INTRODUCTION

Background

Many years ago, there was an industrial revolution. India missed it due to factors over which it had no control. Years later again there was a new revolution – a revolution in information technology. This time India didn't miss it. Thirty years into the computer and information technology revolution, late starter though India was, it has carved out its own special space in the information technology (IT) arena. Indian expertise and talent drives key sectors of the computers and communication business worldwide. Information technology was the first thing which made India realize its inherent capability and latent potential in knowledge and service sector. IT brought to the nation a newly acquired self-confidence and a new respect, recognition and admiration throughout the world. Now, the entire world sees us differently and treats us with much respect, recognition and admiration. India is riding on the IT wave with full speed and confidence.

India's IT prowess has turned India into a global IT brand and choicest destination for all IT software and services requirements of the world. India and the global Indians have become the intellectual capital of the world. India is on the threshold of becoming world's number one IT player, and IT software and services have become the core of Indian IT industry. In a span of just two decades, a number of mega Indian IT companies have emerged on the scene and become major global players on the world IT horizon. India’s sunrise IT industry also includes hundreds of other big and mid size IT companies as well as thousands of small IT firms. Majority of them are constantly moving up the value chain and day by day they are gaining strengths, becoming bigger in sizes and expanding their global operations. Fifty percent of Fortune 500 companies outsource work from India. About one-third of new IT development work for big U. S. companies is done overseas, with India taking the lion’s share.

India's Mega IT Companies and Their Leaders

Tata Consultancy Services (TCS), launched in 1968 as a division of Tata Sons, was the first Indian company to look at software as an opportunity. F. C. Kohli was hand picked by J. R. D. Tata in 1969 to lead the Tata group's foray into software
business. Under the leadership of the legendary F. C. Kohli, the company spearheaded the pioneering efforts in creating a globally recognizable brand for the Indian software industry. Kohli created, headed and personified his brainchild Tata Consultancy Services. Over the years, TCS has become the ‘Jewel in the Crown of Tata’ and Asia’s largest information technology services company and poised to become one of the five largest IT companies in the world. TCS crossed $1 billion mark in the year 2002-03. The current CEO of TCS is S. Ramadorai who is regarded as one of the top 25 consultants and 5th most influential technical figure in the world, and at the helm, Ratan Tata is positioned as the group’s chairman.

N.R. Narayana Murthy has created the most prestigious Indian IT company - Infosys, which came into being in the year 1981. Infosys was listed on NASDAQ as the first Indian company, and shares of which are quoted at 2000 times their paid up value. Infosys crossed the $1 billion mark in the year 2003-04. Infosys has been ranked 27th globally on the list of top 100 infotech companies in the world (BusinessWeek, 2004).

The other company Wipro, which entered the IT field in the year 1981 with mini-computers and diversified into IT software business in the year 1984, had recently crossed Rs. 200,000 crore figure with market capitalization to over $ 50 billion on NASDAQ. Wipro’s principal share holder and its chairman Azim Premji had become a man worth $ 37.5 billion of personal wealth just couple of years back making him one of the world’s five richest man. Wipro crossed the $1 billion mark in the year 2003-04. Wipro has been ranked 62nd globally on the list of top 100 infotech companies in the world (BusinessWeek, 2004).

Shiv Nadar of HCL group is once again in the news and poised to occupy the front seats. The group’s history goes back to 1975 when six entrepreneurs decided to create a computer systems and services business in India. HCL group has become the fifth largest IT group in India. HCL Technologies’ revenues for the year 2003-04 accounted for Rs. 2,325 crore and the group’s total revenues for the same period was Rs. 3,884 crore.

Satyam Computer Services, one of India’s premier IT services company, was established in 1987. B. Ramalinga Raju of Satyam Computer has been flexing his IT muscles worldwide for some time. Satyam Computer’s revenues for the year 2003 -
NIIT, Asia’s biggest IT Training organization and a premier IT software and solutions company, was established in 1981 by three young IITians, Rajendra S. Pawar, Vijay K. Thadani and P. Rajendran, with a vision to create a unique company with a revolutionary mission of bringing people and computers together. It proliferated the use of computers in the country, produced millions of skilled IT professionals and acted as a catalyst in the recent IT revolution, which swept the nation. The company later diversified into software services and technology development space and became a global player. The company’s latest revenues during 2003-04 accounted Rs. 364.5 crore.

Apart from above premier companies in the IT software segment, there are many other Indian IT companies in software and other segments of IT industry which have been contributing towards development of IT in India. And, there are so many Narayana Murthies, Azim Premjis, Ramalinga Rajus and Shiv Nadars in the making. More things are still to happen, greater days are still ahead. This is just the beginning of the long journey.

**Their Corporate Culture and Organisational Performance**

All these Indian IT companies, the mega ones and hundreds of others of different sizes and capabilities, are at the various ladders of their respective corporate lives. They are passing through different phases of development, have developed their distinct corporate cultures created by their founders and influenced by their assumptions, beliefs, mission, leadership and the core values as also they have achieved their different levels of organizational performance, global operations and global rankings. Some of their leaders are treated at par with the global business leaders where as some of mega Indian IT companies have attained global stature and excellence in performance.

The distinct corporate cultures and organizational performances of these Indian IT companies are found to be moving separately on two tracks. There is no trace of any research work undertaken by any researcher or the companies so far on this topic. The non availability of any company’s literature or independent research report, regarding any study on their respective corporate cultures, evaluation of their organizational performance and establishment of correlation between these two
major factors in corporate life – corporate culture and organizational performance, are testimony to the fact. There appears a void and a gap, which needs to be filled up.

**Corporate Culture**

Corporate culture defines appropriate behaviour, bonds and motivates individuals and asserts solutions where there is ambiguity. The culture of an organization also reflects assumptions about clients, employees, mission, products, activities and assumptions that have worked well in the past and got translated into norms of behaviour, expectations about what is legitimate, desirable ways of thinking and acting.

Also, corporate culture is the internal culture shared and maintained by members of an entrepreneurial organisation in pursuing the accomplishment of its goals. The culture of a given enterprise is gradually formed by its members during the processes of social interaction in dealing with their external and/or internal challenges. And, the values and beliefs of the founder of the organisation may decide goals, functions, and philosophy of management. The top leadership or the leader who holds decision-making power in the organisation may have exerted influence in the formation of corporate culture. Thus, a distinct corporate culture is formed in every business organization or a company, which also exerts impact on the organizational performance in many ways.

**Organisational Performance**

An in depth study of ‘corporate culture’ enables us to understand how the cultural heritage of a society makes influence on its economic activity as also, the specific ‘corporate culture’ of an organisation manifests ‘strong correlations’ with the ‘performance of the organisation’.

It has been found by a number of researchers in this field that ‘the more successful companies were those which had strong cultures’, and the strong culture was categorized as –“Has a widely shared philosophy of management; emphasized the importance of people to the success of the organization; encouraged rituals and ceremonies to celebrate company events; had identified successful people and sung their praise; maintained a network to communicate the culture; had informal rules of
behaviour; had strong values; set high standards of performance; and, possessed a
definitive 'corporate culture'."

Also, 'positive and strong corporate culture, leadership, professionalism,
conducive work environment and appropriate technology and work tools in an
organization result into higher corporate performance and provide it agility and
competitiveness, where as companies lacking in it or not incorporating timely
changes in their culture and work atmosphere end up showing poor performance,
and even tend toward extinction.' And, to sum up 'a positive and strong culture of the
organization is one of the strongest tools and the most important one, to achieve
excellent performance in the organisation.'

*Their Relevance and Importance*

The above findings in the context of 'corporate culture' and 'organizational
performance' by various researchers have clearly established their relevance and
importance as: "Firstly, there exists a strong correlation between corporate culture
and organizational performance. Secondly, a strong and positive culture in a
company results into higher organizational performance. Thirdly, culture also
provides agility and competitiveness to an organisation. And fourthly, companies
lacking in their cultural strengths or not incorporating timely changes in their
respective cultures and work atmosphere end up showing poor performance, and
even tend toward extinction."

Further, the importance of culture in order to achieve higher corporate
performance and organizational success cannot be overemphasized. It is just
essential. In this context, various researchers have found that companies, that focus
on their people and create a social environment or culture, in which employees can
thrive, achieve superior and long-term business success. The role culture plays in
performance seems obvious since all businesses are people businesses. The
researchers have further added that when people are vested in their work, they work
harder, show up on time, stay late when needed and take pride in the company's
products or services. They are loyal, committed, and not only their hands but also
their heads and hearts are engaged in the enterprise's mission.

*Main Reasons Behind Undertaking This Research Work*
Several IT software and services companies have emerged during the last two decades in India's sunrise industry sector – the information technology (IT), and attained global stature. Some of the leading ones are Infosys, Wipro, Tata Consultancy Services, Satyam Computer, HCL Technologies and NIIT among others. Their corporate leaders, such as, N. R. Narayana Murthy of Infosys, Azim Premji of Wipro, F. C. Kohli and S. Ramadorai of TCS, B. Ramalinga Raju of Satyam Computer, Shiv Nadar of HCL Technologies, Rajendra S. Pawar of NIIT, and many others have been recognized as business leaders of international stature. These companies have developed their respective distinct corporate cultures. They have been operating globally and performing well and also making impact on the world IT scenario.

But as of date, no authentic research work have been carried out by any researcher in India to understand their respective corporate cultures, evaluating their organizational performance, and establishing correlation between their corporate cultures and organizational performance. It should have been carried out by now to measure them and correlate the corporate cultures and organizational performance of IT companies in India. It has been a long felt need, which was overdue. And, that is the reason this topic has been undertaken for an in depth study and research about the problem to fulfill that long felt need and bridge the research gap.

*Incorporating the New Concept of T.O.P.*

The present research study has incorporated and is based on a new concept of 'Total Organisational Performance' – the T.O.P. concept, in place of the old concept of 'organisational performance'. The old concept of corporate performance has so far been reflecting mainly financial performance of the companies and found to be gravelly inadequate in reflecting companies' performance in totality. And, the new concept of 'total organisational performance' encompasses much wider perspectives of corporate performance. This new management concept not only includes corporates' financial, growth and value creation performance, which are in any case the lifeblood of business and required to sustain them, but it also includes wider and comprehensive performance parameters. In the real sense, they provide them with unique competitive edge, differentiate them from others, add personalities to the corporates and increase their image, brand values, acceptability and ultimately reward them with better economic and financial performance.
This new concept of 'total organisational performance', apart from the economic and financial performance as cited above, further includes multifaceted corporate performance, such as, corporate intangibles like image, personality, leadership and brand values; quality of management, structures, systems, processes, ethical and moral values, quality of work life and physical manifestations; products, services, quality, technology, innovation, knowledge capital creation and pool of talents; their social and environmental responsiveness; and companies' concerns in a balanced way for their customers, employees, shareholders and their definite concerns for the much neglected ones, the other stakeholders, such as, business associates, vendors, suppliers, service providers and the likes, and treating them on equal footing by upholding the concept of 'partners in progress'.

Division of Dissertations

The whole study is divided into nine chapters: Chapter-I deals with the history of Indian IT industry from its origin, growth, development and up to the present position. Chapter-II covers literature survey with a conceptual approach towards corporate culture, organizational performance, corporate culture in knowledge based industries including information technology (IT), and an overview of emerging corporate cultures. Chapter-III is dedicated to the review of literature and reports concerning corporate cultures and organizational performance of six Indian IT companies selected for the present study, such as, Infosys, Wipro, Tata Consultancy Services, Satyam Computer, HCL Technologies and NIIT. Chapter-IV describes the new concept of 'total organizational performance', throws lights on its wider coverage, its importance as also how it provides competitive edge, adds personality to a corporate, increases its brand value and acceptability and finally results into higher economic and financial performance.

Further, Chapter-V, which is devoted to research methodology, main research design and execution side, presents the research methodology and methods used in the present study, and their stage wise execution up to the final stage. This chapter starts from identification of the problem, objectives of the study, scope of the study, hypothesis, research design which includes a well thought and scientifically designed State-of-the-Art 'Research Model', its explanations, sources of secondary as well as primary data, and methodology used in the collection of primary data. It also throws light on how the primary data were collected after having
constructed and tested three sets of instruments / questionnaires, and having administered the various sets of printed questionnaires on a total numbers of 425 purposive samples in and around Delhi during instruments and scales development, pre-testing, testing, weightage and company’s classification determination and finally while collecting the primary data. This chapter also includes testing of the collected data for its reliability and dependability of results, and further incorporates limitations of the study, scope for further study, and a brief account of the difficulties faced by the researcher during the research study.

Furthermore, Chapter-VI is devoted to tabulation, analysis and interpretation of the primary data collected by the researcher during the field survey with the help of three different sets of printed questionnaires. Chapter-VII covers establishing of relationships between corporate cultures and total organizational performances of the six selected Indian IT companies, their respective rankings, classifications etc. Chapter-VIII is devoted to verifications of the 'hypothesis' and various enunciations under it. And, at the final stage, Chapter-IX presents the research findings, a quick comparison between major findings obtained through primary and secondary data sources, conclusions, and various recommendations for the Indian IT companies and other business organisations - as the final outcome of this research study.

Also, the 'abbreviations' used in the report as well as the 'list of annexures and tables' are given at the beginning of this report to facilitate convenience to the readers. Besides, two different versions of 'contents' – one in brief ('brief contents') and the other in detail ('detailed contents') are provided before start of the chapters. This arrangement facilitates locating the chapters quickly and going into details of the subject matters, headings, sub-headings etc. wherever required.

And, the 'Appendix' given at the end of this report includes an additional copy of 'research model' (presented separately for a quick reference), one set each of three different 'questionnaires', a number of 'tables', and 'bibliography' at the extreme end. The 'tables' contain various primary data in different forms, their tabulation, correlations between respective corporate cultures and organizational performances, and such other requirements as per the 'research model' and the 'hypothesis'. The systematically arranged large amount of data on these tables formed the basis of data interpretation and arriving at the various outcomes of the research study.