

THE INFLUENCE OF STRUCTURAL VARIABLES ON MANAGERIAL WORK ROLES IN MALAYSIAN STATE-OWNED ENTERPRISES

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ABSTRACT

This article examines the influence of structural variables on managerial roles, and the extent of roles required in managerial jobs in state-owned enterprises (soe). The data was collected from a sample of 105 managers in Malaysia soe. The results showed that structural variables such as the sizes of the organisations, and the type of industry have little influence on managerial roles. Structural variables such as the organisations structure and the legal type of soe have no significant influence on managerial roles. The result also suggest that there are variations and similarities on the extent of managerial roles required in their jobs.

ABSTRAK

Rencana ini mengkaji pengaruh pembolehubah struktur ke atas peranan pengurusan, dan setakat manakah peranan-peranan diperlukan di dalam kerja-kerja pengurusan dalam perusahaan awam. Data telah diperolehi dari sampel 105 orang pengurus di pengurusan awam di Malaysia. Hasil kajian menunjukkan bahawa pembolehubah struktur seperti saiz organisasi dan jenis perusahaan mempunyai sedikit pengaruh ke atas peranan-peranan pengurusan. Pembolehubah seperti struktur organisasi dan jenis penubuhan organisasi tidak mempunyai pengaruh yang signifikan ke atas peranan-peranan pengurus yang diperlukan di dalam kerja-kerja mereka.

INTRODUCTION

The nature of managerial work theory has gained rapid development since the evolution of classical management functions by Fayol (1916), Urwick (1954) and others. New theories have been developed and presented in studying managerial work. One such theory is by Mintzberg (1973) on managerial work roles. Mintzberg concluded that the managers' job can be described in terms of 10 roles within 3 areas:

- Interpersonal — figurehead, leader, liaison
- Informational — monitor, disseminator, spokesman
- Decisional — entrepreneur, disturbance-handler, resource allocator, negotiator

that are common to the work of all managers. Subsequent empirical research has supported the generalisability of these role descriptions in public and private sector organisations (Lau, Pavett and Newman 1980; Pavett and Lau 1985). The contingency theory of managerial work roles has also supported the generalisability of these role across hierarchical levels (Top, Middle, Low),

functional specialty (Production, Sales, Accounting, Research and Development, Personnel and General Managers) and in firm sizes (large and small) [Alexander 1979; Paolillo 1981; Pavett and Lau 1983; Paolillo 1984]. While considerable research has focused on these structure variables, few have attempted to verify the speculations that organisation structure has an effect on managerial roles.

Organisational theorists have suggested that organisational structures have impact on individuals above and beyond the determination of the amount of discretion exercised. (Hall 1982). This implies that structural characteristics and individual characteristics interact. Child and Ellis (1973) concluded that several predictions of variations in managerial roles of which industry, functional specialisation and the type of organisation structure, appear to be the most pervasive. Thus, theories in organisations have propounded that structural variables have influence on the extent of managerial roles required in managerial jobs. Consequently, the thrust of this study is to examine the influence of structural variables on the managerial jobs. The structural variables examined are as follows:

1. Type of industry – industry, service, agrobased
2. Type of structure – functional as divisional
3. Type of legal form – establish under Parliament or State Act and Companies Act
4. Size of organisation – small and large

The questions which will guide this study are as follows:

1. What influence to structural variables have on the extent of Mintzberg roles in State Owned Enterprises?
2. Are any of the roles required to a fairly high extent by managerial jobs in State Owned Enterprises?

Mintzberg (1973: 100–3) proposed a contingency framework of managerial work to analyse the variations in managers' work. He suggested that the manager's job is influenced by the organization, its industry and other factors in the environment. His study together with Chorán (1969) provided evidence that the size of the organisation appear to have considerable effect in what managers do. Mintzberg concluded that managers in small organisations give more attention to operating problems, and are more inclined to do some of the staff work themselves. They (managers) see themselves more as entrepreneurs. Chorán concludes that the leader and information processing roles (within the firm) were more significant for manager in smaller firm's than for the CEO of the larger firms.

A research by Paolillo (1984) on the effect of roles on size of the firm showed that managers in small firms required the roles

of spokesman, entrepreneur, figurehead and leader in their work. The roles of resource allocator, liaison, monitor, disturbance-handler and negotiator are more important for managers in large firms than managers in small firms. These conclusions appeared consistent with Mintzberg (1973) and Chorán (1969). One question relating to this hypothesis is whether these 'contingent' roles are also generalisable for managers in different sizes in Stated-Owned Enterprises (SOE). Following this, it is hypothesised that *manager in small firms perceive the roles of spokesman, entrepreneur, figurehead and leader as more important than would managers in large firms*. The remaining roles are more important to managers in large firms than those in small firms.

With respect to the influence of industry, Mintzberg did not provide sufficient evidence on the effects of industry type (industrial and commerce, service and agrobusiness) on the managerial roles. Stieglitz (1969) concluded that CEO of financial and service organisations more frequently ranked external relations as more important than did those of manufacturing firms. Therefore, it is hypothesized that there will be significant differences among industry type on perceptions of role requirements.

No clear evidence has emerged from precedent research on the effect of organisation structure and legal form of organisation. Mintzberg (1973) analysis of job sharing in executive terms showed some implicit evidence on the effect of organisation structure upon managerial roles. (Table 1) However, no imperative

TABLE 1. The Influence of Structural Variables on Mintzberg Roles in State-Owned Enterprises

Industry		Leader
Service	Type of Industry	Liaison
Agrobased		Figurehead
Functional	Type of Structure	Monitor
Divisional		Disseminator
	Mintzberg Roles	
Federal/ State Act	Type of Legal Form	Spokesman
Companies Act		Disturbance Handler
Small Size	Size of Organisation	Negotiator
Large Size		Resource Allocator

conclusion has emerged from Mintzberg and other studies. A research by Child and Ellis (1973) indicated some evidence on variations of managerial roles by organisation structure type. Thus, it is hypothesized that there will be significant differences among structural type on perceptions of role requirements.

Our research focuses on State-Owned enterprises in Malaysia. We found that there are at least two types of SOE in Malaysia. One is enacted under the Federal Parliament Act or State Legislative Act, and the other is enacted under the Malaysian Companies Act, 1965.

These two types of SOE differed in many respects, as summarised in Table 2. From Table 2, it may be discerned that SOE established under Companies Act are similar to organisations in the private sector. Perhaps, the major difference from the private sector is that the shareholders are the Federal or State government(s). As such, we hypothesized that there will be significant differences among legal forms (type) of SOE managers on perceptions of role requirements.

TABLE 2. Differences in SOE in Malaysia According to Legal Form

Differences in Managerial Context	SOE Established under Federal Parliament Act or State Legislative Act	SOE Established under Companies Act, 1965
Share Capital	No Shares Issued	Shares Issued
Funding Sources	Dependent on Government Grants and Loans	Independent of Government Grant and Loans
Employee Compensation and Service Condition	Similar to Malaysian Civil Service Terms	Similar to Private Sector Terms
Major Source of revenue/income	Government Treasury	Sales of production services
Appointment of Top and Middle Level Managers	Appointed by Ministers or Public Services Department	Appointed by Minister or Board of Directors
Degree of bureaucratic obstacles	High	Low
Organisational Objectives	Non-profit oriented	Profit Oriented

This can be supported from Mintzberg (1973) who provided some evidence on the difference between business and public (or quasi public) organisations. Though Mintzberg (1973), Lau, Pavett and Newman (1980) made explicit distinction between the public and private sector organisations, our hypothesis is an indirect corollary of precedent researches.

METHODOLOGY

SAMPLE

This study was conducted in SOE in Malaysia. We defined SOE as any organisation involved in industrial and commercial (business) activities, that is owned by the Federal Government or a State Government or other public agencies, by controlling the majority of shares (more than 50% of share capital) or by legal status (Act of Parliament or State Act). Data were gathered from a sample of 105 managers (about 29% response rate) working in 77 SOE (or about 46% of SOE population).

This sample included general managers (N=38), finance and accounting managers (N=24), personnel, administration and training managers (N=19), marketing and sales managers (N=7) and other managers in specialised functions (N=17) such as service manager, project manager, planning manager and production manager.

There were 46 managers working in the industrial and commercial sector, 32 managers in service sector and 27 managers in agrobases sector.

There were 47 managers in small firms (less than 300 employees) and 58 managers in large firms (more than 300 employees).

The sample generated 39 managers working in SOE established under Federal or State Act, and 66 managers working in SOE established under Companies Act, 1965.

There were 78 managers working under functional structure and 24 working under divisional (product or service or both) structure.

The sample included 11.4% of total managers with college diploma qualification, 59% of total managers with university degree (Bachelor, Masters or Doctorate) and 21% with professional qualifications such as the United Kingdom Associate of Certificate Chartered Accountants (ACCA).

Mean position tenure was 3 years, while mean organisation tenure was 7.4 years.

QUESTIONNAIRE

Questionnaires were mailed to managers in SOE in Malaysia. The respondents were asked to indicate the importance of each of the role items. The work of Mintzberg (1973), Paolillo (1984), Lau, Newman and Broedling (1980) were used as a basis for constructing 41 managerial role items. An average of 4 items measured each of the 10 roles. Respondents rated the importance of each activity ranging from (1) most important to (6) most unimportant in performing their jobs.

ANALYSIS

The role items were factor analysed by Principal Component solution to investigate the underlying dimensions associated with managerial jobs in SOE. This resulted in 29 role items grouped in 10 role dimensions. Only items with factor loadings over 0.4 were then combined according to the Mintzberg framework of roles. The Cronbach Alpha coefficients for the 10 roles ranged from 0.57 to 0.88 (average alpha was 0.81).

RESULTS

SIZE OF SOE

The t-test produced one role that supports our hypothesis on perceptions of roles by managers in small firms. Managers in small SOE perceived the role of *spokesman* as more important in their job performance than managers in large SOE (significant @ $P < 0.01$). However, Table 3 also indicated that managers in small SOE perceived the roles of *entrepreneur* and *figurehead* as more important than managers in large SOE (significant @ $P < 0.1$). On the contrary, the role of LEADER was perceived "less important" by managers in small SOE than in large SOE (not significant @ $P < 0.1$).

Our results also rejected the hypothesis on perception of roles by managers in large SOE. That is managers in large SOE did not perceive the roles of *resource allocator*, *liaison*, *monitor*, *disturbance handler negotiator*, and *disseminator* important in their job performance than managers in small SOE.

TYPE OF INDUSTRY

The one way analysis of variance for each managerial role according to the type of industry of managers produced two roles with

TABLE 3. Student T-Test for Managerial Roles
Between the Sizes of SOE

Managerial Roles	Mean Value of Small SOE Managers	Mean Value of Large SOE Managers	T-Value
Liaison	2.2 ^(a)	2.46	1.44
Leader	2.75	1.94	1.11
Figurehead	2.77	3.04	1.34
Monitor	2.40	2.74	1.75**
Disseminator	2.48	2.59	0.54
Spokesman	3.40	3.99	2.43*
Resource Allocator	2.15	2.32	0.86
Entrepreneur	1.72	1.94	1.34
Disturbance Handler	3.03	3.26	0.80
Negotiator	2.52	3.10	2.09**

Notes:

* Significant at $P < 0.01$

** Significant at $P < 0.05$

(a) Low Score indicate more important, and high score indicate most unimportant.

significant differences. (Table 4) They were *liaison* and *disseminator* roles at the 0.05 level ($F = 3.86$ and $F = 4.65$ respectively).

For the *liaison* role, the SOE managers in the service sector perceived as more important than those in the industry and commerce and agrobases sector. Duncan Multiple Range test showed that this role is significantly different between managers in service-industry and commerce, and service-agrobases sector at the level of 0.05.

The role of disseminator was also perceived as more important by managers in the service sector than those in industry-commerce and agrobases sectors. Duncan Multiple Range test showed that the disseminating role is significantly different for managers in service and agrobases sectors (significant at $P < 0.05$).

Thus only 20% (2 out of 10 roles) of our hypothesis is supported.

TABLE 4. Analysis of Variance of Managerial Roles by Sector of Industry

Managerial Roles	Mean Value of Industry and Commerce Sector	Mean Value of Service Sector	Mean Value of Agrobases Sector	F-Value
Liaison	2.42 ^(a)	2.03	2.62	3.86*
Leader	2.05	2.11	1.92	0.28
Figurehead	2.95	2.73	3.11	1.05
Monitor	2.64	2.40	2.73	0.89
Disseminator	2.51	2.20	2.96	4.65*
Spokesman	3.60	3.60	4.06	1.37
Resource Allocator	2.33	2.10	2.28	0.49
Entrepreneur	1.79	1.71	2.09	1.70
Disturbance-Handler	3.30	2.87	3.25	0.93
Negotiator	2.76	2.57	3.26	1.87

Notes:

* Significant at $p < 0.05$

(a) Lower score indicate more important and higher score indicate less important.

ORGANISATION STRUCTURE

Table 5 showed that none of the managerial roles are significantly different across functional and divisional structure. Thus, our hypothesis is not supported in this study.

However, there are differences in the mean score on the perception of role requirements for managers in functional and divisional structure.

LEGAL TYPE OF SOE

The t-test showed that none of the 10 roles are significantly different for managers working in SOE established under Federal or State Act, and those established under the Companies Act, 1965. Our hypothesis is rejected.

TABLE 5. Student T-Test for Managerial Roles
between Organisation Structure

Managerial Role	Mean Value of Managers in Functional Structure	Mean Value of Managers in Divisional Structure	T-Value
Liaison	2.33 ^(a)	2.43	0.50
Leader	2.00	2.16	0.72
Figurehead	3.02	2.59	1.76
Monitor	2.61	2.60	0.07
Disseminator	2.57	2.42	0.66
Spokesman	3.73	3.57	0.57
Resource Allocator	2.13	2.49	1.55
Entrepreneur	1.84	1.91	0.38
Disturbance Handler	3.16	3.06	0.29
Negotiator	2.82	2.93	0.33

(a) Lower score indicate more important and higher score indicate less important.

Nonetheless, there are variations in the mean score on the importance or roles required for managers under these two types of SOE (see Table 6);

DISCUSSION

Results of this study indicated that structural variables such as size of SOE and industry type have little influence on managerial roles in SOE. There appeared no significant differences among managerial roles in functional and divisional organisation structure, and in the legal type of SOE.

With respect to the size of SOE, our study indicated that three managerial roles are significantly different at 0.05 level. They are *monitor*, *spokesman*, and *negotiator*. These roles were perceived as more important to managers in small size SOE than in large SOE. Table 3 also indicated that managers in small SOE perceived the following roles as more important than managers in large SOE: *liaison*, *figurehead*, *monitor*, *disseminator*, *spokesman*, *resource-allocator*, *entrepreneur*, *disturbance-handler*, and *negotiator*.

TABLE 6. Student T-Test for Managerial Roles between Legal Type of SOE

Managerial Role	Mean Value of Managers in Functional Structure	Mean Value of Managers in Divisional Structure	T-Value
Liaison	2.47 ^(a)	2.29	1.01
Leader	2.06	2.02	0.18
Figurehead	3.06	2.84	1.01
Monitor	2.81	2.45	1.78
Disseminator	2.75	2.41	1.66
Spokesman	3.98	3.57	1.58
Resource Allocator	2.19	2.27	0.47
Entrepreneur	2.00	1.75	1.48
Disturbance Handler	3.14	3.16	0.05
Negotiator	3.12	2.67	1.56

(a) Lower score indicate more important and higher score indicate less important.

The managers in large SOE only perceived the role of leader as more important in their job performance. The Spearman Rank Correlation is 0.92 ($P < 0.001$) implying a highly significant degree of agreement in the ranking order of roles.

It can also be discerned that managers in both sizes of SOE perceived the roles of *entrepreneur* and *leader* as most important in their jobs. They perceived that the role of *spokesman* as most unimportant in their jobs.

The influence of industry type upon managerial roles is little. Managers in industry perceived the role of entrepreneur as most important in their jobs. Managers in the service sector also perceived similarly, but managers in agrobased sector perceived the role of leader as most important. The managers in all the three sectors perceived the role of spokesman as most unimportant. The Kendall coefficient W , is 0.92 (significant at $P < 0.001$), implying that managers in these sectors order ratings are related to each other.

There appeared no significant influence of organisation structure on managerial roles in SOE. Managers in functional and

divisional structure perceived the role of entrepreneur as most important and the role of spokesman as most unimportant. The Spearman rank order correlation is 0.91, significant at $P < 0.001$, implying a significant degree of agreement in the rank orders.

The effects of legal type of SOE upon managerial roles are also not significant. Managers in SOE established under Federal Act or State Act and those under Companies Act, 1965 perceived the role of entrepreneur as most important and the role of spokesman as most unimportant. The Spearman rank order correlation is 0.96, significant at $P < 0.001$, implying a high significant level of agreement in the rank order.

Table 7 summarise the results of one study in the rank order form. The Kendall coefficient W is 0.974 highly significant at $P < 0.001$. This implies that the ratings are significantly related to each of the structural variables.

IMPLICATIONS AND CONCLUSIONS

The implication of this study allow us to generalise the importance of managerial roles for SOE managers in Malaysia. Managers in SOE perceived the roles of entrepreneur, leader, liaison, resource allocator, and monitor as more important in their jobs than the roles of disseminator, negotiator, figurehead, disturbance handler and spokesman.

The speculation by Mintzberg that the Liaison, spokesman and negotiator roles are more important for CEO in public organisations is partially accepted.

The results in our study differed from Lau, Pavett and Newman (1980) on the comparison of the importance of roles. They found that the roles of resource allocator, leader, disturbance handler, disseminator, and monitor as more important to public sector managers and the roles of resource allocator, leader, disturbance handler, disseminator and entrepreneur as more important to private sector managers.

The results showed that at least the roles of resource allocator, leader, monitor and entrepreneur are important to all managers in private sector, or public sector or State-Owned Enterprises. The only difference in that the role of liaison as perceived more important to SOE managers than in private or public sector managers.

Another implication is that there are variations in managerial jobs. However, the similarities in the requirements of managerial roles imply that the job of managers are similar though not identical. Managers in different types of organisations would be able to

perform their jobs well, irrespective of the structural differences in the organisation type of milieu.

This study complements the precedent research on managerial work. It reinforces the contingency theory of managerial roles and completes the speculation on variations as influenced by structural elements. Further it is clear that managerial role framework by Mintzberg appeared generalisable to all managers in whatever type of organisation context. It is also evident that these roles are also important for managers in developing countries.

Finally, this study is important towards understanding the job of SOE managers in a developing country. The interpersonal (Leader, Liaison), informational (monitor) and decisional (entrepreneur, resource allocator) worker activities were perceived important by SOE managers in performing their jobs. This is the beginning towards understanding better the nature of managerial work in SOE.

The present study may be used to evaluate the effectiveness of SOE managers in their job performance. The skills required in managing SOE could be analysed from future studies on managerial roles.

Further research could be done to examine the relationship between managerial roles and managerial skills and the job performance criteria. Future studies could be aimed at further identification of the relationship between managerial activities and performance criteria for managers in SOE.

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