

# **Organizational Culture in The Indian Corporate Sector**

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**NAVARATAN MAL**

**CENTRE FOR THE STUDY OF SOCIAL SYSTEMS  
SCHOOL OF SOCIAL SCIENCES  
JAWAHARLAL NEHRU UNIVERSITY  
NEW DELHI-110 067  
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**To Dadaji**

**in loving memory**




जवाहरलाल नेहरू विश्वविद्यालय  
JAWAHARLAL NEHRU UNIVERSITY  
NEW DELHI - 110067

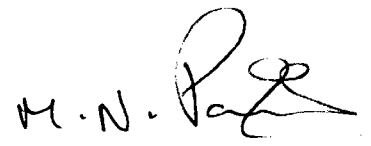
SCHOOL OF SOCIAL SCIENCES  
CENTRE FOR THE STUDY OF SOCIAL SYSTEMS

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CERTIFICATE

Certified that the Dissertation entitled "ORGANIZATIONAL CULTURE IN THE INDIAN CORPORATE SECTOR" by NAVARATAN MAL, has not been submitted for the award of any degree to this or any other university. We recommend that this Dissertation may be placed before the examiners for the consideration of award of Degree of MASTER OF PHILOSOPHY in Sociology of Jawaharlal Nehru University, New Delhi.

  
M. N. PANINI  
supervisor

  
M. N. PANINI  
Chairperson

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## *A Word of Gratitude.....*

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 (NAVARATAN MAL)

## *Preface.....*

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The topic "Organizational Culture in the Indian Corporate Sector" begins with the introductory chapter on concept of organizational culture. The primary concern has been an analysis in terms of its emergence and sharing of the same by members of the organization in their work behaviour. In this context the concept of work culture has also been looked into.

The second chapter is an examination of relevant theoretical issues. Different perspectives and dimensions of organizational culture have been discussed which would help us in identifying the appropriate theoretical perspective to look at the Indian organizational culture. Moreover, the problems of external adaptation and internal integration faced by organizations and strategies evolved by them to solve the same have been outlined. This would provide us a framework to examine the responses of Indian corporate sector to challenges it is facing, in a proper perspective.

✓ The third chapter deals with the socio-cultural parameters of organizations in India. It gives us the idea of social context in which organizations work. Moreover, the Indian approach to work have been discussed to present a more comprehensive view of work culture in India. ✓

The fourth chapter begins with a brief delineation of the Indian corporate tradition as it has emerged over the years. Following this, the focus is directed to organizational culture in the public sector and the private sector in India. It is in order to subsequently review the studies conducted in this regard in India. It is well known fact that the setting in which Indian corporations operates has changed drastically. It will be pertinent therefore, to describe this changing environment and kind of challenges with which the industrial corporations have to cope. This will give us a fair idea of future shape of organizational culture in India to come about. This will also contribute to an understanding of social change in India.

The next chapter is concerned with concluding observations. The organizational culture in the Indian corporate sector, various problems and strategies adopted by the corporate sector and suggestions regarding the effective organizational culture in Indian setting are some of the issues which have been reflected upon in this section.

In the Appendix, a review of literature relating to managerial behaviour in Indian organizations, both public and private, have been given. This would enrich our understanding of organizational culture in the Indian corporate sector to a deeper extent.

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*Chapter I*

*An Introduction*

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It is now widely accepted that economic development cannot be adequately grasped unless the role of 'non-economic factors' is taken into account. The recent upsurge of interest in organizational culture has once again brought this fact to the foreground. There has been emphasis on trying to explain why U. S. companies do not perform as well as some of their counterpart companies in other societies, notably Japan. In observing the differences, it has been noted that national culture is not a sufficient explanation ( Ouchi, 1981; Pascale and Athos, 1981). One needs concepts that permit one to differentiate between organizations within a society especially in relation to different levels of effectiveness, and the concept of organizational culture has served this purpose well (e.g., Pettigrew, 1979; Wilkine and Ouchi, 1983).

✓ A suitable organizational culture, it is now acknowledged, can help a corporation transcend its own limits and attain hitherto unanticipated levels of performance. Organizational culture does not merely constrain economic performance, it contributes to the realisation of untapped collective creative potential essential for the growth of an organization. ✓

The success of Japanese industries vis-a-vis American industries is accounted for in terms of the Japanese corporate culture. It is well known that the Japanese industrial corporations have successfully institutionalised



elements of their culture such as the system of life-time employment, pay-scales based on seniority and an extensive system of consultation. These features, it is argued, promote such a strong sense of solidarity with the corporation that its members will be inspired to put in greater efforts and enthusiastically participate in production programmes of the corporation even if it means pushing their own personal interests to the background. A modern corporation is really a collective entrepreneurship venture and its success in the long run depends on a sense of solidarity and trust among the participants. The Japanese organizational culture, it is argued, promotes precisely such trust and solidarity. In contrast, American corporations are supposed to lack this sense of trust because of their highly individualistic ethos.

✓ The discovery of the importance of corporate culture for industrial success has inspired several management experts in America to devise programmes to create better organizational culture. Such attempts are being made in India as well. The public sector Indian Airlines corporation and several other private corporations are taking active interest in designing organizational culture. They have effected remarkable organizational change using the organizational culture idea (Business India, march 25-April 7, 1985). In India despite a high rate of savings and investment, a developed infrastructural base, a highly qualified and well trained manpower and the availability

of entrepreneurial talent, Indian corporations are unable to set standards of high performance. There are certainly a number of important factors that operate in such a situation, but lack of proper organizational culture is certainly one of them. The reputation for skill and hard work that Indian workers and managers have acquired abroad while working in more conducive corporate settings proves this point.

A sharp contrast is often drawn between private and public sector organizational cultures vis-a-vis their functional effectiveness. The picture in the private sector may sometimes appear, in comparison with the public sector, somewhat bright but it is not uniformly so. An analysis of organizational culture in India should therefore take account of both the public sector and private sector.

Over the last several decades, Industrial sociologists have provided penetrative insights into the working of industrial organizations. They have also studied the interaction between industry and society and have shown that development and modernization of a society are processes which generate a wide range of social and cultural contradictions and that the effects of industrialization are conditioned by the specific socio-structural and cultural features prevalent in a given society. In case of India as well, there are studies which enable us to construct corporate cultures in India (e.g.

Seth, 1968; Singer, 1972; klass, 1978). They have viewed Indian factories as not only working on physical raw materials but also on the cultural raw materials of society to produce new commodities as well as new cultural interpretations which are in consonance with the national goals. They show how primordial loyalties of caste, neighbourhood and religion are actively used to facilitate industrial growth. Therefore, modernisation in the Indian context involves not the displacement of tradition by modernity, but a reinterpretation of traditional values in the light of India experience of industrialisation. Recent experience, however, warrants a revision of the optimistic conclusions in regard to the interaction between industry and society.

✓ It is imperative that Indian organizational culture is now reassessed so that the intricate interaction between rapidly changing industrial technology on the one hand social change on the other is grasped adequately. The study of Indian organizational culture will not only contribute to effecting changes in corporate culture but will also help in altering the direction of social change in India.

## THE CONCEPT OF ORGANISATIONAL CULTURE

✓ The emergence of culture as a concept relevant to organisation and their effectiveness has generated many as-yet-unresolved issues concerning the design, development and study of organisation. Recently, relevant issues around which the debate has been centred are concerned with meaning, and content of a culture (Martin and Siehl, 1983; Louis, 1983), the method by which it should be measured (Schein, 1984; Sashkin and Fullmer, 1985) and more fundamentally the feasibility of cultural change and the direction that it should take (Business Week, 1984; Uttal, 1983). While debate around these issues continue, culture has been accepted as an important variable of organisational life by managers and has become an integral aspect of many organisational change programmes.

However, culture per se is hardly a new idea. Pettigrew (1979, p. 570) noted that culture comes with "a family of concepts" like symbol, language, social drama and ritual that highlight organizing as the major focus. Culture- another word for social reality- is both product and process, the shaper of human interaction and the outcome of it, continually created and recreated by people's ongoing interactions.

✓ Culture around a work place provides a comprehensive framework for understanding the various facets of work behaviour. Culture is a man made part of the environment (Herskovits, 1955). It reflects the way of life of a people, their traditions, heritage, design for living etc. It is the

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totality of beliefs, norms and values which is related to the patterned regularity in peoples's behaviour. Cultures are systems (of socially transmitted behaviour patterns) that serve to relate human communities to their ecological settings. (Keesing, 1974,p. 44).

Culture according to some (e.g. White, 1948), determines everything that people do, feel and think. 'Human behaviour, therefore is, determined by culture' (White, 1948, p. 244). For others it is nothing but a bunch of independent variables which might 'include basic institutions, subsistence patterns, social organisations, languages and social rules governing inter-personal relations (Segall, 1983, p. 130).

✓Cooke and Rousseau (1988) has compiled different characterizations of culture which have been described in the following lines :

-----  
Becker and Geer (1970) : Culture is a set of common understandings, expressed in languages.

Kroeber and Kluchhohn : Culture is transmitted patterns of values, ideas and other symbolic systems that shape behaviour.

Louis (1983) : Culture has three aspects :  
(a) Some content (meaning and interpretation),  
(b) peculiar to (c) a group.

- Martin and Siehl (1983): Culture is a glue that holds together an organisation through shared patterns of meaning. Three components systems :  
context or core values, forms (process of communication) strategies to reinforce content (e.g. rewards, training programmes).
- Ouchi (1981) : Culture is a set of symmbols, ceremonies and myths that communicate the underlying values and beliefs of the organization to its employees.
- Swartz and Jordan (1980) :Culture is a pattern of beliefs and expectations shared by members that produce norms shaping behaviour.
- Uttal (1983) : Culture is shared values (what is important) and beliefs (how things work) that interact with organization's structures and control systems to produce behavioural norms (the way we do things around here).
- Van Maanen and Schein (1979) :Culture is values, beliefs and expectations that members come to share.
-

≡ There are certain features of culture that are common to these. They are, firstly, values and beliefs forms the core of culture and secondly, cultural patterns are shaped by the constituent members. It may also be relevant to point out that concept of culture has bearing with organisational analysis. As pointed out by Smircich (1983) that there are interfaces between culture and organization which encompass comparative management, corporate culture, organisational cognition, organizational symbolism and unconscious process. Moreover, cltural meanings are apparently shared in the context of organizations particularly through the symbols or systems of signs (Becker and Geer, 1970). ≡

≡ These characterizations of concept of organizational culture has been discussed by researchers differently on the basis of perspectives envisaged by them. For example, Riley (1982) has tried to examine the idea of culture in organization from a different perspestive. She has given a structuralist account of culture in the socio-political context of organizations in which nature of power relationships influences the process of sense making of organisational members in their day to day interactions. Furthermore, the power relationship in organisations are crucial to both - the process of structuring of culture and process of being getting acquainted with the culture of that organization. These processes may give rise to value conflict between members and organizations.

There is another entirely different perspective given by Wilkinson and Ouchi (1983) which is called transaction cost perspective. They view organizations as patterned exchanges, which can be governed by several alternate mechanisms. They suggest which governance mode will be the most efficient (have the lowest transaction costs) under varying exchange conditions. According to the transaction cost perspective, there are three alternative modes for governing exchanges or transactions: market, bureaucracies and clans. They argue that third governing mechanism, the clan (to which they call culture) is the best suited with respect to organizational performance. By socializing parties to the exchange in such a way that, though self-interested, they see the objectives in the exchange being congruent, the clan does not need to resort to close monitoring. The clan, then, is able to be efficient in governing transactions under conditions of relatively high uncertainty and complexity. To do so, however, it requires relatively high level of goal congruence and locally shared social knowledge or culture. According to Wilkins and Ouchi, Japanese firms tend to adopt clan mode of organizing.

Broms and Gahmberg (1986) offer still another substantially different way of approaching organization and culture. Culture here is seen as group values embedded in shared value - laden images or myths. A central focus for them is auto communication that is communication with the



self, which produces the symbols and shared images that forms culture.

Culture is what a group learns over a period of time as that group solves its problems of survival in an external environment and its problems of internal integration. Such learning is simultaneously a behavioral and a cognitive process. The deepest level of culture will be the cognitive in that the perceptions, language, and thought processes that a group comes to share will be the ultimate causal determinant of feelings, attitudes, espoused values and overt behavior.

Thus, for our purpose it is enough to specify that any definable group with a shared history can have a culture and that within organization there can therefore be many subcultures. If the organization as a whole has had shared experiences, there will also be a total organizational culture. Within any given unit, the tendency for integration and consistency is assumed to be present, but it is possible for coexisting units of a larger system to have cultures that are independent and even in conflict with each other.

Culture can now be defined as (a) a pattern of basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think and feel in relation to those problems.

In analysing the culture of a particular organization it is desirable to distinguish three fundamental levels at which culture manifest itself : (a) observable artifacts, (b) values, and (c) basic underlying assumptions.

✓ Generally, the issue of organization culture and organizational climate is taken together rather in an unclear manner. It has been studied alongwith or as a part of organizational climate. But climate is different from culture, reason being that climate, rather than culture, reflect perception of organizational structures and how it feels to be a member of the organization. In contrast, beliefs regarding how to belhave are aspects of culture.

## **ORGANIZATIONAL CULTURE**

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### **(The Situation)**

Prevailing patterns of values, myths, beliefs, assumptions and norms :

----- Reflected in language, symbols, technology and management affairs and participant sentiments, attitudes, actions and interactions.

12 -----Articulated in statements about management philosophy, organizational values or mission.

-----Inferred or explicit from observations and interviews.

## **ORGANIZATIONAL CLIMATE**

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### **(The Perception)**

Relatively persistent set of perceptions held by members concerning the characteristics and quality of organizational culture :

-----Measured by systematic use of questionnaire or interviews.

-----Inferred from observations and interviews.

✓ Organizational climate is only a surface manifestation of organizational culture, hence research on climate does not enable us to delve into deeper causal aspects of how organizations function. For this we have to study deeper concepts such as culture. Organizational climate by virtue of being a more salient cultural phenomenon, lend itself to direct observation and measurement.

Further, organizational culture generally overlaps work culture (Sinha, 1990). Work culture means work related activities and the meanings attached to such activities in the framework of norms and values regarding work. These activities, norms and values are generally (but not always) contextualized in an organization. An organization has its boundaries, goals and objectives, technology, managerial practices, material and human resources as well as constraints. Its employees have skills, knowledge, needs and expectations. These two sets of factors - organizational and organismic - Interact, and over time establish roles, norms, and values pertaining to work. It is this totality of the various levels of interacting factors around the focal concern for work which is labelled as work culture (Sinha, 1990, P.15).

In short, work culture signifies (a) work related activities and (b) the cognitions, the affect, and the values attached to them in terms of (c) the normative structure within (d) a setting. There are different levels

and types of settings pertinent to work and work related activities. Of them, organization is by far the most visible and well-defined entity.

Hence, work culture may be examined at different levels within an organization (Sinha, 1990, pp.16-17):

- 1.Organizational goals and objectives and the way they are perceived and reacted to by the employees.
- 2.Technology of an organization, its structure, work forms, financial position etc.
- 3.Social groups, norms, values, power structure, role relations etc.
- 4.Work behaviors and other work related activities.

An analysis of work culture would inevitably lead to the tracing of its roots into the following contextual sources:

- 1.The socio-cultural values and systemic features of the surrounding milieu.
- 2.The body of knowledge regarding work and work forms, technological advancements, and the resultant trends and issues in the realm of work. The focal point is the concept work-the way it has evolved and is viewed today.

However, before analysing these, it is important to examine the theoretical issues relating to organizational culture.

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*Chapter II*

*Relevant Theoretical Issues*

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## PERSPECTIVES ON ORGANIZATIONAL CULTURE :

There are several perspectives on organizational culture. The cognitivists orientation conceive organizational culture as a shared cognition of members of a particular social unit. (Greetz, 1973; Wallace, 1970; Smircich, 1983). These cognitions are acquired through social learning and socialization process exposing individuals to a variety of culture - bearing elements. These elements are observable activities and interactions, communicated informations and artifacts. In organizations, the patterns of activities and interactions that members observe and carry out constitute major elements of the system's structure, making structure itself an important culture-bearing mechanism in organization. Communication in such forms as stories, reported events and role expectations convey normative information about the appropriateness and desirability of behaviour. Artifacts such as the physical plant, equipments and resources, used on the job and symbols that represent the organization and its members have meaning and value attached to them that reinforce the way people behave and think. Culture-bearing elements are reinforcers of way of thinking and behaving in the manner in which behaviourists use the term; reinforcers strengthen the connection between features in the environment and an individual responses.

Culture based cognitions are labelled as the "enacted environment". Weick (1979) argues that individuals develop an organized view of the world to reduce the equivocality and uncertainty of events. Culture provides a premade and socially shared enacted environment to which the individual must accommodate in order to fit in and, in certain cases, to survive. Organizational culture includes the organization's self image, as well as constitutive and regulative rules that organize beliefs and action in light of the image. Cognitive perspective study culture to reveal the hidden universal dimensions of the human mind.

Besides cognitive perspective, there are other perspectives also. These are called functionalist paradigm (Burrell & Morgan, 1979), and the system structured view (Vandeven & Astley, 1981). In first case "culture" is a part of environment and seen as a determining or imprinting force whereas in the second case, organizational culture is seen as a result of human enactment. Organizations are understood and analyzed not mainly in economic and material terms but in terms of their expressive, ideational and symbolic aspects.

When organizational theorists develop a cultural analogy, they tend to elaborate a view of culture drawn from cognitive, symbolic or to a extent from structural anthropology and psychodynamic theories. In cognitive anthropology culture consists of shared knowledge (Goodenough, 1971; Agar, 1982). In symbolic anthropology,



culture is a system of shared meaning (Hallowell, 1955; Greetz 1973) and according to structural anthropology and psychodynamics, culture is a manifestation and expression of mind's unconscious operation (Rossi & O'Higgins, 1980).

**SCHEIN** (1984), has given a different perspective which includes elements from both the functionalist and cognitive perspective in stipulating certain assumptions about the organizational culture. He defined organizational culture as "the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration and that have worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems".

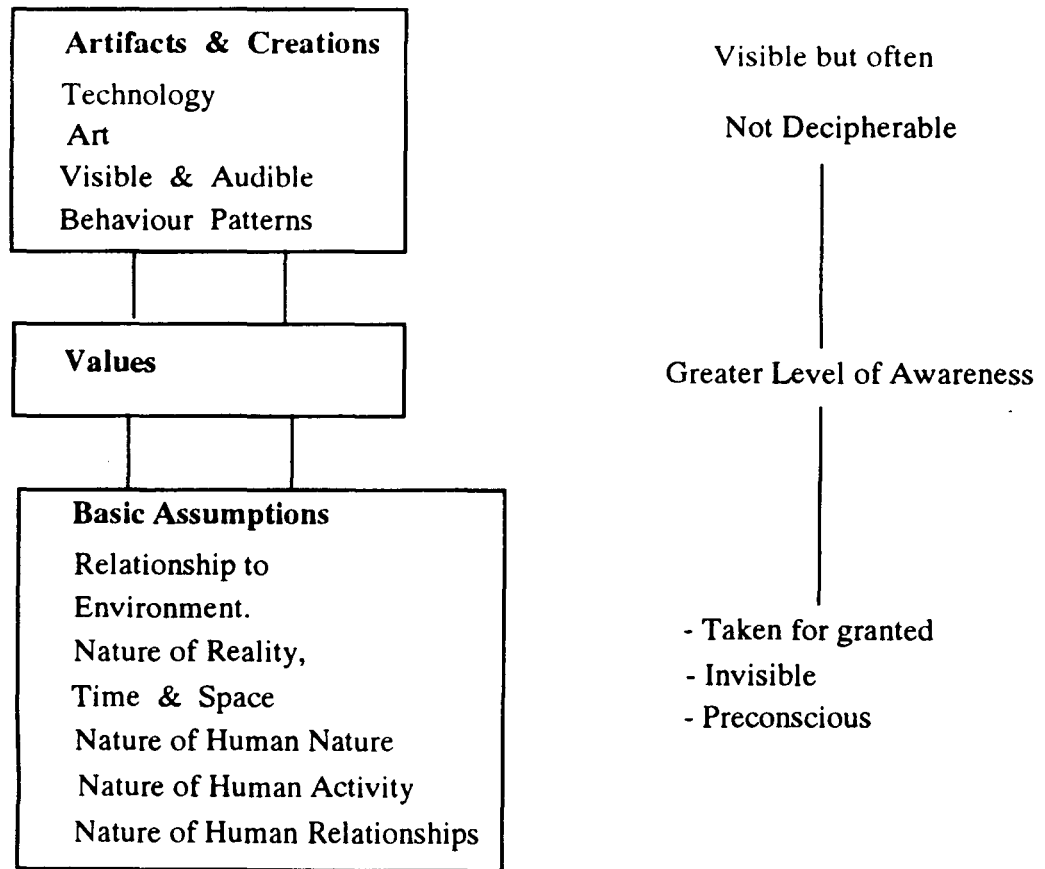
Like cognitive perspective Schein says that organizational culture can be analysed at several different levels, starting with the visible artifacts - the constructed environment of the organization, its architecture, technology, office layout, manner of dress, visible or audible behaviour patterns and public documents etc. But data obtained regarding these are hard to interpret. To analyze why members behave the way they do, values are needed that govern behaviour. But at the same time values are hard to observe directly, so it is often necessary to infer them by interviewing key members of the organization. But here also they only focus on manifest

values of a culture. Yet the underlying reasons for their behaviour remain concealed.

To really understand a culture and to ascertain more completely the group's values and overt behavior, it is imperative to delve into the underlying assumptions which actually determine how group member perceive, think, and feel. Such assumptions are themselves learned responses that originated as espoused values. But, as value leads to a behavior, and as that behavior begins to solve the problem which prompted it in the first place, the value gradually is transformed into an underlying assumption about how things really are. As the assumption is increasingly taken for granted, it drops out of awareness. This has been shown in the figure (1) shown on page no.19.

**Cultural Paradigms** : Because of the human need for order and consistency, assumptions become patterned into what may be termed cultural "paradigms" which tie together the basic assumptions about humankind, nature and activities. A cultural paradigm, according to Schein (1984), is a set of interrelated assumptions that form a coherent pattern. Not all assumptions are mutually compatible or consistent, however. If individuals do have need for order and consistency, they will eventually evolve sets of assumptions that are compatible and consistent.

To analyze cultural paradigms, one needs a set of logical categories for studying assumptions. Kluckhohn & Strodtbeck (1961) has given five basic underlying assumptions around which cultural paradigms form. They are



(Source : Schein, 1987)

regarding : (1) the organization's relationship to its environment, (2) the nature of reality and truth, (3) the nature of human nature, (4) the nature of human activity, and (5) the nature of human relationships. On the basis of these they have compared the culture paradigms available in various settings. In this connection they note that Western culture tends to be oriented toward an active mastery of nature, and is based on individualistic competitive relationships. It views resources as infinite, assumes that human nature is neutral and ultimately perfectible and bases reality or ultimate truth on science and pragmatism. In contrast, some Eastern cultures are passively oriented toward nature. They seek to harmonize with nature and with each other. They view the group as more important than the individual, view resources as very limited, assume that human nature needs to be improved and see reality as based more on revealed truth than on empirical experimentation. In this light, organizational culture paradigms are adapted versions of broader cultural paradigms.

Schein (1983) has given the example from organizational contexts which illustrates the nature of relationship between manifest behaviour and assumption. These examples clearly reveal that manifest behaviours in these two types of organizations are totally different. In the first organization, one observes mostly open office landscapes, general air of informality, open door policy and intense conversations. In the second organization, there is

a hush in the air : everyone is in closed doors office. Meetings are formal and nothing is done except by appointment and with a prearranged agenda. When people of different ranks are present, one sees real deference rituals and obedience, and a general air of formality permeates everything.

Nonetheless, these behavioural differences make no sense until one has discovered and deciphered the underlying cultural paradigm. To stay at the level of artifacts or values is to deal with the manifestations of culture, but not with the cultural essence.

**Culture** : A result of human enactment : There can not be culture according to Schein (1984), unless there is a group that "owns" it. Culture is embedded in groups, hence the creating group must always be clearly identified. If we want to define a cultural unit, we must be able to locate a group that is independently defined as the creator, host or owner of that culture. Group is a set of people (i) who have been together long enough to have shared significant problems, (ii) who have had opportunities to solve those problems and to observe the effects of their solutions, and (iii) who have taken in new members.

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The passing on of a culture which is transmission itself a very important requirement to see whether a given solution is shared and perceived as valid. If a group passes on with conviction elements of a way of perceiving, thinking, and feeling it can assume that the group has had enough stability and has shared enough common experiences

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to have developed a culture. If, on the other hand, a group has not faced the issue of what is to pass on in the process of socialization, it has not had a chance to test its own consensus and commitment to a given belief, value or assumptions.

Elaborating on somewhat similar lines, **WILKINS & OUCHE** (1983) have taken the paradigmatic view of culture. They have offered a perspective to look at the issues of organizational culture, called transaction cost perspective which involved three alternative modes for governing exchanges or transactions : market, bureaucracies and clans (Ouchi, 1980). Organization necessarily involves interdependent exchange between individuals in which each party gives something of value (e.g. labour) and receives something of value in return (e.g. money). Whether this transaction is mediated by a price mechanism and competitive markets or a bureaucratic relationship in which accounting or legal means are used to determine and compensate value, it must be seen as equitable by the parties involved. That is, it must meet the standard of reciprocity that Gouldner (1961) describes as a universal requirement for collective effort.

This demand for equity leads to transaction costs, particularly when it is difficult to determine the value of goods or services. According to Ouchi, " A transaction cost is any activity which is engaged in to satisfy each party to an exchange that the value given and received is in accord with his or her expectations"(1980, p.130).

Difficulty<sup>in</sup> determining value arises from either (i) the underlying nature of the goods or services; or (ii) the parties don't trust one another. Third parties, experts brought in to determine value, and increasingly explicit contracts are all forms of transaction costs that may result from these two conditions.

From this point of view, the central problem of organization or governance of transactions is how can a perception of equity be achieved among self-interested parties who are boundedly rational. A market form of governance resolves this social problem well with a price mechanism in competitive situations. Contracts are made between parties who, because of competition, will offer a "fair" price and fulfill their commitments. Bureaucracy deals with the social problem of governing transactions under conditions of ambiguity by creating an incomplete contract in the form of an employment contract.

A third governing mechanism, the clan addresses the social problem of exchange quite differently. By socializing parties to the exchange in such a way that though self-interested, they see their objectives in the exchange as being congruent, and by providing a general paradigm that can help to determine what is best for the relationship, the clan does not need to resort to close monitoring. For example, Japanese firms tend to hire inexperienced recruits, socialize them intensively to accept the company's views and objectives as their own, and compensate them based on seniority, number of dependents,

and other non-performance criteria (Abegglen, 1958; Dore 1973; Nakane, 1973). It is not necessary for these organizations to measure performance to control or direct their employees, since the employees natural inclination is to do what is best for the firm. It is also unnecessary to derive explicit, verifiable measures of value added, since rewards are distributed according to non-performance related criteria that are relatively inexpensive to determine (Ouchi, 1980). The clan, then, is able to be efficient in governing transactions under conditions of relatively high uncertainty and complexity. To do so, however, it requires relatively high levels of goal congruence and the sharing of some general paradigm that helps participants determine collective interest.

However, Wilkins & Ouchi (1983) use the term "goal congruence" to convey the idea that clan members tend to believe that in the long run they will be dealt with equitably. This belief is critical to the clan because, given the ambiguous nature of the transactions it typically governs, short term or specific equity is virtually impossible to determine. By contrast, specific equity is typically easy to determine in market transactions in which, at the end of each transaction, parties receive payments and can evaluate whether equity was achieved. In the clan, on the other hand, members must believe in a long-term or general equity. This belief in general equity permits short-term inequities, without destroying the clan



association, and permits cooperative action inspite of the inability to determine specific equity.

Their use of term "paradigm" does not meant to imply a sharing of goals, as typically defined. Accroding to them paradigm suggests that clan members may share general orientations, but not necessarily specific knowledge, concerning what is in the interest of the collective. Thus the notion of goal congruence helps to understand the motivation of members to cooperate and work in the clan, and the paradigm suggest how members, once motivated, in general to determine what is in the interest of the clan. They also have denied the importance of cultural paradigm in understanding behavioural mainifestations of organizational members in its typical sense of goal sharing.

Of the three governing machanisms, the clan, of course, requires the greatest amount of work to develop a locally shared knowledge, or culture. Markets require the sharing of a complex of understandings about competition and prices, which society in general appears to provide the novice organizational participant. The bureaucracy similarly requires the sharing of certain social understandings - the concept of legitimate authority, a norm of reciprocity or equity, and so forth, which also seem quite broadly shared in society. Thus, the clan requires such a relatively greater degree of social understanding, specific to the organization, about the general objectives,

methods and values of the collective that it clearly may be thought of as control or governance by means of local culture that is analogous to the paradigmatic anthropological culture.

As a practical matter, most real organizations employ all three forms of control. As is the case in many Japanese organizations, some organizations employ the clan form of governance more predominantly than others. Thus, it can be said that most organizations develop some degree of local culture and clan control but that some organizations will depend predominantly on their ability to do so. Since, this requires the development of social understandings that are specific to the organization and that new participants do not necessarily bring with them from the background culture, we need to understand the conditions under which local cultures (and clan forms) are likely to develop.

Of course, the existence of shared social understandings does not guarantee that these understandings will be relevant to the performance of the organization. We thus need to determine how these understandings relate to the existence of paradigm and goal congruence, which is necessary for clan efficiency.

#### **DIMENSIONS OF CULTURE :**

Among the other aspects of organizational culture the issue of relevant dimensions has received a considerable

degree of attention from researchers. According to Schein (1984) dimensions of organizational culture can be described in terms of "strength or amount". The "strength" or "amount" of culture can be defined in terms of (i) the homogeneity and stability of group membership and (ii) the length and intensity of shared experiences of the group. If a stable group has had a long, varied, intense history, it will have a strong and highly differentiated culture. But if a group has had a constantly shifting membership or has been together only for a short time and has not faced any difficult issues, it will have a weak culture. Although individuals within that group may have very strong individual assumptions, there will not be enough shared experiences for the group as a whole to have a defined culture.

One should also note that once an organization has a strong culture, if the dominant coalition or leadership remains stable, the culture can survive high turnover at lower ranks because new members can be strongly socialized into organization as for example, in elite military units.

It is also true at the same time that cultural strength may or may not be correlated with effectiveness. Though some current writers have argued that strength is desirable. The actual content of the culture and the degree to which its solutions fit the problems posed by the environment seem like the critical variables, not strength. One can hypothesize that young groups strive for culture

strength as a way of creating an identity for themselves, but older groups may be more effective with a weak total culture and diverse sub-culture to enable them to be responsive to rapid environmental change.

This way of defining culture makes it a specific to a given group. If a total corporation consists of a stable functional, divisional, geographic, or rank-based subgroups, then that corporation will have multiple cultures within it. It is perfectly possible for those multiple cultures to be in conflict with each other, such that one could not speak of single corporate culture. On the other hand, if there has been common corporate experience as well, then one could have a strong corporate culture on top of various sub-cultures that are based in sub-units. The deciphering of a given company's culture then becomes an empirical matter of locating where the stable social units are, what cultures each of those stable units have developed, and how those separate cultures blend into a single whole. The total culture could then be very homogeneous or heterogeneous, according to the degree to which sub-group cultures are similar or different.

It is also to be pointed out that some of the cultural assumptions in an organization can come from the occupational background of the members of the organization. This makes it possible to have a managerial culture, an engineering culture, a science culture, a labour union culture, etc., all of which coexist in a given organization.

Cooke & Rousseau (1983) has suggested another set of relevant dimensions to organizational culture. According to them any culture in an organizational context has two key features pertinent to its assessment : direction and intensity. Direction refers to the actual content of substance of the culture, exemplified by the values, behavioural norms, and thinking styles it emphasizes (Trice & Beyer, 1984). Intensity is the strength of this emphasis. Cultures that vary in direction support different behavioral norms and thinking styles; cultures varying in intensity have different degrees of influence on organization members.

Intensity is a function of several factors, including (i) the degree of consensus among unit members regarding what the culture emphasizes, and (ii) the strength of connection among expectations, rewards and behaviours. Through the use of individual level measures, the intensity of an organization's culture can be directly assessed through the level of agreement among members regarding its contents. Consensus regarding the organizations emphasis is associated with some sharing of belief and behaviour patterns (Van Maanen 1976). For consensus to lead to a high degree of shared beliefs and behaviours, the second feature of intensity must also exist: a strong set of connections between expectation rewards and behaviours.

Direction, the content of culture, is the way in which members enact their environment. There are number of ways to describe the content of a culture, one of them is

individual cognitions regarding appropriate ways of thinking and behaving within an organizational unit. It is distinct from measures of individual perceptions of organizational characteristics and attributes - the typical content of organizational climate surveys. Climate, rather than culture, reflects perception of organizational structures and how it feels to be a member of the organization. In contrast, beliefs regarding how to behave are aspects of culture.

#### **DIFFERENT CULTURE IN SAME ORGANIZATION :**

If culture is the enacted environment members share, any organization can be characterized not only by a dominant culture linked to its predominant internal environment but by sub-cultures as well. Sub-culture reflects enactments of the myriad distinct work and social environments within an organization. They are a natural byproduct of the tendency of organisation towards differentiation by level and function.

By promoting subcultural differences, organizational differentiation also creates the opportunity for counter cultures to emerge. Counter cultures are ways of thinking and believing that are in direct conflict between subculture, as in the classic sales versus production battles that characterize many business firms. Counter cultures arise due to differentiation and insularity. Insularity, the key feature here, can be produced when a unit is protected from the pressures of the larger organisations

by a powerful unit leader, by geographic distance, or by some other boundary creating feature.

Past research suggests that organizations can show a high degree of internal differentiation, both horizontally (Lawrence and Lorsch, 1973) and vertically (Tannen Baum, 1976), and that this differentiation is related to the thinking and behavioural styles of members of different level and in different functional areas (Pavett and Lau, 1983). With respect to vertical differentiation, research has shown that thinking styles emphasizing gratification of higher-order needs characterize individuals at higher organizational levels, while an orientation toward security needs characterizes these at lower levels (Cooke and Rousseau, 1983; Hall and Nongain, 1968). Similar findings have resulted from studies focussing on horizontal or functional differentiation.

#### **ORGANIZATIONAL CULTURE - A MODEL :**

✓ In 1976 Handy presents a description of four different types of organizational cultures and proposes ways in which each type can be measured. But at the same time, these types can be examined better on the basis of prevailing dimensions of the organizational culture. An organization might have all these types of culture but the dominating culture is the main focus of the organization. Large organizations may operate with different culture in different departments or units. This way all organizational units will contain elements of more than one culture, but one of the four

cultures, "power", "role", "task", and "person" will be the dominant culture.

**Power Culture :**

The chief characteristics of a power culture is the existence at the organization's centre of a powerful and dominant leader whose will and influence pervade all decision making. Influence is exercised through key individuals and there are few rules and procedures, few committees to function. Decision making is rapid. Power organizations can move rapidly, grasp opportunities and react to threat or danger. Growth is a problem, because with increased size, the centre will become less able to control and integrate. Power cultures are uncomfortable to work in, if one has not established links with the power based. Now, rapid growth of entrepreneurial organizations often have power culture, but so do some trade unions. Wilkins and Ouchi (1984) have asserted that in large commercial organizations marketing is more likely to have power class than manufacturing or production.

**Role Culture:**

Role culture is the main characteristic of the "Steady State" organizations, where the problems are to integrate a variety of different tasks so that the overall organizational objectives are met. The tasks are completed by teams of functional specialists working in sub-organizations e.g., purchasing, marketing, personnel, finance and work is integrated by the top management. Each member of the organization has his or her own task to



perform. Role cultures move carefully and take minimum risks. Decisions are made by the Committees, procedures are well developed and individual creativity and initiative are potentially disruptive.

The role organizations will succeed as long as it operates in a stable environment where the organization can control its environment, where the market is stable and predictable, or where the product life is a long one, then rules and procedures and programmed work will be successful. But role cultures are slow to perceive the new for change and slow to change even if the new is seen. If the market or the competitive environment changes, the role culture will forge straight ahead. Recent history has provided too many examples of organization that were unable to adjust in time. Any transition towards viability has usually been accompanied by a change in culture. A decrease in role culture and an increase in power culture has often been necessary to ensure the rapid and far reaching changes required.

**Task Culture :**

Large organizations going through painful adjustment programmes, also frequently report an increase in task culture. The whole emphasis of this culture is on getting things done. The approach is to bring together the appropriate resources and the right people and let them get on with it. It is a team culture, where hierarchy is minimal and people are evaluated on the basis of their ability to contribute the team's success. Task cultures are flexible

and sensitive, able to react swiftly and to use the creative talents of all the members effectively. But they can be difficult to direct and control and expensive in their use of resources. They are not appropriate where routines and stability are needed. They are fun to work in and are cultures most in tune with ideologies of change and adaption, individual freedom and low status differentials.

**Person Culture :**

This culture is not usually found in commercial organizations, but can be identified in many academic establishments, as well as hippy communes and kibbutzim. The essential feature of person organization is that it exists for the benefit of its members rather than to produce an output of goods or services. They are cultures in which the members "do their own things" and structure and control are minimal. The stereo-type is the university lecturer who does the minimum teaching needed to retain his position so that he has the time and resources to build his own career and pursue his own research interest. As a part of this model, Handy also speculates on the origins of different organizational cultures. He suggests seven types of influences at works : Age of the organisation, ownership, size of the organisation, technology used in the organization, goals of the organization and the environment prevailing in the organizations and lastly people work in that organization.

## **PROBLEMS OF EXTERNAL ADAPTATION AND INTERNAL INTEGRATION:**

If culture is a solution to the problems a group faces, what can be said about the nature of those problems? Most group theories agree to distinguish between two kinds of problems; (I) those that deal with the group's basic survival, which has been labelled the primary task, basic function, or ultimate mission of the group; and (II) those that deal with the group's ability to function as a group. These problems have been labelled socio-emotional, group building and maintenance, or integration problems.

Homans further distinguishes between the external system and internal system and notes that the two are interdependent. Even though one can distinguish between the external and internal problems, in practice both systems are highly interrelated.

### **External Adaptation Problems :**

Problems of external adaptation are those that ultimately determine the group's survival in the environment. While a part of the group's environment is "enacted", in the sense that prior cultural experience predisposes members to perceive the environment in a certain way and even to control that environment to a degree, there will always be elements of the environment that are clearly beyond the control of the group and that will, to a degree, determine the fate of the group.

A useful way to categorise the problems of survival is to mirror the stages of the problem - solving cycle shown in

the following table :

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	Problems of external adaptation and survival.
Strategy :	Developing consensus on the primary task, core mission, or manifest and latent functions of group.
Goals :	Developing consensus on goals, such goals being the concrete reflection of the core mission.
Means for accomplishing goals :	Developing consensus on the means to be used in accomplishing the goals - for example, division of labour, oraganizational structure,
Measuring performance :	Developing consensus on the criteria to be used in measuring how well the group is doing against its goals and targets - for example, inforamtion and control systems.
Corrections :	Developing consensus on remedial or repair strategies as needed when the group is not accomplishing its goals.

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The basic underlying assumptions of the culture from which the founders of the organization come will determine to a large extent the initial formulations of core mission,

goals, means, criteria and remedial strategies, in that these ways of doing things are the only ones with which the group members will be familiar. But as an organization develops its own life experience, it may begin to modify to some extent its original assumptions. Thus for each stage of the problem-solving cycle, there will emerge solution characteristic of that group's own history, and those solutions or ways of doing things based on learned assumption will make up a major portion of that group's culture.

### **Internal Integration Problems**

A group or organization cannot survive if it cannot manage itself as a group. External survival and integration problems are, therefore, two sides of the same coin. The table below outlines the major issues of internal integration around which solutions must be found.

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#### Problems of integral integration.

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Language : Common language and conceptual categories. If members cannot communicate with and understand each other, a group is impossible to definition.

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Boundaries : Consensus on group boundaries and criteria for inclusion and

exclusion. One of the most important areas of culture is the shared consensus on who is in, who is out, and by what criteria one determines membership.

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Power and status : Consensus on criteria for the allocation of power and status. Every organization must work out its pecking order and its rules for how one gets, maintains, and loses power. This area of consensus is crucial in helping members manage their own feelings of aggression.

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Intimacy : Consensus on criteria for intimacy, friendship and love. Every organization must work out its rules of the game for peer -relationship, for relationships between sexes, and for the manner in which openness and intimacy are to be handled in the context of managing the organizations' tasks.

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Rewards and Consensus on criteria for  
Punishments : allocation of rewards and

punishments. Every group must know what its heroic and sinful behaviour are; what gets rewarded with property, status and, power; and what gets punished through the withdrawal of rewards and, ultimately excommunication.

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Ideology : Consensus on ideology and religion.  
Every organization, like every society, faces unexplainable events that must be given meaning so that members can respond to them and avoid the anxiety of dealing with the unexplainable and uncontrollable.  
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While the nature of solution will vary from one organization to another, by definition, every organization will have to face each of these issues and develop some kind of solution. However, because the nature of that solution will reflect the biases of the founders and current leaders, the prior experiences of group members and the actual events experienced, it is likely that each organisational culture will be unique, even if the underlying issues around which the culture is formed are common.

Culture goes beyond the norms or values of a group in that it is more of an ultimate outcome, based on repeated success and a gradual process of taking things for granted.

Culture is perpetually being formed in the sense that there is constantly some kind of learning going on about how to relate to the environment and to manage internal affairs. But this ongoing process does not change these things that are so thoroughly learned and have become stable elements of the group's life. Since the basic assumptions that make up an organization's culture - serve the secondary function of stabilising much of the internal and external environment for the group and since that stability is sought as a defence against the anxiety which comes with uncertainty and confusion, these deeper parts of the culture either do not change or change very slowly.



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*Chapter III*

*Social Parameters of Organizational Culture*

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Before delving deeply into Indian social parameters of organisational culture, it is appropriate to discuss the concept of work across cultures and the Indian approach to work.

**Concept of work, Across Cultures:**

The meaning attached to work have been changing through the developmental stages of human society. The Bible cursed man to work. Work came into being as punishment inflicted on man. One had to work in order to survive. Work was not enjoyable - it was something one would have liked to avoid if one could. The Romans and Greeks too despised work, as also the European nobility.

With the advent of Protestantism and Calvinism dignity was accorded to work. From something to be avoided, the Protestant ethic made it the means to salvation (Weber, 1930). The Calvinists' religious demand for lifetime dedication and service was extended to the obligation for hard work which assumed the nature of one's calling.

The concept of work underwent further transformation in the West, elaborating and expanding the narrow biblical formulation to include aspects that gave it a new meaning. This is well exemplified in the recent large scale cross cultural project on the meaning of work. Don Super (1982) has identified a number of factors as to why people work: to sustain life, to maintain contact with reality, to be part of the community, to serve God, to attain status, to produce goods and services, to structure

time, and to fulfill one's self through service to society. Work was also viewed as a curse or divine punishment. There is a evidence to suggest that work has different meanings for different individuals even during the same time period. This prompted Miller and Form (1964,pp.607 - 608) to conclude: "what is the meaning and purpose of life and work, people ask, and none of the answers seems fully satisfying".

Studies indicate that Canadians on the whole manifest strong motivation to work and report satisfaction with their jobs. Work plays a principle role in realizing their important life goals. However, Grand Maison (1975) concedes that most Canadians still find their basic identity in work, but they have ceased to consider work as central to their life. There is also a report that younger workers are less conscientious than older ones, and the French Canadians more conscientious than the English Canadians (Sinha,1990,p.23).

Work is the single most important activity in the life of the great majority of Australians. Some disagree. Bordow (1977) finds that while Australians have a strong belief in the right to work they do not necessarily subscribe to the practice of working hard. However, this does not mean that Australians are lazy. Indeed they work hard, but at their leisure.

The Japanese work harder than others. They are the ones who still cherish the work ethic. The tradition of

physical labour, Buddhistic austerity, and character cultivation have prepared the Japanese to dedicate themselves completely to their work. The Meiji Restoration (1968) helped import western institutions as well as the Protestant ethic. Because of their precarious resource situation, the Japanese had to work hard in order to survive. What was required for survival has become a kind of habit. The Japanese have developed a strong commitment to work. They do not hesitate to make a certain degree of sacrifice for the sake of their work (Doi, 1973, p.111).

Motoyoshi (Misumi, 1983, p. 188) agreed with Doi that Japanese people find life worth living through their work. However, the values attached to manual work are certainly weaker than those related to intellectual work. In contrast to American workers, the older Japanese are greater 'work aholics' (European Community Report, 1979). However, the Japanese do not start their life as work aholics. They study with concentrated effort in high school but enjoy life in college (called a leisure land). By the age of 20, the Japanese are comparable to any American in their work commitment. However, the importance of work starts increasing as the Japanese join an organization, and reach the age of 40 (Misumi, 1983, p.65). At this age they are much more committed to work than their American counterparts. These findings are however controverted by the annual surveys of the Japan Productivity Centre. The Centre reported a declining work ethic and an

increasing lack of responsibility amongst the younger generation of salaried employees.

The American, British and other West European workers are showing less willingness to tolerate the harshness of the society which coerced people to undertake unpleasant jobs. The enterprises are striving to make work less unpleasant by introducing automation, guest workers and schemes of job enrichment. Younger ones defer their entry into work force. They stay longer in education and do not like to take up a permanent job immediately after completing their education. Some totally opt out of regular jobs and want to do whatever please them. They form communes and claim to do socially useful though unpaid work.

The traditional concept of work seems to have lost its centrality in the life of people in the West. Other activities, which are equally useful to society or are enjoyable, are performed with high motivation. Other life roles are gaining salience. For example, Americans are reported to enjoy both work and leisure equally (Robinson, 1984, p.135). The concept of work is probably undergoing a radical transformation. The trend is now expanding the concept of work and integrating various life roles in a more meaningful manner.

#### **The Indian Approach to work:**

The approach to work in Indian tradition provides a sharp contrast to what just has been outlined. Unlike the Bible, the Bhagavadgita preaches the value of Karma Yoga over all other paths. Both the renunciation and the

practice of work lead to the highest bliss. Of these, practice of work is better than renunciation of work. Work is regarded as a duty without concern for outcome (nishkam Karma). Detachment of one's duty from any desire for the outcome was meant to suggest a one way service without any expectation for instant reciprocity. In the village system, the approach had an instrumental value for maintaining collectivism and yet ensuring subsistence and security (Sinha,1990,pp.26-27). The castes were occupational groups -each discharging their roles. Maintaining relationship rather than performing socially neutral economic activities constituted the ethos of the system. Work as gainful economic activity was performed either in family or within intercaste relationships. Of course, the hierarchy within a family or caste determined the allocation of work. While the brahmins engaged in intellectual, religious, and spiritual work, and kshatriyas protected the community against invasions. The Vaishyas managed trade and commerce, other intermediate castes did the farming, and the lower castes served all of them. Manual work was considered to be inferior to mental work.

According to S.K. Chakraborty, who has delved deep into the ancient Indian literature, the most superordinate character of the work ethic in ancient India was sacrifice or "tyaga" (1987, chapter 4). It is only through an orientation of sacrifice (tyaga) that work can be converted to be a means of "Chitta-shuddhi" - a cleansing of the mind

and intellect so that the perennial, luminous true self (atman) shines forth. In this sense, work is the vehicle that leads to ultimate good.

The traditional views on work were diluted by the events of history. They were not replaced by the new values of the Protestant ethic like West. The British were the first to introduce western type of public administration in India. The organizational structure, administrative procedures, and work methods were all patterned after the British organization. The East India Company utilized the services of military and civil servants to manage the Indian organizations. In the second half of the nineteenth century, the number of Indian-owned companies increased rapidly, particularly in the sector of cotton textiles, but the management remained in the hands of the Europeans. The British were meticulously briefed to be strict with and to be distant from Indian subordinates (Misra, 1970). The belief that the colonizers are superior to the colonized on the scale of social evolution is part of colonial psychology which legitimizes colonial rule and coercive ways of dealing with those ruled (Nandy, 1982). This psychology requires the rulers to maintain their distance and yet keep a close control over the ruled lest the latter defy their authority.

Hence emotional aloofness combined with high control of subordinates characterized the British style of Indian management. This was the model that Indian managers inherited from the British when the latter left India in 1947. The cultural preference for relationship orientation,

which requires a superior to be nurturant (Kakar, 1971) and the subordinates to be dependent (Sinha, 1970), was never totally erased from the Indian psyche. Nevertheless, it remained either as a recessive disposition or was transformed into an authoritarian style under the colonial influence. Myers (1960) interviewed a number of government officials, labour leaders, and managers to conclude that barring a few exceptions 'many top Indian managements are relatively authoritarian in their relationships with lower management, and with labour' (p. 166).

Indian subordinates prefer their superior's nurturant style which is also found to be effective in certain situations (Sinha 1980). The disparity between the two - actual (autocratic style) and the preferred (nurturant task style) - is probably one reason for low work motivation in formal work organizations. The effect is becoming increasingly more pronounced even as the industrial activities have expanded.

The rapid expansion of industrial activities required a large scale import of western technology and work forms which were also expected to contain Western work values like that of the Protestant ethic. The work values, however, were not internalized by the Indians to the extent expected. There were many reasons for this. Firstly, many work organizations were made to assume a developmental roles which were not quite congruent to economic objectives and the former, in any case of disjunction, got priority over



the latter. Second the developmental role is much more strongly prescribed in the public than in the private sector. Over the years, the public sector has attained a commanding position in industrial activities. About two thirds of all industrial activities are performed in the public sector. Because of the paucity of managerial personnel, the government deputed in the beginning a large number of officers from the administrative services to man the enterprises. They brought with them the bureaucratic model of functioning. Creating files, following procedures, and impersonalizing managerial practices were some of the typical characteristics of the public sector management in the 60s and 70s (Sinha, 1973). However, there have been a few positive changes since then. The number of deputationists has decreased. Pressure has been building for showing results and increasing profitability. However, the climate in many of the work organizations is still marked by bureaucratization, impersonalization, political interference, and the ethos of a welfare organization. Third, as industrial activities expanded, larger and larger number of managers were drawn from the broader spectrum of society. In the initial years, only the sons of the elite and businessmen were attracted. But now the Indian managers also come from lower middle classes. They are college educated, socialized in English medium schools, urbanized, sons of white collar workers, and cherish elitistic values (Dhingra & Pathak, 1972; Jain, 1971; Saiyadain & Monappa,

1977; Subramaniam, 1971). They carry their social and cultural habits to organizations to a greater extent than their predecessors. The Indian workers are by and large rural. They bring to their organizations the cultural norms and values in their most raw form. In other words, there has been a greater penetration of social habits and cultural values into the fabric of work organizations.

In sum, work forms in India remain embedded in the surrounding milieu, despite the import of technologically complex work organizations from the west. Indian work organizations missed the experiences of the industrial revolution. Therefore, they remained alien to large and impersonal organizations. Instead, the Indian organizations were shaped by colonial experiences that bureaucratized them and polarized the positions (symbolically speaking) of the rulers (i.e., managers) and the ruled (i.e., the workers). In the Post-Independence period, in some organizations social justice and welfare considerations got an edge over growth and productivity. However, in all cases work has remained subjugated to social considerations and hence, has never been out of the social context.

All along, work organizations remained embedded in social systems and cultural values. Hence, a more comprehensive understanding of the Indian social milieu may help in understanding the work culture in Indian organizations.

## THE INDIAN SOCIAL PARAMETERS

There are social forces which penetrate into organizations and dilute the influence of technology. The Indian social reality has been influenced by existing cultural values and social habits, developmental needs and espoused values of social justice.

A better understanding of Indian organizational culture requires examination of cultural values and social realities of Indian society. Hence the objectives of this chapter are:

- ✓(1) To what extent the traditional social and cultural ethos of Indian society has facilitated or hampered the growth of a healthy organizational culture ?
- ✓(2) Has the existing structures and values of our society been replaced by western values and attitudes or have they modified themselves in order to adapt to the changed milieu of the society.

### **The Social Realities**

Values and habits are to an extent rooted in socio-cultural realities and the contradictions between the various facets of these realities. The socio-cultural realities in India are diverse and complex with multiplicity of ethnic groups, regions, religions, languages, and local traditions. Yet some leading patterns may be identified for heuristic purposes: extreme poverty compounded by economic disparity; high density of population with low spatial

mobility; centuries old caste system; experiences of long alien rules, etc. Together they have generated a web of social systems and related values. Those dominant among them are listed in the following pages. Each system, family, educational institution, industry has its own set of goals or objectives. In order to achieve these goals, a number of tasks have to be performed. These tasks also have their priorities. In order to perform these tasks role networks are created and the people who enter these roles perform certain activities that contribute towards the promotion of organizational goals. Since roles are meaningful only when they are seen as parts of role networks or role sets. In fact, there is a mutuality in this influence system . This influence system not only serves the purpose of task performance but to a lesser or greater degree also contributes towards the personal satisfaction of role holders, whether or not these satisfactions are task related. In fact at times seeking these satisfactions come in the way of task performance. That is why to the extent that people are clear about their role boundaries- the activities that they can undertake without impairing task performance- the system remains healthy and profitable. In terms of organisation design therefore, the trick is to find ways in which people have enough choice that give them satisfaction and at the same time realise which choices they must opt out of if task performance is to continue unimpaired.

Louise B. Murphy (1955, pp. 46-58) after studying the impacts of the joint family system, the caste system and village system on the Indian children, concluded that the Indians develop a high degree of empathy with others (including nature) -i. e., develop the ability to feel for others without necessarily sharing their characteristics. They also however, become dependent on structures to take care of them, they always look upto 'authority' figures to direct them and do not develop problem solving ability.

The adult mind thus carries two very conflicting experiences-one from early childhood of a sense of security with other human beings and nature, but without the experience of problem solving either individually or in groups; the other is an experience of intense frustration at adolescence and young adult stages.

Garg and Parikh (1978 pp. 265-289) have identified four basic conflicts in life of young men and women. The first conflict is that between group orientation and self orientation. In the Indian cultural milieu the dynamics of the two distinct and some time contradictory, ethos are present. One of these could be termed as traditional ethos which prescribe that individual must deny self and act within a given framework of actions, feelings and thoughts strictly defined by his own group. The contradictory ethos is derived from the West and it creates a culture of self orientation in the sense that it opens up options for the individual to create a place for himself by selecting his

own goals.

The second conflict to a great extent derives from the first conflict mentioned above. This is felt feelings versus prescribed feelings. Feeling good about one self and evaluating one self positively is considered as opposed to being humble, which is valued positively, and overrating one self is valued negatively.

The third conflict is between closeness and individuation. This conflict breeds adults with an exploitable and dependent, or self centred and manipulative character. Neither situation however, contributes towards mature or mutual dependency, and rather reinforces immature dependency. Moreover, neither of the situation facilitates strong identity formation integrated to and anchored in the social reality.

The fourth basic conflict is between social identity and work identity. Like in the case of the first one, this too has resulted from the simultaneous presence of traditional (agrarian) and modern ethos. The agrarian ethos present the social identity through family status and other ascriptive criteria. Work in this ethos is part of the overall social role. Excellence in work performance is not seen as contributive towards changing social identity. It may merely enhance it.

Garg and Parikh has shown that the basic conflicts manifested in the behavioural patterns of the Indian adult leads to a way of life marked by incapacibilities (a) of

defining his world, creating meaning and making his own role; (b) to utilise his convictions to direct action. In precise terms, the behaviour pattern followed by the individual shows that his transactions with the world around suffers from role-confusion.

### **Hierarchical Social Structures and Relations**

Indians have lived with the caste system for so long and the caste system has had such a pervasive influence on the Indian psyche, that it has ceased to remain a sociological variable for occupational role allocation. It has turned into a world view. Even the human body is structured hierarchically: the head is brahmin, the chest kshtriya, the belly vaishya, and the feet sudra. The same approach is adopted to rank human nature, people, time, task, and all other conceivable objects and ideas. Hierarchy pervades Hindu society and culture and those hierarchical relationships as governed by Hindu ideology and culture are essentially different from the Western relationships and patterns that are more contractual and egalitarian, even when hierarchical.

A number of other social scientists hold similar views. Y.Singh (1973) observes that by and large, the Indian social structure is based on the culture of superior-subordinate relationships with a clear allocation of rights and duties across the boundaries which determine the legitimate social hierarchy'. Indians feel comfortable in the superior-subordinate framework. Hence peer group relationships induce

anxiety till the peers are ranked on some real or imaginary dimension and thereby the relationship of manifest equality is transformed into some kind of hierarchy. Even friends are compared in terms of superior on some dimensions and inferior on others. Once a hierarchy is established, juniors yield to seniors on every conceivable occasion. They speak humbly and politely, do not disagree strongly ; and would rather withdraw from a situation which is likely to force a confrontation with their seniors. Ranking of persons and relationships requires social comparison. Which is facilitated and in fact intensified by close and continuous social interactions at multiple levels by people who have been living together over generations. Because they know each other in so many roles and situations, they keep asking: who has what and how much; Poverty intensifies social comparison. Material things are valued and sought. But the relationships with the people who have material resources are valued too. They can be the means through whom more material and immaterial resources can be acquired and even monopolized. Thus, while social comparison is the basis for hierarchical structuring, affective reciprocity functions as a shock absorber and prevents the system from getting disrupted by too many social comparisons and vertical differentiations. The net result is what Srinivas called 'vertical solidarity'. That is once a hierarchy is established, the members irrespective of their positions in that hierarchy extend support to each other. Together they form a cohesive group or team. Indian teams do not consist



of equals; they consist of unequals who are inter dependent and supportive of each other in a "sneh" (affection) "shradha" (deference) framework of relationships.

#### **Preference for Personalized Relationship over Contractual Relationship**

One of the main characteristics of western organizations is the prevalence of contractual relationships. Individuals enter into contract with the organization to occupy a position in the hierarchy and to play the role attached to that position. Because the positions are inter-connected, the roles require interaction with each other for facilitating work behavior. The employee discharges his duties and claims definite returns in terms of wage, benefits, and facilities. His transactions with his organization are bound by the contract. Neither he nor the organization can claim any favour beyond that contract. The contract itself is based on the principle of exchange, i.e., the price that the person can get for his services or the price at which the organization can hire a person like him. In other words, impersonal market mechanisms determine the rates of exchange.

Members of a socially determined organisation find a contractual relationship too mechanical and lifeless for them, and therefore, fail to get them involved in their job. These members perceive work as part of social relationships, and the work place as an extension of their social setting. Hence, they extend the social relationship to the place of work and tend to personalize them. Kakar (1978, p.125)

observed that what an Indian is 'sensitive to(or concerned with) are not the goals of work and productivity that are external to the relationship, but the relationship itself, the unfolding of emotional affinity .

In contrast to the contractual relationship, where work is the basis of relating with each other, Indians tend to relate with each other directly, and if the relationship turns out to be positive, work behavior as part of the relationship is automatically facilitated. In order to establish a personalized relationship, a superior is expected to take personal interest in the job related problems of his subordinates and to guide them in their career advancement, and he should also take interest in his subordinate's personal and family problems, such as, education and marriage of children, and health of family members.. The subordinates are expected to reciprocate by paying social calls to the superior, and seeking his guidance and suggestions even in confidential matters. 'Visiting the home of the superior, doing personal chores for his family, sending him delicacies cooked in one's home,etc.. are the common manifestations of this kind of relationship' (Dayal,1976, P.10).

Even competence cannot substitute for personalized relationships. A competent person who confines himself to a job specific relationship may be respected but is not included in an ingroup. Hence he is either mistrusted or ignored and isolated. The strong tendency to form ingroups,

where employees from different levels are drawn into a personalized relationship, often leads to factionalism in and organization. Those who are not included in an ingroup are forced to form another. That would tend to split the whole organization vertically. In fact, most of the Indian organizations have numerous overlapping as well as fighting between groups which often interfere with the functioning of formally designed sections, departments, and divisions. The result is an intense power play between the group as well as between the individuals within those groups.

Although the ingroup relationships are certainly pro-social and mutually supportive, the members do not constitute an egalitarian homogenous group. They reflect, 'vertical solidarity', i.e., a hierarchy saturated with 'affective reciprocity'. The superiors are expected to extend warmth, affection, care, and nurturance to their subordinates or juniors who must reciprocate by being loyal, trustworthy, respectful, dependent, etc. Nurturance, as Kakar (1978) and Sinha (1980) reported is the preferred attitude of the superior towards his subordinates and juniors. Superiors tend to opt for it and the subordinates are bound to relish .

Similarly, dependency is one of the culturally fostered relationships in India. The word dependency, essentially and logically, refers to the extent to which one individual relies on another for his physical or emotional existence, or both. This phenomena may be either

a one sided process or a reciprocal process. But, in fact all relationships are to some degree mutual, and as a matter of fact, any society in reality consists of a large number of sets of mutually dependent relationships. The conceptualization of mutual relationship can be analysed in terms of the twin concepts of rights and obligations. This can perhaps fruitfully be seen in terms of the concept of role-set (Merton: 1965). Every role has certain rights and obligations attached to it. This is to say, an individual placed in a role is required to perform certain activities (e.g., a teacher has to teach and perform certain other related tasks). In other words, the meaning of a role lies in the actions prescribed to it. These actions do not take place in vacuum, but are meaningful only in so far as they relate a role (the focal role to other roles).

There is always a mutuality in role relationships. When the nature of this mutuality is recognized and acted, upon, the relationship is one of mature or mutual dependency. But when the nature of this mutuality is denied, the relationship either breaks up or is maintained through various degrees of impersonal partial or sub-role playing i.e., it is really a dead relationship where the assumption is that one role is entirely dependent on the other. Indian culture seems to provide an image of the all sacrificing mother and a hard working father, who derive no need satisfaction from the existence of their young children. While the children depend on their parents for their social, emotional and physical existence. It seems

that the Indian child grows up with a tremendous sense of guilt born out of the fantasy of the totally dependent child and the ever sacrificing parents. Thus, in fantasy, the grown-up child's dependence , and his obligation towards parents continues so long as the parents are alive.

Chattopadhyay (1991, p.3) cites a classical example of such a dependent relationship in a large family-owned business house. The Directors (including the managing Director, who was the eldest brother) in such case reported to their father every morning, who was then hardly able to get out of bed and discuss the major issues. Still, it was essential that all their decisions be ruber stamped by the old man.

✓ In the Indian family this myth of dependency is not restricted only to the parent-child relationship. It is extended to those between elder siblings and younger siblings, as well as to the relationship between husband and wife. The wife is percieved as altogether dependent on the husband for her survival while the husband's need satisfaction out of the relationship is forgotten. A quotation from the Wiser couple (Wiser & Wiser: 1964, p.79) appear to be illustrative of the point: "No matter how humble may be a man's position in village society , he becomes a personage when he enters his own courtyard. His wife or any other women who are junior to him are ready to do his bidding with heads bowed and voices subdued. To the young husband this authority is most pleasing. He who has

always been dependent on others , suddenly finds a human being under his control. In exercising his newly acquired power he struts about like a young peacock".

It may be identified as dependence proneness (Sinha,1970) which may be found spanning from mud huts to company board rooms. Pareek (1968) considered it as one of the three most salient motivations of Indians. Indians seek attention, support, advice, and help even in situations where they are fully capable of taking decisions on their own. This reflects that a person wants to overcome his weakness by depending on a powerful source. So the phenomena dependency in India is a power play, but it may have a positive characteristic as well, similar to 'amae' of the Japanese (Doi,1973). Indians live with the belief that the world is a benign place and some one will always come to help should an exigency arise. In other words, dependency, instead of being an indicator of weakness, is the 'emotional capital build up during infancy' (Kakar, 1978,P.83).

Ingroups can vary in (a) size, from the nuclear family and dyads of friends to the whole nation: (b) intimacy; (c) proximity and physical contacts among the members; etc. By and large the smaller, familial, and those ingroups consisting of proximate members are more emotionally connected than those which are large, have distantly located members, and have diffused common bonds. Ingroups are broadly arranged in concentric circles like clusters.

Family seems to be the most important with friends and relatives coming next; co-workers and neighbours are a little distant, and so on (Sinha & Verma, 1987).

However, the salience of ingroups is determined situationally. People are found to shift their allegiance from one level to another or type of ingroup rather easily. Superiors and co-workers often become more relevant in the context of one's job even though, in many instances, the family continues to influence job related matters (S.K.Singh, 1986). Poverty or the perception of scarcity leads to either the shrinking of an ingroup or a shift towards the primordial ingroups such as family. In a backward society, family remains the only viable and lasting ingroup (Banefield, 1958). Recently, two studies were conducted by (S.K. Singh, 1986; and Sinha & Verma, 1987). The first study showed that parents and spouse were considered to be the most influential ingroups in India. Friends were next with co-workers and relatives having only moderate levels of influence. Neighbours and acquaintances had virtually no influence at all. The second study supported these findings. The family emerged as the most dominant ingroup. In social situations, relatives came second to the family, followed by superiors and subordinates. Superiors, however, were consulted most in work related matters followed rather closely by family, subordinates, and relatives. It was striking to observe the pronounced influence of the family even in work related matters.

Norms and values for the ingroup members are different than and sometimes opposite to the norms for the outsiders. The ingroup behaviour is characterised by shared needs, beliefs, values and goals. The members co-operate, make sacrifices, and protect the interests of each other. It is they who show what Roland (1984) called 'affective reciprocity'. They develop sensitivity to each other and meet each other's expectations. They learn during their childhood how to subordinate their needs to the requirements of the family and subsequently extend this orientation to all other ingroups. There exists an intense emotional connectedness and interdependence with a constant flow of affect and responsiveness between persons; by a strong mutual caring and dependence, with an intensely heightened asking and giving in an emotional atmosphere usually of affection and warmth, with full expectations for reciprocity (Roland 1988, p. 220)

These characteristics are typical of the collectivist Indian culture where persons are 'dividuals' rather than 'individuals' (Hofstede, 1980; Triandis et al., 1986). Ingroups get priority over what persons need, desire, believe, value, etc. They hardly make decisions as individuals. Rather, decisions are made by the entire ingroup.

However, the interaction patterns with the outside members are strikingly different. The ingroup members compete with the outgroup members rather than co-operate,



exploit rather than sacrifice, manipulate rather than help, fight rather than accommodate, and so on. It seems, the more the ingroup members trust each other, the more they distrust the outgroup members. The positive passion for own-personal people seems to be accompanied by equally strong negative reactions to impersonal strangers. As a result, the more narrowly the ingroup's boundaries are drawn, the more pervasive will be the disruptive forces at the societal level. Similarly the fewer the ingroups or the sharper the demarcation between ingroups and outgroups, the more will be the occurrence of conflicts in a society.

Since people often shift the ingroup boundaries and change the salience of ingroups, the pro-social and socially disruptive forces seem to intermingle and present a seemingly inconsistent picture of interpersonal and intergroup relationships in the Indian society. Conflict and cooperation seem to co-exist in the Indian society and, for that matter, in Indian organizations as well.

#### **NETWORK OF SOCIAL RELATIONSHIPS :**

Affective reciprocity is not extended indiscriminately to all members of the society. Rather, it is limited to those who are considered to be Own and Personal (Kumar & Singh, 1976), i.e., the members of the ingroup. Family, relatives, friends, co-workers, caste men, persons speaking the same language, belonging to the same area, or religion, or the country may be the ingroups. Those outside the ingroups are the Impersonal Others, i.e., strangers. Family as a centre

of intense and desirable networkings may be regarded as one of the essential constituent of ingroup relationships. That is, the system with which all of us are most intimately connected is the family system. The Indian family system is by and large a joint family system. A very large percentage or even those who actually stay in nuclear families are parts of larger joint family systems in spirit if not in fact. Consequently, we carry in our minds the values, attitudes, expectations and so on that are pertinent for carrying out tasks in the joint family system. When we go to other systems, we try to import and graft these to the new system. To some extent people realise this and talk of a company as one large family. We should try to see how best we can bring joint family values on to Indian industry and create a unique Indian way of management.

In the traditional Indian rural society the joint family was based on a principle of common economic pursuit for all members. Further, the choice of economic opportunities for the system was also limited through the practice of caste values. One of its results was that individuals in joint families grew up with strong role orientation. That is to say, basically an individual could opt for one economic role only, suppressing his other potentials. For example, scholarship could bring little prestige to say, a weaver. It was reserved for the Brahmin. So the concept of making one's role in society was absent. One could at best play a role as defined by significant

others.

The modern ethos, preached through modern education and the opening up of opportunities, is that of excelling in ways not limited by ascription. However, the general economy of the country does not provide much opportunity for people to break away from the joint family system altogether. So young people learn about self-orientation, make attempts to break away and then become part of the old establishment. This gives rise to intra-psychic conflict. People feel guilty when they at all examine how they have negated their choices. The joint family system operating under rural ethos demands role boundaries that do not tally with what the modern ethos push people towards. Consequently, the head or other powerful members behave as though they have no boundary while the juniors have to cope with the pressure of a very narrow role boundary with little elbow room.

The joint family operating under rural ethos worked on the principle that seniors decide when juniors are old enough to take on new activities; that is, their growth was validated by others. But the modern ethos push people towards examining their own potential and growth. Consequently those who remain within the system have to again negate their experience of growth unless it is validated by seniors. This struggle becomes acute as the head, with his preoccupation with boundary-lessness and omnipotence, reacts sharply to the juniors efforts for self validation. Finally, we observe that Indian social reality

is markedly typified by primordial ties. This suggest that work identity tends to get a low priority while the role identity based on the family hierarchy gets a high priority. The combination of these factors affects the joint family as an institution in several ways.

**Strengths of the Joint Family :**

However, the joint family has certain strengths as well, that seem to have got lost, and perhaps can be revived.

The Japanese experience offers a good example. In Japan industry has been able to incorporate many of the strengths of the family system. For example, once a person is born in a family, he remains there all his life. As a result his emotional need for security is taken care of. At the same time he also feels motivated to work hard because if he has to achieve greater heights. Thus, at one stroke the gap between the values and expectations developed in the family and those required in the secondary institution are reduced. At the same time basic security needs are taken care of and a situation is created where one has a probability of feeling motivated to work hard.

In India, first, and perhaps most important, the joint family system with its continued network of relationships has the capability of providing psychological security and fostering mutual dependency.

**DYNAMICS OF POWER - IT'S SOCIO-CULTURAL MANIFESTATIONS :**

Indians are reported to be high on power need. (Hitchcock and Minturn, 1963; Sinha, 1952a). In a society

where a large number of people live in close proximity for generations, power need is expressed in special forms of relationships.

McClelland (1975) reports that in traditional India power need was expressed through 'giving', i.e. helping and sacrificing for others. This is true but only with an ingroup, which is characterised by 'affective reciprocity'. The superior 'gives' in terms of affection, nurturance, blessing (kripa), and the subordinates in terms of loyalty, submissiveness, and obedience. The resulting relationship is such that power flows freely in both directions. There is no resistance and no conflict. The less powerful seeks direction -- lead me from darkness to light (Tamso ma jyotirgamaye) -- and the more powerful obliges by providing a lead and the less powerful blossoms in the reflected power of the powerful.

Such ingroups and such power relationships are conspicuous by their absence in real life organisations. Quite often, the superiors show pseudo-nurturance and the subordinates reciprocate by pseudo or instrumental dependency. Even 'giving' is used for serving one's strong power need. 'Superiors have a way of finding out that they can control other people behaviours in a system like this by giving more and thus demanding more in return. The situation can lead to a real power game'. Also 'renunciation, yielding and self-sacrifice often serve only to make a strong urge to power' (McClelland, 1975, pp. 142-43).

The subordinates sense the game and adopt an equally sophisticated strategy. They seemingly depend on the superior, run to help him seek his guidance and blessing (kripa), and overtly show submissiveness. But these are actually their tactics for ingratiation, meant to serve their end. J. Pandey (1986) and his co-workers systematically investigated the phenomenon of ingratiation in the Indian Society as a tactics to influence and control others, irrespective of subcultural and cultural variations in the Indian society (p. 221). Their studies further indicated that people ingratiated those who were in higher authority more than those in lower authority, strangers, and peers. A supervisor who was ingratiated by his worker positively evaluated the worker in terms of his success, personal promotion, and his potential role in improving interpersonal climate and productivity. the supervisor himself felt more powerful because of the ingratiation by his worker.

Further, in situations where an ingroup type of climate is used to camouflage intensely played manipulative power games. The subordinates make a show of helplessness and dependence before superior who uses nurturance and affection in order to influence the subordinates. Both cleverly keep assessing the situation, maintaining a facade of affective reciprocity, bargaining for influence, and yielding pragmatically to gain additional scores of influence, and yielding . The relationship is manifestly accomodative but latently ingratiating and manipulative. A number of

observers of the Indian scene (e.g. Khosla, 1976; Nandy, 1977; Nayyar, 1977) have reported that flattery is a common social phenomenon in the Indian society. Elsewhere it might involve some risk, lest the intention of an ingratiation is disclosed or sensed by the target. But not in the Indian society. It still helps maintain a facade of a pro-social relationship which is beneficial to both parties. In fact such a situation is rather conducive to a range of subtle manipulative strategies which are also typical of the Indian setting (Tripathi, 1981).

Although, the Indian culture emphasises co-operation or at least accommodation and discourages conflict, a group can always blame other groups for violating the norms and thereby exciting retaliatory measures. Allegiance to one's ingroup aggravates conflicting situations. There are, however, overriding common concerns and super ordinate goals which often help the fighting groups contain their conflicts.

There are thus two sets of social forces which jointly or independently affect work behaviour. The first consists of social values. Five interrelated social values are delineated. They are preferences for (a) hierarchical social structures and relationships; (b) social networking through own other dichotomy; (c) "sneh-shradha" (affection-deference) relationships; (d) personalized relationships; and (e) power differentials.

These values seem to reflect the Indian preference<sup>e</sup> for maintaining relationship over socially neutral work in an impersonal setting. Work is valued if it helps maintain the relationship. Of course, Indians work as hard as any other nationality, if they are working for themselves. They also work hard for those whom they consider own, i.e. ingroup members, and for superiors who maintain personalized relationships and allow the subordinates to depend on them for work matters. Outside this relational framework, work is shirked or performed perfunctorily and half-heartedly.

The second set of factors affecting work behaviour pertains to developmental goals of (a) productivity and profit, and (b) social justice and welfare of the employees. Those organisations which have free access to unlimited government resources have high loss bearing capacity. In such organizations, considerations for social justice and welfare tends to overwhelm the goals of productivity and profit. The employees try to extract the maximum without investing corresponding degrees of hard and sincere work.

On the other hand, those organisations which are self-reliant in resources create inter-dependence between employee needs and the organisational goals. The employees from all levels co-operate to make the organisation productive so that the profits may facilitate the measures of social values which used to interfere with work now facilitate work behaviour. Over a period of time, work behaviour turns into habits, and these habits crystallise to form the centrality of work in an employee's life space. In the process, work



conducive values (e.g., achievement, ability utilization, creativity etc.) emerge which is conceived as the focal point of the work culture in an organisation.

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*Chapter IV*

*Organizational Culture in the Indian Context*

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The study of corporate culture in India begins with a brief delineation of the Indian corporate tradition as it has emerged over the years. This corporate tradition is evolving in response to the changing industrial and business environment. It is a well known fact that the setting in which Indian industrial corporations operate has changed drastically after independence. It will be pertinent therefore, to describe this changing environment and the kind of pressures and constraints with which the industrial corporations have to cope. Following this description, the focus is directed towards the manner in which industrial corporations respond to environmental pressure and its affect on their corporate cultures. Since corporate culture provides the environment within which the managers operate, it will be in order, to subsequently examine in detail, the strategies adopted by the Indian managers to cope with their environment, given their resources in terms of social background and skills. The study of managers' values and the way in which they link their values to action, also contributes to an understanding of social change in India.

#### **INDIAN CORPORATE TRADITION**

Modern industrial corporations in India have roots going back to the early eighteenth century when several semi-permanent joint stock companies of the Dutch variety were established by the local traders in the Coromandel region of south India. Since that time, Indian businessmen have shown a remarkable flexibility in taking over and

adapting European forms of organisation to suit their local needs (Raychaudhuri, 1982, pp 3-35). This, however, does not mean that they gave up traditional modes of doing business. In fact, the ingenuity of Indian entrepreneurs lies in combining traditional business methods with the European form of business organisation in such a manner, as to escape state regulation and maximise profits.

Although these 'capitalist' features were present in Indian industry, the division of labour followed the lines of caste. Specialisation of occupation was often carried to fine detail so much so that in textiles manufacture, different types of weaving were specialised by different castes. There were occupational guilds, which were in effect caste guilds. Inter-guild relationships acquired the character of inter-caste relationships.

Although Indians showed an early predilection for adapting European forms of business organisation to their traditional business style, it was only towards the latter half of the eighteenth century that they set up permanent (as opposed to ad hoc organisations that had been set up earlier), abstract (in the sense of the organisation being a legal person) and impersonal organisations of the European type. The European form of organisation which became popular at that time was the managing agency system.

The managing agency was a firm which undertook to manage various business enterprises for a commission on the profits, besides the extra charges it levied for other services it

rendered. The managing agency usually entered into long-term contracts with the managed enterprises and the stipulated clauses regarding dismissal or change of a managing agent were so stringent that it became virtually impossible to change or terminate the managing agent. The managing agency system, according to some scholars, predated the entry of the joint stock company in India (Sengupta, 1983). When the joint stock companies did arrive the managing agents could easily control the new institutions.

The Indian entrepreneurs showed a great penchant for the managing agency system. Most famous industrial houses in the country today, including that <sup>of</sup> Tatas and the Birlas, began as managing agents. The managing agency system seemed to have been tailor-made for Indian entrepreneurs whose business ventures rested on the institutions of family and kinship. The managing agency system allowed a joint family to effectively manage and control the affairs of large number of companies and ensure that decision-making powers were concentrated in the head of the family. The head could keep a benign paternal watch over the members of his family as they helped him in managing the various companies under the family umbrella. This system also allowed the family to control its wealth as an integral estate in which each member had only a share as a coparcener.

Concentration of economic power apart, the system was vulnerable to several <sup>a</sup> malpractices. The managing agency could easily cook up the accounts of various companies to reduce its dividend liabilities to share-holders and it could

profit itself at the expense of the managed companies. (Senguta, 1983, p. 26) The managing agency system also subordinated productive efficiency and innovation to the financial interests of the managing family.

The managing agency form of organisation left an indelible stamp on the various industrial corporations in the country. Almost all the major indigenous industrial enterprises in the country were being run by managing agents.

The managing agency system effectively ensured that Indian industrial enterprises remained family firms. The family firm tradition continues to this day. The dominance of family interests has, in the case of several managing agencies, meant the sacrifice of public interests. There have been instances of notorious managing agencies which have cheated gullible public and indulged in corrupt practices (Kashyap, 1982). In fact, in India the negative stereotype of business and industry is enhanced by the notoriety earned by such managing agency houses .

Dominance of family firms, however, need not necessarily spell the sacrifice of interests of the wider society. In British India, several family dominated industrial enterprises emerged which built corporate traditions espousing technological innovation, fair trade practices, enlightened labour policies and a spirit of service to the nation. The names of the Tatas, the Sarabhais, the Bajajs, the Kirloskars, Kasturbhai Lalbhais and some others came to be associated with such 'progressive'

business traditions (Tripathi, 1981; Piramal and Herdeck).

In the post-independence period in India, attempts have been made to drastically change the family oriented corporate culture so as to make it subserve national goals. The government has tried to overhaul the industrial structure to promote rapid industrialisation and to attain socialism.

#### **The Public Sector in India :**

Prior to 1947, there was virtually no "public sector" in the Indian economy. However, after the attainment of independence and the advent of planning, there has been a progressive expansion in the scope of the public sector. The passage of Industrial Policy Resolution in 1956 and the adoption of the socialist pattern of society as our national goal further led to a deliberate enlargement of the role of Public Sector.

Over the last four decades, growth of Public Sector enterprises has been phenomenal in terms of investment, production, profitability and range of activities. There were 244 central Public Sector Enterprises existing as on 31 March , 1990, where in 1951 there were only 50. During this period, total investment has increased from Rs.29 crore to Rs.99,315 crore. This excludes eight companies with central Government investment but without direct responsibility for management (INDIA,1991). The investment made during the Sixth and Seventh Five Year Plan was Rs.24,552 crore and Rs.56,643 crore, respectively . Out of the total, 160 enterprises were engaged in manufacturing/producing goods

like Steel, heavy industry, fertilizers, transportation equipments, ships, submarines, drugs and pharmaceuticals, petro-chemicals, cement, textile, paper, footwear etc., mining of coal and minerals, extraction and refining of crude oil etc. Seventy three PSEs were engaged in rendering services like trading and marketing , transportation services , contract and construction services, financial services, telecommunication services, tourist services etc. (Public Enterprises Survey, 1989-90).

The overall intention was to strengthen the public sectors that it controls the 'commanding heights of the economy" (Second Five Year Plan, 1956). Considering that the Public Sector units controlled 70 per cent of the share capital of the entire corporate sector by 1981-82, it can be said that the goal has been substantially achieved (Sengupta, 1983, p.236).

V. Krishnamurthy observes in the Times of India (20th March, 1990) that the Public Sector in India today "is symbol of self reliance and planned development; has triggered growth in other sectors of the economy; has facilitated development of hinterland areas; has provided technological depth to Indian industry and is currently fostering growth in hi-tech areas; is synonymous with fair and professional management and has groomed a large number of talented managers. Nearly 60 per cent of the middle managerial group is with the public Sector". All this, however, does not imply the demise of the private sector-in fact it is quite



the contrary. The private sector has flourished despite the fact that crucial portion of its capital is owned by the government. Since 1970, the government has mooted the concept of the joint sector in which there is collaboration between the government and the private sector. The joint sector concept is itself a tacit admission by the government of the relative inefficiency of the public sector vis-a-vis the private sector.

The government's approach to industrialisation and its attitude to private enterprises has changed during the last four decades. In the years following independence there was a general enthusiasm for making new beginnings. Apart from the desire to promote the public sector, the government intended to recast the corporate culture in private sector enterprises. There have been various laws and regulations which provide the setting for the Indian industrial corporations. Over the years, the policy makers have realised from bitter experience of excessive rules and controls that implementation of these defeated the very purpose of policy. Of late, Govt. has been simplifying procedures as one of the remedial measures. The policy of relaxation and liberalisation has been carried out on a more comprehensive basis now. An instrumental-managerial orientation which is impatient with ideological stance has taken over. There is also competition from the multinational corporations .

Recently, there has been considerable criticism about poor performance and in some cases even utter failure of

PSEs. The public sector has been described as a public drain on resources even by the last two Prime Ministers. Omit monopolistic oil profits, investments of over Rs. 70,000 crore in this sector, have not only yielded no returns; but their borrowings add to the government's debts. The absence of a good work culture seem to be primarily responsible, apart from other factors.

A brief discussion of management pattern in organisational context will make the point more clear. The investment and resources are always used and regulated by the management of the public sector. The Board of Directors of a Public enterprise, is appointed by appropriate government. It constitutes the top management of the enterprise. Generally, the practice is to appoint such board for a term of three to five years. The board consisted mostly of government officials, non-officials being sometimes associated and sometimes not. Part time directors on board of management are inevitable, and it is now accepted practice. As to non-officials on the board, the trend appears to be that non-officials directors should be appointed part time. A full time director by definition becomes a full time government servant appointed by government to devote all his time to the work of the concern. These boards have both policy making and executive functions. They have full powers to frame policies within their delegated financial and administrative jurisdiction.

Often the management is constituted of traditional

administrative service of IAS(who come from differnt socio-professional backgrounds) . These non-specialised, non-technical people, i.e. generalists, are often unable to provide the requisite managerial competence in the complex industrial projects in the public sector. As noted by Bhagwati and Desai (1970, p.165), with their civil service background, these officials inevitably tended to act with bureaucratic caution and unimaginativeness rather than in bold and inventive ways. The actual management was also harmed by traditional audit procedures and scrutiny of whether the expenditures, incurred were within the framework of the authorisations.

The appointment of civil servants in public sector undertakings has an undesirable impact on the rest of the management within the enterprise for the following reasons-

1) Being naturally interested in their own long term proposals which will push them upwards in the civil service ladder, they tend to ignore the interests of the enterprise and its staff.

2) Sometimes because of their indifference , civil servants render the enterprise amenable to greater government and political control, than what is necessary or what would have been possible under a non-civil servant.

3) If one civil servant after the other succeeds to the post of Chief Executive continuously , the post almost appears to have been "reserved" for civil servants. This frustrates the executive at top management level for none of them, however

brilliant, has a chance of occupying the post.

4) Civil servants as Chief Executives have the sub-conscious motivation of adopting the methods and procedures of the government to the management of the public enterprises . In most cas\_es, such practices and procedures go against the interest of the commercial organizations.

Now, the Govt. of India has accepted the Krishna Menon Committee recommendations in regard to , not appointing a secretary of ministry / department as a member of a governing board. Also civil servants deputation to public enterprises is clearly very much on the decline, though position continues to be bad in state govt. enterprises.

In fact for smooth working, the public sector requires a different pattern of employment and discipline, having a spirit of entrepreneurship and innovation. In addition to the low moral of mid-level personnel, the units are overstaffed and have near zero marginal productivity, there is disguised unemployment in them.

As the bureaucratic culture and attitude in public sector are an anachronism, there is need for a special culture in public enterprises.

Most of public sector enterprises suffer from excessive bureaucratisation and lack initiative and autonomy in their functioning. For every big or small decision, they are supposed to seek clearance form the government. The government not being a commercial organisation, is procedure-oriented and thus the public sector is put to an

unfair disadvantage in carrying out its operations.

To meet this demand for autonomy, the government brought forth the Memorandum of Understanding and signed it with PSEs. At the conference of the chief executives of PSEs held in January 1988, the utility and relevance of MOUs was seriously questioned. CoL. S.P.Wahi, Chairman of Oil and Natural Gas Commission stated in unequivocal terms : "The MOU in its present form has not served the purpose and is only additional document. The delegation of power as indicated in the MOU document, has not been approved. As a result, most of the project approvals had to pass through the same torturous path as before. "Similar sentiments were expressed by other chief executives as well".

SCOPE (Standing Conference of Public Enterprises) feels that MOU efficiency should be reassessed. The Government commitment in MOU is restricted to certain time units for procedural clearances and approvals. A majority of these clearances are given after a project has been sanctioned. SCOPE has suggested that MOU should clearly specify the areas of government non-interference (The Economic Times dated November 9, 1989) . These areas should include purchase service contracts, release of foreign exchange once investment decisions have been approved, postings, transfers and promotions, choice of technology and equipment, day today administration and disciplinary aspects of personnel below board level.

As regards political interference, SCOPE is very

forthright in its reaction on this issue, It categorically states : "For any commercial organisation to succeed, interference from outside agencies should be eliminated, should not be treated as an arm of the state and the 'ethos of commercialism and professionalism' must pervade the systems and procedures that the public sector is expected to follow.

There has been tendency to pack the board of directors with persons who are non-professionals, but who have either been defeated at the polls or who have strong political links. Thus, these nominated directors, instead of solving the problems of the enterprise create more problems for the chief executives. Since they have greater pull with ministers, they dilute the powers of the chief executive.

The SCOPE therefore, recommends that the number of govt. and non-official on board of directors should not exceed one each. Further, the non-official directors should be drawn from a panel of economists, scientists and management specialists.

To enable the public sector to work efficiently, the public sector units have to be given the greatest autonomy in their operations. A system of full responsibility and complete accountability will have to be enforced on public sector managements. In 1991-92 the Government undertook a limited disinvestment of a part of public sector equity to the public through public financial institutions and mutual funds in order to raise non-inflationary finance for

development. The disinvestment will also bring in greater public accountability and help to create a new culture in their working which would improve efficiency. The objective of public sector policy is to improve the operational efficiency of these units and return them to their original goals.

In the eighties, many units in the public sector operated without regard to basic economic laws and pursued multiple, often contradictory objectives. A so called vital unit may be kept alive by continued infusions of cash; often it is considered vital simply because it employed many people. Some times it becomes a ready cause for the continued losses. In the nineties, the public sector must ensure effective and efficient utilisation of resources and must adhere to economic laws.

A new class of public enterprise managers must be created so accountable for performance measured in some appropriate manner. In this respect, a greater role should be assigned to memorandum of understanding (MOU) which is a combination of autonomy and accountability. It is essential to structure the institutional and policy framework for quick decision making, relating to the public sector as a whole with a view to making it an effective source for socio-economic development. It should create an innovative relationship between the public and private sector. Interdependence must be created between the two wheels of the economy.

The government ought to minimise its involvement in the

day-to-day affairs of the units, meaning thereby the least possible interference of the political bosses; the process of monitoring should not mean management of the units; professionalization of the Board of Directors will mean selecting the right persons for planning and administration. Thus, there is imperative need to infuse appropriate corporate culture so as to revitalise each of the individual enterprise.

To bring change in work ethos in the PSEs , it is also essential that the interest of workers are linked to the interest of the enterprise. This can be attempted by linking wages with productivity. Secondly, workers should be given an option to purchase equity shares in their enterprise at reasonable terms so that they have a sense of ownership and belonging in the enterprise . This may infuse greater sense of responsibility and generate a new work ethos and work culture in PSEs.

#### **Private Sector in India :**

In describing the features of organisational culture of private sector in India, it is necessary to go beyond the corporate because corporations invariably 'belong ' to a family-dominated business house. Hence the organisational culture cannot be grasped without understanding the culture of the controlling family (Panini,1988,p.m 06 -m94).

The regime of controls which has reigned for nearly three decades has shaped the dominant corporate ethos in the country. It is necessary therefore to consider, how the



corporate cultures in India have evolved in response to this regime. This regime has brought to bear contradictory pressures on entrepreneurs and their corporations. There is on the one hand the pressure to adopt 'open' corporate practices whereas on the other, there is the temptation to reap the benefits that flow out of breaking the rules. In fact the maze of rules and regulations is so complicated that it becomes virtually impossible to be on the right side of the law. As an entrepreneur in Faridabad once put it:

"In order to be honest, one has to be dishonest in this system" (Panini, 1988, p. m 89). To take a simple instance, even if a quota has been allotted to an industrial unit, bureaucratic delays do not make it available when it is badly needed. So an industrialist is required to buy raw materials in the black market to keep his production going, which means he is forced to cook up accounts because he cannot legally show the expenditure in his books. Hence violations of the law cannot be avoided even if one wants to. But considering the rich dividends available if the laws are surreptitiously skirted, it is advisable to cultivate political patrons in case the violations are detected and to help one in obtaining the necessary quotas and licences. Hence evolving social equations with powerful politicians become an important item on the agenda of entrepreneurial families. Therefore, political considerations rather than purely economic ones shape corporate cultures in modern India. That political considerations are important can be

inferred from the close nexus between the industrial houses and politicians.

It is also anybody's guess as to the exact nature of reciprocity that binds such alliances. All that can be done here is to marshal data on loans disbursed from the nationalised commercial banks and other financial institutions which reveal that large industrial houses get a lion's share. (Shetty, 1982)

A consequence of this alliance between industrialists and politicians has been the generations of bitter inter-corporate conflicts in recent years. In the 1960s and early 1970s, political alliances created secure monopolies for industrialists. Since the declaration of emergency in 1975 a new style of politics has emerged. Some coteries of people surrounding the prime minister became so powerful that they could distribute favours often openly flouting the existing rules and conventions. Subsequent political changes have only contributed to the changing pattern of alignments and realignments in politics. In such a dynamic situation, industrialists have to guard themselves from take-over bids and other such subversive attempts. The conflict between Dhirubhai Ambani of Reliance Industries on the one hand and Nusli Wadia of Bombay Dyeing and R N Goenka, the newspaper magnate, on the other, has assumed the dimensions of an epic battle (Sunday Mail, March 22-28, 1987) There are also other instances of conflict emanating from different parts of the country.

Politicians are important no doubt, but there is the need for establishing liaison with government officials who handle the 'nuts and bolts' problems of industrial corporations. Let alone the senior officers, even the clerks become important because their notings on files may create problems. Hence to deal with with government offices many industrial houses have established their offices in Delhi to do such liaison work. (Kochanek, 1974). They recruit retiring government servants for the purpose because they are familiar with the workings of government offices. The retiring civil servants may not be directly recruited-they may be given assignments on consultancy contracts. (India Today, Sept. 15, 1986) Dhirubhai Ambani recently admitted the importance of government offices when he said that he would not hesitate to salute even a lowly clerk if he needed to get his job done. (India Today , June30 1985) There are many industrial corporations who make it a point to staff their Delhi offices with 'go getters'- people who get their jobs done in the various government offices.

Industrialists prefer to establish one-to-one, relationships with the government and the politicians. But they also have diverse associations to promote their collective interests. At the all-India level the Federation of Indian Chambers of Commerce and Industry, the Associated Chamber of Commerce, the Federation of Association of Small Scale Industries and other such federations have been persistently clamouring for a more favourable atmosphere for

business and industry. These federations have now established sophisticated informations systems to put across their cases effectively. These federations and associations have been more effective when there is a broad consensus on the issues to be taken up with the government. Their internal factional dynamics, however, keep them divided.

It is significant that most of the industrialists prefer to accept the system imposed on them and work from within. In fact, Birlas have been staunch advocates of this approach. B. M. Birla even went to the extent of remarking that "a businessman is not a business man if he cannot adjust himself to the changing situation " (Kochanek, 1976, p 218).

The political relationships of industrialists that link their corporations to the external social and economic milieu have significant consequences for corporate culture. The prominence of industrialists in the public eye, personal relationships that they establish with important politicians and government servants, have projected the industrialists rather than their industrial corporations. But of late, some of these corporations have attained an eminence of their own and are referred to as flagship companies. Flagship companies have become metonyms of the enterprise of a particular industrial house. They are used as barometers of the financial state of the entire business house. The Arvind Mills of Kasturbhai Lalbhai, Gwalior Rayon and Century Spinning of the Birlas, Escorts of the Nandas, the Calico Mills of the Sarabhais are some examples of such 'flagship'

companies. It is well known that in order to maintain the reputation of these "flagship" companies, often accounts of other companies controlled by the family are suitably dressed up. This shows that corporate culture cannot be adequately grasped without taking account of the interconnections that obtain among the interconnected corporations. Nonetheless, the very legal existence of corporations and the stipulations under the Company Law have given a certain identity to individual corporations. This identity surfaces during intercorporate conflicts when the minority shareholders or government nominees on the board of directors come to play a critical role. In fact, in the recent past, there are several instances of corporate boards exercising their autonomy (Gupta, 1977, pp m5 to m10). This is true even of corporations belonging to business houses which are under tight family control. This happens when dissensions within the entrepreneurial family occur.

Despite the fact that corporations are beginning to acquire independent identities, Indian corporate cultures continue to remain extensions of the cultures of industrial families. Thus, the control of a corporation may change hands, but it invariably changes hands from one family to another. The corporations have not yet been able to get rid of family dominance. Their fortunes continue to be intimately tied to the relationships that obtain among members of the industrial family and the talents that are available within it. Many famous corporations are now in a

state of near collapse and many flourishing companies became sick because of dissensions and quarrels within industrial families (Cohen. 1974). In fact ,even rumours of family dissensions affect share prices of the concerned companies. ( Business India, June 1-14, 1987).

The dominance of family over industrial corporations continues because Indian entrepreneurial families have adapted themselves to the changing situations and have converted what appeared to be adverse circumstances to their favour. In this kind of adaptability, the Birlas have displayed an exceptional capacity. After Independence , the Birlas have registered remarkable corporate growth. They took full advantage of the licensing policy to obtain licences especially in those lines where they anticipated very little competition (Piramal and Herdeck, 1986, pp. 82-86). The MRTP Act has not loosened their family hold. They have used their affinal relations with the Kotharis, the Khaitans, the Kanorias, the Saboos and the Mandelias to establish companies which legally remain outside the purview of the MRTP Act. The Birlas have such good rapport with their executives that they have appointed several of them to the boards of directors of their companies while retaining effective control within the family.

The Birlas have a unique system of recruiting managers, called the 'referral' system. They prefer to recruit young men from their own Marwari community and give them training in their unique management system which places emphasis on cash generation. After training, the young men are posted in

different Birla companies. From then on, their career path depends on their competence, accountability and loyalty. Infact, loyalty is such a hall- mark of the Birlas that some corporate watchers have created a stereotype of the Birla manager - even a senior one at that - as a servile person (Business World, July 6-19, 1987 pp. 36-40). To maintain trust, the Birlas believe in adequately rewarding their managers.

Managers who want fame are given suitable opportunities to come into the limelight and those who are interested in monetary rewards only are compensated in full measure. They also encourage their managers to set up their business in lines which supply items required by the Birla enterprises. With such a system of training , the Birlas find it relatively easy to ensure considerable privacy. This is particularly helpful to them in the environment of intercorporate conflicts.

The pressures of rapid growth, however, are straining even the Birla system. The Birlas have had to recruit highly qualified professional managers in the recent years because the family has diversified into new areas and has undertaken schemes of modernisation of plants and machinery.

The younger Birlas have successfully altered the conservative image of the Birlas enterprises . They have proved that the Birlas can be as technologically competent as any of the others and have shown that they can adapt their traditional business system to suit the needs of

modern technology involving delegation of power to professional hands rather than of centralisation and of close supervision that goes with traditional business.

It is possible to adduce many other examples of the flexibility of response of the traditional business houses to modern circumstances. The adaptation that is effected proves in many ways to be creative ones.

Modis of Uttar Pradesh and the Bajajs of central India also represent families belonging to traditional trading communities who have successfully modernised their industrial ventures. The Modis, beginning with textiles, have diversified into the production of tyres, reprographic machines, and synthetic fibres. They have also combined delegation of work to professional managers with their traditional business styles. The younger generation of Modis are professionally highly trained persons who have helped in transition to modern management form of organisation. The traditional business communities apart, there also examples of successful industrial enterprise from other castes including Brahmins and peasant castes. The Parsis, of course, represent a different tradition of trade and commerce. The industrial families belonging to these castes and communities have also attained spectacular success. They showed a predilection for modern technology several decades earlier. J N Tata inspired by a sense of national pride set up a modern iron and steel mill way back in 1908 (Lala, R M, 1981). His style of delegating work and giving autonomy to



his managers , his emphasis on talent for recruitment, his modern outlook towards science and technology, enlightened labour policies and commitment to quality has made the house of Tatas a model of business integrity and openness. In a different way, and on a smaller scale, Laxman Rao Kirloskar, a Maharashtrian Brahmin also built, two generations ago, a tradition of corporate responsibility and commitment to technological innovation. The Kirloskars continue to celebrate his paternalistic benevolence towards their workers even today when their scale of operations has increased hundred-fold ( Piramal and Herdeck, 1986, pp 42 - 46) For the Tatas , of course, the tradition of business integrity, efficient service, quality and enlightened labour welfare policies has become a creed. Thus it is possible to surmise that the Indian entrepreneurs responded in diverse creative ways to the impulses of industrialisation. While some entrepreneurial families easily switched over the delegational form of management and technology - and production -oriented entrepreneurship, others did so only gradually and on their own terms.

Milton Singer and N.R. Seth have shown us that 'when A Great Tradition Modernizes' the results for the nation's work have been encouraging in a small but growing part of the Indian organized sector. This is in the widespread context of the dichotomy between the cultures of the modern and the traditional , in which the latter is the stronger, underlying force by social traditi<sup>ti</sup><sub>o</sub>n, rather than by

education, and the former is an external aspiration. A.B. Shah has observed, we give the impression of wishing for the impossible, for our approach to the past is characterized more by intellectual and emotional criteria than by critical selectivity. Lannoy has pointed to the danger, when those two habit patterns are fundamental and irreconcilable, then the will to be modern, the ability to innovate, will be seriously affected-with its economic performance as well. But N.R. Seth did not find it so irreconcilable in an Indian factory. And Singer (1992) in his great work found:

- The new industrialists from Madras, coming from many communities and castes, specializing in science and engineering, and applying these with capital and specialized knowledge derived from land, banking, trade, industry and government;
- The capacity to organize ideas and systems in a modern way;
- and yet this micro-world of family and work retained the traditional values of dharma: diligence, charity, performance of rituals, and a patronage of arts.

In recent years there is a uniform trend that can be noticed in corporate management styles of the big corporations. Thus, for instance, most of the industrial corporations which have become big and established are now preferring to enter into foreign collaborations even if it means abandoning ongoing research and development efforts. Even Bajaj Auto which has acquired a reputation for

technical innovation and quality have now preferred to enter into collaboration with the Kawasaki Company of Japan for the manufacture of motorcycles. The foreign collaboration brings with it consciousness of quality of the product and of modern organisational systems. This tendency combined with provis<sup>c</sup>ions of company law, may in future give the corporations the integral autonomy that is now submerged in business group.

There are certain trends which are likely to pose new challenges to the family dominance of corporations. Even in the Birla clan which is known for family cohesion, internal family rivalry is emerging. If family dissensions surface, members of the family may decide to sell their shares in the market thereby opening up the Birla corporations to market forces and subjecting the family to enhanced wealth tax and capital gains tax which they have so far been minimised. Further, given exposure to modern education values of equality and the like, the members of the younger generation will be more and more unwilling to accept authority of seniors within the family. Without a clearly demarcated hierarchy, family control tends to get loosened (Kashyap, 1982). The case of the Kamanis shows how a flourishing company comes to a sorry pass because of family quarrels. In the case of Sarabhais too, internal family dissensions have all but reduced the family hold over their group of companies to the person of Gautam Sarabhai. Therefore, it cannot be taken for granted that traditional institutions

would continue to be creatively adaptive in the future.



#### **REVIEW OF SOME STUDIES :**

JAI B.P. SINHA (1990) collected primary and secondary source data from six organisations -two steel, two fertilizers, and two banks - in order to identify the patterns of work culture in India. Each organisation was unique, yet taken together , they reflected two broad patterns. A soft work culture and a synergetic work culture. The public sector fertilizer and steel organizations, as well as the nationalised banks belonged to the first category, and the private steel and the cooperative fertilizer unit fell into the second.

#### **The Soft Work Culture :**

Gunnar Myrdal(1968) calls a state soft if it yields to existing economic, political and social structures in formulating, as well as implementing, its policies and plans. A soft state is reluctant to press its people for any compulsion, and hence fails to induce discipline in them. By the same token, it fosters soft management in its work organizations.

The public sector in India has a developmental role which also includes concern for social justice, welfare of employees, employment generation, etc. These concerns are often misconstrued by the employees, to the extent that they view the organization as a means of realizing their own goals and interests. Even the viability and the

developmental needs are undermined for bleeding the organization to an extremely anaemic state. As a result, there develops relative disjunction between organizational and employees goals and interests. The public sector is believed to belong to the government, which must always transfuse blood into it so that the employees may keep sucking it dry like parasites. Once the employees acquire rights without corresponding degrees of obligations, the magnitude of their benefits depends on their clout rather than the managers, and can even pressurize the latter in day-to-day functioning . The management generally caves in and opts for a soft style to placate the pressure groups, particularly the unionized workers. However , the more they try to buy peace, the more demands crop up. The management is always under pressure. It gets hardly any backing from its apex ministry. Therefore, it can run the organization only by maintaining a precarious equation with the power groups and the dominant unions. In the process, it often disowns its lower level managers.

The result is that the cutting edge - the lower level managers - feels demoralized and gives up exerting itself. The unionized workers assume a militant stance. They work less and claim more overtime. Proxy punching, social loafing, poor work discipline, etc. eventually lead to a domineering behaviour on the part of workers towards managers. The most strongly felt pressure points are the recruitment of more people causing overmanning, generous

overtime payments, unaccounted short leaves, and work shrinking behavior. In such a setting, income distribution gets imbalanced in favour of workers, technology is compromised beyond a reasonable limit, the leadership gets diluted, and the organization sink, deeper and deeper into inefficiency and loss (Sinha, 1990).

The soft management is hardly an inherent feature of the public sector. It is man-made, and is a consequence of allowing the surrounding socio-economic and political forces to overwhelm a work organization (Sinha, 1973). In the instance where the chief executive has been at least partially able to protect the boundaries of the organisation, and the initiate steps towards establishing positive work norms, the organization has experienced a new spirit (Sinha, 1990).

#### **The Synergetic Work Culture :**

The norms which are basic to the viability of any work organisation require that the work must be done, that benefits to the employees are inextricably related to their efforts on the job, which in turn, are related to the prosperity of the organization, and that without prosperity no one will gain anything. We have a report of the case of a public sector organisation, where a new chairman in the course of two years made at least a dent in the work culture. A divisional head, with the backing of the chairman, was found able to protect a work-conducive setting in his own sanctuary, despite the de-culturation of work in

other divisions. As a result, production went up, demonstrations were down, gherao (unlawful confinement) of managers were reduced to nil, and there was a general feeling that a new wind had started blowing (Sinha, 1990).

The crux of a work conducive culture lies in establishing a synthesis between organizational objectives and individual gains and in maintaining that the two are not mutually exclusive. If a management welds the two together, when the employees know that their benefits would accrue from the prosperity of the organisation, and that the two are linked together through work performance. The interdependence of the two helps create a synergetic work culture where the workers, the supervisors, the managers and the top men work towards the shared goals.

The management and the higher level managers play a crucial role in creating and maintaining this culture. They provide a work ethic and a model. They also introduce mechanisms to see that targets are realised, work performance is emphasized, erring employees - workers or managers are made accountable, maintenance is prompt, and that men and machines work together. The work emphasis is maintained by (i) appropriate reinforcement systems having production bonus, hidden benefits, fair promotions, opportunities for ability utilization and achievement, formal or informal participation in decision making ; and (ii) generous welfare measures which make employees feel that the

organisation cares for them. The work place has the flavour of personalised care and nurturance by the superiors oriented towards high quality task performance. For these, the management develops the right kind of equation with the trade unions. In fact, it reaches out and helps a well meaning trade union to get strong, to remain stable, and to develop as truly representative body of the workers.

**The Shared Milieu But Different Coping Strategies :**

Both sets of organisations were of course, functioning in a milieu which is characterised by a higher rate of unemployment, politicization, a shorter span of familiarity with technology, and a preference for 'aram' (rest and relaxation without being preceded by hard work). Yet they coped with these constraints differentially. The soft management yielded to the surrounding forces. In the synergetic work culture, the constraints were turned into some kind of resources or at least were contained to a reasonable extent. All six organisations felt the pressure to employ more and more people. The manufacturing ones (except private steel) had to absorb those who were displaced by the factory, irrespective of their stability. The private steel too had, although not serious, the problem of overmanning. The banks did not feel the load, because of their rapid expansion. The overmanning pressurized the soft management to create more job points, which caused further overmanning. Overmanning invariably results in the diffusion of responsibility, which leads to social loafing (Latane,



1979). All these damage a work culture. The effective organisations tended to contain them. The private steel unit, in fact, had a policy to allow an employee having twenty five years of service to register one of his dependent, was a way to transmit the work culture of the organisation from generation to generation.

In all four manufacturing organization, technology , more or less, compromised socio-psychological factors. In the public fertilizer unit the automatic equipment were damaged, and their maintenance was neglected and delayed, in order to create more job points. The cooperative fertilizer unit also experienced many unscheduled shut-down. However, the critical differences were reported in the promptness of repair and the general up-keep of the equipments. The private steel unit had much older technology than the public steel one. The former, however, compensated for the technological deficiencies by upgrading the human factor. The nurturant task oriented type of leadership (Sinha 1980), close supervision, performance- based incentives, generous welfare measures, and joint consultative system kept the work-force committed as well as satisfied. They all shared the norms that the targets must be fully realised.

In all the six organisations, managers generally wanted to take time out of the work hours to spend on personal development and , to some extent, in meeting family and other social obligations. But they still reported longer

working hours in the private steel and the cooperative fertiliser units, than in the public fertiliser one.

One of the critical differences between the two groups of organisations was the quality of leadership at all levels of the organisation. Leaders were compromisers and pliable in the soft management culture. They maintained their precarious power and authority by placating the unionized workers, even at the cost of work discipline. Their two main concerns were : their own power and saving their skins. The leaders in the synergetic work culture, on the other hand, enjoyed power and influence over their subordinates, which emanated from their personalised care of the subordinates. They backed their subordinates, but also made them accountable. They made it unequivocal that target realisation was not negotiable, and provided close supervision, appropriate reinforcement, and help in personal and social matters. Above all, they carefully cultivated a cooperative relationship with the union leaders and the influential workers, and thereby created a work-conducive climate in their own spheres.

In sum, if the employees of an organisation realise the critical importance of sharing the organisational goals of productivity and viability, they develop work norms based on their interdependence and cooperative stance, which even compensate for technological deficiencies by mobilising human resources for cultivating a synergetic work culture. The management in such an organisation provides appropriate support systems and adequate reinforcement measures. The

socio-cultural forces seem to help rather than hinder the functioning of such an organisation, or at least are contained to the extent that they do not weaken the work norms.

**FREZ (1986)** investigated the congruence between goal-setting strategies and socio-cultural values of the working environment in 135 1st level supervisors by comparing kibbutz, public and private sector with respect to the goal setting strategies of group participation, participation by representation and no participation. Results indicate that in the private sector, the most effective strategy was assigned goals; in public sector, participation by representation; and in the kibbutz, group participation. Finding support from previous research M. Frez et al. emphasised on the positive effect of participation on goal acceptance.

**NAKATAIN (1986)** discusses aspects of Japanese management that have contributed to the success of Japanese companies, highlighting differences between Japanese and Indian management. It is argued that problems in the Indian industrial culture include social divisiveness, outside leadership of unions and work ethic in need of drastic reorientation of climate for work in which participation and direct involvement are possible. It is noted that relaxation of quality consciousness ultimately does little to reduce costs, but instead creates a lax climate that results in stagnation.

Before coming to conclusion it would be appropriate to examine the ways Indian corporate sector responds to various challenges, it is facing. Besides giving deeper understanding, it will reveal to us the future shape of organisational culture to come about.

#### **CHALLENGES AND RESPONSES :**

E.A. Ramaswamy in his essay "Motivation for work in the corporate sector ! The Indian Experience (1990) observes that, workers lack any positive motivation for work, has now extended to the while collar clerical force, to officers, and even to highly placed managers. He argues that problem of attitudes to work is extremely complex one and is deeply rooted in the policies and practices of the work organisation. Hence it is more meangingful to look for problems and solutions in the context of the organisation, than to attribute poor performance to such diffuse and distant factors as national character, racial traits and so on.

One of the problems is job monotony which is not confined to blue collar workmen but has spread rapidly to fairly high levels in management. Most conventional organisations in our country, with their eyes trained on productivity and profit, bind humanization of work to be a distant problem. Both management and the trade unions are steeped in belief that money is a palliative for all malaises. The moment there is boredom or hazard in job, the unions will demand, and the management will concede, an additional allowance to the concerned employee, and treat

the problem as closed. The problem is, however, still quite real.

In addition, there are many larger environmental factors to be considered relating to work organisations. Increasingly industrial workers refuse to accept hierarchical distinctions which are a carry-over from traditional society. Traditionally, workmen were readily distinguishable from managers, and even from office staff, by numerous outward symbols which stressed the inferior nature of the work they performed. Their work was of a manual nature, as opposed to the mental labour of their superiors. Stemming from this, they entered the factory through a different gate; were paid by the hour; ate food in a separate canteen; wore separate uniforms; and were in every respect a separate entity. With technological change, the foundation on which this edifice of hierarchical distance was built, began to crumble. In modern high technology industry, workers are paid a wage for the very reason why officers and managers are paid a salary. They are retained to bring knowledge and discretion rather than brute strength to the job. The neat distinction in job content between workers and supervisors is no longer tenable, and the barrier that separates them is no longer impregnable. Indeed, promotion policies have begun to loosen up, and workers are moved over to supervisory positions with age and experience.

With this basic transformation, other aspects of

hierarchical treatment and distinction have come under question. In large industry workers resent the most are visible symbols of hierarchy. The demand is for open offices, common canteens, common systems of reporting to work, common uniforms, and so on.

The most modern of our organisations, although not very many in number, have responded to this challenge. Closed cabins have yielded place to open offices with no more than waist-high partitions. There are quite a few firms where only the chief executive sits in an enclosed cabin. Common canteens which serve the same food in the same location to all, regardless of position, have also begun to appear. Everyone from the chief executive down to the unskilled labourer is required to punch the clock on arrival and departure. Absence in between has to be accounted for, regardless of designation. Common company uniforms for all and calisthenics are other features which stress status equality and camaraderie at the workplace.

It would be easy to dismiss these developments as an import from Japan, consequent upon recent technology tie-ups with that country. This is not exactly true. There are quite a few organisations which have no collaboration of any kind, practising all that we have described. They can be found in the private, public and multinational sectors. They have realised the simple truth that authority in the workplace should draw from superior knowledge of the job, and that it would be viewed as being illegitimate if built

on external symbols of power and privilege.

The consequence of this egalitarianism shows in attitudes to work. There is a greater sense of fellowship and team work, and greater, willingness to look at work positively. While the impact of these modern management practices is both positive and clearly visible, it is extremely difficult to introduce them mid-stream in older organisations. Those who are accustomed to privilege resent its loss. Managers used to exclusive cabins, private dining halls, and the freedom to move in and out of the workplace at will, find it demeaning to wear overalls and dungarees, stand in a queue to punch in, have lunch alongside the workmen, and sit at a table in a large hall. They do not see the relevance of all this to work efficiency, and are apt to view them as part of the capitulation of management to union power.

The third aspect which has relevance for work attitudes is information flow. One could also view it in the context of a participative style of management. The traditional view, drawing from a severe division of labour, is that it is best that the worker should wear a blinker. His job is to routinely perform assigned tasks. Coordinating his work with that of others was presumed to be the job of the manager. As with the traditional army, so in the traditional workplace, it was said that the best worker was one who unquestioningly obeyed commands.

This information gap promoted by management might have

been relevant to an earlier time, where workers performed essentially simple tasks in endless repetition. In any case, management held on to this idea not so much because it was functionally relevant, but to keep workers in the dark about larger issues related to productivity and profits, so that they did not raise uncomfortable questions. Under today's conditions, a workers starved of information is not an asset, nor even a neutral factor of production, but a liability. Limited responsibility always promotes limited interest and commitment. Increasingly, enlightened managements are convinced that a well informed and critically aware worker is the best insurance against the vicissitudes of business. Such a worker would, of course, be questioning, but can also be counted on to rise to the occasion.

Workers education programmes have been launched by many organisations to inform workmen about the nature of the business, the larger environment in which it functions, the constraints and opportunities thrown up by the environment, the nature of competition, consumer demands and preferences, changes in technology and the problems they bring along, and a host of other issues. In the best of organisations, much of this education, including such critical issues as balance sheet analysis, is imparted by the executives themselves. There have also been cases of organisations discussing the corporate plan for expansion and diversification with the trade union. The experience has invariably been that cloak and dagger secrecy may be all right for government



departments, but not for business organisations. Most of the issues which are so treated are really commonplace, and the employees get distorted information on them through the grapevine. Planned information dissemination, on the other hand, promotes a sense of identification with the organisation and its goals, and motivates better performance.

Another development along the same lines has been the Quality Circle Movement and suggestion schemes. While the trend to promote involvement and motivate positive work attitudes through information sharing is catching on, the tempo is still extremely slow. The vast majority of our organisations continue with the conviction that information withholding rather than sharing is the best policy.

Anil K. Sen Gupta (1990), in his essay 'Participative work culture in India' : The Indian experience' 'reviews the attempts at democratising decision making in industry and reasons for their failure.

In fact, the mid-seventies witnessed experiments in work redesign in several Indian industries - both in the manufacturing and the service sectors and also in some government departments. But like other participative schemes initiated earlier by the government, these experiments also failed.

It is argued that democratisation of decision-making at any level cannot succeed unless the objective conditions for its success exist. Participation of workers at any level

requires that organisationally and otherwise, the working class should be strong and the prevailing value climate should be favourable to participation. Unfortunately, neither of these conditions obtains in India Today.

Among the organisations which came forward to experimnt with this idea of participative culture was BHEL, Hardwar (Nitish R.De, 1981 p.25). Productivity and efficiency increased in the experimental site following work-redesign. The experimental work groups also took up additional routine maintenance work. Moreover; the experience of a participative culture in the concreteness of the work situation 'reportedly made some positive impact on workers' family life and community life. But at the same time, the groups were unhappy that their earnings under the reward systems often fell short of the earnings of some of the workers working under the traditional system as they could not get overtime earnings (since) the experimental groups... practically did away with the need for overtime work. Other reports, however, indicate that the workers wanted a share in the productivity gain but the management did not concede this demand; this was one important reason due to which the experiment ultimately failed. From this and other evidence it will probably not be wrong to conclude that while people want to realise their higher order social-psychological needs in their jobs. Their interest in intrinsic need satisfaction cannot be sustained for long unless one can ensure that their extrinsic needs are also simultaneously

satisfied. This is more so because inequality in Indian society is so glaring; as some studies indicate, wealth, income and power, rather than the nature of the job one does, are considered by workers to be the real indicators of one's success in life (Sen Gupta, 1979 pp. M83-M90).

The external change agent under whose guidance the experiment in BHEL (and other organisations) was carried out, however, pointed out some important pre-conditions for the success of such experiments, and for their sustenance in the long run. Thus the 'resource persons' - internal as well as external - should reflect in their own minds on their motivation in getting involved in these projects.

Another important pre-conditions which the change agent emphasised, was that : Management should perceive such experiments as not something in the nature of management techniques to improve upon operation management. but as an effort at bringing about a new culture and style of management basically to humanise the work systems and to de-bureaucratise the organisation culture. Unless this basic value is subscribed to by management the work redesign experiments could become on more management 'gimmick' and in the process the basic message would be lost.

But de-bureaucratisation of the work culture would, among other things, require decentralisation of power in an organisation. Therefore, the critical question is, to what extent is the management willing to share this power with the workers ? More so because, as the external change agent

in BHEL noted : 'At the national level a deeper appreciation of participative culture as a way of handling dehumanising aspects of large work organisations is absent. In fact, there is at least one study which shows that the participative potential of public sector managers is low, and that organisations tend to reward those who are authoritarian in their orientation and behaviour. (Dhingra, 1973). There is no reason why the situation should be different in the private sector. The fact is Indian management has in general been unwilling to share power with workers, for which reason different participative schemes launched by the Government of India from time to time since independence, have failed.

But employers are, at the same time, also trying to legitimise their rule in the eyes of their employees, through participative techniques which require very little or no sharing of power with the employees. For example, even though Indian managements had earlier rejected different forms of participative schemes, they are now increasingly going in for Quality Circle, which came to India from Japan in 1982 and which is basically a suggestion scheme. In fact, more than 200 Indian organisations have gone in for Quality Circles, and its proponents in India have claimed on this basis that it is intrinsically superior to other participative schemes tried out earlier in this country. Among other things, as has been claimed, Quality Circle is a 'Self-generated and self-operating activity' and thus

represents a truly 'bottom-up approach.' However such a claim is not true, and the main reason for so many organisations on their own going in for Quality Circle is that management find it useful; it provides many advantages to managements which the more developed participative schemes did not offer (Sen Gupta , 1986 p53-66). Among other things, it allows management to retain full control over different aspects of its functioning. Further, management does not have to share with the workers the gains of productivity resulting from implementation of suggestions offered by the Quality circles.

There are some structural changes occurring within the corporations and outside which are like to affect organisational culture.

Under the impact of modern technology changes are occurring in the composition of the management cadre. Over the last two or three decades there have been several studies of Indian managers. From these studies it is possible to infer changes that are occurring in the composition of the Indian management cadre. A pioneering study in the field is the one conducted by Sagar Jain. Jain undertook an extensive survey of Indian managers in 1963. He concluded on the basis of this study that the Indian managers are drawn mainly from urban, middle-class and upper caste families. He could also infer from his survey that the Indian industrialists used particularistic criteria for recruiting managers. This accounts for the disproportionate presence of managers drawn from entrepreneurial castes in

Indian corporations. Jain's pioneering study has been followed up by several others which give us some glimpses of the changes occurring in the corporate world. These studies show continued dominance of middle classes in Indian corporations although the spread in terms of the regional background of managers is increasing. Indian managers are drawn today from a larger number of states than was the case before.

There are signs, however, that a slight but significant shift is taking place in the composition of the Indian managerial class. This is strangely enough due to the labour policies pursued by some of the larger corporations. Their promotion policy in regard to workers is drawing a small fraction of skilled workers into junior management levels. The presence of these workers who have been used to organising trade unions is gradually changing the managers' outlook on several issues. In terms of educational background, a dramatic shift can be noticed. The managers in the 1950s and 1960s tended to be generalists with a background in liberal education. A small proportion of them, especially in the upper echelons used to possess degrees from leading British universities. The trend has now changed. Most of the younger managers are locally trained, and have obtained their basic degrees in India. They possess degrees in engineering or commerce and have combined this initial training with specialised courses in management. Considering that several of them combine training in one of the

prestigious Indian Institutes of Technology with management studies in one of the Indian Institutes of Management - institutions which are internationally acclaimed - it can be made out that a manager's job in Indian industrial corporations has now become a prestigious and coveted one.

The changing educational qualification of Indian managers is bound to affect corporate managers is bound to affect corporate cultures. It was earlier possible to infer that the Indian manager is basically an authoritarian personality.

The corporations while being authoritarian, could be so in demanding paternitarian, could be so in a demanding paternalistic style or in nurturing maternal style. Studies show that private sector Indian corporations adopted to one of the two managerial styles. In contrast, public sector corporations tended to be bureaucratic in the sense that there was a strict adherence to rules. Studies have also highlighted the person-oriented rather than task-oriented attitudes of managers which also fits with authoritarian cultures. Within this general picture, however, some Indian corporations do not easily fit. The Tatas, for instance, have had a tradition of delegating authority to managers, encouraging participation and rewarding merit irrespective of age and seniority considerations. They have also paid greater attention to the management of personnel.

Apart from the exceptions mentioned above, there are pointers to significant changes occurring in Indian

corporations. The younger and highly trained professional managers are increasingly questioning authoritarian values. A recent study points out that the middle and junior level managers look for challenging jobs with ample scope for exercising initiative and judgement. Highly professionally trained, they are not willing to accept decisions handed down to them from above. Their seniors, however cast in another mould, do not consider them capable of exercising initiative. A clear perceptual break is therefore noticeable between the top management and the middle and junior levels. Younger managers are also expressing themselves against lack of adequate information. Many complain that most decisions taken at the level of boards of directors do not percolate down to them even when such decisions are likely to be vital for their jobs. They are also unwilling to wait in the queue for promotions. Hence the corporate world is simmering with a high turnover rate of managers which is alarming many personnel managers. Their willingness to skip from one job to another has contributed to rapid upward mobility of several young managers. Noticing this trend, even some of the established corporations known for their conservative values and slow promotion policies have now accommodated highly talented young executives at their top management levels. Although such instances are still rare, they have tinged the career aspirations of younger manager.

While on the one hand, the middle and junior managers are not given adequate scope for exercising their professional talents, on the other there are signs that they



are being used to carry out unpleasant tasks on behalf of the management. Being at the middle and junior levels these managers have to engage in face-to-face interactions with workers. As the workers are highly unionised they are getting to be assertive and defiant towards their superiors. The middle level managers therefore have to face the tension of coping with such workers. In fact, in many large corporations the difference in pay between the senior workers and middle managers is not very great. Hence middle and junior managers are increasingly getting alienated from their corporations. They are now organising themselves into managers associations to put collective pressure on the top management.

Hence, it will be misleading to portray Indian corporations as reflecting a conservative and authoritarian culture which goes with placidity and industrial peace. The corporations seem to be in a ferment now. Some of the corporations possessing greater foresight have tried to anticipate these problems and have designed programmes of human resources development. Some of them, as mentioned earlier, are also actively seeking to redesign their corporate cultures. It is as yet too early to judge whether such managerial policies would become a major trend. What is however, clear is that even corporations which are known for their conservatism and traditional orientations, have to now shift over to a more open and participative corporate culture, if they have to maintain their progress.

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*Conclusion*

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Today, the declining work ethics in practically all fields of work in our society. What we are witnessing is a widespread withdrawal syndrome. It seems everybody wants to withdraw his work and ability to work. Productivity is only possible when there is a willing contribution, commitment to work, discipline and so on. Despite a high rate of savings and investment, a developed infrastructural base, a highly qualified and well trained manpower and the availability of entrepreneurial talent, Indian Corporations are unable to set standards of high performance because they lack a proper organizational culture.

Culture is the social energy that drives - or fails to drive - an organization. To ignore culture and move on to the assumption that formal documents, strategies, structures, and reward systems are enough to guide human behaviour in an organization may well turn out to be a step in the wrong direction. Because, time and again, it has been demonstrated that most of what goes on in an organization is guided by the cultural qualities expressed in shared values, hidden assumptions and unwritten rules.

Culture is what a group learns over a period of time as that group solves its problems of survival in an external environment and its problems of internal integration. Such learning is simultaneously a behavioural, cognitive and an emotional process. The deepest level of culture will be the cognitive in that the perceptions, language, and thought processes that a group comes to share will be the ultimate

causal determinant of feelings, attitudes, espoused values and overt behaviour.

Any definable group with a shared history can have a culture and that within an organization there can therefore be many subcultures. If the organization as a whole has had shared experiences, there will also be a total organizational culture. In a marked sense, the term refers to specific culture which makes a corporation a corporate social entity. However, in general sense, it implies the culture that obtains in a corporation.

All organizational units contain elements of more than one culture, but one of the four cultures, "power", "role", "task" and "person" is found to be the dominant culture. The chief characteristic of a power culture is the existence at the organization's centre of a powerful and dominant leader whose will and influence pervade all decision making. Whereas in role culture the tasks are completed by teams of functional specialists working in sub-organisations and work is integrated by the top management. Each member of the organization has his own role to perform. In case of task culture the whole emphasis is on getting things done. The approach is to bring together the appropriate resources and the right people and let them get on with it. It is a team culture, where hierarchy is minimal and people are evaluated on the basis of their ability to contribute the team's success. In case of person culture, the members "do their own things" and structure and control are minimal. The

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essential feature of person organization is that it exists for the benefit of its members rather than to produce an output of goods or services.

Various types of influences work at the origins of different organizational cultures, like age of organization, ownership, size of organization, technology used in the organization, goals of the organization, the environment prevailing in the organizations and people at work in that organization. On top of all there are socio-cultural factors which influence them to a great extent.

We find a list of leading values and behavioural dispositions that quite a number of Indian manifest and which are relevant for their organizational behaviour. Hierarchical social structures and relations pervades organizational settings. Once a hierarchy is established, the members irrespective of their positions in that hierarchy extend support to each other. Juniors yield to senior on every conceivable occasion. Indian teams do not consist of equals, they consist of unequals who are inter-dependent and supportive of each other.

There is preference for personalised relationship over contractual relationship. Indians tends to relate with each other directly. A superior is expected not only to take personal interest in job related problems of his subordinates but he should also take interest in his subordinate's personal and family problems. The subordinates are expected to reciprocate by paying social calls and

seeking his guidance. The strong tendency to form ingroups often leads to factionalism in an organization. And if the relationship turns out to be positive, work behaviour as part of the relationship is automatically facilitated as is seen in case of most of private sector organizations. It has effects on productivity, job-satisfaction and even on the growth processes of an employee.

Another characteristic which seem to be typical of Indians is their dependence proneness, which means a strong tendency to lean on others for help, support, advice and emotional reassurance even in situations where such leanings are neither called for nor functional. Generally it is found that a dependence-prone person does not show initiative. He is apathetic to work and tends to avoid taking any responsibilities. It is found that ideal superior in Indian setting is a nurturant one who provides emotional support to his subordinates. Such a tendency is the offshoot of the family system which function as the model social unit even on the job.

Norms and values for the ingroup members are different than and sometimes opposite to the norms for outsiders. The ingroup members co-operate, make sacrifices, and protect the interests of each other. The positive passion for own personal people seem to be accompanied by equally strong negative reactions to impersonal strangers.

The Indian Organizations suffer from "Chalta Hai" work culture where work patterns, commitments and assurances lack

precise definition. The resultant soft work culture adversely affect the effective management of productivity since value of time, target consciousness, planning and completion of tasks receive low priority. This tendency is more pronounced in public sector organizations. Moreover, there is strong hankering for "aram". It roughly means rest and relaxation without being preceded by hard work. This all shows lack of commitment.

There is enormous role ambiguity prevalent in organizations which stems from concern of individual workers and managers with role of others rather than their own. People refuse to think clearly about their own roles in organization whereas everyone can speak volumes on what is expected of the other person. A productive organizational culture is the outcome of clearly understood roles performed by managers and workers. Also there is "inferiority-superiority complex" in Indian organizational life.

In the Indian corporate sector, public sector enterprises are mostly labelled with soft work culture. In such organizations, consideration for social justice and welfare tend to overwhelm the goals of productivity and profit. The employees try to extract the maximum without investing corresponding degrees of hard and sincere work. The result is that the lower level managers feel demoralised and gives up exerting themselves. Most of PSEs suffer from excessive bureaucratization and lack initiative and autonomy

in their functioning. They seem to represent a rigid role culture following rules and procedures rigidly while maintaining hierarchy strictly. Too much of political interference is adversely affecting their performance and efficiency. What needs to be given is greater autonomy with accountability. Organizational change with dominant 'power culture' can serve as a necessary corrective. There are instances, where chief executive has been at least partially able to protect the boundaries of the organization, and initiate steps towards establishing positive work norms, the organization has experienced a new spirit.

✓ In case of private sector, we find that corporations especially those belonging to traditional business families have shown remarkable resilience and capacity for adapting themselves to the changing industrial environment. But now there are some structural changes occurring within the corporation and outside which are likely to pose challenge to adaptive mixing of traditional and modern business practices. This would no longer suffice. The shift in government policies, the increasing alienation among middle level managers, the highly result-oriented and active trade unionism and modern technological compulsions require radical solutions. Some of the corporations possessing greater foresight have tried to anticipate these problems and are actively seeking to redesign their organizational cultures. Hence, it will be misleading to portray Indian Corporations as reflecting a conservative and authoritarian



culture. The corporations seems to be in a ferment now.

The crux of a work-conducive culture lies in establishing a synthesis between organizational objectives and individual gains and in maintaining that the two are not mutually exclusive. If a management welds the two together, then employees know that their benefits would accrue from the prosperity of the organization, and that the two are linked through work performance. The interdependence of the two helps create a organizational culture where the workers, the supervisors, the managers and the top men work towards the shared goals. Thus open and participative organizational culture will only help to cope up with changed circumstances and maintain their progress.

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*Appendix : A Review of Studies*

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Now, let us discuss various aspects of managerial behavior in Indian corporate sector separately in more detail to grasp its organisational culture.

#### **LEADERSHIP STYLES IN INDIAN ORGANISATIONS :**

In the first instance, Indian management is generally believed to be autocratic with subordinates closely supervised by their superiors and only a limited degree of participation is allowed to the subordinates. In many proprietary organisations, a certain amount of the paternalistic attitude prevails. In contrast to these, there are many organisations which put high emphasis on supportive leadership. Thus, the total position appears to be a mixture, and the real situation in this context can be appreciated only when a detailed account of various practices is taken for consideration. Fortunately, some empirical studies are available in this context which do not necessarily support the traditional view rather they present a mixed note. Myers (1960) from his interview with industrialists, government officials, labour leaders, and managers ~~conclude~~ that Indian top managers are relatively authoritarian in their relationships with lower management and labour.

Similar result has also been highlighted by Ganguli in his study of leadership behaviour in a State-owned engineering company. Rangaswamy (1976) in his study of leadership behaviour of 56 top level managers have found that Indian managers are more employee oriented as compared



to their American counterparts. Though this result is quite unexpected, he explains that this is due to Indian cultural and religious pattern which influences towards helpfulness and peaceful co-operation.

Some other studies analyse the leadership behaviour taking different variables affecting leadership pattern. In a study of leadership styles along with delegation of authority of 123 executives at various levels of management from two private and two public sector companies, Elhance and (1975) Agarwal conclude that 67 per cent executives in private sector and 57 per cent of them in public sector units have democratic leadership style. The study of 280 managers from 2 public sector units and 4 private sector (1977) units by Singh and Das shows that bureaucratic style is the most predominant followed by the benevolent autocrat, developer and democratic in that order. Further, the leadership style is associated with the type of organisations, executives' age-group, their level in the organisation and their exposure to management programmes. Thus, in public sector, bureaucratic style is followed by compromiser, developer, and autocratic in that order. The process of democratisation of the work culture, group functioning and team management is not pronounced. In private sector, benevolent autocracy is the most pronounced style, followed by the bureaucratic, democratic, and developer. Levelwise, top level managers are more benevolent autocrat followed by democratic and developer, while middle and lower level managers are more bureaucratic followed by

benevolent autocrat. Age-wise, aged managers are more benevolent autocratic, followed by developer, bureaucratic and democratic; younger executives are more democratic followed by benevolent autocratic and bureaucratic. The executives who are exposed to some formal management education are more democratic as compared to those who do not have such exposure.

The study by Joseph and Kesavan of 45 supervisors from public sector and 38 from private sector shows that in private sector the emphasis is on production which is meaningful since total wages are tied up to the amount produced, whereas in public sector, superior orientation is prevalent which can be explained by the fact that superiors are given complete authority in recommending their subordinates for promotion along with increase in pay.

The review of various studies fail to give a generalised result. Since managerial styles are determined by a host of factors, it is unlikely to expect a uniform leadership style. From this viewpoint, Indian work organisations can be classified into three parts which have some distinctive features and consequently the different leadership styles. Such classification may be

- (a) family managed traditional organisations,
- (b) professionally managed Indian organisations and foreign owned organisations, and
- (c) public sector organisations.

In family-managed traditional organisations, the most prevalent style is autocratic. Sons and grandsons of the entrepreneurs are automatically promoted without any consideration to efficiency or overall suitability. Thus, there is management by inheritance or management by chromosomes with the result that these organisations are highly centralised in their organisation structure and are authoritarian in their approach. In many such organisations, a certain amount of the paternalistic attitude prevails. Dasgupta (1974) points out that the proprietary character of business and large-scale participation of family members in it have made the attitude of the head of the business, who is also the head of the family, highly paternalistic. The same paternalistic attitude extends to the employees and have developed a set of values in an employer vis-a-vis his employees. Such style has also been inherited by successors without any appreciable change or modification though this approach is dying, particularly in large organisations where this approach is supposed to be adopted by the labour unions rather than by the management.

On the other hand, there are many organisations in the private sector owned by Indians or by multinationals who have appreciable degree of participation or democratic leadership. The reason is that multi-nationals do not bring only their technology but also the work culture which is more premissive and conducive towards the application of modern approach of management. As such, the degree of

participation is greater in such organisations. For example, ITC Limited believes that best results are achieved through participative management accompanied by candour, because this style of management ensures involvement and commitment. However, participative management does not imply elimination of authority and control. The third category of organizations are in public sector. Here, bureaucratic style is more prevalent owing to the work culture inherited by public sector managers. Initially, public sector organisations were manned by civil servants who brought a lot of bureaucratic culture with them. The net result is that the entire organisational processes are governed by bureaucratic model. Its implication is status differentials, class distinctions, and impersonal relationships which work against participative style.

#### **MOTIVATION OF MANAGERS:INDIAN ORGANIZATION :**

There are various studies conducted to show what motivates Indian managers. In a study by Lahiri and Srivastava to test applicability of Herzberg's two-factor theory, it was found that for middle level managers, responsibility, domestic life, accomplishment, job, and the utilisation of abilities on the job were found to be motivational factors while organisational policy and administration, promotion, salary, superior, and growth were dissatisfiers. (1967).

In another study on the same patternn by Sawlapurkar

et.al., it was found that for middle level managers many of the maintenance factors such as job security, loss company, working conditions, etc. were satisfiers and motivators. (1968).

In another study it was found that motivators contributed significantly more towards satisfaction than hygienes in public sector, whereas in the case of private sector, motivators contributed significantly more toward the feeling of dissatisfaction than hygienes. Thus it partially, supports the theory of motivation proposed by Herzberg. (Pestonjee and Basu, 1972).

Various studies have been conducted to find out the relevance of Maslow's need hierarchy in Indian situations. Most studies fall in the category of identifying what factors are given higher priority by managers. In a comprehensive study of 1213 managers from 47 public sector enterprises, Laxmi Narain has found that managers rank feeling of worthwhile accomplishment, recognition for good work done, decision making authority, opportunity for personal growth and development, opportunity for promotion prestige of organisation outside the company, pay, allowances and other benefits, and job security in that order. Though there is variation in this ranking by top, middle, and lower level managers, this variation is not significant. A striking feature of this finding is that job security has been given lowest priority by all level managers. This may be because of the fact that the need for

job security is fulfilled for public sector managers. (1971).

The study of comparative importance of money and status among middle level managers by Ganguli disclosed that status is more important than money for managers in organisational setting. This is more so with younger managers who are professionally qualified. (1974).

Yet in another study high pay (money factor) was given high preference along with esteem, autonomy, and self-actualisation by all the three levels of managers. Security need was, however, given low preference by these managers (Shah, 1976).

It will not be out of context to investigate the occupational values and goals of present Indian managers and the job expectations of future managers (students pursuing management courses). In a study of occupational goal values of the Indian Managers by Sharma, it was found that managers had the higher preference for intrinsic job factors as compared to extrinsic ones. Saiyadin and Monappa found that only 33 per cent of managers chose their jobs for the remuneration. On the other hand, advancement, stability, opportunity to use skills, and the image of the organisation were predominant in the choice of managerial career (1977). A more comprehensive study by Singh (1979) disclosed that freedom from supervision and subordination, adventurous experiences and challenges, use of special ability and talents, to be creative and original, social status and

prestige, opportunities to work with people, exercise of leadership control over others, chance to earn a good deal of money and stable and secure future were ranked in that order.

#### **Motivation of Workers :**

Various research studies have been conducted to analyse the pattern of workers motivations.

A review of various research studies on how workers rank the various job factors in order of importance by Dixit, disclosed that workers ranked various job factors as adequate salary, job security, adequate personal benefits, opportunity for advancement, suitable work, good supervision, opportunity for training and learning, and comfortable working conditions in the order of importance. Only in one study, salary was ranked next to job security (1971).

Ganguli conducted a study in an Indian railway workshop and found that the three most highly ranked motivational factors are adequate salary, job security, and opportunity for promotion. The exact nature of work done, the magnitude of responsibility assigned to workers, and appreciation of work done by others were found to be items of relatively low importance. Sinha found that interesting work, social status and loss were crucial factors contributing to workers satisfaction whereas inadequate salary and lack of security were regarded as important factors causing dissatisfaction.

In a recent study by Prasad (1979), it was found that workers ranked good wages, job security, promotion and

growth appreciation of work and working conditions, interesting work, management loyalty to workers, sympathetic understanding to personal problems, feeling in on the things, and tactful discipline in that order. Skilled and semi-skilled and unskilled workers moved very closely in their ranking.

**Conclusion :** The result of various studies on motivational pattern of managers and workers are quite different and even contrasting. However, some broad conclusions can be summarised as follows:

1. Financial benefits, job security, and promotion are not motivating factors for management groups whereas these can be motivators for the workers.

2. Recognition of work emerges as one of the most important factors for motivating people - both managers and workers. This fact, however, must be seen in the context of the first conclusion, that is, what is the outcome of the recognition of good work.

3. Factors contributing to dissatisfaction are the lack of explicit company policy and administration, lack of technically competent and sympathetic supervision and lack of opportunity for growth.

4. Top level managers value achievement and self-actualisation while middle level managers value advancement, type of work and feeling of worthwhile accomplishment. These factors are, however, not so important for workers.



## COMMUNICATION PATTERNS IN INDIAN ORGANISATIONS :

It is generally alleged that communication in Indian organisations is not given proper attention which it so richly deserves. Almost in all organisations in public sector and a great many in private sector, communication is given only secondary importance. While this is the position of communication in general, upward communication, which has to flow against the stream of the authority and more particularly when the managers are generally inadequately and vaguely aware about the need and significance of upward communication, is expected to be even poorer. All communications must be two-way, but unfortunately in India, it is mostly one way, and upward communication does not flow properly.

Some of the important barriers of communications operating in Indian organisations are as follows :

1. Indian organisations generally lack participation in decision making. There are managers and entrepreneurs who are so authoritarian that they are not ready to listen to their top ranking managers, what to talk of lower level managers. They believe in order-giving and not getting any feedback regarding how one feels about such orders. In such a case there is not only the possibility of upward communication <sup>but</sup> also <sup>it does not</sup> work as an energising function for downward communication.
- 2) There are several factors which lie in Indian public sector organisations which work against the smooth flow of

communications. These PSEs are generally large in size and there are usually large number of managerial levels. As such, a large number of filtering points exist through which information travels before reaching its destination. This increases the chances of distortion or suppression.

3) Major obstacle to communication in numerous large organisations occurs because the organisation tends to be impersonal and bureaucratic. In such a setting, the organisation comes first, the individual is subordinate to the organisation. In a bureaucratic organisation, status differentials and class distinctions get overemphasised making interpersonal relationship amongst the executive highly impersonal and official. Communication being an interpersonal process, its smooth flow is adversely affected in the absence of close interpersonal relationship based on natural respect, trust and confidence. The entire organisational processes in the public sector organisations in India are governed by bureaucratic model. Bureaucrat's overemphasis on rules and regulations, his conservative temper and his insistence on rigid adherence to formalities, work against the smooth flow of communication.

The management personnel of these enterprises are subject to frequent transfer. This happens more so in the case of public sector organisations run on departmental lines. The administration of the department (departmentally-managed unit) is largely in the hands of the senior civil servants. Changes in the personnel not only take place in

such undertakings frequently but in other types of undertakings too. This works against the development of conducive atmosphere for promoting communication, which requires close personal contact between superior and subordinate.

✓4) The general organisational policy regarding upward communication acts as an overall guideline to every one in the organisation regarding how he is normally expected to behave in this matter. This policy might be in the form of an explicit declaration in writing, or as in more often the case, it has to be interpreted from the behaviour of organisation members, particularly people at the top. (Public sector organisation members, particularly people at the top.) Public sector organisations, more particularly departmental units, are organised basically on the line of military system, where relationship between superior and subordinate is more important. There is a regular chain of authority covering all functions and extending all the way down the line. This is based on the hierarchical differences of status. This hierarchical system is governed by the span of control, unity of command, and unity of direction. The inherent weakness of this system is both delay and distortion in communication. Moreover, greater dependency of subordinates on their superiors for satisfaction of their needs refrains them from communicating upwards a number of subject-matter more particularly messages conveying unfavourable happenings in the organisation. In a research study, it was found that subordinates were unwilling to

communicate unfavourable information, particularly unfavourable work performance, problems relating to work, and negative feedback of orders, instructions, etc. Since there was high degree of correlation between willingness to communicate and actual communications, it was affecting the flow of communication adversely.

There is a tendency to centralise the authority at the top, both in public and private sectors. In private sector, owners are always afraid to delegate authority. Similarly in public sector, ministers are always afraid to delegate power. They tend very much to take decisions themselves. Ministers' reluctance breeds the habits of reluctance in their secretaries to refuse delegation of power to their subordinates. The same pattern is gradually being followed by the managing directors for their subordinates. This goes on and on, and steadily it becomes an accepted practice. Centralisation of authority naturally follows more formal communication mostly for control and decision. In such a case, superiors keep their information requirements limited in order to avoid information overload. This does not only affect the coverage of a wide range of information in communication but also the quality of communication.

#### **DELEGATION OF AUTHORITY IN INDIA :**

In Indian business organisations, there is a lack of adequate delegation of authority to various managerial levels. In public sector enterprises, delegation of authority is not always for the whole job. In most of the

enterprises, due to its bureaucratic or semi-governmental nature, delegation is not enough to enable the manager to execute his duties with confidence and convenience. In the private sector, too, the position is no different, except in few organisations, where most of the Indian managers and owners of the enterprises manage the affairs of their organisations in an authoritarian way. They rely more on their personal whims, prejudices, and attitudes. They have always a habit of deciding the fate of their organisations and they have been very rigid in their directions and instructions to their managers and workers. In such a case, adequate delegation cannot be expected. Kakar opines that there is a high degree of control of subordinates' task performance by the superiors in Indian organisations.

Almost a similar view has been expressed by A.D. Moddie. True delegation which involves the delegation of authority to act and be accountable comes hard in the Indian managerial world. In most cases, delegation amounts to specific task giving and does offer the description to think, act and to be accountable in both the private and public sectors, the Indian manager favours delegation of authority to him, not so much from him to a subordinate. Indian decision-making is a process of much consultativeness in which decisions ultimately emerge at the top ; seldom in the middle , and almost never at the bottom of private and public managements beyond the routine.

Of late, it has been observed that in many private

sector organisations, the delegation of authority is gradually increasing. This phenomenon is more common in the case of big organisations than in the case of small and medium-size companies. This is due to the diversification of business into different types of industries, increasing complexity and environmental situations, realisation on the part of industrial houses regarding the effective contribution of professional managers as evidenced by the examples of western countries, legal provisions of the Indian Companies Act regarding the appointment of directors and the abolition of managing agency system, etc. On account of these developments, the management in India is now being increasingly handled by professionals, independent of family ties. Day to day control is now being delegated to the young people recruited from outside.

In the study of delegation of authority covering two units in private and two in public sector by Elhance and Agarwal, it has been found that there is moderate degree of delegation of authority both in private and public sectors, the degree of delegation is higher in the latter. Further in both the sectors, there is the highest degree of technical delegation and the lowest degree of financial delegation. Personnel delegation ranks next to administrative delegation and the latter follows technical delegation. In another study of a public sector unit, the same pattern was revealed regarding overall authority delegation and delegation in various matters. (Chaudhry and Prasad, 1978, pp.21-26).

## ORGANISATION DEVELOPMENT IN INDIA :

Organisation Development is of recent origin in India. Such work has been done in diverse types of organisations, such as, industrial organisations of both public and private sectors, and non-industrial organisations like banks, hospitals, government departments, etc. Though the results which have been reported have been encouraging, there are various problems in the way of OD implementation in Indian organisations.

The general environment -socio-cultural as well as economic - in which most of the Indian organisations are working is not very conducive to adopt modern management techniques, such as, OD or similar ones. For, the adoption of such techniques essentially requires sharing of authority, participative management, free flow of two-way communication, change in the attitudes of managers and owners of the organisations, towards latest management techniques, and availability of external consultants who can devote considerable time to the organisations undergoing through the OD programmes. Some of these problems have been identified in the case of adoption of MBO by Indian organisations. What is more relevant in the case of OD is the relationship between management and external consultants. Indian organisations, by and large, do not want to share their problems with the external consultants simply because they do not have trust and confidence in consultants either because of their fear of confrontation with such consultants or because of the decline of their

power. Such fears are, however, not based on any concrete proof. In fact, the OD programmes have shown that the power enhances and its shared widely among participants and a self-imposed discipline emerges in healthy work-setting.

This difficulty is further enhanced by the role of external consultants who have a traditional view of looking at consultants' role. They believe that the consultants' role is to diagnose all problems, suggest solutions, put these in voluminous reports and hand over these to management to do what it wants. (Dayal, 1969). Though this approach may be quite relevant in the case of technical problems, this is unlikely to work in the case of OD or similar techniques where behavioural change is much more important. In fact, the role of external consultants should be extended to the implementation aspect of a particular technique. This is more closely related with management's expectation from a consultant. Management wants concrete results, and not the reports on a particular problem. Moreover, the application of any technique may be facilitated when managers as well as external consultants put efforts together. This is because the theoretical background which a consultant has is backed by the working experience in a particular environment which a manager has. OD programme particularly requires such long association between managers and consultants.