

Increasing Organisational Effectiveness With Managerial Interpersonal Skills: The Role of Organisation Design

Ana Juras and Ivan Matić

Department of Management, Faculty of Economics, Business and Tourism, University of Split, Croatia

ajuras@efst.hr

imatic@efst.hr

Abstract: The impact of managerial interpersonal skills on various organisational phenomena, including organisational effectiveness, is still somewhat unclear and requires additional, more in-depth insights. The interpersonal dynamics through which managerial interpersonal skills can contribute to performance enhancement at all organisational levels take place within a predefined organisational context, highlighting the importance of organisation design for achieving organisational goals and high organisational performance. However, the role of organisational context, defined by organisation design choices, in the effective demonstration and use of managerial interpersonal skills on a daily basis and in the subsequent positive impact of these skills on the organisation is still poorly understood. The main objective of this paper is to examine the role of organisation design characteristics in the relationship between managerial interpersonal skills and organisational effectiveness. To this end, an empirical study was conducted using a specially designed questionnaires on a sample of 89 medium-sized and large companies (over 100 employees) from Croatia. The collected data was processed using SPSS statistical software, with the main statistical analyses being correlation and linear regression. The results indicate that the interpersonal skills of managers overall and at different management levels (top, middle and lower levels) are moderately strongly related to organisational effectiveness and that the organisation design context in which these skills are expressed plays an important role in the aforementioned relationship. Design characteristics such as the number of hierarchical levels, span of control, communication system or the number of geographical locations in which the company operates significantly alter the impact of managerial interpersonal skills on organisational effectiveness. These and other interesting findings of the study represent a valuable contribution to the relevant literature by providing a deeper understanding of the role of organisation design in promoting the positive impact of managerial competent interpersonal behaviour on enhancing organisational effectiveness.

Keywords: Managerial interpersonal skills, Organisation design, Differentiation, Organisational effectiveness, Medium-sized and large companies

1. Research Background

High managerial interpersonal skills (MIPS) are in high demand in today's business environment. The decades-long shift in focus in organisational theory from hard to soft organisational elements and aspects has further emphasised the key role of managers' emotional and behavioural skills in managing organisations, influencing employee behaviour and achieving organisational goals. Identified as the one of the three main groups forming a manager's competency, alongside conceptual and technical skills (Katz, 1955, 2009, Mintzberg, 1980, Dierdorff et al, 2009), MIPS refer to competence in dealing with people, which is demonstrated in communication, building and maintaining relationships, and showing concern for the feelings and desires of others (Kaiser et al, 2011, pp. 82). Dulewicz and Higgs (2004) and Beenen et al (2021) emphasise that relevant studies show that MIPS are most critical for the managerial effectiveness, especially for the leadership effectiveness, compared to the other two main groups of skills, especially at the executive level. With behaviours and skills such as managing-self, successful communication, leadership and motivation, teamwork and creating a positive and supportive work environment and managing conflicts, MIPS differentiate outstanding from average managers (Boyatzis, 2008) or good from bad bosses (Beenen et al, 2021).

The relationship between MIPS and employee's and organisational performance has been investigated number of times in the relevant literature. In this sense, Tonidandel et al (2012) and Anzenbruder et al (2017) concluded that MIPS ultimately influence organisational effectiveness (OE) through their strong influence on managerial effectiveness, while Bhanugopan et al (2017) emphasised that managerial skills, including MIPS, influence managerial performance as evidenced in the existing literature. Although the relationship between MIPS and managerial effectiveness is well established, the role of organisational context in achieving managerial effectiveness has received significantly less attention from researchers. Context, including interpersonal dynamics, structural arrangements, cultural support, and resource base, plays an important role in managerial effectiveness (Page et al, 2003). In addition, the development and effectiveness of managerial skills, including MIPS, depend on the context or characteristics of work situation in which managers operate on a daily basis (Whitley, 2019). Therefore, the above-mentioned and well-established MIPS-OE relationship needs to be examined from the perspective of the intervening, primarily organisational contextual factors that

play an important role for managers to demonstrate their skills and manage their organisations effectively. Although there are studies that examine the link between MIPS and specific aspects of organisational context, such as those that examine the role of management levels or organisational climate, there are few studies that focus on the relationship between the totality of organisational arrangements, i.e. organisation design elements, and managerial skills, including MIPS (Verle et al, 2014). This is particularly true for those studies that focus on the intervening role of organisation design elements and choices in the relationship between MIPS and OE.

Based on the above, and considering that despite their critical importance for organisational success and for managerial effectiveness, MIPS remain an organisational phenomenon and a research construct without a comprehensive definition, conceptual model and a widely accepted, validated measurement scale (Beenen et al, 2021), the aim of this paper is to explore the role of organisational context, conceptualised as the STAR model (Kates and Galbraith, 2010) led organisation design elements and choices, in increasing OE levels with MIPS. The following research questions guided our study:

- What is the nature of the relationship between MIPS overall and at specific management levels and OE in medium-sized and large companies?
- Does MIPS effects on OE change with regards to organisation design elements and choices?

The rest of the paper is divided into three parts. After a description of the methodological aspects and the characteristics of the research sample, the findings section details the obtained results related to the research questions. The paper concludes with a conclusion section.

2. Methodology and Sample

In order to provide answers to the main research questions, companies with 100 or more employees in the Republic of Croatia were selected as the research polygon. In accordance with the theoretical and practical recommendations from the relevant literature (Nahm et al, 2003; Turkulainen and Keotkivi, 2013, Verle et al, 2014), the main research constructs in this paper, especially organisation design elements, are to be investigated in companies with a certain minimum size measured by the number of employees, i.e. companies with 100 or more employees. The research instruments used were two specially developed questionnaires, which together contained four sets of questions, most of which were closed questions with a 5-point Likert scale. These question blocks focused on the company's demographic data and on specific research constructs. The basis for the design of the questionnaires and the formulation of the specific claims/questions was provided by the relevant literature, respectively for the MIPS section the contributions of Rippin (1995) and Dulewicz and Higgs (2005), for the organisational design section the contributions of Hall et al (1967), Burton and Obel (2004), and Collinson and Jay (2012), and for the OE section the contributions of Kaplan and Norton (1996) and Niven (2002). The reliability estimates conducted for the MIPS and OE scales show that both scales have excellent reliabilities (and internal consistencies) as both Cronbach alpha values were close to .90 (Hair et al, 2019), i.e. for MIO $\alpha = .877$ (6 items) and for OE $\alpha = .890$ (20 items).

One questionnaire was sent to the director or a board member of a particular company to get his/her opinion on the characteristics of their managers' skills and the company's OE, and the second questionnaire was sent to company's organisation design specialist or HR manager to get his/her opinion on the company's organisational arrangements. For a total of 89 companies, both the directors/board members and organisation design specialists/HR managers completed the questionnaires, representing a response rate of 7.5% of the total population of these companies in the country. In this way, a random research sample of 89 medium-sized and large companies from the Republic of Croatia was formed (Figure 1). The collected data was processed using SPSS statistical software, with correlation and linear regression as the main statistical analyses.

One third of the research sample were manufacturing companies (33.7%), followed by construction (14.6%), trade (12.4%) and hospitality companies (10.1%). The vast majority of the companies analysed are privately owned (70.8%) and older than 20 years (81.4%). The size of the companies analysed ranged from 101 to 7000 employees, with an average size of 518 employees. The vast majority of the companies analysed (80%) have fewer than 600 employees. Respondents' perceptions of company management's characteristics shows that the vast majority of companies have a management team that predominantly holds a Master degree (69.7%).

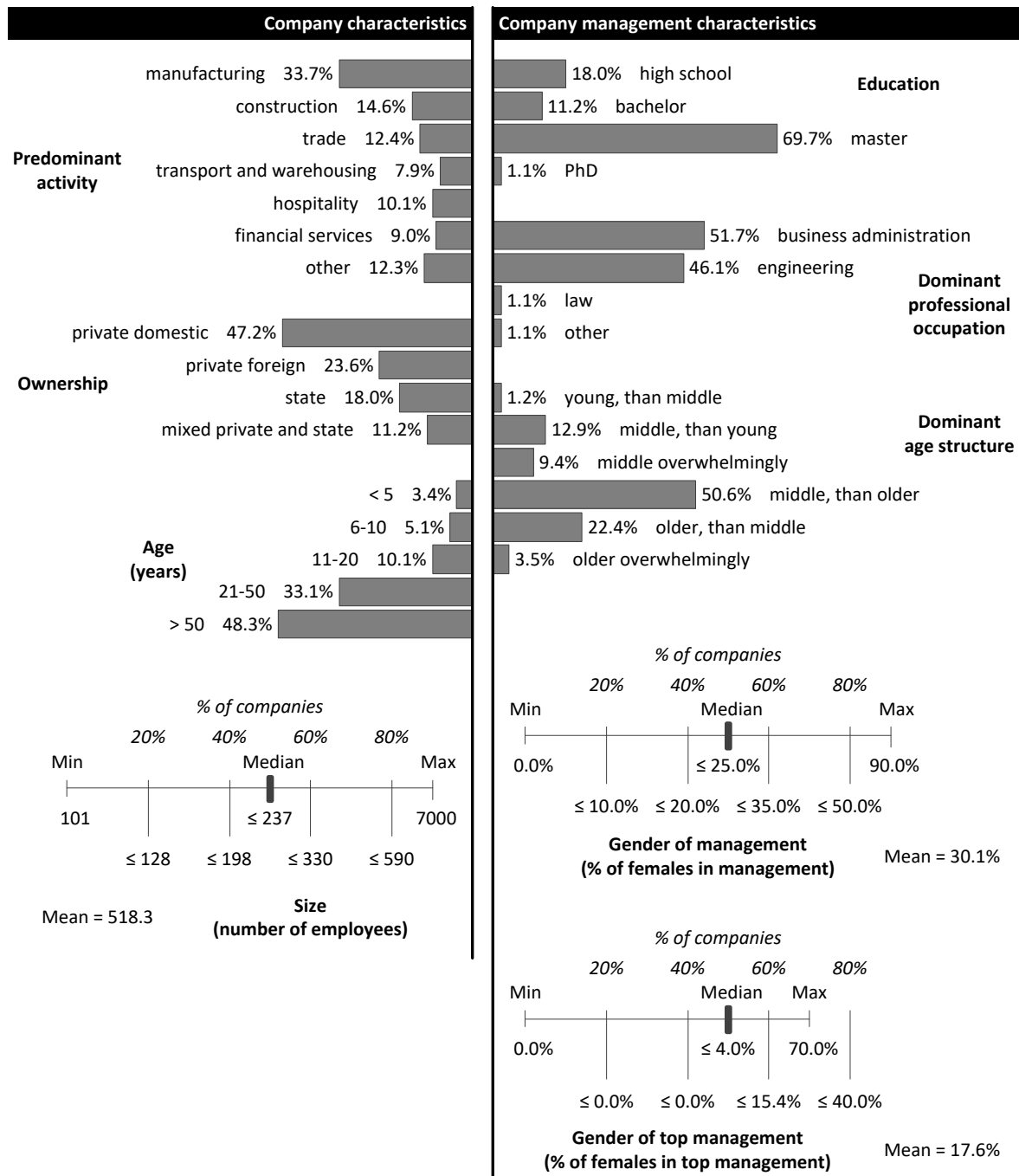


Figure 1: Research sample characteristics

The sample is balanced with companies run by managers with business degrees (51.7%) and companies run by managers with engineering degrees (46.1%). In the vast majority of companies, middle-aged and older managers dominate the management structure (85.9%), with middle-aged managers strongly predominant (60.0% compared to 25.9%). The proportion of female managers in the overall management structure is 30.1% on average and 17.6% if the proportion at the top management level is considered. The well-known glass ceiling problem is more than evident in the research sample, as 40% of the companies analysed have no female managers at the top level, and in 80 % of the companies the proportion of women at the top management level is 40 % or less.

3. Findings

In the companies analysed, MIPS are at a medium to high level ($M = 3.58$, $SD = .45$), and their development scores decrease as the managers' hierarchical levels decrease (from $M = 3.73$, $SD = .68$ for top managers to M

= 3.42, $SD = .60$ for lower-level managers) (Table 1). OE is also at a medium to high level ($M = 3.51$, $SD = .58$), which indicates that both MIPS and OE still have considerable room for improvement in the companies analysed. Correlation tests show that MIPS at all management levels in the analysed companies have a moderately strong positive relationship with OE ($.519 \leq r \leq .536$, $p < .01$).

Table 1: Correlation results among research constructs

Research constructs	N	M	SD	1	2	3	4	5
MIPS	87	3.58	.45	-				
MIPS (top-level)	89	3.73	.68	.900**	-			
MIPS (middle-level)	87	3.59	.61	.958**	.808**	-		
MIPS (low-level)	87	3.42	.60	.895**	.648**	.833**	-	
OE	89	3.51	.58	.567**	.533**	.519**	.536**	-

Note. N = number of cases, M = mean, SD = standard deviation, * $p < 0.05$; ** $p < 0.01$

The importance and positive impact of MIPS for achieving a desirable level of OE is also confirmed by a linear regression test (Table 2), resulting in following formula for predicting OE:

$$\text{Organisational Effectiveness} = 1.95 + .43 \times \text{Managerial Interpersonal Skills}.$$

Thus, for every 1 point increase in MIPS, OE increases from .30 to .57 points, generally by .43 points. According to the regression model, 32% of the variation in OE can be determined by MIPS. The results regarding the impacts of MIPS on the OE from specific management levels are very similar to the one just emphasized.

Table 2: Regression output predicting OE from MIPS

Independent variable	B	SE	95% CI	β	t	p	Model
MIPS	.43	.07	[.30, .57]	.56	6.35	.000	Constant = 1.95, $F(1,85) = 40.32$, $p < .001$, $R^2 = .32$
MIPS (top-level)	.36	.06	[.24, .48]	.53	5.88	.000	Constant = 2.17, $F(1,87) = 34.52$, $p < .001$, $R^2 = .28$
MIPS (middle-level)	.37	.06	[.24, .50]	.52	5.60	.000	Constant = 2.16, $F(1,85) = 31.33$, $p < .001$, $R^2 = .27$
MIPS (low-level)	.39	.07	[.26, .52]	.54	5.86	.000	Constant = 2.16, $F(1,85) = 34.26$, $p < .001$, $R^2 = .29$

Note. In tables 2-7 following abbreviations are used: B = unstandardized coefficient, SE = Standard error, CI = confidence interval for B , β = standardized coefficient, t = t-test statistics, p = significance level, F – F-value statistics, R^2 = R square value.

To gain deeper insights into the relationship between MIPS and OE, the identified relationship was tested in different organisation design arrangements and choices (Tables 3-7). Although certain organisation design arrangements and choices cannot be assigned exclusively to one dimension of the STAR model, for clarity of results, we assigned such arrangements or choices to only one dimension of the model for which the specific arrangement or choice is most important. Considering strategic context, MIPS are more important for OE in companies faced with strategy formulation and implementation in a volatile and complex industry ($R^2 = .42$, $F(1,50) = 35.74$, $p < .001$, $B = .46$). The same applies to the company's decision to pursue a differentiation strategy compared to a low-cost strategy ($R^2 = .39$, $F(1,29) = 18.19$, $p < .001$, $B = .56$). For companies operating in volatile and complex industries, 42% of the variation in OE can be determined by MIPS, while 39% of the variation in OE for companies pursuing a differentiation strategy can be determined by MIPS.

Table 3: Regression output predicting OE from MIPS in different strategic contexts

MIPS => OE								
Strategic context		B	SE	95% CI	β	t	p	Model
Industry	Stable and simple	.36	.14	[.08, .64]	.41	2.59	.014	Constant = 2.24, = 6.69, $p = .014$, $R^2 = .17$ $F(1,33)$
	Volatile and complex	.46	.08	[.31, .61]	.65	6.00	.000	Constant = 1.84, = 35.74, $p < .001$, $R^2 = .42$ $F(1,50)$

MIPS => OE								
Strategic context		B	SE	95% CI	β	t	p	Model
Strategy	Low cost	.39	.08	[-.23, .56]	.55	4.84	.000	Constant = 2.06, = 23.39, $p < .001$, $R^2 = .30$ $F(1,54)$
	Differentiation	.56	.13	[-.29, .83]	.62	4.27	.000	Constant = 1.52, $F(1,29) = 18.19$, $p < .001$, $R^2 = .39$

Table 4: Regression output predicting OE from MIPS in different structural contexts

MIPS => OE								
Structural context		B	SE	95% CI	β	t	p	Model
Size	< 250 employees	.41	.09	[-.24, .58]	.58	4.77	.000	Constant = 2.00, = 22.8, $p < .001$, $R^2 = .34$ $F(1,44)$
	> 250 employees	.45	.11	[-.23, .67]	.55	4.16	.000	Constant = 1.90, $F(1,39) = 17.3$, $p < .001$, $R^2 = .31$
Org structure	Functional	.39	.10	[-.20, .59]	.53	4.09	.000	Constant = 2.08, = 16.69, $p < .001$, $R^2 = .28$ $F(1,42)$
	Divisional or matrix	.45	.10	[-.25, .65]	.58	4.54	.000	Constant = 1.89, = 20.61, $p < .001$, $R^2 = .34$ $F(1,40)$
Number of mgmt levels	Low	.50	.09	[-.32, .69]	.63	5.41	.000	Constant = 1.63, = 29.22, $p < .001$, $R^2 = .40$ $F(1,44)$
	High	.35	.10	[-.16, .55]	.51	3.61	.001	Constant = 2.30, = 13.00, $p = .001$, $R^2 = .26$ $F(1,38)$
Top mgmt span of control	Narrow	.45	.07	[-.31, .83]	.60	6.22	.000	Constant = 1.87, = 38.71, $p < .001$, $R^2 = .34$ $F(1,76)$
	Wide	.23	.29	[-.52, .97]	.33	.78	.470	Constant = 2.78, $F(1,5) = .61$, $p = .470$, $R^2 = .11$
Middle mgmt span of control	Narrow	.45	.08	[-.29, .60]	.60	5.85	.000	Constant = 1.89, $F(1,62) = 34.23$, $p < .001$, $R^2 = .36$
	Wide	.29	.18	[-.09, .66]	.35	1.59	.129	Constant = 2.52, $F(1,18) = 2.54$, $p = .129$, $R^2 = .12$
Low mgmt span of control	Narrow	.54	.13	[-.28, .80]	.59	4.21	.000	Constant = 1.54, $F(1,33) = 17.70$, $p < .001$, $R^2 = .35$
	Wide	.38	.09	[-.20, .55]	.54	4.39	.000	Constant = 2.16, $F(1,47) = 19.30$, $p < .001$, $R^2 = .29$
Horizontal differentiation of jobs	Low	.45	.10	[-.25, .65]	.53	4.57	.000	Constant = 1.88, $F(1,53) = 20.89$, $p < .001$, $R^2 = .28$
	High	.41	.11	[-.19, .63]	.58	3.85	.001	Constant = 2.03, $F(1,29) = 14.80$, $p = .001$, $R^2 = .34$
Number of org units	Low to moderate	.45	.09	[-.26, .63]	.50	4.83	.000	Constant = 1.88, $F(1,69) = 23.33$, $p < .001$, $R^2 = .25$
	Large	.45	.11	[-.22, .68]	.78	4.25	.001	Constant = 2.00, $F(1,12) = 18.05$, $p = .001$, $R^2 = .60$
Geographic dispersion-locations	Low	.48	.08	[-.31, .65]	.64	5.69	.000	Constant = 1.79, $F(1,47) = 32.42$, $p < .001$, $R^2 = .41$
	High	.33	.12	[-.09, .57]	.43	2.79	.008	Constant = 2.31, $F(1,35) = 7.80$, $p = .008$, $R^2 = .18$
Geographic dispersion-employees	Low	.48	.08	[-.32, .65]	.63	5.94	.000	Constant = 1.77, $F(1,53) = 35.26$, $p < .001$, $R^2 = .40$
	High	.27	.13	[-.01, .53]	.36	2.10	.045	Constant = 2.49, $F(1,29) = 4.41$, $p < .045$, $R^2 = .13$

MIPS are generally equally important for the OE in medium-sized and large companies, as just over 30% of the variations in the OE in both types of companies can be determined by MIPS. Looking at the formal organisational structure in the companies studied, MIPS in companies with divisional or matrix organisational arrangements are slightly more important for achieving the companies' target OE ($R^2 = .34$, $F(1,40) = 20.61$, $p < .001$, $B = .45$). The impact of MIPS on OE is significantly greater in companies with a low number of management levels ($R^2 = .40$, $F(1,44) = 29.22$, $p < .001$, $B = .50$) and in companies in which lower-level managers have a narrow span of control ($R^2 = .35$, $F(1,33) = 17.70$, $p < .001$, $B = .54$). In these companies, between 35% (context with lower management's narrow span of control) and 40% variations (context with low number of management levels) in OE can be determined by MIPS. The results in relation to the span of control of top and middle management are not conclusive, as the degrees of freedom for situations with a wide span of control are relatively small. Nevertheless, the effects of MIPS on OE in companies with narrow span of control of top and middle management are similar to those in companies with narrow span of control of lower management ($.34 \leq R^2 \leq .36$). Regarding the horizontal differentiation of jobs, MIPS are generally equally important for OE in companies with low and high job differentiation, as about 30% of variations in OE in these two contexts can be determined by MIPS. Apart from the existence of a significant effect of MIPS on OE in the situation of a low to medium number of organisational units ($R^2 = .25$, $F(1,69) = 23.33$, $p < .001$, $B = .45$), the results related to the number of organisational units are inconclusive due to the relatively small number of degrees of freedom for the context of a large number of organisational units. Finally, the impact of MIPS on OE is significantly greater in companies with lower geographical dispersion, as measured by the number of locations ($R^2 = .41$, $F(1,47) = 32.42$, $p < .001$, $B = .48$) and the proportion of the total number of employees working in dislocated parts of the company ($R^2 = .40$, $F(1,53) = 35.26$, $p < .001$, $B = .48$).

The results in relation to the different HRM contexts are twofold. On the one hand, MIPS have a significantly greater effect on OE when there is a low match between the employees' qualifications and the job ($R^2 = .45$, $F(1,37) = 29.97$, $p < .001$, $B = .53$), while on the other hand, MIPS have a significantly greater effect on OE in the context of a medium to high match between the employees' training and the job ($R^2 = .41$, $F(1,32) = 22.22$, $p < .001$, $B = .52$). Closely related, a developed motivation system, compared to an undeveloped one, and committed employees, compared to non-committed ones, are a better contexts for the positive effects of MIPS on OE ($R^2 = .39$, $F(1,45) = 28.94$, $p < .001$, $B = .45$; $R^2 = .33$, $F(1,47) = 22.78$, $p < .001$, $B = .42$). In addition, MIPS prove to be more important for OE when there is a non-supportive work climate ($R^2 = .40$, $F(1,26) = 17.13$, $p < .001$, $B = .37$), indicating their potential compensatory role in mitigating the negative effects of a non-supportive climate on employee performance.

Table 5: Regression output predicting OE from MIPS in different HRM contexts

MIPS => OE								
HRM context		B	SE	95% CI	β	t	p	Model
Employee's qualification- job match	Low	.53	.10	[.33, .72]	.67	5.48	.000	Constant = 1.63, $F(1,37) = 29.97$, $p < .001$, $R^2 = .45$
	Moderate to high	.31	.10	[.10, .51]	.42	3.04	.004	Constant = 2.39, $F(1,44) = 9.23$, $p = .004$, $R^2 = .17$
Employee's training- job match	Low	.34	.09	[.16, .53]	.47	3.72	.001	Constant = 2.26, $F(1,49) = 13.81$, $p = .001$, $R^2 = .22$
	Moderate to high	.52	.11	[.30, .75]	.64	4.71	.000	Constant = 1.62, $F(1,32) = 22.22$, $p < .001$, $R^2 = .41$

Finally, looking at the dimension of business processes and lateral links, process and task definition are not a factor for the impact of MIPS on OE, as in both contexts (low or high) about 30 % of the variations in OE can be determined by MIPS. MIPS have significantly larger effects in the context of numerous coordination mechanisms ($R^2 = .24$, $F(1,56) = 17.17$, $p < .001$, $B = .46$) and are more important for OE when there is an underdeveloped formal communication system in the company ($R^2 = .30$, $F(1,44) = 18.65$, $p < .001$, $B = .35$). The latter, similar to the non-supportive climate result, indicates the potential compensatory role of MIPS in mitigating the negative effects of underdeveloped formal communication on the company's OE.

Table 6: Regression output predicting OE from MIPS in different motivational contexts

MIPS => OE								
Motivational context		B	SE	95% CI	β	t	p	Model
Motivation system	Undeveloped	.34	.08	[.17, .51]	.54	3.99	.000	Constant = 2.08, $F(1,38) = 15.95, p < .001, R^2 = .30$
	Developed	.45	.08	[.28, .62]	.63	5.34	.000	Constant = 2.05, $F(1,45) = 28.94, p < .001, R^2 = .39$
Employee commitment	Low	.30	.09	[.12, .48]	.49	3.33	.002	Constant = 2.22, $F(1,36) = 11.08, p = .002, R^2 = .24$
	High	.42	.09	[.24, .59]	.57	4.77	.000	Constant = 2.14, $F(1,47) = 22.78, p < .001, R^2 = .33$
Working climate	Non-supportive	.37	.09	[.19, .55]	.63	4.14	.000	Constant = 1.95, $F(1,26) = 17.13, p < .001, R^2 = .40$
	Supportive	.30	.09	[.11, .49]	.39	3.20	.002	Constant = 2.53, $F(1,57) = 10.26, p = .002, R^2 = .15$

Table 7: Regression output predicting OE from MIPS in different process contexts

MIPS => OE								
Process context		B	SE	95% CI	β	t	p	Model
Comm system	Undeveloped	.35	.08	[.19, .52]	.55	4.32	.000	Constant = 2.11, $F(1,44) = 18.65, p < .001, R^2 = .30$
	Developed	.28	.14	[-.01, .57]	.30	1.98	.055	Constant = 2.63, $F(1,39) = 3.90, p = .055, R^2 = .09$
Coordination mechanisms	Scarce	.34	.10	[.13, .55]	.54	3.31	.003	Constant = 2.20, $F(1,27) = 10.94, p = .003, R^2 = .29$
	Numerous	.46	.11	[.24, .68]	.48	4.14	.000	Constant = 1.87, $F(1,56) = 17.17, p < .001, R^2 = .24$
Process and task definition	Low	.30	.09	[.13, .48]	.49	3.47	.001	Constant = 2.23, $F(1,38) = 12.05, p = .001, R^2 = .24$
	High	.34	.11	[.11, .56]	.41	3.00	.004	Constant = 2.44, $F(1,45) = 9.02, p = .004, R^2 = .17$

4. Conclusion

This study, barring several limitations, such as the sample size and the cross-sectional nature, provided answers to both research questions. In medium-sized and large companies, MIPS tend to decrease from the top to the lower-level managers, while MIPS at all management levels have fairly strong impact on OE. The results of the study confirm findings from similar studies on this relationship. The most valuable contribution of the study to the relevant literature is the findings on the role of organisation design elements in the relationship between MIPS and OE. For companies facing a very challenging business environment and pursuing a differentiation strategy, appropriately developed MIPS are significantly more important for increasing OE than for companies operating in a stable and simple environment and pursuing a low-cost strategy. As the strategic orientations of prospectors and analysers heavily rely on teamwork and the autonomy, creativity and innovation of employees, a supportive work climate and motivating interpersonal behaviour of managers is required.

The importance of MIPS for OE is emphasised by the findings of the study that MIPS are more important for OE when a company has significant problems in developing an effective communication system or when the work climate is not supportive for employees. The results suggest that in such contexts, highly developed MIPS play a compensatory role by filling the gaps and overcoming problems and barriers related to the richness, speed and accuracy of communication, by providing additional support to employees, and by generally improving the work climate in the company. Satisfied and committed employees are in the best interest of managers because, according to study results, managers who work with employees that are motivated and highly committed to their company tend to utilise their MIPS far more effectively and thus significantly impact the company's OE. The above-mentioned compensatory role of MIPS in achieving desirable OE levels will be more pronounced when managers have more opportunities to demonstrate their interpersonal skills, e.g. when

company has established various coordination mechanisms (coordination meetings, liaison roles, temporary or permanent task forces, etc.) to facilitate cross-functional collaboration and integrate work efforts from different parts of the company.

When considering the structural arrangements of the company, the size of the company and whether the company has a functional or divisional structure are of little importance for the impact of MIPS on OE, while the number of hierarchical levels is very important for MIPS to be beneficial for OE. In fact, concrete and specific work situations characterised by how many superiors or bosses and subordinates one has (number of levels) and whether the manager has continuous and intensive interaction with other managers and his/her subordinates (span of control, geographical dispersion) determine the demonstration and effectiveness of MIPS. In this sense, work situations in which managers have the opportunity to work and interact directly with their colleagues and subordinates, such as structural arrangements with a small number of hierarchical levels, a narrow span of control and a smaller number of geographical locations and dislocated colleagues and subordinates, are favourable for a stronger MIPS effect on OE. Surprisingly, and in contrast to vertical and spatial differentiation, the study results indicate that the horizontal differentiation of jobs and the extent of process and task definition have no influence on the demonstration and positive effects of MIPS on OE.

Ethics declaration: Ethical clearance was not required for this research.

AI declaration: AI tools were not used in the creation of this paper.

References

- Anzengruber, J., Goetz, M. A., Nold, H. and Woelfle, M. (2017). Effectiveness of managerial capabilities at different hierarchical levels. *Journal of Managerial Psychology*, 32(2), pp 134-148. <https://doi.org/10.1108/JMP-12-2015-0451>
- Beenen, G., Pichler, S., Livingston, B. and Riggio, R. (2021). The good manager: Development and validation of the managerial interpersonal skills scale. *Frontiers in psychology*, 12, 631390. <https://doi.org/10.3389/fpsyg.2021.631390>
- Bhanugopan, R., Wang, Y., Lockhart, P. and Farrell, M. (2017). Managerial skills shortages and the impending effects of organizational characteristics: Evidence from China. *Personnel Review*, 46(8), pp 1689-1716. <https://doi.org/10.1108/PR-04-2016-0093>
- Boyatzis, R. E. (2008). Competencies in the 21st Century. *Journal of Management Development*, 27(1), pp 5-12. <https://doi.org/10.1108/02621710810840730>
- Burton, R. M. and Obel, B. (2004). *Strategic organizational diagnosis and design: The dynamics of fit* (Vol. 4). Springer Science & Business Media.
- Collinson, S. and Jay, M. (2012). *From complexity to simplicity - Unleash Your Organisation's Potential*. Springer, Berlin/Heidelberg.
- Dierdorff, E. C., Rubin, R. S. and Morgeson, F. P. (2009). The milieu of managerial work: An integrative framework linking work context to role requirements. *Journal of Applied Psychology*, 94(4), pp 972-988. <https://psycnet.apa.org/doi/10.1037/a0015456>
- Dulewicz, S. V. and Higgs, M. J. (2004). Design of a New Instrument to Assess Leadership Dimensions and Styles. *Selection and Development Review*, 20(2), pp 7-12.
- Dulewicz, V. and Higgs, M. (2005). Assessing leadership styles and organisational context. *Journal of managerial psychology*, 20(2), pp 105-123. <https://doi.org/10.1108/02683940510579759>
- Hair Jr, J., Page, M. and Brunsveld, N. (2019). *Essentials of business research methods*. Routledge.
- Hall, R. H., Johnson, N. J. and Haas, J. E. (1967). Organizational size, complexity, and formalization. *American sociological review*, pp 903-912. <https://doi.org/10.2307/2092844>
- Kaiser, R. B., Craig, S. B., Overfield, D. V. and Yarborough, P. (2011). Differences in Managerial Jobs at the Bottom, Middle, and Top: A Review of Empirical Research. *The Psychologist-Manager Journal*, 14(2), pp 76-91. <https://doi.org/10.1080/10887156.2011.570137>
- Kaplan, R. S. and Norton, D. P. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Harvard Business School Press, Boston.
- Kates, A. and Galbraith, J. R. (2010). *Designing your organization: Using the STAR model to solve 5 critical design challenges*. John Wiley & Sons.
- Katz, R. L. (1955, 2009). *Skills of an effective administrator*. Harvard Business Review Press.
- Mintzberg, H. (1973). *The nature of managerial work*. Harpercollins College Div.
- Nahm, A. Y., Vonderembse, M. A. and Koufteros, X. A. (2003). The impact of organizational structure on time-based manufacturing and plant performance. *Journal of operations management*, 21(3), pp 281-306. [https://doi.org/10.1016/S0272-6963\(02\)00107-9](https://doi.org/10.1016/S0272-6963(02)00107-9)
- Niven, P. R. (2006). *Balanced scorecard step-by-step: Maximizing performance and maintaining results*. John Wiley & Sons, New Jersey. <https://doi.org/10.1002/9781119205081>
- Page, C., Wilson, M., Meyer, D. and Inkson, K. (2003). "It's the situation I'm in": The importance of managerial context to effectiveness. *Journal of Management Development*, 22(10), pp 841-862. <https://doi.org/10.1108/02621710310505458>

- Rippin, S. M. (1995). *The competencies used to assess the effectiveness of New Zealand managers*. Doctoral dissertation, Open Access Te Herenga Waka-Victoria University of Wellington.
- Tonidandel, S., Braddy, P. W. and Fleenor, J. W. (2012). Relative importance of managerial skills for predicting effectiveness. *Journal of Managerial Psychology*, 27(6), pp 636-655. <https://doi.org/10.1108/02683941211252464>
- Turkulainen, V. and Ketokivi, M. (2013). The contingent value of organizational integration. *Journal of Organization Design*, 2(2), pp 31-43. <http://dx.doi.org/10.7146/jod.7864>
- Verle, K., Markič, M., Kodrič, B. and Gorenc Zoran, A. (2014). Managerial competencies and organizational structures. *Industrial management & Data systems*, 114(6), pp 922-935. <https://doi.org/10.1108/IMDS-01-2014-0019>
- Whitley, R. (2019). On the nature of managerial tasks and skills: their distinguishing characteristics and organization. In *Managerial work* (pp 337-352). Routledge, New York.