organizational effectiveness and efficiency.
6. Organizational capabilities, such as culture, values, strategic vision, personnel development, innovation, quality, product diversity, and customer loyalty, significantly contribute to organizational effectiveness.
7. Strategic conceptual skills are highly valued for planning, controlling, and strategic thinking.
8. Conceptual skills are crucial for problem-solving, innovative thinking, and future management.
9. Human skills have a weaker relationship with technical skills but a strong relationship with strategic and conceptual skills.
10. Managerial efficiency is positively correlated with human skills at the primary level and conceptual skills at the secondary level.
11. Motivation and communication are essential human skills for high-level manager effectiveness.
12. Technical capabilities growth influences manager effectiveness.
13. Managerial efficiency is linked to the quality and duration of work performed.
14. Inefficient management can hinder goal achievement and lead to resource wastage.
15. Resource allocation for goal achievement is a hallmark of managerial effectiveness.
16. The company discourages low resource contribution without achievement.
17. A balance of efficiency and effectiveness in management can help achieve company objectives with minimal resource wastage.

7. Conclusion

This paper highlights the importance of effective managerial skills in influencing staff efficiency and organizational success. Managers must possess technical, conceptual, human, diagnostic, and communication skills to effectively lead their teams. Continuous education, exposure to diverse organizational conditions, and mentorship are crucial for developing and refining these skills. Mastering basic managerial roles and functions is essential for achieving organizational excellence and maximizing productivity. A manager with comprehensive skills can significantly enhance staff efficiency and overall organizational effectiveness. The literature review highlights key factors that influence managerial effectiveness, including action orientation, self-disclosure, receptivity to feedback, and perceptiveness. A conceptual research model is proposed to illustrate these relationships, offering insights for managers and decision-makers. Human resources professionals can use this model to develop leadership and management programs. Balancing efficiency and effectiveness is crucial for long-term success, with strategic resource management enhancing productivity. Prioritizing tasks for efficiency can optimize overall productivity, measured by the productivity index (effectiveness divided by efficiency).

The study highlights the importance of evaluating an organization's managerial efficiency in today's dynamic socio-economic landscape. Key findings include:

- i. Managerial efficiency is crucial for improving an organization's financial and economic performance, as well as addressing socio-psychological aspects. Enhancing production and enterprise management systems can increase senior managers' effectiveness.
- ii. Utilizing management resources effectively and incorporating general and specific functions, principles, and methods are essential for the organization's managerial efficiency. Analyzing resource utilization structure, content, and influencing factors is key to evaluating efficiency.
- iii. Current methods for evaluating managerial efficiency struggle to isolate results and factors impacting overall enterprise performance. The study's evaluation methodology minimizes external influences and provides a comprehensive assessment of the organization's economic performance.

Roles are defined by job expectations, influencing behavior through factors like compensation and satisfaction. Tasks within roles shape relationships, requiring interaction with others, fostering liking and more frequent interactions. People are motivated by rewards and friendship. Leadership involves

challenging processes, inspiring a shared vision, enabling others to act, and encouraging the heart.

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