CHAPTER 3
THEORETICAL FRAMEWORK

3.1 Frame work for the Thesis

The problems that arise due to various behavioral concepts prevailing in Global work environment and organizations that project themselves in the global environment. The role of influence of cultural difference, job embeddedness, conflict management, Psychological capital and job commitment etc., List of individual variables and collectives variables are also taken into consideration.

3.2 Cultural differences and how they influence the organizational culture

The phenomenon of the culture in an organization and the role that culture plays in the organization was brought to attention especially during the late eighties and nineties with the increasing fascination with this topic in the fields of sociology of organizations and psychology of management.

Organizational culture is at the same time connected to and borrows from various cultural processes undergoing in the organization’s environment. Each organization contains some aspects of the national, regional, industry’s branch, professions and experts culture – all aspects of environment in which and with which the organization functions. Every organization emerges, even if only partially, due to certain cultural processes created by various subjects existing in its vicinity. However, the most direct external factor that influences the organizational culture is located inside the organization itself – the organization’s employees.[1]

Employees are being influenced by various institutions present in the culture before they even join the given organization. The mentioned institutions, such as family, society, nation, country, religious order, educational system and many others in which they participate have been shaping their beliefs, habits and identity. Employees bring that external influences with them to the organization they decide to join and because of that it is sometimes very difficult to separate the organizational culture from wider cultural processes.

3.2.1 Organizational culture
The most commonly used definition of the organizational culture was proposed by Edgar H. Schein. He defines it as "the deeper level of basic assumptions and beliefs that are shared by members of an organization, which operate unconsciously and are defined in a basic ‘taken for granted’ fashion as an organization's view of itself and its environment". Culture mostly viewed as a "personality" of every organization, culture can also be observed as the individuals and groups behave or react towards a changing circumstance, as far as values and opinions are concerned. This can also be in the form of factors like offices furnishing or even the aesthetics of the interiors. Organizational culture is found in every aspect of organization, it is a very vital part of every employer and the employee, their beliefs and attitudes. It is an integral part of human relations, it is present in the organization as a whole and in particular in departments. Uniqueness of the Organization is found by the strength and depth of their culture.

From the later eighties research it was found that the deterministic rationality of techniques and organizations was becoming less and less adequate in describing complex and socially rooted occurrences which were the subjects of management. Organizations and their cultures are the subject of the ongoing researches, especially when it comes to the point of structure, strategy, controlling and human resources management. The strength, style of leadership, setting of goals, administrating the resources are defined purely by the culture present in the organization. It is also seen as a central driving force for a number of linked elements. The following functions fulfill the functional role of organizational culture:

· integrative,
· perceptive,
· adaptable,
· allowing identity,
· stimulating organizational change.
The integrative function of the organizational culture can also be connected to the unification of the employees’ relations toward the organization itself. Organizational culture can also be defined as a conglomerate of many external and internal factors. However, the important factor is that the national culture of the country in which the organization defines the prevailing culture practiced.

3.2.2 Cultural differences

In the literature of Hofstede, Trompenaars and Hampad-Turner it is defined that these cultural dimensions blend together into unified configurations of the culture connected to other subsystems (for example strategy or structure). Some of the cultural dimensions may be treated as the primary reasons, and as such being the basic for creation of the secondary cultural dimensions. The primary cultural dimensions are as follows:[8]

- individualism vs. collectivism,
- hierarchy vs. equality,
- uncertainty avoidance.

The French authors using the Hofstede model were able to describe the French culture as being: individualistic, risk avoiding, accepting big power distance and femininity. From these traits the typical French organizational and institutional solutions can be tracked. Country like France literally loves bureaucracy, because they believe bureaucracy is the ideal way to realize values and norms of the French national culture – it lowers the functional risks, the people actions are based on clear, objective regulations, thereby accepting power distance and places people in the hierarchy accordingly to their individual efforts and skills.

In the same way the Japanese economy and managerial style reflect the Japanese culture which is strongly rooted in Buddhist traditions. Collectivism of the Japanese culture, small power distance, masculinity, and lack of risk acceptance had a part in creating a rather specific economic system that is based on strong role of the government and on business concentration using the collective and strong relations between the employees, the management and the whole
In other terms even though the national culture influences the organization it is more true to state that organizational decisions are more influenced by the employees’ cultures. Better example of such integration is of course the integration of the countries of West Europe. Western Europeans when compared with Americans or Japanese, will have more energetic and effective culture in term of technology development and unitedness. In the countries of Western Europe some historical and cultural differences can be dated back to the common traditions and ideas of ancient Greece and Rome – Greek philosophy became the root of today’s science.

Europeans from their early ages will be taught to dispute and to solve problems through the discussion and group argumentation. This influences the decision-making process in them. New solutions are first brought to attention through the discussion, later on the interested parties negotiate appropriate issues and only then the consensus and agreement are reached; the decisions are made and later implemented, while in the USA the decisions are made solely by the managers and then enforced on the rest of the employees. Americans do not give more importance to solutions – they value facts and numbers. It can be even said that the whole decision-making process is rather formalized, and the decisions are made concerning the short time horizon.

The Japanese organizations are least focused on short-term results when compared to Americans. Due to that they are able to work out long-term strategies and they are also more flexible in a short time horizon. However, they are not as profitable, because they are aiming at increasing their market share, not at returning the invested capital. They also place the interests of the employees and stakeholders at the same level of importance as the interests of the shareholders.
In Japan managers personally discuss the new solutions with the floor level workers which is missing in country like India and also ask for their opinions. Even though the final decision is made solely by the managers, the enquiring process gives a feel as if the employees were also the part of the decision-making process, thereby their morale will be felt higher and they work more efficiently.

Japanese manager will be present among their employees on daily basis, while European managers work separately in their respective offices. American managers will not even bother about this as he or she makes their own decisions on the basis of the reports received from the employees. Also American managers are not interested in the organization because the concentration is given mostly to the overall organization culture or process orientation and not to the branch in which the company is active.

Longevity plays a vital role among Japanese employee because he chooses the company for the whole life and a young worker is aware of his carrier prospects. He will be no doubt loyal and hard-working to achieve in the appropriate time the highest position designed for him. Japanese manager’s and American manager’s decisions have a same response that both their decisions are respected. Europe it is not only the designation or hierarchy of being a manager also the charisma and leadership’s skills are required. American style of taking risk in a project is modeled in such a way that he does not hesitate to undertake a risky project, and when it fails he immediately moves to work on another, whereas European prefers to give the project to someone else than launch his own in fear of the failure that is undesirable in his surroundings. In Japan the situation is opposite – a manager who hesitates in promoting a new project is seen as incompetent.

Differences in the organizational behaviours result not only from the cultural differences but also from legislative and institutional factors. The preferential model for country like India is to adopt the policy of Japanese in term of treating co-employees since in Japan the employees are considered as the co-owners of the organization and the main aim of the organization is to secure the well-being of the people, the profits being only the means to achieve this goal. This satisfy the very prime goal of Maslow’s hierarchy of Job Security.
3.3 Personal variables which the researcher wished to relate to cross cultural organizational behaviour, in the present study

3.3.1 Gender

Information on gender with every respondent is requested in the questionnaire. By relating the gender the researcher seeks to discover if gender plays any role on any of the factor plays vital role in the research. Analysis might suggests if there is any relationship between gender and small business performance is overall behavior and attitude of employee that whether gender appears to be a significant determinant even after key factors are controlled. Considering these aspects, gender was included in the research instrument.

3.3.2 Age

The age factor, when combined with the responses, may help in mitigating common myths in the course of research and to confine the study. There are examples of numerous people in the recent days have a tendency to leave organization very early and longevity in the recent studies have shown lesser response. Age group above 50 and 60 will show more positive attitude towards growth of organization and some might not mingle more with the groups. Thus the age factor is considered as a variable.

3.3.3 Educational Qualification

It is categorized in the questionnaire under four groups as UP to HSC, UG Degree, PG Degree, Professional Degree. Since the level of education might have an impact on the understanding level of organization process, policy and job commitment. In south India even in Engineering Syllabus Engineers are taught on Professional Ethics. This will be easy for them to implement what they studied in the due course and needs no special training. In order to study the impact of educational qualification on organizational behavior this was included in the questionnaire.
3.3.4 Department

The Researcher has included the department as a variable which might impact the level of involvement in understanding the organization commitment. Normally Accounts and purchase department will like to highlight the most economic and beneficial impacts towards management and always tend to show a level of organization commitment. Whereas more ideologies are projected by top management and production level employees shows importance towards work effectiveness and sometime wish not to follow merely documentational policies. To verify this the department factor has been considered. Sales Department have not been considered as this does not form a major role in determining the level of cross cultural impact.

3.3.5 Designation

Three categories were given to locate themselves Junior, Middle and Senior, the response from each category will help to analyze the impact of job commitment, work climate and contribution to culture of organization.

3.3.6 Experience

The experience factor is considered to ensure the nature of their job and the response given, helps in mitigating the level of faith and commitment the employee has on the organization policies and culture. The range of variables given for respondents were <10 years, 10-20 years and 20-30 years.

3.3.7 Income

Organization behavior and commitment, this becomes the prime criteria of every employee, hence categorizing response in the level of salary they draw will help in analyzing the pay level, motivation and job commitment of employee. This will help in identifying stereo type responses. Hence this factor is considered in the questionnaire. The variables given are <20,000 PM, 30-40,000 PM, 40-50,000 PM.
3.4 The following are the dimensions of forming and improved culture in cross cultural organizational behavior as the most crucial parameters for research study

1. Social and work commitment.
2. Performance at work place.
3. Leadership effectiveness.
5. Training.
9. Growth of Individual
10. Motivation
11. Improved Culture.

The inclusion of the above traits, in the study may be validated as follows.

3.4.1 Social & Work Employee Commitment:

Employee commitment is important because high levels of commitment lead to several favorable organizational outcomes. It reflects the extent to which employee’s identify with and organization and is committed to its goals. Biljana Dordevic (2004) stated that the commitment of employees is an important issue because it may be used to predict employee’s performance, absenteeism and other behaviors. Rajendran Muthurveloo and Raduan Che Rose (2005) opined that the organizational commitment is the subset of employee commitment, which comprised to work commitment, career commitment and organizational commitment and also added greater the organizational commitment can aid higher productivity.
An impressive amount of research efforts have been conducted to understanding the concepts and to identify implication of organizational commitment over the performance of the employees on the workplace. Aamir Ali Chughtai & Sohail Zafar (2006) examined the influence of organizational commitment on two—turnover intentions and on job performance. Rajendran Muthuveloo and Raduan Che Rose (2005) study explores that organizational commitment, leads to positive organizational outcomes. Komal Khalid Bhatti, Samina Nawab (2011) said that job satisfaction has the highest impact on high employees’ commitment and productivity. Meyer, Paunonen, Gellatly, Goffin, and Jackson (1989) examined facts of a positive correlation between organizational commitment and job performance, Low commitment has also been associated with low levels of morale (DeCottis & Summers, 1987) non-committed employees may depict the organization in negative terms to outsiders thereby inhibiting the organization’s ability to recruit high-quality employees (Mowday, Porter, & Steers, 1982) and decreased measures of altruism and compliance (Schappe, 1998)

3.4.2 Performance @ Workplace:

The intersection between the dimensions of performance and happiness will dictate whether an organization is able to sustain its success. This article highlights the importance of both performance and happiness to the long-term success of a business, describes the key dimensions of happiness in the workplace, and offers a self-assessment tool which individuals may use in thinking about their own personal performance and happiness at work. A call is made to practitioners and applied researchers to design, develop, and test happiness-enhancing interventions to assist practitioners in their efforts to boost happiness in the workplace.

In the context of performance management, “performance” refers to actions that drive the achievement of key results. A “high performer” is an individual (or work group) that performs the actions necessary to drive key results. “Happiness” is the experience of frequent, mildly pleasant emotions, the relative absence of unpleasant feelings, and a general feeling of satisfaction with one’s life.” People who are happy in the work setting are generally having more positive experiences than negative ones in connection with the work place and their job. He Looks for an opportunity and takes appropriate actions as an when it opportune.

3.4.3 Leadership Effectiveness:
Burns (1978) captured the problem most vividly in a statement still widely quoted today: “Leadership,” he said “is one of the most observed and least understood phenomena on earth” (Burns 1978, 2). People seem to accept a default position that leadership is simply what leaders do and that leaders are simply people in positions of power over others. An alternative to this position will be offered later. “The successful exercise of personal influence by one or more people that results in accomplishing shared objectives in a way that is personally satisfying to those involved.” This definition arouses controversy when examined from perspectives based on behavior in different contexts. Although this definition most comfortably applies to the interpersonal, small-group, and network levels found within typical work environments, in almost all political arenas and in some huge organizations, leadership effectiveness will be defined differently. For organizations in which members or employees are significantly affected by decisions and actions that take place at a distance with only representative participation at best, leadership effectiveness is the successful exercise of personal influence attempts by one or more people that results in accomplishing organizational objectives congruent with a mission while earning the general approval of their constituencies (in the case of political leadership) or stakeholders (in the case of business and civil society organizations).

### 3.4.4 Salary, Perks & Incentives:

Incentives - such as performance-related bonuses - can help boost staff performance. The rewards usually relate to the achievement of certain goals, either personal, team or organizational, or a combination of all of these. Perks are benefits given in addition to salary as a means of increasing satisfaction at work. Pay is often the most important staff motivator and incentives and perks must not be seen as a substitute for a good pay scheme. Incentives and perks do not have to be expensive for business and some are even tax free.

An effective system of incentives could help:

- persuade staff to join your business
- retain existing staff
- increase staff motivation, morale and loyalty
- boost productivity
• link individual and business performance
• focus employees on achieving targets
• build teamwork

Some incentives and perks may benefit your business indirectly, eg free health assessments may reduce absences.

3.4.5 Benefits to staff

Perks and incentives can form an attractive element of an employment package by:

• enhancing the quality of working life
• rewarding staff efforts
• adding value to the employment contract

Incentives and perks must be affordable, transparent and appropriate to your business and the jobs they link to. For example, in a sales environment an employer may wish to offer extra pay or benefits when targets are achieved.

It is worth consulting with staff or unions before introducing incentives and perks. They work best alongside good pay schemes and working conditions and can be most successful when implemented with other good management practices, such as performance management, appraisals and appropriate communication and training programs.

3.4.6 Training:

Training is teaching, or developing in oneself or others, any skills and knowledge that relate to specific useful competence. Training has specific goals of improving one's capability, capacity, productivity and performance. People within many professions and occupations may refer to this sort of training as professional development. These training includes career counseling, skill assessment, and supportive services. One can generally categorize such training as on-the-job or off-the-job. The on-the-job training method takes place in a normal working situation, using the actual tools, equipment, documents or materials that trainees will use when fully trained. On-the-job training has a general reputation as most effective for vocational work. It involves Employee training at the place of work while he or she is doing the actual job.
Usually a professional trainer (or sometimes an experienced employee) serves as the course instructor using hands-on training often supported by formal classroom training.

Off-the-job training method takes place away from normal work situations — implying that the employee does not count as a directly productive worker while such training takes place. Off-the-job training method also involves employee training at a site away from the actual work environment. It often utilizes lectures, case studies, role playing and simulation, having the advantage of allowing people to get away from work and concentrate more thoroughly on the training itself. This type of training has proven more effective in inculcating concepts and ideas.

3.4.7 Ambience & Environment:

When it comes to creating a workplace environment, good design is more than a pretty space that impresses prospective clients. At office an inspiring ambience translates into motivated, more committed and more productive workers and also it can give a happier bottom line. Various research studies have shown that the physical space of business is so critical to a company’s success, especially a small organization that needs to find ways to attract and retain top talent to gain an advantage over their competitors.

3.4.8 Growth of Organization:

Organization Growth is something for which all companies, large or small, strive. Small firms want to get big, big firms want to get bigger. Organizational growth, however, means different things to different organizations. Proper analysis should be done by the organization to ensure how, when the growth is expected and what measures to be taken to enhance the growth.

3.4.9 Growth of Individual:

Opportunities for growth and development help employees expand their knowledge, skills and abilities, and apply the competencies they have gained to new situations. The opportunity to gain new skills and experiences can increase employee motivation and job satisfaction and help workers more effectively manage job stress. This can translate into positive gains for the organization by enhancing organizational effectiveness and improving work quality, as well as
by helping the organization attract and retain top-quality employees. By providing opportunities for growth and development, organizations can improve the quality of their employees’ work experience and realize the benefits of developing workers to their full potential.

Opportunities for employee growth and development include:

- Career development or counseling services
- Skills training provided in-house or through outside training centers
- Opportunities for promotion and internal career advancement
- Coaching, mentoring, and leadership development programs

3.4.10 Results of development process:

- Employee well-being
- Organizational performance
- Reduced stress
- Patient satisfaction
- Satisfaction
- Increased productivity
- Self-esteem
- Reduced turnover

3.4.11 Motivation:

Motivation is a theoretical construct used to explain behavior. It represents the reasons for people's actions, desires, and needs. Motivation can also be defined as one's direction to behavior or what causes a person to want to repeat a behavior and vice versa. A motive is what prompts the person to act in a certain way or at least develop an inclination for specific behavior. For example, when someone eats food to satisfy the need of hunger, or when a student does his/her work in school because he/she wants a good grade. Both show a similar connection between what we do and why we do it.

3.4.12 Improved Culture:
Improved Organizational culture is nothing but the behavior of humans within an organization and the meaning that people attach to those behaviors in a positive notion ensuring the wellbeing and improvement of the organization. Organizational culture represents the collective values, beliefs and principles of organizational members and is a product of such factors as history, product, market, technology, and strategy, type of employees, management style, and national culture. An improved Culture includes the organization's better vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits.