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# **Study on organisational culture and its impact on business operations and quality in ITES industry in Chennai**

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**Abstract:** *This study examines the impact on productivity and quality of business because of its organizational culture in ITES entities. Asia's largest outsourcing destination for information technology enabled service (ITES) industry, which earns huge revenue is India. Nearly 10 million Indians are employed in this industry which contributes extensively to the social and economic renovation in the country. Primary data was collected through a structured questionnaire with employees working in ITES industry understanding the organisation culture of their entity which affects the overall business. The employee preferences were captured using a rank order scale from 1 to 5, 1 being the most preferred and 5 being the least preferred. Sampling method was used to collect the data from 2 different organisations, based on data collected from 191 employees. This study leads the authors to believe that organisation culture does influence on productivity and quality of business. This study helps the corporate, academicians and professionals to understand the needs and objective of the business.*

**Keywords:** *Organizational culture, Productivity, Quality, ITES*

## **I. CONCEPT DEFINITIONS**

### *A. Organisational culture*

Based on past history, organisation culture can be defined in enormous ways, which are quoted in many forums or research papers. Nonetheless, the most basic understanding of organisation culture is "how we do a work in an organisation" (Lundy, 1996). In laymen term, the organisation culture is defined as "set principles" which has great ideals, understandings and values that staffs share in common, culture provides enhance (or the best) ways of thoughts, emotions and reaction that will assist managers and management team to construct assessment and orchestrate activities of organisation which affects the business growth.

(Ogabonna, 1992) defined the organisation culture are the results of "an employee blend into a society and the share ideas of their mind that discriminate each employee. It is the standards, principles, philosophies, and habits that a person holds in common with other person of a group or communal unit..."

One more overview by (Brown, 1995, 1998) defined the organisational culture as,

"Organisational traditions identifies the actual routine of thinking, prices as well as figured out strategies to managing experience which have developed during the duration of a good organization's heritage, as well as which usually are generally demonstrated within its material measures as well as in the behaviours of its associates."

### *A. Business operation*

Business operation is nothing but what we call as productivity in corporate language. Production isn't every little thing, yet eventually it truly is everything. Some sort of country's ability to boost their quality lifestyle after a while is dependent virtually entirely about their ability to elevate their productivity per technician. (Krugman, 1994)

### *B. Quality of business*

Top quality is surely an indefinable and not a clear build. Often errors are imprecise adjectives such as "goodness, or perhaps high-class, or shininess, or weight" (Crosby, 1979). Material and determinants associated with excellent quality can be undefined; it is magnitude for you to enterprise and buyers will be unequivocal. According to American society quality of business is defined as "A combination of quantitative and qualitative views is actually everyone provides their own personal classification; types which

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includes, "Meeting the requirements and anticipating with services or products that have been fully committed to" and "Pursuit connected with optimum options adding to validated successes, fulfilling accountability."

### C. ITES industry

ITES industry is defined as the business processes that process data technology and are categorized as ITES-BPO, abbreviation of ITES is Information Technology Enabled Service (J. G. Nellis, 2006)

## II. PURPOSE OF RESEARCH

The purpose of analysis is to investigate and study on culture of the organisation, its impact with regards to business operations and quality of business, located in Chennai, India. The highlights of organisation culture on productivity and quality has been recognised in academic literature. It's been quoted by researchers that the organisation culture may want a vital influence on enhancing the productivity and quality of business (Siehl, 1990). Many factors are looked at which impact the quality of business operations and quality; the research exploring the impact of organisation culture on excellence of business are principally abstract in nature (Kopelman et al, 1990). Few studies throughout this tone, explored the association involving quality and organisation climate rather than the organisation culture (Patterson et al, 2004), The study, that explore the effect of organisation culture on quality, mainly emphasised either the allegation of organisation culture on the total quality management (TQM) (Prajogo, 2005) or the effect of national culture such as power distance or individualism, on TQM (Gomez, 2004)but neglected the impact that organisation culture may be on quality.

In addition, the analysis throughout this flow has been principally limited to the out-dated zones of the economy such as manufacturing and, in few cases, services, but has discounted vibrant and data-intensive contexts like code and ITES, where the responsibility of organisation culture is not considered important in enhancing productivity and quality. In contrast to that, the manufacturing sector considers people are vital and use predominantly information workers. "Gold collar" workers area unit termed has knowledge workers (Kelly, 1990).

There has been vital analysis inside the literature to explore the effect of organisation culture, its employee performance and efficiency. As an example, students (Hofstede, 1980) hold that organisation culture may be utilised for measuring economic achievement of an organisation. However, organisation value may be different since cultural behaviour disagrees from one organisation to other organisation and certain cultural traits may be provider of competitive advantages through causative ambiguity (Barney, 1991). The world is dynamic and conjointly the extent of employee prospect and satisfaction also modifies consequently. Organisation culture change time to time, to manage with such rapid changes and to meet the countless demands of employee prospect and satisfactions. So a supportive culture as discerned by (Ritchie, 2000)is taken under consideration as a psychological feature tool that nurtures the workers to perform smoothly and leads higher productivity (Ritchie, 2000). Analysis are done on varied issues with organisation culture, as an example, organisation culture varieties (Tharp, 2009) highlights the phases of culture across the organisation but organisation scientific discipline (Schein, 1990)anchors on how the culture makes an impression on employees' scientific discipline and performance. These two issues with organisation culture have discovered equilibrium, where an organisation will do its most level of effectiveness and efficiency (Deem, 2000) that shows the connection between organisation culture and employee performance. The organisation culture associated employee efficiency are studied over the earlier periods and thought of as an engrossed topic for accomplishing organisation excellences, there is no inquiry carried out on the results of organisation culture on employee efficiency considerably from rising country perspective resembling Asian nations. As multinational corporations are enlarging their operations in rising countries, which will be essential to look at which again impacts the organisation culture and employee performance and productivity. So the foremost aim of the paper is to look at the effects of organisation culture on employee work quality and productivity considering the ITES business in Chennai. The ITES sector is chosen as a result of the environment for the study since it's argued that people represents a key role of productivity in knowledge-processed business. The culture of the Organisation could produce associate atmosphere that may inspire thought process and motivation, so leading to higher efficiency and quality.

## III. REVIEW LITERATURE

Organisation culture is conceptualized as collective ideas and values at intervals which helps the organisation to make the behavior patterns of staff (Kotter , et al, 1992). (Gordon, 1979)defined organisation culture as a result of the drive that acknowledges the

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hard work and contributions of the organisational members and provide holistic understanding of what and also the ways in which to be achieved, but goals are interconnected, and also the method each employee would possibly attain goals. (Hofstede, 1980) sum up organisation culture as shared technique of the mind that distinguish the members of 1 cluster from the alternative one. So the higher than plan asserts that organisation culture suggests that of keeping employees in line and exhilarating them towards organisation objectives. Early organisation behavior researchers (Peters, 1982) notice the explicit links between culture and organisation efficiency. These cultural morals are as per organisation selected strategies that crystal rectifier to triple-crown organisations. Though the associations between organisation culture and employee efficiency are widely established, several researchers (Willmott, 1993) raise problems regarding the relations. So (Gordon, 1979) concluded that culture characteristics may have a bearing on performance but restricted or conditioned to the precise context. They argue more that culture would possibly lead to higher performance if it fits with changes of environmental factors at intervals the context. Recently, researchers argue that cultural traits cannot be derived and so it's going to be supply of organisation sustainability. Resource-based read (Barney, 1991)suggests that property depends on the values, rarity and property of the culture concerned. Overall, the aim of the literature review is to appear at the prevailing analysis to explore the links between culture, quality and productivity.

Due to the subjective nature of culture, it may be difficult to exactly outline the specifications of organisation culture. Despite no single theory is uniformly accepted, there's a general consent concerning organisation culture on being historically determined and socially structured that involves beliefs, behaviours, values and morals allied with completely different levels of the organisation and incorporates to all or any aspects of structure life (Pettigrew, 1990). The organisation culture is printed by (Schein, 1990) as overall development of the organisation like natural settings, the ceremony and rituals, climate and values of the corporate. According to Martins and (Terblanche, 2003), culture is deeply related to values and beliefs shared by personnel in a corporation. Organisation culture relates the staff to organization's values, norms, stories, beliefs and principles and incorporates these assumptions into them as activity and behavioural set of standards. (Klein, 1995) quoted organisation culture as the core of organisation's activities that has combination impact on its overall effectiveness and therefore the quality of its merchandise and services. (Schein, 2004) outlined organisation culture as a dynamic force at intervals the organisation that is revolving, partaking and interactive and it formed up by the staff and managements gestures, behaviours and attitudes. Earlier students (Rossman, 1990)have explained culture as mutual expertise that depends on the behavioural and social group activities.

Some studies during this stream have examined the link between productivity and organisation climate instead of organisation culture. It's helpful to review the studies linking organisation climate and productivity since the ideas of climate and culture are usually argued to be used interchangeably (Denison, 1996). (Patterson, 2004), in an exceedingly study of producing organisations, found that aspects of organisation climate like concern for worker welfare would result in satisfaction, and better levels of satisfaction would lead to multiplied productivity. (Fenton-O'Creevy, 1998)argued that higher involvement ends up in attachment with the organisation, leading to increased motivation and need for responsibility, and this may result in larger productivity. The variations between organisation climate and culture are evident within the educational literature; organisation culture is argued to represent the deeper and additional elementary aspects of organisation life, although overall they each denote a similar development (Denison, 1996). There are solely a restricted variety of empirical studies to possess explored solely the link between organisation culture and productivity, though some studies loosely touched upon the link between some aspects of organisation culture and their impact on productivity. for instance, (Dobni, 2000), in an exceedingly study of service companies, known four worth system sorts – entrepreneurial worth system, performance pressured worth system, integrated worth system and temperate worth system – and connected them to productivity in terms of role behaviours. They found that worth system sorts were associated with role behaviours (service productivity).

Indeed, (Akin, 1986), in their seminal work, illustrate what they decision a "culture of productivity". According to them, a productive culture has several components just like the "right" forms of folks, identification with the task, teamwork, trust and support, standing determined by data of job and performance, support for accomplishment and autonomous use of skills. They argue that a "culture of productivity" is characterized by legibility (clarity), coherence (integration of the elements of work) and open-endedness (adaptability to change).

(Kopelman, 1990) argued that aspects of labour setting have an impact on productivity. According to them, "goal emphasis" and "means emphasis" produce positive self-evaluation by staff attainable, whereas a reward orientation finishes up in clarity in outcome expectations, thus leading to multiplied productivity. Furthermore, the "socio-emotional" support inside the organisation setting influences the psychological feature and emotive states of the individuals and results in larger motivation and increased productivity.

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## IV. RESEARCH METHODOLOGY

The Various steps in the research methodology are as follows.

### A. *Exploratory study*

Exploratory study was carried out by having an unstructured interview of employees working in an ITES industry in Chennai. Review of existing literature on Organizational culture was also done. Secondary sources of information such as national and international research journals, consultancy reports of private research agencies, business newspapers and magazines were studied. The gaps in the existing literature further strengthened the need to carry out the study.

This study helped to make out five variables on which organizational culture impact the productivity and quality of business in ITES industry

- 1) Organisation decision / Communication / Employee's involvement
- 2) Teamwork / colleagues / peer communication
- 3) Job factors / control / demands / role clarity
- 4) Physical work conditions / Infrastructure
- 5) Compensation / Salary / Benefits / Recognition

### B. *Questionnaire development*

Based on the understanding obtained from review of literature and preliminary study, a structured form was developed to hold out the study. One set of questions associated with personal details of respondents, demographic profile of respondents, organization decision, peer communication, role clarity, and compensation. Of these questions were multiple selection questions in nature so the questions may be answered in minimum quantity of your time. To measure the responses associated with preference for productivity, quality of business, a order primarily based ordinal scale of one to five was administrated, one being powerfully disagree and five being powerfully agree. The respondents were asked to rank the form as per their preferences.

### C. *Research approach*

An analysis approach was used for the aim of this current research study to check the way to get the required info for analysis. This study consisted of two categories of employees: group action workers and non-managerial staff who responded in filling out the questionnaires given to them.

### D. *Research Design*

The analysis is style to judgment the impact of organisation culture on employee's job performance at the ITES business in Chennai. For this purpose, culture is supposed to be variable whereas productivity and quality is taken as dependent. Certain parameters were taken to identify the association between organisation culture and employee's productivity and quality among the ITES business in Chennai. Population for this study was the employee's related to all completely different ITES business inside the distinctive areas of Chennai. For economical coverage and lesser cost non-probability convenience sampling was used to select out the conducive ITES business.

A non-probability convenience sampling technique was acquainted with select a whole of 191 employees (Maximum compared to previous analysis papers) that planted our sample size. Sample size is set supported from previous analysis papers. It ought to be distinguished that restricted monetary resources at the researcher's disposal could not permit or permit a bigger sample size. Every analysis work contains a framework for grouping data. It's operate is to form certain that the specified data are collected accurately and economically. Primary technique of knowledge assortment was utilized during this study. The primary data consists of kind of things in structured form that was administered to the respondents. The selection to structure the shape relies on the requirement to reduce variability among the meanings possessed by the queries because the easiest method of guaranteeing comparison of responses. The shape was indiscriminately distributed to create certain the enough participation of every employee in study. Primary and secondary data were accustomed establish the varied factors and getting desired result. Data was gathered and analysed where Descriptive data point, Correlation and statistical method has been applied to hunt out the association between organisation culture and employee's productivity and quality.

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### E. Statistical Analysis and interpretation

Based on the survey conducted and the statistical analysis, below five are the major factors that employees are keen to have as a part of organisation culture.

The statistical mean of all the factors was calculated using statistical tool: excel. The results were analysed further to identify the main factors that are affecting the productivity.

Factors for good organisation culture	Statistical Mean
Job and role clarity communicated to employees	4.02
Team meeting, sharing and involvement for decision making	3.98
Timely recognition of efforts and expertise by employer	3.92
Inclusive and friendly work environment	3.88
People are interested in job enlargement and taking additional responsibilities	3.87

### F. Implications for HR managers

- 1) From the study it is imperative that HR practitioners at ITES organisations should focus on communicating the exact job description to the employees as they feel knowing what has to be done clearly to perform better.
- 2) Managers should make a point to conduct frequent meetings and involve people in decision making to make inclusive culture.
- 3) With advent of globalisation and technology, the skill matrix is becoming enlarged and hence people are looking for dynamic responsibilities. HR should enable frequent job rotations and enlargements and provide opportunities to handle new and challenging tasks.

## V. CONCLUSION

The study focused on analysis of various factors affecting the organisation culture. From the data collected it can be concluded that the majority of the respondents are between the age between 25 – 40 years and fall under the middle level managerial category. The respondents have the opinion that parameters like organisational Decisions/Communication (Manager)/ Employee's Involvement, Teamwork/ Colleagues/ Peer communication, Job Factors/ Control/ Demands/ Role Clarity, Physical work conditions/ Infrastructure/ Resources, Compensation/ Salary/ Benefits/ Recognition define the culture of the organisation, which has impact on the productivity.

A structured questionnaire was circulated to random employees from ITES business to understand the opinions on factors affecting organisation culture and if that has impact on business operations and quality. The organisation culture includes a reasonable impact on productivity and quality of business. This study shows that there's a positive relationship between organisation culture and productivity and quality of business. The culture had direct correlation with all indices of performance and motivation of employees. This gives insights to HR practitioners to create a holistic and inclusive culture focusing on the factors identified in this research, in-order to focus on the objectives of organisation to be fulfilled effectively.

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