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Russian Manager's Criteria of Effectiveness: Managerial Work Experience and Its Consequences

Fayruza Ismagilova^a, Galina Mirolyubova^{a*}

^a*Faculty of psychology, Institute of Social and Political Sciences, Federal Ural University, Mira street, 19, Yekaterinburg, 62002, Russia*

Abstract

This study aims at investigating Russian managers' set of measurable and unmeasurable criteria of the effectiveness of their professional activities. The content analyses and statistical analyses were applied. The results of this study demonstrated that Russian experienced managers use the similar number of measurable and unmeasurable criteria to control and assess achievement of goals. Furthermore, they use unmeasurable criteria more often than measurable ones for controlling and assessing effectiveness of both the process and behavior (differences are of a statistical significance).

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1. Introduction

Global competition demands from companies to raise their organizational efficiency constantly. Efficiency development programs aimed to develop new job standards leading to reduce organizational expenses. Successful manager should be able to control his activity and assimilate new skills permissive him to reduce nonproductive costs and improve his professional activity's effectiveness.

Firstly, to solve the problem of organizational efficiency, organization and manager should use the same criteria for controlling and assessing the managerial activity. However, manager's work experience accumulates subjective criteria, which were used and applicable in the recent past. These criteria may be not correlative to

* Corresponding author. Tel.: +7-912-289-4963; fax: +7-343-261-5406.
E-mail address: psy@usu.ru; gmirolyubova@gmail.com

new organizational standards. Furthermore these criteria are intuitive and therefore unmeasurable. It is very important for organization to be sure that its managers have flexible and changeable set of measurable subjective criteria for controlling and assessing the effectiveness of their professional activities.

Secondly, well-known that managerial activity aimed to provide the best conditions of employees' job, but not to produce any product. By this reason, for example, we face difficulties if try to understand what results of the department's performance depend on manager's activity and what results depend on other factors. Manager should have three sets of criteria for controlling the effectiveness of: department's activity as a whole, employee's activity and his own professional activity.

The managers' needs of criteria for controlling the effectiveness of managerial activities were investigated in recently research [1]. It was discovered that participants used criteria of organizational effectiveness instead of criteria of effectiveness of their professional activity.

Our research investigates Russian managers' set of measurable and unmeasurable criteria for controlling the effectiveness of their professional activities.

2. Theoretical background

Organizational and technological development leads to more completely demands for professional activity and therefore to changes of control's procedures and objects [2].

1. Managerial system of criteria for controlling and assessing the effectiveness of their professional activities helps him to reduce the level of stress in the situation of organizational changes and assists to increase job's effectiveness. Such regularity was presented at widely used Job Demands-Resources Model (JD-R) [3] and Demand-Control Model of Job Stress [4].

Manager should be able to simulate in a new way a correlation between changing job requirements and supporting resources and between requirements and elements of control over the problem being solved for a decision-making can be considered [5].

Possibilities of a constructive use of new behavior patterns are developed significantly improve if as opposed to new "challenges" an employee starts to control existing alternatives or skills used to neutralize such "challenges" [6].

Supposedly, such increase of control over one's work can be ensured both by expansion and improvement of reliability of the used set of measuring tools and measured indicators. It means the more a manager has possibilities to control the situation when substituting some work methods by other, the more successful his/her activity according new conditions. Besides, managers who use a set of reliable criteria for controlling their activities are more open to learning. Consequently, learning is effective to such extent to what a trainee formed a system of criteria for controlling and assessing his/her activities that ensure reliability and accuracy of measurements, i.e. measurable criteria.

2. When organizations introduce new job standards according organizational changes managers should assimilate new job demands and apply new set of criteria for controlling their activities. New criteria demands from manager to revise his subjective set of criteria which were accumulated in his work experience.

Researches of learning based on psychological theory of a step-by-step mastering of mental acts [7] demonstrate that during the interiorization process even clearly formulated and distinct acts inevitably transform into a generalized form disconnected from the specifics. However interiorization in the process of obtaining a professional experience does not guarantee a further high possibility of exteriorization of mastered mental actions. Only the system of necessary and sufficient indicators introduced into a guide-related basis of an action ensures a systematic orientation on them. In such case generalization is done in accordance with this system of properties. Generalization is defective if it is done with the use of insignificant or random properties. In such case an action can be wrongly described in the process of exteriorization, or can even not be articulated thus remaining a subject's latent knowledge [7]. In connection with our research this will reveal itself in a constant use by a

manager of poorly formalized, based on subjective feelings, and thus hardly measurable and unmeasurable criteria for controlling and assessing of his/her professional activities.

The stated considerations and previous theoretical positions that we discussed allow us to put forward the following hypotheses:

Hypothesis 1: The number of unmeasurable criteria that Russian managers use for controlling and assessing their professional activities exceeds the number of measurable criteria used by them.

Hypothesis 2: Correlation between the number of measurable and unmeasurable criteria does not show important differences in groups of middle and top-level managers.

3. Method

In order to check the hypotheses, a research was carried out in January-May 2012. 85 Russian managers of big companies of the Ural region (industrial, trade, industrial-and-trade) participated in it. The group consisted of middle- and top-level managers of 26-42 y.o. having managerial experience of more than 3 years. All managers were participants of Presidential Program on Training Managers for Russian Companies.

Data were gathered with the use of written questionnaires. The participants were offered to make a list of criteria they use for controlling and assessing the effectiveness of their professional activities.

Content analysis was used for processing the obtained material. A unit of content analysis was a word or a group of words that can be defined as a “unit of measuring the effectiveness and productivity of a professional activity”, i.e. as an indicator or criterion of the effectiveness of a professional activity. The following objects of controlling and assessing activities were chosen as the main conceptual variable of content analysis: outcome – behavior (process) – personality. To substantiate our choice we refer to a system that is popular with US and British companies, i.e. Performance appraisal (PA) [8] the essence of which is a periodic formal assessment of work performance. Among the approaches to choosing the content of PA we can single out in particular those that describe behavior (process) (“what and how a manager does” in order to ensure an activity), outcome (“what manager produces”) and personality (“what manager are” meaning he/she attitudes to his/her professional activity or organization). As a result all units of content analysis were divided into three categories: criteria of controlling and assessing of an activity outcome, behavior (process), and personality.

As the second conceptual variable of content analysis we chose measurability of the indicator of professional activity effectiveness. In accordance with this approach all units of content analysis were divided into two categories: measurable and unmeasurable indicators. Hardly measurable indicators were considered to be unmeasurable ones. For each object of controlling and assessing an activity (outcome – behavior (process) – personality) such a property can be used based on the following grounds.

First, in accordance with a widely known SMART approach goals have to be measurable. However, the use of such mnemonic SMART approach in managerial practice shows that very often goals of managerial activity do not meet these measurability requirements. Thus, it can be supposed that both goal and outcome measurable and unmeasurable indicators are used in managerial activity. We considered a criterion to be measurable if a content unit reflected measurable outcomes with concrete numbers. The description of the outcome should be quantifiable.

Second, taking into account the fact that a professional activity is based on a set professional or organizational (which is more often for managers) standards, a division of behavior (process) criteria into measurable and unmeasurable can be considered to be allowable as well. We considered those criteria to be measurable that have features allowing to compare them with behavior (process) standards.

Finally, usually a company has an idea of what professionally important qualities, to what extent and degree a manager should possess. Organizational requirements concern desirable personality traits: a manager should be confident, cooperative, friendly, and bright, have a right attitude, etc. [9]. Usually a set of these traits is dictated by an organizational culture, and the former in their turn represent the very content of the latter. The whole

system of personnel assessment is designed for obtaining the most accurate assessment of the development of such qualities/traits. It is quite allowable to consider them from the point of view of measurability or impossibility to measure.

A multidimensional classification helped to define 6 classes. Their examples and comments are presented in the table 1 below.

Table 1. Groups of content analysis indicators

<i>Variables</i>	Unmeasurable criteria		Measurable criteria	
	<i>Comment</i>	<i>Example</i>	<i>Comment</i>	<i>Example</i>
Outcome	Substitution of an outcome by an intention. Violation of SMART requirements. Description of functional obligations.	Execution of managers' orders. Development of existing directions. New ideas and offers.	Exact instructions concerning an obtained outcome in absolute or relative values. Deadlines. Observation of SMART requirements.	100% execution of planned indicators. Execution of new equipment start-up project by 01.03.2012. 20% decrease of claims.
Behavior	Description of an activity or its direction connected with the provision of conditions. Description of availability (absence) of something without an establishment of an accurate meaning.	Corrections of errors. Equipment downtime. Provision of conditions for personnel effective work.	Comparison of work characteristics with an organizational and/or professional standard.	No claims from consumers. Product output in accordance with quality standards. Costs optimization for new products manufacture due to workplaces optimization.
Personality	General indication of required competences and attitude.	Retraining. Лояльность. Participation in organizational events.	Indication of behavioral characteristics having diagnostic characteristics.	No discipline violation of a department personnel. High level of partnership. Understanding how to solve problems with the lack of resources.

The researched included a direct calculation of their frequency and a mean value for each group of managers.

4. Results

All indicators have distribution that differs from a normal one (in accordance with Kolmogorov-Smirnov criterion). In order to verify the significance of differences between mean values of measurable and unmeasurable criteria for each group of managers a t-criterion for one sampling was used.

In the result it was found out that in the group of middle-level managers (n=58) mean values of unmeasurable criteria indicators of *outcome* (x=1,28; p<0,01), *behavior* (x=0,53; p<0,01) and *personality* (x=2,74; p<0,01) differ significantly from measurable criteria indicators (Table 2).

Table 2. Differences between values of measurable and unmeasurable criteria indicators in the group of middle-level managers

Indicators	Unmeasurable criteria	Differences	Measurable criteria
Outcome		Not found	
Behavior	x=1,28 p<0,01	Found	x=0,60 p<0,01
Personality	x=0,53 p<0,01	Found	x=0,25 p<0,01
Total indicators	x=2,74 p<0,01	Found	x=1,96 p<0,01

In the group of high-level managers (n=27) a mean value (X) of unmeasurable criteria indicators of *personality* (X=0,75; p<0,01) is significantly higher that measurable criteria indicators of *personality* (X=0,28; p<0,01) as well. As to differences between measurable and unmeasurable criteria indicators of *outcome* and *behavior*, no significant differences were found.

In the general sampling (n=85) mean values (Y) of unmeasurable criteria of *behavior* (Y=0,81; p<0,01) and *personality* (Y=1,16; p<0,01) are much higher than those of measurable criteria of *behavior* (Y=0,26; p<0,01) and *personality* (Y=0,60; p<0,01). The results are shown in table 3.

Table 3. Results of statistical analysis: significance of differences between measurable and unmeasurable criteria in accordance with content control

Indicators	Unmeasurable criteria	Differences	Measurable criteria
Outcome		Not found	
Behavior	Y=0,81 p<0,05	Found	Y=0,26 p<0,05
Personality	Y=1,16 p<0,01	Found	Y=0,60 p<0,01
Total indicators		Not found	

Thus, the research partially confirmed the hypothesis (H1) about the fact that in the set of criteria of controlling and assessing one's professional activity unmeasurable indicators prevail over measurable ones. No differences were found only on the level of criteria for controlling and assessing an activity *outcome*.

In order to verify H2 hypothesis, non-parameter criterion of Mann-Whitney was used. High differences between values of unmeasurable indicators in both groups of managers were not found, however there were significant differences in mean values of measurable criteria of *outcome*. Measurable criteria indicators of *outcome* were much higher in the group of high-level managers ($X=50,5$ vs. $x=39,3$ and $p<0,05$).

5. Discussion

The research is of a pilot character and has some limits that should be highlighted. The main limit is the lack of participants of the high-level managers group in the research. Their number is twice as small as the number of participants of the middle-level managers. Managers who took part in the research were students of the same program. High-level managers had small experience of managerial activity of an "executive" level. These facts allowed us to make a hypothesis about the absence of significant differences in criteria indicators between these groups of participants. However, we suppose that peculiarities of activities of different level managers cannot but be reflected in a set of criteria of controlling and assessing their activities. We are going to check this hypothesis in our future researches.

We also suppose that the method of collecting data used in our research is not sufficient enough due to the fact that it is too direct and can hardly be managed by researches. Preliminary hypotheses were confirmed and that is why we are going to use instead of questionnaires methods that allow revealing subjective criteria of controlling and assessing activities with a greater degree of validity. Finally, this research was focused on the analysis of criteria of controlling and assessing professional activities as a whole, without differentiating of activities into stages. Different stages of activities require corresponding criteria that is why in future research programs we are going to pay attention to preliminary, current, and final control.

6. Conclusion

The fact that unmeasurable criteria prevail does not allow managers to assess objectively effectiveness of their own professional activity and becomes an obstacle on their way of mastering new methods and approaches to activities. To solve this problem additional efforts should be made, in particular, additional programs for mastering skills of developing sets of criteria for controlling and assessing adequate to activities should be used.

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