

A COMPARATIVE STUDY ON MANAGERIAL SKILLS IN FMCG SECTOR IN INDIA

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The major challenges faced by the managing leaders in FMCG industry include fostering organizational commitment, enhancing creativity, effective team work, managing intense distribution network and tough competition, introducing change, exercising an appropriate leadership style at the team level and using appropriate managerial skills to get the work done through team working under him. This research analyzes various dimensions of managerial skills and comparing the managers of ITC and HUL in terms of various dimensions of managerial skills and suggests the adoption of the most appropriate skills through which the subordinates would be able to identify the process, analyze and develop organizational commitment, creativity and team work among the team members. A manager, by exercising the appropriate managerial skills can assure organization to achieve its objective within a stipulated period of time. The paper aims to assess the significant differences in the dimensions of managerial skills of managers of ITC and HUL. The sample comprised 120 managers of ITC and HUL. The collected data were analyzed by using t-test. The findings revealed insignificant differences in the managerial skills of managers of ITC and HUL.

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We usually talk about things like butter, potato chips, tooth pastes, razors, household care products, packaged food and beverages etc. which falls into the category of FMCG sector. FMCG is an acronym for Fast Moving Consumer Goods, which refer to things that we buy from local supermarkets on daily basis, the things that have high turnover and are relatively cheaper. The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US\$ 13.1 billion⁽¹⁾. India's two largest FMCG companies, ITC and HUL, have shown its tremendous growth in today business environment. The ITC group has emerged as the second biggest FMCG company after Hindustan Unilever Ltd.. In packaged foods, its product range includes ready to eat (Kitchens of India), staples (Aashirvaad Atta and Salt), confectionery (Mint-O and Candyman) and biscuits. ITC has also entered into garment retailing and has 42 Wills Lifestyle stores. Other initiatives include greeting cards (20% market share), safety matches and incense sticks. In hotel industry, ITC has emerged as the second biggest luxury hotel chain after Indian hotels.

The another FMCG sector Hindustan Unilever Limited has over 15,000 employees and has an annual turnover of Rs.17,523 crores (financial year 2009 - 2010). HUL is one of the world's leading suppliers of fast moving consumer goods with strong local roots in more than 100 countries across the globe with annual sales of about €40 billion in 2009. With over 35 brands spanning 20 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers, the Company is a part of the everyday life of millions of consumers across India. Its portfolio includes leading household brands such as Lux, Lifebuoy, Surf Excel, Rin, Wheel, Fair & Lovely, Pond's, Vaseline, Lakmé, Dove, Clinic Plus, Sunsilk, Pepsodent, Closeup, Axe, Brooke Bond, Bru, Knorr, Kissan, Kwality Wall's and Pureit.

Today's dynamic organizations like FMCG Sector require effective managerial skills - a challenge that requires managers to lead the people effectively, so that the subordinates can work willingly & enthusiastically for the achievement of group goals. The organizations are driven by the managerial leaders and without them the organization's survival is at stake. They are the go-getters for the organization and see that things are done efficiently. Using the appropriate managerial skills is the most strategic issue of today's human resource or human capital practices. They require good communication, conceptual, effectiveness and interpersonal skills

to manage people in the organization. They set high performance standards for themselves and for others, are direct in communication, highly disciplined, always rational and tend to be rational and unemotional about the issues.

The managerial skills are the qualities of the manager which are found in the managers. The work need of the different organization and business like FMCG Sector requires the different skills in the managers in order to handle the business environment and to make it successful in the market. So there are different types of skills which the managers of FMCG Sector need to get the work done through people. Managers of FMCG Sector have to deal with the lot of problems which require special skills of the managers in order to solve them. When the managers counter a problem then they require some special skills in order to deal with the specific problems. So there are many different organizations which require different skills in the people in order to get the proper job done. So the job skills of today's managers, working in FMCG Sector are intuitiveness, work under pressure, manage the people, conflict management, change agent, concerned for team growth, use of an appropriate leadership style and motivate the people under their supervision so these are the skills which are needed in order to carry the different operations of the business.

In order to perform the functions of management and to assume multiple roles, managers must be skilled. There are basically four types of managerial skills that are essential to successful management: technical, human, conceptual and leadership. Technical skill involves process or technique knowledge and proficiency. Managers use the processes, techniques and tools of a specific area. Human skill involves the ability to interact effectively with people. Managers interact and cooperate with employees. Conceptual skill involves the formulation of ideas. Leadership is required to influence the behavior of the subordinates.

In this research paper we did our study in two companies (ITC and HUL) of FMCG Sector in which we have taken seven dimensions of managerial skills:

- 1- **Team Behaviour:-** To some extent, the success of a manager depends on his behavior within a group. That is why; a successful manager must possess the human relations attitude. He should have intimate knowledge about the people and interpersonal relationships.

- 2- **Concerned for team growth:-** Successful managers generally have very intense inner motivational drives. Not only should they be concerned for their growth, but they must have the concerns for their followers and possess requisite quality to motivate them also. They should play an active role in stimulating the inner drives of his followers also.
- 3- **Change Agent:-** It is the tendency of human being to resist change, whenever it comes. It is the duty of a manager to make their followers aware about the consequences of adapting or resisting the change. They should also act as a change agent to motivate the employees to adapt change.
- 4- **Goal Oriented:-** The extent to which managers are likely to organize and define the roles of the members of their group and to explain what activities each is to do and when, where and how tasks are to be accomplished, characterized by endeavouring to establish well defined patterns of organization and ways of getting job accomplished. A goal oriented manager behavior emphasizes excellence in subordinate performance and improvements in performance. An achievement oriented manager sets high performance goals and shows confidence in people's abilities to reach those goals
- 5- **Autocratic:-** Autocratic style describes a leader who typically centralizes the authority. He tells the work methods and does not allow the subordinates to participate at all in decision making process.
- 6- **Democratic:-** A democratic leader invites all his subordinates in decision making. He delegates the authority and responsibility and encourages participation and expression of opinion from subordinates.
- 7- **Free Rein:-** A free rein style manager gives complete freedom to the group to make decisions. He allows the subordinates to accomplish the assignment in whatever way they feel it fit to perform.

The bigger contribution of FMCG sector in the growth of economy can be possible only with the help of using the most appropriate dimensions of managerial skills. Because of the cut throat competition, the open economy and improved information technology in FMCG sector, the use of effective managerial skills are going to make a big difference in the achievement of big organizational goals and profitability. In FMCG companies, there is intense fight for expansion, business growth and diversification into different new product categories etc., it becomes prudent for managers to realize the most appropriate managerial skills needed by FMCG industry.

Objective of the Study:

The study proceeds with the following objectives:

- To understand and study the effective and appropriate managerial skills prevailing in Indian FMCG sector.
- To compare ITC and HUL in terms of managerial skills.

PROBLEM IDENTIFICATION:

Using the effective and appropriate managerial skill is a complex and challenging task due to the current business trends of expanding product variety, short product life cycle, increasing outsourcing, globalization of business and continuous advances in information technology. Dynamic industries like FMCG sector requires use of effective managerial skills, so that the subordinates can work willingly & enthusiastically for the achievement of organisational goals.

The major problems faced by the managing leaders in FMCG industry like ITC and HUL include:

- Fostering organizational commitment.
- Enhancing creativity.
- Effective team work.
- Managing intense distribution network.
- Tough competition.
- Using an effective managerial skill and exercising an appropriate leadership style at the team level.

Review of Literature:

Research in common parlance refers to a search for knowledge. Studies on related problems are useful for indicating the type of difficulties that may be encountered in the present study and also the possible analytical shortcomings. At times such studies may also suggest useful

and even new line of approach to the present problem. Review of literature is done to find what data and other materials, if any, are available which often serves to narrow the problem itself as well as the technique that might be used. The existing literature on self help groups and empowerment is so vast that it would be next to impossible to take into account all the relevant studies in details. However, an attempt has been made for a brief critical survey of the major findings of some of the notable contributions in the field of managerial skills.

The effective managerial skill has been identified as the major force for motivation of the team members. There has been a corresponding interest in studying about the biggest problem, a manager interacts about when, what & how to use the managerial skill & how to guide the team towards rewarding outcomes and nurture their growth onto success-driven path. A critical review of the important studies related to the topic, conducted in India, helped in developing a framework for realizing the objectives laid down for the present study.

It is interesting to review previous literature to understand the major contribution and importance of this study. According to Patrick Low Kim Cheng(2006)², managerial skills & motivation is intrinsically linked. By using appropriate managerial skills , managers can motivate their employees. As per Vedpuriswar,(2004)³, the managerial leaders energize their people “not by pushing them with control mechanisms but by satisfying basic human needs for achievement, a sense of belonging”

Vroom and Yetton (1973)⁴ identify five decision procedures for decisions involving multiple subordinates including two varieties of autocratic decision of managers (AI and AII), two varieties of consultation(CI and CII) and one variety of joint decision making by manager and subordinates as a group(GII).

AI: You solve the problem or make the decision yourself, using information available to you at the time.

AII: You obtain the necessary information from your subordinates, then decide the solution to the problem yourself. You may or may not tell your subordinates what the problem is in getting the information from them. The role played by your subordinates in making the decision is

clearly one of providing necessary information to you, rather than generating or evaluating alternative solution.

CI: You share the problem with the relevant subordinates individually getting their ideas and suggestions without bringing them together as a group. Then you make the decision, which may or may not reflect your subordinates' influence.

CII: You share the problem with your subordinates as a group, obtaining their collective ideas and suggestions. Then you make the decision, which may or may not reflect your subordinates' influence.

GII: You share the problem with your subordinates as a group together. You generate and evaluate alternatives and attempt to reach agreement on a solution. Your role is much like that of chairman. You do not try to influence the group to adopt your preferred solution, and you are willing to accept and implement any solution that has support of the entire group.

As per **Vedpuriswar, (2004)⁽⁵⁾**, the managers energize their people “not by pushing them with control mechanisms but by satisfying basic human needs for achievement, a sense of belonging”. As the **Greek playwright Euripides⁽⁶⁾** wrote in the 4th century, “Ten soldiers wisely managed, can beat a hundred without a head”. On the basis of literature review, the managerial skills in FMCG sector helps in maintaining intense competition & distribution system. With the help of an effective managerial skill, a manager can motivate those employees, who are goal-oriented. However, **Low's (2005)⁽⁷⁾** study views that as the country develop, people will acquire more skills, further education & with adequate numbers of skilled business executives, more will be exposed to individualism, managers need to manage people effectively. The **University of Michigan's Pioneering** survey feedback programme⁽⁸⁾ reduced autocratic and increased democratic leadership style. **Vroom and Yetton (1973)⁽⁹⁾** created, and subsequently, evaluated a program that teaches when various forms of participation or direction are rationally more appropriate. **Blake and Mouton's (1964)⁽¹⁰⁾** managerial grid training, **Hersey and Blanchard's (1982)⁽¹¹⁾** situational leadership programme focused on the development of improved task and interpersonal relationships. The various websites of the FMCG sector and matters on managerial skills have been referred for the study.

Ahmad and Chopra (2004)⁽¹²⁾ suggest that a distinct quality of great managers is that they articulate, express and share the organizational missions and goals in a simple, easily understood

and tangible vision statement. The conceptual purpose of vision and mission statement is to help the top management and leadership develop clarity, focus and flexibility in determining the nature and scope of their businesses for their organisations. Thus, if the vision of the leader is widely shared and inspiring, it can be a powerful strategic device for motivating people and taking the organization to great heights.

Corinne McLaughlin (2001)⁽¹³⁾, Executive Director, Centre for Visionary Leadership, Washington, DC, asserts that visionary leaders dream wonderful visions of the future, articulating them with great inspiration as well as bringing those visions into being in the world while transforming it in some way. They are effective in articulating their visions because they create specific achievable goals, initiate action and elicit the participation of others.

Managerial Leadership Skills of Dr. A.P.J. Abdul Kalam to change the organizational climate- its implementation and outcomes: In February 1982, a decision was taken to appoint Dr. A.P.J. Abdul Kalam as Director, DRDL, Hyderabad. When Dr. Kalam joined DRDL on June 1, 1982, he found the scientists there to be immensely frustrated due to winding up of the Devil missile project. They also perceived that they had been “cheated” by senior officials of the Ministry of Defence. The Tactical Core Vehicle(TCV) project was also pending for quite a long time. Dr. Kalam visualized that nothing could be done without building a healthy climate marked by trust and confidence. Accordingly, he used indigenous management strategies to accomplish a high-performing, energizing climate at DRDL. Initially, he used effective communication and provided clear direction to the confused teams to substantially improve the climate so that Integrated Guided Missile Development Programme (IGMDP) could be launched. Later on, there emerged a high-performing, energizing climate when Dr. Kalam used further indigenous techniques to manage technology for accomplishing outstanding performance.

According to Robbins (1996)⁽¹⁴⁾, there are four approaches to the study of managerial leadership. The first approach seeks to find the universal personality traits that managers exhibit in comparison to others who are not managers. In turn, the second approach seeks to explain managerial leadership as a function of the behavior that a person observes. The third approach uses contingency models to explain the mistakes of earlier theories and try to reconcile and integrate the multiple research results. Finally, the fourth approach once again examines personality traits, but from a different perspective(Soto, 2005)⁽¹⁵⁾. Robbins (1999)⁽¹⁶⁾ considers

that successful managerial leadership is achieved by adopting the correct leadership style, appropriate to the level of maturity of the collaborators (the ability and the willingness that people have to perform a specific task).

According to Hersey and Blanchard (1993)⁽¹⁷⁾, most researchers agree that leadership is the process of influencing the activities of an individual or group in their efforts to achieve goals in a given situation. From this definition of leadership, it can be concluded that the leadership process is a function of the leader, the collaborator, and other situational variables whether it takes place in business areas, educational establishments, hospitals, political organizations, family organizations or others.

Hypothesis:-

The following hypothesis were formulated for empirical testing:-

H1: There is a significant difference in the managerial skills of ITC and HUL.

H2: There are significant differences in the various dimensions of managerial skills of ITC and HUL.

Methodology:-

Questionnaire Development and validation:

For the purpose of testing hypotheses, a questionnaire was developed based on the literature survey. The questionnaire was a self rating, Likert scale based (scale 1 to 5) questionnaire to be filled up by the leader him/herself. The questionnaire had a total of 34 questions on various dimensions of managerial skills. A data collected from 100 managers was tested for reliability and Cornbach's alpha indicated a value of 0.818. After having validated the questionnaire, it was then made available for distributing to larger respondents.

Sample:-

The sample consisted of 120 managers doing jobs in FMCG Sector. Out of these, 60 belong to ITC and 60 HUL. The questionnaire was sent to 126 managers, out of which 6 sets of questionnaire were incomplete.

Results and Discussion:-

Table 1 represents the mean, Standard Deviation and t-value for all the variables. It can be observed that all the dimensions of managerial skills have insignificant difference among the managers of ITC and HUL, except for ‘Concerned for Team Growth’ and ‘Change Agent’, which were significantly different in the managers of ITC and HUL.

Table 1: Mean, Standard Deviation and t-value of various dimensions of managers of ITC and HUL. (N=100)

S. No.	Dimensions of managerial skills	Personality Type	N	Mean	SD	T-VALUE
1-	Team Behavior	ITC	60	57.42	9.26	1.31
		HUL	60	66.56	7.51	
2-	Concerned for team growth	ITC	60	53.73	8.04	7.08**
		HUL	60	61.39	6.89	
3-	Change Agent	ITC	60	56.21	9.39	3.21**
		HUL	60	64.11	8.33	
4-	Goal oriented	ITC	60	56.99	9.43	0.79
		HUL	60	56.55	8.75	
5-	Autocratic	ITC	60	59.87	8.79	0.02
		HUL	60	64.38	8.43	
6-	Participative	ITC	60	55.98	7.44	0.05
		HUL	60	59.41	8.2	
7-	Free Rein	ITC	60	2834.5	101.75	0.01
		HUL	60	3102.6	185.74	

Significant at 0.01 level.

A significant difference ($t = 7.08, p < 0.01$) was observed in the dimension of “Concerned for Team Growth” of managers of ITC and HUL and also a significant difference ($t = 3.21, p < 0.01$) was found in the dimension of “change Agent”.

Insignificant differences were found in the dimensions of team behavior, goal oriented, autocratic, participative and free rein of managerial skills of managers of ITC and HUL. While significant differences were obtained in the dimensions of “Concerned for Team Growth” and “Change Agent” among the managers of ITC and HUL, where HUL managers were more concerned for team growth and better change agent than ITC managers.

The research findings suggest that if we compare ITC managers with HUL managers in terms of team behavior, goal oriented behavior and leadership skills, we find that there is no significant difference between the managers of ITC and HUL in terms of their team behavior with their followers, goal oriented behavior and exercising leadership styles as per the demand of the situation. The research finding also suggests that some dimensions of managerial skills are well performed by managers of HUL and some are by ITC’s managers. The data in the present study did not show much discrepancy in the scores of the managers of ITC and HUL. That is why much difference was not seen in the results and no significant difference was found in the managerial skills of managers of ITC and HUL.

Conclusion:-

On the basis of the above discussion, it can be concluded that some dimensions of managerial skills are well performed by managers of HUL and some are by ITC. The managers in the sample belonged to FMCG Sector much difference was not seen in the results and no significant difference was found in the managerial skills of managers of ITC and HUL.

Limitation:-

The main limitation of the present study is that a few managers did not fill up the questionnaires properly, either due to shortage of time, or lack of interest.

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Questionnaires for managerial skills survey:

This questionnaire contains statements about managerial skills. Next to each statement, circle the number that represents how strongly you feel about the statement by using the following scoring system:

- Strongly Agree - 5
- Agree - 4
- Undecided - 3
- Disagree - 2
- Strongly Disagree - 1

Sr . No	The Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
1	I always listen to my team members more than I talk to them, and I am open to their thoughts and suggestions	5	4	3	2	1
2	I make sure that I display the same standards of behavior that I expect from other people.	5	4	3	2	1
3	I impartially consider the opinions and needs	5	4	3	2	1

	of all of my workers when resolving a conflict and I work hard to resolve it.					
4	I am able to keep control over all of my team members without ever suppressing their self esteem and self-motivation	5	4	3	2	1
5	I collaborate with others to solve problems using a variety of problem solving tools and techniques.	5	4	3	2	1
6	I delegate a project to help my team members develop their skills and expertise, and I hold them responsible for results	5	4	3	2	1
7	I regularly spend time analysing reports to identify my workers' deficiencies and opportunities for improvement	5	4	3	2	1
8	I am able to increase the efficiency of my department by understanding the motives and needs of each team mate	5	4	3	2	1

9	I provide team spirit by encouraging my staff to work together, and I always appreciate their individual talents and abilities	5	4	3	2	1
10	I always ensure that my staff members have the required training, and know how to apply it to their job.	5	4	3	2	1
11	I always set and follow ground rules for the office meeting, and I properly complete each point before moving to the next one.	5	4	3	2	1
12	I implement a change and then give my team members time to adjust themselves to it	5	4	3	2	1
13	I can overcome any work pressure, enjoy making tough decisions and have the desire to become an outstanding leader.	5	4	3	2	1
14	I am a visionary, believe in risk – taking and always seek and accept bigger challenges.	5	4	3	2	1

15	I set short- and long-range goals, involve all my team members in the goal-setting process, and then organise a clear plan to reach them					
16	I focus on planning, organising and motivating my team players, and I don't assign these tasks to others					
17	I generally take the final decision on my own without involving the team members.	5	4	3	2	1
18	I tell my employees what has to be done and how to do it.	5	4	3	2	1
19	The employees are monitored to ensure they are working.	5	4	3	2	1
20	Employees must be directed or threatened with punishment in order to get them to achieve the organizational objectives .	5	4	3	2	1
21	I like the power that my leadership position holds over subordinates.	5	4	3	2	1
22	I like to use my leadership power to help subordinates grow.	5	4	3	2	1
23	I take the advice of all	5	4	3	2	1

	team members when something goes wrong in a process or project.					
24	I ask employees to use their own vision to carry out the jobs.	5	4	3	2	1
25	I work with the employees to resolve the differences.	5	4	3	2	1
26	Employees will take self-direction if they are committed to the objectives.	5	4	3	2	1
27	Employees have the right to determine the organizational objectives.	5	4	3	2	1
28	If my workers know more about their jobs than me, then I allow them to carry out the their job.	5	4	3	2	1
29	To spread the information, I use email or voice mail, & then expect them to act upon.	5	4	3	2	1
30	My team members can lead themselves just as I do.	5	4	3	2	1
31	I delegate tasks in order to implement a new procedure or process.	5	4	3	2	1