

Original Paper

Comparative Analysis of Organizational Culture in IT Sector

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Abstract

The study aims to do a comparative analysis of organizational culture between the three different organizations in IT sector. It is an exploratory research. A structured questionnaire was used to collect the primary data. The sample size was 165. It consisted of employees from three leading IT organizations in India. Aligning culture and leadership goals are keys to organisational success. All the four dimensions of organisational culture are heavily influenced by leadership based interventions in an organisation. A true leader is a catalyst in driving: Adaptability—by creating change, emphasising customer focus and promoting organisation learning, Mission—by defining strategic direction, defining objectives and goals and creating a shared vision, Consistency—by managing coordination & integration, defining core values and working to reach agreement, and Involvement—by empowering people, building team orientation and developing organisation capability.

Keywords

IT sector, integration, organizational capability, leadership, focus

1. Introduction

An organization's culture consists the right ways to behave in different situations within the organization. The organization culture is composed of values and shared beliefs which are well established and communicated by its leaders through strategies and behaviors.

A solid culture might be a typical divisor among the flourishing firms. All have arrangement related to the most elevated concerning social needs and workers' qualities. Pioneers in flourishing firms live their societies every day. They're clear concerning their values. On the other hand, an ineffectual culture will cut down the association and its administration.

Organizational culture can be created with the assistance of administration practices, correspondence plans, inside disseminated messages and celebrations in the company. Anning-Dorson (2021) the turbulent market conditions can be tackled with the help of a structured organizational culture and effective leadership styles, thereby yielding better results.

1.1 Traits of a Good Organizational Culture

Every organization has a visibly different culture. A few of the important traits of a good organizational culture are listed below:

a) Alignment: Alignment can be attained when there would be a fit between the organizational goals and its employees' career objectives. Hung et al. (2010) showed that the developing organizational culture visibly impacted the performance. The study concluded that the well aligned system influenced its performance directly and indirectly through dynamic capabilities.

b) **Appreciation:** It is something which brings positivity in the working environment. It is of various types: a note of thanks, publically congratulating or a promotion. In a culture based on appreciation every team player is given recognition for his/her contributions by others. Rice (2004) stated that the social equity can be attained if all the public managers, public directors and public service delivery personnel have an appreciating and transparent understanding about the diversity within the organization.

c) **Trust:** We cannot ignore the fact that trust is an important quality for every organizational culture. When there would be trust in an organization, the employees would be more confident while working in such a culture. Jabeen & Isakovic (2018) the study showed that the organizations of “adhocracy” and “clan” type structures had a greater satisfied workforce as they had greater trust in their managers. Kumari (2011) measured the extent of worker satisfaction at Tata Steel. Coaching contributed to workers’ satisfaction over different factors. The other dimensions that contributed the workers’ satisfaction were superior-subordinate relationship, role, culture, career development, goals and motivation.

d) **Performance:** Performance is vital to a meaningful business. In performance oriented corporations, workers inspire one another to stand out, and thereby increase the productivity. Uddin et al. (2013) asserts that structured culture is associated with an open system approach that has mutual benefits for employees and the organization. Kumari (2013) concluded that the perceived fairness of performance appraisal and employees’ performance are related with each other. In multivariate analysis, the link between the dependent and the independent variables was analyzed and found a noticeable influence of perceived fairness of performance appraisal on employees’ performance.

e) **Resilience:** It gives a new aspect to leaders to look at changes within the organization. With resilience, the leaders learn to work in the changing environment with positivity and ease. Crichton et al. (2009) organizations can become wiser in their operations if they study the external environment outside their sectors. This would help them in developing a resilient culture and face the emergent situations wisely.

f) **Teamwork:** Teamwork can be defined by communication, collaboration and respect among team members. Fay et al. (2015) concluded that the organizational innovation can be enhanced to a greater level by the usage of teamwork. This is especially applicable in the case of production teams.

g) **Integrity:** Integrity, just like trust, is vital trait for all the groups in an organization. Transparency and honesty are essential aspects of an organizational culture having integrity. Verhezen (2010) such cultural modification is an element of good company governance that aims to steer a company to boost power and virtue. Governance mechanisms are often either formal or informal. Formal codes and different internal formal laws emphasize compliance, though informal mechanisms are supported by relationship-building to attain virtue.

h) **Innovation:** An innovative culture helps the employees to work with creativity. Lam et al. (2021) the study confirmed that there exists an important relationship between structured culture and data management. It also stated that innovation within an organization can be increased if the organizational culture would be built on learning & collaboration and mutual trust.

i) **Psychological safety:** If there would be psychological safety within an organizational culture, the employees would give their honest feedbacks. Point to be noted over here is that psychological safety starts at the employee level and not at the group/team level. So the managers or the leaders within an organization should take initiatives or leads in order to make a secure organizational culture. Baer & Frese (2003) climates for initiative and psychological safety were completely associated with 2

measures of firm’s performance—change management and firm’s goal achievement.

2. Research Methodology

2.1 Objective of the Study:

To do a comparative analysis of organizational culture between the three different organizations in IT sector.

2.2 Research Design

It was an exploratory research. The structured questionnaire was used in the collection of the primary data. The study is based on the sample size of 165. It consisted of 54 employees from Infosys, 55 employees from 55 and 56 employees from Steria India.

3. Data Analysis & Interpretations

To understand the organizational culture, the study has used the Denison Model, which provides a linkage between the organizational culture and bottom-line performance measures. A few examples of bottom-line performance measures are quality, return on investment, employee satisfaction, innovation and sales growth. The Denison model discusses the four critical traits which define an organization’s culture, namely–Mission, Adaptability, Involvement and Consistency. The key aspect of this approach was to look into the leading companies in the Indian IT industry and look at all the four parameters of Organisational culture and their twelve sub traits. To do this a quantitative research strategy was adopted which have focused at all the four main parameters of organisational culture and the twelve sub parameters of the same.

The figure below compares the average ratings of different dimensions of the organisation culture of Infosys versus IT sector as a whole.

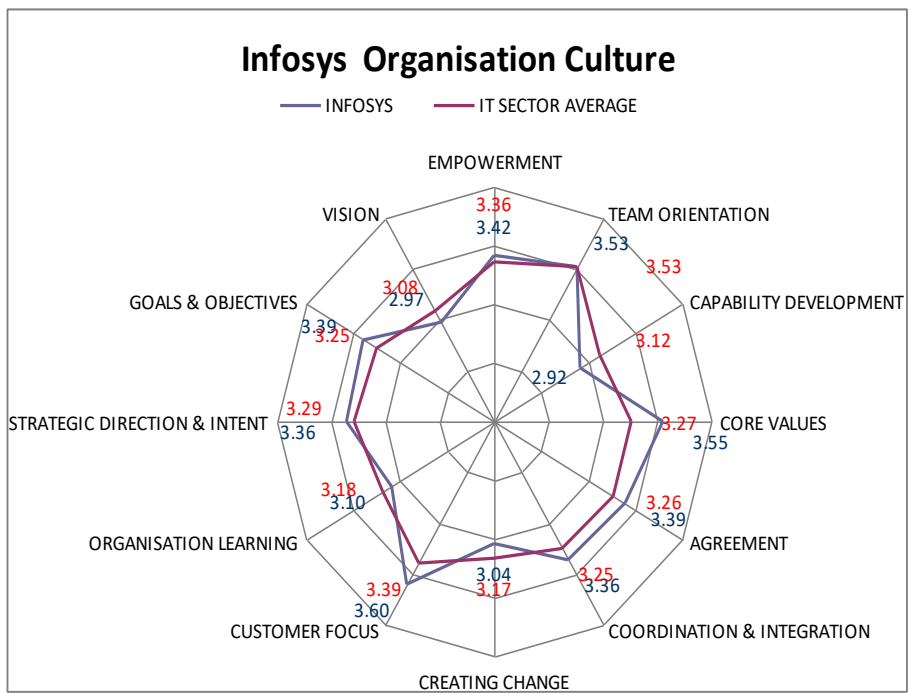


Figure 1. Average Ratings of Different Dimensions of the Organization Culture of Infosys Versus IT Sector as a Whole

Source: Self constructed.

Interpretations:

- Strengths: Infosys is significantly stronger than its peers on the dimensions of Customer Focus and Core Values.
- Weaknesses: Infosys is significantly weaker than its peers on the dimensions of Capability Development Customer Focus and Creating Change.

The figure below compares the average ratings of different dimensions of the organisation culture of Steria versus IT sector as a whole.

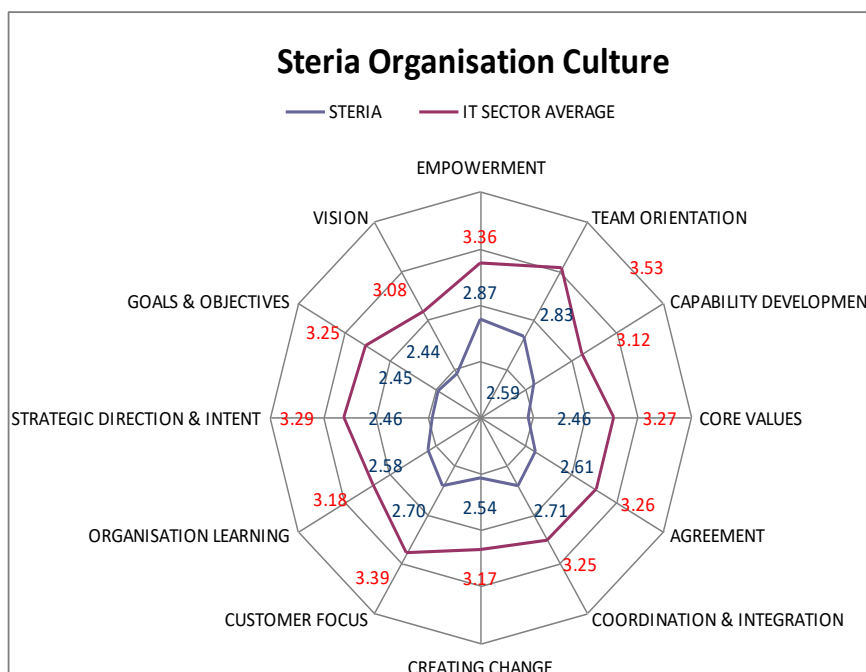


Figure 2. Average Ratings of Different Dimensions of the Organization Culture of Steria Versus IT Sector as a Whole

Source: Self constructed.

Interpretations:

- Weaknesses: Steria scores significantly lower than its peers on all parameters of organisation culture.

The figure below compares the average ratings of different dimensions of the organisation culture of TCS versus IT sector as a whole.

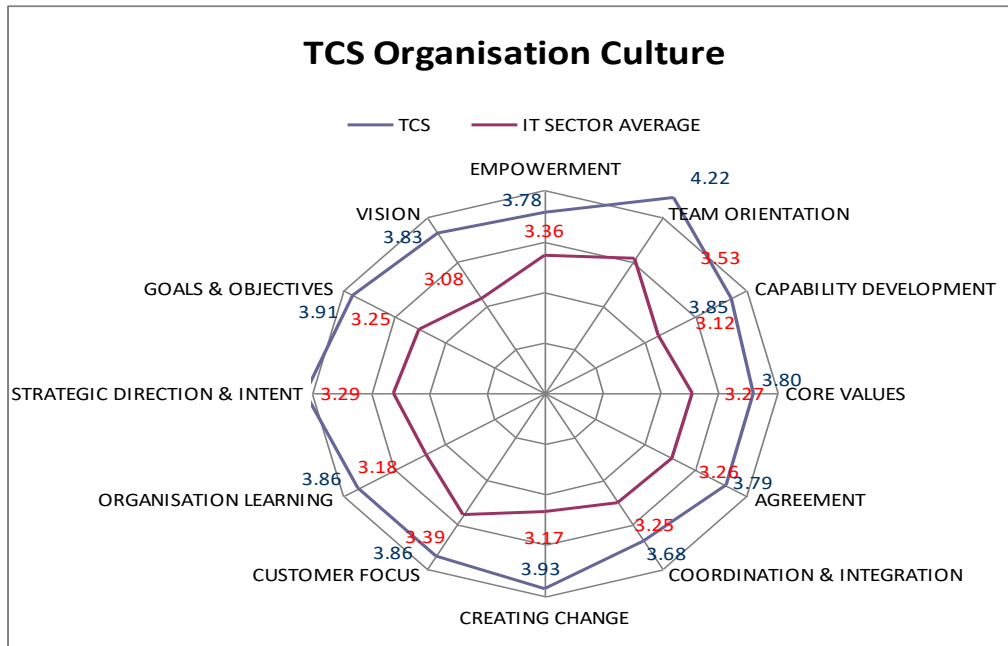


Figure 3. Average Ratings of Different Dimensions of the Organisation Culture of TCS Versus IT Sector as a Whole

Source: Self constructed.

Interpretations:

- Strengths: TCS is significantly stronger than its peers on the all dimensions of Organisation Culture.

Summary of comparison of organisation culture between Infosys, Steria and TCS:

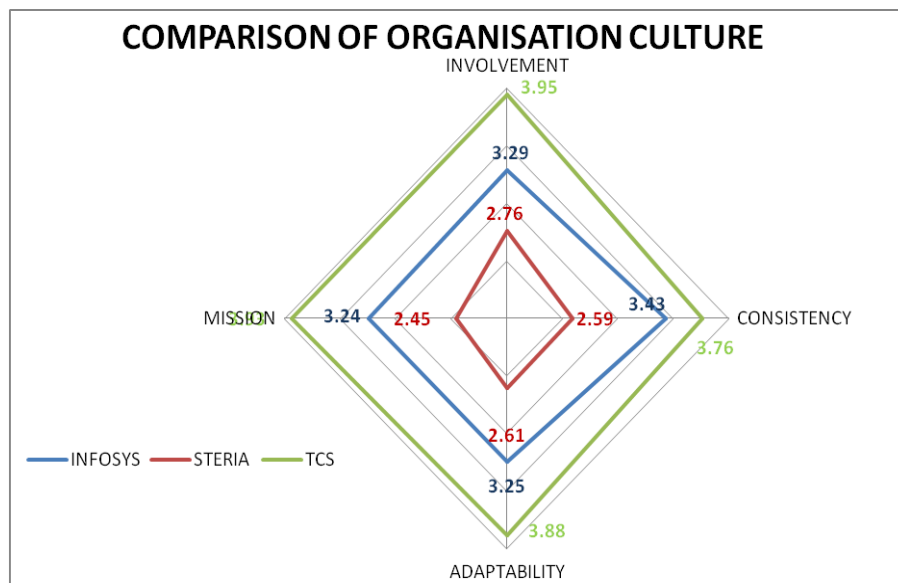


Figure 4. Summary of Comparison of Organisation Culture between Infosys, Steria and TCS

Source: Self constructed.

Interpretations: TCS leads the pack on all four parameters of organisational culture, followed by Infosys and Steria. On the parameter of Consistency, Infosys and TCS are quite comparable, but on the other three parameters of Adaptability, Mission and Involvement, TCS emerges as a clear leader.

4. Conclusion

The four traits of organisational culture (Adaptability, Mission and Involvement and Consistency) if monitored and harmoniously used are the key to ensure high performance within the organisations. But to ensure that the Organisational culture works as a key catalyst to drive the performance, leadership of the organisation has an absolutely central role to play. Aligning culture and leadership goals are keys to organisational success. All the four dimensions of organisational culture are heavily influenced by Leadership based interventions in an organisation. A true leader is a catalyst in driving:

- Adaptability—by Creating change, Emphasising customer focus and promoting organisation learning
- Consistency—managing Coordination & Integration, defining Core values, and by Working to reach an agreement
- Involvement—by Empowering people, building team orientation and developing Organisation capability
- Mission—by stating Goals and objectives, Strategic Direction and creating Shared vision

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