



## LITERATURE REVIEW ON DIMENSIONS OF ORGANISATIONAL EFFECTIVENESS

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### Abstract

The current business environment is highly competitive and organizations regardless of size, technology and market focus are facing employee retention challenges. To overcome these restraints, a strong and positive relationship and bonding should be created and maintained between employees and their organizations. As the employees of an organisation are considered to be the most valued resources, they tend to be influenced and persuaded towards task- fulfillment. For achieving prosperity and growth, organisations design different strategies to compete with the competitors and seek increased performance and effectiveness of the organisations.. Based on the literature review, organisational effectiveness has long been the subject of numerous research studies through different models. Nevertheless, a comparative result between some models of organizational effectiveness is found to be overlapping. Moreover, researchers are yet to agree on an appropriate definition of effectiveness and attain a general consensus on its dimensions. The objective of the study is to review the existing models and explore different dimensions of organizational effectiveness. It also reviews the research works carried out to study the impact of different variables on organizational effectiveness.

**Key Words: Organisational Effectiveness, Employee Retention, Positive Relationship, Empowerment .**

### INTRODUCTION

In common parlance, formulating a business identity independently by a group of people for some specific purpose is known as organisation and getting the desired outcome within defined resources is called as effectiveness. Hence, organisational effectiveness is the notion of how effectual an organization is in accomplishing the results the organization aims to generate (Muhammad, et al, 2011). It is the net satisfaction of all constituents in the process of gathering and transforming inputs into output in an efficient manner (Matthew et al, 2005). In other words, organizational effectiveness is defined as the extent to which an organisation, by the use of certain resources, fulfils its objectives without depleting its resources and without placing utility of the primary constituents (Matthew et al, 2005). The goal model describes organizational effectiveness in terms of the extent to which an organization attains its objectives. The legitimacy model regards organizational effectiveness in terms of a background evaluation “of component preferences for performance and natural limitations on performance from an external environmental perspective” (Zammuto.R.F, 1982). The constituency model considers organisational effectiveness “as a set of several statements, each reflecting the evaluative criteria applied by the various constituencies” involved with the organization being evaluated with an emphasis on means criteria. The systems resource model defines organisational effectiveness “in terms of its (the organization’s) bargaining position, as reflected in the ability of the organization, in either absolute or relative terms, to exploit its environment in the acquisition of scarce and valued resources” and how they utilize these resources (Yuchtman.E, 1987). 1996).

There is lack of consensus on the definition and elements of organizational effectiveness due to its nature of multi-dimensionality. A lot of research work has been undertaken to explore and develop various models and theories. But at the same time, it confuses a researcher who desires to undertake empirical research and measure the effectiveness of an organisation. Review of literature on organizational effectiveness reviews the studies undertaken to develop models and indicators of organizational effectiveness. It also reviews research works carried out to study the impact of different variables on organizational effectiveness.

**Quinn & Rohrbaugh (1983)** proposed an alternative approach to assessing organizational effectiveness that was labeled Competing Values Approach (CVA). The development of this approach was conducted at two levels. In the first level of the study, seven individuals who had research interests in the field of organizational effectiveness participated in the study. They were asked to participate in a 2-stage judgment task in order to reduce the list of 30 criteria as put forth by Campbell (1977). In the first stage participants were asked to eliminate the criteria by applying certain decision rules. All the thirteen criteria were eliminated in this stage. In the second stage, each panel member made judgments of similarity between every possible pairing of the criteria not eliminated in the first stage.

Three dimensions emerged out of the analysis are organizational focus (external or internal) organizational preferences (structure or flexibility and organizational outcomes (means or ends). The results were then replicated with a larger, more diverse group of organizational theorists and researches. Judgments about similarity between every possible pairing criterion not eliminated by the panel in the exploratory stage yielded 136 comparisons by each participant. The multi- dimensional

scaling analysis yielded the same three value dimensions as before. The separation of 17 effectiveness criteria in multi dimensional scaling yielded four different models. Human Relations model that places a great emphasis on flexibility and internal focus; Open Systems model which emphasizes flexibility and external focus; Rational Goal model stresses upon control and external focus and the Internal Process model that stresses control and internal focus. The spatial model thus demonstrated how these four models are differentiated and related in terms of these dimensions.

**Quinn & Cameron (1983)** proposed that the effectiveness criteria would vary with the stage of development of an organization. Nine different models of organizational life cycles were taken up for the study and four common stages were identified in all the models. These were: entrepreneurial stage (early innovation, niche formation, and creativity), collectivity stage (high cohesion, commitment), formalization and control stage (stability and institutionalization) and structure elaboration and adaptation (domain expansion and decentralization). The Competing Values Approach was applied to bring some order to the diverse array of effectiveness criteria used in the empirical research. As stated earlier, individuals make assumptions about the effectiveness of the organizations based on three underlying dimensions-internal vs. external focus, flexibility vs. control and ends vs. means. The existing criteria for all effectiveness clustered around this dimension and were consistent with the four models that were used in the past i.e. open systems, rational goal, internal process and human relations. The authors emphasized that as organizations progress through their lifecycle; the different criteria of effectiveness emphasized by the model should parallel the changing activities and characteristics of the organizations over time. In the entrepreneurial stage that is characterized by innovation, creativity and gathering of resources- the strongest emphasis should be on the open systems criteria i.e. the success of the organization would be associated with flexibility, growth acquisition etc. The collectivity stage is characterized by informal communication and structure, a sense of family and cooperativeness among members, high member commitment and personalized leadership.

Hence, human relations criteria would require emphasis. Rational goal and internal process models are most relevant in the formalization stage that is characterized by organizational stability etc. As an empirical analysis, New York State department of Mental Hygiene was studied for a period of three years. The organizational history suggested evidence of the predicted pattern as provided by the authors. The entrepreneurial stage was followed by the collectivity stage with an internal strategic constituency being the most powerful. Formalization and controls were contradictory to the accepted values of the organization. The success of this internal strategic constituency faced a setback, when it had to face criticism on its working through a series of newspaper articles. This created an overwhelming pressure towards formalization characterized by efficiency, control and planning. This necessitated a change in structure and activities. The conclusion to the article highlighted the predictive value of the changes in the criteria of effectiveness and organizational lifecycle stages.

An exploratory study undertaken by **Smith and Gannon (1987)** examined how the criteria for organizational effectiveness vary with different stages of growth and development. In this study, the effectiveness criteria like control, leadership, communication, planning, perspectives on change, knowing the business, market orientation, innovation and risk taking employed by entrepreneurs by small start up firms in their initial stages of growth were compared to those employed by professional managers from both high growth firms and more mature firms experiencing decline. Thirty-one entrepreneurs and professional managers from twenty seven firms participated in this study. The major conclusion drawn was that the criteria for organizational effectiveness were likely to change with different stages of organizational growth and development. Three effectiveness profiles emerged for the three stages of firm growth. Of the three entrepreneurial firms had the narrowest perspective emphasizing leadership, planning and knowing the business. In contrast professional managers from high growth and mature organizations used a broader set of criteria like communication, leadership, knowing business being innovative which probably reflected the more complex nature of their organization.

**Wilhelm (1993)** investigated in his study the discrepancies or conflict between the attributions of leaders and members as a function of Leader-Member-exchange quality and explored the relation between attribution conflict and subordinate job satisfaction, perceptions of equity, and turn over intentions. Data for the study were provided by 141 supervisor-subordinate dyads from the managerial ranks of a large manufacturing organization. Findings suggested that attribution discrepancies were due, in part; to the tendency of leaders to make more favorable attributions for subordinates reporting higher LMX quality than for subordinates reporting lower LMX quality. Results also revealed that, while attribution conflict was negatively related to subordinate satisfaction and perceptions of equity and positively related to turnover intentions, attribution conflict did not predict subordinate work outcomes when the effects of LMX quality were controlled.

**Handa & Das (1994)** used the competing values approach to predict the level of organizational effectiveness in a construction firm. The multivariate model that was developed to relate the organizational characteristics along the 4 domains of effectiveness according to the CVA was done in three main steps. First, the relevant variables were identified, second, a

field study was designed that collected data from management and workers by a questionnaire and reliability tests were carried out. In the final step, statistical analyses were used to determine and validate a multivariate linear model. 14 variables that were identified were grouped into four general categories: structural context, flexibility, rules and regulations, strategic means & goals and person oriented processes. Kendall's correlation showed very low correlation of subcontracting, integration of services, level of goal setting and level of joint venturing. Moderate correlation was seen with adherence to rules and regulations, level of coordination, information flow and level of control. Attitude towards change, level of multi project handling ability, cultural strength, and level of worker's participation in decision making showed a very high correlation with organizational effectiveness. Hence a strong culture that promotes participative decision-making is strongly associated with organizational effectiveness.

**Hariharan & Ganeshan (1994)** examined the nature and extent of association between the perceptions about the different factors of organizational effectiveness like job satisfaction, morale, industrial relation, quality of work life, organizational climate and organizational health and participation. They also identified factors of organizational effectiveness, which could help to motivate the participation. The study was undertaken in the public textile mills under the control of National Textile Corporation. The sample of two hundred and fifty employees across the various levels of hierarchy through random sampling was taken. The findings showed the association between the perceptions about the different factors of organizational effectiveness and participation in general was positive. In case of skilled and semi-skilled workers, the relationship of job satisfaction, morale, industrial relations and with work life with organizational effectiveness was found to be highly significant. The relationship between organizational communication and health of the organization was however, found to be negative.

The study by **Verma & Jain (1996)** investigated the relationship between leadership styles of higher and middle level managers on organizational effectiveness. It also sought to examine the influence of individual-centered variables of age, education and length of experience on organizational efficiency. Ninety-two executives representing two levels of managerial hierarchy, the higher and the middle, constituted the sample for the study drawn from twenty-five large public limited companies from the private corporate sector in India. The results of the research revealed that at both levels, participative style was not correlated with organizational effectiveness. At middle level, bureaucratic and nurturing leadership style were not conducive to organizational effectiveness. But at the higher level, bureaucratic leadership style was highly correlated with efficiency and that the nurturing and bureaucratic styles were significantly correlated with the effectiveness of the superior in terms of abilities.

A multivariate model of organizational effectiveness was examined by **Srivastava & Ghadially (1996)** taking organizational, structure, communication process and locus of control of executives as antecedent variables. The study tested some aspects of contingency theory of organizational performance in Indian context. Two criteria namely organizational adaptability and organizational performance were taken to measure effectiveness of organizations. The findings of the present study indicate that organizational structure; communication process and locus of control are significant predictors of organizational adaptability and organizational performance in case of large organizations. However, in case of small organizations these variables cannot predict the adaptability and performance of the organization. It implies that structure-performance relationship is influenced by the size of the organizations in Indian context and contingency view of organizational performance is applicable to only large organizations.

**Vandenberg (1999)** examined the perspective on employee involvement based on four mutually reinforcing attributes viz. powers, information, reward and knowledge and to the degree in which these attributes were spread throughout the organization and could be said to be effective. It was found out that the involvement variable possessed both direct and indirect influence upon organizational effectiveness through its impact on employee morale. It also argued that the high involvement attributes did not exist in a vacuum but were themselves a function of an array of reinforcing business practices.

**Ronald & Ali (2000)** in their study attempted to define the indicators of organizational effectiveness to support quality. Specifically the researchers aimed to study organizational performance measures across private and public organizations and use the standards to compare effectiveness. The approach employed in this study was based on the assumption that employees of the organization being studied have invaluable knowledge and expertise that can help in the identification of these criteria. Organizational Assessment of Quality (OAQ) was developed in the initial phase by interviewing 1500 employees who were queried regarding their expectations from organizations to demonstrate quality work. Initial 197 statements were narrowed down to 154 and in the third phase 60 were retained after taking responses from employees. The entire sample consisted of 7555 employees. The factor analysis yielded 9 measures of organizational effectiveness. These were: importance of the mission, supportive policies towards the workforce, appropriateness of organizational design,



working conditions, pay and benefits, positive supervisory practices, work force loyalty and pride, operational efficacy and customer oriented behaviour. Two additional statements were added to see the employees' perception in terms of quality of the customer service and overall organizational effectiveness. Correlation results of these two perceptions with the nine measures of organizational effectiveness were found to be moderately to strongly correlate with employees' judgment about their organization's performance. The study also revealed perceptible differences between public and private organizations.

**Bhal & Ansari (2000)**, in their study compared the average leadership style approach with the vertical dyadic linkage approach to leadership and examined the two as simultaneous processes. The study incorporated the five-item version of leader member exchange scale of Green *et al* and LMX scale as a multi dimensional tool with the potential to test the reciprocity in a leader member dyad. The analysis of the findings was incisive and revealing that focused on the leader-member dyad and the quality of interaction as the key variable that formed the basis of unit differentiation. The major conclusions, arrived at were: behaviors directly related to the leadership situations were instrumental in determining the quality of exchange in dyads. The use of both upward and downward influence strategies was predicted by the quality of exchange as a measure of leadership.

**Reddy & Gayatri (2000)** studied the differences between the large and small organizations in terms of structure, communication and effectiveness. For this purpose, six textile organizations were selected and 235 respondents were chosen from workers and supervisory levels who were directly involved in the line of production. The results showed that large organizations with higher levels of bureaucratization were able to communicate all policies and procedures accurately to their members and functioned effectively whereas small organizations with relatively less bureaucratization, more open and less accurate in communication were relatively less effective in their functioning.

**Koys (2001)** addressed the issue of whether positive employee attitudes and behaviors influenced business outcomes or whether positive business outcomes influenced positive employee attitudes and behaviors. It was hypothesized that employee satisfaction, organizational citizenship behavior, and employee turnover influenced profitability and customer satisfaction. Data were gathered from 28 units of a regional restaurant chain by using employee surveys, manager's surveys, customer surveys and organizational records. Cross-lagged regression analyses showed that employee attitudes and behaviors at time one were related to organizational effectiveness at time two. Additional cross-lagged regression analyses showed no significant relationship between organizational effectiveness at time one and the employee attitudes and behaviors at time two. These results indicate that human resource outcomes influence business outcomes rather than the other way around.

**Dumblekar and Sharma (2001)** in their research study in banking sector identified the correlation and role of leadership in the banking industry that would help transform a bank into a high performance organisation. The younger group with a maximum experience of 24 years covered 23 respondents, while the older group had 25 respondents with a minimum experience of 25 years. And amongst the 50 variables the questionnaire covered, leadership style was also one of them, which attempted to classify bank manager's supervisors at three levels as leaders on the basis of their communicative styles. The immediate supervisors of the manager usually either told the managers what to do/or allowed them to participate in the management process. The superior's superior diverted on telling and delegating to him. Selling as a leadership communication technique was rarely employed by any of the three categories of managers in dealing with their subordinates. The managers found that their CMD favoured delegation, but not in participative leadership. The younger managers felt that there was less participation by their immediate superior. However, the next two levels, specially the CMD, used delegation more frequently, the CMD did not employ either selling or participating as leadership communication. The views of the older managers almost paralleled those of the total sample. One of the implications for the CMD and other leaders was that "the communicative style and leadership behavior is under constant watch, and is critiqued by subordinate managers."

**Truran (2001)** collected data from eight organizations which were knowledge intensive firms to identify variables and conditions related to knowledge gained by individuals in organizations and to study how that knowledge was used by the organizations to improve its performance. The results indicated that the hypotheses related to influences on organizational learning were statistically significant. Influences on learning affected organizational success and learning influences might be combined into three groupings (individual sources, collective sources, and structural sources).

**Maltz (2001)** developed a new model for assessing organizational effectiveness on the basis of a survey. Descriptive statistics were deployed to study whether different organizational types (e.g. high technology vs. low technology; small or large; speed of life cycle) suggested different success measure. The multidimensional framework was developed by studying five relevant research streams: corporate entrepreneurship, strategy, process, and product development, marketing and economic finance. Multidimensional model of organizational effectiveness which included financial, market \ customers,

process, people development and future was developed. The research suggested that organizational success was multidimensional and could not be defined by a limited number of variables.

**Jordan et al (2003)** developed criteria to assess and improve the effectiveness of research organizations. The study had two basic objectives viz. to understand the key elements in research environments that contribute to the ability of the staff to accomplish excellent research and to develop tools and processes for assessing and improving such environments. Focus groups and panels that consisted of scientists, R & D managers of computer and administrative support staff were asked to define the meaning of excellent research. Thirty six attributes were thus identified that were then arranged in four groups that were consistent with the CVA namely, human and physical resource development, innovation and cross fertilization of ideas, management and internal processes, and lastly setting and achieving relevant goals. These attributes served as a basis for the survey that was designed to measure the profit of a research environment. The results of the survey provided the managers and staff with concrete information from which to craft actions and improve their research environment. The researchers finally concluded by citing previous studies on research and finding consistency regarding the attributes determined in the survey.

**Malik & Goyal (2003)**, in order to establish and evaluate organizational effectiveness for improved information system in the organizations, suggested a 3-ring model, comprising of processes to adapt, collaborate and evaluate which was tested by using the sample comprising of three automobile manufacturing organizations and seven ancillaries that supplied the components to the manufacturing organizations. One hundred and thirty two respondents participated in the study. Results showed that the e-mail was the commonly used application for intra-office and inter-office communications. However, this facility was used to exchange general information and specific details about orders but in an unstructured data format which resulted in duplicity, redundancy and inaccuracy. Therefore, the use of quality information was low for decision-making, control, future planning and information analysis. It was also found out that the increased level of sophisticated information technology discouraged employees from adopting. In the absence of constructive evaluation process, there was no check on use of information system, hence the defaulters went unnoticed and unanswered, sufferers unattended and organizational investments underutilized. Hence the organizational effectiveness in Indian Automobile industry was less than moderate, it was found out.

**Priyadarshini & Venkatapathy (2003)** made an attempt to identify the factors affecting the effectiveness of various categories of banks pertaining to their financial performance and level of ownership. A total of 200 complete responses were collected from 20 banks, which were categorized, into top performing private banks, low performing nationalized banks and low performing private banks. From the analysis of the data it was found that there was significant difference between types of ownership of banks (nationalized, private) with respect to the components of organizational effectiveness namely immediate supervision, management leadership, compensation, organizational values, communication etc. The results on ownership types and levels of performance indicated that top performance nationalized banks scored high in immediate supervision, management leadership and personal morale and motivation followed by top performing private banks, low performing private banks and finally the low performing nationalized banks. Results on ownership types and levels of performance showed that the nationalized banks had a higher score than the private banks on the components of feedback and growth, working conditions, job demands and compensation. The results on ownership types and levels of performance showed that top performing private banks had high organizational values compared to other categories of banks. Results on ownership types and levels of performance indicated the nationalized banks exhibited a higher score on communication and productivity and decision-making.

**Sowa et al (2004)** introduced in their study a multidimensional integrated model of non-profit effectiveness (MIMNOE). This model studied organizational effectiveness from two distinct levels-management effectiveness and program effectiveness. These two levels were further subdivided into two subsets capacity and outcomes. Management was defined as organizational and management characteristics those that describe an organization and actions of managers within it. Program refers to the specific service or intervention provided by the organization. The subsections of these i.e. capacity and 'outcome' refer to the operating processes and the results produced by management and program activities. The authors put forth that for each of the subsection researchers should collect two types of measures to understand the construct-objective and perceptual. The objective indicators for managerial capacity were stated as a formal mission statement, a strategic plan, the human resource system, an independent financial audit and an information technology system. Management outcomes were defined as financial health and job satisfaction a objective measures with corresponding perceptions of employees on these as perceptual measures. The program capacity measures proposed by the authors include technology, level of material resources provided to a program as well as problems that have occurred during the implementation of particular programmes. The perceptual measures focus on how employees respond with their own views on these measures.



The program outcomes included the degree to which the program achieves its purpose. The corresponding perceptual measure was the client satisfaction. The authors recommended that multi level structural equation-modeling programme be used to analyze the key aspects. Three aspects that need to be carefully thought of before the implementation of the model were proposed as a) using non random sampling methods that may allow for a clearly defined sample of the organizations along with the particular criteria, b) tailoring of instruments and data collection methods to the specific organizations and c) encouraging the participation of non profit organizations.

**Shilbury & Moore (2006)** applied the competing values approach of organizational effectiveness to a sample of non-profit Australian national Olympic Sporting Organizations (NOSOs). The study was to determine the psychometric properties of the subscales developed within each of the four quadrants composing the CVA. Two hundred eighty nine constituents from ten NOSOs participated in this study. Initial factor analysis resulted in six of the eight theoretically derived cells in the CVA each yielding one reliable factor. These were Flexibility, Resources, Planning, Productivity, Availability of Information, and Stability. The other two cells, Skilled Workforce and Cohesive Work force each produced a two- factor structure. Further a confirmatory factor analysis was conducted to understand the relationship between these manifest factors, and organizational effectiveness, which revealed that the rational- goal model, comprising Productivity and Planning, was the critical determinant of effectiveness in NOSOs.

**Papadimitriou (2007)** attempted to conceptualize the effectiveness in a non-profit setting. The sample frame consisted of twenty Greek National Sports Organizations. The Board of Directors, the General Secretariat of Sports, paid administrative staff, technical staff, international officers and elite athletes were incorporated to conceptualize items that signify effectiveness according to them. Seventy-two items that were selected from the existing literature were reduced to forty after experts' review. A total number of 4243 completed questionnaires were subjected to exploratory factor analysis. Five principal factors were extracted namely, caliber of board and extended liaisons, interest in athletes, internal procedures, long term planning, and sports science support. These five factors reported cronbach alpha reliabilities ranging from 0.78 to 0.94. The study showed that the key factors in organizational effectiveness are effective board management and scientific support. The study indicated that the effective governance of NSOs could be enhanced by the consideration of different constituent viewpoints of effectiveness. The model proposed was claimed to have universal applicability because the sports organizations around the globe have similar organization structures and operations.

**Yang (2007)**, in his study, sought to examine the relationship between knowledge sharing, organizational learning and organizational effectiveness. Organizational effectiveness was defined as the outcome of managerial effectiveness and operational performance. It was hypothesized that organizational learning and knowledge sharing, positively influence organizational effectiveness. The sample size consisted of 499 employees of nine international tourist resorts in Taiwan. The self designed questionnaire consisted of 12 items on knowledge sharing and five each on organizational learning and organizational effectiveness. The reliabilities were 0.8, 0.8 and 0.9 respectively. Organizational learning explained 73 percent of the variability and organizational learning along with knowledge sharing explained 80 percent of the total variance..

**Balduck, Anne-Line & Buelens, Marc (2008)** presented a methodological multidimensional platform to measure organizational effectiveness in non-profit organizations. A two level CVA was provided instead of the traditional single level. They propounded that the non-profit effectiveness should distinguish between the effectiveness of the management operations and the effectiveness of the programmes that the organization delivers. Organizations that fail to deliver qualitative programs but are well managed are not completely effective nor are the organizations that have shaky management operations but that deliver excellent programs. Review of sports effectiveness was carried out extensively by the authors to generate criteria on both the levels within the four domains of CVA. Secondly the effectiveness criteria were discussed with the sports practitioners from different clubs. Thirteen management and ten programme criteria were identified within the four domains of CVA. The third step consisted of semi structured interviews with sports administrators from various sports clubs. This was done to ensure that the selected criteria were perceived as best suited to measure organizational effectiveness and to identify deficiencies in the dimension pool. The final list consisted of 22 effectiveness criteria; three in the rational goal model, four in the open systems model, two in the human relations model and three in the internal process model at the management level. The programme level included four in the rational goal model, one in the open systems model, two in the internal process model and three in the human relations model. The researchers concluded by justifying the two level split in the case of non- profit organizations.

**Chermack et al (2010)**, in their research work, used Scenario Planning and Organizational Ambidexterity as two important tools for improving effectiveness. Scenario Planning (SP) involves the use of multiple scenarios of the future to underscore the fact that the future is unstable, unpredictable and inherently full of uncertainties. Reframed as tools for learning, scenarios

try to shift the thinking inside the organization. Organizational ambidexterity (OA) is the ability of the organization to concentrate on current responsibilities as well as future opportunities was cited as the key to firms' survival. It leads to competitive advantage. The organizations have to 'explore and exploit'. Where exploration is the search for novelty, exploitation is the constant improvement for present products, services, processes etc. Teams have a major role to play in OA, as it is the task and context to a team that creates a trade-off between exploration and exploitation.

**Ann Ji- Young et.al (2010)** investigated correlates and predictors of organizational effectiveness focusing on culture and quality of work life. A convenience sample of 145 nurses working in Korean hospitals responded to the questionnaire. Findings indicated significant correlations between organizational culture, quality of work life and organizational effectiveness. R<sup>2</sup> was 44.7 percent in the hierarchical multiple regression model explaining and predicting organizational effectiveness. The authors concluded that organizational culture and quality of work life for nurses would undoubtedly lead to improved organizational effectiveness.

**Sharma and Kaur (2011)** analyzed the relationship between the perceived levels of psychological empowerment and the organizational effectiveness using the Spreitzer measure of Psychological Empowerment Questionnaire (PEQ). They also assessed the effectiveness of the organization as perceived by the employees of the private and public sector banks. The results indicated that there is a high correlation between the perceived levels of psychological empowerment and organizational effectiveness. Among the individual components the highest correlation is observed between self-determination and organizational effectiveness. The structural empowerment has a positive impact on the levels of psychological empowerment and the employees of the public sector banks perceive themselves to be more empowered than the private sector employees. The study also revealed that self-determination is the strongest predictor of psychological empowerment both in public as well as private sector banks. Skills and Knowledge significantly predicted organizational effectiveness scores for the public sector banks whereas for the private sector banks it was the reward system.

**Zorah Abu Kassim et al., (2012)** made a study entitled "Job Empowerment and Customer Orientation of Bank Employees in Kuching, Malaysia". The study was mainly aimed at investigating the factors that influence employee's job empowerment. The findings showed that autonomy was significantly indicating that an employee with autonomy generates higher performance compared to those employees with little work autonomy.

**Asraf & Kadir (2012)**, in their study, reviewed the four main models of organizational effectiveness namely the goal approach, the system resource approach, the process approach and the strategic constituency approach. The study introduced several models of organizational effectiveness in higher education. Then, a brief review was made on some empirical studies that used the Cameron's (1978) model of organizational effectiveness. In the end, the paper suggested that Cameron's (1978) model seems to be the most appropriate one for studying organizational effectiveness in higher education.

**Amah & Ahiazu (2013)** conducted a co-relational study with employee involvement as an independent variable and effectiveness as a dependant variable. Involvement was measured by empowerment, team orientation and capacity development. Organizational effectiveness was measured by profitability, productivity and market share. Results showed that employee involvement positively influenced organizational effectiveness. Employee involvement showed positive correlation with productivity, profitability and market share.

## CONCLUSION

Over the years, there have been quite a good number of studies on models and dimensions for measuring organisational effectiveness. In other words, based on the literature review, the organisational effectiveness has long been the subject of numerous research studies through different models. Nevertheless, a comparative result between some models of organizational effectiveness is shown to be overlapping. Moreover, researchers are yet to agree on an appropriate definition of effectiveness and attain a general consensus on its evaluation. Although some acceptable models have been evolved on this concept, limitations are apparent in each model. Hence there is still much work to be done in integrating the current knowledge base towards a more holistic theory. This review would help the researchers in finding out the viability of applying one or more models for measuring and improving organizational effectiveness in their studies. The study would also provide an ample opportunity to the researchers for integrating and synthesizing different models and help them in formulating more coherent theory of organisational effectiveness.

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