ASSESSING FUNCTIONAL DIMENSIONS OF ORGANISATIONAL EFFECTIVENESS

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Abstract

This quantitative, cross-sectional study aims to assess the effectiveness of five dimensions that play a critical role in organisational development and effectiveness (people, finance, marketing, operations/service and corporate/business development) in order to identify shortfalls and suggest corrective actions. The population comprised of all staff in a provincial trade and investment promotion agency in South Africa and a consensus approach was used through a cluster sampling technique which secured an 85.4% response rate. Data was collected using questionnaires and analysed using both descriptive and inferential statistics. The psychometric properties (validity and reliability) of the questionnaires were statistically determined using Factor Analysis and Cronbach's Coefficient Alpha. The results indicate that employees perceive the five dimensions of organisational effectiveness in varying degrees. The dimension perceived to be functioning most effectively and having the least degree of shortfalls is corporate/business development and the dimension requiring the greatest degree of improvement is finance, negligibly followed by marketing. Significant intercorrelations exist amongst these five dimensions, except for people and corporate/business development. Based on the results, recommendations are graphically depicted for the areas of improvement, which when effectively implemented has the potential to enhance the realisation of goals in each of the dimensions and overall organisational effectiveness.

Keywords: Organisational Effectiveness, People, Finance, Marketing, Operations/Service, Corporate/Business development

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Introduction

In the developing world, volatile markets, stochastic and organisational uncertainty, the need for survival and setbacks compel business to strengthen and precipitate their efforts to augment quality, sustain excellence and organisational effectiveness. Organisations in the new economy are honing their strategies to remain competitive and to increase their market share. For an efficacious effect, narrow, single measures of effectiveness should be avoided (Carnall, 2007).

Organisational effectiveness relates to the success of a business in realising its goals. Business success may be measured in terms of various variables. Some researchers measure organisational effectiveness in terms of productivity (Huselid, 1995; Sun, Aryee & Law, 2007), turnover (Ryan, Schmit & Johnson, 1996), absenteeism, organisational citizenship behaviour and job satisfaction (Robbins, 1984). Chang and Huang (2010) use a multiple variable measure comprising of indicators like employee morale, attraction of talent, employee productivity, organisation commitment and employee turnover rate and, hence, focus on the human resource (HR) aspects of organisational effectiveness. In addition, organisational effectiveness may be defined in terms of corporate social responsibility and internal performance outcomes that are generally linked to operational effectiveness (Holbeche, 2012). In attempts to enhance effectiveness, organisations engage in planned change initiatives. Organisational development (OD) planned change can only be successful if critical attention is given to the organisational system. Structural, technical and/or managerial sub-system changes are aimed at enhancing the effectiveness of the overall functioning of the organisation and, attempts to change any one sub-system alone results in resistance or failed efforts (Friedlander & Brown cited in Brown & Harvey, 2006).

This paper assesses the criteria for achieving organisational effectiveness with deterministic key points and provides conceptual depth to core areas of people, finance, marketing, operations/service and corporate/business development.

1 People

Successful organisational programmes rely on the effectiveness of the combined efforts of people. This collective effectiveness cannot be facilitated or delegated with managerial action alone, but it can be inspired through the operating 'environment's ethics and culture', with management being the champion (Internet 1, 2006). People look up to managerial leaders to provide continuity in work. Selecting the right person, at the right time with the right skills and competencies in the right post is also crucial for business effectiveness (Gomez-Mejia, Balkin & Cardy, 2004). Today's organisations adopt unique selection practices to ensure that selection decisions are based on information that is factual, and to approach the selection of employees professionally by ensuring that applicants are measured against required key competencies. Also, matching an employee to a job has significant implications on the quality of employee work and organisational productivity. The adoption of effective and fair selection practices for the strategic appointment of highly motivated and competent personnel are critical for increased productivity, growth and to gain competitive advantage (Brewster, Carey, Grobler, Holland & Warnich, 2009).

The fundamentals of pay and promotion are also focal for employees. The control of salaries has created organisational problems and in order to retain employees, compensation equity becomes imperative (Grobler, Warnich, Carrell, Elbert & Hatfield, 2006). Job evaluation which determines the worth of a job is important as a pay system needs to reflect the pay rate commensurate with its status. In this same mode, secrecy to pay rates allow freedom in administering pay which can lead to employee dissatisfaction with pay and to reduced motivation (Cummings & Worley, 2009). Concomitant with the change in business strategies, there must be a change in the pay-for-effort/performance system (Cummings & Worley, 2009). A survey indicates that 24% of the Fortune 1000 use skill-based or knowledge-based pay to some extent, and with focus on the individual, instead of the job, skill-based pay systems reward both learning and growth (Cummings & Worley, 2009). Skill-based systems are beneficial as they add value to organisational effectiveness by providing flexibility and a broader perspective to the workforce.

Furthermore, in order to bring about organisational effectiveness, managers need to coalesce the key drivers of employee performance and training which determines organisational productivity. Employee training and development is a core aspect in meeting strategic and business goals, and in determining what outcomes should emerge (Grobler et al., 2006). Specific training tailored to one's work environment is *sine qua non*. Also, it is imperative that strategic training aligns with business goals and strategies, spreads new knowledge, facilitates communication and develops worker capabilities (Grobler et al., 2006), contributing to effective employee performance.

Employees are also exercising their rights and unions are moving from an 'adversarial approach' relying on strike action to greater workplace participation in strategy development (Brewster et al., 2009) creating safety nets on social and economic levels (Ademiluyi & Imhonopi, 2010) in attempts to achieve common objectives regarding wages, hours and working conditions, amongst others. Hence, managers need to harness their employment relations strategically and accommodate and recognise unionism in a work environment with the ultimate focus on productivity and organisation effectiveness.

2 Finance

Organisations are continuously striving for profitability through the effective utilisation of available resources and, hence, need financial blueprints to reflect how they will allocate their resources to achieve their business goals. In other words, they need prudent budgeting to accomplish their objectives (Reference for Business, 2012). A budget is management's calculated expression of plans for an upcoming period. Therefore, the aim of budgeting is fundamentally to provide a strategic tool for effective profit planning and cost control in organisations (Kiabel, Agundu & Nnadi, 2011). Budget planning and preparation are pivotal to good expenditure management. Planning provides a guideline for making decisions by determining goals, objectives and strategies. Being future-oriented, planning enables insight into the impact of current decisions on future opportunities and is, therefore, imperative for achieving both short and long-term organisational goals, which provide standards for measuring performance. Strategic planning involves actively planning the future direction of the organisation by integrating short and long-term plans and, aims to understand how alternative strategies available to the organisation can affect an industry's attractiveness to customers and the organisation's competitive position by analysing the business, legal and social environment (Budgeting and the Planning and Control Process, 2012). The strategic or corporate plan, therefore, determines long-range goals and priorities which sets the direction for operational plans within the organisation (Developing and Managing Internal Budgets, 2008). When internal budget processes are closely aligned with strategic planning processes organisational resources are deployed in accordance with organisational needs and imperatives. The budget preparation should involve all key staff or operating managers as they have the detailed knowledge of the environment, competitive forces and the marketplace and better understand business processes, subprocesses, activities and the needs of customers (Budgeting and the Planning and Control Process, 2012). Such collaboration can result in a budget that portrays the priorities of the entire organisation. However, the budgeting process is dependent on the effectiveness of management control information in terms of accuracy, relevance and timeliness. In addition to the relevance, accuracy and timeliness of information, Son, Weitzel and Gladyszewski (2012) stress that fineliness (vertical richness of managerial information and performance measures) and broadness (horizontal richness of managerial information) positively affects the outcome of decision-making processes. Since the budget is road map, it flags potential problems and alerts managers to variances from expectations so that they can take corrective action (Reference for Business, 2012). Budgets also provide management with established performance evaluative criteria. Managers may increase activities in one area where results exceed expectations and may reorganise activities where outcomes display a continuous trend of inefficiency (Reference for Business, 2012). Such feedback can, therefore, be used to make quality improvements.

3 Marketing

Business is always undergoing tremendous changes. The pressure to generate new sales is a constant in organisations. Organisations with high sales are effective at skill building, aligning a firm's strategic focus and consistently executing processes with an appropriate infrastructure (Grossman, 2009). Global economic integration including technological change can be associated with anxiety as new competitors emerge and compete for market share. Whilst technology and trade are the main sources of economic growth (Ahearn, 2012), cognisance needs to be given to successful service strategies, such as, emphasis on products/services, delivery systems and procedures, technology, and personnel. Market orientation for goods and services is a determinant in identifying successful companies, as profit is a measure of that success. According to Nwokah and Ondukwuane (2009), strategic orientation entails the development of an annual marketing plan; and the quality of the current marketing strategy being innovative, amongst others. According to Dale, van der Wiele and van Iwaarden (2007), there is little doubt that quality is an imperative aspect of the marketing mix as organisations aim to effectively differentiate their products and/or services from that of competitors. Hence, many lucrative organisations (in terms of market share) advertise products and/or services based on quality and reliability instead of price (Dale et al., 2007). Understanding customers' needs is seen widely as a critical success factor in new product performance (Earnst, 2002) and market opportunity analyses. According to Leonard-Barton (1995), the dissemination of knowledge is essential in the product innovation process. Market research provides core insights into needs that are not met and conducting research will reveal opportunities for launching products. Market research can be used in the various stages in the product life cycle. In a technology driven work environment, marketing researchers can sift out the most lucrative products. With extensive research on new product development, many success factors have surfaced (Montoya-Weiss & Clantone, 1994). A poor organisation design can prevent leaders from having full control over resources such as marketing and product development (Craig & Molloy, 2003).

4 Operations/service

Fundamental to business performance is the alignment or congruence of functional-level strategies and business strategies. Furthermore, operations strategy must take cognisance of the business environment as the latter has a visible impact on strategic choices in operations (Ward, Leong & Boyer, 1995) and influence business performance (Nath & Sudharshan, 1994). Since functional strategies such as operations, whilst taking cognisance of the business environment, have a positive impact on business performance (Smith & Reece, 1999), operations planning should address and support business level strategies (Schniederjans & Cao, 2009). Therefore, the management of operations (for example, the effective cooperation between marketing and operations/service) and operational effectiveness is important for attaining an organisation's corporate goals. Operations are pivotal in determining the success of strategic marketing efforts since every employee should play a crucial role in understanding customer needs and expectations and ensuring value-driven outputs. Research indicates that enhanced marketing and operational co-operation increased business performance and improved morale (Hausman, Montgomery & Roth, 2002) and, improved company effectiveness and customer value (Sawhnew & Piper, 2002). Attaining an effective marketing-operations interface is, therefore, imperative in globalized markets and to gain a competitive advantage by better understanding, anticipating and addressing customer needs and expectations.

The implication is that the effective synergy between the combined functions of logisticians (procurement, production, distribution, after sales, disposal) and marketers is also imperative to leverage service operations in order to attain competitive advantage (Bowersox, Mentzer & Speh, 1995; Mentzer, Gomes & Krapfel Jr., 1989), even across function boundaries (Shapiro, Rangan & Sviokla, 2004). Researchers have found that logistics and marketing are often distinctly separate from each other within the organisation and the functional managers do not tend to collaborate or coordinate their activities (Flint & Mentzer, 2000; Murphy & Poist, 1996). Ellinger, Keller and Hansen, (2006) found that logistics and marketing managers do not think alike or hold the same values, have strikingly misaligned priorities, misunderstand each other and lack trust and confidence in each others' functions. Instead, to gain competitive advantage, functional areas need to work together, share a mutual understanding, have a common vision, share resources and cooperatively attain goals (Ellinger et al., 2006).

Undoubtedly, organisations, irrespective of size or industry, constantly face the challenge of doing more, and doing it better and with less (Becker, 2002). Operational effectiveness entails meeting cost budgets (Hill, 2005). Managerial understanding of long-run trends in costs and performance and their ability to control costs are instrumental in maintaining or enhancing organisational effectiveness. In this regard, Santa, Scavarda, Zhao and Skoko (2011) maintain that improving cost performance implies that organisations need to recognise inefficiencies and waste in processes like procurement, product or service design. Becker (2002) suggests identifying aspects of overall workplace planning and design that reduce costs and increase flexibility in what it does, how it does it and when it does it in responding to customer needs.

Adding to this, Hill (2005) believes that flexibility includes the capacity to produce a wider variety of products and services, to manage seasonal demand factors and to meet shorter lead times. Piercy and Rich (2004) suggest lean thinking and lean operations (for example, controlling cost through waste removal and, short production runs) and flexible manufacturing (plant, equipment, facilities) to bring about a lean value chain understanding in marketing-operations interfaces. Temeng, Eshun and Essey (2010) highlight the importance of good inventory management in ensuring growth and profitability. They believe that organisations sometimes have more funds invested in inventory than is necessary and are still unable to satisfy customer demand due to poor distribution of investment among inventory items. However, when inventory is viewed as an asset and is properly managed it has the potential to bring about savings (Temeng et al., 2010).

Furthermore, many businesses are investing in complex technological innovations in order to improve their operations. However, Ito and Lechevailier (2010) believe that the influence of technology in bringing about performance differences among organisations must be nuanced as choices of technology that interact with other strategic choices such as global engagement. Furthermore, Santa et al. (2011) warns that very often there is mis-alignment between the system effectiveness outcomes of a technological innovation and the operational effectiveness outcomes, and, hence, failure to achieve the real value of innovation occurs which affects the long-run organisational benefits. Evidently, organisations need to be better able to use their limited resources through flexible capability, the elimination of waste, suitable implementation of innovative technologies and the achievement of performance excellence in order to increase market share and gain a competitive advantage (Evans & Lindsay, 2011; Santa, Ferrer, Bretherton & Hyland 2009; Santa et al., 2011).

5 Corporate/business development

An organisation's development refers to its growth brought about by carefully planned activities and efforts to increase its importance and viability and, reflects the organisation's stability and maturity in delivering its objectives and goals (Doig, Watt & Williams, 2007). Corporate development depends on the ability of the organisation to respond effectively to market or competitive pressures. This includes responding to both local and global markets. The intensity of competition is ever increasing for all organisations irrespective of their interaction in the global market. The increase in global competition has forced organisations to enhance performance standards in many facets such as quality, cost, productivity, product introduction time and smooth flowing of operations (Singh, Garg & Deshmukh, 2010). Competition in the market means aiming to deliver superior quality and value to consumers especially through effective knowledge gathering, transfer and usage. Participation in global market competition is now an imperative for all businesses, irrespective of size and nature, who now have to design strategies in order to be alert, respond and adapt to the dynamics of both local and global markets. Effective business development results from the proper integration of development with day-to-day decision making relating to the marketing of products and services, operations, finance and design and the like. Frésland & Valta (2011) examined the impact of increased product market competition on corporate investment and finance decisions and highlight that competitive pressures play a considerable role in driving the allocation of resources within firms. An organisation's development is also influenced by its ability to be able to exploit outside sources such as joint ventures and consultants.

6 Research design

6.1 Research approach

The research methodology has been designed to undertake a quantitative, cross-sectional study of the criteria for achieving organisational effectiveness with deterministic key points and provides conceptual depth to core areas of people, finance, marketing, operations/service and corporate/business development.

6.2 Respondents

The population comprised of all staff in a provincial trade and investment promotion agency in South Africa that aims to promote the province as an investment destination as well as drive the business of trade by assisting companies in the province concerned to identify markets and export their products. Due to the small staff complement, the consensus approach was used through a cluster sampling technique and an 85.4% response rate was secured. The adequacy of the sample was determined using the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (0.329) and the Bartlet's Test of Spherecity (1554.648, p = 0.000) which respectively indicated suitability and significance. The results indicate that the normality and homoscedasticity preconditions are satisfied.

6.3 Measuring Instrument

Data was collected using a questionnaire consisting of two sections. Section A related to the biographical information (gender, age, position, tenure) and was collected using a nominal scale with pre-coded option categories. Section B measured the five core areas determining organisational effectiveness (people, finance, marketing, operations/service and corporate/business development) using a 1 to 5 point itemised rating scale ranging from makes achieving corporate objectives very difficult (1), makes achieving corporate objectives difficult (2), does not support corporate objectives (3), adequately supports corporate objectives (4) to fully supports corporate objectives (5) and is drawn from an established questionnaire cited in Carnall (2007). In-house pretesting was adopted to assess the suitability of the instrument. Pilot testing was also carried out using 8 subjects, selected using the same procedures and protocols adopted for the larger sample. The feedback from the pilot testing confirmed that the questionnaire was appropriate in terms of relevance and construction.

6.4 Measures

The validity of the questionnaire was assessed using Factor Analysis. A principal component analysis was used to extract initial factors and an iterated principal factor analysis was performed using SPSS with an Orthogonal Varimax Rotation. In terms of the core areas determining organisational effectiveness (Section B), five factors with latent roots greater than unity were extracted from the factor loading matrix and only items with loadings >0.5 were considered to be significant (Table 1). Furthermore, when items were significantly loaded on more than one factor only that with the highest value was selected.

Table 1. Factor Analysis: Validity of the instrument measuring the dimensions of Organisational Effectiveness

Factor	Surfaced Dimension	Eigenvalue	% of Total Variance
1	Corporate/business development	7.188	20.54
2	Operations/service	5.926	16.93
3	People	5.069	14.48
4	Finance	4.325	12.36
5	Marketing	2.469	7.05

The reliability of Section B of the questionnaire relating to the core areas determining organisational effectiveness was determined using Cronbach's Coefficient Alpha (Alpha = 0.953). This alpha coefficient indicates a very high level of internal consistency of the items and, hence, a high degree of reliability with item reliabilities ranging from 0.949 to 0.953 and reliabilities of dimensions of organisational effectiveness being high (Table 2).

Table 2. Cronbach's Coefficient Alpha: Overall Reliability and Reliabilities per dimension of Organisational Effectiveness

Dimension	Cronbach's Coefficient Alpha
Overall Organisational Effectiveness	0.953
People	0.841
Finance	0.921
Marketing	0.808
Operations/service	0.815
Corporate/business development	0.901

6.5 Administration of the measuring instrument

The questionnaires were administered personally by the researchers during a staff meeting and training session and, therefore, allowed opportunity for building rapport, clarification and a better response rate.

6.6 Statistical analysis

Descriptive (means, standard deviations) and inferential (correlation, ANOVA, t-test) statistics were used to analyse the quantitative data. The data was captured using Excel (2007), processed with SPSS Verson 19.0 and presented using tabular and graphical representations.

7 Results

7.1 Descriptive Analyses: Assessment of the dimensions of Organisational Effectiveness

An analysis of employee perceptions of the five dimensions of organisational effectiveness was undertaken using a 1 to 5 point itemized rating scale to identify areas for improvement. The higher the mean score value, the greater the effectiveness and the lesser the gaps and vice versa.

Table 3. Descriptive Statistics – Dimensions of Organisational Effectiveness

Dimension	Mean	Variance	Std. Dev.	Min	Max	Confidence Interval	
						Lower	Upper
People	3.759	0.425	0.652	1.88	5	3.554	3.965
Finance	3.564	0.807	0.898	1.25	5	3.281	3.848
Marketing	3.566	0.524	0.724	1.20	5	3.337	3.794
Operations/service	3.631	0.438	0.662	1.57	5	3.422	3.840
Corporate/business development	3.788	0.561	0.749	1.00	5	3.551	4.024

Table 3 indicates that employees perceive the five dimensions of organisational effectiveness in varying degrees. The dimension perceived to be most effective is Corporate/business development and the dimension requiring the greatest degree of improvement is Finance, falling only negligibly behind Marketing. Table 3 indicates that the dimensions in decreasing level of effectiveness and increasing level of corrective action needed (based on mean score values) are as follows:

- Corporate/business development (Mean = 3.788);
- People (Mean = 3.759);
- Operations/service (Mean = 3.631);
- Marketing (Mean = 3.566);
- Finance (Mean = 3.564).

Whilst the aforementioned would indicate that efforts to ensuring organisational effectiveness are productive, when the mean scores are compared against a maximum attainable score of 5 it clearly reflects room for improvement. The areas for improvement in each of the dimensions of organisational effectiveness have been assessed using frequency analyses.

In terms of people, it was found that the majority of employees (95.1%) maintained that the skills, training and experience of personnel, training and development (87.8%) and performance improvement (87.8%) supports corporate objectives. Furthermore, positive views were noted about pay (75.6%), the extent to which human resources are considered strategically when formulating and implementing strategic decisions (73.2%) and the organisation's policy in respect of the selection and placement of employees (70.7%) in terms of supporting corporate objectives. However, 48.8% of the employees were not convinced that the organisation's relationship with trade unions represented within the enterprise supports corporate objectives. Furthermore, a significant 61% of the employees felt that the lack of promotion does not support, and in fact makes, achieving corporate objectives very difficult.

In terms of finance, it was found that 82.9% of the employees felt that the compatibility between financial budgets and strategic plans supports corporate objectives. A fair percentage of employees (70%) believed that the process of budget preparation supports corporate objectives. However, employees felt that achieving corporate objectives was hindered because feedback from the management information system is not sufficiently used to motivate improved performance (68.3%), the lack of consistency between divisional (unit) budgets and overall organisational budgets (65.8%), the lack of effectiveness of management control information in terms of accuracy, relevance and timeliness (65.8%) and the extent to which managers take corrective action to remedy problems of ineffective control (65.8%). Of concern is that 43.9% of the employees felt that the level of involvement of key staff in budget preparation did not support achieving corporate objectives. Furthermore, 41.4% of the employees felt that the attitude of managers to management control information did not support corporate objectives and makes achieving them difficult.

In terms of marketing, the results indicate only a satisfactory view of the aspects of marketing in contributing to achieving corporate objectives. Only 68.3% of the employees felt that the contribution of each product/service group to sales and profit and, the quality and extent of their knowledge of competitors contributes to achieving corporate goals. Furthermore, 63.4% of the employees expressed that the market position of each product or service group (market share, growth, maturity) supports corporate objectives. In fact, concern was expressed that the lack of turn-around time may impact negatively on achieving corporate objectives (51.2%). Furthermore, 46.3% of the employees were not convinced that adequate use is made of market research for project management and development and claim that this has the potential to affect the achievement of corporate goals.

In terms of operations/service, the majority of the employees held positive views that the extent to which each service group (division, unit) contributes to effective deliver/performance (85.4%), the level of investment compared with the average for the industry (80.5%) and the quality of service provided to KZN based companies and investors in terms of trade and investment respectively (77.6%) supports the achievement of corporate objectives. However, only 65.8% of the employees believe that management's understanding of long-run trends in performance contributes to achieving corporate goals. Also, only 63.5% of the employees believe that corporate goals are supported by the extent to which management is able to control costs. Of concern is that 56.1% felt that the level of cooperation between marketing and operations/service was insufficient to support the achievement of corporate goals and 46.3% were not convinced that the extent to which the information received from marketing and finance is useful for managing operations/service and hence, this affects realising corporate objectives.

In terms of corporate/business development, a significant percentage of employees believed that the achievement of corporate goals was supported by the organisation's investment in economic development (85.4%), constructive and effective feedback from investors and KZN companies contribute to corporate/business development (78%) and the organisaiton is able to exploit outside sources for development purposes (joint ventures, consultants) (70.7%). However, employees believed that achieving corporate objectives was affected by the organisation's ability to exploit new opportunities (43.9%), and to respond quickly to market or competitive pressures (41.5%) and, insufficient integration of development with market, operations, finance, design, and the like (34.1%).

7.2 Inferential Statistics

7.2.1 Hypothesis 1

The five dimensions of organisational effectiveness (people, finance, marketing, operations/service, corporate/business development) significantly correlate with each other (Table 4).

Table 4. Intercorrelations – Dimensions of Organisational Effectiveness

Elements	r/p	People	Finance	Marketing	Operations/ Service	Corporate/ Business Development
People	r	1.000				
	p					
Finance	r	0.750	1.000			
	p	**0.000***				
Marketing	r	0.373	0.553	1.000		
	p	**0.016****	**0.000***			
Operations/Service	r	0.551	0.618	0.841	1.000	
	p	**0.000***	**0.000***	**0.000***		
Corporate/Business Development	r	0.290	0.536	0.704	0.698	1.000
	p	**0.066**	**0.000***	**0.000***	**0.000***	

*** p ≤ 0.01**
**** p < 0.05**

Table 4 indicates that the five dimensions of organisational effectiveness (people, finance, marketing, operations/service, corporate/business development) significantly intercorrelate with each other at, at least the 5% level of significance with the exception of people and corporate/business development. Hence, Hypothesis 1 may be partially accepted. In particular, the following strong, significant relationships are noted at the 1% level of significance:

- People and Finance (r = 0.750).
- Marketing and Operations/Service (r = 0.841) and Corporate/Business Development (r = 0.704) respectively.

7.2.2 Hypothesis 2

Employees varying in biographical profiles (gender, age, position, tenure) differ significantly in their perceptions of the dimensions of organisational effectiveness (people, finance, marketing, operations/service, corporate/business development) respectively (Table 5 and Table 6).

Table 5. t-Test (Gender) and ANOVA (Age, Position, Tenure) and perceptions of the dimensions of organisational effectiveness

Dimension	t-Test		ANOVA					
	Gender		Age		Position		Tenure	
	t	p	F	p	F	p	F	p
People	0.363	0.718	5.589	0.007*	0.056	0.945	3.109	0.038**
Finance	0.551	0.585	7.077	0.002*	0.453	0.639	0.885	0.458
Marketing	-0.662	0.512	4.698	0.015**	1.774	0.183	0.092	0.964
Operations/Service	-0.571	0.572	3.857	0.030**	0.925	0.405	0.147	0.931
Corporate/Business Development	0.080	0.936	0.985	0.383	0.334	0.718	1.011	0.399

* p < 0.01
** p < 0.05

Table 5 indicates that neither gender nor position influence employees' perceptions of any of the dimensions of organisational effectiveness. However, age influences employees' perceptions of people and finance at the 1% level of significance and of marketing and operations/service at the 5% level of significance respectively. In order to assess exactly where these significant differences lie, mean analyses were assessed (Table 6) and it is noted that employees between the ages of 20-29 years were significantly different from those between the ages of 30-39 years in that the former held more positive views of people, finance, marketing, operations/service in contributing to corporate goals than the latter and viewed them as being more effective. Even employees between the ages of 40-49 years of age were more convinced of the effectiveness of finance in achieving organisational objectives than those between the ages of 30-39 years. Hence, overall employees between the ages of 30-39 perceived only a moderate degree of effectiveness of people, finance, marketing and operations/service. Age, however, does not impact of employees' perceptions of corporate/business development. Furthermore, employees varying in tenure differ significantly in their perceptions of the effectiveness of people at the 5% level of significance but not of the remaining dimensions (finance, marketing, operations/service, corporate/business development) of organisational effectiveness respectively. In order to assess exactly where these significant differences lie in terms of tenure and people, mean analyses were assessed (Table 6) and it is noted that employees working in the organisation for less than 2 years have more confidence in the effectiveness of people in achieving corporate goals than those employed for 5 to 7 years. Evidently, Hypothesis 2 may only be partially accepted.

Table 6. ANOVA (Age and Tenure) and differences in employee perceptions of the dimensions of organisational effectiveness

ANOVA: AGE			
Dimension	**Age**	**Mean**	**Standard Deviation**
People	**20-29 years**	**4.531**	0.3590
	30-39 years	3.558	0.6858
	40-49 years	3.955	0.3126
Finance	20-29 years	4.344	0.4719
	30-39 years	**3.216**	0.9073
	40-49 years	4.102	0.4770
Marketing	**20-29 years**	**4.500**	0.3464
	30-39 years	3.408	0.7579
	40-49 years	3.600	0.4561
Operations/Service	**20-29 years**	**4.429**	0.5084
	30-39 years	3.506	0.6764
	40-49 years	3.636	0.4839
ANOVA: TENURE			
Dimension	**Tenure**	**Mean**	**Standard Deviation**
People	**Below 2 years**	**4.171**	0.5428
	2 to 4 years	3.801	0.7733
	5 to 7 years	3.442	0.5216
	8 years and over	3.688	0.5254

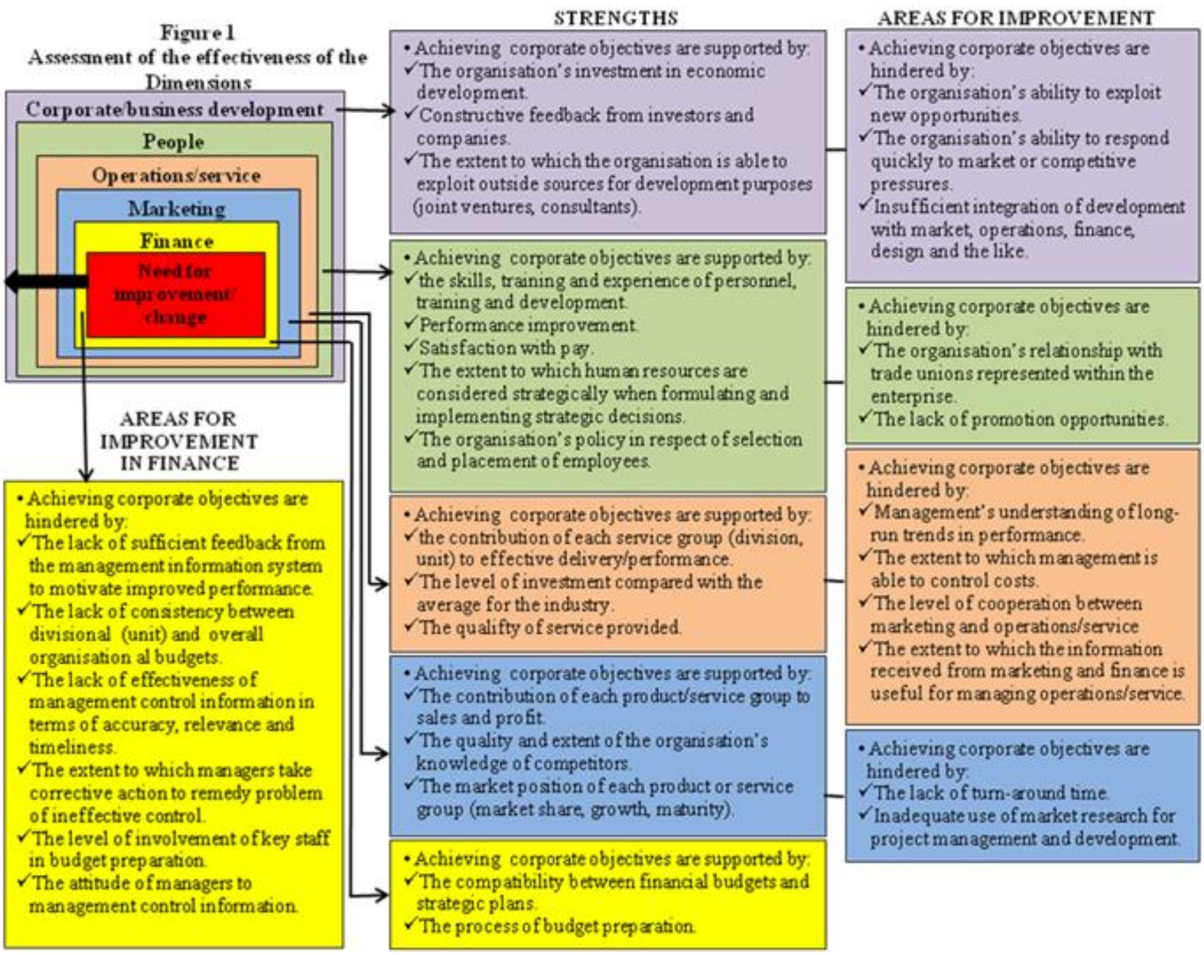
8 Discussion of results

From the results, it can be deduced that all of the dimensions of organisational effectiveness are not functioning optimally (as noted from the deviation of the mean scores from the maximum attainable score of 5), with corporate/business development being the most effective and finance being the least effective thereby, needing the greatest amount of improvement. This is depicted in Figure 1 which indicates that the innermost segment (closest to the need for improvement/change) is least effective but as one moves outward (as reflected by the black arrow), the degree of corrective action/change needed decreases (Figure 1).

Figure 1 clearly depicts the strengths for each diagnostic element as well as areas for improvement. In terms of corporate/business development, the organisation needs to engage in greater efforts to exploit new opportunities, respond quickly to market or competitive pressures and effectively integrate development with market, finance, operations, design and the like. Bate, Khan and Pyle (2000) emphasize the importance of fusing together organisation design and organisation development in efforts to transform the very core of the organisation. An organisation's development is influenced by its ability to exploit new products and pursue opportunities for product/service improvement. In order to improve the effectiveness of its people, the organisation has to nurture its relationship with trade union represented within the enterprise and ensure promotion opportunities. Grama and Sorin (2011) believe that promotion of employees in modern organisations is the outcome of interaction between the skills and desire to accomplish individual and organisational opportunities and add that promotion based on potential presents many advantages including rapid development of staff, stock recovery of outstanding talent, creating a stimulating atmosphere among staff, especially among young employees.

In order to enhance operations/service, management needs to develop the understanding of long-run trends in performance, be able to control costs, ensure cooperation between marketing and operations/service, effectively utilise information received from marketing and finance to manage operations/service. Kotler (1977 cited in Piercy & Rich, 2004) believes that marketing practitioners should develop marketing strategies that align the needs of the marketing mix (the effort of the sales force, advertising, quality, service), business functions (manufacturing, finance, marketing) and the external system (customers, distributers and suppliers) in order to gain a competitive edge. In order to improve marketing, it is important to improve turn-around time, and effectively use market research for project management development. Letens, Farris, and Van Aken (2011) concur that organisations are engulfed with intense challenges to reduce cost, decrease time to market and optimise stakeholder value in product development.

Figure 1. Assessment of the dimensions of organisational effectiveness to identify areas for improvement



In terms of finance, the achievement of corporate objectives can be enhanced by effectively utilizing feedback from the management information system to motivate improved performance, ensuring consistency between divisional (unit) and overall organisational budgets, ensuring accurate, relevant and timely management control information, ensuring that managers take corrective action effectively to remedy a problem and involve key staff in budget preparation. Information itself is a critical resource in the operation and management of organisations and the timely availability of relevant and accurate information is imperative for effective management functioning (Babu, Singh & Sachdeva, 2012).

The results of the study also indicate that the dimensions of organisational effectiveness (people, finance, marketing, operations/service, corporate/business development) significantly intercorrelate with each other. The implication is that an improvement in these dimensions has the potential to have an rippling effect and enhance the overall effectiveness of the organisation as a whole. A combined improvement in people, finance, marketing, operations/service, corporate/business development can, therefore, snowball and enhance the attainment of organisational objectives and the overall effectiveness and strategic position of the organisation. Specifically, improvement marketing has the potential to have a positive spiralling effect of all the other elements, particularly operations/service and corporate/business development as strong relationships with these dimensions has already been noted. Hence, it would be beneficial to invest in marketing.

The results of the study reflect that the perceptions of employees regarding the dimensions of organisational effectiveness is partially influenced by their biographical profiles. Whilst significant differences in employee perceptions of the dimensions were noted in terms of age and tenure, gender and position had no impact. Younger employees (20-29 years of age) held more positive views of the effectiveness of people, finance, marketing, and operations/service in contributing to corporate goals. Furthermore, employees working in the organisation for less than 2 years have more confidence in the effectiveness of people in achieving corporate goals. The implication is that new and younger staff have a positive impression of the performance of the organisation and may be nurtured into giving off their best in supporting and achieving corporate goals.

9 Recommendations and conclusion

The results of this analysis provide a fairly impressive perspective of the effectiveness of this organisation. However, every organisation strives to perform optimally and in order to do so it is important to identify shortfalls in effectiveness. Based on the results of the study, areas for improvement were identified (Figure 1). In attempts to overcome these gaps, recommendations for each of the dimensions of organisational effectiveness have been presented (Figure 2).

Figure 2. Recommendations for enhancement of the five dimensions of organisational effectiveness

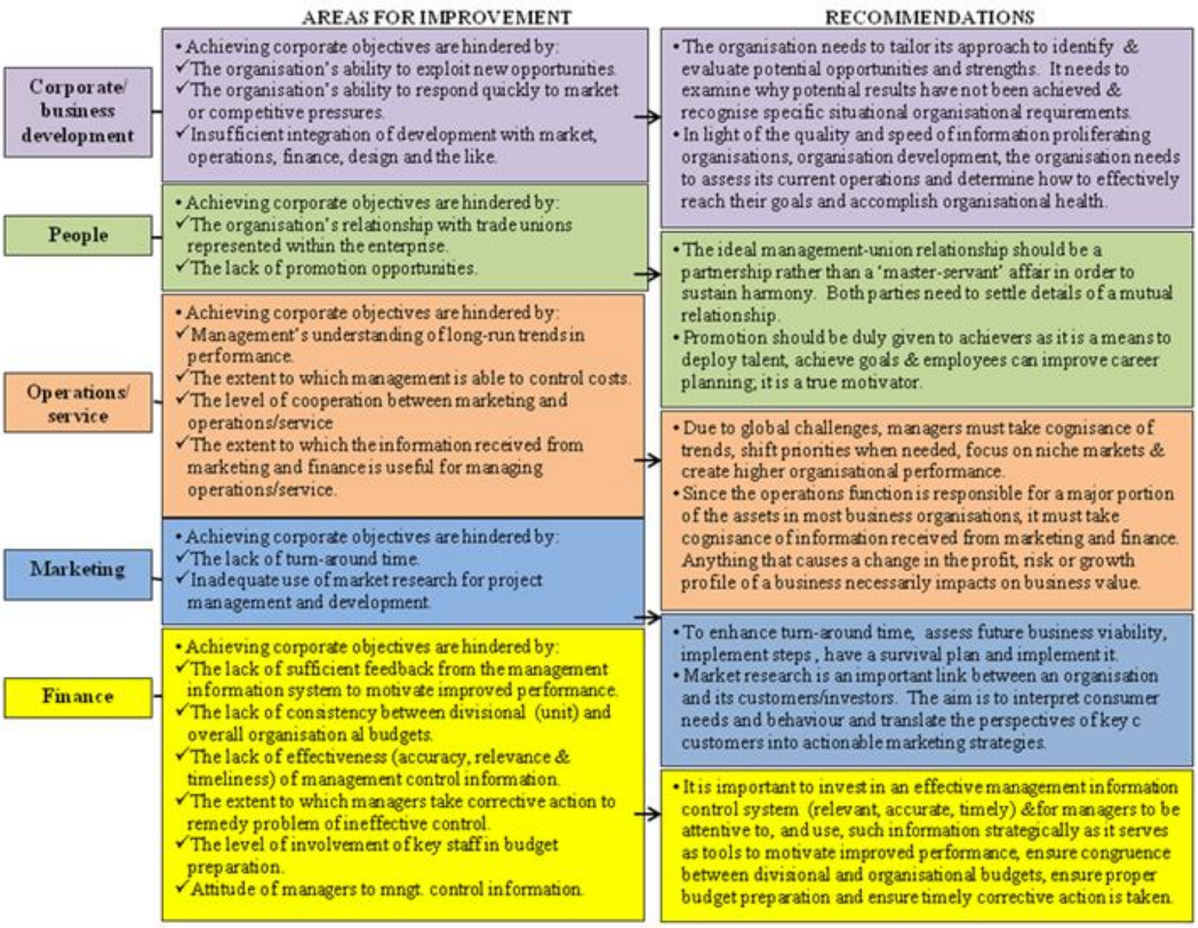


Figure 2 provides recommendations for closing the gaps identified in each of the dimensions (people, finance, marketing, operations/service, corporate/business development), which when effectively implemented has the potential to accelerate the journey to organisational effectiveness.

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