CHAPTER 1

INTRODUCTION

1.1 Organizational Behavior

Organizational behavior is the study of both group and individual performance and activity within an organization. Internal and external perspectives are two theories of how organizational behavior can be viewed by companies. It is the field of study that investigates the impact that individuals, groups and structure have on behavior within organization. It is the study and application of knowledge about how people act within organizations. It is a human tool for human benefit. It applies broadly to the behavior of people in all types of organizations, such as business, government, schools and services organizations. It covers three determinants of behavior in organizations: individuals, groups, and structure. OB is an applied field. It applies the knowledge gained about individuals, and the effect of structure on behavior, in order to make organizations work more effectively. OB covers the core topics of motivation, leadership behavior and power, interpersonal communication, group structure and process, learning, attitude development and perception, change process, conflict, job-design and work stress.

1.2 Reason for Organizational Behavior

To analyze the factors like why people behave a certain way in an organizational environment? What factors affect job performance, employee interaction, job commitment, leadership and managerial styles? Various research studies have studied this topic for decades in order to find ways of increasing organizational performance. Organizational behavior is the study of both group and individual performance and activity within an organization.

This area of study examines human behavior in a work environment and determines its impact on job structure, performance, communication, motivation, leadership, etc. keeping both Internal and external perspectives in mind.

1.3 Organization
Organization is nothing but a purposeful system with several subsystems where individuals and activities are organized to achieve certain predetermined goals through division of labor and coordination of activities. Division of labor refers to how the work is divided among the employees and coordination refers to how all the various activities performed by the individuals are integrated or brought together to accomplish the goals of the organization. The term organizing is used to denote one aspect of the managerial activities when he or she is preparing and scheduling the different tasks that need to be completed for the job to be done.

1.4 Management

The term management refers to the functional process which accomplishes the goals of the organization through the help of employees. A manager is a person who monitors and takes responsibility for achieving the goals assigned to him or her as part of the overall goals of the organization and who is expected to get the job done. Several level of management prevails in organization based on the hierarchy such as top management, middle management and lower management. The ultimate motto is to achieve the expected goal of the organization.

1.5 Challenges and Opportunities for Organizational Behavior in Work Environment

In the prevailing scenario of globalization many industries have come in imposing their work culture and practices thereby resulting in numerous open challenges to the management and managers. Understanding the real challenges and opportunities for organization one could realize the importance of upgrading various types of technical and managerial skills to remain competitive in business environment. Factors as human resource challenges like workforce diversity, internal communication, motivation. Enable to implement the ways of improving ethical behavior within the organization at all the levels.

The researcher had listed our some important challenges as below:

i) Improving People Skills, Quality and Productivity

ii) Managing Workforce Diversity

iii) Getting prepared for Globalization
iv) Coping with Temporariness  
v) Accepting and adopting to Innovation and Change  
vi) Improving Ethical Behavior  

1.6 Organizational Culture Vs. National Constrains

Culture provides a guide or the directions for how we think and behave. Cateora et. al. defines the five elements of culture as values, rituals, symbols, beliefs, and thought processes. Cultural values that can influence business have been found in the work of Geert Hofstede. Hofstede identified four cultural dimensions that can have a profound impact on the business environment: individualism/collectivism, power distance, uncertainty avoidance, and masculinity/femininity.

The individualism/collectivism dimension of culture refers to how self-oriented members of a culture are in their behavior. Individualist cultures place a high value on individual achievement and self-interest. The United States is an example of an individualistic culture. Collectivist cultures value working toward collective goals and group harmony. Mexico and several countries in Asia adhere to more collectivistic principles.

The power distance dimension refers to the “power inequality” between superiors and subordinates. The United States has some elements of both a higher and a lower power distance culture. Over the years, the U.S. business environment has adopted forms of management, such as participative management, that place supervisors and subordinates on more equal terms. Arab countries score higher on the power distance dimension. Cultures with high power distance tend to be more hierarchal.

Uncertainty avoidance refers to how members of a society respond to uncertainty or ambiguity. Cultures that score high on the uncertainty avoidance dimension, such as Great Britain, tend to avoid risk-taking. Organizations within these cultures may have more rules in place to ensure that employees do not deviate from accepted standards. Cultures with less uncertainty avoidance, such as Canada, believe that risk-taking and innovation are important in achieving successful outcomes.
Another area of interest is how the culture of a country influences the culture of a business. Organizations that become global have to adjust under different environments. Many of these companies focus on the diversity of employees in dealing with customers in different countries. While Hofstede describes the cultural values of people in different countries, organizational cultures are different. The culture of employees working in global businesses may be different from the national culture of one country. This is because businesses develop their own values and culture. However, do these values always reflect the national culture?

Organizational values are specific to a mission statement that guides conduct and relationships with stakeholders. Organizational values may not be the same as individual values in that they are identified and supported by top management. Values are selected by leadership to make sure everyone understands what the organization stands for, including ethical behavior and social responsibility.

Organizational values should be highly visible and demonstrated effectively by managers. An organization’s culture is based on values, norms, and behavior. Unlike values, norms are behavioral expectations and have a high degree of specificity and clarity and require desirable behaviors in the form of policies and procedures.

Accelerating change in communication, especially social media and social sharing, could be changing the nature of culture and its impact on both individuals and organizations. On the other hand, national culture may be important in marketing for organizations and understanding consumer behavior.

1.7 **Scope of Study:**

The task of defining culture is one that many have embarked upon; Hall, Hofstede and Cohen are recognized as seminar authorities on the subject. Cohen (1997) said, “a neat, one-sentence definition can mislead” (p.11). Following this he gives a very thorough definition of what he has found culture to be. Three key aspects of culture have gained general approval; that is a quality
not of individuals, but of society of which individuals are a part; that it is acquired – through acculturation or socialization by individuals from their respective societies and that each culture is a unique complex of attributes subsuming every area of social life. (Cohen, 1997, p.11).

The first of the three key aspects states that culture is not the same as personality. Culture is attributed not to the individuals but rather to the society as a whole. Secondly culture is obtained and learned by one’s surroundings. Third culture is not limited to ideas or rituals held by the society. Culture is all of the tangibles and intangibles that when combined, form a culture that is only found in that place.

Culture is therefore something shared by all or almost all members of some social group, something older members of a group try to pass on to younger members, and something that shapes behavior, or structure one’s perception of the world (Alder, 2002, p.16).

![Influence of Culture on Behavior and Behavior on Culture (Alder, 2002)](image)

**FIG.1 INFLUENCE OF CULTURE ON BEHAVIOUR AND BEHAVIOR ON CULTURE (ALDER, 2002)**

Hofstede (1997) postulated that every person carries within himself or herself patterns of thinking, feeling and potential acting, which were learned throughout their lifetime. The meaning of this is unlike human nature and personality; culture is learned. Also human nature is universal and inherited, this includes some of the basic instincts such as fight or flight.

1.8 **Hypothesis:**

The researcher have used Null Hypothesis in the project and findings are as below:
NH1: There is no significant difference between Demographic variable with respect to factors of Cross Cultural Behaviour among managerial cadre.

NH2: There is a significant and positive relationship between Employee Social and Work commitment, Motivation, Remuneration, Individual Growth and Organizational Growth.

NH3: There is an impact on Improved culture with respect to Motivation, Effectiveness of work at workplace, Salary, Holidays, Leadership, Individual Growth and Organization Growth.

Developing SEM for improved culture based on Factors influencing culture.

1.9 Pilot Study & Reliability Test:

Based on the literature review and observation from the industry researcher framed a Questionnaire upon the Structural Equational Model, Totally 30 samples were taken for survey. Through Personal Meetings and E-mails the response were collected from respondents. The researcher have used Cronbach’s Alpha model to conduct reliability test with available inputs from respondents. The values observed after computation were found >0.700 and to be under satisfactory limits.

1.10 Research Framework:

- STRUCTURAL EQUATIONAL MODEL
- SAMPLING
- PILOT STUDY
- APPLYING STATISTICAL TOOLS

INTERFERENTIAL ANALYSIS:

- “T” Test (SPSS V18)
- ANOVA followed by Duncan Multiple Range Test (DMRT) (SPSS V18)
- Chi Square Test (SPSS V18)
- Friedman test (SPSS V18)
- Correlation (SPSS V18)
- Multiple Regression (SPSS V18)

Descriptive Analysis

The researcher used descriptive analysis using the following techniques:

- Frequency & Percentage
- Mean and Standard Deviation
- SURVEY
- FINDINGS AND SUGESSION

1.11 Sources:

The researcher used In person meetings, email conversations and letter mode to interact with the Respondents as Primary source and review of more than 25 research articles in the field of cross-cultural management and more number of books pertaining to the subject. The respondents were from:

- European Company operating in India
- Indian Company based and owned by Indian Management
- American company operating in India
- Japanese company operating in India

About 400 samples from all the four companies have been taken for survey. The respondents were in the cadre of Middle Management ranging from Senior Executives to General Managers. With experience ranging from 3 years to 25 years in the industry.

1.12 Sampling Design:

The researcher used CONVENIENT SAMPLING METHOD. Respondents are asked to indicate on a 4 point Likert scale in the questionnaire carrying relevant questions to the study.
The rating of 4 point likert scale were rated as 1 – 4 ranging from Very Good, Good, Poor and Very Poor.

1.13 The Evolutions of Sampling Stages

Table 1: Stages of Evolution of Sampling

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<th>Stages</th>
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| 1     | Stage I  | • Identifying Automobile Component manufacturers from ACMA Automobile component manufacturer association.  
         |          | • Random companies in different location in Chennai were approached for identifying respondents  
         |          | • Briefed about the subject of project                                           |
| 2     | Stage II | • Selected industries more than 10 years of experience in industry.              
         |          | • Ensure the selection includes one company which had a change in cultural aspect.  
         |          | • 5 industries selected from the list  
         |          | • WABCO, EMERALD, NATESAN, SRI BALAJI, INDOSWE                                  |
| 3     | Stage III| • The researcher has taken the following Specialization for the study.         
         |          | • Production, Testing, R&D, Accounts, Administration, HR, Logistics, Stores etc.,  
<pre><code>     |          | • Marketing and Sales team were not considered as they do not contribute more to the relevance of the study |
</code></pre>
<p>| 4     | Stage IV | • The researcher has taken 428 respondents from all the 5 companies put together of both genders from the 22 till 64 to |</p>
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<th>S.No.</th>
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<td>find out cross cultural impact in the industry.</td>
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<td>• The respondents were interviewed personally along with the questionnaire, collected through post, email modes.</td>
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| 5     | Stage V | • Out of 428 sample respondents 400 (98%) responded to the questionnaire with all inputs filled.  
• The inferences were obtained from the response and results plotted which helped in recommending findings and suggestion. |

1.14  Period of Research:

The researcher utilized the time period of this research and effectively categorized as 10 months for observation and review of literature, 2 month for pilot study, 3 months for corrective measures, 6 months for survey, 4 months testing the model and conclusion.
1.15 **Objective of the Study**

- To analyze the impact of cross cultural work practices adopted in corporates (Automobile Industry) in Chennai City.
- To study on improved work culture and to increase the productivity of the Organization thereby benefiting both Organizational and employee.
- To understand different models purporting to explain cultural differences in diverse societies.
- To examine the relative impact of societal culture as a cognizant factor affecting organizational arrangements.
- Indicate how topic of culture can be related to contemporary and emerging views on leadership.
- To evaluate the impact of intercultural competences on successful cross-cultural management.
- Evaluate the currency of framework purporting to explain cultural difference in a twenty-first-century business context.

1.16 **Methodology**

1.16.1 **Sampling Frame**

The researcher used In person meetings, email conversations and letter mode to interact with the Respondents as Primary source and review of more than 25 research articles in the field of cross-cultural management and more number of books pertaining to the subject. The respondents were from

- European Company operating in India
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The researcher used **CONVENIENT SAMPLING METHOD**. Respondents are asked to indicate on a **4 point Likert** scale in the questionnaire carrying relevant questions to the study. The rating of 4 point likert scale were rated as 1 – 4 ranging from Very Good, Good, Poor and Very Poor.

### 1.16.2 Techniques of Data Collection

A structured questionnaire was utilized, which incorporated 4 point Likert scale with 132 questions, having looped question format to identify and confirm no random answering is done. The questionnaire was administered by a personal interview, email and postal mode responses method.

### 1.16.3 Establishment of Reliability Tool

A tool is reliable when it repeatedly produces the same result, when repeatedly applied to the same sample. Richardson, Dhorewend and Klein (1965) suggested a few criteria, which make the questionnaire effective and thus makes it reliable. One criterion is the presence of a satisfactory level of participation by the respondents on the questionnaire. According to Khan and Cannel (1961), respondents communicate over the questionnaire if they believe that it results in action that is desirable to them. A second criterion for effective questionnaire is the validity of the obtained response. The third criterion for effective questionnaire is to see whether the questions are task specific and sufficiently clear. Finally the questionnaire needs to cover full range of subject matter. While developing questionnaire all the above criteria were taken in to account. The reliability and validity of the questionnaire was established by applying the Cronbach’s alpha method. The value for the reliability is 0.7829* and validity score is 0.8168*(* indicates both are significant at 0.01 level).

### 1.17 Source of Primary Data and Secondary Data
Primary Data was collected from automobile industry respondents using structured questionnaire as already explained. Data were also collected from secondary sources such as Libraries of AMET University, Pennington Library, Higginbotham’s, Internet resources, Research Journals etc.,

1.18 Limitation of the Study

Managing across culture. Its impact on people and business. The study limits to four different cultural influences of organizations. This research include factors influencing employees and organization between different cultures and quality of work depending on cross culture and findings of some advantages and disadvantages in cross culture communication and few bias in impact of culture. Culture is nothing but the values and beliefs. It’s an action of information assigned by group of people. In somehow culture matters a lot for many people in different cultures and community. Culture is ethology must be handled carefully. Modern era it is much often used word. It’s like group of people in same community and also people from different community performing activity. Every People in this world have their own values and beliefs which resembles their cultural activities. Main problems is that the use of the word – as a cross culture– is very wider sense. There is wider difference between notions to nation’s culture, their nation’s activities in such a way that individual from different nations hard to understand and also its takes lots of time adopt and also there is a chance to that person may not adjust to culture of different country which causes “CULTURAL SHOCK”. It is easy to talk about culture, but real problem comes when it’s faced. To find out problems of a particular group of different culture one person must know the do’s and don’ts particular culture. Every cultural groups act differently, thinks differently. There is no standard rule that different culture group have identical features there may have some features but all the way.

1.19 Automobile Component Manufacturer in Chennai

The research study pertains to Chennai, Ambattur, Gummidipondi, Sriperumbudur, and Kanchipuram districts. There are more than 200 companies situated in these localities, (up to 2015).
1.20 **Automobile Industries and component Manufacturer of Automobile Industries in Chennai which are more than ten years of establishment**

The research study pertains to various component manufacturer of automobile industry who are in the field more than 10 years of establishment. About 5 industries are surveyed and an average of 70-80 employees from each companies are taken as respondents and their inputs have been furnished in data interpretation.

1.21 **Plan of the Study**

**Chapter 1:** It comprise the introduction where the problem and its setting, the objectives, definition, meaning of important terms normally employed in Organizational Behavior, Cross cultural behavioral analysis, the research hypothesis, methodology, data collection technique, source of data and the plan of the study introduced.

**Chapter 2:** It consists of Review of Literature.

**Chapter 3:** It consist the Theoretical frame work which examines the cultural indices of employees of various department in Automobile industry in Chennai. It also examines the important personal variables and Dimensions of employees of various group from various cultural background.

**Chapter 4:** Contains the detailed analysis of the Cross cultural behavior and also the detailed analysis of the assessment of various aspects of Organizational behavior and demographical factors. Various statistical tools were applied in the analysis stage.

**Chapter 5:** It contains a discussion of the analysis and overall impact. The Findings, Recommendation and conclusion of the research are put forward. It also provides scope for further studies.

**Chapter 6:** Annexures on list of automobile component manufacturers from Automobile component manufacturers association (ACMA) and Annexures on Research statistical models.
Chapter 7: References from Books, research publications and International Journals and CV of the research Scholar.