

# Determinants of Organizational Effectiveness: An Empirical Study of Selected Public and Private Sector Bank in India

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**Abstract:** The effectiveness of the organization depends upon its ability to utilize its resources as well as the other factors such as responsibility, values, leadership styles, work ethics, organizational philosophy, organizational support, structure, customer experience and people management systems. This paper aims to explore all these determinants that affect the effectiveness of public and private sector banks in India. Canara Bank and Axis Bank are chosen for the study that are amongst the leading banks in the Indian public and private sectors respectively. The present research uses quantitative technique. Data is collected from 400 employees with help of questionnaire. SPSS (version 21.0) was used for data analysis. and the item scale was subjected to factor analysis using principal component method with Varimax rotation. Responsibility, values, leadership styles were found to be the most important determinants of effectiveness. Also proper implementation of HR policies, fair and just promotions and ensuring occupational health and safety all are required for ensuring effectiveness

**Keywords** — Leadership styles; Organizational effectiveness; organizational philosophy; organizational support; people management systems; work ethics.

## I. INTRODUCTION

The survival and long term performance of the organization depends upon its ability to establish effective relations with its environment. Effectiveness thus means continuous improvement in the internal capability system to be responsive to ever changing opportunities and threats in various facets of the environment. Organizational effectiveness is an indicator of how effectively an organization is in achieving the outcomes that it intends to produce. Organizational Effectiveness concerns itself with several key areas ranging from talent management, leadership development, organization design and structure, design of measurements and scorecards, implementation of change and transformation to the deployment of smart processes and technology to manage the firms' human capital.

Organizational Effectiveness concerns itself with examining the alignment between the key areas and improving them, nullifying the trade-offs between reliability, speed and quality in those areas, designing of effective strategies in those core areas and facilitating capability building, redesigning structure, modifying processes. Effectiveness is thus a broad concept that takes into consideration a range of variables at various levels. It evaluates the extent to which the multiple goals are

attained. Organizational effectiveness is a perception of how effective an organization is as far as the achievement of its pre determined objectives are concerned. An effective organization is one in which all constituents of the organization are satisfied. Such organization is in a better position to transform the inputs into output. Thus effectiveness shows the capacity of resource utilization of an organization.

The organizational effectiveness indicates ability to obtain and use the resources efficiently to realize the stated objectives. Three levels of effectiveness can be identified. At the basic level is the individual effectiveness which emphasizes on task performance of the employees. The job descriptions spell out the different tasks to be performed. Managers assess the effectiveness of the same through performance appraisals. Individuals seldom work alone. Mostly they work in groups which necessitate the other level i.e group effectiveness. Group effectiveness is the sum of combination of all its members. The third level is the organizational effectiveness which is a sum of both. Through synergistic efforts the organizations are able to achieve higher levels of performance than the sum of their parts.

There are many ways to measure the success, a number of factors consistently show up in effectiveness metrics. There