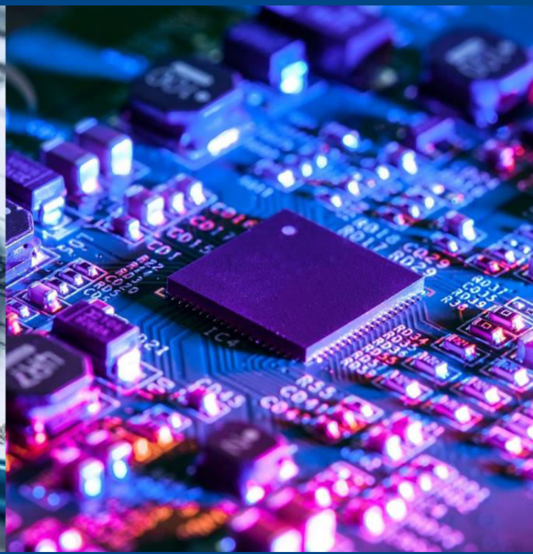
ISSN: 2582-7219





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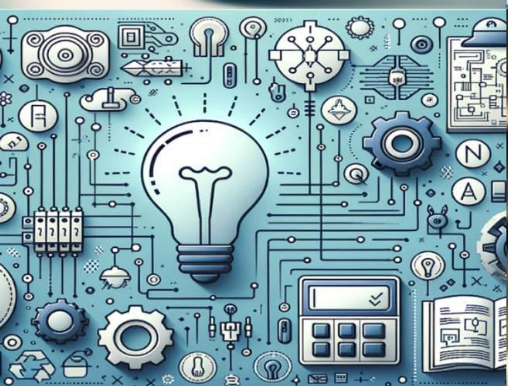

Impact Factor: 9.864

Volume 9, Issue 8, August 2026

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ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 9.864| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

A Study on the Effectiveness of Various Functional Areas

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ABSTRACT: The research undertaken is named as "A Study on the Effectiveness of various Functional Areas" which includes Finance, Human resource, Production, Marketing and Sales, Materials management and purchase. The study encompasses the understanding of the work done by different departments, employee's knowledge about the job functions performed by these departments, and the usage of resources. More over it also includes the coordination and cooperation between functional areas in order to accomplish the organizational goals and objectives.

The research design followed in this study is a descriptive study where primary and secondary data has been used to come to a conclusion. The study follows convenience sampling technique and uses the data gathered from 53 respondents working in diverse functional areas in order to bring out the results. The data analysis tool which has been used for the purpose is IBM SPSS Statistics and the questionnaires which were structured and designed on the basis of five point scale, helped the researchers collect data effectively. Thus, the study enables the organization to identify the strong and weak links of diverse functional areas and the need for coordination and cooperation between these departments to enhance efficiency and work place productivity.

KEYWORDS Financial Management Practices, Human Resourse Management Practices, Production Management Practices, Marketing And Sales Practices, Materials Management And Procurement Practices, Overall Functional Areas.

I. INTRODUCTION

The effectiveness of the functioning of an organization and the achievement of its goals depend directly on the coordinated functioning of its various sectors or functional areas. The current study aims to focus on Finance, Human Resources, Production, Marketing and Sales, Materials Management and Purchase. Particular attention is paid to the description and analysis of the practices, effectiveness, use of resources, personnel performance, and interfunctional coordination of the described functions. The study also aims to identify the strengths and weaknesses of the functional areas described. The proper functioning of the organization's functional areas listed above contributes to the organization's ability to accomplish its tasks, increase the efficiency of its operations, optimize resource use, and thereby improve its overall performance.

II. OBJECTIVES OF THE STUDY

1. To study the financial management practices and understand the preparation, analysis, and reporting procedures of financial statements for effective decision-making.
2. To understand the human resource management practices of for recruitment, training, and maintaining employee welfare, performance appraisal, and legal compliance.
3. To examine the paper manufacturing process, and understand the production planning, process efficiency, and quality control measures to adopt in the organization.
4. To study the marketing and sales strategies adopted for promoting the paper and packaging board products and sustaining customers' satisfaction.
5. To understand the procurement and storage practices followed to meet the raw material requirements while reducing stock maintenance costs

© 2026 IJMRSET | Volume 9, Issue 8, August 2026| DOI:10.15680/IJMRSET.2026.0908031

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III. NEED AND IMPORTANCE OF THE STUDY

1. To establish a clear understanding of how the functions such as Finance, Human Resource Management, Production, Marketing & Sales, and Material Management perform collectively to ensure organizational effectiveness.
2. To determine the organization's strengths and weaknesses in terms of managerial and operative functions, as well as recommend ways of improving the processes.
3. To obtain insight into the relationship between different functions and their impact on organizational effectiveness.
4. To help the management make appropriate decisions and utilize the company's resources more effectively and efficiently.
5. To contribute to the knowledge of students, researchers, and managers in organizational performance auditing.

IV. SCOPE OF THE STUDY

The study will be significant in evaluating the organization's performance through a scan of the performance of the main functional departments such as Finance, Human Resource, Production, Marketing and Sales, and Materials Management/Purchase. It will be possible to evaluate the extent to which each of the departments contributes to the achievement of organizational goals by such indicators as effective utilization of resources, maintenance of quality, training of personnel, and meeting the needs of the customers. The study will also assess the respondent's perception of the performance of various departments and their contribution towards the organizational effectiveness. It will be possible to determine the level of departmental interrelation and collaboration as well as their weaknesses and strengths. The results of this study can benefit the organization's management by helping them enhance interdepartmental coordination and cooperation, effective utilization of material and human resources, and improved decision-making. The information generated from this study will also help students, researchers, and management scholars understand organizational performance and effectiveness, as well as the performance of various functional departments in an organization.

V. REVIEW OF LITERATURE

Cherkos, F. D., & Shuka, J. K. (2026). Human resource management practices' influence on the performance of organizations was the focus of this research. It was found out that human resource planning, performance management, health and safety of employees, training, job security, and proper management are the most important aspects for enhancing the performance of employees and projects. This study has revealed that implementation of human resource management practices will be beneficial for improving organizational effectiveness, performance of workers, and organizational growth.

Bhuvaneswari, R., & Bharathi, B. (2025). The current study involved analysing the financial management of the company based on the ratio analysis during 2018-2022. After the pandemic, due to market and economic changes, the company's profit and working capital were unstable, which significantly influenced its financial management outcomes. However, the study concluded that effective management of the company's assets and liabilities contributed to maintaining stable financial performance throughout the analyzed period. As a result, the research emphasized the importance of proper liquidity management and costs organization in the financial management of the company.

Alif, H., & Bhat, A. A. (2024). The study analysed the implementation of Lean Six Sigma in a newspaper production organization to improve production performance and operational efficiency. The findings revealed that standardized production procedures, process improvement, preventive maintenance, quality control, and effective resource utilization significantly reduce production defects and increase productivity. The study concluded that adopting efficient production management practices enhances product quality, minimizes waste, and improves overall organizational performance.

Beier, S. S. (2023). The effect of marketing and sales activities on company performance was investigated through the use of FI Consulting scoring model in various sectors. The results showed that marketing and sales activities have an immense effect on the performance of companies but differ depending on the sector. The research concluded that marketing and sales strategies tailored for each particular sector give precise evaluation of performance.

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VI. RESEARCH GAP

The previous studies have concentrated on separate functions such as financial management, human resource management, production, marketing, and materials management. However, there is a lack of research proving the effectiveness of these functions together and their combined effect on the performance of the organization. Moreover, the connection between different functions and the impact on the performance of the enterprise, employee performance, effective resource usage, customer satisfaction, and the overall achievement of organizational goals are underexplored areas of research. Thus, the current research aims to fill this gap in the literature by presenting an integrated analysis of these functions, highlighting their effectiveness and areas of improvement.

VII. RESEARCH METHODOLOGY

7.1 Research Design and Approach

Research design refers to the strategy that establishes the procedures and techniques used in conducting a study. It serves as a framework that guides the research process and aids in obtaining accurate and reliable results. The current study will employ a descriptive research design to describe and evaluate the performance of the main departments based on the respondents' perception. This design is appropriate because it enables the researcher to identify the prevailing state of affairs, assesses the employees' views on the issues under investigation, and determine the organization's attributes associated with the phenomenon of interest. A quantitative research design was chosen as it enables the researcher to collect numerical data that can be analysed using various statistical techniques. Therefore, the quantitative data obtained from the survey questionnaires will enable the researcher to establish the relationship between the independent and dependent variables and report the findings in terms of percentage or ratios. It is expected that the data collected from the questionnaires will be analysed using IBM SPSS Statistics. Specifically, the data will be entered into the software, and the statistical tools will be applied to obtain the final results.

7.2 Research Method and Sources of Data

The current research has undertaken the survey method to gather primary data. The survey consists of closed-ended questions and a five-point Likert scale from Strongly Disagree to Strongly Agree. Primary data were collected from different employees working in various departments whereas secondary data were gathered from annual reports, company website, books and journals, research papers, magazines, the internet, and previous studies. The data collected were used to assess the performance of the organization using IBM-SPSS statistics**.**

7.3 Sampling Technique and Sample Size

Sampling refers to the process of selecting a subset of a population for research purposes. The current study implemented the Convenience Sampling Technique as a method of sampling. This technique allowed the researcher to select samples from populations according to their accessibility, availability, and willingness to participate. This particular technique was considered appropriate due to the limitation of time and access to the population. This study focused on the employees of the company and managed to recruit 53 participants from different working departments. The main data collection technique used was a questionnaire. Initially compiled data were coded and examined using IBM SPSS Statistics software to accomplish the research objectives.

7.4 Tools for Data Analysis

The gathered data was coded and analysed using IBM-SPSS Statistics. The analysis tools used comprised of Percentage Analysis, Chi-Square Test, ANOVA, Correlation Analysis, and Regression Analysis. The tools were used to examine the collected data and make concluding remarks on the performance of the organization.

VIII. RESULTS AND DISCUSSION

8.1 Demographic Profile of Respondents

summarizes the demographic profile of 53 respondents participating in the study

Demographic	High Responses	Frequency (n)	Percentage (%)
Gender	Male	33	62
Age	Below 25 years	30	57

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Educational Qualification	Postgraduate	27	51
Department	Finance and accounts	25	47
Monthly Income	Below 25000	21	40

INTERPRETATION

Based on the data provided, it can be concluded that the majority of respondents are male (62%) and aged below 25 (57%). The most common educational background is postgraduate (51%), while the highest representation is in the Finance and Accounts sector (47%). The majority of respondents (40%) reported an income level of less than ₹25,000. Overall, the sample is skewed towards young respondents with postgraduate education in the Finance and Accounts sector.

8.2 Correlation Analysis: Question 2 (Marketing & Sales)

Correlations

		Sales activities are successful in reaching the intended customer segments	Customer feedback is regularly collected and considered for service improvement
Sales activities are successful in reaching the intended customer segments	Pearson Correlation	1	.511***
	Sig. (2-tailed)		<.001
	N	53	53
Customer feedback is regularly collected and considered for service improvement	Pearson Correlation	.511***	1
	Sig. (2-tailed)	<.001	
	N	53	53

***. Correlation is significant at the 0.001 level (2-tailed).

INTERPRETATION

The results of the correlation analysis show that there is a moderate positive association (r = r = 0.511) between the successful selling performances and the collection of feedback from customers. The relationship is proved to be statistically significant (p < p < 0.001).

8.3 Chi-Square Test : Question 2 Gender And Human Resource

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * Employee performance is reviewed based on work performance in the organization	53	100.0%	0	0.0%	53	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.237a	4	.037
Likelihood Ratio	10.369	4	.035
Linear-by-Linear Association	4.171	1	.041
N of Valid Cases	53		

a. 5 cells (50.0%) have expected count less than 5. The minimum expected count is 1.51.

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INTERPRETATION

Based on the results of the chi-square test, it can be concluded that there is a relationship between gender and employee performance review, with $\chi^2 = 10.237$ and p = 0.037. Thus, based on the results of the chi-square test, it can be concluded that there is a significant relationship between gender and employee performance reviews of the 53 respondents.

8.4 Anova Analysis: Question 1gender And Human Resources.

ANOVA

Employee performance is reviewed based on work performance in the organization

	Sum of Squares	df	Mean Square	F	Sig.[a]
Between Groups	10.038	4	2.510	1.969	.114
Within Groups	61.169	48	1.274		
Total	71.208	52			

a. Confidence Interval: 95%

ANOVA Effect Sizes[a,b]

		Point Estimate	95% Confidence Interval Lower	Upper
Employee performance is reviewed based on work performance in the organization	Eta-squared	.141	.000	.269
	Epsilon-squared	.069	-.083	.208
	Omega-squared Fixed-effect	.068	-.082	.204
	Omega-squared Random-effect	.018	-.019	.060

a. Eta-squared and Epsilon-squared are estimated based on the fixed-effect model.

b. Negative but less biased estimates are retained, not rounded to zero.

INTERPRETATION

The results of the ANOVA test reveal that there was no significant difference in employee performance reviews based on work performance, as F = 1.969 and p = 0.114, since the p-value is greater than 0.05, which means that the results are not statistically significant. The effect size $\eta^2 = 0.141$ indicates that the change is moderate.

8.5 Regression Analysis: Question 1(Finance & Accounts)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.428[a]	.183	.167	1.050

a. Predictors: (Constant), Accounting reports are prepared within the prescribed reporting schedule

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.609	1	12.609	11.431	.001[b]
	Residual	56.259	51	1.103		
	Total	68.868	52			

a. Dependent Variable: Regular performance reviews are conducted to evaluate overall business performance

b. Predictors: (Constant), Accounting reports are prepared within the prescribed reporting schedule

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.383	.384		6.212	<.001
	Accounting reports are prepared within the prescribed reporting schedule	.364	.108	.428	3.381	.001

a. Dependent Variable: Regular performance reviews are conducted to evaluate overall business performance

INTERPRETATION

The results of the regression analysis reveal that timely preparation of accounting reports has a positive effect on the regular performance reviews. The model appeared to be significant (F = 11.431), p = 0.001). Therefore, it can be concluded that 18.3% of variance in the regular performance reviews can be predicted from the timely preparation of accounting reports. At the same time, an increase in timely prepared reports leads to an increase in regular performance reviews ($\beta = 0.428$).

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8.6 Discussion

Based on the results, it could be concluded that the most significant functional areas in terms of contributing to the overall performance of the organization are Finance, Human Resources, Production, Marketing & Sales, and Materials Management/Purchase. Finance is rather efficient in terms of reporting and decision-making, and it helps the management make accurate choices. In turn, Human Resources is efficient in training workers and managing them; it helps the company boost its performance by engaging employees in different developmental activities. Then, Production helps the organization arrange its production processes, control the quality of goods, and manage its resources efficiently. Further, Marketing & Sales assist in promoting the company's products and reaching more customers. Finally, Materials Management/Purchase ensures that the purchase process helps the firm get more resources for its money. It could be claimed that the overall efficiency could be improved if the management focused more on cooperation with other departments, continuous improvement of existing processes, and the development of employees.

IX. FINDINGS

1. 30% of respondents agreed and 23% strongly agreed that accounting reports in an organization are prepared in time according to the established reporting schedule.
2. 28% of respondents agreed that financial transactions are recorded accurately and completely, while 30% remained neutral.
3. 42% of respondents agreed that the information in the performance reports is reliable enough to make decisions based on it.
4. 32% of respondents agreed that performance reports are reviewed regularly to assess the performance of the business, while 26% remained neutral.
5. 38% of respondents agreed that the recruitment process in an organization is objective and follows the standard procedure. However, some respondents indicated concerns about the fairness of the process.
6. 34% of respondents agreed and 23% strongly agreed that they receive proper training to enhance their knowledge and skills.
7. 28% of respondents agreed that employee engagement activities help maintain a positive attitude in the workplace, while 25% were neutral.
8. 32% of respondents agreed that they are evaluated in terms of performance, while 28% remained neutral.
9. 36% of respondents agreed, and 28% strongly agreed that human resource practices followed in an organization are compliant with the standard policy.
10. 36% of respondents agreed that production is planned effectively in order to fulfill requirements. On the other hand, 28% remained neutral about the issue.

X. SUGGESTIONS

1. The company needs to reinforce financial reporting policies to ensure that accounting reports are produced timely and accurately.
2. The management should introduce a process of regular verification and internal control to achieve precision and systematic recording of all financial matters.
3. Performance reports should be improved to provide more relevant, reliable, and timely information for decision-making purposes.
4. The company should develop standardized procedures for performance reviews to ensure comparable performance assessments are made within the organization.
5. The recruitment process should be standardized to enhance transparency and objectivity in selecting qualified candidates for available positions.
6. Training programs should be initiated and revised periodically according to the identified training needs of the employees.
7. The company should invest more effort in organizing employee engagement activities like recognitions, communication, and participation forums.
8. Performance appraisal should be improved by developing clear and measurable performance expectations for every employee.
9. Human resource policies should be reviewed and communicated effectively to all staff members.

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10. Production planning should be emphasized more to ensure adequate utilization of manpower, equipment, materials, and other resources.

XI. LIMITATIONS OF THE STUDY

1. The study used a small sample size, which may not represent all employees and departments accurately.
2. The study was conducted at a specific point in time, so its findings may not reflect the company's long-term progress and overall performance changes.
3. The study relied primarily on the information provided by the respondents and the organization. Certain sensitive financial and operational details may not have been disclosed.
4. Responses may be biased, reflecting employees' subjective perspectives, experiences, or reluctance to criticize the organization.
5. The Organizational functions revolved around particular aspects of the business, such as finance and accounts, human resources, production, marketing and sales, and materials management and purchase functions. As a result, the study may not have considered all factors contributing to the firm's performance.

XII. CONCLUSION

The study established that the company's main functions, Finance, Human Resource, Production, Marketing and Sale, and Materials Management/Purchase, possess a moderate level of performance since the chosen indicators' results are medium. Thus, financial matters, human relations, production of goods and services, after-sale support for customers, and materials management are reasonably effective and contribute to the organization's performance. Nevertheless, they have crucial aspects, which limit their positive influence on the company's overall performance, resulting from moderate levels in collaboration, financial reporting, employee satisfaction, production rate, customer-oriented attitude, and inventory management. Therefore, the company's functional areas need continuous improvement and efficiency to ensure the organization's effectiveness by adequately managing materials, motivating and training employees, maintaining high-quality production while decreasing costs, and coordinating various types of activities.

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