CHAPTER - I

INTRODUCTION

Lord Krishna himself has quoted extensively in Bhagavad-Gita, the Mantra relevant for individual purpose says, “at every stage in a man’s life he is confronted by the necessity to choose between two courses of action. One is Sreyas and other is Preyas. Having carefully examined them both from all the angles, the wiseman discriminate between the two and chooses Sreyas; the average person on the other hand opts for Preyas out of selfishness” (Billomoria R P and Singh N K, 1989. p.12).

The terms Sreyas and Preyas are highly technical and have a deep metaphysical import. Simply stated, Sreyas is that which seems painful in the beginning but the end result is pleasant. As opposed to this Preyas is pleasant in the beginning but painful in the end. The essential difference between the two is that the pleasure or benefit ensuing from Sreyas is permanent while that of Preyas is transient. In management terms, Sreyas may be regarded as a hard option while Preyas is the soft option.

A company that loses all its equipment but retains the skills and knowhow of its workforce could be back in business relatively quickly, but one that loses its workforce, while keeping its equipment, will find it much more difficult to recover.

*We stand on the brink of a new age. Familiar certainties and old ways of Doing things are disappearing. Jobs are changing and with them the skills needed for the world of tomorrow...*

*Learning is the key to prosperity – for each of us as individuals, as well as for the nation as a whole ... The fostering of an enquiring mind and the love of Learning are essential for our future Success... To achieve stable and Sustainable growth, we will need a Well-educated, well equipped and Adaptable workforce. To cope with rapid changes we, must ensure that people can Return to learning throughout their Lives. We cannot rely on a small elite: We will need the creativity, enterprise and scholarship of all our people.*
As a species human beings are social beings who live out their lives in a specific Cultural Framework. Unlike others species in the world, human beings combine socialization with deliberate changes in social behavior under a particular cultural set up over time. Culture which comprises values, norms and beliefs which will control the human beings to exhibit a specific kind of behavior which helps to maintain the harmony of the society and for their own personal reputation. As the same the corporate develop a corporate culture and expects all the employees to exhibit a specific behavior which will maintain the harmony of Organisation and development.

The term Culture signifies values, beliefs, morals, customs, habits and knowledge acquired by people living in a society. Organisation Culture is the acquisition of values, beliefs, attitudes, expectations etc by employees of the Organisation. Organisation Culture means a system of shared beliefs and values that develops within an organization and guides the behavior of its members. The purpose of culture is to help cultivate internal integration, bring staff members from all levels of the organization much closer together and enhance their performance. Organisation have personalities like individuals and like individuals, they have enduring and stable traits that help us predict their attitudes and behaviours. To understand one’s behavior in an organization culture it helps to understand the dominant culture in an organization and to figure out how individuals come to learn that culture and how the culture affects them.

1.1 ORGANISATION CULTURE

The success of an organization depends to a large extent upon the capabilities, competence, efficiency and effectiveness of its Employees. The Cultural system adopted in an Organisation is an essential tool for management in order to develop a strong capability, competence and responsibility among the employees of a concern. It is a firm belief that organizations can improve their effectiveness and productivity through the development of human beings. Thus Employees in the Organisation are at the core of existence and strength of an organization; no organization is immune to the needs of HRD to acquire and increase its capabilities for stability and renewal.

In the field of management sciences, the 1980s can be called the decade of computers and Human Resource Development. The present decade is likely to continue to be a decade of
new technologies in every field including human resources. It is now well recognized that human competency development is an essential pre-requisite for the development of any organization. Culture, therefore should be a continuous process in the organizations. However the nature of efforts and investments in developing human resources may vary from organization to organization depending on its need, the nature of capabilities the organization wants to build up, the change process, the size of the organization etc.

DETERMINANTS OF ORGANISATIONAL CULTURE

Organisational culture is a set of attitudes, opinions, beliefs, values, morals, etc, acquired by the people in a particular organization and these are also peculiar to a particular Organisation. Every Organisation has a unique culture. Some of the determinants of Organisation Culture are –

1. The extent of responsibility given to employees
2. The extent to which employees are encouraged to be creative and aggressive
3. The degree of coordination between different departments
4. Top management support
5. Rules and regulation of the Organisation
6. The way the employees identify themselves with the Organisation
7. The reward System
8. The system of Communication in vogue

Culture therefore should be a continuous process in the organization. However, the nature of efforts and investments in developing human resources may vary from organization to organization depending on its need, nature of capabilities the organization wants to build up, the change process, size of the organization etc. The Organisation culture is built if the following variables are attributed to practice in the organization –
ORGANIZATIONAL CULTURE AND ORGANISATIONAL GOALS

Culture is helpful in the fulfillment of committed goals of an individual, organization and society. It increases the capabilities and efficiency of an individual which is likely to reflect itself in the long run in the well-being of the individual good reputation of the institution and ultimately the well-being of society.

1.2 ORGANISATIONAL DEVELOPMENT

The fundamental objective of any Business Organisation is its existence in the market. Once the Organisation has established its brand name in the Market, it will strive for achieving the next level objective of profit making. Achieving the Objectives of the Organisation and Profit making are not at all adequate in the global competitive scenario. The organisation has to concentrate on constant growth and development of the Organisation. As technology changes the market needs also transform which will persuade the organisation to change its business model to align with the changed market situation. Employees of the Organisation as a part of
changing scenario will demand their Organisation set up need to be modify to suit their enhanced personal Objectives. Hence the Organization has to bring changes to the existing Organisation culture to safeguard the interest and growth of employees which in turn will lead to the development of the Organisation.

Organisational Development is a contemporary approach to the management of change. It seeks to change the values, beliefs, attitudes, Strategies, structures and practices to enable the Organisation to better adapt to changes in the environment. The world is witnessing changes in every sphere of activity – Politics, games, technology, business, economics, religion and so on. The lifestyle of people has also changed significantly over the years. In a work place too several changes take place: certain changes may be favourable to employees and therefore may get their support and certain others may be unfavourable which employees may oppose. Organisational Development is the systematic application of the knowledge gained from behavioural science to bring about planned change. The basic objective of Organisation Development is to prepare the Organisation to meet the challenges of changes. Organization Development aims at changing the entire organization so that it can face any kind of future challenges.

1.3 WORK CULTURE

An organization is formed to achieve certain goals and objectives by bringing individuals together on a common platform and motivating them to deliver their level best. It is essential for the employees to enjoy themselves at the workplace for them to develop a sense of loyalty towards it. Work culture plays an important role in extracting the best out of employees and making them stick to the organization for a longer duration. The organization must offer a positive ambience to the employees for them to concentrate on their work rather than interfering in each other’s work. Work culture is a concept which deals in the -

- Beliefs, thought processes, attitudes of the employees.
- Ideologies and principles of the organization.

It is work culture which decides the way employees interact with each other and how an organization functions. Work culture refers to the mentality of the employees which
further decides the ambience of the organization. An organization is said to have a strong work culture when the employees follow the organization’s rules and regulations and adhere to the existing guidelines. There are certain organizations where employees are reluctant to follow the instructions and are made to work only by strict procedures. Such organizations have a weak work culture. A healthy Work culture is required for utilizing and enhancing employee competencies and to develop employee motivation. Organisations also aim at culture development. A healthy culture is where:

1. The free expression of ideas, opinions and suggestions (openness) is encouraged.
2. There is a promotion of collaboration among various individuals, teams and departments.
3. People say what they mean, so what they say can be trusted.
4. Initiate pro-active work and creativity.
5. Problems are diagnosed, confronted and solved collectively or individually.
6. Every senior hand sees the development of their subordinates as his or her responsibility.
7. Senior hands support their subordinates and junior hands respect their seniors.
8. Problems, mistakes and difficult situations are handled with a learning orientation.
9. Participation is encouraged.
10. Every incident is treated as a learning opportunity.
11. People have a sense of satisfaction in their work.
12. People feel that they are cared for and have a sense of belonging.

Organisation aims at developing such a culture through periodic diagnosis and appropriate intervention to reach the organizational objectives.
1.4 BPO INDUSTRY

The term ‘outsourcing’ was coined by the webster’s 10th dictionary in the year 1982, however the term became significant in the late 80’s when the world began to open its doors to globalization. BPO is an offshoot of the outsourcing and globalization and they both go hand in hand, whereby when a company present in a particular nation starts sourcing work from a provider from another nation, a slice of the company’s and the country’s work culture is transferred to foreign shores.

The Provider in the other country works in a fashion that is pleasing to the job provider, or in this case the client, to stay in business. Both the business provider and the outsourced company gain competitive advantages added to that, the company to which the work is outsourced to also changes its work style to suit the needs of the client. A few changes that are brought in are related to work timings, infrastructure upgradation, dress codes, streamlined processes etc.

BPO IN INDIA

India has the tag of being the ‘back office’ to all major companies in the world, this is because India has been seen as the go-to destination for a majority of the fortune 500 companies for outsourcing ranging from software services, healthcare, finance, automobile, customer support and so on.

The Boom began around 1995 when Hyderabad and Bangalore began to dominate the world software industry market. A few years down the line, hundreds of companies from the US silicon valley started to outsource their software services to Indian shores.

India was looked upon as a country where talent was abundant, infrastructure was cheap, labour was highly available at lesser cost, but the greatest advantage was that in a country of 1 billion, 70% of the populations were below the age of 30 and nearly half of them had the knowledge of spoken and written English. The number of English speakers in India is more than the total population of the United Kingdom.
Services offered by the Indian BPO Industry

The various services offered by the Indian BPO Industry are more specifically customer support services, technical support, telemarketing, insurance processing, data entry, healthcare services, accounting services and the like. There are other domestic services in the BPO range catering to the local vernacular call centers setup by the telecom companies, banks, insurance companies, customer service support, travel agencies and so on.

Potential Growth of BPO’S in Chennai

Chennai has seen a steady climb of the IT/ITES Sector and has recently surpassed Bangalore & Hyderabad in terms of work force numbers in the BPO industry. According to Ernst and Young survey 2012, Chennai is behind only Mumbai and Gurgaon in the payscale offered to BPO employees and even leads Bangalore and Hyderabad which were seen as top cities for prospective BPO employees. Chennai has an excellent IT Infrastructure whereby large IT parks have been built especially for the growth of the Industry, roads have been modernized to impress foreign clients. It is more cheaper to setup a BPO in Chennai than in any other city in the country in proportion to the available talent pool. Fortune 500 companies like Verizon, Microsoft, Amazon, Symantes, HP, Dell, Shell, RBS etc have chosen Chennai to be their back office.

Problems and Challenges faced by BPO’S in Chennai

Chennai has been seen as a very conservative city where people are mostly reserved and cut off from western influences, but the BPO work culture requires people to work at night, hang out with guys or girls for team outings, and other sort of habits that are frowned upon by elders of the city. Most of the households in Chennai do not want to send their children to work for a BPO, because that is not considered a decent job. Girls especially are not allowed to roam outside their houses after evening by their parents and this mindset will stop a majority of the parents to not allow their children to work at night for a foreign client or a BPO career.
1.5 STATEMENT OF THE PROBLEM

ITES is of recent development of this new millennium. The growth and Development of ITES have been strongly influenced by several vital factors. The Development of this industry has contributed a lot towards the economic development of our country. The factors of Organisation culture in BPO Industry such as Management Policies, Goal Achieving, Values, Beliefs and norms, Role of Employees are creating a stress among the Employees and the Work Pressure and Cultural fatigue leads to dissatisfaction among the Employees and Job turnover. Most of the Employees in the BPO Industry feel that their services and tenure at their companies are not long lasting and their growth is temporary. Hence the emphasis on continuous growth and development of the Employees is required which in turn will lead to continuous growth and development of the Organisation.

1.6 NEED FOR THE STUDY

Work culture has gained increasing attention in the last decade in every organization to achieve the efficiency, productivity, and development. Every organization felt that it can become dynamic and grow only through the efforts and competencies of their human resources. Work culture can be studied in 3 different contexts - Individual context, Organisational context and National context.

Work culture plays the vital and profound role in the national development. It brings out collective efforts and dynamic potential from the source of human and converts these constructive tides into tool for development(Welbourne, Theresa and Alice Andrews. (1996): p.839-919.)

In general, this study will have a positive value because of its necessity for national development and thereby build a good economy for a country. The study would also be helpful for the BPO companies to identify the way of building more optimistic Organization culture for the Organisation Development.
1.7 OBJECTIVES OF THE STUDY

The main purpose of this study is to identify and examine the impact of work culture in organization development with special emphasis on the BPO industry. The specific objectives of the study are:

1. To identify the factors influencing the work culture of BPO Companies
2. To study Employees’ Perception towards Organisational Culture and Organisational Development in BPO Companies
3. To analyse the perceptual difference among BPO Employees regarding factors influencing work Culture
4. To measure the influence of demographic variables on the factors of organization Culture
5. To investigate the influence of the external environment on the work Culture of Employees in BPO Companies
6. To examine the impact of Organisational Culture on Organisational Development

1.8 HYPOTHESIS

The hypotheses of the present study are as follows:

1. There is no significant influence of demographic variable of executives on the factors of Work culture.
2. Work culture does not predict the efficiency of employees.
3. There is no significant influence of Work culture on the work efficiency.
4. External factors do not influence the Work culture of executives.
5. There is no significant impact of Organisational Culture on Organisational Development.
1.9 SCOPE OF THE STUDY

Work culture plays a vital role in designing and monitoring efforts in the organization. It brings out the best in employees’ potentialities. Culture refers to empowering the people and enabling them to use their power for development of the organization. Each and every organization in our country is more enthusiastic in the application of Work culture. The Government of India has separate ministry called Human Resource Development ministry which is an amalgam of all the ministries.

So work culture is a tool for national development and requires more concentration for it to flourish. Culture has several branches each one of them consists of so many dimensions. Therefore studying Work culture has got good scope for national development and to build fundamental building blocks for constructive resources.

1.10 LIMITATION OF THE STUDY

1. The study is restricted to the predominant factors Organisation culture and Organisation Development.

2. The study is restricted to the unique BPO industry in Chennai city

3. The sample size of the study is limited to 500 sample


1.11 RESEARCH METHODOLOGY

The study is conducted using both analytical and descriptive type of methodology. The study primarily depends on primary and secondary data.
Study Area

The Survey is conducted in BPO Companies located in Chennai city. Chennai hosts a number of BPO companies making the study realistic and meaningful. The city consists of Business process giants, medium and small units dealing with Public sector, private sector and Various MNC. As ITES companies have entered the economic arena, their high level of pay has raised the economic standing of young and educated professionals. Chennai, being the metropolitan city, truly represents employees belonging to various strata of the society. The perception of Chennai has changed and remains the destination of choice for investments. Both Nasscom and Gartner Inc., a world renowned IT Consulting Company, have predicted that Chennai would be one of the top favoured destinations for ITES outsourcing by 2012 in India. The attractive parameters include skills availability, infrastructure, skills retention, cost of living, political support, access, and overall quality of life (The Gartner Report).

Pilot Study

A pilot study was conducted to validate the questionnaire and to confirm the feasibility of the study. The filled up Questionnaires were collected from 60 respondents and Cronbach’s Alpha Criterion was applied to test the reliability. The value determined is 0.914 proving the reliability of the instrument. The quality of the questionnaire was ascertained and the test showed high reliability. The variables considered for the analysis satisfied the normal probability distribution. Based on the pilot study, the questionnaire was modified suitably to elicit response from the sample group.

Sampling Size and Design

The primary data were collected through the survey method. The survey was conducted using the well formulated Questionnaire. Multi Stage Random Sampling was applied for generating data. Samples for the purpose of the study were selected systematically. A Total of 594 Questionnaires were distributed and 502 were collected, out of which 500 completed questionnaires were found usable.
The following table describes the sampling distribution over the population.

**Table 1.11.1**

**Sampling Distribution Population**

<table>
<thead>
<tr>
<th>Size of BPO Companies</th>
<th>No. of companies</th>
<th>Sample</th>
<th>Circulated</th>
<th>Returned</th>
<th>Rejected</th>
<th>Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>100</td>
<td>10</td>
<td>100</td>
<td>70</td>
<td>0</td>
<td>70</td>
</tr>
<tr>
<td>Medium</td>
<td>190</td>
<td>20</td>
<td>220</td>
<td>180</td>
<td>0</td>
<td>180</td>
</tr>
<tr>
<td>Small</td>
<td>209</td>
<td>22</td>
<td>274</td>
<td>252</td>
<td>2</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>499</strong></td>
<td><strong>52</strong></td>
<td><strong>594</strong></td>
<td><strong>502</strong></td>
<td><strong>2</strong></td>
<td><strong>500</strong></td>
</tr>
</tbody>
</table>

**Sample Selection**

The multi stage random sampling method was applied to collect the primary data. This sampling method is justified as follows: The whole ITES industry is downsized into BPO industry in the first stage of sampling. The second stage is preceded with technical employees working in the BPO industry. After these two stages, the random sampling method was applied to obtain the responses from the employees. Hence, the multi stage sampling method is justified to collect the samples from the BPO companies.

**Questionnaire Design**

The primary data were collected through questionnaire survey. The respondents were asked to give their opinion relating to all crucial elements: management policies, potential appraisal, goal analysis, role analysis, Training and Development and Career growth. The first part of the Questionnaire comprises Demographic factors with optional questions. The second part includes statements relating to culture and climate elements, organizational development, goal achieving, on Likert’s 5 point scale. The Third part consists of statements about the impact of Work culture in the organization in the form of impact on individuals and impact on organization. Some optional questions are included along with rating questions.
Scaling Technique in the Questionnaire

The questionnaire used comprises both optional type and Statements arranged on Likert’s 5 point scale. The responses of these sections are obtained from the employees of BPO companies in the 5 point scale, which ranges as follows:

5 – Strongly agree 4 – Agree 3 – Neutral 2 – Disagree 1 – Strongly Disagree

Secondary Data

The Secondary data were collected from Journals, Magazines, Publications, Reports, Books, Dailies, Periodicals, Articles, Research Papers, Websites, Company Publications, Manuals and Booklets.

Data Analysis

The sources of data are primary as well as secondary. The data collected from BPO executives’ survey constitute primary source and information gathered through books, journals, magazines, reports and dailies consist of secondary source. The data collected from both the sources were scrutinized, edited and tabulated. The data were analyzed using the Statistical Package for Social Science (SPSS) and other computer packages. The following statistical tools are used in the study - Measures of Central tendency and Measures of Dispersion, Parametric paired and One sample t-test, One-way Analysis of Variance, Factor analysis, Cluster analysis, Correlation analysis, Non-parametric chi-square analysis, and Multiple Regression analysis.
1.12 CHAPTER ARRANGEMENT

The study is presented in five chapters. The brief contents of these chapters are as follows:

**Chapter 1** - Presents introduction, introduces subject matters of Work culture, explains different dimensions of Organisation Work culture and Climate, Business Process Outsourcing – Overview, Scope, limitation and need of the study, Objectives of the study and Research Methodology.

**Chapter 2** - Highlights a review of literature dealing with the theoretical foundation of elements of Organisation culture and gives an account of the relevant earlier studies relating to organization Work Culture and its impact on organizational culture development.

**Chapter 3** - Factors of organization culture in BPO Industry – Highlights the analysis of the primary data using higher order statistical tools. Factor analysis and T.Test analysis is used.

**Chapter 4** - Employees’ Perception on organizational Work culture in BPO Industry Presents the application of cluster analysis followed by discriminant analysis. To measure the influence of Demographic variables on the factors of Organisation Culture Simple Percentage analysis and Analysis of Variance is used.

**Chapter 5** - Impact of organization culture on Organisation Development – An empirical evidence - presents an empirical relationship between organizational culture and its impact on Organisational Development. A correlation and Regression analysis is used.

**Chapter 6** - Summary of findings, suggestions and conclusions - summarizes the findings along with the suggestions to the management as well as to the employees for framing the strategies of optimistic Work culture.