

CORRELATES OF ORGANIZATION CULTURE AND
POWER DYNAMICS: A STUDY OF SELECT INDIAN
PRIVATE ORGANIZATIONS

by

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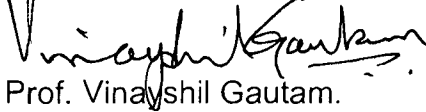
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CERTIFICATE

The thesis entitled "Correlates of Organization Culture and Power Dynamics: Study of Select Indian Private Organizations", being submitted by Mr. Dinesh V. Bharule to the Indian Institute of Technology, Delhi, for the award of the degree of Doctor Of Philosophy (Ph.D.), is a record of *bona fide* research work carried out by him. He has worked under our supervision, and has fulfilled the requirements for the submission of this thesis, which has attained the standard required for a Ph.D. degree of the Institute. The results presented in this thesis have not been submitted elsewhere for the award of any degree or diploma.

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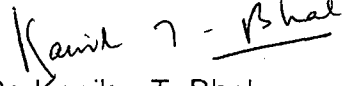
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Abstract

Multinationals entered the Indian market and posed a threat to the Indian organizations that was unprecedented. They came with competitive pricing, investment in technology and global manufacturing. Three years ago, Indian brands like BPL, Videocon and ONIDA controlled 70% of market share; now leading multinational players like Samsung, LG, Sony, Panasonic and Whirlpool have captured near about 65% market share. Today, there is a need for Indian companies to keep abreast of technology trends and innovate and reinnovate faster. In automobile sector, entry of multinational companies like Daewoo Motors, Hyundai, Suzuki Motors, FORD have created a tough competition. These consequences are forcing the Indian organizations to improve their culture towards productivity and innovation. Indian managers had a long tradition of plural thinking in their cultural heritage and liberalization created a impact on Indian work culture. Since culture is seen as an important factor in affecting the functioning of an organization, it is important to study culture in this context.

Organization culture is a popular concept and a widely researched area. Many researchers have tested organization culture using different perspectives and paradigms. This study focuses on studying culture, its antecedents and consequences. Specifically, the objectives of the study are to study the congruence between organization culture and organization climate using qualitative and quantitative methodology; impact of CEO style on climate and extent of political activity, impact of climate on extent of political activity, bases of power and influence tactics; impact of climate on satisfaction, commitment and organization performance; mediating role of extent of political activity on the relationship of climate with satisfaction, commitment and

upward influence tactics; and mediating role of bases of power on the relationship of climate with satisfaction, commitment and upward influence tactics.

The present study identified the predominant feature of culture in some Indian private organizations, those that have faced threat from the multinationals. The research site chosen for the study was home appliances and automobile organizations. These industries are generally considered to be high on turbulent environmental conditions. Since, Mumbai is the hub of business organizations; research was conducted at Mumbai and Delhi in eight different organizations. Sample of the study consists of 206 *managerial level employees* from various departments of the organization. To study organizational culture, three forms of evidences are used, viz. observation, reports from informants, and the researcher's participation in the setting. In-depth interviews were conducted with employees at different levels of the organizational hierarchy and different departments. In each organization 5-8 interviews are conducted.

CEO is the driver of organization. He/ she steers the organization and gives strategic direction. It is one of the main determinants of organization culture. Almost all the CEOs are assessed both as transactional as well as transformational style of leadership. It was observed that there is significant in the organization climate among the organizations having two leadership styles. Organization with transformational leaders displayed professionalism, high standards and control, and supportive climate, whereas those with transactional leaders displayed professionalism. For Tact and Calculation measuring the extent and nature of political activity there is no significant difference between the organizations having two leadership styles. In the case of Transformational leadership, CEO's are extensively relying on Tact as compared to Calculation.

Culture has been assessed by both qualitative and quantitative techniques. Content analysis for the culture shows that organization-1 and organization-6 has professional culture, Organization is professional in the sense that employees are aware of the competition and genuinely fight for the market share and growth of the organization. Organization –2 has open culture, i.e., employees respect the “open minded person”. They perceive, freedom to work , autonomy to take decisions and freedom for learning. Organization-3 maintains high standards & control, they set very high standards; and employee values the person having expertise in field, continuously active, killer instinct and performed good job. Organization-5 has Conflict Avoidance and organization-4 has a supportive culture. The congruence between culture and climate dimensions was found out by conducting rank-order correlation between the rankings of culture dimensions and climate dimensions, for each organization. It was observed that, among the six organizations studied; none of them showed significant match between the culture and climate dimension rankings.

Tact or Calculation and have inverse relationship with support, standards and control, openness and conflict. Analysis of the Tact suggests that if the organization is closed, colleagues and boss provide no support to employee, standards and controls are high and people try to surface out their differences openly then Tact in the organization increases. Another component of the extent of political activity is Calculation, which shows similar trends. Closed organizations show more Calculation. Support also indicates inverse relationship with Standards & Control. In case of bases of power, expert power is positively related to the organizations having high standards, getting better support from the colleagues and bosses and closed organizations. Openness is inversely related to expert power. Among the bases of power, Legitimate power is formal power to exercise control over the subordinate. Openness of the organization positively

related to the legitimate power. Analysis of Reward power showed direct relationship with professional organization; whose employee surface out their differences openly (Conflict Avoidance). Analysis of Influence tactics shows that, professional organizations having low standards control rely on reasoning tactics to influence others. Professional and closed organization, primarily use Ingratiation tactic. If the organization becomes open, then the preference for the use of Ingratiation tactic reduces and usage of Ingratiation tactic in the organization increases with high professionalism. Closed organizations use personalized exchange tactics. If organization becomes open, then employees reduce the use of Personalized Exchange tactics. Organizations getting less support from colleagues and bosses use Persuasion as influence tactic. Out of the five climate dimensions, four dimensions of climate showed a significant relationship with Informal External Support. If the employee get less support form colleagues and bosses and organization is highly professional then employee rely more on the usage of Informal External Support tactics.

The final chapter consolidates the findings and key results. It also enumerates the relevance and implications of the findings for professionals and researchers. It can guide the professional community to understand the dynamics of organization culture, power & politics and organization outcome in a better manner. The thesis closes after identifying a few limitations of the work.

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