'Indian' Management Practices in the I.T. Sector - An Empirical Investigation

THESIS

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CERTIFICATE

This is to certify that the thesis entitled **'Indian' Management Practices in the I.T. Sector - An Empirical Investigation** and submitted by **Jayashree Mahesh, ID No. 2006PHXF410P** for the award of Ph.D. degree of the institute, embodies original work done by her under my supervision.

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Abstract

Successive liberalization measures initiated in early nineties have accelerated the growth of the economy. The past two decades have witnessed changes in the overall economic scenario, technology and an increase in competition. As per a Boston Consulting Group (BCG) study, twenty Indian firms are among the top 100 global challengers from developing countries. The focus of global MNC's is on India as it has the advantages of a large educated workforce with numeracy skills and English knowledge, besides low labor cost. However these companies are grappling with the challenges of understanding 'Indian' management which is like a 'black box' (Panda and Gupta 2007). This has lead to an increased interest in the nature of Indian management, its sources and philosophy. In spite of this increased attention, there is no systematic body of management knowledge to explain how Indian firms operate and why some have achieved phenomenal results. There are many unresolved questions regarding the models of management that can be adopted in the Indian context. The need to offer a research based logical explanation to this puzzle and fill the knowledge gap in this domain is the seed for the idea of research in this area.

Management Practices undertaken for this study are based on the World Management Survey conducted by Bloom and Reenen (2007).The term 'Management Practices', for the purpose of this research has been defined as the approaches and techniques used to improve company performance, focusing specifically on operations management, performance management, target management (organisational alignment) and human resource (talent) management/workforce development. A total of eighteen management practices from the above areas have been explored in this study.

The purpose of this research has been to find out the similarities and differences in management practices between Global multinationals and Indian organizations operating in India, in order to understand if there is a convergence ,divergence or crossvergence in their practices and also isolate unique 'Indian' management practices if any. The study has been confined to companies operating in the Information Technology (IT) Sector in India. This research explores questions like: What are the specific management practices prevalent in selected Indian and global organizations in the IT sector in India? What are the similarities between specific management practices of Indian and global organizations in the IT sector in India? What are the differences between specific management practices of Indian and global organizations in the IT sector in India? Is there a convergence, divergence or crossvergence (hybridization) in these management practices? Which practices could be categorized as uniquely 'Indian' management practices?

Literature for the purpose of this research has been considered from four broad areas. The first aspect explores the various aspects of management practices and its impact on productivity. Secondly, the roots of management wisdom in Indiahave been explored in detail and the differences between traditional and contemporary Indian management have been identified. Thirdly, the impact of culture on business and organizations has been extensively studied. Fourthly, the various aspects of management practices research in India have been explored. On the basis of the inferences of the above streams, the research gaps have been identified and as a consequence, propositions based on cultural underpinnings have been formulated and converted to research hypotheses.

The present research is empirical, positivist, evidence based research which has been validated through qualitative study as the objective is to capture and understand the management practices of organizations operating in the IT sector in India in order to determine the embededness of global management practices and isolate unique 'Indian' management practices if any. The questionnaire used by Nick Bloom and Van Reenen (2007) for their Management Practices and Productivity has been suitably revised and used for the purpose of this study. The measurement scale used in the questionnaire is a variation of the semantic differential scale. For each of the management practices, three statements about a particular management practice have been given and each of these three statements carried a standard score of 0, 50 or 100. These statements have been derived based on the hypothesis developed and also from Bloom and Reneen's (2007) management scoring guide and example responses to the 18 practices.

Data has been collected from 42 companies in total, which includes both Indian and Global I.T companies. In total there were 73 respondents from the above companies. Data has been classified on the basis of Origin (Global and Indian), Size (Small and Medium Companies and Large Companies), Type (Small & Medium Global Multinationals, Large Global Multinationals, Small & Medium Indian Multinationals, Large Indian Multinationals and Small & Medium Local Indian Companies), and Domain (CEOs/Presidents/Directors, HR Heads/Senior HR Managers and Senior Managers /VP Level). As per origin, 22 were Global Companies and 51 were Indian Companies. According to size, there were 34 respondents from Small & Medium Companies and 39 respondents from Large Companies. On the basis of type, there were 5 respondents from Small & Medium Global Multinationals, 17 respondents from Large Global Multinationals, 24 respondents from Small & Medium Indian Multinationals, 22 respondents from Large Indian Multinationals and 5 respondents

from Small & Medium Local Indian Companies. As per domain classification, 18 responses were from CEOs/Presidents/Directors, 31 from HR Heads/Senior HR Managers and 24 from Senior Managers /VP Level.

Descriptive statistics have been used to describe the basic features of the data in the research. In addition to it graphical analysis has been used before conducting statistical teststo identify patterns in management practices. Each variable used in the study has been tested for reliability and validity. Firstly, in order to test the convergence, divergence or crossvergence a rank correlation (*Kendall's tau-b*) has been performed to determine the degree of association between organizations of different types. Secondly, ANOVA tests have been used to test the difference between means of the population. Thirdly, Exploratory Factor Analysis has been conducted to identify the factor loadings and analyze if the factors could be separated on the basis of unique 'Indianess'. Fourthly, Cluster analysis has been performed retrospectively to see if the organizations of a particular type form a cluster on the basis of the practices adopted by them. In addition to the above quantitative analyses, a summative content analysis has been conducted on the responses received for the open ended part of the questionnaire.

Results indicate convergence in fifteen practices, crossvergence in two practices and divergence in one practice. The average scores of Global Multinationals havebeen higher for all the practices than those of Indian companies. The average scores of Large organizations have been always higher for all practices than those of Small organizations. Though the practices of Large Indian Multinationals were not significantly different from those of Global Multinationals, Large Indian Multinationals scored better than Global Multinationals in the practices of Performance Tracking; Target Interconnection, Consequence Management, Managing Human Capital, Rewarding High Performers and Retaining Human Capital. The practices of Small and Medium Indian companies differed significantly from those of other types of organizations. The research findings suggest that the Small & Medium Global Multinationals, Large Global Multinationals, Small & Medium Indian Multinationals and Large Indian Multinationals form a cluster or group. The practices adopted by Small and Medium Local Indian companies are different from those of the MNCs and hence they form a separate cluster.

As per the findings of the qualitative study based on expert opinion, ability to adapt to situations or customizing according to requirements, people/ employee orientation, personal relationships and familial feeling are considered to be unique features of Indian management. In order to label them as unique ' Indian' Management Practices

they have to be further compared to other styles of popular management philosophies namely Japanese Management. An aggregation of empirical study and expert opinion, revealed two important phenomena namely 'cultural mirage' – an exalted estimation of implementation professional management practices and 'cultural myopia' – deemphasizing areas of shortcomings in the implementation of management practices.

The findings of the present study are relevant for both theory and practice in the field of management, as it indicates convergence in majority of the management practices in IT sector in India. Management Practices in the Indian companies in the IT sector are moving towards universal management practices. This study provides guidelines for both academicians and practitioners on the relevance and importance of adopting globally established practices in the areas of operations management, monitoring management, targets management and talent management. In order to succeed in the highly competitive global landscape organizations must have a realistic understanding of the actual state of their management practices in order not to over exaggerate positive areas and, to improve on shortfalls.

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Abbreviations

I.T. Sector / IT - Information Technology Sector including IT Services, Software Products and Engineering Services, ITeS and BPO, Hardware.

MNCs - Multinational Corporations

HR - Human Resource

HRM - Human Resource Management

JIT– Just in Time

ICT– Information & Communication Technology

GLOBE Studies / Project- Global Leadership and Organizational Behavior Effectiveness Research Studies/Project

WILP - Work Integrated Learning Programme

CEO - Chief Executive Officer

VP - Vice President

P1- Practice 1 Modern Management Practices Introduction

P2- Practice 2 Modern Management Practices Rationale

P3- Practice 3 Process Documentation

P4 - Practice 4 Performance Tracking

P5 - Practice 5 Target Balance

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P18 - Practice 18 Retaining Human Capital

G COS - Global Companies

I COS - Indian Companies

S COS - Small Companies

L COS - Large Companies

S GMNC - Small & Medium Global Multinationals

L GMNC - Large Global Multinationals

S IMNC - Small & Medium Indian Multinationals

L IMNC - Large Indian Multinationals

I C- Small & Medium Local Indian Companies

CHAPTER 1 - INTRODUCTION

1.1   Background of the Research

India's pre 1980s GDP growth rate, called the 'Hindu' rate of growth, was around 3.5 percent. Successive liberalization measures since nineties accelerated the growth of the economy. The past two decades have witnessed changes in overall economic scenario, technology and increase in competition. As per a Boston Consulting Group (BCG) study, twenty Indian firms are among the top 100 global challengers from developing countries. They include older companies from the stable of Tata's and Birla's Group, as well as middle aged companies like Reliance Industries, Infosys, Mahindra and Mahindra, Bharat Forge, Vedanta and others (BCG 2013). As they begin to expand their presence in the global world they have to learn the art of dealing with global political, economical, cultural and social challenges. Companies in India have learnt to put in systems and practices that are conducive to success in global marketplaces. A lot of management practices inherent to the Indian businesses have been left behind or modified so that globally relevant best practices are adopted and absorbed (Chong et al 2004; Som A. 2008). The focus of global MNC's is on India as it has the advantages of a large educated workforce with numeracy skills and English knowledge besides low labor cost. However these companies are grappling with the challenges of understanding the specific characteristics of 'Indian' management which is like a 'black box' (Panda and Gupta 2007).

This has lead to an increased interest in the nature of management, its sources and philosophy as practiced in India. In spite of this increased attention, there is no systematic body of management knowledge to explain how Indian firms operate and why some have achieved phenomenal results. There are many unresolved questions regarding the models of management that can be adopted in the Indian context. The need to offer research based logical explanation to this puzzle and fill the knowledge gap in this domain is the seed for the idea of research in this area.

A major change as a result of Indian companies going global and global multinationals coming to India is in the dynamics of management practices adopted by these companies. There has been an increase in global competition which has forced managers to adopt novel management practices in order to increase their efficiency and effectiveness. The need of the hour is to understand Indian management in the emerging global context.

In order to address this need, the present research attempts to gain an insight into the current state of "Indian" management through studying the practices of Global, Indian multinationals and Indian companies operating in the IT Sector in India. We have also tried to understand how multinational organizations in India have modified or adapted their management practices so that they can achieve success.

Samples have been chosen from the Information Technology Sector only, to restrict the industry differences within the sample which could contribute to variance in management practices across different firms. This sector includes the following four components - IT Services, Software Products and Engineering Services, ITeS and BPO, Hardware. The Information Technology sector has been chosen for the study as it has both Indian and Global representation. The sector has played a significant role in transforming India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services.

1.2   Research Problem

Most of the previous research in India has focused on cross cultural comparisons between Indian managers and their counterparts in other countries.   However, research on cross national differences at the organizational level, is not very common (Thomas & Philip 1994).

Globalization in India does not result in replacement of traditional with modern but creates hybrid relationships where modern management may be intertwined with pre existing management philosophies. This aspect of modernization is poorly understood and there is a need for management studies to highlight the aspects of such a management (Murphy, 2008). Though several researchers have undertaken culture based research some specific questions remain unanswered. They are listed below:

1.   What are the similarities between specific management practices of Indian and global organizations in the IT sector in India?

2.   What are the differences between specific management practices of Indian and global organizations in the IT sector in India?

3.   Is there a convergence, divergence or crossvergence (hybridization) in these management practices?

4.   Which practices could be categorized as uniquely 'Indian' management practices?

1.3   Objectives of the Research:

The following are the chosen objectives to answer the above research questions:

1.   To measure the extent of embededness of global (professional) management practices in Global Multinationals, Indian Multinationals, and Indian Companies in the IT sector in India.

2.   To determine if there is convergence or divergence or crossvergence (hybridization) in the management practices.

3.   To identify and validate 'Unique' Indian management practices, if any.

1.4   Definition of Management Practices

Management practices can be thought of the work that happens on a daily basis in organizations. These practices are sometimes generic ways of working that all companies use, and sometimes they are unique to a single company

The term 'Management Practices', for the purpose of this research has been defined as the approaches and techniques used to improve company performance, focusing specifically on operations management, performance & target management (organisational alignment) and human resource (talent) management/workforce development.[1] The 18 management practices are grouped into four areas namely operations management, monitoring management, targets management and talent management.

Operations management practices relate to the adoption of modern management techniques to meet the business objectives. The three specific practices in this domain pertain to how well the modern management practices have been implemented, the rationale for their implementation and, the processes involved and documentation of these techniques.

Monitoring management practices measure how the performance in the organizations is monitored and the measures taken for continuous improvement. It includes five practices .Performance Tracking measures if performance is tracked regularly with meaningful metrics. Performance Review focuses on the regularity of performance monitoring and the communication of results to staff. Performance Dialogue focuses on the quality of review conversations in terms of whether the root

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[1]Management Practices and Productivity. (n.d). Retrieved from http://www.scottish-enterprise.com/resources/publications/mno/management-practices-and-productivity.aspx

causes of the problems are identified with proper data and information. The practice of Consequence Management pertains to the actions taken for differing levels of performance. Performance Clarity focuses on the clarity of the performance measures and if they are openly communicated to staff.

Targets Management measures if the companies are setting the right targets, tracking the right outcomes and taking appropriate actions for the same. It encompasses four practices. Target Balance ensures the balance between financial and non financial goals. Target Interconnection pertains to the link between organizational and individual goals. Target Time Horizon tests if the organization has a short term or long term approach to plans. Targets Stretching examines if the goals are genuinely demanding and challenging.

Talent Management Practices measures whether employees are rewarded and promoted on the basis of performance and the measures undertaken to retain good employees. They include six practices. Managing Human capital examines the importance given to overall talent management within the organization. Rewarding High Performers examines the system for identifying and rewarding good performers. Removing Poor Performers measures the actions taken against underperformers. Promoting High Performers focuses on the basis of promotion and development of talent within the organization. Attracting Human Capital identifies the value proposition offered to the employees. Retaining Human Capital explores the measures taken to retain top talent.

1.5   Outline of the Thesis

Chapter 1 Introduction

This chapter introduces the topic of research and describes various parts of the research process. The introductory chapter explains the relevance of the research problem in the present context and research objectives and methodology. This chapter also explains the outline of the thesis.

Chapter 2 - Literature Review

This chapter is organized into four parts. The first part deals with understanding the fundamentals of management practices and its impact on productivity. The second part is concerned with the roots of management wisdom in India and the differences between traditional and contemporary Indian management. Thirdly, the impact of culture on business and organizations has been extensively studied. Fourthly, the

various aspects of management practices research in India have been explored.The chapter concludes by identifying the research gaps and research questions in the area of management practices research.

Chapter 3 - Development of Propositional Framework and Research Hypotheses

This chapter is divided into three sections. The first section deals with thepropositional framework developed for the present research highlighting the cultural underpinnings and the management practices taken up for study.The second section deals with development of propositions for each of the 18 management practices on the basis of literature relevant to them. The third section relates to formulation of null and alternate hypotheses based on the propositions developed.

Chapter 4 - Research Methodology

This chapter is divided into seven sections. In the first section, an overview of the research process is presented. The second section, describes the process of development of the instrument for data collection for both the pilot study and subsequent modifications for final study. The third section discusses about the sampling method and procedure used in this research. The fourth section describes the sources of data for Pilot Study 1, Pilot Study 2 and Final Study and presents a summary of respondents and their classification. The fifth section describes the data collection method for Pilot and Final Study. In the sixth section a brief overview of statistical techniques used for analysis as well as their appropriateness in this case is highlighted. Finally in the last section, the details of the procedures and results of Pilot Study 1 and Pilot Study 2 have been discussed.

Chapter 5 - Data Analysis

This chapter discusses the details of the final study and is divided into three parts. Part 1 discusses the findings of the quantitative data analysis (empirical study) and Part 2 discusses the findings of the qualitative data analysis (expert opinion). Part 3 makes a comparative analysis based on the outcomes of Part 1 and Part 2 and draws inferences there from.

Chapter 6 Conclusion and Future Scope of Research

This chapter includes a discussion on the major contributions of the research. It also lists down the key insights from the study. The limitations and future scope of research are also highlighted.

CHAPTER 2 - LITERATURE REVIEW

This chapter is organized into four parts. The first part deals with understanding the fundamentals of management practices. The second part concerned with roots of management wisdom in India. The third part discusses the impact of culture on business and organizations. The fourth part derives the research gaps as an outcome of the in-depth survey of literature. The following figure 2.1 depicts the organization of the contents of this chapter.

Figure 2. 1 - Literature Review
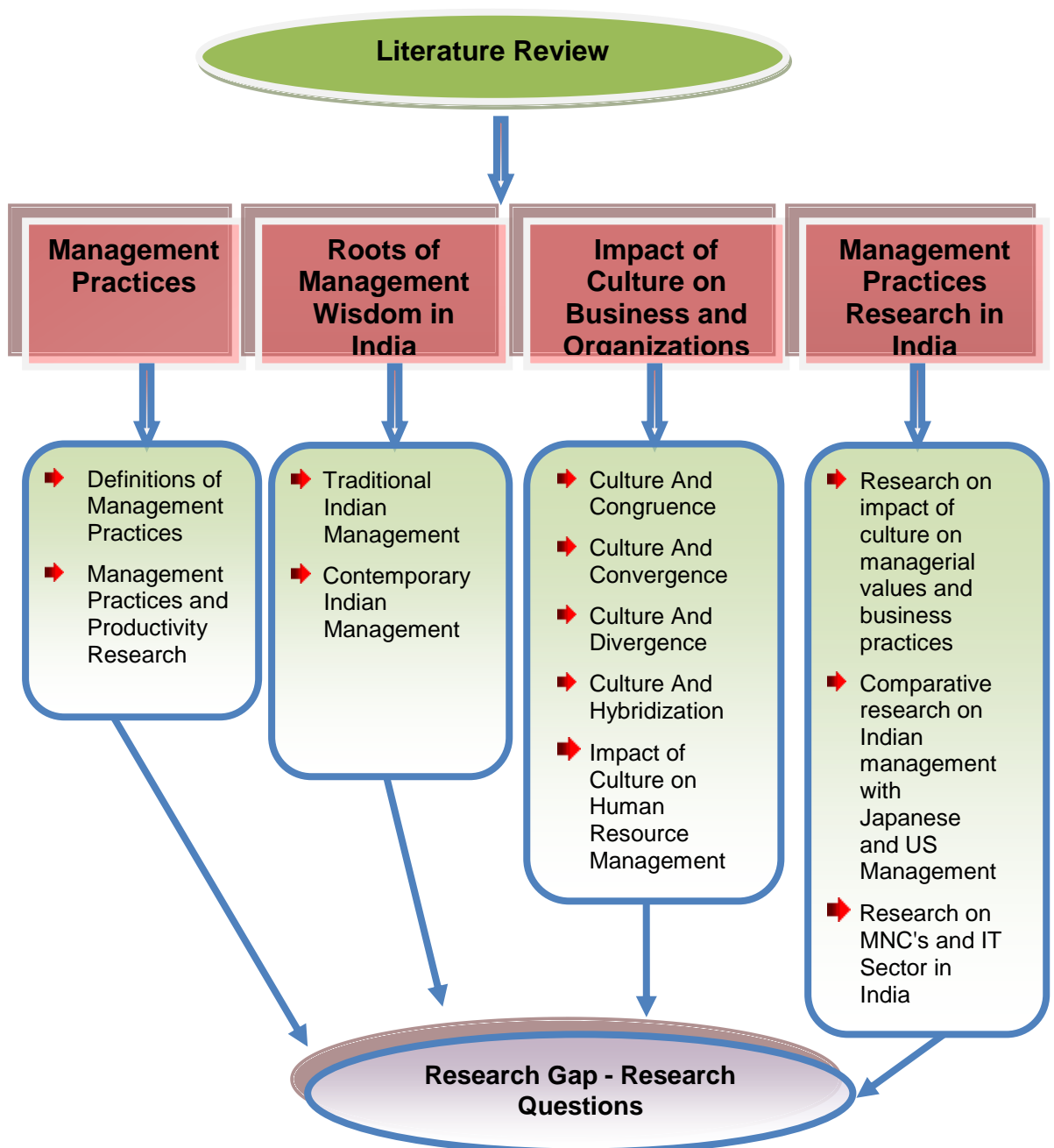
2.1 Management Practices

The formal evolution of management as a discipline can be attributed to the Industrial Revolution and Adam Smith's publication of the 'Wealth of the Nations' in 1776. Majority of the concepts and theories in management originated from the United States (Virmani 1995, Newman & Nollen 1996, Gopalan & Stahl, 1998). Over the years the theory and practice of management have undergone significant changes.

Initially the literature in management was dominated by the American principles and concepts. In the 1970's the theme of 'Japanese Management' gained popularity due to the success of concepts like Team Building and Quality Circles. Researchers in India have also tried to isolate those practices and philosophies which can be labeled as 'Indian Management'. Inspired by the success of Japanese management, scholars in India like J.B.P Sinha, Rajen Gupta, S.K Chakraborthy, B.R Virmani and Shubhash Sharma have focused on cultural aspects and insights from ancient wisdom to develop ideas for contemporary management theory and practice. The concepts of management can be found in the Vedas, Hindu Epics, Puranas, Smritis, religious Jain and Buddhist texts (Kumari, 2012).

2.1.1 Definition of Management Practices

Management practices represent the way managers do things in their organizations and they represent certain ideological or philosophical frameworks (Erez, 2000). Management practices can be thought of the work that happens on a daily basis in organizations. These practices are sometimes generic ways of working that all companies use, and sometimes they are unique to a single company. Practices are then linked together into a set of management processes which built on a set of underlying management principles. (Birkinshaw J., 2010).

Researchers have defined the term management practices, as per the specific domain of their research.Pucik and Hatvany (1983) have emphasized on management practices as a system and the integration of various techniques to achieve desired results. Kostova (1999) has termed management practices as strategic organizational practices, and has defined them as those practices considered to be dominant, critical, or crucial for achieving the strategic mission of the firm.

Newman and Nolleen (1996) have restricted the scope of management practices to practices adopted in the areas of employee participation, individual emphasis on management, merit based rewards, approach to solving problems, employee security, clarity of policies and clarity of direction.

Bloom et al (2011) have defined management practices within the dimensions of performance monitoring, target setting and people management, as those practices that continuously collect and analyze performance information, that set challenging and interlinked short and long run targets, and that reward high performers and retrain or fire low performers.

The term 'Management Practices', for the purpose of this research has been defined as the approaches and techniques used to improve company performance, focusing specifically on operations management, performance & target management (organisational alignment) and human resource (talent) management/workforce development.[2]

2.1.2 Management Practices and Productivity Research

Management practices play an important role in accomplishing organizational objectives, and drive organizational performance and productivity. Management practices research has focused on various areas like operations management, supply chain management, financial management, human resources management and marketing management.

Most of the researchers have studied the impact of management practices on business performance. Richardson and Thompson (1999) have categorized the research in this area into three broad perspectives. The first perspective and the most popular one, focuses on best practices which aims at identifying the set of practices which when implemented would raise business performance. The second area focuses on identifying contingency factors which lead to a fit between strategy and practices. The third perspective aims at bundling specific combinations of practices that vary by organizational context, but generate higher business performance.

Many researchers have studied the impact of management practices on productivity. Siebers et al. (2008), in order to understand the role of management practices on productivity, reviewed 548 papers in leading management journals which focused on the impact of management practices like Operations management, JIT, ICT and various aspects of HRM on productivity. It has been found that researchers have studied the impact of management practices on productivity in isolation, effects of joint adoption of practices and impact of clusters or systems of practices. It has been established that

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[2]Management Practices and Productivity. (n.d) . Retrieved from http://www.scottish-enterprise.com/resources/publications/mno/management-practices-and-productivity.aspx

most management practices are firm specific and are impacted by the environment. As this research focuses predominantly on human resource management practices and few practices of operations, literature in this area has been explored in detail.

Studies that have been made to find out the impact of ICT on productivity have revealed that there have been positive results, mixed results and even negative result on productivity (O,Mahoney et al 2003; Stiroh 2002; Swamidass and Winch 2002; Licht and Moch1999; Wolf 1999). Research by Dorgan and Dowdy (2004), Bresbahn et al (2002), Black and Lynch (2001) have concluded that implementation of ICT management practices must be accompanied by other management practices in order to have a positive impact on productivity.

Researchers have also established the relationship between management practices of JIT and TQM on productivity (Callan et al 2000; Brox and Fader 2002; Womack et al 1990; Oliver et al 1996). Most of these are firm level studies and they explore the combined effects of various JIT practices rather than individual practices. It has also been found out that TQM does not yield positive results on productivity in the short run (Kleiner 2002).

A strong link has been established between implementation of operations management and human resource management practices. An extensive research by Birdi et al (2008) has revealed that only implementation of manufacturing and lean production practices like total quality management, just-in-time, advanced manufacturing technology, and supply-chain partnering do not lead to enhanced performance. They must be supported by strategic human resource practices namely empowerment, extensive training, and teamwork. Empirical evidence suggests that the integration of core operations management and human resource practices leads to increase in productivity (de Menezes et al 2010). Hence several studies have investigated the combined effect of Operations management and Human resource management practices on productivity and performance.

Proper HR planning, good selection practices, systematic training, employee empowerment are factors that lead to greater productivity (Koch and McGrath 1996; Caqpelli and Neumark 2001). The success of these practices is however mediated by factors like employee skills, attitudes and behavior, and the firm's strategy.

An in-depth research of nearly thousand firms by Huselid (1995) and research by Guthrie (2001) have revealed that implementation of High performance work practices can have a significant impact on intermediate outcomes like turnover and productivity and long term measures of financial performances if they are internally aligned, and

compatible to the strategy of the firm. It has also been established that there must a coherent adoption of modern practices like work teams, flexible job assignments, employment security, training in multiple jobs, and incentive pay in a complementary manner rather than in isolation for it to be successful over traditional work practices (Ichniowski et al, 1997).

An extensive research was undertaken by Nick Bloom and Van Reenen in collaboration with London School of Economics to understand the impact of management practices on productivity. Bloom and Reenen (2007) used an innovative survey approach to measure management practices, in the first phase in more than 730 medium sized manufacturing firms in France, Germany, the United Kingdom and the United States. This helped to explore in detail the relationship between management practices, the economic environment and the company's performance. A significant outcome of this research was the development of a survey tool to track and score management practices across firms. This tool uses 18 dimensions of management practice grouped into four areas: operations, monitoring, targets, and incentives. They are listed as follows:

1. **Operations management:** modern manufacturing introduction, modern Manufacturing rationale, process documentation.

2. **Monitoring management**: performance tracking, performance review, performance dialogue, consequence management, and performance clarity and comparability.

3. **Targetsmanagement**: target breadth, target interconnection, target time horizon, target stretching.

4. **Talent management (Incentives)**: managing human capital, rewarding high performance, removing poor performers, promoting high performers, attracting human capital and retaining human capital.

In the second phase, the sample was increased to over 4000 firms which also comprised organizations in Asia including China and India. The findings were that firms across the globe which apply accepted management practices perform significantly better than those that do not, suggesting that adopting improved management practices is one of the most effective ways for a firm to outperform its peers. It was also found out that US organizations are the best managed and public organizations and organizations with primogeniture management are among the worst. MNCs adopt good management practices in every country they operate.

2.2   Roots of Management Wisdom in India

India has the largest pool of skilled and professional manpower in the world. It also has tremendous intellectual and entrepreneurial potential. The focus of western countries is on India as it tops the list of favored destinations for doing business. However they are grappling with the challenges of understanding Indian management which is like a 'black box' (Panda & Gupta, 2007). Indian management is abundant with concepts which stem from India's spiritual and cultural heritage. This holistic wisdom can be identified from the sacred texts and vedantic literature (Bhat & Mahesh, 2008; Chatterjee, 2007).

Probably the world's first management book, "Arthashastra" was written in three millennium BC and formulated details of managerial accounting, economic tools of administration and linked them to overall administrative philosophy. Several studies carried out have established that the concepts put forth in Arthashastra are applicable in present day management. Kumar & Rao (1996) conducted a study of value based management from Kautilya's Arthashastra. Garde (2003) made a study on Canakya's (Kautilya) aphorisms on management. Sihag (2004) researched Kautilya on the scope and methodology of accounting, organizational design and the role of ethics in ancient India. Radhakrishnan (2005) identified and exposed some of the Kautilyan management fundamentals. Muniapan & Shaikh (2007) explored lessons in corporate governance.

Bhagavad Gita, the ancient spiritual guide has gained widespread attention by management thinkers and practitioners worldwide. Scholars have proved through research that a deeper understanding of Gita offers successful solutions to management leadership issues and business practices. The correspondence to modern management concepts like vision, leadership, motivation, excellence in work, achieving goals, meaning of work, attitude towards work, nature of individual, decision making, planning etc., can be traced to Gita.Charles and Inge (2009) have researched the impact of Gita on managerial consciousness and leadership. The study of Low and Patrick (2011) has focused on the leadership wisdom of Gita. Chandekar (2012) discusses the contribution of Gita in managing oneself and managing human resources. A study by Satija (2011) focuses on lessons on leadership and vision found in Gita which can facilitate healthy organizational behavior and success in present day organizations.

In a study pertaining to how global business practices can be enhanced through meaningful insights from the Gita it was found that contemporary and global management thought is influenced by the essence of Gita namely *Yoga* (disciplining

mind and body), *Dharma* (finding a higher calling or mission in life), *Dhyana* (process of identifying inner strength and potential through meditation), *Samabhavana* (interacting with the outside world to achieve ones duty with equanimity), *Nishkarma Karma* (doing ones duty objectively without worrying about consequences) and *Tat Twam Asi* (recognizing the interconnectedness between nature, human and spiritual). The above elements of Gita offer significant insights for present day management. These aspects according the researchers are similar to the systems thinking of Peter Senge (Natesan et al., 2009). Mahadevan (2008) in article on Gita and Management has explored the concepts in Gita related to self, self mastery and suggestions for leadership traits that lead to superior management performance. Even in the present context, the Indian management mindscape is influenced by the traces of this ancient wisdom. While traditional and historical roots remain deeply embedded in Indian management, there is also an emphasis on identifying objective global concepts and practices that are suitable for Indian firms with a global outlook as well as global firms seeking to adapt to the Indian context (Chatterjee, 2007).

There have been changes in the Indian approach to management after the opening of the economy in the early 90s, with many in the country adopting western values and cultures (Virmani, 2007, Natesan et al., 2008).

The Indian management system does not fit with any of the established clusters and emerges as a separate ' cultural island' (Khatri, 2012, Sparrow & Budhwar, 1997). The solutions to management problems faced in India might not be similar to those adapted in America as India is a unique social and cultural entity and also in a different phase of its development. Therefore Indian management research should present to the world a style of management which reflects the Indian social cultural heritage.

2.2.1 Traditional Indian Management Practices

Management in India has evolved from the Vedic Period and has continued to absorb the changes to structure and style of management during the period of Mauryas, Guptas, Mughals and British rule. The diversities brought in by the assimilation of various people and cultures have led to the evolution of a management style in India which is diverse yet unique.

Most of the management concepts practiced in the last five decades have been borrowed from the West. There has been a lot of questioning on the applicability of these concepts to the Indian setting. These practices do not work as there is dualism in

Indian management, where there is a hiatus between the professed policies and actual practices followed and therefore 'management is somehow effected' (Virmani, 2007, p.13).

Cross cultural comparative research involving India highlights that India is a unique cultural entity as it does not clearly fit into established country clusters. The culture of India comprises of a mixture of various ethnic, religious, linguistic, caste and regional collectivities (Budhwar & Woldu, 2008). Studies of Indian culture reveal that it is a highly complex one, in which indigenous perspective still holds a primary position encompassing other cultural traditions (Sinha & Kumar, 2004).

Given the great diversity of languages, sub-cultures and religions, it is difficult to characterize one common traditional Indian culture. Nevertheless, many researchers (Kanungo, 1990; Sinha 1999; Chong, 2004; Arora, 2005) in the recent past have combined some common attributes and elements of Indian culture to shape up a description of Traditional Indian management.

Indian work culture is driven by a value system that hinges on family and personal relationship. The relationship between superiors and subordinates in India is more an emotional one than a strict workplace relationship, with a great degree of involvement of the superior in the personal lives of the subordinates (Chong, 2004). In India, a good superior is expected to behave like a good father: paternalism is the norm in the Indian workplace. This is also termed as "nurturance-task leadership style". The initial focus is on people orientation which leads to the path of task orientation (Arora, 2005). The feeling that the company genuinely cares for its employees, fosters a strong bond of loyalty that goes beyond financial rewards (Chong, 2004). Work relationships in India are more personalized than contractual. Indians believe in working for their superiors, friends and relatives, rather than for accomplishing the task or organizational goals. Moreover, within the organization, seeking and maintaining personal status becomes the primary objective while compromising on the organizational efficiency. Most supervisors try to avoid taking risky or conflicting decisions that might affect their status in the organization, even if such decision making will bein the overall interest of the organization (Kanungo, 1990).

The Indian culture is characterized by strong familial ties where the family is consulted even in professional matters. In general there is a tendency to avoid risks. India has a strong foothold of hierarchical authoritarian practices in the family, the educational system, and religious institutions, which create a heavy sense of dependence. Those who are in authoritative positions tend to control and influence their subordinates through formal authority or rule-minded supervision (Kanungo, 1990). Behavior that

displays conformity, dependence and seeking approval is encouraged and rewarded over those showing independence, initiative, and creativity (Chong, 2004). Therefore, the sense of independent critical thinking and reasoning is fairly minimal. Project details and specifications are followed closely, thereby creativity maybe lost.

There is a collectivist work culture in Indian organizations where there is a focus on achievement by teams. Indians, by culture are strong team players with strong individualist streak. They go to extraordinary length to work with those they have formed a relationship. However within the groups the individuals strive to excel each other (Nag, 2011).

Compensation schemes in most Indian organizations are administered regardless of their value, equity, and visibility or timing. Compensation packages are largely time-based rather than performance or skill-based. Employees know that their performance and skill have less relation to the salary and benefits they receive from the organization. They are often ill-informed about the reward system and hence believe that rewards are allocated randomly or arbitrarily. Failure to achieve the desired rewards through their job-performance often leads to apathy towards their work and consequently gives rise to organizationally dysfunctional activities like gossiping (Kanungo, 1990).

Work motivation suffers if the employee is not clear as to what is expected of him on the job, and whether he can achieve what he values most through his job behavior. In the Indian environment, many employees do not have clear task objectives. The management often fails to develop adequate job descriptions and job standards which would lay down clearly the employees' duties and responsibilities or provide them with concrete task goals, and specified time periods for completion of the job.

In the Indian work scenario, time is seldom given its due importance. Delays in actions or slowness at work are easily tolerated as normal. Deadlines, time targets, punctuality etc. are often ignored and achieved "in due course of time".

Due to the absence of a systematic reporting system and feedback procedures, neither the supervisors nor subordinates receive proper feedback of work progress. The employees take advantage of the absence of the reporting and feedback systems at work. Therefore, task clarity, goal specificity, and targeted time for task completion are the minimal prerequisites for improving work motivation and performance (Kanungo, 1990).

Dayal (1976) in his research on identifying the cultural factors in designing a performance appraisal system has made the following observations of the appraisal system in Indian organizations:

- performance is not evaluated on an individual basis but as a part of an identifiable group

- promotion is due to loyalty to superior as much as reward for achievement

- employers do not directly communicate negative feedback.

Based on the above observations he has identified the following characteristics of Indian management namely; emphasis on loyalty, emphasis on personal relationships rather than role based relationships, and lack of capacity for self appraisal.

In addition, meeting obligatory demands from relatives, friends, superiors etc., often causes conflicts in organizational and task requirements. For instance, jobs are given to employees on the basis of recommendations from superiors and friends, and not on the basis of their job competency, resulting in misallocation of resources and misplacement of job priorities. Nepotism and caste considerations affect selection and compensation to a certain extent (Chong, 2004).This disrupts the planning process and work ethic gets sacrificed for family ethic (Kanungo, 1990).Paternalism, patronage, familial feeling, collectivism, ingroupism are the key words that characterize traditional Indian management.

2.2.2 Contemporary Indian Management

An important finding of research of Bloom and Reenen (2007) was that the variation in management practices within India was greater than in other countries, with relatively large proportions of very good and very bad firms. In addition to the family-owned firms run by eldest sons, government firms also have very poor management practices. It was also found that, the top 10% of Indian firms in the sample were better managed than 75% of US firms surveyed. The spread of productivity across Indian plants is also much greater than that in China. This suggests that something in the business environment in India permits more heterogeneity in practices and outcomes. It was also found that Indian firms are stronger in people management practices.

As a consequence to the continuing research on management in India, the following inferences can be drawn about contemporary Indian management:

◆ With the arrival of the information age and knowledge economy, some Indian companies have emerged as world class and have demonstrated their competitiveness at global level. Hence the concept of Indian Management has gained popularity, legitimacy and acceptance.

◆ Post liberalization, we find different types of organizations in India. Modern business organizations in India can be categorized as subsidiaries of multinational companies that operate on western management practices, family managed, medium to large firms having collaboration with western companies that have parallel management styles, small to medium indigenous firms that adopt the traditional Indian management style and entrepreneurial ventures run by young professionals whose management style is yet unexplored (Kakar et al., 2002; Gopinath, 1998).Apart from these , there are also public sector and government organizations.

◆ On the surface though the different types of organizations in India adopt different management practices, in the process of implementation, they find many modern concepts generated on the basis of western centric cultures as unacceptable and seek compromises and evolve some locally workable system of management. (Virmani, 2007 p. 14).

◆ Recent studies (Cappelli et al., 2010) have proposed the "India Way" philosophy which characterizes four major traits of Indian Management. According to this philosophy, Indian companies work towards serving a social mission rather than maximization of shareholder value. This helps in encouragement and motivation of employees, thus acting as a positive psychological factor. Secondly, Indian companies tend to focus more on employee empowerment, and provide training and education facilities, along with advocating promotion of existing employees rather than hiring of new ones. Indian organizations also adopt a distinctively Indian approach to problem solving described as '*jugaad*' that creates a competitive advantage leading to success. Finally, they combine these practices to form a new business strategy that is based on innovation, creativity and risk-taking.

◆ A research project by Chong et al. (2004) has indicated a convergence of traditional Indian management and foreign management approaches. They present a generalizable picture of contemporary Indian management, which

according to them has increasingly gravitated towards professional management. Indian managers tend to give importance to relevant educational background and experience for employment decisions. A participative management style has been adopted by managers and giving importance to personal relationships between management and employees has been reduced. Elements such as job rotation, enrichment, autonomy, team work and competitive salaries are increasingly considered to motivate employees. There is also an increase in the training programs and compensation based on performance. According to Arora (2005) management culture in India is in the direction towards professionalization thereby reducing the gap between its own and management culture of other countries resulting in convergence.

In order to understand the aspects of management in India that are universal and those that are affected by culture, one has to understand the management practices adopted by the organizations in India. According to researchers, there is a need for modern practices to prevail and Indian management should move towards institutionalization of practices over time and across organizations and build a new structure somewhat unrelated to the past. A study of management practices and values adopted by organizations in India will provide an enriched understanding of the differences in these practices according to pattern of ownership. It will also suggest ways for adaptation of management practices in Indian organizations in order to be successful in the present business scenario.

2.3   Impact of National Culture on Business Organizations

The impact of national culture on business has been researched widely and empirical studies have been conducted to understand the role of national cultures on individual as well as organizational outcomes.

National and organizational culture can have a pervasive and powerful influence in organizations and in various aspects of global workforce management (Aguilera & Denker 2004). Culture is not something that is easily acquired; it is a slow process of growing into a society. It includes learning values, partaking of rituals, modeling on heroes, and understanding symbols. Though there is no common definition of culture, some common components of culture include 'subjective perception' (Trinadis, 1972), 'subconscious mechanism' (Hall 1990), 'acquired behavior' (Kluckhohn, 1961). Culture has a significant impact on ethical behavior, advertising, organizational commitment, entry mode choice and international strategic options (Reis et al., 2011).

2.3.1 Cultural Frameworks

Various researchers have made significant contributions on highlighting the importance of culture in management and their analyses can be categorized as single dimension models, multiple dimension models or historical social models (Morden, 1999). Research on cultural influences in management has been both hindered as well as facilitated by the multiple models of organization culture (Nardon, 2006).

One of the earliest research on cultural frameworks was in 1961 by Kluckhohn and Strodtbeck who proposed the rank-order of preference - from most to least and gave the society its cultural character that distinguished it from other cultures. They suggested alternate answers to five dimensions namely: human nature orientation, man nature orientation, time orientation, activity orientation, relational orientation; developed culture-specific measures of each, and described the value orientation profiles for different cultural groups. Their theory has since been tested in many other cultures, and used to help negotiating ethnic groups understand one another (Hills, 2002).

Edward Hall (1976) proposed a model of high and low context cultures, focusing primarily on situational surrounding, personal space and time, and how these have an impact on intercultural communication. Most of the terminology on cross cultural management is derived from his work (Nardon, 2006). His contribution is related to context (Low/high context); space (centre of power/center of community); and time (monochronic/polychronic).

The most significant contribution in the field of culture and management has been by Geert Hofstede (Hofstede, 1983, 1990, 2011). Hofstede has developed a model in which worldwide differences in national cultures have been categorized according to four independent dimensions that help in explaining the differences in management. Hofstede's first four dimensions have been identified and published after his study of over hundred thousand employees of IBM in over fifty countries. After further research in 1980s by Micheael Harris Bond centered in the Far East and a fifth dimension has been added. The dimensions are Power Distance, Uncertainty Avoidance, Individualism/collectivism, Masculinity/feminity, Long Term/Short term orientation. Subsequently, in 2000 as an outcome of research with Michael Minkov a sixth dimension has been included namelyIndulgence versus Restraint. This sixth dimension is related to the gratification or control of basic human desires related to enjoying life. This dimension is still under investigation by Hofstede and his associates and hence more time is required to develop it as a generalized and standardized point of reference on a larger global scale (Kuehneisen, 2013). Though most studies have applied

Hofstede's dimensions at the national level this paradigm can be applied at the organizational and occupational levels also (Hofstede, 2011).

Another prominent framework to analyze culture is the seven dimensional model of national cultural differences put forward by Trompenaars, Fons and Hampden – Turner, Charles' (1993, 1997). These dimensions according to them explain distinctions between national cultures. Five of the dimensions pertain to ways in which members of the society relate to each other, the sixth dimension focuses on how societal members relate to the environment and the last dimension addresses the issue of time orientation. These dimensions can be summarized as universalism/particularism, individualism/collectivism, achievement/ascription, neutral/affective, internal/external, sequential/synchronic (Tompenaars, 1997; Gutterman, 2010).

GLOBE study (Global Leadership and Organizational Behavior Effectiveness) has been conducted by Robert. J. House and his team during 1994 – 1997 in over sixty countries to understand how variations in culture have an impact on leadership processes (Nardon, 2006). The researchers identified nine dimensions of culture which is summarized as follows: power distance, uncertainty avoidance, humane orientation, institutional collectivism, ingroup collectivism, assertiveness, gender egalitarianism, future orientation, and performance orientation.

It is evident that various scholars have used different dimensions to highlight the differences across cultures and have come to a conclusion that national culture is an important constraint on management practices. Five common themes emerge on integrating the above models. They are related to power distribution (equal versus unequal distribution of power), social relationships (individual versus groups), environment relationship (control versus harmony), time/ work pattern (linear versus non linear) and uncertainty and social control (uniform rules policies versus personalized decisions) (Nardon et al., 2010, p418).

The applicability of the above frameworks in cross cultural research have been validated and proven due their robustness and empirical standpoint (Yeganeh et al, 2009). Over the years the contributions of Hofstede and GLOBE have been widely used and gained acceptance (Gerhart, 2008).

Apart from the above dimensions of culture, Hofstede (2011) also put forth six dimensions that would describe an organizations culture which in turn could account for the variety of practices adopted by the organizations. On the basis of these, organizations could be categorized as process oriented versus result oriented, job oriented versus employee oriented, professional versus parochial, opens systems

versus closed systems, tight versus loose control (degree of formality and punctuality) and pragmatic versus normative(degree of flexibility or rigidity).

2.3.2   Culture and Congruence in Management Practices

There has been an ongoing debate whether management is culture free or culture specific. Proponents of the culture free approach maintain that culture is not a significant variable in management and its effects are erased by structural and economic factors and hence, business worlds have become more homogenous. The culture bound management approach rejects this convergence theory and maintains that management is about people and therefore a part of the culture of the society in which it takes place. This results in two viewpoints that are convergence and divergence. Yamamura and Stedham (2004) in their exploratory study on globalization and culture infer that most studies that advocate convergence, focus on macro level issues such as organizations' structure and technology and the studies that advocate divergence, focus on micro level issues, in particular, the behavior of people within the organizations.

Majority of the concepts and theories in management originated from the United States (Virmani 1995, Newman Nollen 1996, Gopalan & Stahl, 1998). Differences in national culture call for differences in management practices. There must be congruence between the culture and management practices. This has been proved by a study 18 countries by Newman and Nollen (1996). It was inferred that work units where management practices fit better with national culture have higher financial performance and hence it is necessary to adapt management practices as per host country culture. Aycan, Kanungo et al. in their comparative study of 10 countries (1999) have recommended the 'Model of Culture Fit' which postulates that the social cultural environment has an impact on the culture influencing the human resource management practices and thereby organizational processes.

Management ideas of technical nature which are culture free can be easily transferred but management practices which are culture specific cannot be blindly transferred to countries like India. (Gopalan and Stahl, 1998).

The ways universal practices have been interpreted and implemented varies between countries, organizations and individuals. When practices have been adapted as per the local context, it increases the external legitimacy of the organization and leads to increased commitment from the employees (Rowley & Bension 2000, Bjorkman & Budhwar, 2007)

It has become increasingly important to understand the cross cultural differences and similarities for international partnerships. To be effective management practices have to fit the national culture (Erez, 2000).

A growing trend among MNCs is to leverage their organizational practices across their international subsidiaries in order to gain competitive advantage. But due to the cultural context these have to the adapted according to the local requirements. To maintain a balance of global integration and local adaptation is a significant challenge for these MNCs (Sauers et al., 2009).

2.3.3 Culture and Convergence in Management Practices

The convergence theory supports the view that as a result of industrialization and globalization the differences between cultures will disappear and it will result in cultural homogeneity. The rationale behind this belief is that management methods are universal and can be transferred and applied in different contexts. Cultures will become entangled and diffused and the stronger culture's influence will prevail (Barmeyer 2008). According to Rowley and Benson (2002) one view is that, industrialization and use of advanced technology will move all countries to similar systems like US and will overwhelm national difference. This will also lead to identification of best practices which are universal around which organizations would converge.

In a research on confluence of cultural and multinational influence it has been established that size of the organization has an impact on the management practices adopted. Larger organizations employ people from urban areas educated with universal management values. In order to compete in the market place they benchmark best practices across the globe and adopt their systems and procedures thereby suspending some of their indigenous values. In comparison to them the smaller organizations have been considered to be more culture bound (Sinha, 1999).

In a study of convergence or divergence in the area of human resource management in Asian region, it has been concluded that while several common patterns were emerging across advanced industrial states, cross-national variations also existed in various aspects of employment relations (Rowley and Benson, 2002) .After economic reforms there has been a convergence of traditional and new values and there is increased emphasis on training and learning (S.R. Chatterjee,2000). Industrialized nations have always been equated to western countries and hence convergence means adopting the values of western capitalistic economies (Ralston et al., 1997).

As per a comparative review of culture on management development, with the increase in industrialization the influence of economic and technical factors could be stronger than the impact of culture (Yahya, 2009).

2.3.4 Culture and Divergence in Management Practices

Proponents of divergence theory contend that the differences in culture will remain or increase and would result in cultural heterogeneity. Management principles are marked by their culture of origin and will be resisted if applied in other contexts. Hence adjustments and compromises need to be made (Barmeyer 2008).

In a comparative study of management in emerging versus developed countries it has been concluded that management culture and practices of a particular country cannot be generalized into other countries (Nigam & Su , 2011). Management within a society is very much constrained by its cultural context as it is not possible to coordinate the actions of the people without a deep understanding of their values, beliefs and expressions.   There must be culture conscious transfer of skills which must be combined with local adaptation in the receiving country (Hofstede 1983).

A misfit between national culture and management practice would reduce effectiveness. Cultural values shape managerial choices across cultures and in turn explain differences in HRM practices (Gerhart, 2008).

An attempt has been made to understand the impact of national culture on management practices during economic crises and focused on manager employee relationship, work environment and managers priority in times of crisis. Significant differences were found in the ways these issues were addressed and these were attributed to the differences in their national cultures (Cotic & Bavec, 2013).

Aycan et al (2000) did a significant study of comparing ten countries to find the influence of socio cultural environment on internal work culture and HRM practices and thus answer the question how culture influenced organizational practices. They introduced two significant cultural dimensions namely *paternalism* and *fatalism*.

Other important studies by Aycan (1997), Groeschi S. & Doherty L (2000), Yeganeh H. & Su Z. (2006), Budhwar (2008), Arora (2005), Reiche et al (2009) ;have revealed that culture has important implications for organizational behavior and management practices.

2.3.5 Culture and Hybridization in Management Practices

Another recent perspective on the impact of culture on management is crossvergence. Crossvergence is defined by Ralston et al. (1993) as a value set that is in between the values supported by national culture and economic ideologies. This management ideology is a hybrid one which combines both domestic and imported ideas. As managers increasingly interact with international environment they have adapted their management approach that combines the best elements of their local and foreign cultures (Gopalan and Stahl 1998). Hybridization occurs when selective parts of a management system found effective in one culture are grafted on to the management system of a different culture (Marrewijk 2011).

Ralston et al. (1997) compared values of managers from US, Hongkong and PRC to find if there was a convergence or divergence. It was found that there was an interaction between the culture and the social environment which resulted in a new set of values.

The leadership style and management practices are influenced by the state of development of a MNC subsidiary. In the initial stages the home country's influence is higher as the company is managed by an expatriate manager. As the local mangers become more involved, the implementation of the management practices is influenced by the local traditions (Chong ,2004).

Marrewijk (2011) in his study of Dutch and Indian employees in four IT companies found that there has been a hybridization of cultural practices, where new cultural practices emerged from interactions between culturally diverse backgrounds and bridged the cultural differences. Dichotomies of western and local management have been replaced by new hybrid work practices with sources of both local and western culture.

Researchers have moved away from the narrow dimensions of cultural management and have started focusing on new directions of cross cultural studies. The emphasis now has moved from establishing whether management is culture free or culture specific to identifying factors – cultural or otherwise which moderate or mediate relationships. According to Thorne and Sanders (2002), "in an increasingly global business environment, one of the central challenges facing firms is how to balance the desire for standardized global policies, with appropriate consideration of the specific norms of various cultural contexts". Research has also been undertaken to understand the degree to which national culture influences individual and organizational outcomes (Gerthart, 2008). It can be said that organizations are growing more similar, while the behavior of people within them is maintaining its cultural uniqueness (Adler & Gundersen, 2007).

2.3.6 Impact of Culture on Human Resource Management

Cultural preferences manifest more distinctly in personnel and human resource management (Sinha, 1999). Hence it is important to understand the impact of culture on Human Resource Management Practices.

The research on international human resource management has focused on three broad streams. The first line of research deals with techniques used to manage expatriate employees. The second area of research focuses on the types of HR practices used in a country and company and, comparing it across other countries or cultures. The third stream investigates the interplay between MNCs, its host countries and the practices that can be applied in the host country. The issue of localization versus standardization of practices has assumed greater significance due to globalization and the complex structures of MNCs. The HRM practices adopted by the MNCs have an impact on the welfare of the host country due to the diffusion effect as these practices are also adopted by indigenous companies (Jain et al., 1998).

Number of researches conducted on specific cross national HR practices have identified that HRM is influenced by national factors, contingent variables and organizational policies. Such comparisons enable researchers to examine to what extent Anglo Saxon models are applicable to the rest of the world (Sparrow andBudhwar, 1997).

As per research it has been observed that HRM practices in affiliate companies more closely resemble practices of local companies than those of parent organizations but they are moderated by contextual factors such as local embededness of the affiliate, flow of resources between parent and affiliate, characteristics of the parent company and the nature of the industry (Rosenwiz and Nohria, 1994).

Bjorkman et al (2008) in their study of human resource management in foreign owned subsidiaries in China and India have found that there is a difference in the HRM practices of western owned units in these countries. It was found that the background of the HR manager had a significant role to play in the kind of HR practices used in the organization and the role of HR department. In organizations where expatriate managers were used, the practices were similar to the foreign parent organization and the HR department played a strategic role. In another study in 2007 by Bjorkman and Budhwar it was found that local adaptation of HRM practices help to improve performance whereas direct implementation of parent companies practices resulted in inferior performance.

Reiche et al (2009) in their discussion on cultural perspectives on HRM opine that national culture plays an important role in influencing the HRM practices of an organization. The decision about which instrument to adopt in order to achieve HRM outcomes may be universal but how the specific instrument should be designed and configured is influenced by culture. The challenge for MNCs is to maintain consistent HR systems while responding to local norms.

Contrastingly in a study by Pudelko and Harzing (2007) to find out if the HRM practices in subsidiaries of US, Japanese and German MNCs resembled the country of origin or localized or adapted the dominant countries practices, it was found that there appeared less need for companies to localize than it is assumed. MNCs therefore should strive for standardization of global 'best practices'.

2. 4   Management Practices Research in India

As per a review of research of Indian Business in leading international journals, it was found that research carried out between 1991 and 2010 can be grouped under seven broad categories namely cultural influence and comparison between countries, business practices and role of management , studies which focus on one sector or company in India, foreign companies that operate in India, company ownership, review of the context in India after liberalization and transfer of ownership between companies (Rienda et al., 2011).

2.4.1 Research on Impact of Culture on Managerial Values and Business Practices

The following conclusions have been made about the managerial values and business practices research in India based on the review article of research in international journals (Rienda et al., 2011).:

➡ On comparing management styles and work values, differences have been found in perceived values, status, organizational design and individualism between India and US. Apart from these areas, management styles in India are considered to be more close to US management styles than Chinese styles.

➡ An exploration of managerial values post liberalization reveal a shift from old values to contemporary values like quality, learning and teamwork. It has been found that policies which promote professional, organic, participative management with uncertainty reducing mechanism improve performance.

- A wide range of issues were explored with relation to Human Resource Management and aspects related to compensation, incentive payments, retention and employee satisfaction. Though liberalization has brought about a significant change in this area, there still exists a great difference in the practices due to cultural characteristics.

- It has been concluded that reforms introduced after liberalization have made India an attractive destination for business and Indian business groups have transformed themselves to gain a competitive advantage.

Apart from the above review, a vast range of issues have been explored by other researchers and their conclusion are wide ranging. Following are some of the observations and conclusions:

- Research on ancient and modern management practices in India found that some models and constructs, such as those pertaining to job and organizational climate, can be successfully transferred to the Indian context (Thomas, 1994)

- As per a study of foreign multinationals adapting to the Indian work values and management practices, it has been found that the direction in large Indian companies is towards professionalization thereby reducing the gap between its own management culture and that of other countries leading to convergence (Arora, 2005).

- In an assessment of hierarchical tendencies in Indian bureaucracy, it is revealed that there is a reduction in power distance and collectivist values, which could probably result in decrease in hierarchical tendencies.There is a stronger emphasis on future and performance orientation (Kumar, 2007).

- In a study of performance appraisal practices and managerial values in foreign joint ventures and domestic organizations in India, it has been found that the implementation of these practices vary by firm ownership. It has been found that the Indian firms are more personalized and adhoc in implementation of the practices while the practices of the western firms are more institutionalized (Amba-Rao et al,2000)

- In a study of role of HR in India specific company headquarters, it has been found that a combination of external and internal factors influences the selection of globally standard practices or local practices. The HR function in an organization is strongly influenced by the indigenous management and hence may not be formalized or efficient. Hence in order to be efficient MNCs usually adopt the best practice approach and thus foreign firms operating in India have a formal,

structured and rational approach to HR. Therefore the main challenge for these companies has been to implement globally standard practices with minor local adjustments as they have to modify many practices to fit the Indian condition (Budhwar et al, 2012).

➡ In a study by Ananthram and Nankervis (2013) on the role of HR departments in identifying the skill sets for global managers, it has been found that there were more similarities than differences in the perspectives of North American and Indian managers with respect to the important skills for global managers.

➡ Based on a study of applicability of American Management Theories and Practice to Indian business environment researchers have suggested that it is important to make suitable modifications and revisions to American ideas and approaches when they have to be applied in the Indian environment. Management ideas of technical nature can be easily transferred as they are culture free but management practices are culture specific. Hence, management should be tailored to cultural values. It has been predicted that in the long run Indian managers would adopt a hybrid or crossvergence perspective which will reflect a combination of Indian and western perspectives (Gopalan & Stahl, 1998).

➡ Though western norms are not congruent with the Indian values, Indian managers acquire both sets of values and use these differently in different contexts i.e. managers are context sensitive (Sinha, 1999).

From the above results it can be inferred that though Indian organizations are moving more towards professionalism and implementation of universal practices, there still exists differences in their implementation as a result of the inherent cultural differences.

2.4.2 Comparative research on Indian management with Japanese and US Management

Gupta S (2008) has made a comparative study of the similarities and differences of Indian and Japanese HRM practices in the automobile sector of India. The following characteristics of Indian management have been revealed: ascribed status is considered important than merit, paternalistic leadership style is prevalent; employees are motivated towards personalized relationships than through performance, Particularism, stability, informal communication are common charactersisitics. The key characteristics of Japanese HRM could be characterized as: hiring from colleges for

entry level positions through implicit contracts, life term employment for core employees, on the job training to mould employees as per requirement, no clear job definition as people do well due to teamwork, seniority based pay rise and promotions and formal communication.

Choy and Jain (1987) based on their thorough review of literature have listed the key elements of Japanese management as hiring directly from school college, company specific training and job rotation, promotion from within, compensation based on length of service and no layoff, consensus seeking decision making, emphasis on group work family, housing, transportation, semi- annual bonus, lump sum retirement pay, recreational and educational facilities for employees and their families. In his study to see if these practices could be transferred to the Indian environment, it has been found that practices related to employment security and participation in management could be transferred whereas those related to loyalty and identification with the organization as central to a person's life may not be easily relegated in the Indian setting.

As per the findings of a comparative study of Japanese and American management styles , the critical differences found in Japanese firms as compared to their American counterparts were more frequent use of consultative decision-making practices, higher frequency of communication, lifetime employment, long-term planning horizons, generalist career paths, quality control circles, and implicit, informal control mechanisms. Japanese were experts at managing the soft**'s'** (staff, skill and style) and Americans manage hard**'s'** (strategy, structure and systems) better (Beechler et al,1996). In this study eight dimensions of HRM practices have been compared between Japanese firms in America and American firms in Japan to empirically test the differences in American and Japanese management styles. The dimensions considered were formalness, explicitness, time horizon, participation, scope, frame of reference, justice and individualism. Similarities have been found on five of the eight dimensions namely explicitness, time horizon, scope frame of reference and individualism and differences in three dimensions namely formality, justice and participation. This study does not support the belief that there is a fundamental difference between Japanese and American style of management. This suggests that there is convergence between American and Japanese management practices.

Gopalan and Stahl (1998) studied the impact of national culture in applying American management theories and practices to the Indian business environment through the use of Kluckhohn and Strodtbeck framework and listed the following differences between American and Indian culture which would have significant implications for the practices to be followed in organizations:

➡️ In terms of human nature orientation Americans believe that employees can change and hence use training interventions to make employees productive. Indians believe that the present situation is a consequence of action in previous birth and hence Indian organizations may not be committed to invest in human resource development programs at a larger level.

➡️ On the dimension of relationship to nature, Americans have an internal locus of control whereas the Indians have external locus of control

➡️ On the dimension of time orientation, Americans are future oriented and hence management is time bound where deadlines, schedules and appointments are emphasized. Making numbers is also important and change is embraced. Indians view time as an infinite loop, and hence adopt a relaxed attitude towards time. Practices are handed over from the traditional past and focus on maintaining status quo.

➡️ In terms of approach to work, Americans select the most qualified person for a job and individuals are valued for the contribution they make to the work. The employee is loyal to the profession and not to the organization. The focus is on meeting shareholders needs and not providing long term employment. Job content motivates employees. Hiring in traditional Indian organization is influenced by insider/outsider distinction. People prefer loyalty and dependability over efficiency and independence. Job context motivates employees.

➡️ In terms of relationship to society Americans are highly individualistic and are supportive of participative management style. Competition is emphasized over cooperation. Indians give importance to group; benevolent and nurturing patriarchic style is suitable. Based on the regional divide, people may be aggressive or more risk embracing.

➡️ From the above observations it has been predicted that Indian managers would adopt a hybrid or crossvergence perspective in the long run, which will reflect a combination of Indian and western perspectives.

A survey taken of 800 HR managers in order to find out how Japanese multinationals could use US and German practices to reform their own HRM practices, has presented the following significant findings. As per their literature study, Japanese HRM model whichhas been considered to be a key factor for the rise of the Japanese economy in the 80s and considered to be a role model for the west is presently considered to be outdated and requires several reforms. It has been found that a shift is taking place towards the western management principles. There is a search to find a new balance

between traditional Japanese principles and western strategies. The data reveals that Japanese managers want to adopt foreign practices especially American practices. This is a significant learning for those organizations that want to operate in Japan. (Pudelko and Harzing , 2008) .

Based on above review of literature a list of similarities and differences management practices of India, Japan and United States are listed in **Appendix 1**.

2.4.3 Research on MNCs and IT Sector in India

Multinational companies are attracted to India by the size of its vast and growing market. Multinational companies perform well wherever they are in the world. They remunerate employees better than their local counterparts and adopt practices like de-layering, and rightsizing (Venkata Rathnam 1998). The liberalization of the economy has opened great opportunities for multinational corporations but is facing pressure to increase their levels of performance. When compared to family owned business they are highly professional (Chong, 2004).

It is not multinationals alone that benefit from better management practices but many domestic firms which have benefited through migration of employees and knowledge from multinationals. Multinationals in India both compete and cooperate. The increasing presence of multinationals, make it necessary for Indian business organizations to pay more attention to integrating traditional and western management practices, in order to make organizations more effective in the face of global competition.

The IT sector is one of the most important sectors in India and has been studied by various researchers (Rienda et al 2011). The distinguishing factors of this sector include a shift towards technological innovations and entrepreneurial characteristics which are critical factors for success.

The focus of research in IT sector in India has been on identifying factors responsible for success of small entrepreneurial firms (Contractor et al, 2005) , the role of creativity in collated and dispersed IT projects (Metiu & Kogat, 2004), how globalization has had an impact on convergence in the area of corporate governance practices in the Indian IT sector, with focus on Infosys (Khanna & Palepu, 2006), factors responsible for success of IT clusters with focus on Bangalore (Sonderegger and Taube, 2010), and impact of entrepreneurial teams' external networks on their ventures performance (Vissa & Chacar, 2009).

2.5   Research Gap

Yang et al (2006) in their review of research methodologies in international business have surveyed 1296 articles in 6 leading international journals. It has been observed that India is not among the 12 most frequently studied nations. Nigam and Su (2011) in their comparative study on management in emerging versus developed countries have found that several studies have been conducted on the management practices of developed countries but very few studies have been conducted from the Indian perspective. Therefore it is important to understand Indian management in order to find out the best cross cultural strategies for optimal organizational performance.

In a study on the current state of management research in India, Khatri et al (2012) have observed that there is a gap between the economic development and current state of management research. There is immense scope to conduct research in the Indian context that can have an impact on management practice. There is a need to create knowledge in India rather than relying on knowledge from the west.

Indian business and management have been perceived to be different from the west. The need is for a structured means of understanding Indian business and management in the emerging global business context (Grainger &Chaterjee, 2008). The need to come up with a new model of management to complement and contrast established models is important for following three reasons:

➢ Corporate ownership and management is shifting from local and bureaucratic form to global partnerships

➢ Management in India is characterized by complex cultural diversities
➢ Social imperatives are more important in Indian management

Panda and Gupta (2007) in their meta review of organizational research in India for the past fifty years have discovered various trends of organizational research in India. According to them the research focuses on micro aspects rather than macro ones, the unit of analysis being individual rather than the organization.

Most of the previous research in India has focused on cross cultural comparisons between Indian managers and their counterparts in other countries. However, research on cross national differences at the organizational level, is not very common (Thomas & Philip 1994).

Rowley and Benson (2002) opine that the ways universal practices are interpreted and implemented varies between countries organizations and individuals. Even in those factors where convergence is assumed, there can be divergence at national or intra

national levels when they are mediated by different institutions within their culture. Hence some practices may converge at the organizational level and some may not, as it is easy to implement the practice but difficult to internalize it as the practice would not infuse with existing values. This results in a gap with the practice adopted and the mindset of employees. It is also possible for convergence and congruence perspective to exist simultaneously and operate at different levels. Therefore it becomes important to distinguish and disaggregate specific aspects of practices which converge and those which remain distinct or diverge.

Shrivastsava et al (2012) in their study on management practices with Indian work culture have found out that though several studies have been conducted on various aspects of Indian work culture , very few studies have been conducted on the experiences of management practices in Indian work culture.

A misfit between national culture and management practices will reduce effectiveness but little research has been done to address and understand statistically the relationship between HR practices and national culture (Gerhart, 2010).

The conclusion of a wide review of research over doing business in India in leading International journals made by Rienda et al. (2011), has been that the potential avenue for further research should be to undertake an in-depth study of foreign companies in India, their influence on local companies, and how they can help Indian companies break into foreign markets.

Due to the influx of MNCs in India it has become important to take a fresh look at the HR practices of organizations in India. The status of Indian HR has changed significantly and is continuing to evolve rapidly due to the pressures of liberalization (Jain et al 2012). The present literature on MNC says little about the management of affiliates operating in emerging markets.

A study by SparrowandBudhwar (2012) has examined in detail the role played by the HR function in Indian country specific headquarters. But there are no studies that compare the practices of these companies to the practices of Indian MNCs.

Globalization in India does not result in replacement of traditional with modern but may create hybrid relationships where modern management is intertwined with pre existing management philosophies. This aspect of modernization has been poorly understood and there is a need for management studies to highlight the aspects of such a management (Murphy, 2008).

Though several organizations outside India have been evincing interest in India, not much research has been done so far to throw light on effective management practices in the Indian context (Singh and Krishnan 2007). Though several studies have been conducted in the IT sector, no known studies have been undertaken to compare specific practices in the area of Human resource management between Indian and Global IT organizations.

Though there is assumption of convergence, both convergence and congruence can exist simultaneously (Rowley & Benson, 2002). Hence it is important to distinguish specific aspects of practices which converge and those which diverge.

Indian business groups have transformed over the years to gain competitive advantage. It is important to understand which specific practices have enabled the transformation.

Though scholars have used samples within and between countries, different methods of data collection and various variables in order to study different aspects of management practices limited attention has been paid to the management practices in the areas of operations management, performance management, monitoring management, targets management and talent management. Based on the literature review it is evident that global multinationals have localized their practices in the host countries and conversely home country multinationals are also compelled to adopt global practices. The specific nature and extent of such convergence, divergence or crossvergence has not been examined in detail in the Indian context.

If the management practices prevalent in the Indian organizations are captured, then these can be related to the cultural and contextual factors of India. This would enable us to understand if these practices have been adapted to suit the Indian culture or is a replication of global practices. The above findings call for re-examination of management practices followed by organizations in India. The research gaps can be highlighted through the following figure 2.2.

Figure 2. 2 - Research Gap
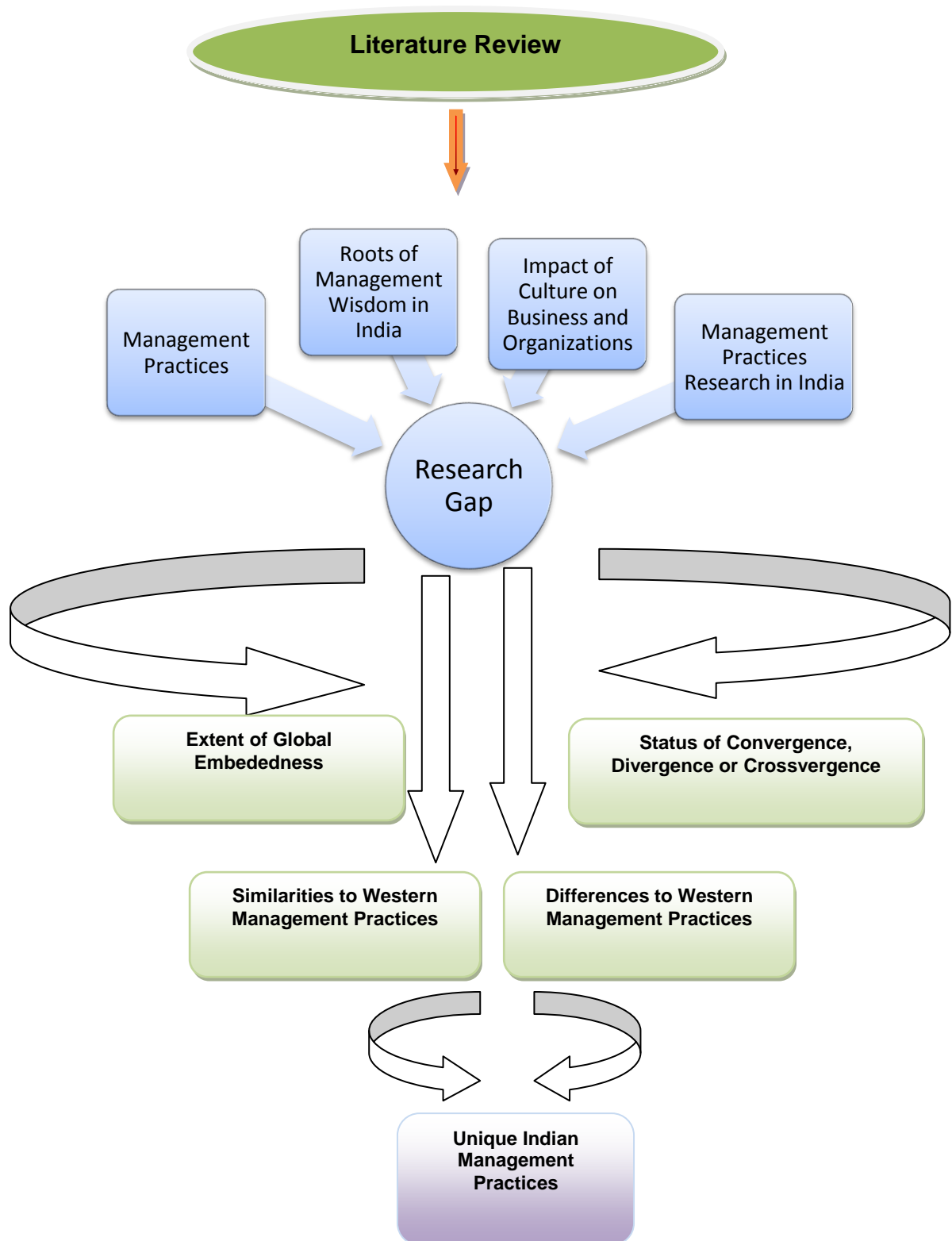
The above research gaps can be addressed with the following research questions:

RQ 1.   What is the nature of embededness of specific management practices prevalent in Indian and global organizations in the IT sector in India?

RQ 2.   What are the similarities between specific management practices of Indian and global organizations in the IT sector in India?

RQ 3.   What are the differences between specific management practices of Indian and global organizations in the IT sector in India?

RQ 4.   Is there a convergence, divergence or crossvergence (hybridization) in these management practices?

RQ 5.   Which management practices could be categorized as uniquely 'Indian' management practices?

Hence the objective of the research can be summarized as follows:

1. **To measure the extent of embededness of global (professional) management practices in Global Multinationals, Indian Multinationals, and Indian Companies in the IT sector in India.**

2. **To determine if there is convergence or divergence or crossvergence (hybridization) in these management practices.**

3. **To identify and validate 'Unique' Indian management practices, if any.**

The first research question RQ1 pertains to objective 1. The research questions RQ2, RQ3, RQ4 pertains to objective 2 and RQ5 aims at achieving objective 3.

CHAPTER 3 - DEVELOPMENT OF PROPOSITIONAL FRAMEWORK AND RESEARCH HYPOTHESES

This chapter is divided into three sections. The first section elaborates on the propositional framework developed for the present research highlighting the cultural underpinnings and the management practices taken up for study. The second section deals with development of propositions for each of the 18 management practices on the basis of literature relevant to them. The third section relates to formulation of null and alternate hypotheses based on the propositions developed.

3.1 Development of Propositional Framework

An analysis of literature on the link between management and culture has proved that culture can impact management practices. On the other hand due to globalization the presence of MNCs have increased and have made deep inroads in countries like India. It is said that in addition to transferring technology, MNCs also transfer managerial expertise to developing countries and standardize global practices wherever they operate. A careful analysis of the management practices of organizations can reveal if post liberalization companies in India have retained indigenous management practices inherent to Indian culture, or have adapted practices similar to global practices or have implemented practices which are hybrid in nature.

Based the literature review in Chapter 2 the following are the dimensions on which cultures differ.

Figure 3. 1 - Differences of Core Cultural Dimensions
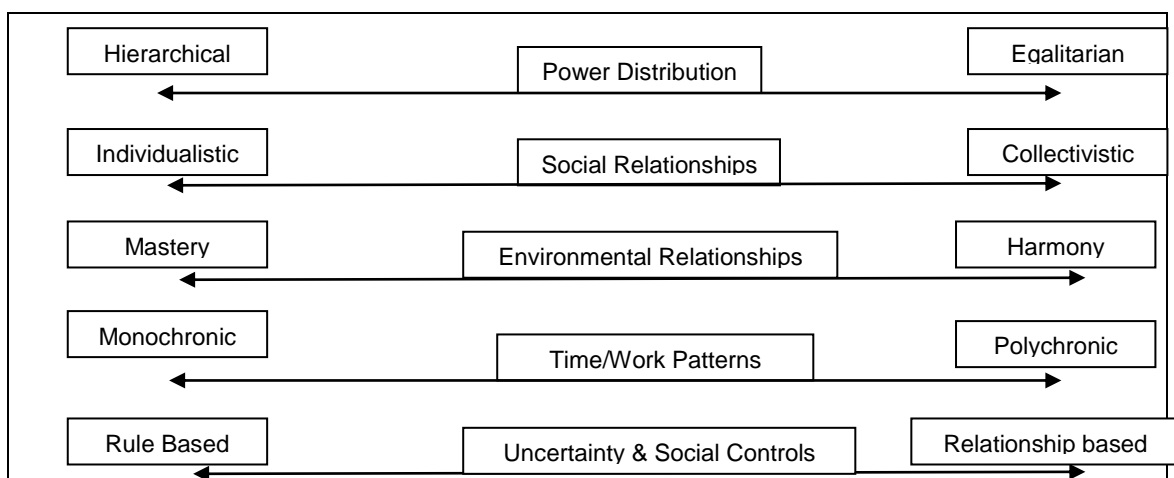
Source: Richard M. Steers, Carlos J. Sanchez-Runde, and Luciara Nordon, Management Across Cultures Challenges and Strategies, Cambridge University Press, 2010

Based on the above figure 3.1 the following propositional framework has been development for testing.

Figure 3. 2 - Propositional Framework for Management Practices in Indian I.T. Sector
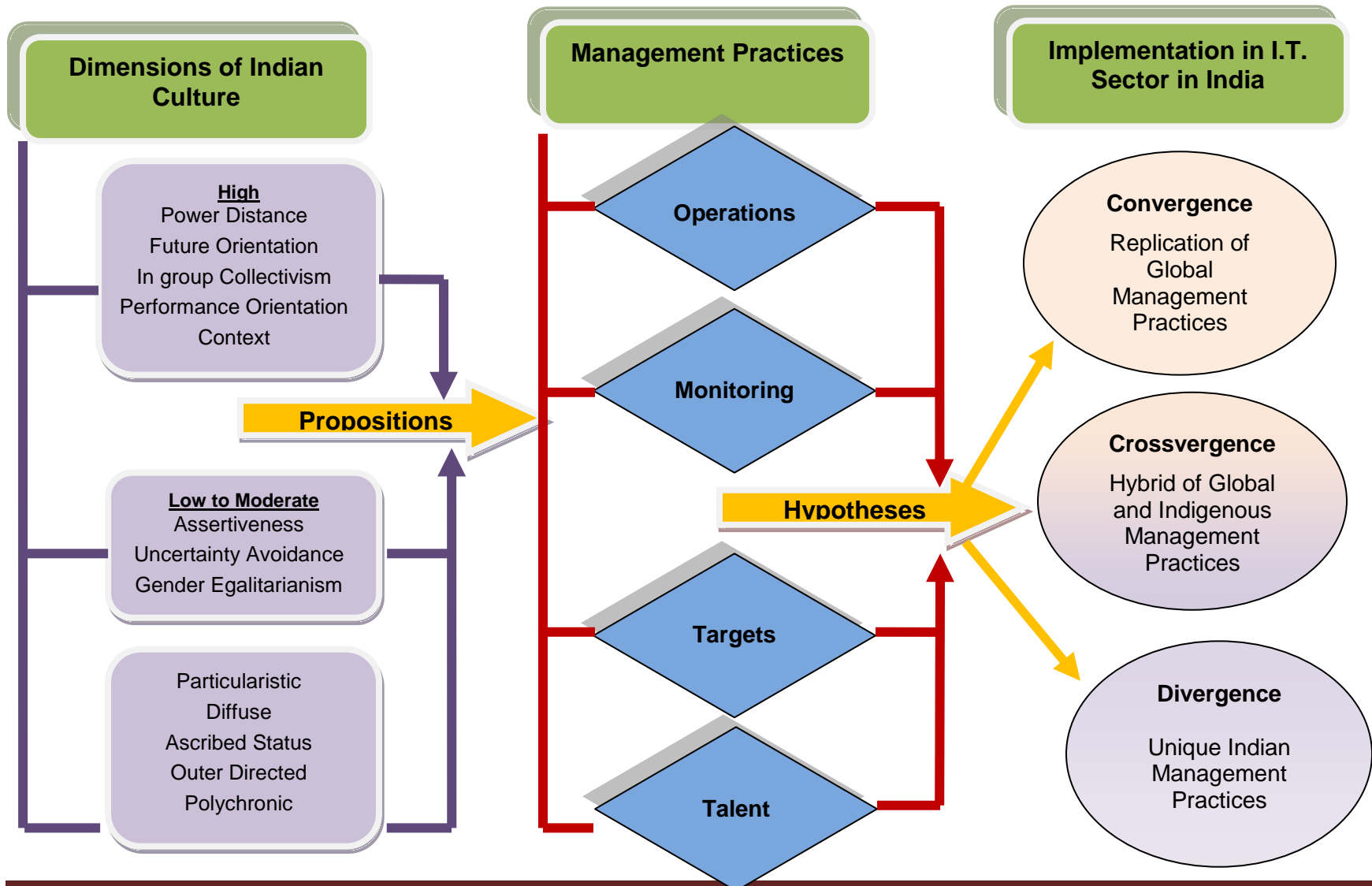
3.1.1 Dimensions of Indian Culture

In order to develop a propositional framework, understanding the dimensions of Indian culture is important to understand the differences between domestic and global management.

Table 3.1 lists the dimensions of Indian culture as per the frameworks of GLOBE study (House et al., 2004), Trompenaar's study (1994), Hofstede's dimensions (1983, 1990), Edward Hall (1976), andKluckhohn and Strodtbeck (1961).

Table 3. 1Summary of Established Dimensions of Indian Culture

Framework	Dimension	Scale/Anchor/ Score	Inference for India
(A)			
GLOBE Project	Power Distance (Avg. 5.17)	High (5.47)	Indian society is quite structured stratified and hierarchical where decisions are taken by senior people. Subordinates expect seniors to be benevolent to them
	Uncertainty Avoidance (Avg. 4.16)	Moderate (4.15)	Different from lower scores in this dimension in other studies. Indicates that attempts are being made to reduce uncertainty
	Humane Orientation (Avg. 4.09)	High (4.57)	Reflects characteristics of being altruistic, charitable and helpful to others. People are motivated by a need for belonging and affiliation.
	Institutional Collectivism (Avg. 4.25)	High (4.38)	Collective goals are preferred over individual goals and rewards are for teams rather than individuals.
	In-group collectivism (Avg. 5.13)	High (5.92)	The very high score on this dimension proves that family members and friends play an important role in decision making and have strong expectations from each other

	Assertiveness (Avg. 4.14)	Low (3.73)	The low score indicates that Indians have a non-assertive and harmonic approach.
	Gender Egalitarianism (Avg. 3.37)	Low (2.90)	The low score indicates that Indian society is a male dominated society though the steps are being taken to reduce the gender differentiation
	Future Orientation (Avg. 3.85)	High (4.19)	Indian society has always emphasized 'hereafter' in preference to 'here and now' and hence scores high on this dimension indicating a future oriented culture
	Performance Orientation (Avg. 4.10)	High (4.25)	A relatively high score on this dimension indicates that performance and success are considered to be important in society
(B)			
Trompenaars, Fons and Hampden – Turner	Universalism/ Particularism	Particularistic	India is a Particularistic country where the focus is on relationships rather than rules
	Individualism/ Communitarianism	Communitarist	India is a Communitarist country which favors cooperation social concern, altruism, public service and societal legacy
	Specificity/ Diffuseness	Diffuse	It is similar to High context culture. India has a Diffuse culture where building good relationships is important in business
	Achieved/ Ascribed status	Ascribed	India is more ascribed than achieved where importance is given to status rather than achievements
	Inner/ Outer directed	Outer Directed	Indian culture is more Outer directed where it is believed that the environment controls the

			people
	Sequential/ Synchronous Time	Synchronous	India is Synchronic oriented culture where people tend to give time to those with whom they have a relation and the emphasis is on past events and glory
(C)			
Hofstede	Power Distance (Avg. 55.0)	High (77)	In India there is an appreciation for hierarchy and a top down structure in society and organizations, dependent on boss for directions, rewarded for being loyal
	Individualism/Colle ctivism (Avg. 43.0)	Intermediate (48)	India is a society with both individualistic and collectivistic traits, where people are expected to act in accordance to the greater good of one's defined ingroups like family neighbours, work groups. Hiring and promotion decisions based on relationships. People are individually responsible for the way they lead their lives.
	Masculinity/ Feminity (Avg. 50.0)	High (56)	India a masculine country where the focus is on success, earnings, achievements, competition challenge, achievement, and material gains.
	Uncertainty Avoidance (Avg. 64.0)	Medium to Low (40)	In India tolerance for unexpected is high and imperfection is acceptable. Rules are meant to be circumvented.
	Long Term Orientation (Avg. 45.0)	High (51)	India is a pragmatic, long term culture. Lack of punctuality accepted, plans are changed according to situations, time is not considered linear

	Indulgence (Avg. 45.0)	Low (26)	India being a restrained culture, there are stricter social norms, gratification of drives are regulated and suppressed, freedom of speech is not considered important
(D)			
Edward Hall	Context High/ Low	High	India is a High context culture where the people are polite and avoid saying unpleasant things. They do not give negative answers and find it difficult to say 'no'. They also express emotions freely
	Time Polychronic/ Monochronic	Polychronic	India is a Polychronic culture where people do various tasks simultaneously. Time is considered to be very flexible and punctuality is not important. There is no fixed agenda for meetings and the focus is more on relationships.
(E)			
Kluckhohn & Strodbeck	Human Nature Orientation - Evil/ Mixed/ Good	Evil	Indians have viewed human nature as bad, evil and wicked. Most Indians believe that their present nature and state is unchangeable and is an outcome of their past actions and birth (karma).This results in a strong sense of fatalism, low degree of effort and persistence and belief in using punishments and coercion
	Man Nature Orientation - Mastery/ Harmony/ Subjugation to nature	Subjugation	Indians tend to have an external locus of control and subjugate themselves to nature. This results in a passive and resigned outlook and lower levels of ambition.

	Time Orientation - Past/ Present/ Future	Past	Indians are oriented towards past and view time as an infinite entity. As a result of this they have a laid back approach to time and low degree of planning
	Activity Orientation Doing/ Being / Being-in- becoming	Being	Indian activity orientation is called the 'being orientation' as differentiated from the American activity orientation which is the 'doing orientation'. People in India primarily work for satisfying family needs and wants. This results in a soft work ethics and lack of focus on satisfying economic needs and desires
	Relational Orientation Hierarchical (Lineal) / As equals (Collateral) / Individualistic	Lineal	Indians exhibit behaviors that indicate a preference for structural inequality in relationships. Displaying conformity, dependence and seeking approval are valued and rewarded over those showing initiative, creativity and independence

Source: Author

3.1.2 List of Management Practices

For the purpose of this research the eighteen basic management practices adopted by Bloom and Van Reenen (2007) in their World Management Survey[3] have been used. The objective, findings of their study and the relevance of the study have been highlighted in Chapter 2. A detailed description of their survey tool and methodology has been provided in Chapter 4 - Research Methodology. These practices are grouped into four broad categories:

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[3] The WMS website (http://worldmanagementsurvey.org) has details on datasets, methods (with training materials on how to run surveys), reports, papers and an online benchmarking tool for firms.

1. **Operations management**: this measures whether companies have adopted specific modern techniques to meet their business objectives

2. **Monitoring management**: this measures how well companies monitor what goes on inside their firms and use this for continuous improvement

3. **Targets management**: this measures whether companies are setting the right targets, tracking the right outcomes, and taking appropriate actions if the two are inconsistent

4. **Talent management** (Incentives): this measures whether companies are promoting and rewarding employees based on performance, and trying to hire and keep their best employees.

The eighteen specific management practices, under the four broad categories, are provided in Table 3.2.

Table 3. 2: Management Practice Categories and Elements

Operations management	Monitoring management
Modern Management Practices Introduction	Performance Tracking
Modern Management Practices Rationale	Performance Review
Process Documentation	Performance Dialogue
	Performance Clarity and Comparability
	Consequence Management
Targets management	**Talent management (Incentives)**
Targets Balance (Breadth)	Managing Human Capital
Targets Interconnection	Rewarding High Performance
Targets Time Horizon	Removing Poor Performers
Targets Stretch	Promoting High Performers
	Attracting Human Capital
	Retaining Human Capital

The details of these practices and their explanation are given in the following table 3.3.

Table 3. 3List of Management Practices Elements and Explanation

No.	Name of Practice	Abbreviation	Practice Category	Explanation
1	Modern Management Practices Introduction	P1	Operations	Tests how well modern management practices have been introduced
2	Modern Management Practices Rationale	P2	Operations	Tests the motivation and impetus behind changes to operations and how it was communicated
3	Process Documentation	P3	Operations	Tests the processes for and attitudes to continuous improvement and whether the learning's are captured/documented
4	Performance Tracking	P4	Monitoring	Tests whether performance is tracked using meaningful metrics and with appropriate regularity
5	Target Balance	P5	Targets	Tests whether targets cover a sufficiently broad set of metrics and whether financial and non financial targets are balanced.
6	Target Interconnection	P6	Targets	Tests whether targets are tied to the organizations objectives and how well they cascade down the organization
7	Performance Review	P7	Monitoring	Tests whether performance is reviewed with appropriate frequency and communicated to staff
8	Performance Dialogue	P8	Monitoring	Tests the quality of review conversations
9	Consequence Management	P9	Monitoring	Tests whether differing levels of performance lead to different consequences
10	Target Time Horizon	P10	Targets	Tests whether the organization has a short term or long term approach to plans and targets
11	Targets Stretching	P11	Targets	Tests whether targets are based on sound rationale and are

				appropriately challenging to achieve
12	Performance Clarity	**P12**	Monitoring	Tests how understandable performance measures are and whether they are openly communicated to the staff
13	Managing Human Capital	**P13**	Talent	Tests the type of emphasis given to overall talent management within the organization
14	Rewarding High Performance	**P14**	Talent	Tests whether there is a systematic approach to identifying good and bad performers and rewarding them proportionately
15	Removing Poor Performers	**P15**	Talent	Tests how well the organization is able to deal with underperformers
16	Promoting High Performers	**P16**	Talent	Tests whether promotion is talent based and whether talent is developed within the organization
17	Attracting Human Capital	**P17**	Talent	Tests the strength of employee value proposition
18	Retaining Human Capital	**P18**	Talent	Tests whether the organization would go out of its way to keep its top talent

Source: Adapted from World Management Survey (2007, 2010)

3.2 Development of Propositions Based on Cultural Dimensions

3.2.1 Operations Management

3.2.1.1 Introduction of Modern Management Techniques

Modern management techniques and concepts had been central to Indian management philosophy much before they were embraced by West. Probably the world's first management book Arthashastra was written around the end of fourth century BC and formulated details of managerial accounting, economic tools of administration and linked them to overall administrative principles. Taxila University is an example of an advanced management centre and Nalanda University was one of the most influential global centres of learning. The earliest inscription of management

can be found in Rigvedas. The idea of a 'corporation' as a complex entity existed in ancient Indian tradition is evident from presence of SRENI codes within the state structure. Five roles of managerial leadership were provided in the Mahabharata similar to those of Mintsberg. (Chatterjeee, 2009).

India ranks at the half way mark when it comes to the score of uncertainty avoidance on Globe dimensions, and medium to low in the Hofstede's dimension (Table 3.2 A, C). This reflects that though the culture is comfortable in ambiguous situations and unfamiliar tasks, attempts are being made to reduce the uncertainty. There is fast acceptance to new products and technologies. Rules, customs and norms are established to reduce uncertainty. Therefore when it comes to introduction of modern management techniques, it is expected that it will be accompanied by some rules, regulations and procedures in order to reduce uncertainty.

As India has a particularistic and high context culture, the focus is more on relationship than rules (Table 3.2 B, D). Hence written contracts are less important and mutual trust is more important. Due to ascription in culture and high power distance, the decision of top management is seldom challenged (Table 3.2 B, C). Though many organizations have implemented modern management techniques, in most cases the preparatory work in relation to either worker retraining or reorientation of the people in the organization is often minimal. The change as a result dawns on people as sudden and ad hoc, in contrast to the foreign system where they get their preparatory work done before the change (Virmani, 2007, p.315).

In India though there exists a huge core of technically qualified people, any change to existing technology is not welcomed by people. They are against change due to the fear that it might work against them and hence, change is virtually imposed on them. In organizations, though there exists a formal policy for technology upgradation, there are collective pressures from people to subvert it. Therefore the incentive for technology upgradation is not high (Virmani, 2007, p.316).

One of the reasons that modern management techniques have not been introduced in certain organizations is that people are not aware of these practices and they do not understand that introduction of these practices and techniques lead to improved productivity (Bloom and Reenen, 2007).

Proposition 1: When it comes to the introduction of modern management techniques, Indian cultural characteristics of high power distance, collectivism, and low uncertainty avoidance and high context have resulted in rather informal way of introducing new management techniques.

3.2.1.2 Rationale for Introduction of Modern Management Techniques

India being a land of predominantly collectivist culture, collective interests prevail over individual interests. Also due to long term orientation, the focus is not only on bottom line but on the market position (Table 3.2 A, C). The rationale to introduce any modern management technique would take into consideration business and profits over many years as India is high on future orientation.

In countries that are short term oriented, the rationale for introduction of modern management techniques would only be the bottom line. In western organizations any change to the system or introduction of new techniques are based on policy and norms. The considerations for these are mainly organizational needs and growth of the organization.

As India has a diffuse culture, private and business issues interpenetrate. In Indian conditions the factors that influence decisions are largely non organizational (Table 3.2, B). The pressures that impact decisions are from varying quarters like political pressures, pressure from trade unions etc. As a result of this the organization's primary considerations diminishes to a great extent. The direct consequence is that although on paper there is a specific laid down policy with respect to implementation they are not followed up (Virmani, 2007, p.316).

***Proposition 2**: The rationale or reason for introduction of modern management techniques are not because it is required genuinely for the business needs, but because they are influenced external factors like competition.*

3.2.1.3 - Process Problem Documentation

Countries that have a high uncertainty avoidance score, view uncertainty as a threat in life and hence they fear ambiguous situations. Cultures like India that have low to medium score on this dimension, exhibit a tendency for tolerance and ambiguity, and are better at invention than at implementation (Table 3.2 A,C). Therefore they seek solution to any problems as and when they face the problems rather than planning for process improvements as a part of business processes. Indian management is known for its innovative problem solving '*jugaad*'.

However, as India has a high future/long term orientation, process improvements are also considered periodically keeping in mind the profitability of the organization in the long run (Table 3.2 A,C).

Due to the collectivist dimension of Indian culture, weightage is given to cohesiveness and team spirit (Table 3.2 A, B, C). As the power distance score is high, subordinates or staff expect to be told what to do and do not take initiatives on their own. Hence it is usually a group's initiative rather than individual's responsibility to expose problems and suggest process improvements. Also the practice of documentation and capturing the learning of any new change is not considered to be important.

Proposition 3**: **Continuous improvements to processes are not considered to be important or an individual's responsibility. Improvements to processes are made on the recommendations of teams, only when problems occur.

3.2.2 Monitoring Management

3.2.2.1 - Performance tracking

India scores high on performance orientation (Table 3.2 A). Performance tracking in some form has been a part of administration and management in India. The earlier versions were not somehow formalized or recorded and were merely assessed verbally. The first attempt to track performance formally was done by the British who wanted to assess the reliability and loyalty of the Indians in their employment (Virmani, 2007, p.306).

Performance tracking has become an integral part of the HRM activities in Indian organizations. Performance is continuously monitored and tracked as is evident in the school and college education formats where there is continuous and comprehensive performance evaluation. The government also rewards meritorious performers. The objective of performance tracking is to provide motivation and acknowledgment to good performers and provide direction to underperformers.

When it comes to follow-up regarding the tracking process, countries which have universalistic culture have standard rules and treat all cases in the same way. But as India has a particularistic culture (Table 3.2 B), each case is treated on its special merit. Indian managers are considered to be context sensitive in the sense that some behaviour that is judged appropriate for a given place, time and person may not be appropriate for other times, places and persons (Sinha & Kanungo, 1997). Senior managers play an important role in performance tracking as is evident from the leadership style evident in many organizations. Nurturant task leadership prevails in

organizations and the role of the leader is that of a paternalistic father figure who takes active interest in the well-being of his subordinates.

__Proposition 4: Performance Tracking includes aspects other than key performance indicators and are informally tracked under the supervision of senior management, on a case to case basis and results are communicated informally.__

3.2.2.2 - Performance Review

In India job performance is viewed as a matter of duty and hence in general, productivity is low. Performance appraisal in India might include variables that are not commonly considered in western countries. For example, loyalty and dependence on one's superior may factor into a favourable performance rating. As India is a particularistic culture rather than a universalist culture, tracking does not always stick to the KPI alone. Mutual trust is valued more than written contracts and business loyalty depends on the personal relationship among the superior and subordinates.

The entire concept of performance review and appraisal has always been viewed with mistrust by the employees and there appears to be little faith in the system due to evil human nature orientation of Indians. This is because it is selectively used in the promotion process which is a combination of seniority, skill, effort and performance (Gopalan et al, 1998). Sometimes separate tools are used to identify promotion opportunities and developmental needs. Employees feel that if there is formal appraisal and a weakness is identified, it would be documented and can be held against them in matters of promotion. Due to high power distance, performance tracking and appraisal is used as a control device and handy tool to ensure loyalty (Virmani, 2007).

Therefore beyond the formal appraisal, the word of mouth assessment is accorded greater credibility. Usually the results of the appraisal are communicated face to face by the immediate manager to his subordinates.

__Proposition 5: Though performance is considered important, review is infrequent. Indian managers due to their inherent nature do not like to communicate negative feedback.__

3.2.2.3 - Performance Dialogue

Countries that have specific (low context) cultures, the entire meeting or negotiation are typically focussed on the object or proposition being discussed (Table 3.2 D). People stick to the point and specific predetermined topics are discussed. Cultures that are categorised as low context cultures focus more on data and information. As India is more of a diffuse culture, negotiations/meetings focus on the persons involved and not so much on the object or proposition discussed. India has a low score on assertiveness. As a result communication, and dealing with others is more courteous and confrontation is avoided. Due to moderate score on uncertainty avoidance, ambiguity is accepted as a part of any meeting, hence the purpose agenda and follow up steps are not considered paramount (Table 3.2 B,A,C).

The concept of face saving is very characteristic of Indians. India being high context culture, information is conveyed indirectly through context, surrounding the message. The communication is circuitous, evasive, tactful and ambiguous. Cultures that are specific, structure meeting with time slots, intervals and agendas. But as India has a diffuse culture the managers let the meeting flow, occasionally nudging the process.

Proposition 6**: **When it comes to performance review conversations, clear agenda, purpose and appropriate data are not available. Direct communication and confrontation is avoided. The root cause of the problem is not addressed.

3.2.2.4 Performance Clarity

India being a diffuse and high contextculture, communication is indirect, circuitous and ambiguous. Meetings are not structured with clear agenda. The context of communication is more important than content. Due to sequential nature of Indian culture emphasis is not laid on following the initial plans. Rules and plans may be changed or circumvented due to the particularistic nature. Indians tend to avoid conflict, accept ambiguity and do not say no to any task even if they are not clear about doing it (Table 3.2 A,B,C,D). They have a flexible attitude, and are willing to compromise and keep peace. Synchronic cultures value the satisfactory completion of interactions with others. Cooperation is valued over competition.

Proposition 7**: **It is not important to define performance measures very clearly. Also these may be changed during the course of time. Individual performance goals are not considered as important as collective goals. Hence performance measures are complex and not well defined. Neither is it clearly communicated or understood.

3.2.2.5 Consequence Management

Traditionally, Indian organizations have not incorporated laying-off of people as it was not an accepted practice. This is due to the high humane orientation of Indian culture (Table 3.2 A). In recent years this perception has changed, as companies now have to cut down costs and remain competitive.

In general, Indians do not evaluate performance of workers as individuals but as members of an identifiable group (collectivism). People are integrated into strong, cohesive groups who protect them and demand loyalty throughout one's lifetime (In-group collectivism) (Table 3.2 A,C). This is similar to treating individuals in family not as a separate entity but as members of a family. Deviant behaviour on the part of the individual can call for reprimand but not denying belongingness to the family. Poor performance may not result in loss of a job, but may include reassignment of tasks.

In high performance oriented countries training and development is connected to the teams or employees performances. But in countries with low to medium performance orientation, training is aimed at increasing the loyalty towards the organization. In high power distance countries like India participants are chosen for training based on favoritism rather than requirements (Nigam & Su, 2011).

Since a person is valued for what he is rather than what he does, it is most likely that failure to achieve targets would result in moving a person to where his skills match with the requirements of the organization but only after considerable period of time.

Proposition 8**: **Failure to achieve targets does not lead to immediate consequences like retraining, relocation or loss of job. It is tolerated for a period of time before action is taken.

3.2.3 Targets Management

3.2.3.1 Targets Balance

India has always had a long term orientation and hence the focus is not only on bottom line. Customer satisfaction, employee welfare and securing the business growth and profit over the years have taken precedence over financial metrics.

The third stage of the Hindu life, *Vanaprastha Ashram*, focuses on the search for meaning, helping others and a gradual withdrawal from the competitive business world. Senior managers who are typically at this stage prioritise providing inputs for

strategy, maintaining the organizational culture, guiding employees over increasing shareholder value. It has been found that the social mission itself is a powerful way to motivate people and leads to increase in performance. (Cappelli et al, 2010).

Indian companies see serving a social mission as their most important goal and not maximizing shareholder value as in the case of US. The distinctiveness of the Indian business is the social goal for the business that goes beyond making money and helps employees see a purpose in their work. The social mission does not conflict with the shareholder value creation. Service to others is given more importance over satisfying one's material needs (Cappelli et al, 2010).

***Proposition 9**: In terms of target balance, it is a combination of financial and non-financial goals at all levels. But non-financial goals are not considered to be a part of performance appraisal at the lower levels.*

3.2.3.2 Targets Interconnection

In Indian organizations, usually the top down approach is used for goal setting. Traditional Indian organizations are characterized by multiple levels and rigid hierarchy. Hence as the goals cascade downwards, they lose their clarity. Due to high power distance, subordinates expect to be told what is to be done and do not question their bosses or seek clarifications. Role clarity is not considered important as acceptance of ambiguity is an inherent part of Indian culture (Table 3.2 A, C).

***Proposition 10**: When the goals cascade down, they lose their clarity and people at the lower levels are not aware about the importance of goals in enhancing the market value of the firm. The individual goals and organizations' goals are not interconnected or linked.*

3.2.3.3 Target Time Horizon

Most western countries have short term orientation. The American notion of future is relatively short term extending from four months to a year. The emphasis is on short term goals which results in importance given to 'here and now' rather than long term thinking. Time is viewed as an asset with perishable value. Management is time bound where managers feel that unless targets and outcomes are achieved within a specific period, the success of the organization will be compromised. (Gopalan & Stahl 1998).

Most Asians including Indians tend to attach more importance to the past and believe that all events are influenced and interconnected to the three time orientations – past, present and future (Table 3.2 E). Time has been viewed as an infinite loop in India which will continue to exist. Indians attach pride in following practices that have been handed over by tradition and yet, at the same time, are pragmatic. This is evident even in the government machinery where 5 years plans are formulated for the nation. As a result of this relaxed attitude towards time the emphasis is on long term goals and plans.People from diffuse cultures like India look at the whole and not at individual elements. All elements are related to each other and hence the whole is more than just the sum of the parts. Therefore long term plans are broken down into short term plans and the accomplishment of these lead to the accomplishment of the long term plans.

***Proposition 11**: Though the emphasis is on long term targets, they are not translated into specific short term targets which may be used as a staircase to achieve long term goals. Long term targets and short term targets are set independently and not linked to each other.*

3.2.3.4 Targets Stretching

India ranks low on the assertiveness scale of the Globe dimension. In line with its score for the humane orientation, Indians prefer a non assertive and harmonic approach where people tend to avoid confrontation. Due to high in group collectivism, the managers tend to support their acquaintances in all cases. Being altruistic is related to the concept of Karma(Table 3.2 A,B,C,D,E).

As per the findings of the focus group study of Globe India (House, 2004), a normally effective manager in India performs just the maintenance function where he expects the subordinates to carry out the work given to them and get things done on time. The goal set by the organization is considered ultimate. Indian managers are also found to be less demanding and focus more on efforts. Due to long term orientation they also encourage sustained efforts, though it may produce slow results. Face saving is very important and the focus is more on relationships than rules and hence the nature and difficulty of goals depends on the relationship.

The Indian work ethic is predominantly influenced by Hindu religion and it encourages people to work for satisfying primary needs and wants. Therefore the importance given to achievement, accomplishment and accumulation of material wealth is given lesser importance. This in turn results in a soft work ethic. But this is in contradiction to the high masculinity score of Hofstede's (1983) where challenge, earnings, recognition and advancement are important. India has an external locus of control which results in a passive and resigned outlook and lower levels of ambition relative to western cultures.

Proposition 12: The performance of the subordinate reflects on the capability of the manager and since face saving and protecting the status of in group members is important, the mangers generally set moderately challenging goals for their subordinates. Managers do not set genuinely challenging goals grounded on solid rationale.

3.2.4 Talent Management

3.2.4.1 Managing Human Capital

As per the findings of Cappelli et al (2010), Indian leaders tend to focus more on internal issues like people management, motivating employees etc. in comparison to their U.S counterparts, who spend most of their time on shareholder issues. Due to the long term orientation, Indian managers take a long term view of their employees. The interest the senior manger takes in his employees also depends on their personal relationship. Nurturant task leadership is common in Indian organizations (Sinha, 1999). As Indian management is considered to be paternalistic, the role of the leader extends beyond what is required of his formal position in the organization. Communication in India is not direct. Hence, though senior leaders consider human capital management important it is not communicated clearly within the organization.

Proposition 13: Formal emphasis is not given for overall talent management in the organizations. Though senior managers nurture the talent under them, they do not communicate that attracting, retaining and developing talent throughout the organization is a top priority.

3.2.4.2 Rewarding High Performance

Aycan, Kanungo and Sinha (1999) discovered that the HRM practices in Indian firms neither promoted job enrichment, not encouraged reward management. It is further observed that distribution of rewards in Indian organization seemed to follow the equality philosophy in contrast to the equity philosophy practiced in individualist countries like North America. This is offset by secure employment, and seniority based promotions still practiced in many organizations. Secure employment encourages loyalty from employees and helps in retention and motivation. Special recognition for a single employee is not usually considered to be an effective idea in a collectivist culture like India.

In India, work is considered to be a duty that is performed as a service, and virtues like self-sacrifice are valued over individual needs. Therefore even people working in routine jobs work with high level of commitment and satisfaction as long as they are able to satisfy the needs of their family. Collective cultures ascribe more importance to family goals and objectives. Hence monetary forms of compensation and job security are given a high priority in India over other types of rewards.

But this trend is changing as the present day companies have started to realize the importance of non-monetary rewards like recognition, training, work life balance etc.

Proposition 14: Though there is an evaluation system for rewarding high performers, there is no clarity or accountability from the organization as to how high performers are identified and rewarded.

3.2.4.3 Removing Poor Performers

The doctrine of karma advocates that incidents occurring in one's life are preordained and not subject to human control. Hence the person is not held solely responsible for his actions. As per attribution theory one can hold the person or the environment responsible (similar to internal vs. external locus of control). Indians tend to have external attribution (Table 3.2 B). Hence it is assumed that the environment can also be the cause leading to poor performance.

According to the Gita, the work of man is judged by the spirit in which it is done and not by the nature of the work, which makes no difference whatsoever. It also advocates on treating all outcomes equally, while being unwavering in one's commitment to fulfilling duty. Hence the process of achieving results is given more

importance than the actual results. Also Indian culture values a person for what he is rather than what he does. Thus Indian culture is more people oriented than outcome oriented.

As per the focus group findings of the GLOBE study (2004),the Indian Manager is emotion oriented rather than efforts oriented and has a greater humane touch. India is more particularistic, which means that rules may be tempered by the nature of the situation and the people involved. Hence when it comes to following rules, it may be relaxed on the basis of the situation and the person involved (Table 3.2 B).

Proposition 15: Due to the inherent characteristic of Indian culture, poor performance does not result in immediate actions or consequences as soon as weaknesses or problems are identified. A considerable period of time is taken to identify the reasons for the failure and make amendments before further action can be taken.

3.2.4.4 Promoting High Performers

In spite of the introduction of holistic performance evaluation systems and processes the average Indian manager is comfortable with the concept of seniority. Promotion in India is seen to be a reward and recognition for loyalty to the superiors as much as for achievement at work (Dayal, 1976).

As India scores moderately on performance orientation dimension, individual achievements are respected and recognized. But promotions are not only based on performance rankings alone but also on seniority and suitability. Due to the collectivist nature of Indian culture an ideology of equality prevails. Therefore managers avoid showing praise to individual performers and rather praise or reward the group as a whole. Preference is given to cohesiveness and team spirit rather than individual incentives (Table 3.2 A, C).

Training and development in recent years has been identified as a major motivating factor. It helps to provide an edge over the competition by increasing the quality of employees. In a collectivist country like India training is usually aimed at increasing loyalty towards the organization. Due to the high power distance, participants may be chosen on favouritism rather than requirements or as a result of performance.

Proposition 16: Though top performers are given recognition and rewards, they are not actively identified, developed and promoted. Promotions are not only based on performance but also on seniority and suitability.

3.2.4.5 Attracting Human Capital

In traditional organizations in India, hiring typically occurs via word of mouth and through known circle of friends and relatives. Prior to liberalization the concepts of life term employment and job security were considered to be important. But with the changing times, Indian workforce has become mobile and attrition issues have increased. Talent is in short supply and many organizations compete to attract the same set of talent. Hence most of the organizations offer comparable propositions like training, prospects for growth and development, challenging job profiles. With the increase in the educational institutions there is always a surplus of potential employees in comparison to the jobs available.

Proposition 17: Though some initiatives are taken, special measures need not be taken to attract human capital. The value proposition to those joining an organization is comparable to those offered by others in the sector.

3.2.4.6 Retaining Human Capital

For a particularistic country like India, business loyalty is based on personal relationships. Lifelong employment and job security were valued in our country. As a result job turnover and mobility was low. But this is changing post liberalization. The new generation of workforce in India looks for newer opportunities that fit in with their skills and are willing to take risks for the same. Hence attrition issues have increased and organizations have taken considerable steps to retain talent. Except for few organizations, most organizations have several initiatives to retain their workforce. Batt et al. (2005) suggest that the average turnover rates is higher in US organizations with an average of 70% where as the turnover rates in Indian organizations are around 50%. Measures taken by the organizations to retain employees include completive salaries and benefits, employee recognition programs, career development opportunities and healthy work life balance.

Proposition 18: Though Indian organizations do not go out of the way to retain employees, some measures and initiatives are taken to retain talent.

3.3 List of Null and Alternate Hypotheses for the Management Practices

The list of management practices and their corresponding null and alternate hypothesis derived on the basis of the propositions framework above are highlighted in Table 3.4.

Table 3. 4Development of Null and Alternate Hypotheses for Indian Organizations

No.	Name of Practice	Null Hypothesis	Alternate Hypothesis
1	Introduction of Modern Management Techniques	**Ho1** Modern Management Techniques have been introduced in a formal manner	**Ha1** Modern management techniques have been introduced in an adhoc manner
2	Rationale for Introduction of Modern Management Techniques	**Ho2** Modern management techniques were introduced to meet the business objectives	**Ha2** Modern management techniques were introduced just because competitors were using them
3	Process problem documentation	**Ho3** Improvements to processes are individuals responsibility during normal business process	**Ha3** Improvements to processes are made on the recommendations of teams, when problem occur
4	Performance tracking	**Ho4** Most key performance indicators are formally tracked under the supervision of senior management	**Ha4**: Most key performance indicators are informally tracked under the supervision of senior management
5	Target Balance	**Ho5** Goals are exclusively financial	**Ha5**: Goals are a balance between financial and non-financial targets at all levels.
6	Target Interconnection	**Ho6** Everyone in the company is aware that goals are based on enhancing the market value of the share of the firm**.**	**Ha6**: Everyone in the company is not aware that goals are based on enhancing the market value of the share of the firm

7	Performance Review	**Ho7** Performance is reviewed continuously and results are communicated formally	**Ha7:** Performance is reviewed periodically on a case to case basis and results are communicated informally
8	Performance dialogue	**Ho8** Clear agenda, purpose and appropriate data is available for a performance review conversations.	**Ha8:** Clear agenda, purpose and appropriate data is not available for a performance review conversations
9	Consequence Management	**Ho9** Failure to achieve agreed targets drives retraining in identified areas of weakness or moving individuals to where their skills are appropriate	**Ha9:** Failure to achieve targets is tolerated for a period of time before action is taken
10	Target Time Horizon	**Ho10** Long term goals are translated into specific short term targets so that short term targets become a staircase to reach long term goals**.**	**Ha10:** Long term goals and short term goals exist and are not necessarily linked
11	Targets Stretching	**Ho11** Goals are challenging and managers do not provide low estimates to ensure easy goals	**Ha11:** Managers provide low estimates to ensure easy goals
12	Performance Clarity	**Ho12** Performance measures are not complex and are clearly understood	Ha12: Performance measures are complex and not clearly understood
13	Managing Human Capital	**Ho13** Senior management communicate that attracting, retaining and developing talent throughout the organization is a top priority	**Ha1**3: Senior management do not communicate that attracting, retaining and developing talent throughout the organization is a top priority
14	Rewarding High Performance	**Ho14** The evaluation system provides ambitious stretch targets with clear performance related accountability and rewards.	**Ha14:** The evaluation system does not provide ambitious stretch targets with clear performance related accountability and rewards
15	Removing Poor Performers	**Ho15** Poor performers are moved out of the company or	**Ha15::** Poor performers are not moved out of the

		to less critical roles as soon as a weakness is identified	company or to less critical roles as soon as a weakness is identified
16	Promoting High Performers	**Ho16** High performers are actively identified, developed and promoted.	**Ha16:** Promotions are based on a combination of performance, seniority and suitability
17	Attracting Human Capital	**Ho17** Value proposition to those joining an organization is unique compared to those offered by others in the sector	**Ha17:** Value proposition to those joining an organization is comparable to those offered by others in the sector
18	Retaining Human Capital	**Ho18** Special initiatives are taken to retain top talent	**Ha18**: Some initiatives are taken to retain top talent

Note: The numbers of hypotheses are arranged and presented as they appear in the final questionnaire.

CHAPTER 4 - RESEARCH METHODOLOGY

Research methodology or design is a comprehensive plan for data collection in any research project. It is a "blueprint" for the research aimed at answering specific research questions or testing specific hypotheses, and must specify the data collection process, the instrument development process and the sampling process. In this chapter the methodology adopted for this research has been be explained in detail.

This chapter is divided into seven sections. In the first section (4.1), an overview of the research process is presented. The second section (4.2), describes the process of development of the instrument for data collection, for both the pilot study and subsequent modifications for final study. The third section(4.3), discusses about the sampling method and procedure used in this research. The fourth section (4.4)describes the sources of data for Pilot Study 1, Pilot Study 2 and Final Study and presents a summary of respondents and their classification. The fifth section (4.5), describes the data collection method for Pilot and Final Study. In the sixth section (4.3), a brief overview of statistical techniques used for analysis as well as their appropriateness in this case is highlighted. Finally in the last section (4.73), the details of the procedures and results of Pilot Study 1 and Pilot Study 2 have been discussed. The findings of the final study have been discussed in Chapter 5 Data Analysis.

A flow chart highlighting the entire process of the research is presented below in Figure 4.1, illustrating the sequence of steps followed in this research.

Figure 4. 1- Flow Chart of Research Design and Methodology

Literature Review

Research Gaps & Objectives

Chapter 2- Literature Review

In depth Study of Cultural Dimensions

Propositional Framework and Hypotheses Formulation

Chapter 3- Development of Propositional Framework

Research Design & Methodology

Pilot Study 1 | Pilot Study 2 | Final Study

Pilot Study 1:
Questionnaire Design

Employee Survey

Analysis of Data

Revision of Questionnaire

Focus on I.T. Sector

Pilot Study 2:
Pretesting of Revised Questionnaire

Employee Survey

Analysis of Data

Final Revision of Questionnaire

Final Study:
Personal Interview of Experts

Quantitative Data

Statistical Tests

Quantitative Data

Content Analysis

Chapter 4 Research Methodology

Aggregation of Empirical Survey (Quantitative Data) and Expert Opinion (Qualitative Data)

Development of Theoretical Framework - Cultural Myopia & Cultural Mirage

Chapter 5 Data Analysis

Chapter 6 Research Findings & Future Scope

4.1 Overview of the Research Process

The present research is empirical, positivist, evidence based research which has been validated through qualitative study, as the objective is to capture and understand the management practices of organizations operating in India and compare them to established cultural theories. This will in turn reaffirm the cultural typologies already espoused by researchers or highlight areas where a shift may have taken place.

The present research is deductive research as empirical data has been gathered to test the validity of cultural theories already established, in the light of changing external environment post globalization.

The study uses descriptive research design in order to enable the researcher to collect and record management practices as they are practiced in organizations. The descriptive research design helps in determining and reporting the cultural underpinnings for the adoption of management practices in the organizations. The aim of this research has been to answer 'how' and 'what' questions related to management practices. Firstly the research seeks to answer how the management practices are adopted/adapted in different organizations and secondly, what are the reasons for the variance or difference if any in these management practices due to culture. The researcher has substantiated the qualitative findings with qualitative analysis in order to explain the phenomenon under research clearly.

The unit of analysis refers to the person, or object that is the target of the investigation. Typical unit of analysis include individuals, groups, organizations, countries, technologies, objects, and such. It is important to understand the unit of analysis because it helps one to decide what type of data is required for the study and from whom these must be collected. The unit of analysis in this research has been the organization, as the main objective is to understand the management practices adopted by the organizations in the Indian cultural context.

Data collection methods can be classified as positivist or interpretive methods. While positivist methods are aimed at theory testing, interpretive methods are aimed at theory building. This is a positivist research and data for this research is collected through field survey method. Field surveys are non-experimental designs that do not control for or manipulate independent variables or treatments, but measure these variables and test their effects using statistical methods. Field surveys capture snapshots of practices, beliefs, or situations from a random sample of subjects in field

settings through a survey questionnaire or, less frequently, through a structured interview (Anol Bhattacharjee, 2012). The main strength of field survey method is external validity as data is collected in actual field settings. In this cross sectional field survey where dependent and independent variables are measured at the same point of time, a structured questionnaire has been used to collect data from the respondents and their responses have been obtained through a personal interview.

To determine which methodological issues are most relevant, it is crucial to characterize a given research project in terms of its approach to cross-cultural research. In this regard, Adler (1983) distinguishes between six orientations to investigating cross-cultural management issues – parochial, ethnocentric, polycentric, comparative, geocentric and synergistic research. The approaches and their main characteristics are compiled in listed in **Appendix 2**.

According to Adler (1984), synergistic research deals with methodological issues related to distinguishing universal and culturally specific patterns of management. On this dimension the current research is a synergistic research. The objective of this research is to distinguish between those aspects of management which are universal and those which are culture specific and also adapt those management practices which will be effective across different cultures.

In general, a study can be considered cross cultural if survey responses are gathered across different cultural samples. Single culture research study can also be viewed as cross cultural if it in some ways brings about the differences between cultural settings. The goal must be to gain an understanding of differences in cultures, even if data across cultures is not compared (Schaffer & Riordan, 2003). In this research, data has been collected from both Indian and Global companies operating in India. Data collection in comparative management is not restricted to survey research but also includes a wide range of qualitative methods (Harzing et al., 2013). There has also been an argument if quantitative data is more appropriate or qualitative data is more suitable for this type of research. A third category of research which has become popular is mixed methods research which includes both quantitative and qualitative elements. Mixed methods research is formally defined as the class of research where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study. Its logic of inquiry includes the use of induction (or discovery of patterns), deduction (testing of theories and hypotheses), and abduction (uncovering and relying on the best of a set of

explanations for understanding one's results)(Onwuegbuzie et al 2004). The present research has adopted the mixed method technique as the survey instrument included both quantitative (empirical survey) and qualitative components (expert opinion).

4.2. Development of Instrument

Most common methods for data collection in international business research are through survey, experiment, personal or telephone interviews and secondary data. Survey methods of collecting data account for 60.3% articles as per a survey of 1296 empirical articles published in six leading international business journals from 1993 - 2003 and out of that 60.9 % of the studies use a single or one country sample (Yang et al., 2006). For the purpose of this study, the questionnaire developed by Bloom and Reenen (2007) has been suitably modified and used for the Pilot Study.

Bloom and Reenen (2007) developed an in-depth survey methodology and constructed a robust measure of management practices in order to investigate and explain differences in management practices across firms and countries in different sectors. The World Management Survey (WMS) methodology has been described in detail in Bloom and Van Reenen's 2007 management paper, "Measuring and Explaining Management Practices Across Firms and Countries". Their methodology, as described therein can be summarized and quoted as follows:

➡ *Obtain and conduct interviews with senior managers by 1) monitoring interviewer's performance in contacting firms and scheduling interviews, 2) presenting the study as a "piece of work" and the interview as a confidential conversation about management experiences without any mentioning of the organization's financial performance, 3) sending informational letters as well as copies of country endorsements letters if necessary, and 4) starting with non-controversial questions of management practices within the organization.*

➡ *Ensure the collection of accurate responses through a blind technique by 1) conducting a telephone survey without informing the managers that their answers will be evaluated against a scoring grid and thus, gathering information about actual management practices (as opposed to manager's aspirations, perceptions and interviewer's impressions), 2) asking open-ended questions until an accurate assessment of the actual management practices can be made, 3) assuring that each interviewer conducts a minimum amount of interviews in order to correct any*

inconsistent interpretation of responses, 4) double-scoring, i.e., having another interviewer silently listening and scoring the responses provided during the interview to be discussed with the primary interviewer, and 5) conducting a second interview with another manager in the same organization for a set number of organizations.

➡ *Evaluate and score management practices by defining the concept of "good" and "bad" management practices and codifying them from 1 (worst practice) to 5 (best practice) across key management practices used by organizations across different sectors. These practices are grouped into five areas: 1) Operations Management, 2) Performance Monitoring, 3) Target Setting, 4) Leadership Management and 5) Talent Management.*

4.2.1 Questionnaires for Pilot Study 1 and 2

The questionnaire used by Nick Bloom and Van Reenen (2007) for their Management Practices and Productivity was suitably revised and used for the purpose of this study. A majorchallenge in cross cultural research is to ensure that the measures of a construct in one culture are applicable in another culture before they can be theoretically compared. Therefore any research instrument must take into consideration three types of equivalence, namely, semantic equivalence, conceptual equivalence and scaling equivalence (Schaffer et al., 2003). As the questionnaire has been coded in English and not translated, the issue of semantic equivalence was taken care of.

In order to take care of the conceptual and scaling equivalence, the questionnaire had to be suitably modified to capture data on management practices. The questionnaire has been tested for validity and reliability. This has been explained in detail in Chapter 5- Data analysis. It contained 18 questions on management practices grouped into four areas: operations (modern manufacturing introduction, modern manufacturing rationale, process documentation); monitoring (performance tracking, performance review , performance dialogue, consequence management, and performance clarity and comparability); targets (target breadth, target interconnection, target time horizon, and target stretching) and incentives (managing human capital, rewarding high performance, removing poor performers, promoting high performers, attracting human capital and retaining human capital). A list of these practices and their explanation is

given in has been given in Chapter 3 - Development of Propositional Framework and Research Hypotheses.

While the World Management Survey Methodology (2007) used telephonic interviews, personal interviews were conducted for the present research. Two Pilot studies were conducted. In the first pilot study, three statements pertaining to the 18 practices were listed down that would describe the current status of the practice followed in each organization. The respondents were apprised about the objective of the survey and were asked to select a statement from the given three, on the basis of how appropriately the practice resembled the one that was followed in their organization. Based on their selection a score of 1, 2 or 3 has been assigned to the response. The scoring pattern was based on the World Management Survey scoring pattern .The details of the data and its analysis would be discussed in Chapter 5 - Data Analysis. A copy of the questionnaire used in the Pilot Study 1 has been attached for reference in **Appendix 3.**

In the second Pilot study, one statement for each of the 18 practices was listed down that would describe the most professional way in which the practice can be implemented in an organization. Likert Scale was used to measure the responses. The respondents were asked to rate each of the management practice on a scale of 1 to 5 depending on how appropriately the practice described was followed in their organization. A scale of 1 meant that the practice did not resemble that which was followed in the respondent's organization, whereas a scale of 5 meant that the practice resembled to a very great extent what was followed in the respondent's organization. The details of the data and its analysis would be discussed in Chapter 5 - Data Analysis. A copy of the questionnaire used in the Pilot Study 2 has been attached for reference in **Appendix 4**.

4.2.2 Final Questionnaire

As an outcome of the Pilot Study the survey instrument had to be suitably modified. A new questionnaire titled ' Management Practices Survey' has been developed. The questionnaire was divided into two parts Part A and Part B. Part A contained demographic details of the respondents and Part B contained statements about the 18 practices divided into 4 areas namely operations, monitoring, targets and incentives followed by 3 open ended questions. The measurement scale used in the

questionnaire was a variation of the semantic differential scale. Globally accepted professional practices were assumed to carry a score of 100. For each of the management practices 3 descriptive statements about a particular management practice was given and each of these 3 statements carried a standard score of 0, 50 or 100. These statements were derived based on the hypothesis developed and also from Bloom and Reneen's (2007) management scoring guide and example responses to the 18 practices. The respondents were asked to give a score ranging from 0 to 100 for each of the practice, depending on how closely the management practice followed in their organizations resembled the global standard practices. A copy of the final questionnaire is attached for reference in **Appendix 5**. Part A comprised of 14 items as listed below:

1. Name of respondent

2. Designation

3. Name and Address of Company

4. Number of years in present employment.

5. Total Work Experience

6. Area/Domain of work

7. In which sector are you currently employed?

8. Gender

9. Age group

10. Number of employees in the organization

11. Level of Education

12. Nationality of Company

13. Nationality of CEO/Top manager

14. Work experience outside India

Part B comprised of 21 items. The first 18 questions pertained to the 18 management practices as listed below. The last 3 questions were related to the qualitative aspect of the questionnaire and had 3 open ended questions. The details are as under:

I. Closed Ended Questions

1. Modern Management Practices Introduction

2. Modern Management Practices Rationale

3. Process Documentation

4. Performance Tracking

5. Target Balance

6. Target Interconnection

7. Performance Review

8. Performance Dialogue

9. Consequence Management

10. Target Time Horizon

11. Targets Stretching

12. Performance Clarity

13. Managing Human Capital

14. Rewarding High Performance

15. Removing Poor Performers

16. Promoting High Performers

17. Attracting Human Capital

18. Retaining Human Capital

II. Open Ended Questions:

1. Similarities to western/Japanese management practices

2. Differences between western/Japanese management practices

3. Unique Indian Management Practices

4.3 Sampling Procedure

Sampling sources refer to the researched environment and the subjects used for study (Yang et al., 2006). This is an important step in any research process as it has an impact on the quality of inferences that emerge from the findings. First and foremost it is important to decide on the number of participants to select and the method to select these participants. In general large samples are associated with quantitative study and smaller samples with qualitative studies. Quantitative researchers tend to make 'statistical' generalizations while qualitative researchers tend to make 'analytic' inferences (Onwuegbuzie and Collings, 2004).

Onwuegbeuzie and Leech (2007) identified 24 sampling schemes from which quantitative and qualitative researchers can choose. They either fall into random sampling or non random sampling schemes. These strategies are shown in **Appendix 6.**

According to Onwuegbeuzie & Leech (2007) if the goal of the researcher is not to generalize to a population but to obtain insights into a phenomenon, the researcher can purposefully select individual, groups and setting so that it can maximize understanding of the underlying phenomenon. Thus many mixed methods research use purposeful sampling if the individuals, groups or settings are information rich. For the purpose of this research, the Homogeneous sampling scheme was adopted. Homogenous sampling is a scheme where settings, groups, and/or individuals are based on similar or specific characteristics. In the present study all the companies surveyed belonged to Information Technology Sector

Samples were chosen from the Information Technology (IT) Sector only to restrict the industry differences within the sample, which could contribute to variance in management practices across different firms. This sector includes the following four components - IT Services, Software Products and Engineering Services, ITeS and BPO, Hardware. The Information Technology sector was chosen for the study as it has both Indian and Global representation. The sector has played a significant role in transforming India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services.

Over the past decade, the IT / ITeS industry in India has been a story of unparalleled growth. The Indian IT Industry has been a key driver in the new knowledge economy and expected to touch US\$ 100 billion in fiscal year 2013, approximately 7.5 percent of GDP (BCG -CII Report 2013). Several notable trends have been visible in this sector. India has been the most attractive location for global outsourcing. It is also the most preferred location for engineering off shoring. The global delivery centers for Indian firms have increased to over 70 countries. Increased focus on R&D has lead to an increase in filing of patents by Indian Companies (IBEF Report 2013). It is specifically for the above reasons that this sector was chosen for the purpose of this study.

Determining the appropriate sample size is an important step in any research design at it determines the extent to which statistical analysis can be done. Table 4.1 presents the minimum sample size for different research designs.

Table 4.1: Minimum Sample Size Recommendations for Most Common Quantitative and Qualitative Research Designs

Research Design/Method	Minimum Sample Size Suggestion
Research Design [1]	
Correlational	64 participants for one-tailed hypotheses; 82 participants for two-tailed hypotheses (Onwuegbuzie et al., 2004)
Causal-Comparative	51 participants for one-tailed hypotheses; 64 participants for two-tailed hypotheses (Onwuegbuzie et al., 2004)
Experimental	21 participants per group for one-tailed hypotheses (Onwuegbuzie et al., 2004)
Case Study	3-5 participants (Creswell, 2002)
Phenomenological	≤ 10 interviews (Creswell, 1998); ≥ 6 (Morse, 1994)
Grounded Theory	15-20 (Creswell, 2002); 20-30 (Creswell, 2007)
Ethnography	1 cultural group (Creswell, 2002); 30-50 interviews (Morse, 1994)
Ethological	100-200 units of observation (Morse, 1994)
Sampling Design	
Subgroup Sampling Design	≥ 3 participants per subgroup (Onwuegbuzie & Leech, 2007c)
Nested Sampling Design	≥ 3 participants per subgroup (Onwuegbuzie & Leech, 2007c)
Data Collection Procedure	
Interview	12 participants (Guest, Bunce, & Johnson, 2006) 6-9 participants (Krueger, 2000); 6-10 participants (Langford, Schoenfeld, & Izzo, 2002; Morgan, 1997);
Focus Group	6-12 participants (Johnson & Christensen, 2004); 6-12 participants (Bernard, 1995); 8–12 participants (Baumgartner, Strong, & Hensley, 2002) 3 to 6 focus groups (Krueger, 1994; Morgan, 1997; Onwuegbuzie, Dickinson, Leech, & Zoran, 2007

[1] For correlational, causal-comparative, and experimental research designs, the recommended sample sizes represent those needed to detect a medium (using Cohen's [1988] criteria), one-tailed statistically significant relationship or difference with .80 power at the 5% level of significance

(Source: Anthony J. Onwuegbuzie; Kathleen M.T Collins (2007). A Typology of Mixed Methods Sampling Designs in Social Science Research. The Qualitative Report, 12(2), 281-316.)

Causal comparative research is one which involves a categorical independent and/or dependent variable (Johnson, B., 2001). Based on this definition, the present research design can be classified as causal comparative research design. As per the above table the minimum sample size for causal comparative studies is 51 for one tailed hypothesis and 64 for two tailed hypothesis. The same size for the current studies is 73 which satisfy the above condition. The detail of the sample and their numbers has been given below in Table 4.2 in section *4.4.3.*

4.4   Sources of Data and Sample

4.4.1 Sources of Data and Sample for Pilot Study 1

This was an exploratory study to see if the questionnaire used by Bloom and Reenen for their survey could be used in the Indian context. For the purpose of this study, the sampling frame chosen was the list of executives who had enrolled for a Masters Program through the Work Integrated Learning Programme (WILP) of Birla Institute of Technology and Science (BITS), Pilani .The sample included both multinational companies of Indian and global origin and also companies which operated only in India.

250 questionnaires were distributed and a total of 105 filled in responses were received. Out of the above 32 responses were rejected due to incomplete entries. From the total 73 completed entries, 33 companies were subsidiaries of Global Multinationals, 21 were Indian Multinationals and 17 were Local Indian Companies.

The sample included organizations in both manufacturing and service sectors. 41 respondents were from the manufacturing sector and 32 respondents were from the services sector.

4.4.2 Sources of Data and Sample for Pilot Study 2

The objective of this study was to pretest the revised questionnaire on management practices. The Information Technology sector was chosen for the study as it has both Indian and Global representation. The sector has played a significant role in transforming India's image, as mentioned earlier from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services. The sample selected for the study

was executives having an experience of 1 - 5 years in the information technology sector. A total of 95 questionnaires were distributed out of which 45 correct responses were considered for analysis. Out of these 45 companies 20 were companies of Indian origin and 25 were of global origin.

4.4.3   Sampling Frame, Sampling Units and Sampling Elements for Final Study

The sampling frame chosen for the final study was the **NASSCOM Members Directory (July 2012).** This directory included Company Name, Name of the Company Head, the contact details and website address of the company. An attempt was made to contact by phone or mail as many contacts as possible from the member directory. The response rate was very poor; there was no response to the emails. Hence this method was abandoned. The details of the email correspondence note are provided in **Appendix 7**.

In order to overcome the poor response rate, in the next phase the researcher contacted companies from the members list located in Chennai, Bangalore and Delhi in person. A few companies located in Pune, Mumbai and in United States were contacted telephonically. The list of the companies and their details are given in Table 4.2 below.

Table 4. 2 - Details of the Respondents

S.NO	NAME OF COMPANY	NUMBER OF RESPONDENTS
1	Accenture Services Pvt. Ltd.	1
2	Alcatel-Lucent India Pvt. Ltd.	1
3	ANZ Operations and Technology Pvt. Ltd.	1
4	Ayan Tech Solutions	1
5	Blue Lotus Technologies Pv.t Ltd.	2
6	ChangePond Technologies	3
7	Cisco Systems India Pvt. Ltd.	1
8	Congruent Solutions Pvt. Ltd.	1
9	CSS Corp Pvt. Ltd	1
10	Dimension Data Ltd.	1
11	eBay India	1

12	Eduquity Career Technology Pvt. Ltd.	1
13	EMC Corporation	1
14	Fiorano Software Technologies Pvt. Ltd.	1
15	Fourth Dimension Technologies Pvt. Ltd.	1
16	GFL Technologies	1
17	HCL Technologies	3
18	Hexaware Technologies	3
19	IBM India	1
20	Infinera India Pvt. Ltd	1
21	Intuit India	1
22	Karya Technologies India Pvt. Ltd	3
23	Maarga Systems Pvt. Ltd	3
24	MobStac	1
25	Nihon Technology Pvt. Ltd	1
26	PayPal, India	1
27	PeopleStrong	3
28	Polaris Financial Technology Ltd.	7
29	Power Centre Pvt. Ltd	1
30	Proplus Systems Inc	1
31	Rooman Technologies	1
32	Sabre Holdings Pvt ltd	1
33	Secova eServices Pvt Ltd.	2
34	SIFY Technologies Ltd.	1
35	SriSeshaa Technologies	2
36	Standard Chartered Scope International	3
37	Tangoe India Softek Pvt. Ltd	1
38	Tata Consultancy Services	3
39	ThinkSoft Global Pvt. Ltd.	2
40	ThoughtWorks Technologies	3
41	Unimity Solutions Pvt. Limited	1
42	Wipro Technologies	4

There were 42 companies in total which included both Indian and Global I.T. companies. In total there were 73 respondents from the above companies. Only the senior level managers have been included in the sample as it was felt that they would

have the required expertise and conceptual understanding about the management practices being surveyed. The profile of the respondents has been given in table 4.3.

The companies have been sorted on the basis of their origin as Indian and Global companies depending on the nationality of the company. If the company was of a nationality other than India, it has been called a global company else it is considered to be an Indian company. In the above sample 22 are Global Companies and 51 are Indian Companies. On the basis of size, the companies have been sorted as Small & Medium and Large companies on the basis of their number of employees as per the classification given by International Data Centre (IDC) for US based companies[4]. The legal definitions of small and large business vary by country and industry and different parameters like annual sales, value of assets and net profit. In India, there is no definition for small and large companies on the basis of size. Hence the classification given by International Data Centre (IDC) for US based companies has been adopted for classification as per size. IDC defines small businesses as firms with less than 100 employees and midsize businesses as firms with 100 to 999 employees; small and midsize businesses (SMB) are classified as firms with less than 1,000 employees. Hence for the purpose of this research, companies which have employees lesser than 1000 have been categorized as Small & Medium Companies and companies in which the employees were more than 1000 in number have been categorized as Large Companies. On the basis of size, there are 34 respondents from Small & Medium Companies and 39 respondents from Large Companies.

A third category for classification is by type, which has been arrived at by combining the origin and size. In order to understand the term multinational, the standard definition given by United Nations (1983)[5] has been followed. As per this definition, the term multinational corporation referred to as transnational corporations "means an enterprise, comprising entities in two or more countries, regardless of the legal form and fields of activity of these entities, which operates under a system of decision-making, permitting coherent policies and a common strategy through one or more decision-making centers, in which the entities are so linked, by ownership or otherwise, that one or more of them may be able to exercise a significant influence over the activities of others, and, in particular, to share knowledge, resources and

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[4]http://www.entrepreneur.com/sbe/glance/

[5] See United Nations Commission on Transnational Corporations, Draft United Nations Code of Conduct on Transnational Corporations, New York, United Nations Document E/C.10/1983/S/5, June 2, 1983

responsibilities with the others". On the basis of type the organizations have been categorized as Small and Medium Global Multinationals, Large Global Multinationals, Small & Medium Indian Multinationals, Large Indian Multinationals and Small & Medium Local Indian Companies. There are 5 respondents from Small and Medium Global Multinationals, 17 from Large Global Multinationals, 24 from Small and Medium Indian Multinationals, 22 from Large Indian Multinationals and 5 from Small and Medium Local Indian companies. In addition to this the respondents have also been classified on the basis of domain, depending on their functional areas of work. In this sample there are 18 CEOs/Presidents or Directors, 31 Human Resource Heads and 24 other senior level managers of Vice president level and above. The details of the sample for the final study are summarized in the following table 4.3:

Table 4. 3 - Details of the Sample for Final Study

S.No	Basis	Classification Number	Classification Type	Number of Respondents	Total
1	Origin	1	Global	22	
		2	Indian	51	73
2	Size	1	Small and Medium Companies	34	
		2	Large Companies	39	73
3	Type	11	Small & Medium Global Multinationals	5	
		12	Large Global Multinationals	17	
		21	Small & Medium Indian Multinationals	24	
		22	Large Indian Multinationals	22	73
		31	Small & Medium Local Indian Companies	5	
4	Domain	1	CEOs/Presidents/Directors	18	
		2	HR Heads/Senior HR Managers	31	
		3	Senior Managers /VP Level	24	73

The profile of the respondents is graphically represented in the following pie charts 4.1 to 4.4:

Chart 4. 1 Respondent Percentage by Origin

Origin

- 30.14% Global
- 69.86% Indian
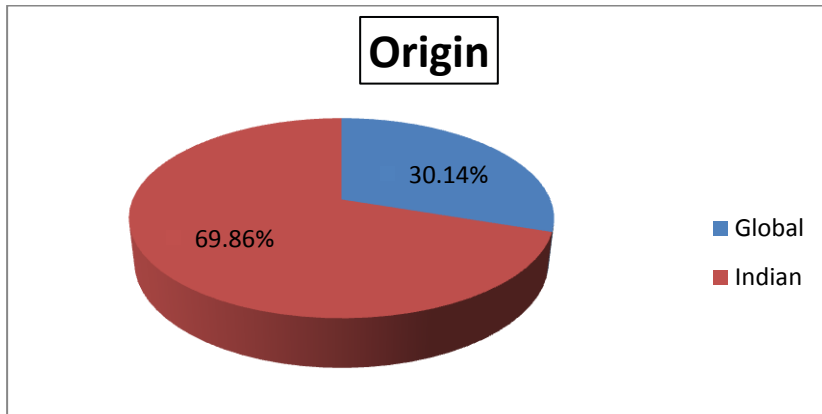
Chart 4. 2 Respondent Percentage by Size

Size

- 46.58% Small and Medium Companies
- 53.42% Large Companies
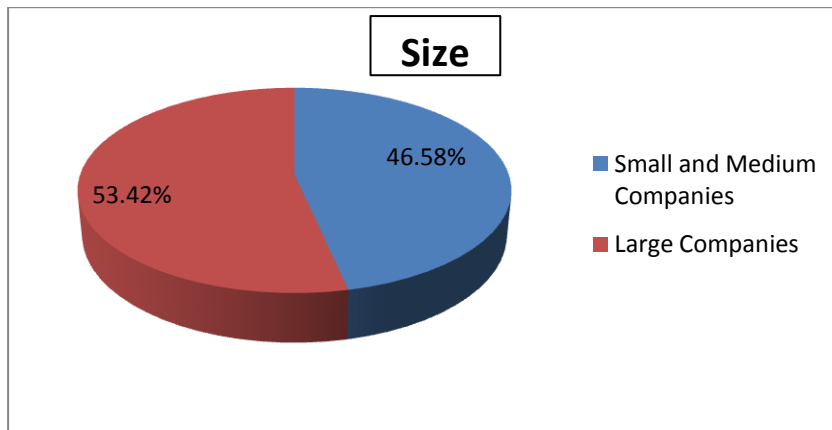
Chart 4. 3 Respondent Percentage by Type

Type

- 6.85% Small & Medium Global Multinationals
- 23.29% Large Global Multinationals
- 32.88% Small & Medium Indian Multinationals
- 30.14% Large Indian Multinationals
- 6.85% Small & Medium Local Indian Companies
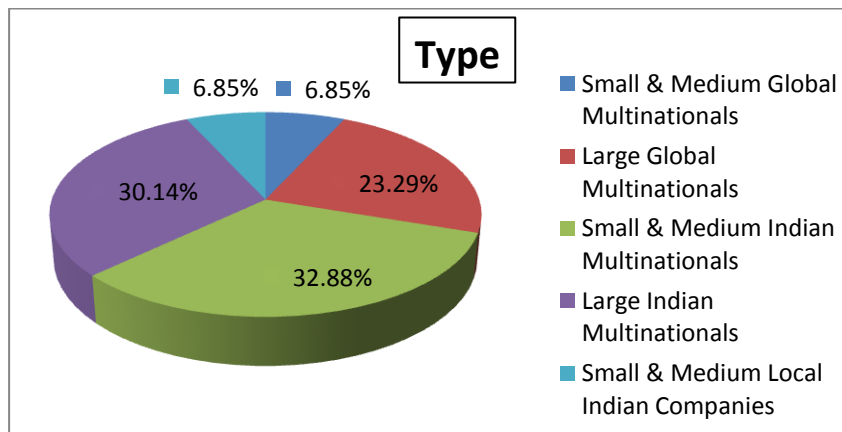
Chart 4. 4Respondent Percentage by Domain
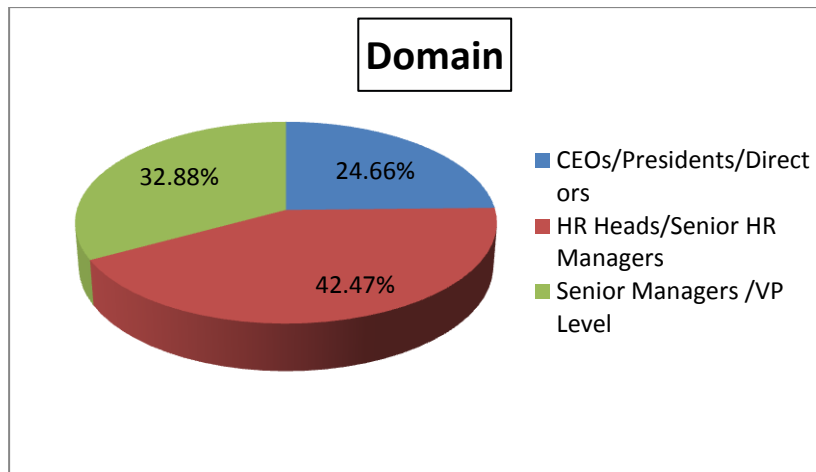
The details of the statistical tests and analysis have been given in Chapter 5 - Data Analysis.

4.5 Data Collection Method

4.5.1 Data collection method for Pilot Study 1 and 2

For the Pilot Study, the respondents were appraised about the purpose of the study and were asked to volunteer for participation in the survey. The respondents were personally administered the questionnaire and any clarifications they sought were answered.

4.5.2 Data collection method for Final Study

The most preferred respondents for studies in international business or comparative studies are managers especially CEOs and VPs (Yang et al., 2006). The mixed methods of data collection (both quantitative and qualitative) have been used to overcome the single method bias. The entire data collected procedure was carried out in two phases. The first phase of data collection was in January - February 2013 and the second phase of data collection was in May - July 2013. Each of the respondents in the list was first contacted through email and subsequently through telephone and a

personal interview was scheduled with them. The researcher had to undergo a rigorous process of screening and investigation, which involved submitting personal identifications documents, institute affiliation documents, the purpose of research and a copy of the questionnaire. The details of the purpose letter and confidentiality certificate are provided in **Appendix 8 and 9**. These were subjected through the official protocol at various levels and subsequently permission was obtained. Certain organizations denied the permission based on their official protocol of disclosing sensitive information. The duration of each interview ranged between 20 minutes to 1 hour. The respondent was apprised about the purpose of the survey and assured about the confidentiality of the data collected. The structured questionnaire was given to them and each item of the questionnaire was explained along with the scaling procedure.

As highlighted in section 4.2.2, the questionnaire has two parts apart from the demographic details. The first part was quantitative in nature (ratio/interval scale) and the second part has open ended questions related to similarities, differences between Indian and western practices and uniqueness of Indian management practices. The questionnaire was given to the respondent and each item of the questionnaire was explained along with the scaling procedure. They were first asked to fill in the demographic and classification data and then asked to give a relevant score for the quantitative part of the questionnaire. Subsequently, their responses to the qualitative part of the questionnaire have been recorded as a part of the open ended questions given in the questionnaire. Any additional information given by them has been recorded separately in a log. Statistical tests have been performed on the quantitative data and a content analysis was done on the qualitative information.

4.6 Overview of Statistical Techniques and their Appropriateness

Descriptive statistics has been used to describe the basic features of the data in the research. They provide simple summaries about the sample and the measures. In addition to it, graphical analysis has been used before using statistical tests. This helped in visualizing the trends and patterns in the data. Final validation of the questionnaire has been done by conducting the main survey. Each variable used in the study has been tested for reliability and validity.

Reliability refers to the repeatability, stability or internal consistency of a questionnaire (Jack & Clarke 1998). Reliability is usually established by using the Cronbach's alpha statistic. If the items show good internal consistency then Cronbach's alpha should be greater than 0.70 for a newly developed questionnaire and greater than 0.80 for an established questionnaire. The Cronbach's alpha score for all variables in the present instrument is greater than 0.80.

When a measuring instrument is able to provide adequate coverage of the concept, then it is said to have content validity. Content validity does not have formal statistical tests (Drost. 2011). Construct validity refers to the degree to which the items on the questionnaire relate to the relevant theoretical concepts (Kane 2001; De Von et al. 2007). Apart from intensive literature review, since the current survey instrument has been closely patterned around Bloom and Reenen's (2007) survey tool which has been extensively validated, the content and construct validity are ensured. Face validity indicates if the questionnaire is appropriate in terms of feasibility, readability, consistency of style and format and the clarity of language (Haladyna 1999; De Von et al. 2007). The Pilot studies undertaken have established face validity of the questionnaire.

In order to test the convergence, divergence or crossvergence a Kendall's tau - b rank correlation has been performed to determine the degree of association between organizations of different types. This technique has been chosen as it is easier to use with relatively smaller sample sizes (Gauthier, 2001).

In this study, ANOVA has been the statistical technique used to test the difference between means of the population. ANOVA is considered appropriate when the independent variable has two or more categories and the dependent variable is quantitative (Mertler and Vannata, 2002). In this study the independent variable has been categorized on the basis of size, origin, type and domain and the scores for the dependent variable are quantitative. Post hoc tests have been conducted to identify the differences in means of the practices which have significant differences.

Exploratory Factor analysis is the common statistical tool used to examine relationships among variables. According to Sapnas and Zeller (2002) even 50 cases are adequate for conducting a factor analysis. The Factor Analysis Scores have been conducted to see the factor loadings and identify if the factors could be separated on the basis of unique 'Indianess'.

Cluster analysis is a statistical technique that sorts observations into similar sets or groups (Ketchen and Shook, 1996). This analysis has been performed retrospectively to see if the organizations of a particular type form a cluster on the basis of the practices adopted by them.

In addition to the above quantitative analyses, a summative content analysis has been conducted on the responses received for the open ended part of the questionnaire.

The details of the quantitative and qualitative analysis have been given in Chapter 5 Data Analysis.

4.7 Pilot Studies 1 and 2

4.7.1 Pilot Study 1

This was an exploratory study to see if the questionnaire used by Bloom and Reenen (2007) for their survey could be used in the Indian context. The details of the sample and data collection procedure have already been discussed in the sections 4.2.1 and 4.4.1.

4.7.1.1 Research Hypothesis

Ho1: There is no significant difference in the management practices adopted by companies in Manufacturing and Services Sector

Ho2: There is no significant difference in the management practices adopted by Indian Companies, Indian Multinationals and Global Multinationals.

4.7.1.2 Statistical Analysis

(1) Step 1 - The data has been categorized on the basis of their sector into manufacturing and services. Means and variances have been calculated to describe the nature and characteristics of the variables. A one way ANOVA has been performed to see if there are differences in the practices of companies in manufacturing and service sector.

(2) Step 2 - The data has been categorized on the basis of their origin into Global Multinationals and Indian Companies which included Indian Multinationals and Local Indian Companies. Means and variances have been calculated to describe the nature and characteristics of the variables. A one way ANOVA was performed to check for significant differences in the practices of Global Multinationals (GMNC) and Indian Companies (IC).

4.7.1.3 Results

Step 1 - There was no significant differences in F values of any of the 18 practices when the data was sorted on the basis of the sector. As a result of this, the Null Hypothesis that there is no significant difference in the practice of companies in manufacturing and services sector had to be accepted

Step 2 - There were significant differences in the F values of 2 practices namely *Performance Dialogue and Removing Poor Performers,* when the data was sorted by origin. Table 5.1 shows the summary of the results. For *Performance Dialogue and Removing Poor Performers,* the null hypothesis had to be rejected. There were no significant differences in the other 16 management practices adopted by Indian Companies and Global Multinationals at 5% level of confidence. This supports the null hypothesis that no differences exist in the practicesof Indian companies and Global Multinationals. .

Table 4. 4: Results of ANOVA of Pilot Study 1

	Management Practice	F Value	Significance	Result
1	Performance Dialogue	6.381	0.014	Significant difference
2	Removing Poor Performers	5.842	0.018	Significant difference

The findings of this study are significant as they supported other research projects undertaken in this context that have indicated a convergence of traditional Indian management and global management approaches (Chong*et al* 2004, Chatterjee and Pearson 2000).

Through this exploratory study it has been found that though there has been a convergence in most practices, there might be differences in the management practices as per culture in few practices like performance dialogue and removing poor performers.

4.7.1.4 Conclusions of Pilot Study1

The following conclusions were reached as per the Pilot Study

i. The survey questionnaire had to be suitably modified to capture the differences in the practices effectively. The 3 point scale did not capture the differences in the practices as most of the average of the respondents score was around the midpoint. Therefore it was decided to use a 5 point scale.

ii. The findings of the above study were presented in 3rd Doctoral Colloquium held at IIM Ahmedabad. Based on the feedback, it was decided to focus on one sector namely services sector and the IT industry specifically in order to restrict the inter sector variation.

iii. Further extensive research is required to see if there is are significant difference in practices if the different companies could be categorized into different types like Local Indian Companies, Indian MNC's and Global MNC's.

4.7.2 Pilot Study 2

4.7.2.1 Research Hypothesis

The objective of this study has been to pretest the revised questionnaire on management practices and check for its reliability and validity. The details of the sample have been discussed in the in the sections 4.2.1 and 4.4.2. Based on extensive study of literature (Mahesh & Bhat 2012) the hypotheses pertaining to the 18 management practices that were developed earlier were tested.

Ho: There are no significant difference in the management practices adopted by Indian Companies, Indian Multinationals and Global Multinationals.

4.7.2.2 Statistical Analysis

(1) Means and variances were calculated to describe the strength and variability of the management practices.

(2) An one way ANOVA has been performed to check for significant differences in the practices of Indian Companies and Global Companies

4.7.2.3 Results

Details of the means scores, ANOVA test values are shown in Table 4.5.Graph 5.1 shows the convergence of practices based on F test scores and the relation between mean values of Indian companies and global companies.

Table 4. 5Results of ANOVA of Pilot Study 2

PRAC. NO	NAME OF THE PRACTICE	MEAN VALUES		F VALUE
		INDIAN	GLOBAL	
1	Introduction of Modern Management Techniques	3.95	4.36	**0.044**
16	Promoting High Performers	3.6	4.08	0.124
4	Performance Tracking	4.2	4.48	0.232
13	Managing Human Capital	3.55	3.88	0.270
9	Target Interconnection	4.1	3.84	0.298
12	Performance Clarity	3.55	3.96	0.309
18	Retaining Human Capital	3.25	3.6	0.311
2	Rationale for Introducing Mod. Mgt. Tech.	4.05	4.24	0.415
8	Target Balance	3.55	3.76	0.490
6	Performance Dialogue	4.2	4.04	0.498
15	Removing Poor Performers	3.15	2.96	0.541
17	Attracting Human Capital	3.7	3.88	0.551
10	Target Time Horizon	4.3	4.16	0.559
5	Performance Review	4.45	4.32	0.568
11	Target Stretching	4	3.92	0.778
3	Process of Introducing Mod. Mgt. Tech	3.65	3.72	0.793
14	Rewarding High Performers	4.1	4.16	0.809
7	Consequence Management	3.55	3.52	0.979

Note: The Practices have been arranged in the order of F values

Graph 4. 1- Differences In Practices Based On Mean Scores And F Values
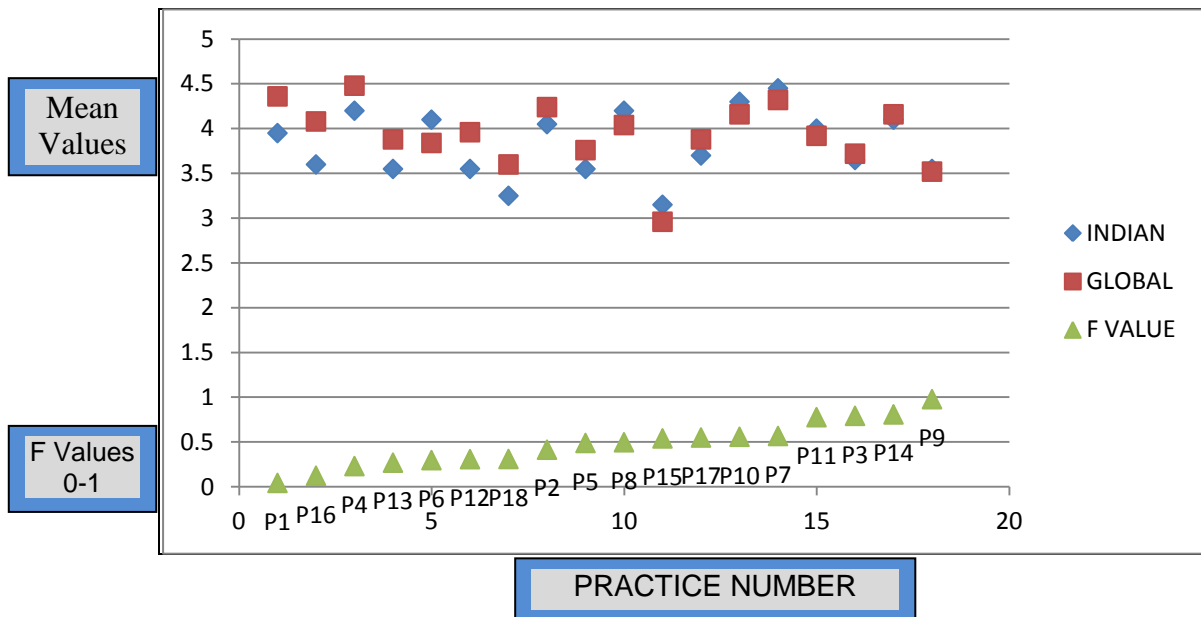
The above pilot study has given a broad indication about how these practices vary in Indian and Global organizations in India. At the chosen level of significance, difference exists only in Practice 1 - Introduction of Modern Management Techniques between Indian and Global organizations. But from Graph 4.1 it can be inferred that, there might be differences (though not significant at the chosen level) in the practices of Promoting High Performers, Performance Tracking, Managing Human Capital, Target Interconnection, Performance Clarity, Retaining Human Capital, and Rationale for Introducing Modern Management Techniques, Target Balance and Performance Dialogue.

The findings of this study are significant as they support other research projects undertaken in this context that have indicated a convergence of traditional Indian management and global management approaches (Chong*et al* 2004, Chatterjee and Pearson 2000). Most of the practices are loaded on Factor 1. These have to be examined in the light of Bloom and Reenen's (2007) research finding that Indian firms are strong at people management practices.

4.7.2.4 Conclusions of Pilot Study 2

The following conclusions were reached as per the Pilot Study 2:

i. It was decided to purposely confine the sample to IT companies to reduce inter-industry variance in order to identify unique 'Indian' management practices.

ii. The scaling of the questionnaire was modified to effectively capture the variances in management practices. For each of the management practices three statements about a particular management practice was given and each of these three statements carried a standard score of 0, 50 or 100. These statements were derived based on the hypothesis developed and also from Bloom and Reneen's (2007) management scoring guide and example responses to the 18 practices.

iii. In order to differentiate the practices in a better manner it was decided to collect data from Local Indian Companies, Indian MNC's and Global MNC's.

iv. It was decided to collect data from the top level of management which included CEOs, Directors, Presidents, Heads of Human Resources or managers in other domains who were in VP level or above. The rationale was that they would have significant experience in the company or history for them to have a clear conceptual understanding of the constructs that were being surveyed.

In the forthcoming chapter, Chapter 5 - Data Analysis, the findings from the final study have been discussed in detail.

CHAPTER 5 DATA ANALYSIS

This Chapter discusses the findings of the final study and is divided into three parts. Part 1 discusses the findings of the quantitative data analysis and Part 2 discusses the findings of the qualitative data analysis. Part 3 makes inferences based on the comparison of the findings from Part 1 - Quantitative Study and Part 2 - Qualitative Study. SPSS version 16 has been used to perform all statistical tests. The following figure5.1 represents the schematic flow of this chapter.

Figure 5. 1 Schematic Flow of Data Analysis
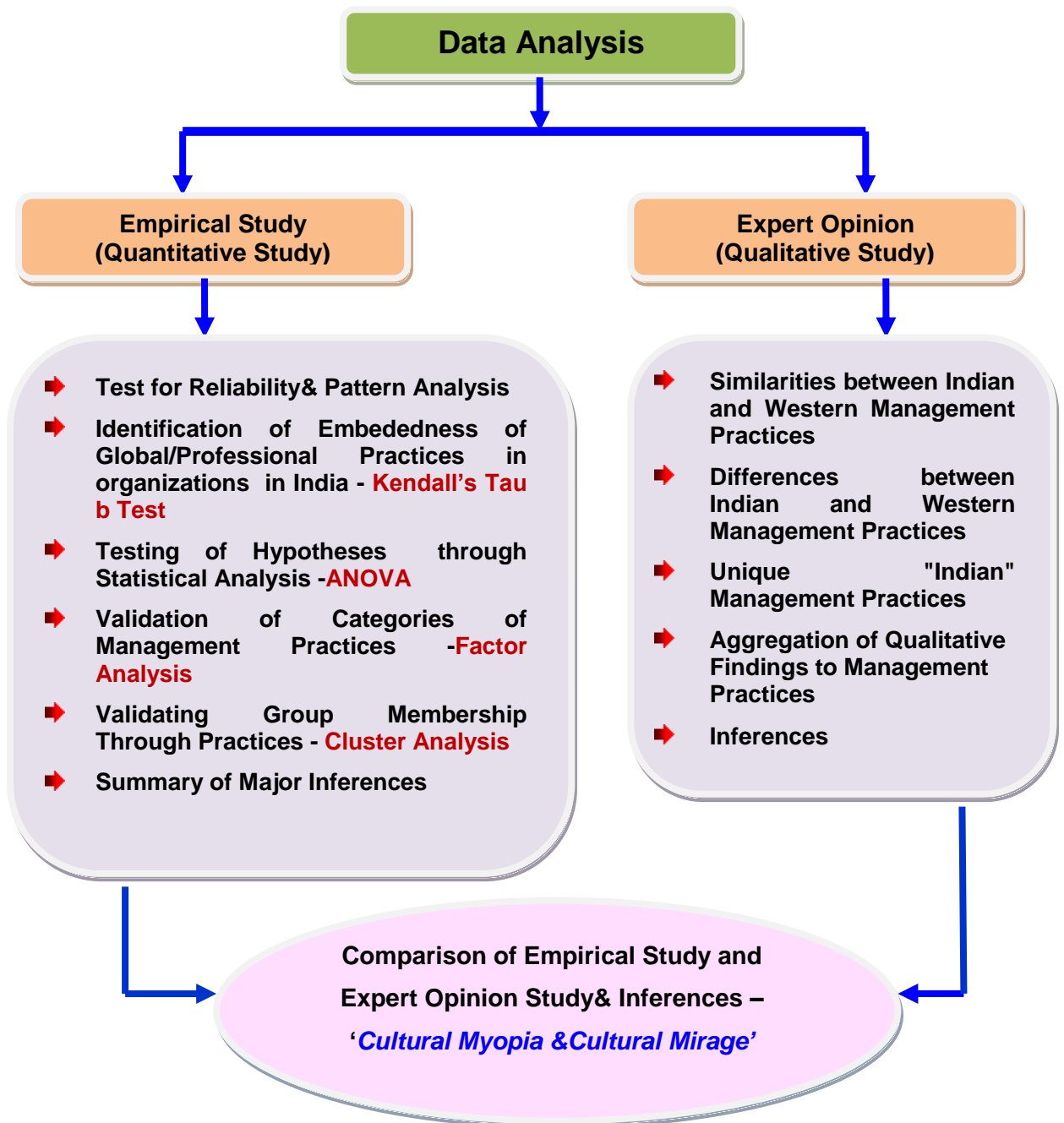
PART 1

5.1 Quantitative Data Analysis (Empirical Study)

The following section discusses the quantitative data analysis done on data collected from 73 senior level managers from IT Sector. The scheme of data analysis conducted in this chapter section wise has been displayed in the flow chart at the beginning of this chapter.

As mentioned in the chapter on research methodology the data was classified on the basis of Origin (Global and Indian), Size (Small and Medium Companies; and Large Companies), Type (Small& Medium Global Multinationals, Large Global Multinationals, Small & MediumIndian Multinationals, Large Indian Multinationals and Small & MediumLocal Indian Companies), and Domain (CEOs/Presidents/Directors, HR Heads/Senior HR Managers and Senior Managers /VP Level). For the sake of convenience they were labeled as CEOs, HR Heads and Other Heads. The following table 5.1 gives the legend and the abbreviations used for the Management Practices throughout this chapter.

Table 5. 1–Legend for Management Practices Terminology

Practice No.	Name of Practice
P1	Modern Management Practices Introduction
P2	Modern Management Practices Rationale
P3	Process Documentation
P4	Performance Tracking
P5	Target Balance
P6	Target Interconnection
P7	Performance Review
P8	Performance Dialogue
P9	Consequence Management
P10	Target Time Horizon
P11	Targets Stretching
P12	Performance Clarity
P13	Managing Human Capital
P14	Rewarding High Performance
P15	Removing Poor Performers
P16	Promoting High Performers
P17	Attracting Human Capital
P18	Retaining Human Capital

5.1.1 Test for Reliability of Questionnaire

Reliability is defined as the ability of the scales to consistently yield the same response. Values, greater than 0.70 are generally considered to be reliable. However values greater than or equal to 0.60 are acceptable for the newly developed scales (Nunnally, 1978). Internal consistency method has been used to test the reliability of the questionnaire by finding alpha values. The overall reliability of the questionnaire by calculating Cronbach's Alpha (α) value at confidence level 95% was **0.877,** which is given in Table 5.2. The reliability of individual practices in the questionnaire have also been tested and given in Table 5.3 below. The Cronbach alpha values for each of the individual practices are over .**86** indicating that the scales in the questionnaire are reliable.

Table 5. 2 - Reliability Statistics

Cronbach's Alpha	No. of Items
.877	18

Table 5. 3 -Item-Total Statistics

Practices	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
P1	1212.25	41694.272	.547	.869
P2	1196.26	44101.501	.375	.875
P3	1212.08	41228.549	.434	.875
P4	1204.47	40816.836	.616	.866
P5	1198.70	42037.602	.435	.873
P6	1208.79	41113.554	.524	.870
P7	1200.81	41838.518	.651	.866
P8	1203.21	42315.082	.540	.869
P9	1205.53	42918.058	.544	.870
P10	1202.04	42122.596	.554	.869
P11	1201.36	43142.871	.449	.872
P12	1212.34	43598.728	.308	.878
P13	1212.34	42656.423	.418	.874
P14	1205.74	41614.945	.602	.867
P15	1204.78	43425.035	.343	.876
P16	1198.34	40705.145	.622	.865
P17	1210.40	41607.354	.598	.867
P18	1208.62	41780.712	.520	.870

5.1.2 Identification of Embededness of Global/Professional Practices in organizations in India

The first objective was to find out to what extent the global or professional management practices were embedded or adopted by the different types of organizations operating in the IT sector in India.

5.1.2.1 - Pattern Analysis

The companies were sorted on the basis of their origin as Indian and Global companies depending on the nationality of the company. If the company was of a nationality other than India, it was called a global company else it was considered to be an Indian company.   On the basis of size, the companies were sorted as Small & Medium and Large companies on the basis of their number of employees as per the classification given by International Data Centre (IDC) for US based companies[6]. Hence for the purpose of this research companies which have employees lesser than 1000 were categorized as Small & Medium Companies and companies in which the employees were more than 1000 in number were categorized as Large Companies. A third category for classification was by type, which has been arrived at by combining the origin and size.

The scores for the eighteen management practices were grouped into 5 heads based on their type. The companies were classified as follows:

1. Small & Medium Global Multinationals (**S GMNC**)

2. Large Global Multinationals (**L GMNC**)

3. Small & Medium Indian Multinationals (**S IMNC**)

4. Large Indian Multinationals (**L IMNC**)

5. Small & Medium Local Indian Companies (**I C**)

The averages for each of the eighteen practices were found for each group. The scores were given on a scale of 0 to 100. Table 5.4 shows the averages for each type of organization:

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[6]http://www.entrepreneur.com/sbe/glance/

Table 5. 4 Mean Values of Management Practices

Practices	Type of Companies				
	S GMNC	L GMNC	SI MNC	L IMNC	IC
P1	75.00	69.12	59.58	67.05	45.00
P2	82.00	87.18	74.79	80.45	78.00
P3	73.00	68.82	61.33	67.27	41.00
P4	68.00	76.76	65.75	79.09	57.00
P5	81.00	89.12	71.04	81.55	50.00
P6	67.00	71.00	68.75	73.41	25.00
P7	82.00	78.65	70.83	79.68	63.00
P8	85.00	80.29	67.08	71.36	74.00
P9	75.00	74.12	66.25	76.59	52.00
P10	80.00	82.06	65.21	79.32	64.00
P11	96.00	77.65	72.29	73.64	64.00
P12	64.00	65.29	62.13	62.36	76.00
P13	63.00	68.82	63.88	66.14	40.00
P14	71.00	70.29	68.13	75.23	63.00
P15	76.00	74.12	69.38	72.05	67.00
P16	85.00	75.59	77.92	78.86	76.00
P17	76.00	67.35	60.42	70.45	58.00
P18	71.00	64.71	65.63	70.23	74.00

Firstly, on the basis of the mean score, a bar graph was plotted for each of the eighteen practices in order to visually find out if a common pattern existed amongst the practices of different types of companies. The pattern has been shown through graphs 5.1 to 5.18. The following is the legend for classification of companies:

1 = Small & Medium Global Multinationals

2 = Large Global Multinationals

3 = Small & Medium Indian Multinationals

4 = Large Indian Multinationals

5 = Small & Medium Local Indian Companies

Graph 5. 1 Pattern for P1 – Modern Management Introduction

P1

Type of Co.	Mean Score
5	45.00
4	67.05
3	59.58
2	69.12
1	75.00
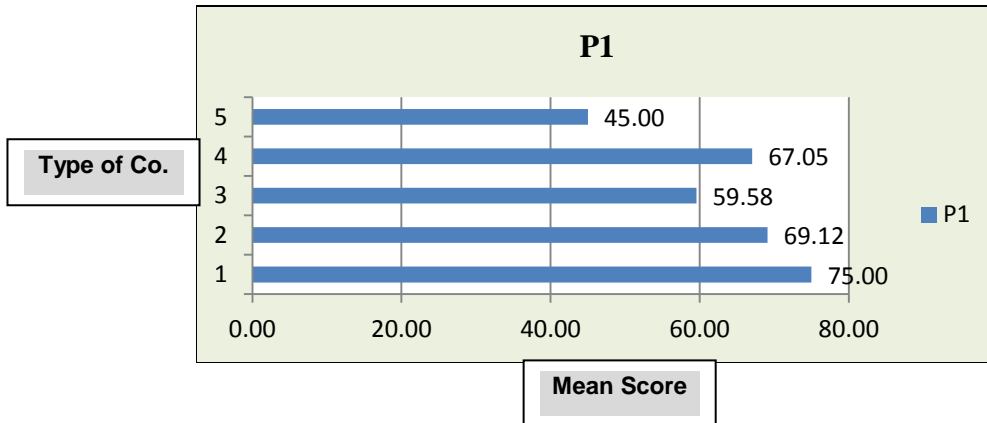
Inference – **Mean of 1 > 2> 4 >3 >5**

Graph 5. 2Pattern for P2 – Modern Management Rationale

P2

Type of Co.	Mean Score
5	78.00
4	80.45
3	74.79
2	87.18
1	82.00
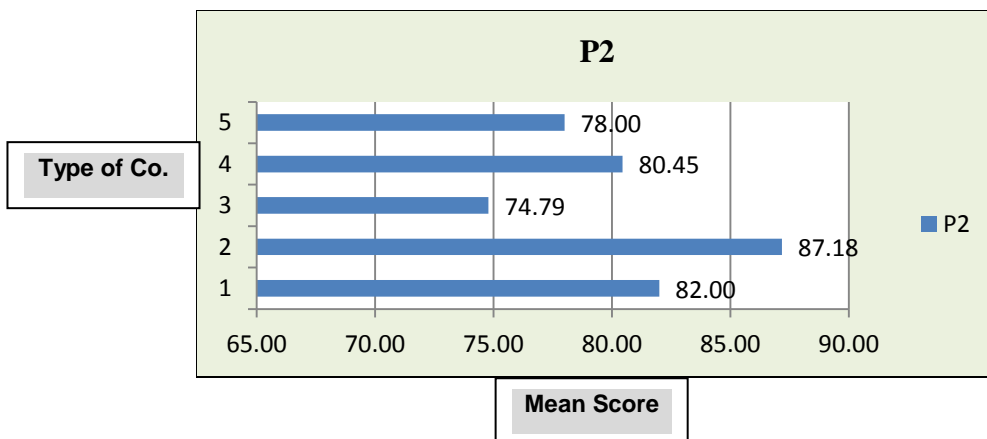
Inference – **Mean of 2>1> 4 >5>3**

Graph 5. 3 Pattern for P3 – Process Documentation

P3

Type of Co.	Mean Score
5	41.00
4	67.27
3	61.33
2	68.82
1	73.00
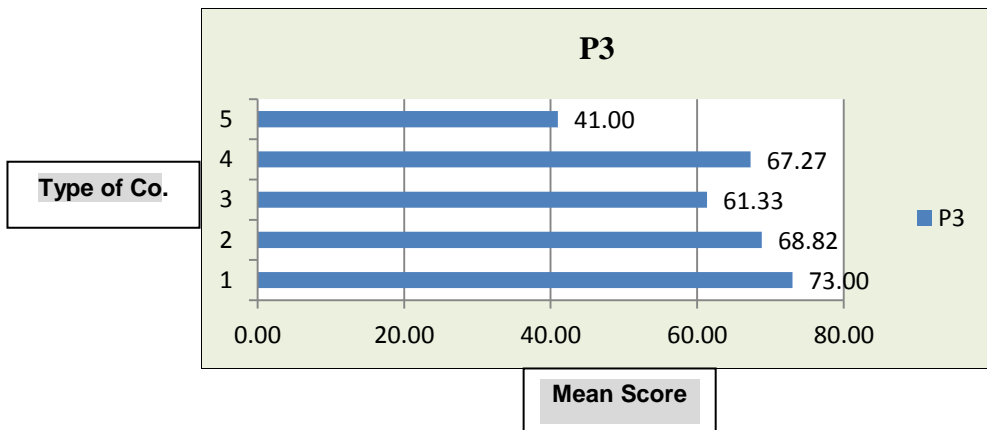
Inference – **Mean of 1 > 2> 4 >3 >5**

Graph 5. 4 Pattern for P4 – Performance Tracking
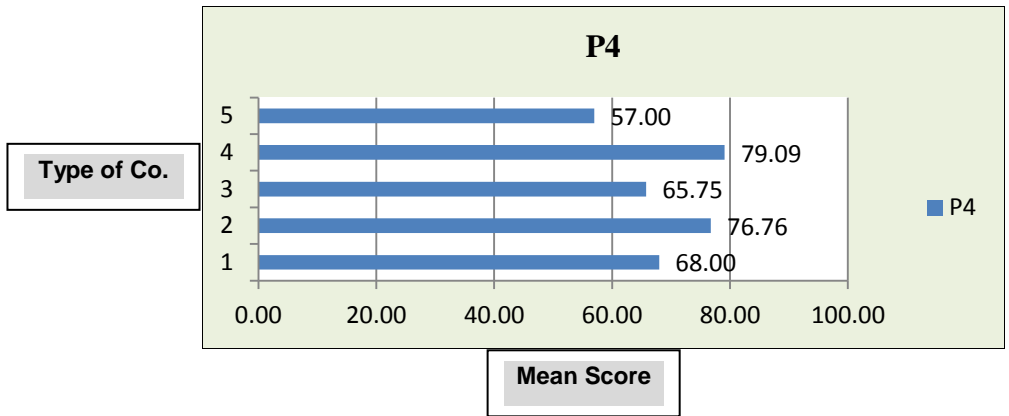
Inference – <u>Mean of 4> 2>1>3 >5</u>

Graph 5. 5 Pattern for P5_Target Balance
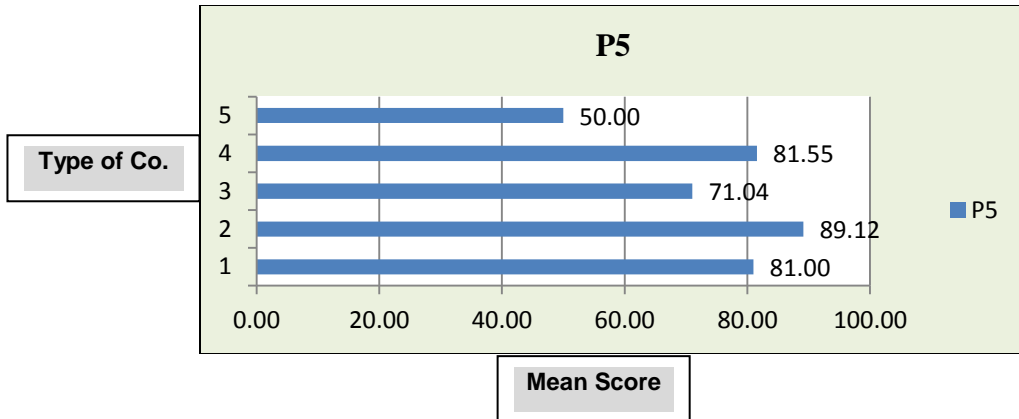
Inference – <u>Mean of 2>4>1>3 >5</u>

Graph 5. 6 Pattern for P6 – Target Interconnection
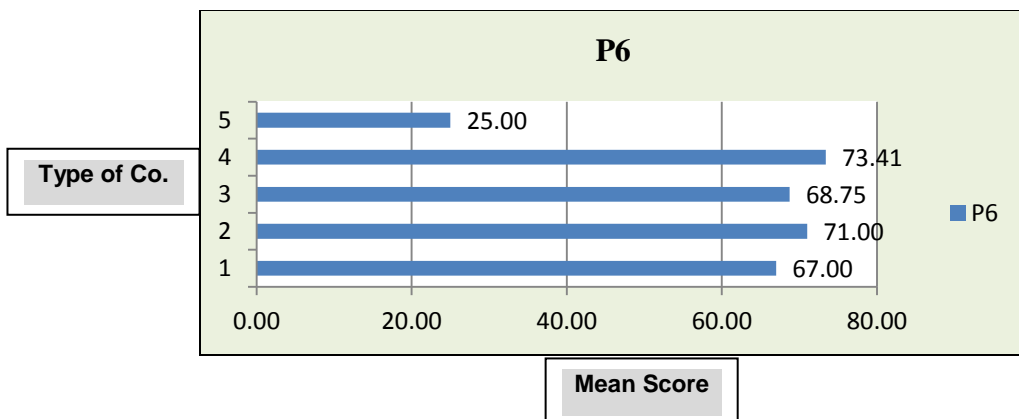
Inference – <u>Mean of 4> 2>3>1>5</u>

Graph 5. 7 Pattern for P7 – Performance Review

P7

Type of Co.	Mean Score	
5	63.00	
4	79.68	
3	70.83	
2	78.65	
1	82.00	
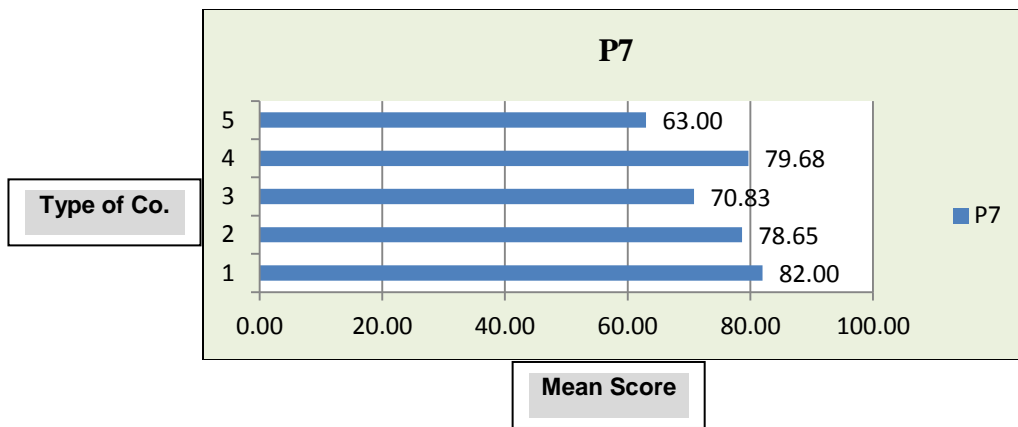
Inference – **Mean of 1 >4>2>3 >5**

Graph 5. 8 Pattern for P8 – Performance Dialogue

P8

Type of Co.	Mean Score	
5	74.00	
4	71.36	
3	67.08	
2	80.29	
1	85.00	
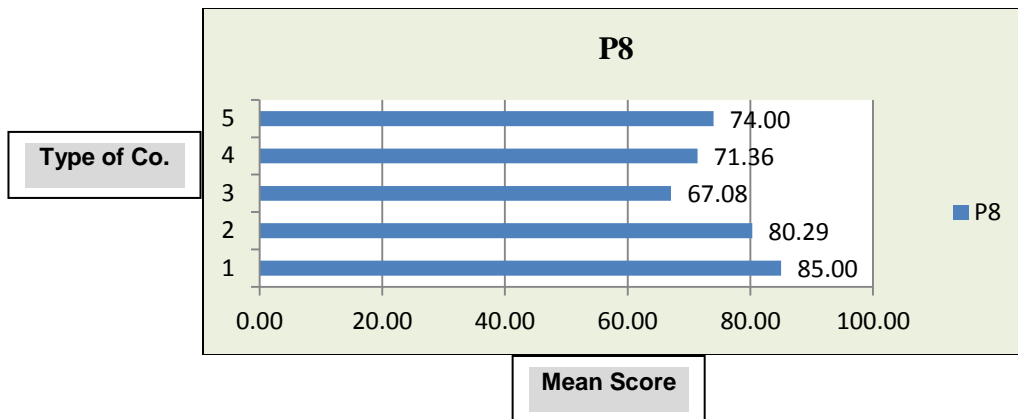
Inference – **Mean of 1 > 2>5>4>3**

Graph 5. 9 Pattern for P9 – Consequence Management

P9

Type of Co.	Mean Score	
5	52.00	
4	76.59	
3	66.25	
2	74.12	
1	75.00	
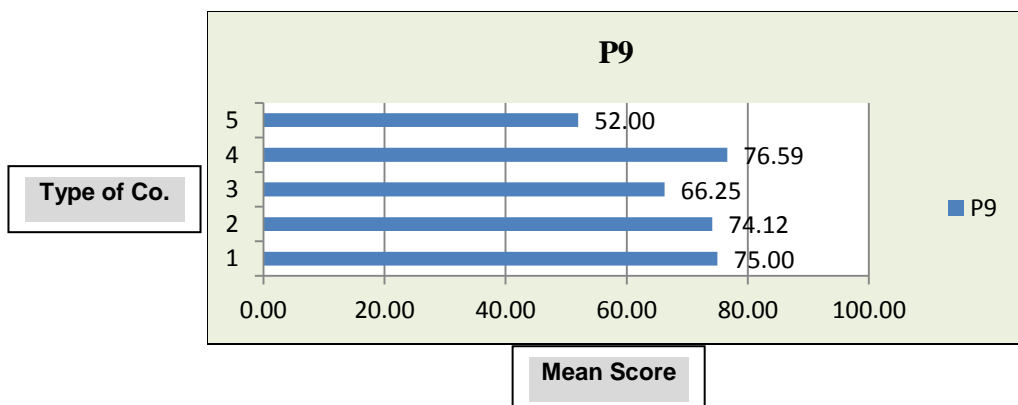
Inference – **Mean of 4>1>2>3 >5**

Graph 5. 10 Pattern for P10 – Target Time Interconnection

Chart title: **P10**

Type of Co.	Mean Score	Series
5	64.00	
4	79.32	
3	65.21	P10
2	82.06	
1	80.00	
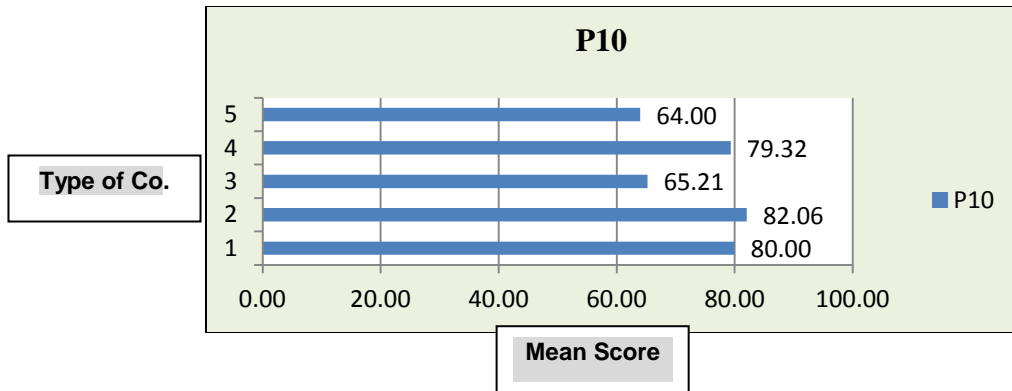
Inference – Mean of 2>1> 4 >3 >5

Graph 5. 11 Pattern for P11 – Target Stretch

Chart title: **P11_**

Type of Co.	Mean Score	Series
5	64.00	
4	73.64	
3	72.29	P11
2	77.65	
1	96.00	
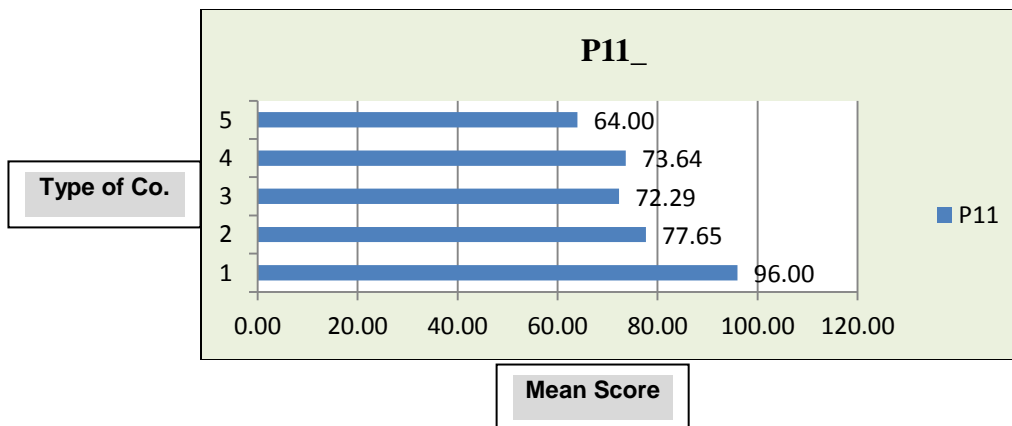
Inference – Mean of 1 > 2> 4 >3 >5

Graph 5. 12 Pattern for P12 – Performance Clarity

Chart title: **P12**

Type of Co.	Mean Score	Series
5	76.00	
4	62.36	
3	62.13	P12
2	65.29	
1	64.00	
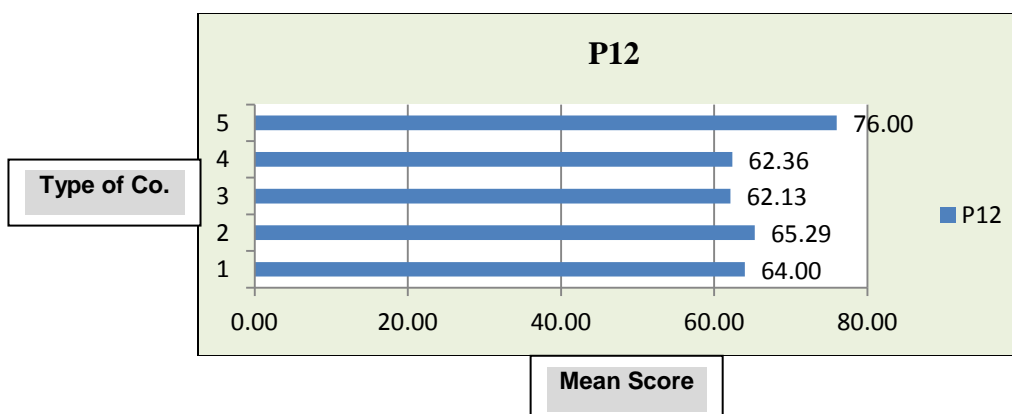
Inference – Mean of 5> 2>1>4>3

Graph 5. 13 Pattern for P13 – Managing Human Capital
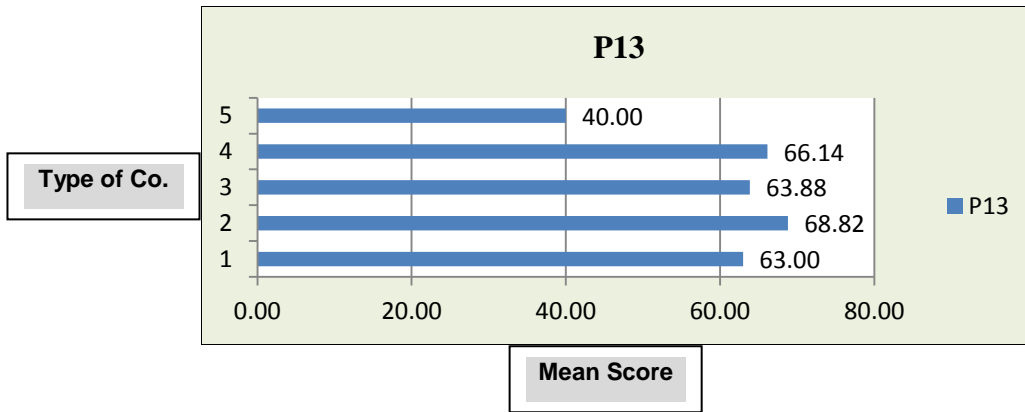
Inference – **Mean of 2>4>3>1>5**

Graph 5. 14 Pattern for P14 – Rewarding Human Capital
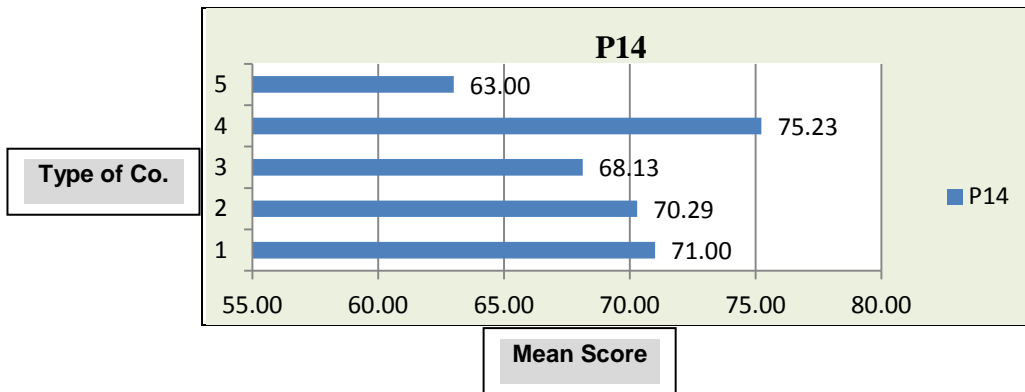
Inference – **Mean of 4>1>2>3 >5**

Graph 5. 15 Pattern for P15 – Removing Poor Performers
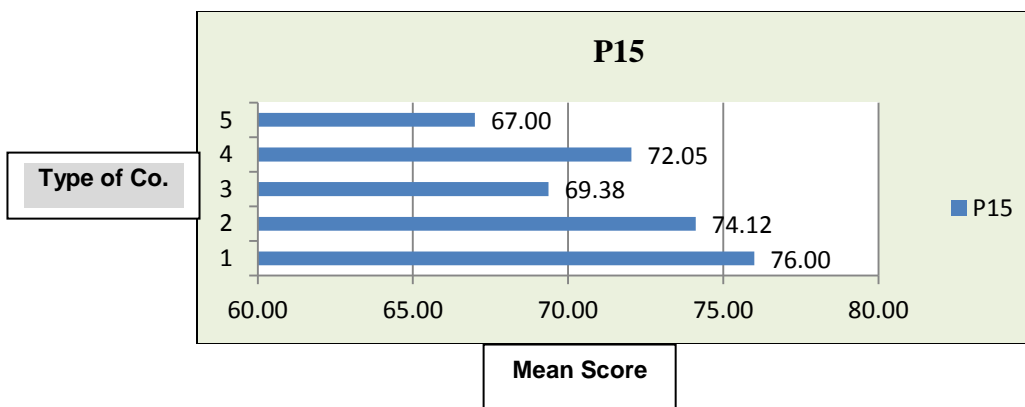
Inference – **Mean of 1 > 2> 4 >3 >5**

Graph 5. 16 Pattern for P16 – Promoting High Performers

P16

Type of Co.	Mean Score
5	76.00
4	78.86
3	77.92
2	75.59
1	85.00
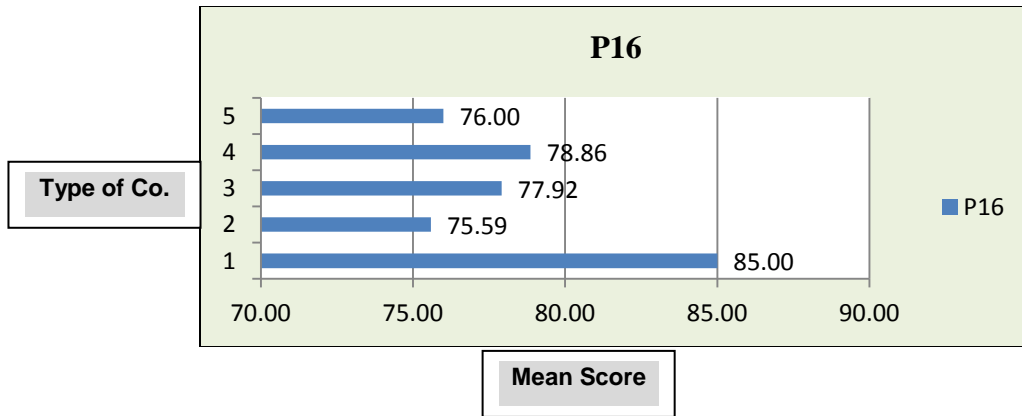
Inference – Mean of 1 >4>3>5>2

Graph 5. 17 Pattern for P17 – Attracting Human Capital

P17_

Type of Co.	Mean Score
5	58.00
4	70.45
3	60.42
2	67.35
1	76.00
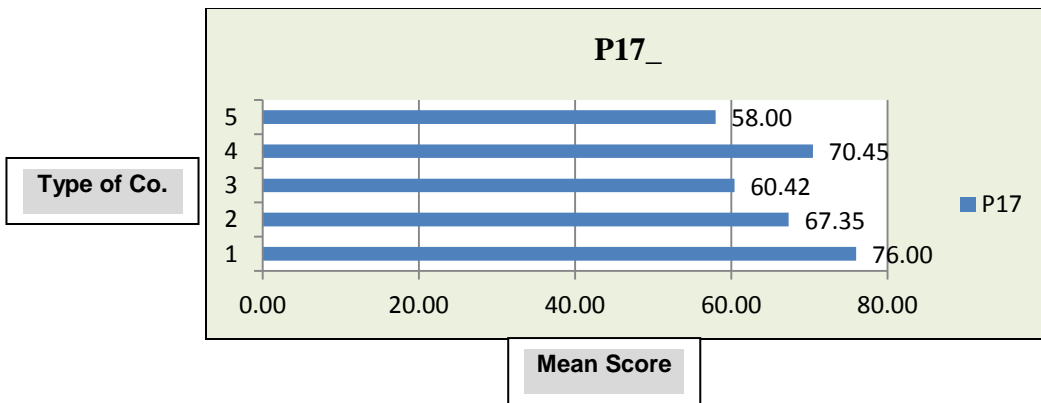
Inference – Mean of 1 >4>2>3 >5

Graph 5. 18 Pattern for P18 – Retaining Human Capital

P18

Type of Co.	Mean Score
5	74.00
4	70.23
3	65.63
2	64.71
1	71.00
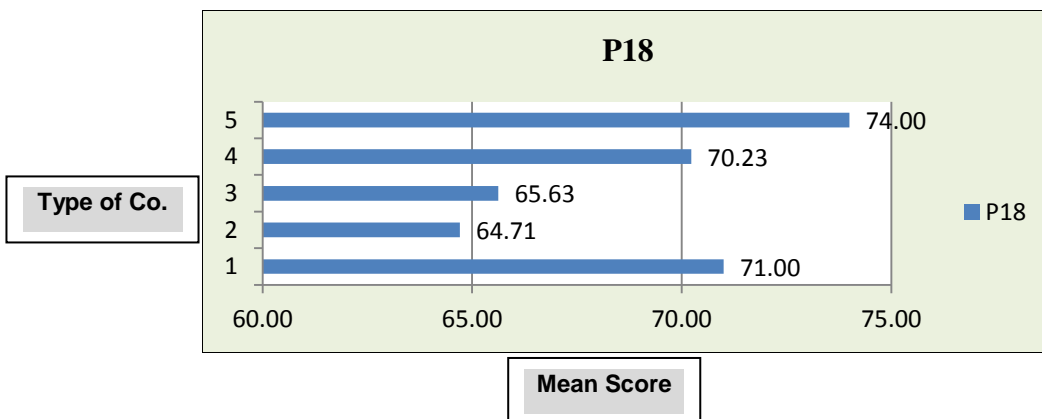
Inference – Mean of 5>1> 4 >3 >2

The above bar graphs were analyzed for any similarities in pattern. The following practices were found to be similar in pattern:

- Modern Management Introduction, Problem Documentation, Target Stretch, Removing Poor Performers. In all the four practices the scores of Small and Medium Global Multinationals were highest, followed by Large Global Multinationals, Large Indian Multinationals, Small Indian Multinationals and Small and Medium Indian companies had the least score.

- Consequence Management and Rewarding High Performers. In these two practices the scores of Large Indian Multinationals were highest, followed by Small and Medium Global Multinationals, Large Global Multinationals, Small Indian Multinationals and Small and Medium Indian companies had the least score.

- Performance Review and Attracting Human Capital. In these two practices the scores of Small and Medium Global Multinationals were highest, followed by Large Indian Multinationals, Large Global Multinationals, Small Indian Multinationals and Small and Medium Indian companies had the least score.

- In the practices of Performance Clarity and Retaining Human Capital, Small and Medium Indian companies scored higher than other types of organizations.

- There were no similarities in patterns of other practices

The above patterns indicate a shift towards convergence in the management practices. In order to get an aggregate sense of the above patterns and scores, a rank correlation test - Kendall's Tau b has been performed next, to see the extent of convergence between practices of different types of companies.

5.1.2.2 Kendall's Tau b Correlation test for Convergence, Divergence and Crossvergence of Practices

A. Background

The first step was to get a broad overview of how each of these practices were implemented in the different types of organization, in order to understand if there was a trend towards convergence or divergence or resulted in crossvergence. The scores of different types of organizations were examined in detail. In order to determine if there is correlation between these practices, the practices for each type of organization were ranked on the basis of their average scores. On the basis of the literature review (Bloom et al. 2007) it has been observed that Global companies, especially those from US and other western nations, score better than companies of other nations including Indian companies, which are less well managed. Therefore each type of organization has been assigned a master rank on the basis of how professional their practices are. An organization type with the most professional practice has been assigned a rank of 1 and that with the least professional practice, has been assigned a rank of 5. Hence the Small and medium Global Multinational Companies and Large Global Multinational Companies (S GMNC and L GMNC) are ranked higher than Small and Medium Indian Multinational Companies , Large Indian Multinational companies and Small and medium Local Indian Companies (S IMNC, L IMNC and IC). These ranks were labeled as 'Master Rank'.

Individual practices in each type of organizations have been ranked on the basis of their mean scores. The master ranks and the ranks to the specific practices are shown in Table 5.5. On these sets of ranked data a Kendall's Tau correlation test has been performed. This technique has been chosen as it is easier to use with relatively smaller sample sizes and also when differences in ranks are lesser (Gauthier, 2001).Kendall's tau is less sensitive to outliers and is often preferred due to its simplicity and ease of interpretation. Apart from this, the approximations of Kendall's are better than Spearman's for smaller samples and for those samples in which the difference is ranking is not very high (Arndt et al., 1999)

Table 5. 5 Ranking of Management Practices on Mean Values

	S GMNC	L GMNC	SI MNC	L IMNC	IC
Master Rank Practice	**2**	**1**	**4**	**3**	**5**
P1	1	2	4	3	5
P2	2	1	5	3	4
P3	1	2	4	3	5
P4	3	2	4	1	5
P5	3	1	4	2	5
P6	4	2	3	1	5
P7	1	3	4	2	5
P8	1	2	5	4	3
P9	2	3	4	1	5
P10	2	1	4	3	5
P11	1	2	4	3	5
P12	3	2	5	4	1
P13	4	1	3	2	5
P14	2	3	4	1	5
P15	1	2	4	3	5
P16	1	5	3	2	4
P17	1	3	4	2	5
P18	2	5	4	3	1

B.   Results

The following table 5.6 shows the correlation coefficients on the basis of the Kendall's Tau b Test:

Table 5. 6 Correlations based on Kendall's Tau b

Practice No	Kendall's tau_b	Master_Rank	Practice
P1	Correlation Coefficient	1.000	**.800**
	Sig. (2-tailed)	.	.050
	N	5	5

P2	Correlation Coefficient	1.000	**.800**
	Sig. (2-tailed)	.	.050
	N	5	5
P3	Correlation Coefficient	1.000	**.800**
	Sig. (2-tailed)	.	.050
	N	5	5
P4	Correlation Coefficient	1.000	**.600**
	Sig. (2-tailed)	.	.142
	N	5	5
P5	Correlation Coefficient	1.000	**.800**
	Sig. (2-tailed)	.	.050
	N	5	5
P6	Correlation Coefficient	1.000	**.400**
	Sig. (2-tailed)	.	.327
	N	5	5
P7	Correlation Coefficient	1.000	**.600**
	Sig. (2-tailed)	.	.142
	N	5	5
P8	Correlation Coefficient	1.000	**.400**
	Sig. (2-tailed)	.	.327
	N	5	5
P9	Correlation Coefficient	1.000	**.400**
	Sig. (2-tailed)	.	.327
	N	5	5
P10	Correlation Coefficient	1.000	**1.000**
	Sig. (2-tailed)	.	.
	N	5	5
P11	Correlation Coefficient	1.000	**.800**
	Sig. (2-tailed)	.	.050
	N	5	5
P12	Correlation Coefficient	1.000	**.200**
	Sig. (2-tailed)	.	.624
	N	5	5

P13	Correlation Coefficient	1.000	**.600**
	Sig. (2-tailed)	.	.142
	N	5	5
P14	Correlation Coefficient	1.000	**.400**
	Sig. (2-tailed)	.	.327
	N	5	5
P15	Correlation Coefficient	1.000	**.800**
	Sig. (2-tailed)	.	.050
	N	5	5
P16	Correlation Coefficient	1.000	**.200**
	Sig. (2-tailed)	.	.624
	N	5	5
P17	Correlation Coefficient	1.000	**.600**
	Sig. (2-tailed)	.	.142
	N	5	5
P18	Correlation Coefficient	1.000	**-.400**
	Sig. (2-tailed)	.	.327
	N	5	5

Note: N = Number of ranked entities

On the basis of the correlation coefficients the following rationale has been used to categorize the practices:

The total scores could range between -1 to +1. This range was equally divided among convergence, divergence and crossvergence.

i. Correlation from +0.34 to +1 meant that there is positive relationship and hence there is convergence amongst the practices with the global practices.

ii. Correlation between +0.33 to -0.33 meant that there is limited correlation and hence there is crossvergence amongst the practices with the global practices.

iii. Correlation from -0.34 to -1 meant that there is negative relationship and hence there is divergence amongst the practices with the global practices.

In the present study the correlation coefficients were found to be between +1 to -0.4.

The above relationship has been depicted in the following graph 5.19:

Graph 5.19 Graph Depicting Convergence -Crossvergence-Divergence Continuum
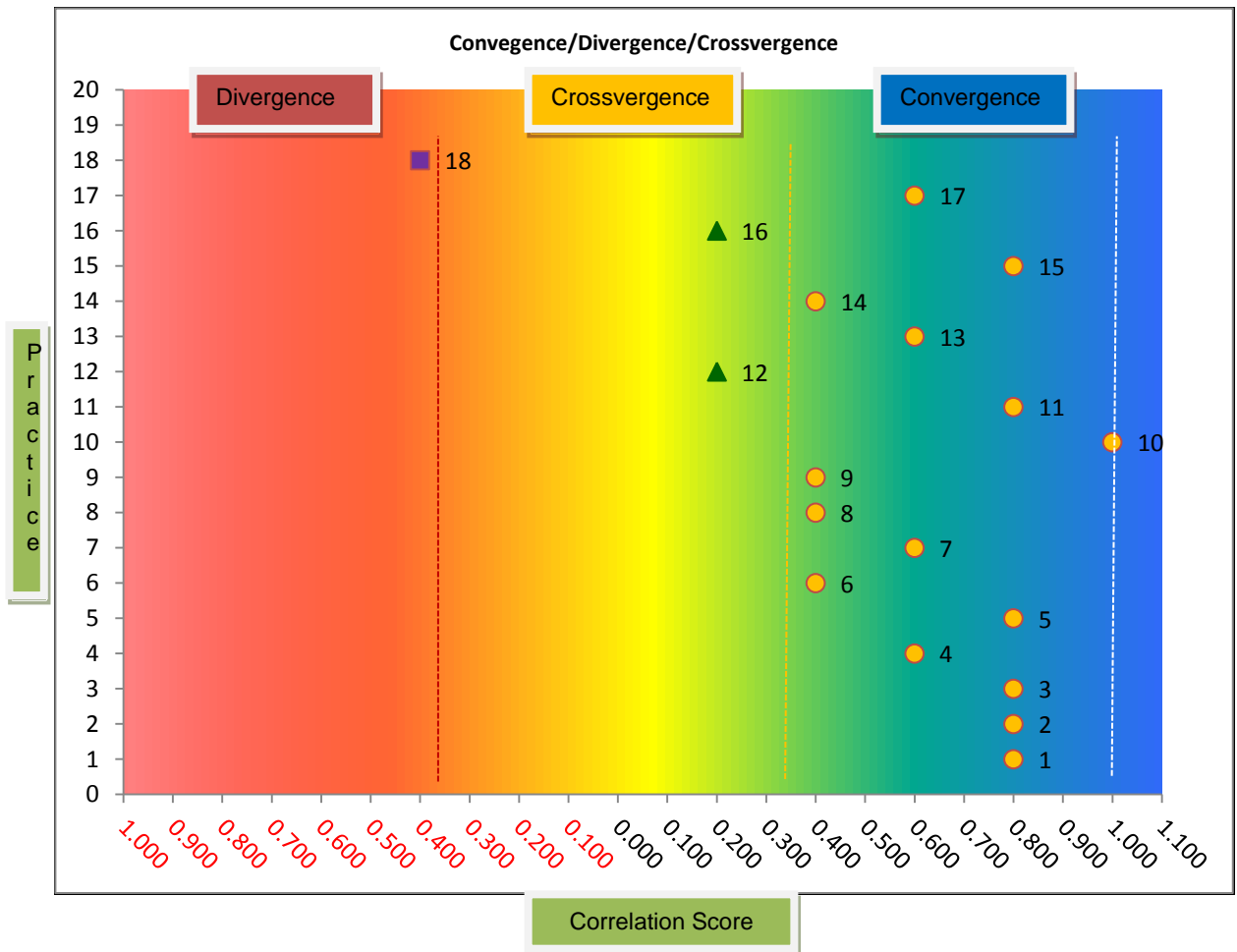
C.   Inferences

The following inferences can be made from the above graph:

i. There are varying levels of **convergence in fifteen practices**. There is total convergence in the practice of **Target Time Horizon** (1.0). There is very high convergence in the practices of **Modern Management Practices Introduction, Modern Management Practices Rationale, Process Documentation, Target Balance, Target Stretch, and Removing Poor Performers** (0.8). Convergence is also indicated in the practices **of Performance Tracking, Performance Review, Managing Human Capital and Attracting Human Capital** (0.6). There is also a shift towards convergence in the practices of **Target Interconnection, Performance Dialogue, Consequence Management, and Rewarding High Performers** (0.4). There is positive correlation in the ranks of these practices with that of master ranks based on adoption of global practices. Practices in these areas in the Indian context have converged with the global practices

ii. There is **crossvergence in the two practices** of **Performance Clarity and Promoting High Performers** as there is difference in correlation between the ranks of these companies with that of master ranks based on adoption of global practices (0.2). There seems to be coexistence of Indian and global practices in the implementation of practices in the above areas.

iii. There is **divergence in one practice** of **Retaining Human Capital**, as there is negative correlation between the ranks of different companies with that of master ranks based on adoption of global practices (-0.4). Retention practices of Human Capital in India is different from those adopted by global organization and hence the divergence.

The inferences from the above graph have been summarized in the table 5.7 below.

Table 5. 7 Inferences from Kendall's Tau b

Convergence	Crossvergence	Divergence
P1	P12	P18
P2	P16	
P6		
P3		
P4		
P5		
P7		
P8		
P9		
P10		
P11		
P13		
P14		
P15		
P17		

D.   Discussion

In all the practices of **Operations Management** namely   Modern Management Introduction, Modern Management Rationale, Process Problem Documentation, there is **convergence**. This is congruent with the earlier research findings by Yamamura and Stedham (2004) in their exploratory study where it has been established that it is easier to achieve convergence and congruence in aspects related to implementation of technology and structure.

Varying levels of convergence are evident in four out of five practices of **Monitoring Management** namely Performance Tracking, Performance Review, Performance Dialogue and Consequence Management. This indicates that

organizations in India have realized the importance of good performance management systems and have adopted or are in the process of adopting formal performance tracking and review systems similar to organizations in the global environment.

A **trend towards convergence** is also evident in all the four **Targets Management** Practices of Targets Balance, Target Interconnection, Target Time Horizon and Target Stretch. This indicates that organizations in India have become outcome focused and have begun to attach increased importance to target setting and accomplishment.

Four out of six **Talent Management** Practices namely Managing Human Capital, Rewarding High Performers, Removing Poor Performers and Attracting Human Capital have **converged** with global management practices as there is positive correlation between the ranks of these companies with that of master ranks based on adoption of global practices. This indicates that globally accepted practices are implemented to manage, motivate and attract good performers and deal with non performers.

There seems to be **crossvergence** in the two practices totally. There is crossvergence in one practice of **Monitoring Management** namely Performance Clarity. This is as per the established dimensions of traditional Indian culture which is has medium to low levels of uncertainty avoidance, high humane orientation, relational orientation high levels of ingroup collectivism, particularistic and diffuse in nature (Mahesh and Bhat, 2012). As a result of these through formal policies and procedures exist on paper; the implementation of the same is totally different. Standard policies and procedures are circumvented due to the context sensitive nature of mangers in India (Sinha, 1999). Hence there exists dualism in Indian management (Virmani, 2007).

The reason for **crossvergence** in the **Talent Management** Practice of Promoting High Performance is also due to the high power distance, diffuseness, particularism, ascribed status and being orientation in Indian culture.

There seems to be **divergence** in one **Talent Management** practice namely Retaining Human Capital as there is negative correlation between the ranks of different companies with that of master ranks based on adoption of global practices. This has to be investigated in detail to understand the nature of difference because Large Indian Multinationals have a better score than the Global Multinationals (S GMNC & L GMNC) in this practice indicating that Indian organizations have better

retention practices. The difference could be due certain retention measures by Indian Multinationals which could be significantly unique to the culture of India. This has to be studied further to get meaningful insights. Overall it can be concluded that there is a **trend towards convergence towards globally accepted standard practices in the I.T. sector in India.**

5.1.3 Testing of Hypotheses through Statistical Analysis -ANOVA

5.1.3.1 - Classification on the basis of <u>Origin</u> as Indian and Global Companies

In the first step the companies were classified on the basis of their origin, just as Indian and Global Companies .A one way ANOVA was performed on the two groups of companies namely   Global Companies (G COS) and Indian Companies (I COS). The rationale for this classification has already been given in Chapter 3- Research Methodology. The following are results:

A.   ANOVA Test and Significant Differences

Table 5.8 shows the F values and results on the basis of ANOVA for origin and highlights those practices that are significantly different.

Table 5. 8 ANOVA -Results for Classification by Origin

Practice		Sum of Squares	df	Mean Square	F	Sig.
P2	Between Groups	1097.701	1	1097.701	4.378	**.040**
	Within Groups	17800.627	71	250.713		
	Total	18898.329	72			
P5	Between Groups	2911.330	1	2911.330	5.314	**.024**
	Within Groups	38899.109	71	547.875		
	Total	41810.438	72			
P8	Between Groups	2124.095	1	2124.095	6.270	**.015**
	Within Groups	24051.248	71	338.750		
	Total	26175.342	72			
P10	Between Groups	1667.023	1	1667.023	4.642	**.035**
	Within Groups	25498.730	71	359.137		
	Total	27165.753	72			
P11	Between Groups	1463.904	1	1463.904	4.532	**.037**
	Within Groups	22936.096	71	323.044		
	Total	24400.000	72			

B.   Graphical Representation

The above differences on the basis of F values have been captured in the following graph 5.20which depicts the differences in mean values of companies grouped into two on origin as Global and Indian Companies. Table 5.9 shows the mean values for the different practices.

Table 5. 9 Mean Differences for Classification by Origin

P.No.	1	2	3	4	5
Practice Groups	P2	P5	P8	P10	P11
G COS	86.00	87.27	81.36	81.59	81.82
I COS	77.55	73.51	69.61	71.18	72.06

Graph 5. 20 Mean Values by Origin
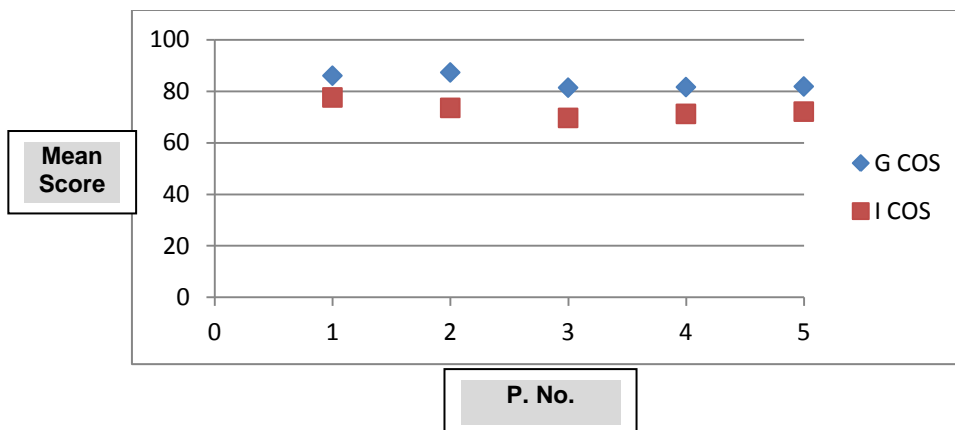
C.   Inferences

From the above graph it can be inferred that the **scores of Global Companies (G COS) are higher than the scores of Indian Companies (I COS) in all the practices and there are significant differences in the practices of Modern Management Rationale, Target Balance, Performance Dialogue, Target Time Horizon and Target Stretch.** On the observation of their means, it can be inferred there seem to be some influence of culture in the implementation of these practices, as discussed in the propositions developed in Chapter 3. Due to this cultural impact, the introduction of modern management practices has been influenced due to reasons other than business objectives. Goals are not exclusively financial like in global organizations. Clear agenda, purpose and data are not available for performance dialogue. The target time horizon is one, where there is linkage

between short and long term goals. Goals are not genuinely challenging. Hence the null hypothesis had to be rejected for the above five practices.

5.1.3.2 Classification on the basis of <u>Size</u> as Small/Medium Size and Large Size Companies

In the next step the companies on the basis of their size. They were classified as Small/Medium Size (S COS) and Large Size Companies(L COS).The rationale for this classification has been given in Chapter 3-Research Methodology.The following are the results:

A.ANOVA Test and Significant Differences

A one way ANOVA was performed on the two groups of companies. The following table shows the F values and highlights those practices that are significantly different:

Table 5. 10   ANOVA -Results for Classification by Size

Practice		Sum of Squares	df	Mean Square	F	Sig.
P4	Between Groups	3204.795	1	3204.795	6.862	**.011**
	Within Groups	33158.328	71	467.019		
	Total	36363.123	72			
P5	Between Groups	4327.126	1	4327.126	8.196	**.006**
	Within Groups	37483.312	71	527.934		
	Total	41810.438	72			
P9	Between Groups	1842.559	1	1842.559	7.346	**.008**
	Within Groups	17808.126	71	250.819		
	Total	19650.685	72			
P10	Between Groups	3216.451	1	3216.451	9.535	**.003**
	Within Groups	23949.302	71	337.314		
	Total	27165.753	72			

B. Graphical Representation

The above differences on the basis of F values have been captured in the following graph 5.21 which depicts the differences in mean values of companies grouped into

two on size as Small and Large Companies. Table 5.11 shows the mean values for different practices.

Table 5. 11 Mean Differences of Classification by Size

P.No.	1	2	3	4
Practice Groups	P4	P5	P9	P10
S COS	64.79	69.41	65.44	67.21
L COS	78.08	84.85	75.51	80.51

Graph 5. 21 Mean values by Size
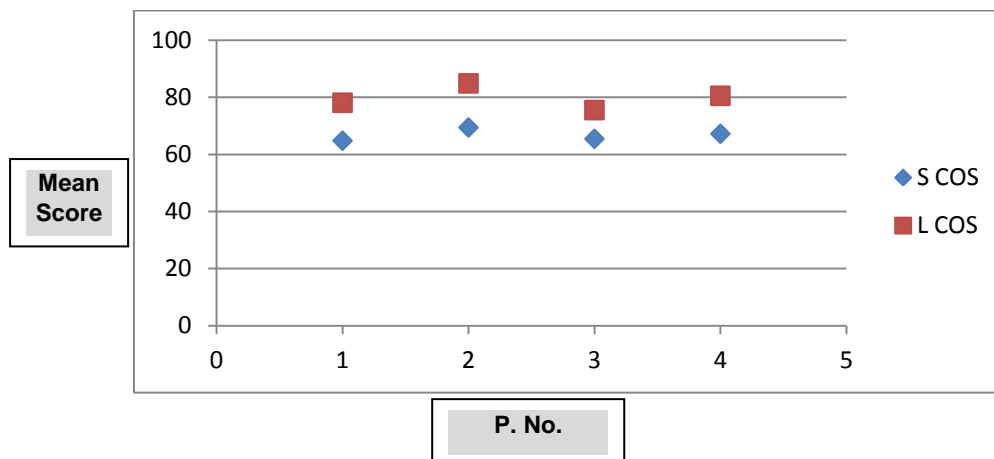
C.   Inferences

From the above graph it can be inferred that the scores of Large Companies (L COS) are higher than the scores of Small Companies (S COS) in all the practices and there are significant differences in scores of practices of Performance Tracking, Target Balance, Consequence Management and Target Time Horizon. Hence the null hypothesis had to be rejected for the above four practices. The scores of larger companies are higher for each of these practices in Large Companies and they are moving towards the scores of globally accepted practices. **This indicates that as organizations grow in size, they have to implement formal practices that are modeled after global practices.**

5.1.3.3 Classification on the basis of _Type_ as Small Global Multinationals, Large Global Multinationals, Small Indian Multinationals, Large Indian Multinationals and Small Local Indian Companies.

In the next step the companies were classified by their type as Small& Medium Global Multinationals, Large Global Multinationals, Small& Medium Indian Multinationals, Large Indian Multinationals and Small & MediumLocal Indian Companies. The rationale for this classification has been given in Chapter 3- Research Methodology.The next phase of analysis was to see if there existed any statistical differences in these practices by doing a one way ANOVA. The following are the results:

A.   ANOVA Test and Significant Differences

A one way ANOVA was performed on the five groups of companies. The following table 5.12 shows the F values and highlights the practices where significant differences were found:

Table 5. 12: ANOVA -Results for Classification by Type

Practices		Sum of Squares	df	Mean Square	F	Sig.
P5	Between Groups	7496.261	4	1874.065	3.714	**.009**
	Within Groups	34314.178	68	504.620		
	Total	41810.438	72			
P6	Between Groups	10046.154	4	2511.539	5.156	**.001**
	Within Groups	33123.818	68	487.115		
	Total	43169.973	72			
P9	Between Groups	3277.102	4	819.276	3.402	**.013**
	Within Groups	16373.583	68	240.788		
	Total	19650.685	72			
P10	Between Groups	4254.081	4	1063.520	3.156	**.019**
	Within Groups	22911.672	68	336.936		
	Total	27165.753	72			
P11	Between Groups	3146.068	4	786.517	2.516	**.049**
	Within Groups	21253.932	68	312.558		
	Total	24400.000	72			

B.   Graphical Representation

The above differences on the basis of F values have been captured in the following graph 5.22 which depicts the differences in mean values of companies grouped into five on basis of their type. Table 5.13 shows the mean values for different practices

Table 5. 13 Mean Differences for Classification by Type

P.No.	1	2	3	4	5
Practice Groups	P5	P6	P9	P10	P11
S GMNC	81.00	67.00	75.00	80.00	96.00
L GMNC	89.12	71.00	74.12	82.06	77.65
S IMNC	71.04	68.75	66.25	65.21	72.29
L IMNC	81.55	73.41	76.59	79.32	73.64
I C	50.00	25.00	52.00	64.00	64.00

Graph 5. 22 Mean Values by Type
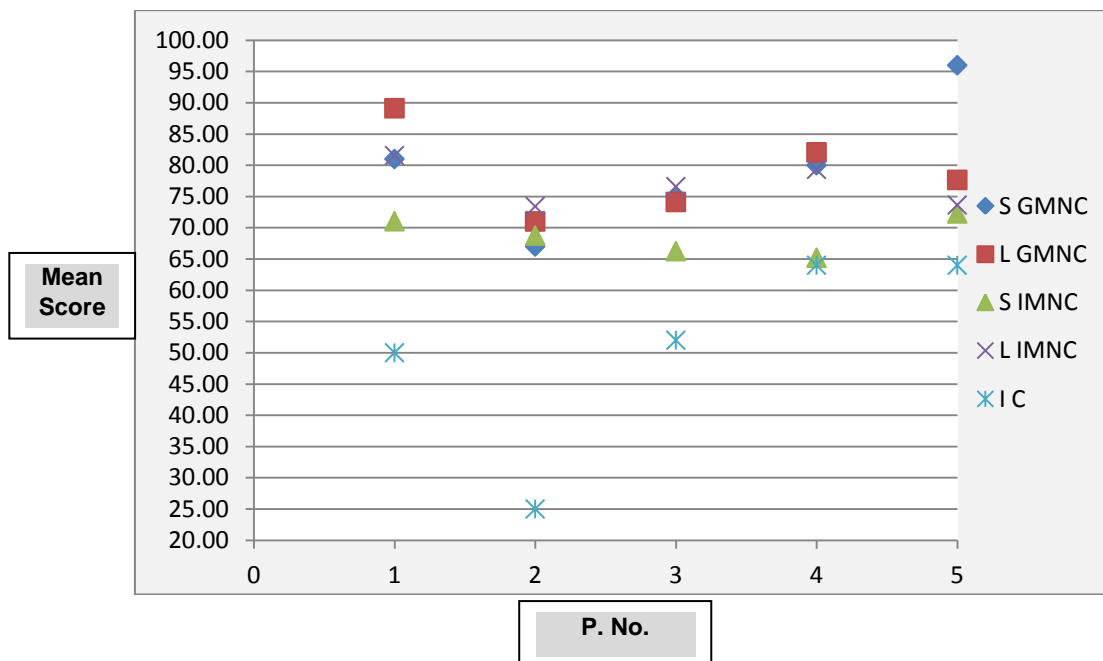
C.   Inferences

There were significant differences in the practices of   Target Balance, Target Interconnection, Consequence Management, Target Time Horizon and Target

Stretch. The scores of Large Indian Multinationals are higher than the scores of global multinationals (S GMNC & S GMNC) in the practices of Target Interconnection and Consequence Management. This indicates that in the Large Indian Multinationals, targets are linked well to the organizational objectives and everyone in the organization is well aware of them.

A higher score on consequence management indicates that performance achievement is considered important and differing levels of performance result in immediate corrective action being taken. There seems to be convergence between global multinationals and Indian multinationals in the other three targets management practices. **The scores of Small and Medium Indian companies are much lower when compared to others in all the five practices and strikingly lower in the three practices of Target Balance, Target Interconnection and Consequence Balance.** This is a result of the inherent Indian culture where process and people are considered more important than outcomes and formal mechanisms are not implemented for review and feedback. This reaffirms the rationale for the propositions that were framed for their practices.

To proceed further the bar graph pattern were studied again. It was found that in most of the practices the Small, Medium and Large Global Multinationals and Large Indian Multinationals formed and group and Small and Medium Indian Multinationals and Small Indian Companies formed a group.

5.1.3.3.1 - Multi- group Comparison on the basis of _Type_

In order to get in-depth insights different permutations of classifications of types of companies were considered and statistical analysis through ANOVA was performed on these groups (multi-group).The details of specific groupings and the ANOVA tests along with the results are provided in **Appendix 10** for reference.

Figure 5.2 highlights the sequence and rationale of analysis done and table 5.14 presents a summary of the findings.

In order to confirm the findings of the multi-group comparison, post hoc tests were conducted subsequently.

Figure 5. 2 – Sequence and Rationale of Multi-group Comparison

S GMNC, L GMNC **S IMNC, L IMNC** **IC**	In most practices S GMNC, L GMNC , L IMNC form a group and S IMNC, IC form a group. So sort them into two groups in the next step
(S GMNC, L GMNC, **L IMNC)** **S IMNCIC**	Averages of S GMNC & L GMNC similar to L IMNC. So sort them into three groups in the next step
(S GMNC, L GMNC) **(L IMNC)** **(S IMNC, IC)**	Eliminate L IMNC to find out differences between SIMNC & IC. So sort them into two groups in the next step
(S GMNC, L GMNC) **(S IMNC, IC)**	Eliminate S IMNC & IC to find out differences between S GMNC , L GMNC & L IMNC. So sort them into two groups in the next step
(S GMNC, L GMNC) **(L IMNC)**	Eliminate S GMNC, L GMNC , L IMNC to see if differences exist between L IMNC & SIMNC, IC. So sort them into two groups in the next step
(L IMNC) **(S IMNC, IC)**	

POST HOC TESTS FOR ANOVA

5.1.3.3.2 The following section summarizes the main findings of the ANOVA tests for multi-group comparison:

Table 5. 14 Summary of Results of ANOVA by Type - Grouping

S.NO	NO. OF GROUPS	GROUP CATEGORY	SIGNIFICANT DIFFERENCE IN PRACTICE	INFERENCES
1	5 GROUPS	S GMNC L GMNC S IMNC L IMNC I C	P5 Target Balance P6 Target Interconnection P9 Consequence Management P10 Target Time Horizon P 11 Target Stretching	The scores of Small and Medium Indian Companies are much lower when compared to others in all the five practices.
2	2 GROUPS	**(S GMNC, L GMNC, L IMNC)** **&** **(S IMNC, IC)**	P1 Modern Management Intro P2 Modern Management Rationale P4 Performance Tracking P5 Target Balance P7 PerformanceReview P9 Consequence Management P10 Target Time Horizon P17 Attracting Human Capital	Small and Large Global MNCs and Large Indian MNCs score better in the above mentioned practices that Small Indian MNCs and Indian Companies.
3	3 GROUPS	**(S GMNC, L GMNC)** **(L IMNC)** **&** **(S IMNC, IC)**	P4 Performance Tracking P5 Target Balance P8 Performance Dialogue P9 Consequence Mgt P10 Target Time Horizon	Large Indian Multinational's scores are better when compared to Global Multinationals in the practices of Performance Tracking and Consequence Management
4	2 GROUPS	**(S GMNC, L GMNC)** **&** **(S IMNC, IC)**	P1 Modern Management Intro P2 Modern Management Rationale P5 Target Balance P8 Performance Dialogue P9 ConsequenceManagement P10 Target Time Horizon P11 Target Stretching	Global Multinationals (S GMNC & L GMNC) scores for all the practices are higher when compared to Small and Medium Indian Multinationals and Indian Companies
5	2 GROUPS	**(S GMNC, L GMNC)** **&** **(L IMNC)**	No significant difference in any of the practices	Large Indian Multinationals practices resemble those of Global multinationals& they score better than global Multinationals in the practices of P4, P6, P9,P 13,P14,P18
6	2 GROUPS	**(L IMNC)** **&** **(S IMNC, IC)**	P4 Performance Tracking P7 Performance Review P9 ConsequenceManagement P10 Target Time Horizon P17 Attracting Human Capital	Large Indian Multinationals scores for all the practices are higher when compared to Small and Medium Indian Multinationals and Indian Companies.

5.1.3.3.3 Post Hoc Test for ANOVA for Types of Organizations

In order to confirm the findings from ANOVA post hoc tests were conducted. Though there are several options for post hoc tests Tukey HSD method was used to conduct the post hoc test. This is because Tukey HSD method is preferred when there is a lot of variation between the numbers in the group and is less liable to result in Type 1 error (Hilton and Armstrong, 2006). The post hoc test was considered for those practices in which significant differences were found when an ANOVA was performed by type as discussed in Step 3 Phase 2. The following tables5.15highlights those practices in which significant differences were found and table 5.26 lists the results of post hoc tests.

Table 5. 15 Significant differences by Type of Organization

S.No.	Practice	F Value	Significance
1	P5	3.714	.009
2	P6	5.156	.001
3	P9	3.402	.013
4	P10	3.156	.019
5	P11	2.516	.049

A.   The following table lists the results of the post hoc tests.

Table 5. 16 Result of Post Hoc Tests of ANOVA by type

Practice	Type of Organization (I)	Type of Organization (J)	Mean Difference (I-J)	Std. Error	Sig.
P5	SMALL & MED GLOBAL MNC	LARGE GLOBAL MNC	-8.118	11.428	.953
		SMALL & MED INDIAN MNC	9.958	11.043	.895
		LARGE INDIAN MNC	-.545	11.129	1.000
		SMALL & MED INDIAN COS	31.000	14.207	.199
	LARGE GLOBAL MNC	SMALL & MED GLOBAL MNC	8.118	11.428	.953
		SMALL & MED INDIAN MNC	18.076	7.121	.094
		LARGE INDIAN MNC	7.572	7.254	.834
		SMALL & MED INDIAN COS	39.118*	11.428	**.009**
	SMALL & MED INDIAN MNC	SMALL & MED GLOBAL MNC	-9.958	11.043	.895
		LARGE GLOBAL MNC	-18.076	7.121	.094
		LARGE INDIAN MNC	-10.504	6.630	.513

		SMALL & MED INDIAN COS	21.042	11.043	.324
	LARGE INDIAN MNC	SMALL & MED GLOBAL MNC	.545	11.129	1.000
		LARGE GLOBAL MNC	-7.572	7.254	.834
		SMALL & MED INDIAN MNC	10.504	6.630	.513
		SMALL & MED INDIAN COS	31.545[*]	11.129	**.046**
	SMALL & MED INDIAN COS	SMALL & MED GLOBAL MNC	-31.000	14.207	.199
		LARGE GLOBAL MNC	-39.118[*]	11.428	**.009**
		SMALL & MED INDIAN MNC	-21.042	11.043	.324
		LARGE INDIAN MNC	-31.545[*]	11.129	**.046**
	SMALL & MED GLOBAL MNC	LARGE GLOBAL MNC	-4.000	11.228	.996
		SMALL & MED INDIAN MNC	-1.750	10.850	1.000
		LARGE INDIAN MNC	-6.409	10.935	.977
		SMALL & MED INDIAN COS	42.000[*]	13.959	**.029**
	LARGE GLOBAL MNC	SMALL & MED GLOBAL MNC	4.000	11.228	.996
		SMALL & MED INDIAN MNC	2.250	6.996	.998
		LARGE INDIAN MNC	-2.409	7.127	.997
		SMALL & MED INDIAN COS	46.000[*]	11.228	**.001**
P6	SMALL & MED INDIAN MNC	SMALL & MED GLOBAL MNC	1.750	10.850	1.000
		LARGE GLOBAL MNC	-2.250	6.996	.998
		LARGE INDIAN MNC	-4.659	6.514	.952
		SMALL & MED INDIAN COS	43.750[*]	10.850	**.001**
	LARGE INDIAN MNC	SMALL & MED GLOBAL MNC	6.409	10.935	.977
		LARGE GLOBAL MNC	2.409	7.127	.997
		SMALL & MED INDIAN MNC	4.659	6.514	.952
		SMALL & MED INDIAN COS	48.409[*]	10.935	**.000**
	SMALL & MED INDIAN COS	SMALL & MED GLOBAL MNC	-42.000[*]	13.959	**.029**
		LARGE GLOBAL MNC	-46.000[*]	11.228	**.001**
		SMALL & MED INDIAN MNC	-43.750[*]	10.850	**.001**
		LARGE INDIAN MNC	-48.409[*]	10.935	**.000**
P9	SMALL	LARGE GLOBAL MNC	.882	7.894	1.000

	&MED GLOBAL MNC	SMALL & MED INDIAN MNC	8.750	7.628	.781
		LARGE INDIAN MNC	-1.591	7.688	1.000
		SMALL & MED INDIAN COS	23.000	9.814	.144
	LARGE GLOBAL MNC	SMALL & MED GLOBAL MNC	-.882	7.894	1.000
		SMALL & MED INDIAN MNC	7.868	4.919	.503
		LARGE INDIAN MNC	-2.473	5.011	.988
		SMALL & MED INDIAN COS	22.118	7.894	**.050**
	SMALL & MED INDIAN MNC	SMALL & MED GLOBAL MNC	-8.750	7.628	.781
		LARGE GLOBAL MNC	-7.868	4.919	.503
		LARGE INDIAN MNC	-10.341	4.580	.172
		SMALL & MED INDIAN COS	14.250	7.628	.344
	LARGE INDIAN MNC	SMALL & MED GLOBAL MNC	1.591	7.688	1.000
		LARGE GLOBAL MNC	2.473	5.011	.988
		SMALL & MED INDIAN MNC	10.341	4.580	.172
		SMALL & MED INDIAN COS	24.591[*]	7.688	**.017**
	SMALL & MED INDIAN COS	SMALL & MED GLOBAL MNC	-23.000	9.814	.144
		LARGE GLOBAL MNC	-22.118	7.894	**.050**
		SMALL & MED INDIAN MNC	-14.250	7.628	.344
		LARGE INDIAN MNC	-24.591[*]	7.688	**.017**
P10	SMALL & MED GLOBAL MNC	LARGE GLOBAL MNC	-2.059	9.338	.999
		SMALL & MED INDIAN MNC	14.792	9.024	.478
		LARGE INDIAN MNC	.682	9.094	1.000
		SMALL & MED INDIAN COS	16.000	11.609	.644
	LARGE GLOBAL MNC	SMALL & MED GLOBAL MNC	2.059	9.338	.999
		SMALL & MED INDIAN MNC	16.850[*]	5.819	**.039**
		LARGE INDIAN MNC	2.741	5.927	.990
		SMALL & MED INDIAN COS	18.059	9.338	.310
	SMALL & MED INDIAN MNC	SMALL & MED GLOBAL MNC	-14.792	9.024	.478
		LARGE GLOBAL MNC	-16.850[*]	5.819	**.039**
		LARGE INDIAN MNC	-	5.418	.081

			14.110		
		SMALL & MED INDIAN COS	1.208	9.024	1.000
	LARGE INDIAN MNC	SMALL & MED GLOBAL MNC	-.682	9.094	1.000
		LARGE GLOBAL MNC	-2.741	5.927	.990
		SMALL & MED INDIAN MNC	14.110	5.418	.081
		SMALL & MED INDIAN COS	15.318	9.094	.450
	SMALL & MED INDIAN COS	SMALL & MED GLOBAL MNC	-16.000	11.609	.644
		LARGE GLOBAL MNC	-18.059	9.338	.310
		SMALL & MED INDIAN MNC	-1.208	9.024	1.000
		LARGE INDIAN MNC	-15.318	9.094	.450
P11	SMALL & MED GLOBAL MNC	LARGE GLOBAL MNC	18.353	8.994	.258
		SMALL & MED INDIAN MNC	23.708	8.691	.060
		LARGE INDIAN MNC	22.364	8.759	.091
		SMALL & MED INDIAN COS	32.000[*]	11.181	**.043**
	LARGE GLOBAL MNC	SMALL & MED GLOBAL MNC	-18.353	8.994	.258
		SMALL & MED INDIAN MNC	5.355	5.604	.874
		LARGE INDIAN MNC	4.011	5.709	.955
		SMALL & MED INDIAN COS	13.647	8.994	.555
	SMALL & MED INDIAN MNC	SMALL & MED GLOBAL MNC	-23.708	8.691	.060
		LARGE GLOBAL MNC	-5.355	5.604	.874
		LARGE INDIAN MNC	-1.345	5.218	.999
		SMALL & MED INDIAN COS	8.292	8.691	.874
	LARGE INDIAN MNC	SMALL & MED GLOBAL MNC	-22.364	8.759	.091
		LARGE GLOBAL MNC	-4.011	5.709	.955
		SMALL & MED INDIAN MNC	1.345	5.218	.999
		SMALL & MED INDIAN COS	9.636	8.759	.806
	SMALL & MED INDIAN COS	SMALL & MED GLOBAL MNC	-32.000[*]	11.181	**.043**
		LARGE GLOBAL MNC	-13.647	8.994	.555
		SMALL & MED INDIAN MNC	-8.292	8.691	.874
		LARGE INDIAN MNC	-9.636	8.759	.806

B.   Inferences

On the basis of the above Post Hoc test the following inferences have been made:

a) In the practice of **Target Balance,** the practices of **Small and Medium Local Indian companies differed from Large Global Multinationals and Large Indian Multinationals**. **The lower score of Small and Medium Local Indian companies indicate that financial and non financial targets are not well balanced in these organizations**. Hence the null hypothesis for this practice had to be rejected.

b) In the practice of **Target Interconnection,** the practices of **Small and Medium Local Indian companies** differed from those of Small and Medium Global Multinationals, Large Global Multinationals, Small and Medium Indian Multinationals and Large Indian Multinationals. The mean score was very low **indicating that in these organizations individual goals are not linked to organizational goals**. Hence the null hypothesis for this practice had to be rejected.

c) In the practice of **Consequence Management** the practices of **Small and Medium Local Indian companies differed from Large Global Multinationals and Large Indian Multinationals.**The lower mean score in this practice indicates that **varying levels of performance are not treated differently and no action is taken thereupon**. Hence the null hypothesis for this practice had to be rejected.

d) In the practice of **Target Time Horizon** the practices of **Large Global Multinationals differed from Small and Medium Indian Multinationals.**While **global multinationals are known for linking their short term objectives to long term ones, the Small and Medium Indian Multinationals need to improve in this aspect**. Hence the null hypothesis for this practice had to be rejected.

e) In the practice of **Target Stretching** the practices of **Small and Medium Local Indian companies differed from Small & Medium Global Multinationals**. The lower score indicates that in Small and medium Local Indian organizations, **the top management pushes for challenging goals in only selected areas**. Hence the null hypothesis for this practice had to be rejected.

5.1.3.4 Classification on the basis of Domain as CEOs, HR Heads and Other Heads.

A. ANOVA Test and Significant Differences

A one way ANOVA was performed on the three groups of respondents. The following table 5.17 shows the F values and results of the same:

Table 5. 17 ANOVA for Classification by Domain

Practice		Sum of Squares	df	Mean Square	F	Sig.
P4	Between Groups	5973.297	2	2986.649	6.879	**.002**
	Within Groups	30389.826	70	434.140		
	Total	36363.123	72			
P9	Between Groups	2292.632	2	1146.316	4.623	**.013**
	Within Groups	17358.053	70	247.972		
	Total	19650.685	72			
P10	Between Groups	2303.657	2	1151.828	3.243	**.045**
	Within Groups	24862.097	70	355.173		
	Total	27165.753	72			
P17	Between Groups	4653.587	2	2326.793	6.654	**.002**
	Within Groups	24479.290	70	349.704		
	Total	29132.877	72			
P18	Between Groups	3081.725	2	1540.863	3.433	**.038**
	Within Groups	31420.329	70	448.862		
	Total	34502.055	72			

B. Graphical Representation

The above differences on the basis of F values have been captured in the following graph 5.23which depicts the differences in mean values of scores on the basis of domain grouped into three CEOs, HR and Others. Table 5.18 shows the mean values for different practices.

Table 5. 18Mean Differences for Classification by Domain

P.No.	1	2	3	4	5
Practices Groups	**P4**	**P9**	**P10**	**P17**	**P18**
CEOs	64.06	61.94	67.50	66.94	70.83
HR	82.42	76.13	80.65	73.71	73.06
OTHERS	64.17	70.62	71.25	55.21	58.54

Graph 5. 23 Mean values by Domain
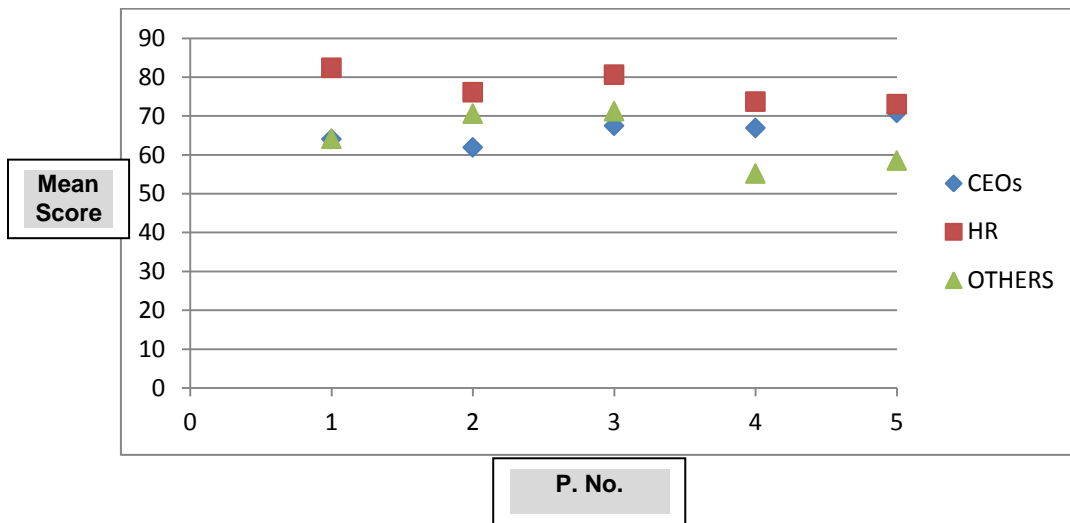
There were differences in the perception of different categories of managers in the practices pertaining to Performance Tracking, Consequence Management, Target Time Horizon, Attracting Human Capital and Retaining Human Capital. In order to understand the specific differences Post Hoc Tukey test was conducted.

C. Post Hoc Tests of ANOVA by Domain

The following table 5.19 depicts the results of the Post Hoc Tests highlighting the domain in each practice where significant differences were found.

Table 5. 19 Result of Post Hoc Tests of ANOVA by Domain

Practice	(I) DOMAIN	(J) DOMAIN	Mean Difference (I-J)	Std. Error	Sig.
P4	CEOs	HR HEADS	-18.364*	6.174	.011
		OTHER HEADS	-.111	6.497	1.000
	HR HEADS	CEOs	18.364*	6.174	**.011**
		OTHER HEADS	18.253*	5.665	**.005**
	OTHER HEADS	CEOs	.111	6.497	1.000
		HR HEADS	-18.253*	5.665	.005
P9	CEOs	HR HEADS	-14.185*	4.666	**.009**
		OTHER HEADS	-8.681	4.910	.188
	HR HEADS	CEOs	14.185*	4.666	.009
		OTHER HEADS	5.504	4.282	.408
	OTHER HEADS	CEOs	8.681	4.910	.188
		HR HEADS	-5.504	4.282	.408

P10	CEOs	HR HEADS	-13.145	5.585	**.055**
		OTHER HEADS	-3.750	5.876	.800
	HR HEADS	CEOs	13.145	5.585	.055
		OTHER HEADS	9.395	5.124	.166
	OTHER HEADS	CEOs	3.750	5.876	.800
		HR HEADS	-9.395	5.124	.166
P17	CEOs	HR HEADS	-6.765	5.542	.445
		OTHER HEADS	11.736	5.831	.117
	HR HEADS	CEOs	6.765	5.542	.445
		OTHER HEADS	18.501[*]	5.084	**.001**
	OTHER HEADS	CEOs	-11.736	5.831	.117
		HR HEADS	-18.501[*]	5.084	.001
P18	CEOs	HR HEADS	-2.231	6.278	.933
		OTHER HEADS	12.292	6.606	.158
	HR HEADS	CEOs	2.231	6.278	.933
		OTHER HEADS	14.523[*]	5.760	**.037**
	OTHER HEADS	CEOs	-12.292	6.606	.158
		HR HEADS	-14.523[*]	5.760	.037

E.   Inferences

From the above table the following inferences can be made:

a) In the practice of Performance Tracking there is a difference in the perception of HR Heads when compared to the perception of both CEOs and Other Heads. Hence the null hypothesis for this practice had to be rejected.

b) In the practice of Consequence Management there is a difference in the perception of HR Heads and CEOs. Hence the null hypothesis for this practice had to be rejected.

c) In the practice of Target Time Horizon there is a difference in the perception of HR Heads and CEOs. Hence the null hypothesis for this practice had to be rejected.

d) In the practice of Attracting Human Capital there is a difference in the perception of HR Heads and Other Heads. Hence the null hypothesis for this practice had to be rejected.

e) In the practice of Retaining Human Capital) there is a difference in the perception of HR Heads and Other Heads. Hence the null hypothesis for this practice had to be rejected.

HR Heads perceive that the practices implemented in the above areas are highly professional when compared to the other two categories of managers.

5.1.4 Validation of Categories of Management Practices through Factor Analysis

A. Background

An exploratory factor analysis was conducted to test the hypothesis and map the factors. The objective was to find out if in the Indian context, the factors grouped in a different order than in the original context of the research conducted by Bloom and Reenen (2007) thereby unearthing some 'Indianness' in these practices.

Firstly, the KMO measure of sampling adequacy and Bartlett's test of sphericity were performed to judge the appropriateness of the factor model. For the KMO statistic a bare minimum of 0.5 is recommended and that values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb (Hutcheson & Sofroniou, 1999). The KMO statistic was **0.748** which falls under the acceptable region of the factor analysis model. As per the Bartlett's test of sphericity the chi square statistic is 563.179 which is significant at 0.00 levels. Both the results indicate an appropriate factor analysis model and are presented in Table 5.20.

Table 5. 20 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.748
Bartlett's Test of Sphericity	Approx. Chi-Square	563.179
	df	153
	Sig.	.000

The technique used for analyzing the data was Principal Axis Factoring. If the purpose of Factor analysis is only to reduce the data then the most common method for data extraction is Principal Component Analysis. In this case as the objective is to interpret the data the method that is used is Principal Axis Factoring, as research has proved that this method is able to recover the correct factor model majority of

the time (Worthington and Whittaker, 2006). Direct oblimin rotation was used and the coefficient display was sorted by size where coefficients less than 0.3 were suppressed. A total of 5 factors emerged on the basis of the scree plot and eigenvalues over 1. Factor 1 accounted for a variation of over 31.5 % when compared to the other factors.

B.   Results

The following table 5.21shows the factor loadings on the 5 factors:

Table 5. 21 Results of Factor Analysis

Practice	Factor				
	1	**2**	**3**	**4**	**5**
P8	.780				
P7	.668				
P18	.539				
P4	.528				.421
P17	.512				
P12	.408				
P9	.309				
P5		.803			
P6		.752			
P13			.648		
P11			-.444		
P14				-.777	
P15				-.553	
P16				-.512	
P2				-.421	
P3					.754
P10					.503
P1					.432

Extraction Method: Principal Axis Factoring.
Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 16 iterations.

C.   Inferences

Presented below for reference is the table 3.1 (already given in Chapter 3 - Development of Propositional Framework and Research Hypotheses), that shows the four categories of management practices and the specific practices as per the study of Bloom and Reenen (2007).

Table 3.1: Management Practice Categories and Elements

Operations management	Monitoring management
Modern Management Practices Introduction Modern Management Practices Rationale Process Documentation	Performance tracking Performance review Performance dialogue Performance Clarity and Comparability Consequence management
Targets management	**Talent management (Incentives)**
Targets Balance (Breadth) Targets interconnection Targets time horizon Targets Stretch	Managing Human Capital Rewarding High Performance Removing Poor Performers Promoting High Performers Attracting Human Capital Retaining Human Capital

In the present study seven items loaded to Factor 1, two items to Factor 2, two items to Factor 3, four items to Factor 4 and three items to Factor 5. The following table 5.22 depicts the 5 factor solution that is a result of the present study on the basis of the factor loadings.

Table 5. 22 New Factor Loadings

Factor 1 - Human Resource Management	Factor 2- Target Management
Performance tracking Performance Review Performance Dialogue Performance Clarity and comparability Attracting Human Capital Retaining Human Capital Consequence Management	Target Balance Target Interconnection
Factor 3 - Growth Management	**Factor 4 - Monitoring Management**
Targets Stretch Managing Human Capital	Rewarding High Performance Removing Poor Performers Promoting High Performers Modern Management Practices Rationale
Factor 5 - Strategic Process Management	
Modern Management Practices Introduction Process Documentation Targets time horizon	

D.   Categorization of Factors

Factor 1 relates to the entire gambit of performance management system and managing human resources, right from attracting human capital to reviewing and tracking their performance to retaining them. Hence this can be labeled as **Human Resource Management**. Factor 2 relates to Targets Management which includes the balance and interconnection between targets and can be called as **Target Management**. Factor 3 relates to the role of the leader in managing human capital and setting targets with a view to long term growth and hence can be called **Growth Management**. Factor 4 relates to the incentive systems and the rationale for introduction of new systems for the same and can hence be called **Monitoring Management**. A probable reason why the rationale for introduction of modern management has loaded onto this factor could be that in the Indian context, this practice is more internally focused on cost aspects. Factor 5 has two related practices pertaining to operations and one practice pertaining to target time horizon. These are related to the strategic outlook of the company and hence can be called as **Strategic Process Management**.

The very fact that there is a difference in the number and the loading of factors in the present study when compared to the study by Bloom and Reneen (2007) is an indicator that there are differences in the way these practices are implemented in the Indian IT sector. Another reason could be that the scale (questionnaire) though suitably modified contains practices which are predominantly western. This has to be studied further to gain decisive insights.

5.1.5 Retrospective Validation by Predicting an Organizations' Group Membership through its Management Practices - Cluster Analysis

A.   Background

The next objective was to find out if companies can be differentiated on the basis of their management practices. Hence a retrospective validation was done through cluster analysis. Cluster analysis is a multivariate technique used to group the objects on the basis of some common feature into groups or clusters. Therefore in order to achieve the above objective a cluster analysis was performed to find out, if on the basis of practices the companies could be grouped. If companies could be grouped on the basis of the similarity of their management practices, it would lead to identifying management practices of Indian companies.

In total there were 42 companies which included companies of different types namely Small and Medium Global Multinationals, Large Global Multinationals, Small and Medium Indian Multinationals ,Large Indian Multinationals , and Small and Medium Local Indian companies (S GMNC, L GMNC, S IMNC , L IMNC& IC).

Agglomerative Hierarchical cluster approach was followed in this study where the clustering starts with all the type of companies in one cluster and then are divided and subdivided till they occupy their own single cluster. There are various methods for conducting the agglomerative hierarchical cluster analysis namely linkage method, variance method and centroid method (Bajpai, 2011). In this study average linkage method, which is at type of linkage method was first used to do the analysis. This method was preferred over other linkage methods as it considers all the members of the cluster rather than two extreme members of the cluster. But this method did not yield any conclusive results. Therefore ward's method which is the most common and widely applied variance method was adopted.

As a first step, the case processing summary and proximity matrix which show the total number of cases and the proximity between the types of companies has been calculated. These are given in **Appendix 11.** The proximity matrix gives the similarities and dissimilarities between the types of companies, and gives an initial clue about clustering. The next step was to study the agglomeration schedule based on wards method which gives information about how subjects are being clustered at each stage. This table is included in **Appendix 12**. Thirdly, the dendogram which is a critical component of the hierarchical clustering method and displays relative similarity between the types of companies considered for cluster analysis has been studied. The dendogram suggests various cluster solutions. The number of clusters has been decided on the   combined basis of theoretical considerations, sudden jumps in the agglomeration schedule and the dendogram. The maximum number of clusters was fixed at 5 based on the types of the companies and the minimum was fixed at 2.

B.   Results

 The results are the cluster analysis is highlighted through the following dendogram in figure 5.3.

Figure 5. 3 Dendrogram using Ward Method

```
                    Rescaled Distance Cluster Combine

   C A S E      0        5        10       15       20       25

 Label    Num   +---------+---------+---------+---------+---------+

        12   12    ┐
        16   16    ┤
        27   27    ┤
        34   34    ┤
        21   21    ┤
        32   32    ┤
        23   23    ┤
        20   20    ┤
        35   35    ┤
        28   29    ┤
        30   30    ┤
        42   42    ┤
        28   28    ┤
        26   26    ┤
        37   37    ┤
        17   17    ┤
         3    3    ┤
         5    5    ┤
         8    8    ┘
        15   15    ┐
        36   36    ┤
        13   13    ┤
         4    4    ┤
        14   14    ┤
        18   18    ┤
         6    6    ┤
        33   33    ┤
         9    9    ┤
        11   11    ┤
         2    2    ┤
        25   25    ┘
        10   10    ┐
        19   19    ┤
        31   31    ┤
        39   39    ┤
         7    7    ┤
        24   24    ┤
        38   38    ┤
        22   22    ┤
        41   41    ┤
         1    1    ┤
        40   40    ┘
```
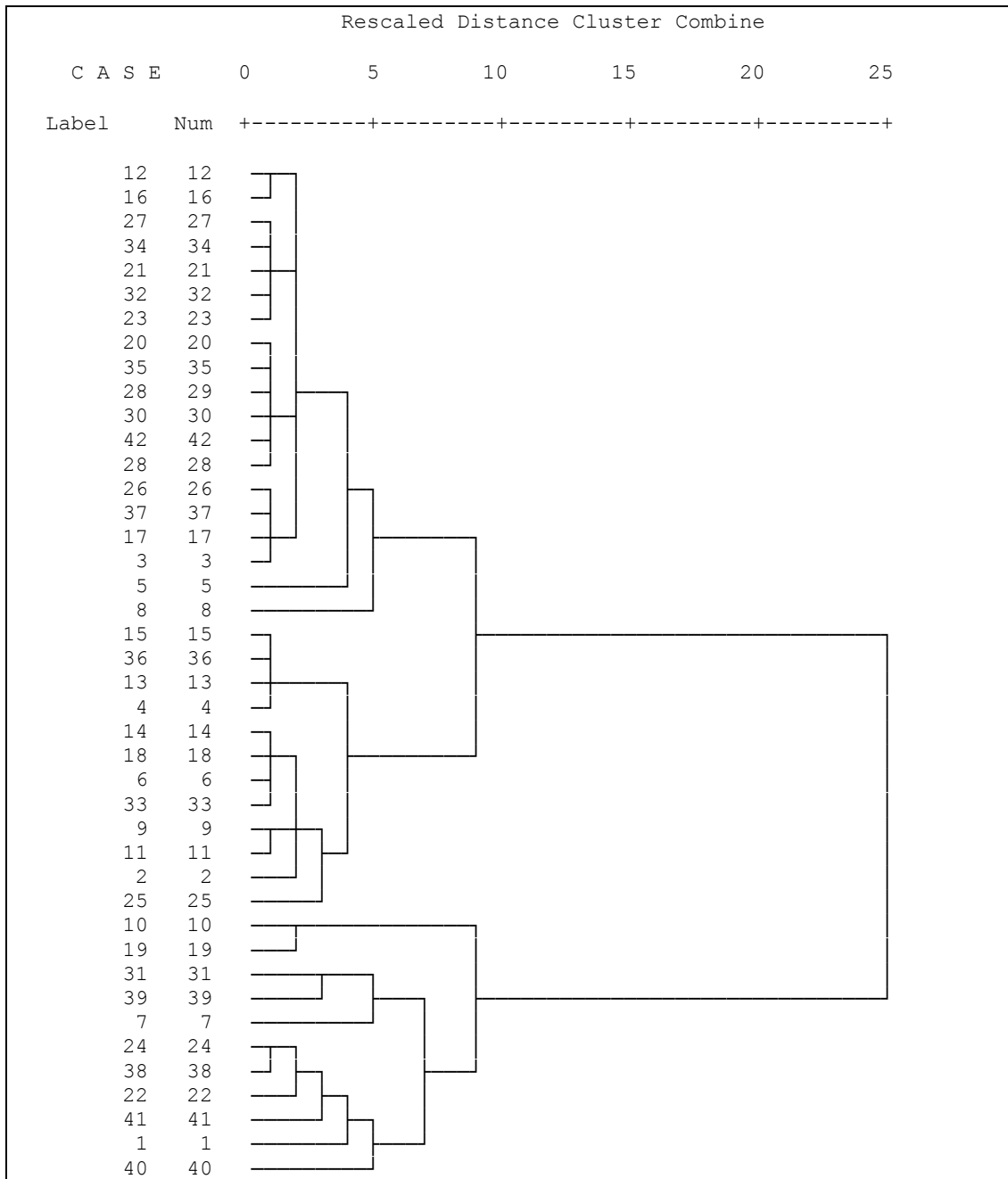
C.   Cluster Classification

On the basis of the above dendogram, solutions were arrived for 5 clusters, 4 clusters, 3 clusters and 2 clusters. Each of these was analyzed in depth in order to make meaningful conclusions. Only the 2 cluster solution gave some meaningful insights about the grouping of the companies. Hence this was taken up analysis. The following table 5.23 presents the findings of the cluster analysis based on two

clustered solution. The companies have been given numbers from 1 to 42 in order to protect their identity.

Table 5. 23 Two Cluster Solution

CLUSTER 1		
S.NO	Company ID	Company Type
1	1	S GMNC
2	7	L GMNC
3	10	L GMNC
4	19	S IMNC
5	22	S IMNC
6	24	S IMNC
7	31	L IMNC
8	38	IC
9	39	IC
10	40	IC
11	41	IC

CLUSTER 2		
S.NO	Company ID	Company Type
12	2	S GMNC
13	3	S GMNC
14	4	S GMNC
15	5	S GMNC
16	6	L GMNC
17	8	L GMNC
18	9	L GMNC
19	11	L GMNC
20	12	L GMNC
21	13	L GMNC
22	14	L GMNC
23	15	L GMNC
24	16	L GMNC
25	17	L GMNC
26	18	L GMNC
27	20	S IMNC
28	21	S IMNC
29	23	S IMNC
30	25	S IMNC
31	26	S IMNC
32	27	S IMNC
33	28	S IMNC
34	29	S IMNC
35	30	S IMNC
36	32	L IMNC
37	33	L IMNC
38	34	L IMNC
39	35	L IMNC
40	36	L IMNC
41	37	L IMNC
42	42	IC

D.   Inferences

From the above clusters it is evident that the **Small & Medium Global Multinationals, Large Global Multinationals, Small & Medium Indian Multinationals, Large Indian Multinationals form a cluster.** It has been observed that the practices of Small & Medium Indian Multinationals and Large Indian Multinationals are similar to those of global multinationals. In other words they have **incorporated globally accepted standard practices**. This reiterates the previous research findings indicating **convergence in management practices**.   The practices implemented by these organizations are moving towards western management practices.

The practices adopted by **Small and Medium Local Indian companies** are different from those of the MNCs and hence **they form a separate cluster**. They continue to incorporate practices which are considered to be **congruent to Indian culture**. Their mean scores for all the practices are lesser than those of global and Indian MNCs.   Significant differences were found in the monitoring and target management practices. The focus was more on the process and people rather than outcomes. Lack of clear objectives, tenure rather than performance based promotions, people orientation, familial feeling, ingroupism and not communicating negative feedback are some features of the management practices adopted in these organization. This implies that these organizations follow practices which are divergent from globally accepted or western practices. There are a few deviations amongst the type of companies in the clusters which can be explained as under:

a)   One Small and Medium Global Multinational and two Large Global Multinationals are in Cluster 1. These companies provide IT solutions in niche areas. Hence their practices may not be comparable to other organizations of this category.

b)   There is one Large Indian Multinational which is in Cluster 1. This company has recently ventured from banking services to IT services. Though by its numbers it is classified as Large Indian Multinational their practices are still different from other Large Indian Multinationals.

c)   There are three Small and Medium Indian Multinational in Cluster 1. They have recently attained the status of an MNC from being an Indian Company. Hence their practices are different from other Small and Medium Indian Multinationals.

d) There is a singleIndian Company in Cluster 2. This company has recently acquired a huge order for the global market and hence as a prerequisite they have to get certain certifications and implement certain practices which are similar to MNCs of global and Indian origin.

5.1. 6 Summary of Major Inferences

The summary of inferences from the above statistical tests is as follows:

1. As per the results of Kendall's Tau rankings there is **convergence in fifteen practices, crossvergence in six practices and divergence in one practice**.

2. On the **basis of the origin** of the company, there were differences in certain practices. The null hypotheses had to be rejected for Rationale for Modern Management, Target Balance, Performance Dialogues, Target Time Horizon and Target Stretching which means that there are differences in the scores of the above practices on the basis of origin. **The scores of global companies were higher than those of Indian companies**

3. On the **basis of the size** of the company there were differences in certain practices. The **scores of Large Companies were higher than the scores of small companies** in the practices of Performance Tracking, Target Balance, Consequence Management and Target Time Horizon and hence the null hypothesis had to be rejected for the above four practices.

4. On the **basis of the type** of the company there were differences in certain practices. Significant differences were found in the practices of Target Balance, Target Interconnection, Consequence Management, Target Time Horizon and Target Stretching.

5. In **four out of the five practices on which there were differences on the basis of types of organizations, the practices of Small and Medium Indian Companies differed from the other types.** Only in the practice of Target Interconnection Small and Medium Indian Multinationals differed from those of Large Global Multinationals.

6. There were **no significant differences in the practices of Global Multinationals and Large Indian Multinationals.** This indicated that the practices of **Large Indian Multinationals have converged with those of the Global Multinationals**. **Large Indian Multinationals score better than**

Global Multinationals in the practices of Performance Tracking, Target Interconnection, Consequence Management, Managing Human Capital, Rewarding High Performers and Retaining Human Capital. The implications for the above findings are reflected in the following performance indicators as per an IT Sector Update Report (Mint 2014[7], Somani 2013[8]):

a) Indian software companies have started outpacing global firms in winning large outsourcing contracts

b) The incremental revenues of large Indian firms are greater than those of global firms operating in India.

c) Indian firms offer not only cost effective services but also services better in quality.

d) Indian companies are capturing greater market share while compared to their global peers. While the 5 year CAGR of global companies was 9% the CAGR of Indian companies was 16%.

e) The share of Indian IT exports have increased considerably.

7. There were **differences in the perception of different domains of managers** in the practices pertaining to Performance Tracking, Consequence Management, Target Time Horizon, Attracting Human Resources and Retaining Human Resources. Hence the null hypothesis for the above practices had to be rejected. As per the Post Hoc tests conducted the perception of HR managers differed from the perception of CEOs and other Senior Managers. **HR Heads perceive that the practices implemented in the above areas are highly professional.**

8. As per **the Factor Analysis scores, there are five factors** which are evident in the Indian environment. The new factors related to strategic process management and growth management **reflects the role leaders and senior managers play in organizations**. **The role of a leader in Indian organizations has always been very important as is evident is studies across different periods. Nurturant task leadership styles are prevalent in**

organizations (Sinha, 1999). Even as per the recent study by Cappelli et al (2010), Indian leaders tend to focus more on internal issues like people management, motivating employees etc. in comparison to their U.S counterparts, who spend most of their time on shareholder issues. Thus this factor requires special attention as per the Indian environment

9. As per the findings of **cluster analysisthe Global Multinationals (Small & Medium Global Multinationals and Large Global Multinationals) and the Indian Multinationals (Small & Medium Indian Multinationals and Large Indian Multinationals)   predominantly form a cluster whereas the Small and Medium Indian Companies form another cluster. This indicates that the practices of these companies are different from those of MNCs.**

The above findings will have to be understood in conjunction with the qualitative analysis which is discussed in the forthcoming part.

PART 2
5.2 Qualitative Data Analysis (Expert Opinion)

5.2.1 Methodology

This section pertains to the open ended part of the questionnaire and discusses the findings of the expert opinion undertaken to find out the similarities, differences and unique 'Indian' Management Practices**.**

The interview responses from the open ended section of the questionnaire was consolidated and then segregated on the basis similarities, differences and uniquely Indian management practices and a content analysis was performed. The approach used for qualitative analysis is summative content analysis. In this method keywords are identified before and during data analysis. The key words are derived from the interest of the researcher and review of literature (Hsieh & Shannon 2005). For the purpose of this study the keywords were derived from the four areas related to the 18 practices namely operations, performance monitoring, target/goal setting and incentives. Keywords were also derived from review of literature on traditional Indian management and western management. A manual search was conducted for occurrences of the selected keywords and interpreted in the context in which they were used. The summative approach was used as it is an unconstructive and nonreactive way to study the phenomenon of interest (Babbie 1992).

5.2.2 Research Findings

The interviewees were asked the following three questions with regards to the management practices followed by organizations in India:

i. They were asked to list down the similarities between Indian and western management practices.

ii. They were asked to list down the differences between Indian and western management practices.

iii. They were asked to list the practices which could be categorized as uniquely 'Indian' management practices.

The responses received were related to the eighteen management practices. After careful observation they were condensed into four areas for similarities, four areas for differences and four areas for unique Indian management practices. Based on frequency analysis the four most important areas (at least minimum of five

responses) in terms of similarities, differences and unique 'Indian' practices are reported in Charts 5.1, 5.2 and 5.3 respectively. The following sections will discuss the meaning and implication for each.

5.2.3 Similarities between Indian and Western Management Practices

Chart 5. 1– Similarities between Indian and Western Management Practices
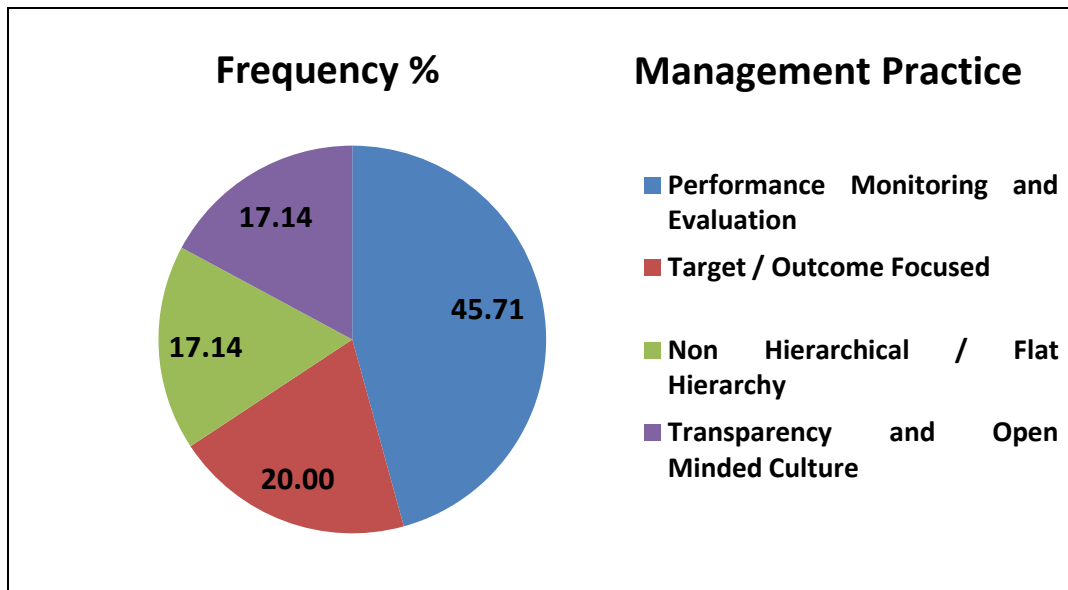
i.   Performance Monitoring and Evaluation

45.71 % of the respondents indicated similarity in performance monitoring and evaluation practices between Indian and global MNC's. Performance tracking in some form has been a part of administration and management in India. The earlier versions were not somehow formalized or recorded and were merely assessed verbally. The first attempt to track performance formally was done by the British who wanted to assess the reliability and loyalty of the Indians in their employment (Virmani, 2007, p.306).

Performance tracking has become an integral part of the HRM activities in Indian organizations. Performance is continuously monitored and tracked as is evident in the school and college education formats where there is continuous and comprehensive performance evaluation. The government also rewards meritorious performers. The objective of performance tracking is to provide motivation and acknowledgment to good performers and provide direction to underperformers.

ii. **Target / Outcome Focussed**

20 % of the respondents indicated similarity in the practice of focus on target/outcomes between Indian and global MNC's. As per the findings of the focus group study of Globe India (2004), a normally effective manager in India performs just the maintenance function where he expects the subordinates to carry out the work given to them and get things done on time. The goal set by the organization is considered ultimate. Management is time bound where managers feel that unless targets and outcomes are achieved within a specific period the success of the organization will be compromised. (Gopalan & Stahl 1998).

iii. **Non hierarchical/ flat Hierarchy**

17 % of the respondents indicated that their organizations were non hierarchical or flatter. The finding for the above practice is contrary to established findings on traditional Indian management where the importance of hierarchy has always been emphasised (Chatterjee and Pearson 2000; Budhwar and Baruch 2003, Sinha and Kanungo 1997).

iv. **Transparency and open minded culture**

17 % of the respondents indicated that their organizations had an open minded culture and emphasized on transparency with regard to communication and decisions.The above finding is also contradictory to established findings on traditional Indian management**.** The concept of face saving is very characteristic of Indians. India being high context culture, much of the information is conveyed indirectly through the context surrounding the message. The communication is circuitous, evasive, tactful and ambiguous. India ranks low on the Assertiveness scale of the Globe dimension (Globe 2004). In line with its score for the Humane Orientation, Indians prefer a non assertive and harmonic approach where people tend to avoid confrontation.

The following are some poignant comments related to the above practices:

➢ "*There is increased use of structured performance evaluation methods in India like Balanced Scorecard method. Although they are being used increasingly I am not sure if all companies deploying such methods have a complete understanding of how they have to be put in place.*"

- *"Performance measurement models are essentially same as in western cultures but with significant localization".*

- "*Employees go the extra mile and stretch beyond office hours to achieve common goals.*"

- "*Transparency – can question authority; can admit inadequacy without fear of persecution".*

From the above responses it is clear that there is a convergence of Indian and western management practices in the above areas.

5.2.4 Differences between Indian and Western Management Practices

Chart 5. 2 - Differences between Indian and Western Management Practices
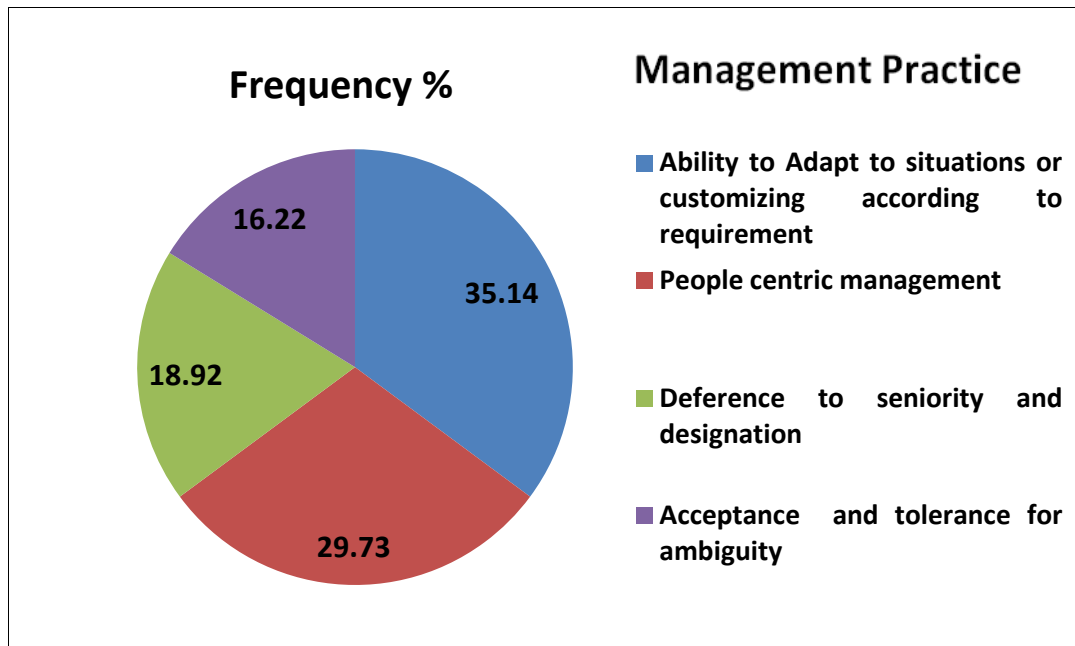
i.   Ability to Adapt to Situations or Customizing According to Requirements

35.14% of the respondents felt that the main difference between Indian and western management is in the method in which any situation or problem was dealt with. The finding for the above practice is consistent with the findings of the study "India Way" where it is mentioned that Indians are renowned for their adaptability and distinctive approach to problems solving called *jugaad*. This also reaffirms the context sensitive nature and dualism espoused by earlier studies (Sinha & Kanungo 1997, Virmani 2000)

ii. People centric management

29.3% of the respondents felt that Indian management was more people focused as compared to western management which is task focused. As per the findings of Cappelli et al (2010), Indian leaders tend to focus more on internal issues like people management, motivating employees etc. in comparison to their U.S counterparts, who spend most of their time on shareholder issues. Due to the long term orientation (Hofstede 1984), Indian managers take a long term view of their employees. The interest the senior manger takes in his employees also depends on their personal relationship. As Indian management is considered to be paternalistic, the role of the leader extends beyond what is required of his formal position in the organization

iii. Deference to seniority and designation

18.92% of respondents felt that there was a difference in the area of importance given to seniority in designation in Indian organizations. As per Hofstede's finding, India ranks high on the power distance dimension (Hofstede 1984). Hence seniority and designation have always been given importance. Indians are comfortable with the concept of seniority. Nurturant task leadership is common in Indian organizations, where the senior manager guides the juniors in his initial days (Sinha 1997)

iv. Acceptance and tolerance for ambiguity

16.22% of respondents felt that Indian organizations differed from global organizations in terms of increased acceptance and tolerance for ambiguity. Cultures like India that have low to medium score on this uncertainty avoidance dimension of Hofstede's study (1984), exhibit a tendency for tolerance and ambiguity and are better at invention that at implementation. Therefore the seek solution to any problems as and when they face the problems rather than planning for process improvements as a part of business processes.

From the above responses it is clear that there is a divergence or difference between   Indian and western management practices in the above areas

Some interesting comments related to the above practices are as follows:

➢ *"Indian management is generally risk averse. An unwritten dictum is – do not fix it if it is not broken. This leads to a reactive approach to situations."*

➢ *"Nurturing employees and working with them to bring out their potential"*

- ➢ *"Reverence to seniority and power- Designation has a lot of importance."*

- ➢ *"We do not know how to say no, are not unambiguous. People do not work for win-win relationships."*

5.2.5 Unique "Indian" Management Practices

Chart 5. 3 - Unique 'Indian' Management Practices
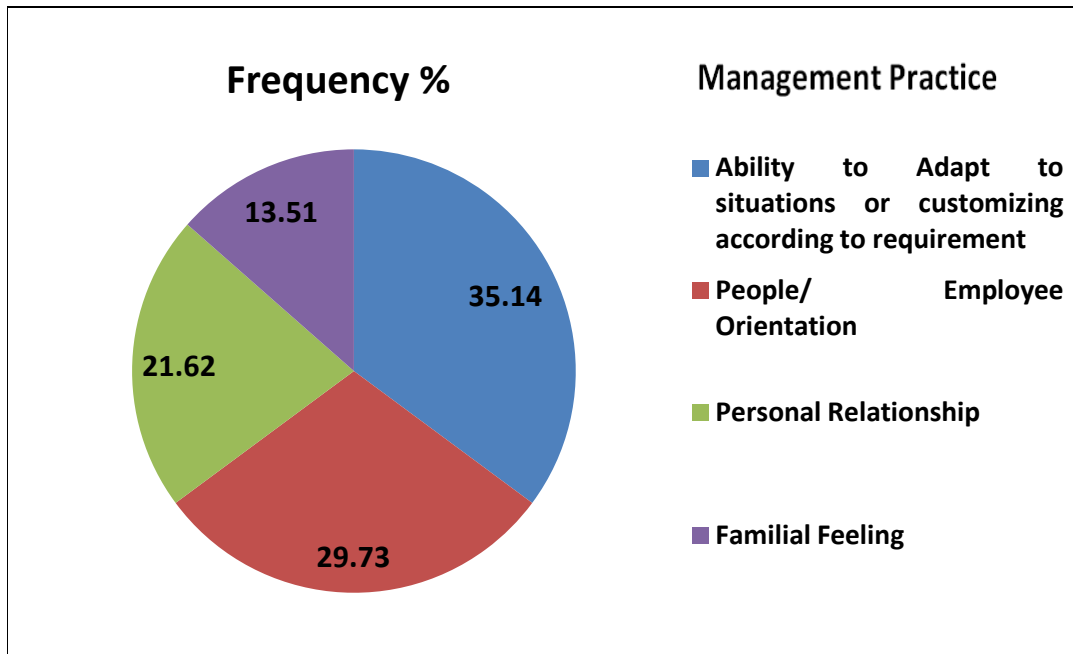
The four aspects that were considered to be unique to Indian management are ***ability to adapt to situations or customizing according to requirements (35.1%), high levels of people or employee orientation (29.73%), personal relationships (21.62%) and familial feeling (13.51%).***The respondents felt that these were distinguishing features of Indian management and will continue to remain so in the years to come.

The following are some comments related to the above practices:

- ➢ *"The key components being the same the application is very different."*

- ➢ *"Human assets are considered to be the most important asset of an organization. An interesting aspect is willingness to adopt the best practices across the gone and customizing them for application in our organization."*

- ➢ *"Indian managers need personal touch, maintain cordial relations and close bonding."*

- ➢ *"Ability to adapt or adopt to any situation."*

- ➤ *"Adopt the best and innovate beyond"*

- ➤ *"Human jugaad - We will manage."*

- ➤ *"Being a family - Home away from home"*

- ➤ *"We attach a lot of importance to people sensitivities, sometime overriding objective decision making."*

It is to be noted that there were no differences in the perceptions of manager's of Global MNCs and Indian MNCs in relation to areas of similarities, differences and uniqueness.

5.2.6 Linkage of Qualitative Findings to Management Practices

The following table 5.24represents in a nutshell the similarities, differences and perception of unique 'Indian' management practices as per the opinion of the experts**:**

Table 5. 24Summary of Qualitative Study

Similarities	Differences	Unique 'Indian' Management Practices
i. Performance Monitoring and Evaluation ii. Target/Outcome Focus iii. Non hierarchical/ flat Hierarchy iv. Transparency and open minded culture	i. Ability to Adapt to Situations or Customizing According to Requirements ii. People centric management iii. Deference to seniority and designation iv. Acceptance and tolerance for ambiguity	i. Ability to Adapt to Situations or Customizing According to Requirements ii. High levels of employee orientation iii. Personal relationships iv. Familial Feeling

The findings from the above table have been correlated to the 18 management practices taken for the study. In terms of similarities the aspect of performance monitoring and evaluation can be related to Performance Tracking and Performance Review. The aspects pertaining to Target/Outcome Focus can be linked to the practices of Target Balance, Target Interconnection, and Target Time Horizon.

Hence according to the experts there are similarities in the above practices where there has been a convergence towards global management.

In terms of differences the experts have emphasized that they way Indian organizations manage their human capital right from rewarding them, promoting them and retaining them are quite different from western organizations. Therefore this aspect can be linked to the practices of Managing Human Capital, Rewarding High performers, Promoting High Performers and Retaining Human Capital. Apart from these, the other practices where differences were evident were in those of Performance Dialogue and Performance Clarity.People in Indian organizations are comfortable with ambiguity and do not bring out issued in the open. The nature of personal relationships has an impact on the difficulty level of targets and hence there is a difference in the practice of Target Stretching. Hence according to the experts there are differences in these practices which may result in divergence.

In terms of identification of 'Unique' practices experts have emphasized on high levels of employee orientation, personal relationships and familial feeling. These are reflected in the people management practices of Managing Human Capital, Rewarding High performers, Promoting High Performers and Retaining Human Capital as well the way in which targets are stretched. Table 5.25 shows the linkage of qualitative findings to the management practices.

Table 5. 25Linkage of Qualitative Findings to Management Practices

Similarities	Differences	Unique 'Indian' Practices
Performance Tracking	Performance Dialogue	Target Stretch
Target Balance	Target Stretch	Managing Human Capital
Performance Review	Performance Clarity	Rewarding High Performers
Target Interconnection	Managing Human Capital	Promoting High Performers
Target Time Horizon	Rewarding High Performers	Retaining Human Capital
	Promoting High Performers	
	Retaining Human Capital	

5.2.7 Inferences

The research findings suggest that **MNC's operating in India have adopted practices similar to global management practices in the areas of performance monitoring and evaluation, target/goal focus, flatter hierarchy and transparency and open minded culture.** In these areas there is convergence of management practices. But the areas where the **differences are highlighted namely people centric management, tolerance and acceptance of ambiguity, deference to seniority and age, there is divergence and it is consistent with earlier research findings related to traditional Indian management** (Chatterjee and Pearson 2000; Budhwar and Baruch 2003, Sinha and Kanungo 1997). This indicates that in India modern practices and traditional practices co exist in organizations.

The findings also indicate that the **senior managers consider ability to adapt to situations or customizing according to requirement, people/ employee orientation, personal relationships and familial feeling as unique features of Indian management**. These features have inherent to management in India for several years and are evident in literature pertaining to management in India even prior to globalization. From the above findings we can conclude that irrespective of Indian organizations adapting global practices, the above features will remain distinguishing features of Indian management.

PART 3

5.3 Aggregate Analysis of Quantitative and Qualitative Studies

On the basis of the quantitative study and the statistical tests conducted significant differences were found in some of the practices of Indian and global organizations. The qualitative study based on the interviews of the experts also revealed some differences in the practices of Indian and global organizations. These are summarized in the table 5.26 below where the differences are represented by asterix (*):

5.3.1 Summary of Aggregate Analysis

Table 5. 26Summary of Aggregate Analysis

Practice	Quantitative Study				Qualitative Study
	Origin	Size	Type	Domain	
P1					
P2	*				
P3					
P4		*		*	
P5	*	*	*		
P6			*		
P7					
P8	*				*
P9		*	*	*	
P10	*		*	*	
P11	*	*	*		*
P12					*
P13					*
P14					*
P15					
P16					*
P17				*	
P18				*	*

On a aggregate analysis of the significant differences in the scores of the quantitative study and the content analysis of the experts opinion there seems to be a **mismatch between what is expressed and what is followed in organizations in India**. This can be depicted by the following matrix (Figure 5.4) which encapsulates the similarities and differences as perceived by the experts and on the basis of the empirical evidence that could be established through the statistical tests.

Figure 5. 4 Comparison Matrix of Quantitative and Qualitative Study

Empirical Evidence (Quantitative Study)			
Expert Opinion (Qualitative Study)		**Significant**	**Not Significant**
	Different	Performance Dialogue (P8) Target Stretch (P11) Retaining Human Capital (P18)	Performance Clarity (P12) Managing Human Capital (P13) Rewarding High Performers (P14**)** Promoting High Performers (P16**)**
	Not Different	Target Balance (P5) Target Interconnection (P6) Consequence Management (P9) Target Time Horizon (P10)	Modern Management Introduction (P2) Process Documentation (P3) Performance Review (P7) Removing Poor Performers (P15)

The following inferences can be made from the above matrix:

- There has been concurrence amongst the empirical survey results and expert opinion results in certain practices. Both the studies have concurred that differences exist in the practices of Performance Dialogue, Target Stretch and Retaining Human Capital. This is congruent with the established findings from various culture studies Both the studies also have highlighted the similarities in the implementation of the practices of Modern Management Introduction, Process Documentation, Performance Review, and Removing Poor Performers. Hence these were not explored any further.

- There has been no concurrence amongst the empirical survey results and expert opinion results in the certain practices. Though there has been significant difference through empirical analysis in the practices of Target Balance, Target Interconnection, Consequence Management and Target Time Horizon, the experts have not considered it to be any different in Indian organizations. The managers of Indian organizations have opined that, the practices implemented in their organizations are similar to the globally accepted practices though statistical tests indicate that the scores of the global organizations are higher than those of Indian organizations. This can be termed as **'cultural myopia'**. The managers of Indian organizations do not want to accept that there are certain shortfalls in the implementation of these practices, and they could be implemented in a better manner in order to be on par with global organizations.

- Indian managers have opined that their organizations have exalted in the implementation of the practices of Performance Clarity, Managing Human Capital, Rewarding High Performers and Promoting High Performers and these practices are much better than those implemented in global organizations. They have asserted that Indian organizations are much better than global organization in practices related to people management. But this claim could not be substantiated through empirical analysis, as no significant differences have been found in the implementation of these practices between Indian and global organizations. This can be termed as **'cultural mirage'** where Indian managers tend to overinflate their achievements and have a highly unrealistic view of their strength.

- Both cultural myopia and cultural mirage is a result of the inherent Indian culture. As per the findings of the focus group study of India (House et al, 2004, Chhokar, 2007), face saving is very important for Indians and hence the managers would not accept any shortcomings as this would reflect on the capability of the managers themselves. Due to the high score on performance orientation (House 2004), performance and success are considered important, and hence the mangers try to overemphasise their efforts in practices related to monitoring and talent management.

The government-induced reforms in the early 1990s have not only led to economic development, but also forced Indian businesses to compete in a changing, global environment. Consequently, the contemporary Indian management in Indian firms and Indian subsidiaries of MNCs, have a multitude of influences, both local and

global. Against this background, recent literature has frequently used the term convergence in association with the transition of Indian Management. These contributions are suggesting that the Indian management is moving towards convergence in most practices and hybrid forms of management in certain practices, that blend traditional Indian elements of behavior with a selection of global best management practices.

This study reiterates the earlier findings of Virmani (2007) which indicates the prevalence of 'dualism' in Indian management, resulting in a gap between professed policies and actual practices. Hence there is an illusion as though global practices are implemented, while in reality the practices could be detoured and Indianized as per the Indian culture. This is also the reason why it is difficult to identify unique 'Indian' practices which have led to the success of the organization or other practices which could result in failure. Studies have found, for instance, a 'duality of managerial values' that would be partially drawn from managers' own cultural background and from international parameters. Values like loyalty and idealization of leaders continue to persist in spite of convergence. There exists a primary mode of behavior supported by Indian traditional and a secondary mode driven by western influences. Westernization is a mere surface phenomenon and does not change the core personality of organizations in India. (Ritterspach et al 2013)..

CHAPTER 6 RESEARCH FINDINGS AND FUTURE SCOPE

The purpose of this chapter is to relate the research findings to the main objective of this study and throw light on the current status of management practices in the IT sector in India and its implications for organizations operating in India. This chapter has seven sections. The first section highlights the status of management practices prevalent in different categories of organizations in Indian and how they differ according to the organization type. The second section segregates the practices based convergence, divergence and crossvergence. The third section aims to isolate unique 'Indian' Management Practices on the basis of the findings of the research. The fourth section deals with the implications of the present research and the fifth section discusses the limitations of this research. The sixth section discusses scope for further studies.

There were three main objectives of this research namely:

1. To measure the extent of embededness of global (professional) management practices in Small /Medium Global Multinationals, Large Global Multinationals, Small /Medium Indian Multinationals, Large Indian Multinationals and Small/Medium Indian Companies in the IT sector in India.

2. To determine if there is convergence or divergence or crossvergence (hybridization) in these management practices.

3. To identify and validate 'Unique' Indian management practices, if any.

The forthcoming sections will relate the specific findings of this research to answer each of the above objectives.

6.1 Management Practices in Different Types of Organizations in IT Sector in India

The eighteen management practices taken up for study were influenced by **origin, size, andtype** of the respondent. The following are the main findings in this regard for the companies operating in the IT sector in India:

1. The average scores of Global Multinationals (S GMNC & L GMNC) were higher for all the practices than those of Indian companies taken together (S

IMNC, L IMNC & IC). This indicates that the practices implemented by the Global Multinationals are much more effective, professional and standardized than those of Indian companies.

2. The average scores of Large organizations were always higher for all practices than those of Small organizations indicating that as organization grow in size they start implementing standardized and professional practices.

3. The average scores of Large Indian Multinationals were greater for all the practices than those of Small and Medium Indian Multinationals and Small and Medium Indian Companies. This indicates that Indian organizations as they grow in size and operate in global environment adopt standardized management practices which were not adopted earlier.

4. There were no differences in the practices of Large Indian Multinationals (L IMNC) and of Global Multinationals (S GMNC & L GMNC). This indicates that L IMNCs are emulating the practices followed by global multinationals and implementing them in their organizations.

5. Though the practices of Large Indian Multinationals were not significantly different from those of Global Multinationals (S GMNC & L GMNC), Large Indian Multinationals scored better than Global Multinationals in the practices of Performance Tracking, Target Interconnection, Consequence Management, Managing Human Capital, Rewarding High Performers and Retaining Human Capital. This is consistent with the earlier researches by Capelli (2010), Khanna (2009) and Budhwar (2012) which indicate that people management practices are stronger in India. The following reasons could be attributed for the higher score for each of the below mentioned practices:

   a) Performance Tracking (P4): Performance tracking has become an integral part of HRM activities in large Indian multinationals. Senior managers play an important role in performance tracking as is evident from the leadership style evident in many organizations. Nurturant task leadership prevails in organizations and the role of the leader is that of a paternalistic father figure who takes active interest in the well being of his subordinates. Hence the higher score for this practice.

b) Target Interconnection (P6): Targets of Indian Multinational companies are not only focused on profits or income but also on enhancing the market value of the share of the firm. This probably reiterates the focus of Indian organizations on social mission as evident in the research by Capelli et al (2010)

c) Consequence Management (P9): Most Indian multinationals are have become performance oriented. Therefore failure to achieve targets results in action being taken. Based on the higher score it can be said that failure to achieve agreed targets drives retraining in identified areas of weakness or moving individuals to where their skills are appropriate.

d) Managing Human Capital (P13): As per the findings of Cappelli et al (2010), Indian leaders tend to focus more on internal issues like people management, motivating employees etc. in comparison to their U.S counterparts, who spend most of their time on shareholder issues. Hence the higher score in this practice.

e) Rewarding High Performers (P14): The high score in this practice reiterates the fact that Indian multinationals have realized the importance of non monetary rewards like recognition, training, work life balance etc.

f) Retaining Human Capital (P18): The new generation of workforce in India looks for newer opportunities that fit in with their skills and are willing to take risks for the same. Hence attrition issues have increased and organizations have taken considerable steps to retain talent like recognition programs, career development options, work life balance. The higher score in this practice reinforces this assumption.

6. In a comparison of management practices by types of organizations, the practices of Small and Medium Indian Companies (IC) were significantly different from other types of organizations in the areas of Target Balance, Consequence Management, Target Time Horizon and Target Stretching. This could be because of the fact that as long as organizations are smaller in size and operate in a local environment, they do not put into practice standardized and professional practices and rely on personalized relationships and adhoc measures. The degree and nature of variation in these practices would have to be investigated further.

7. In the practice of Target Interconnection the practices followed by Small and Medium Indian Multinationals and Small and Medium Indian Companies were different from Global Multinationals and Large Indian Multinationals. This reveals that there is a difference in the alignment of long term goals and short term goals in these organizations. These would have to be investigated in detail to find out about the nature of differences.

8. As per the perception of managers in different domains the scores of the HR Heads varied from those of CEOs and other Senior Managers in the areas of Performance Tracking, Consequence Management Target Time Horizon, Attracting Human Capital and Retaining Human Capital. HR Heads perceive that the practices implemented in the above areas are highly professional when compared to the other two categories of managers. This could be a biased opinion because the HR Heads success would be directly evaluated on the proper implementation of the above core HR practices. These would have to be investigated in detail to find out about the nature of differences.

9. The results of the factor analysis have resulted in the emergence of five factors which is different from the four factors in the previous research by Bloom and Reenen (2007). This indicates that there is some inherent difference in the Indian environment which requires further investigation in order to ascertain if these differences are because of the sector or because of the culture of India.

10. The research findings suggest that the Small & Medium Global Multinationals, Large Global Multinationals, Small & Medium Indian Multinationals, Large Indian Multinationals form a cluster or group. This reiterates the findings of the previous pattern analysis and ANOVA tests indicating convergence in management practices. The practices implemented by Indian Multinationals (S IMNC & L IMNC) are moving towards western management practices. The practices adopted by Small and Medium Local Indian companies are different from those of the MNCs and hence they form a separate cluster.

6.2 Convergence / Divergence or Crossvergence of Management Practices

1. There seems to be convergence in the fifteen practices totally. The details of these practices are discussed below:

   a) In all the practices of **Operations Management** namely Modern Management Introduction, Modern Management Rationale, Process Problem Documentation there is a convergence. This is congruent with the earlier research findings by Yamamura and Stedham (2004) in their exploratory study where it was established that it is easier to achieve convergence and congruence in aspects related to implementation of technology and structure.

   b) There is convergence in four out of five practices of **Monitoring Management** namely Performance Tracking, Performance Review, Performance Dialogue and Consequence Management. This indicates that organizations in India have adopted formal performance tracking and review systems similar to organizations in the global environment.

   c) Though statistical tests indicate a trend towards convergence in all the four **Targets Management** Practices of Targets Balance, Target Interconnection, Target Time Horizon and Target Stretch these have to be indicated further in order to ascertain the degree of convergence as on the basis of other tests there seems to be some difference in the way they are implemented in Indian organizations.

   d) Four out of six **Talent Management** Practices namely Managing Human Capital, Rewarding High Performers, Removing Poor Performers have converged with global management practices as there is positive correlation between the ranks of these companies with that of master ranks based on adoption of global practices. These also have to be examined in detail because these are the practices where experts opine that there is some unique 'Indianness'

2. There seems to be crossvergence in the two practices totally. The details of these practices are discussed below:

   a) There is crossvergence in one practice of **Monitoring Management** namely Performance Dialogue, Consequence Management and Performance Clarity. This is as per the established dimensions of traditional Indian culture which is has medium to low levels of uncertainty avoidance, high humane orientation, relational orientation high levels of ingroup collectivism, particularistic and diffuse in nature. As a result of these through formal policies and procedures exist on paper; the implementation of the same is totally different. Standard policies and procedures are circumvented due to the context sensitive nature of mangers in India (Sinha, 1999). Hence there is evidence of dualism in Indian management (Virmani, 2007).

   b) The reason for crossvergence in the **Talent Management** Practice of Promoting High Performance is also due to the high power distance, diffuseness, particularism, ascribed status and being orientation in Indian culture.

3. There seems to be divergence in the practice of one **Talent Management** practice namely Retaining Human Capital as there is negative correlation between the ranks of different companies with that of master ranks based on adoption of global practices. This has to be investigated in detail to understand the nature of difference because Large Indian Multinationals have a better score than the global Multinationals (S GMNC & L GMNC) in this practice. The difference could be because of better retention practices adopted by Indian Multinationals.

6.3 Identification and Validation of 'Unique' Indian Management Practices

As per the findings of the qualitative study based on expert opinion ability to adapt to situations or customizing according to requirements, people/ employee orientation, personal relationships and familial feeling are considered to be unique features of Indian management. These are related to the practices of Target Stretching, Managing Human Capital, Rewarding

High performers, Promoting High Performers and Retaining Human Capital. These features have been inherent to management in India for several years and are evident in literature pertaining to management in India even prior to globalization. The quantitative analysis has also reinforced the differences in the practices of Target Stretching, Managing Human Capital, and Retaining Human Capital. From the research there is no conclusive evidence if these can be labeled as unique 'Indian' Management Practices as they are only those practices where differences are found. In order to label them as unique ' Indian' Management Practices they have to be further compared to other styles of popular management philosophies namely Japanese Management.

6.4 Implications of the Present Study

The findings of the present study are relevant for both theory and practice in the field of management. This study provides guidelines for both on the relevance and importance of adopting globally established practices in the areas of operations management, monitoring management, targets management and talent management. The probable implications of this research are as listed below.

6.4.1 Implications for Theory

The main implications for academicians are as follows:

- The questionnaire developed for this purpose may be used to carry out empirical studies related to management practices in different industries and sectors.

- The differences established between traditional and contemporary management will enrich the body of knowledge presently available in this domain.

- The information collected during the qualitative studies can be used to develop case studies which can be used as an important pedagogy in teaching.

- The rationale and the usage of statistical techniques can be used as a reference for selection of appropriate research tools.

- The bibliographic record provided in the literature review of the present research may work as a guideline for further research in this field of study.

6.4.2 Implications for Practice

The outcome of the present research has several important managerial implications :

- The present study highlights the current status of various management practices in operations, monitoring, targets and talent management. This will help different types of organizations to know where they stand in comparison to other organizations

- This will also help the organizations to focus on those practices where their scores are lower and improve upon them.

- The outcome will help those organizations which plan on international expansion to focus on implementing globally accepted practices.

- The research will help those organizations which plan on increasing their number of employees to standardize their people management practices.

- The results of the study show that in the long run most of the practices will have to converge with those of globally accepted practices.

- Large Indian Multinationals have an edge over Global multinationals in certain people management practices. This would work as a motivating factor to the people working in these organizations and help in attracting and retaining people.

- This research also highlights the bias HR Heads have in general about the strength of the practices implemented in their organizations. This would serve as a reality check to them and make them inspect these practices to have a proper understanding about how they are actually implemented.

- This research provides overall guidelines to practitioners to improve management practices in the areas of operations, monitoring, targets and talent management.

6.5   Limitations of the Present Study

The following section presents the limitations inherent in the present research. These limitations should not be looked upon as detrimental but should be seen as an opportunity to continue the research in the times to come. Some of the limitations of this study are listed below:

- The study is restricted to companies operating in the IT industry in India. The results may vary for similar organizations operating outside India.

- The sample chosen was restricted to services sector namely IT industry in India. This was done in order to avoid inter sector and inter industry bias. The findings of this study are specific to this sector and may not be applicable to other sectors.

- The questionnaire developed is a generalized scale for the entire services sector. This may have to be modified according different industries and types of firm ownership.

- Though the sample of 73 respondents is sufficient to make significant findings, a large sample could have helped to generalize the findings in a better manner.

- Only eighteen practices in the areas of operations, monitoring, targets and talent management were taken up for studies. The study focused majorly of Human resource management practices.

- Availability of data was constrained by the nature of the study. Many organizations refused to share their human resource practices as they were considered to be key differentiators. Hence data is only collected from those organizations that were willing to share their information.

- There was variation the number of different types of organizations in this study. Small and Medium Indian Companies that contributed to the majority of variations in practices were few in number when compared to other types of organizations.

- This study compares the practices of Indian organizations with western management principles and philosophies. On this basis the practices are said to converge, diverge or crossverge. A broader comparison of these practices with other styles of management namely Japanese management style would provide a holistic picture of contemporary Indian management.

6.5   Scope for Future Research

The present research has important implications for both academicians, scholars, managers, decision makers and practitioners. Every study has its own limitations which can be overcome with further research. Some of the probable avenues and future courses of actions are highlighted in the forthcoming section:

- This study can be extended to sectors other than service sector and other industries apart from IT industry.

- Two types of organizations taken in this study are Global multinationals and Indian Multinationals operating in India. The first extension of this research could be to study the subsidiaries of Indian Multinationals operating outside India and the parent organizations of global subsidiaries operating in India. The following matrix highlights these options.

Figure 6. 1Framework for future Research

Global	I Indian Multinational Operating Outside India	II Global Multinational Operating Outside India
Indian	III Indian Multinational Operating In India	IV Global Multinational Operating In India
	Indian	Universal

This study has only focused on quadrants III and IV. The next step would be to focus on organizations in quadrants I and II.

- Large Indian Multinationals score better than Global Multinationals in the Performance Tracking, Target Interconnection, Consequence Management, Managing Human Capital, Rewarding High Performers and Retaining Human Capital. These have to be investigated further to see in what aspects these practices are better than those of Global multinationals and the specific nature of variation in these practices.

- The practices of Small and Medium Indian Companies are mostly different from those of Global Multinationals and Indian Multinationals. The degree and nature of variation in these practices would have to be investigated further by focusing on more number of Small and Medium Indian Companies.

- The Exploratory Factor Analysis conducted has led to the emergence of five factors in the Indian context. Further confirmatory factor analysis has to be performed to understand the nature and significance of the new set of factors.

- Those practices where there is crossvergence and divergence have to be examined in detail to understand the magnitude of differences and the reasons for the same.

- The questionnaire can be modified in order to suit the requirements of various sectors or industries and more practices in other functional areas can also be included.

- From the research there is no conclusive evidence of unique 'Indian' Management Practices. In order to unearth and isolate unique ' Indian' Management Practices further comparison to other styles of popular management philosophies like Japanese Management should be undertaken.

- Based on the content analysis of the expert's interviews, case studies can be developed for usage as pedagogy for classroom teaching.

- Industrial collaborations can be sought to take up further research in this areas.

- Proposals can be sent to funding agencies to secure grants in order to conduct the research at a larger geographical level.

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Appendix

Appendix 1- Similarities and Differences in Indian Management Practices in Comparison to US and Japan

S.No.	Dimension/Practice/Value	India	Japan	US	Remark
1	Long Term Planning	Long Term	Long Term	Short Term	Similar to Japan
2	Respect to Authority	High	High	Low	Similar to Japan
3	Personalized Business Practices	High	High	Low	Similar to Japan
4	Flexibility in Contracts	High	High	Low	Similar to Japan
5	Direct Confrontation	Not preferred	Not preferred	Preferred	Similar to Japan
6	Communication	Indirect. Focus is more on relationships	Indirect. Focus is more on relationships	Direct. Focus is more on task	Similar to Japan
7	Focus on Employee Welfare	High	High	Moderate	Similar to Japan
8	Avoidance of Uncertainty	Low	High	Low	Similar to US
9	Emphasis on Quality	Tradeoff between deadline and quality	Never compromise on quality	Tradeoff between deadline and quality	Similar to US
10	Cross Functional Flexibility	Low	High	Low	Similar to US
11	Life time employment	Moderate	High	Low	Different from both Japan and US

12	Consensus based decision making	Moderate	High	Low	Different from both Japan and US
13	Performance Evaluation, wage and promotion system	Combination of seniority and performance	Seniority based	Performance based	Different from both Japan and US
14	Leadership	Nurturant Task leadership	Relationship oriented	Task oriented	Different from both Japan and US
15	Source of Influence	Extended Family	Work group	Individual self	Different from both Japan and US

Source: Author

Appendix 2 - Types of Cross Cultural Management Research

Title	Culture	Type of Study	Approach to Similarity and Difference	Primary Question	Main Methodological Issues
Parochial Research	Single culture studies	Domestic management studies	Assumed similarity	What is the behaviour of people like in organizations? Study is only applicable to management in one culture and yet it is assumed to be applicable to management in many cultures.	Traditional methodologies: All of the traditional methodological issues concerning design, sampling, instrumentation, analysis and interpretation without reference to culture.
Ethnocentric Research	Second culture studies	Replication in foreign cultures of domestic management studies	Search for similarity	Can we use home country theories abroad? Can this theory which is applicable to organizations in Culture A be extended to organizations in Culture B?	Standardization and translation: How can management research be standardized across culture? How can instruments be literally translated? Replication should be identical to original study with the exception of language.
Polycentric Research	Studies in many cultures	Individual studies of organizations in specific foreign cultures	Search for difference	How do managers manage and employees behave in country X? What is the pattern of organizational relationships in country X?	Description: How can country X's organizations be studied without either using home country theories or models and without using obtrusive measures? Focus is on inductive methods and

					unobtrusive measures.
Comparative Research	Studies contrasting many cultures	Studies comparing organizations in many foreign cultures	Search for both similarity and difference	How are the management and employee styles similar and different across cultures? Which theories hold across cultures and which do not?	Equivalence: Is the methodology equivalent at each stage in the research process? Are the meanings of key concepts defined equivalently? Has the research been designed such that the samples, instrumentation, administration, analysis and interpretation are equivalent with reference to the cultures included?
Geocentric Research	International management studies	Studies of multinational organizations	Search for similarity	How do MNCs function?	Geographic dispersion: All of the traditional methodological questions are relevant with the added complexity of geographical distance. Translation is often less of a problem since most MNCs have a common language across all countries in which they operate. The primary question is to develop an approach for studying the complexity of large organizations. Culture is often

					ignored.
Synergistic Research	Intercultural management studies	Studies of intercultural interaction within work settings	Use of similarities and differences as a resource	How can the intercultural interaction within a domestic or international organization be managed? How can organizations create structures and processes which will be effective in working with members of all cultures?	Interaction models and integrating processes: What are effective ways to study cross-cultural interaction within organizational settings? How can universal and culturally specific patterns of management be distinguished? What is the appropriate balance between culturally specific and universal processes within one organization? How can the proactive use of cultural differences to create universally accepted organizational patterns be studied?

Source: Nancy Adler: "Understanding the ways of understanding: cross-cultural management methodology reviewed" in Advances in International Comparative Management, 1984, pg.31-67

Appendix 3 - Questionnaire for Pilot Study 1

MANAGEMENT PRACTICES SURVEY

Name of the Respondent:_____

Name of the Organization & Location:_____

Activity of the Organization: Manufacturing / Design & Development / Services / Others

For each of the Management Practices described below, kindly choose the option that most appropriately describes the practices followed in your organization. Kindly tick on the box provided near each option.

	A	B	C
1	Few modern manufacturing techniques have been introduced, (or have been introduced in an ad-hoc manner)	Some aspects of modern (lean) manufacturing techniques have been introduced, through informal/isolated change programmes	All major aspects of modern/lean manufacturing have been introduced (Just-in-time, automation, flexible manpower, support systems, attitudes and behaviour) in a formal way
2	Modern (lean) manufacturing techniques were introduced because others were using them.	Modern (lean) manufacturing techniques were introduced to reduce costs	Modern (lean) manufacturing techniques were introduced to enable us to meet our business objectives (including costs)
3	Improvements to processes are made when problems occur	Improvements are made in 1 week workshops involving all staff, to improve performance in their area of the plant	Improvements occur as a part of normal business processes and is a part of individuals responsibility rather than by extraordinary effort/teams
4	Tracking of measures is an ad-hoc process	Most key performance indicators are tracked formally, overseen by senior management.	Performance is continuously tracked and communicated, both formally and informally, to all staff using a range of visual management tools
5	Performance is reviewed infrequently or in an un-meaningful way e.g. only success or failure is noted.	Performance is reviewed periodically with both successes and failures identified. Results are communicated to senior management. No clear follow-up plan is adopted	Performance is continually reviewed, based on indicators tracked. All aspects are followed up ensure continuous improvement. Results are communicated to all staff
6	The right data or information for a constructive discussion is often not present. Clear agenda is not known and nor is the purpose stated explicitly	Review conversations are held with the appropriate data and information present. Objectives of meetings are clear to all participating and a clear agenda is present.	Regular review /performance conversations focus on problem solving and addressing root causes. Purpose, agenda and follow-up steps are clear to all. Meetings are an opportunity for constructive feedback and coaching.
7	Failure to achieve agreed objectives does not carry any consequences	Failure to achieve agreed results is tolerated for a period before action is taken.	A failure to achieve agreed targets drives retraining in identified areas of weakness or moving individuals to where their skills are appropriate

8	Goals are exclusively financial or operational	Goals include non-financial targets, which form part of the performance appraisal of top management only	Goals are a balance of financial and non-financial targets. Senior managers believe the non-financial targets are often more inspiring and challenging than financials alone
9	Goals are based purely on accounting figures (with no clear connection to shareholder value)	Corporate goals are based on shareholder value but are not clearly cascaded down to individuals	Corporate goals focus on shareholder value. They increase in specificity as they detail down the line
10	Top management's main focus is on short term targets	There are short and long term goals for all levels of the organisation. As they are set independently, they are not necessarily linked to each other.	Long term goals are translated into specific short term targets so that short term targets become a "staircase" to reach long term goals
11	Goals are either too easy or impossible to achieve; managers low-ball estimates to ensure easy goals	In most areas, top management pushes for aggressive goals based on solid economic rationale.	Goals are genuinely demanding for all divisions. They are grounded in solid economic rationale
12	Performance measures are complex and not clearly understood. Individual performance is not made public	Performance measures are well defined and communicated; performance is public in all levels but comparisons are discouraged	Performance measures are well defined, strongly communicated and reinforced at all reviews; performance and rankings are made public to induce competition
13	Senior management do not communicate that attracting, retaining and developing talent throughout the organisation is a top priority	Senior management believe and communicate that having top talent throughout the organisation is a key way to win	Senior managers are evaluated and held accountable on the strength of the talent pool they actively build
14	People within our firm are rewarded equally irrespective of performance level	Our company has an evaluation system for the awarding of performance related rewards	We strive to outperform the competitors by providing ambitious stretch targets with clear performance related accountability and rewards
15	Poor performers are rarely removed from their positions	Suspected poor performers stay in a position for a few years before action is taken	We move poor performers out of the company or to less critical roles as soon as a weakness is identified
16	People are promoted primarily upon the basis of tenure	People are promoted upon the basis of performance	We actively identify, develop and promote our top performers
17	Our competitors offer stronger reasons for talented people to join their companies	Our value proposition to those joining our company is comparable to those offered by others in the sector	We provide a unique value proposition to encourage talented people join our company above our competitors
18	We do little to try and keep our top talent	We usually work hard to keep our top talent.	We do whatever it takes to retain our talent.

Remarks if any:

Thank you

Appendix 4 - Questionnaire for Pilot Study 2

MANAGEMENT PRACTICES SURVEY

Greetings for the day. I would like to introduce myself as Jayashree Mahesh, Lecturer, Department of Management, BITS - Pilani, Pilani Campus. As a part of my doctoral degree, I am presently collecting data on management practices of companies operating in India.

The topic of my research is 'Indian Management'. This topic is not only of academic relevance but of immense interest and value to practitioners of management namely the business organizations. The objective of this research is to collect data about the management practices of I.T companies.. An analysis of these practices would reveal if there is something unique about these practices, so that they can be classified as Indian management practices. This is a first of its kind of research and is of tremendous importance to the field of management, as the findings could be of benefit to all organizations operating in the Indian environment.

It is to further this noble cause, I seek your help and cooperation. I would be grateful if you could complete this questionnaire sincerely The questionnaire is very simple and has about 18 questions on management practices. It would take around 20 minutes to respond to the questions and the respondent has to only enter the correct option number.

We are strictly obliged to keep your answers confidential and anonymous, as well as acknowledge your help towards completion of this research. Please answer all questions (as there are no correct or wrong answers) by entering the right option. We shall mail a copy of the summary of findings to you after we are through with the analysis.

Thanking you for your cooperation.

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Pilani Campus, Vidya Vihar, Pilani - 333031, Rajasthan

PS: For any assistance or queries be free to contact: **Jayashree Mahesh** - E-mail: jmaheshbits@gmail.com, jmahesh@bits-pilani.ac.in

Part A – Demographics

A1. Name of respondent:_____ **A2. Designation:**_____

A3. Name & Address of Company: _____

A4. How long have you worked for your present employer? _____

A5. What is your total work experience?_____

A6. In what area do you mainly work?

Distribution/Logistics	[ ]$_1$
Engineering	[ ]$_2$
Finance /accounting	[ ]$_3$
General management	[ ]$_4$
HRM/personnel	[ ]$_5$
Information systems	[ ]$_6$
Marketing/ sales	[ ]$_7$
Office administration	[ ]$_8$
Production/operations	[ ]$_9$
Purchasing	[ ]$_{10}$
Research and development/design	[ ]$_{11}$
Training/ education	[ ]$_{12}$
Others (please specify)	[ ]$_{13}$_____

A7. In which sector are you currently employed?

Private sector	[ ]$_1$
Public sector	[ ]$_2$
Others (please specify)	[ ]$_3$_____

A8. What is your gender?

Female	[ ]$_1$
Male	[ ]$_2$

A 9. What is your age group?

Less than 25 years	[ ]$_1$
25 - 30 years	[ ]$_2$
31 - 40 years	[ ]$_3$
41 - 50 years	[ ]$_4$
51 - 60 years	[ ]$_5$
More than 60 years	[ ]$_6$

A10. Approximately how many employees work in your company?

Less than 250	[ ]$_1$
251 - 500	[ ]$_2$
501 - 1000	[ ]$_3$
1001 - 1500	[ ]$_4$
1501 - 2500	[ ]$_5$
2501 - 5000	[ ]$_6$
More than 5000	[ ]$_7$

A11. What is your level of education?

Bachelors degree	[ ]$_1$
Masters Degree	[ ]$_2$
Doctoral degree	[ ]$_3$
Others (please specify)	[ ]$_4$_____

A12. What is the nationality of yourCEO/Top Manager?

Indian	[ ]$_1$
Others (please specify)	[ ]$_2$_____

A13. What is the nationality of your Company?

Indian Multinational	[ ]$_1$
Global Multinational (please specifycountry)	[ ]$_2$_____
Others (please specify)	[ ]$_3$_____

A14. Have you been outside India on deputation?

Yes	[ ]$_1$
No	[ ]$_2$

Part B – Management Practices

For each of the Management Practices given below, kindly choose the option that most appropriately describes the practices followed in your organization. Kindly <u>enter the option number </u>in the space provided

Please use the following scale for answering the questions

Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1	2	3	4	5

Option Number

1. In our company all major aspects of modern management have been introduced in a formal way.

2. In our company modern management techniques were introduced to enable us to meet our business objectives (including costs).

3. In our company improvements occur as part of normal business processes and are a part of individual's responsibility rather than by extraordinary effort/teams.

4. In our company performance is continuously tracked and communicated, both formally and informally, to all staff using a range of visual management tools.

5. In our company performance is continually reviewed, based on indicators tracked. All aspects are followed up to ensure continuous improvement. Results are communicated to all staff.

6. In our company regular review/performance conversations focus on problem solving and addressing root causes. Purpose, agenda and follow-up steps are clear to all. Meetings are an opportunity for constructive feedback and coaching.

7. In our company a failure to achieve agreed targets drives retraining in identified areas of weakness or moving individuals to positions where their skills are appropriate.

8. In our company goals are a balance between financial and non-financial targets. Senior managers believe that the non-financial targets are often more inspiring and challenging than financial targets alone.

9. In our company corporate goals broadly focus on shareholder value. They increase in specificity as they detail down the line.

10. In our company long term goals are translated into specific short term targets so that short term targets become a "staircase" to reach long term goals.

11. In our company goals are genuinely demanding for all divisions. They are grounded in solid economic rationale.

Management Practices (contd.)

For each of the Management Practices described below, kindly choose the option that most appropriately describes the practices followed in your organization. Kindly <u>tick</u> on the box provided near each option.

Please use the following scale for answering the questions

Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1	2	3	4	5

Option Number

12. In our company performance measures are well defined, strongly communicated and reinforced at all reviews; performance and rankings are made public to induce competition.

13. In our company senior managers are evaluated and held accountable on the strength of the talent pool they actively build.

14. Our company strives to outperform the competitors by providing ambitious stretch targets with clear performance related accountability and rewards.

15. Our company moves poor performers out of the company or to less critical roles as soon as a weakness is identified.

16. In our company we actively identify, develop and promote our top performers.

17. Our company provide a unique value proposition to encourage talented people join our company above our competitors.

18. In our company we do whatever it takes to retain our talent (Star performers are persuaded to stay).

Your view about management practices in India(workable practices in India, relevance to Western/Japanese practices, problems in Indian conditions)

<u>Other Comments (please specify):</u>

Thank you for your participation

Appendix 5 -Questionnaire for Final Study

MANAGEMENT PRACTICES SURVEY

Greetings for the day. I would like to introduce myself as Jayashree Mahesh, Lecturer, Department of Management, BITS - Pilani, Pilani Campus. As a part of my doctoral degree, I am presently collecting data on management practices of companies operating in the IT sector.

The topic of my research is 'Indian Management'. This topic is not only of academic relevance but of immense interest and value to practitioners of management namely the business organizations. The objective of this research is to collect data about the management practices of I.T companies. An analysis of these practices would reveal if there is something unique about these practices, so that they can be classified as Indian management practices. This is a first of its kind of research and is of tremendous importance to the field of management, as the findings could be of benefit to all organizations operating in the Indian environment.

It is to further this noble cause, I seek your help and cooperation. I would be grateful if you could complete this questionnaire sincerely. The questionnaire is very simple and has about 18 questions on management practices and some demographic data. It would take around 30 minutes to respond to the questions. The standard score for the responses have been provided and the respondent has to only enter the correct score for their company (in comparison to the standard score) in the space provided.

We are strictly obliged to keep your answers confidential and anonymous, as well as acknowledge your help towards completion of this research. Please answer all questions (as there are no correct or wrong answers) by entering the right score. We shall mail a copy of the summary of findings to you after we are through with the analysis. Thanking you for your cooperation.

Thanking you for your cooperation.

Jayashree Mahesh
Lecturer - Department of Management
Birla Institute of Technology and Science, Pilani
Pilani Campus, Vidya Vihar, Pilani - 333031, Rajasthan

PS: For any assistance or queries be free to contact: **Jayashree Mahesh** - E-mail: jmaheshbits@gmail.com, jmahesh@pilani.bits-pilani.ac.in

Part A – Demographics

A1. Name of respondent:_____ A2. Designation:_____

A3. Name & Address of Company: _____

A4. How long have you worked for your present employer?   _____

A5. What is your total work experience?_____

A6. In what area do you mainly work?

Distribution/Logistics	[ ]$_1$
Engineering	[ ]$_2$
Finance /accounting	[ ]$_3$
General management	[ ]$_4$
HRM/personnel	[ ]$_5$
Information systems	[ ]$_6$
Marketing/ sales	[ ]$_7$
Office administration	[ ]$_8$
Production/operations	[ ]$_9$
Purchasing	[ ]$_{10}$
Research and development/design	[ ]$_{11}$
Training/ education	[ ]$_{12}$
Others (please specify)	[ ]$_{13}$_____

A10. Approximately how many employees work in your company?

Less than 250	[ ]$_1$
251 - 500	[ ]$_2$
501 - 1000	[ ]$_3$
1001 - 1500	[ ]$_4$
1501 - 2500	[ ]$_5$
2501 - 5000	[ ]$_6$
More than 5000	[ ]$_7$

A13. What is the nationality of your Company?

Indian Multinational	[ ]$_1$
Global Multinational (please specifycountry)	[ ]$_2$ _____
Others (please specify)	[ ]$_3$_____

A7. In which sector are you currently employed?

Private sector	[ ]$_1$
Public sector	[ ]$_2$
Others (please specify)	[ ]$_3$_____

A8. What is your gender?

Female	[ ]$_1$
Male	[ ]$_2$

A 9. What is your age group?

Less than 25 years	[ ]$_1$
25 - 30 years	[ ]$_2$
31 - 40 years	[ ]$_3$
41 - 50 years	[ ]$_4$
51 - 60 years	[ ]$_5$
More than 60 years	[ ]$_6$

A11. What is your level of education?

Bachelors degree	[ ]$_1$
Masters Degree	[ ]$_2$
Doctoral degree	[ ]$_3$
Others (please specify)	[ ]$_4$_____

A12. What is the nationality of yourCEO/Top Manager?

Indian	[ ]$_1$
Others (please specify)	[ ]$_2$_____

A14. Have you been outside India on deputation?

Yes	[ ]$_1$
No	[ ]$_2$

Part B – Management Practices

Listed below are 18 Management Practices as it maybe followed in different organizationsand the standard scores for each practice. On the basis of the standard score, please mark where does your company stand on the particular management practice. The marks that you can give can vary anywhere between0 to 100.

Std Score	Your Company Score

1. **Modern Management Introduction**

   a) Few aspects of modern management techniques have been introduced in an ad-hoc manner

   b) Some aspects of modern management techniques have been introduced through isolated/informal change programs

   c) All aspects of modern management techniques have been introduced in a formal way

   d)

Std Score	
0	
50	
100	

2. **Modern Management, Rationale**

   a) Modern management techniques were introduced because competitors were using them

   b) Modern management techniques were introduced to reduce costs

   c) Modern management techniques were introduced to enable us to meet our business objectives

   d)

Std Score	
0	
50	
100	

3. **Process Problem Documentation**

   a) Process improvements are made when problems occur

   b) Process improvements are made in one week workshops involving all staff, to improve performance in their area

   c) Exposing problems in a structured way is integral to individual's responsibilities and resolution occurs as a part of normal business processes rather than by extraordinary effort/teams

Std Score	
0	
50	
100	

4. **Performance Tracking**

   a) Tracking is an ad-hoc process and measures tracked do not indicate directly if overall business objectives are met

   b) Most key performance indicators are tracked formally under the supervision of senior management

   c) Performance is continuously tracked and communicated both formally and informally to all staff suing a ranger of visual management tools.

Std Score	
0	
50	
100	

Part B – Management Practices (contd.)

On the basis of the standard score, please mark where does your company stand on the particular management practice. The marks that you can give can vary anywhere between 0 to 100.

	Std Score	Your Company Score

5. **Target Balance**

a) Goals are exclusively financial or operational — **0**

b) Goals include non financial targets — **50**

c) Goals are a balance of financial and non financial targets. — **100**

6. **Target Interconnection**

a) Goals are purely based on profits/income — **0**

b) Goals are based on enhancing the market value of the share of the firm but not everyone in the company knows it — **50**

c) Goals are based on enhancing the market value of the share of the firm and everyone in the company knows it — **100**

7. **Performance Review**

a) Performance is reviewed infrequently in an unmeaningful way — **0**

b) Performance is reviewed periodically with success and failure identified. — **50**

c) All aspects of performance are continually reviewed, followed up & communicated — **100**

8. **Performance Dialogue**

a) The right data for a constructive discussion on performance review is not present. Clear agenda is not known and purpose is not stated explicitly. — **0**

b) Review conversations are held with the appropriate data. Objectives of meeting are clear to all participants and a clear agenda is present. Conversations do not drive to the root causes of the problems. — **50**

c) Regular review/performance conversations focus on problems solving and addressing root causes. Purpose, agenda and follow-up steps are clear to all. Meetings are an opportunity for constructive feedback and coaching. — **100**

Part B – Management Practices (contd.)

On the basis of the standard score, please mark where does your company stand on the particular management practice. The marks that you can give can vary anywhere between 0 to 100.

Std Score	Your Company Score

9. **Consequence Management**

   a) Failure to achieve agreed objectives does not carry any consequences

   b) Failure to achieve agreed results is tolerated for a period before action is taken

   c) A failure to achieve agreed targets drives retraining in identified areas of weakness or moving individuals to where their skills are appropriate

Std Score
0
50
100

10. **Target Time Horizon**

   a) Top managements main focus is on short term targets

   b) There are short term & long term goals for all levels. They are set independently & are not necessarily linked

   c) Long term goals are translated into specific short term targets & short term targets become a 'staircase' to reach long term goals.

Std Score
0
50
100

11. **Targets Stretching**

   a) Goals are either too easy or impossible to achieve; managers provide low estimates to ensure easy goals

   b) Top management pushes for aggressive goals in selected areas

   c) Goals are genuinely demanding for all divisions.

Std Score
0
50
100

12. **Performance Clarity**

   a) Performance measures are complex and not clearly understood. Individual performance is not made public.

   b) Performance measures are well defined and communicated; performance is made public at all levels but comparisons are discouraged

   c) Performance measures are well defined, strongly communicated and reinforced at all reviews; performance and rankings are made public to induce competition

Std Score
0
50
100

Part B – Management Practices (contd.)

On the basis of the standard score, please mark where does your company stand on the particular management practice. The marks that you can give can vary anywhere between 0 to 100.

Std Score	Your Company Score

13. Managing Human capital

a) Senior management do not communicate that attracting, retaining and developing talent throughout the organization is a top priority.

b) Senior management believes and communicates that having top talent throughout the organization is a key way to win

c) Senior managers are evaluated and held accountable on the strength of the talent pool they actively build

Std Score	Your Company Score
0	
50	
100	

14. Rewarding high performance

a) People within our firm are rewarded equally irrespective of performance

b) Our company has an evaluation system for awarding performance related awards

c) Our company strives to outperform competitors by providing ambitious stretch targets with clear performance related accountability and rewards

Std Score	Your Company Score
0	
50	
100	

15. Removing Poor performers

a) Poor performers are rarely removed from their positions

b) Suspected poor performers stay in a position for a few years before action is taken

c) Our company moves poor performers out of the company or to less critical roles as soon as a weakness is identified

Std Score	Your Company Score
0	
50	
100	

16. Promoting High performers

a) People are promoted primarily upon the basis of tenure

b) People are promoted upon the basis of performance

c) Our company actively identifies, develops and promotes top performers

Std Score	Your Company Score
0	
50	
100	

Part B – Management Practices (contd.)

On the basis of the standard score, please mark where does your company stand on the particular management practice. The marks that you can give can vary anywhere between 0 to 100.

Std Score	Your Company Score

17. **Attracting Human Capital**

   a) Our competitors offer stronger reasons for talented people to join their companies

   b) Our value proposition to those joining our company is comparable to those offered by others in the sector

   c) Our company provides a unique value proposition to encourage talented people to join our company above our competitors

Std Score
0
50
100

18. **Retaining Human Capital**

   a) Our company does little to keep talent

   b) Our company usually works hard to keep top talent

   c) Our company does whatever it takes to retain top talent

Std Score
0
50
100

Your view about management practices in India

	To Western Management	To Japanese Management
Similarities		
Differences		

Unique Indian Management Practices

Thank you for your participation.

Appendix 6- Major Sampling Schemes in Mixed Methods Research

Sampling Scheme	Description
Simple [a]	Every individual in the sampling frame (i.e., desired population) has an equal and independent chance of being chosen for the study.
Stratified [a]	Sampling frame is divided into sub-sections comprising groups that are relatively homogeneous with respect to one or more characteristics and a random sample from each stratum is selected.
Cluster [a]	Selecting intact groups representing clusters of individuals rather than choosing individuals one at a time.
Systematic [a]	Choosing individuals from a list by selecting every kth sampling frame member, where k typifies the population divided by the preferred sample size.
Multi-Stage Random	Choosing a sample from the random sampling schemes in multiple stages.

Maximum Variation	Choosing settings, groups, and/or individuals to maximize the range of perspectives investigated in the study.
Homogeneous	Choosing settings, groups, and/or individuals based on similar or specific characteristics.
Critical Case Theory- Based	Choosing settings, groups, and/or individuals based on specific characteristic(s) because their inclusion provides the researcher with compelling insight about a phenomenon of interest
Confirming Disconfirming	Choosing settings, groups, and/or individuals because their inclusion helps the researcher to develop a theory.
Snowball/Chain	After beginning data collection, the researcher conducts subsequent analyses to verify or contradict initial results.
Extreme Case	Participants are asked to recruit individuals to join the study. Selecting outlying cases and conducting comparative analyses
Typical Case	Selecting and analyzing average or normal cases.

Intensity	Choosing settings, groups, and/or individuals because their experiences relative to the phenomena of interest are viewed as intense but not extreme.
Politically Important Case	Choosing settings, groups, and/or individuals to be included or excluded based on their political connections to the phenomena of interest.
Random Purposeful	Selecting random cases from the sampling frame and randomly choosing a desired number of individuals to participate in the study.
Stratified Purposeful	Sampling frame is divided into strata to obtain relatively homogeneous sub-groups and a purposeful sample is selected from each stratum.
Criterion	Choosing settings, groups, and/or individuals because they represent one or more criteria.
Opportunistic	Researcher selects a case based on specific characteristics (i.e., typical, negative, or extreme) to capitalize on developing events occurring during data collection.
Mixed Purposeful	Choosing more than one sampling strategy and comparing the results emerging from both samples.
Convenience	Choosing settings, groups, and/or individuals that are conveniently available and willing to participate in the study.
Quota	Researcher identifies desired characteristics and quotas of sample members to be included in the study.
Multi-Stage Purposeful Random	Choosing settings, groups, and/or individuals representing a sample in two or more stages. The first stage is random selection and the following stages are purposive selection of participants.
Multi-Stage Purposeful	Choosing settings, groups, and/or individuals representing a sample in two or more stages in which all stages reflect purposive sampling of participants.

(Source: Anthony J. Onwuegbuzie; Kathleen M.T Collins (2007). A Typology of Mixed Methods Sampling Designs in Social Science Research. The Qualitative Report, 12(2), 281-316.)

Appendix 7- Email Request for Online Survey

Dear _____

Happy New Year and Greetings for the day.

As you might be aware, I work as a faculty in the Department of Management in BITS Pilani, Rajasthan. Along with my teaching responsibilities, I am also pursuing my PhD Degree . The purpose of this mail is to seek your help in the process of collection of empirical data for my doctoral thesis.

The topic of my research is 'Indian Management'. This topic is not only of academic relevance but of immense interest and value to practitioners of management namely the business organizations. The objective of this research is to collect data about the management practices of I.T companies operating in India and abroad. An analysis of these practices would reveal if there is something unique about these practices, so that they can be classified as Indian management practices. This is a first of its kind of research and is of tremendous importance to the field of management, as the findings could be of benefit to all organizations operating in the Indian environment and Indian organizations expanding globally.

It is to further this noble cause, I seek your help and cooperation. I would be grateful if you could complete an online questionnaire and also forward it to few of your colleagues in your organization. **The link to the questionnaire is appended at the end of this mail**. Once the questionnaire is completed and submitted I can access it at my end. The questionnaire is very simple and has about 18 questions on management practices. It would take around 20 minutes to respond to the questions and the respondent has to only enter the correct option number.

While you forward the questionnaire I request you to CC (carbon copy) the mail to me and also request the respondents to direct the mail to my address in case of any query they have. This is mainly for the following purpose: the filled in response form would directly be mailed to me and in case of any queries I would be able to correspond with them directly, sparing you any further effort.

I assure you that the data would be used only for academic purposes. I shall mail a copy of the summary of findings to you after we are through with the analysis and you can share those with the executives who filled up the questionnaire.

Thanking you for your cooperation.

Jayashree Mahesh

Lecturer - Department of Management
BITS Pilani, Pilani Campus, Rajashtan
Ph:+919887338339
PS: Link to the Online Questionnaire (Please Click on the link or Cut & Paste the entire segment to your browser))

Request to complete the Management Practices Survey Questionnaire. To fill it out, visit:

https://docs.google.com/spreadsheet/viewform?formkey=dEw2aXNLMEdySVA2WENaNVRKd0Z1T2c6MQ

Appendix 8 - Purpose Letter to Respondents

Department of Management

Greetings for the day. We would like to introduce ourselves as Faculty/Researchers from Department of Management, Birla Institute of Technology &Science (BITS) - Pilani.

BITS Pilani has always been the pioneer in industry-university linkages. In the year 1973, BITS Pilani brought in, for the first time in India, structured linkage with industrial undertakings in the form of Practice School, as a part of which the students out of a four year degree course, spend about six months in industry picking up knowledge in the link between theory and practice. Since 1979, BITS Pilani has been participating in the HRD activities of the industry through several degree programmes by integrating the working environment of the employees with the learning environment required by the Institute. In addition to the above, we also supply quality manpower to the industry at the entry level through our campus placements.

Presently, we are studying the management practices of IT companies operating in India. The topic of our research is 'Indian Management'. This topic is not only of academic relevance but of tremendous value to mangers of business organizations. The Indian software industry has been one of the fastest-growing sectors of the Indian economy with significant contributions from several Indian and global IT firms. The objective of the study has been to capture the management practices followed in IT organizations operating in India and identifying if there are any practices that are unique to Indian organizations, so that they can be classified as 'Indian Management Practices'. This is a first of its kind of research and hopefully will be of great importance to the field of management, as the findings could be of benefit to all organizations operating in the Indian environment.

We would be grateful if you could spare around 20 minutes of your valuable time to interact with Ms. Jayashree Mahesh and respond to a questionnaire on management practices. The questionnaire is very simple and has about 18 questions on management practices and some demographic data. It would take around 20 minutes to respond to the questions and the respondent has to only fill up a score in the range of 0 to 100.

We assure you that the data would be used only for academic purposes. We also assure you, that we would send the summary of findings of the research once the data is collated and analyzed. This report can be used by your organization for its human resource development initiatives.

We have attached a presentation that summarizes the objective and expected outcomes of our research for your reference. We hope to receive a favorable reply at your earliest convenience.

Thank you & Warm Regards

- Prof. Anil Bhat
  (Professor & Head Management Department)
- Ms. Jayashree Mahesh
  (Lecturer, Management Department)

Appendix 9- Confidentiality Certificate

Birla Institute of Technology & Science, Pilani
Pilani Campus

Prof. Anil Bhat, Fellow (IIMB), Professor and Head, Department of Management

To Whom It May Concern

This is to certify that the data collected will be kept confidential and will be used only for academic purposes. It will not be used for the purpose of any commercial gains. The information revealed during the process of data collection will not be traced to any identifiable individual or organization.

(Prof. Anil Bhat)
Head of Department
Management
Birla Institute of Technology & Science
PILANI (Rajasthan) 333031

innovate   achieve   lead

Birla Institute of Technology & Science, Pilani
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Tel: +91 1596 245073
Fax: +91 1596 244183
Web: www.pilani.bits-pilani.ac.in

Appendix 10 – Multi-group Comparison of Types of Companies

STEP 1- Statistical Analysis through one way ANOVA of 2 groups

A.   ANOVA Test and Significant Differences

The following table A1.1 shows the F values and highlights the practices where significant differences were found:

Table A1.1 ANOVA of 2 groups S GMNC/ LGMNC / L IMNC and S IMNC / IC

Practices		Sum of Squares	df	Mean Square	F	Sig.
P1	Between Groups	2385.011	1	2385.011	5.574	**.021**
	Within Groups	30382.112	71	427.917		
	Total	32767.123	72			
P2	Between Groups	1086.050	1	1086.050	4.329	**.041**
	Within Groups	17812.279	71	250.877		
	Total	18898.329	72			
P4	Between Groups	2815.017	1	2815.017	5.958	**.017**
	Within Groups	33548.106	71	472.509		
	Total	36363.123	72			
P5	Between Groups	5048.768	1	5048.768	9.751	**.003**
	Within Groups	36761.671	71	517.770		
	Total	41810.438	72			
P7	Between Groups	1769.932	1	1769.932	5.926	**.017**
	Within Groups	21206.150	71	298.678		
	Total	22976.082	72			
P9	Between Groups	2377.017	1	2377.017	9.770	**.003**
	Within Groups	17273.668	71	243.291		
	Total	19650.685	72			
P10	Between Groups	4174.844	1	4174.844	12.893	**.001**
	Within Groups	22990.909	71	323.816		
	Total	27165.753	72			
P 17	Between Groups	1708.445	1	1708.445	4.423	**.039**
	Within Groups	27424.432	71	386.260		
	Total	29132.877	72			

B.   Graphical Representation

The above differences on the basis of F values have been captured in the following graph 5.23 which depicts the differences in mean values of companies grouped into two on basis of S GMNC/ LGMNC / L IMNC and S IMNC / IC. Table A1.2 shows the mean values for different practices

Table A1.2 Mean Differences for 2 Groups S GMNC/ LGMNC / L IMNC and S IMNC / IC

P.No.	1	2	3	4	5	6	7	8
Practices	P1	P2	P4	P5	P7	P9	P10	P17
Groups								
S GMNC/ L GMNC/ L IMNC	68.75	83.23	76.93	84.41	79.55	75.45	80.45	69.89
S IMNC, IC	57.07	75.34	64.24	67.41	69.48	63.79	65.00	60.00

Graph 1 Mean values of two groups- S GMNC/ LGMNC / L IMNC and S IMNC / IC
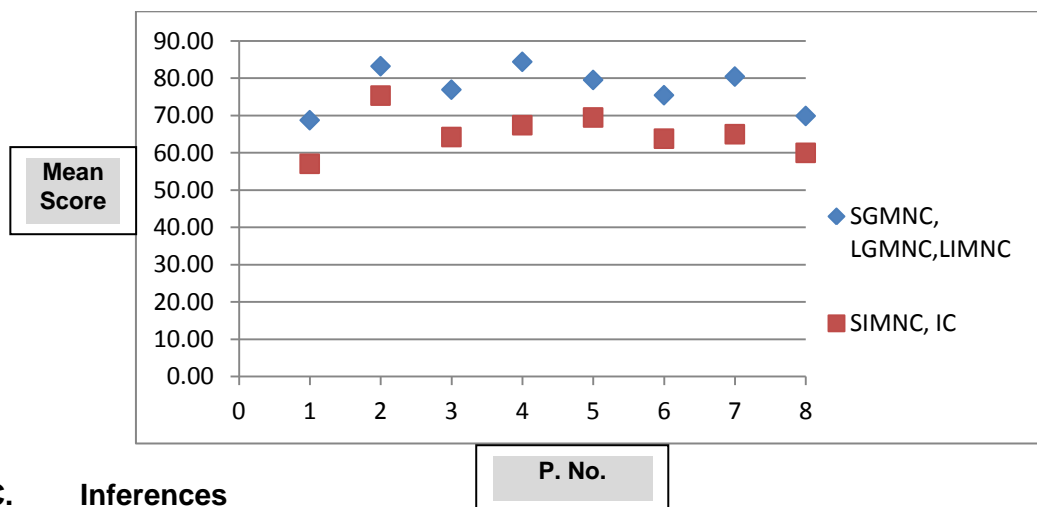
C.   Inferences

From the above graph and the ANOVA it can be inferred that there were **differences in the eight practices** Modern Management Introduction, Modern Management Rationale, Performance Tracking, Target Balance, Performance Review, Consequence Management, Target Time Horizon and Attracting Human Capital of Indian companies and Small and Medium Indian Multinationals than those of Global multinationals and Large Indian Multinationals(S GMNC , L GMNC, L IMNC). **Small and Large Global MNCs and Large Indian MNCs score better in the above mentioned practices that Small Indian MNCs and Indian Companies**.

STEP 2 -Statistical Analysis through one way ANOVA of 3 groups

A.   ANOVA Test and Significant Differences

Based on the testing in the previous phase it was found that the averages of S GMNC and L GMNC were similar to those of L IMNC. Hence it was decided to categorize into three separate groups.The following table A2.1 shows the F values and highlights the practices where significant differences were found:

Table A2.1 ANOVA of 3 groups S GMNC/ LGMNC,   L IMNC and S IMNC / IC

| Practices		Sum of Squares	df	Mean Square	F	Sig.
P4	Between Groups	3020.131	2	1510.066	3.170	**.048**
	Within Groups	33342.992	70	476.328		
	Total	36363.123	72			
P5	Between Groups	5409.586	2	2704.793	5.201	**.008**
	Within Groups	36400.853	70	520.012		
	Total	41810.438	72			
P8	Between Groups	2243.368	2	1121.684	3.281	**.043**
	Within Groups	23931.975	70	341.885		
	Total	26175.342	72			
P9	Between Groups	2433.835	2	1216.918	4.948	**.010**
	Within Groups	17216.850	70	245.955		
	Total	19650.685	72			
P10	Between Groups	4231.663	2	2115.831	6.458	**.003**
	Within Groups	22934.091	70	327.630		
	Total	27165.753	72			

B.   Graphical Representation

The above differences on the basis of F values have been captured in the following graph 2 which depicts the differences in mean values of companies grouped into three groups as S GMNC/ LGMNC ,   L IMNC and S IMNC / IC.Table A2.2 shows the mean values for different practices

Table A2.2 Mean Differences of 3 groups S GMNC/ LGMNC ,   L IMNC and S IMNC / IC

P.No.	1	2	3	4	5
Practices	P4	P5	P8	P9	P10
Groups					
S GMNC/L GMNC	74.77	87.27	81.36	74.32	81.59
L IMNC	79.09	81.55	71.36	76.59	79.32
S IMNC, IC	64.24	67.41	68.28	63.79	65.00

Graph 2 Mean values of three groups S GMNC/ LGMNC , L IMNC and S IMNC / IC
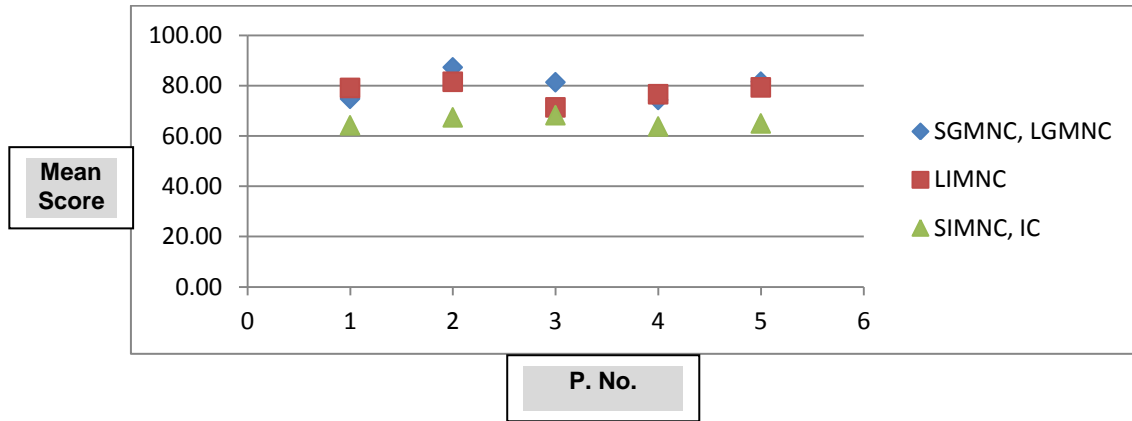
C.   Inferences

There were significant differences in the practices of Performance Tracking, Target Balance, Performance Dialogue, Consequence Management and Target Time Horizon. From the above averages it can be inferred that **Large Indian Multinational's (LIMNCs) scores are better when compared to Global Multinationals (S GMNC & L GMNC) in the practices of Performance Tracking and Consequence Management.**

STEP 3 -Statistical Analysis through one way ANOVA of 2 groups S GMNC/ LGMNC and S IMNC / IC

A.   ANOVA Test and Significant Differences

The next step was to eliminate L IMNCs and see if any differences existed in the practices of L GMNC/ SGMNC and SIMNC/IC. Therefore the data was categorized into two groups.The following table A3.1shows the F values and highlights the practices where significant differences were found:

Table A3.1 ANOVA of 2 groups S GMNC/ LGMNC and S IMNC / IC

Practices		Sum of Squares	df	Mean Square	F	Sig.
P1	Between Groups	2241.428	1	2241.428	6.215	**.016**
	Within Groups	17671.317	49	360.639		
	Total	19912.745	50			
P2	Between Groups	1420.272	1	1420.272	6.198	**.016**
	Within Groups	11228.552	49	229.154		
	Total	12648.824	50			
P5	Between Groups	4933.582	1	4933.582	10.236	**.002**
	Within Groups	23617.398	49	481.988		
	Total	28550.980	50			
P8	Between Groups	2142.802	1	2142.802	8.843	**.005**
	Within Groups	11872.884	49	242.304		
	Total	14015.686	50			

|						
P9	Between Groups	1385.802	1	1385.802	6.011	**.018**
	Within Groups	11297.531	49	230.562		
	Total	12683.333	50			
P10	Between Groups	3443.427	1	3443.427	9.827	**.003**
	Within Groups	17169.318	49	350.394		
	Total	20612.745	50			
P11	Between Groups	1501.632	1	1501.632	4.753	**.034**
	Within Groups	15480.721	49	315.933		
	Total	16982.353	50			

B. Graphical Representation

The above differences on the basis of F values have been captured in the following graph 5.25 which depicts the differences in mean values of companies grouped into two groups as S GMNC/ LGMNC ,   and S IMNC / IC. Table A3.2 shows the mean values for different practices.

Table A3.2 Mean differences of two groups as S GMNC/ LGMNC ,   and S IMNC / IC

P.No.	1	2	3	4	5	6	7	8
Practices **Groups**	P1	P2	P5	P7	P8	P9	P10	P11
S GMNC/ L GMNC	70.45	86.00	87.27	79.41	81.36	74.32	81.59	81.82
S IMNC IC	57.07	75.34	67.41	69.48	68.28	63.79	65.00	70.86

Graph 3 Mean values of two groups as S GMNC/ LGMNC ,   and S IMNC / IC
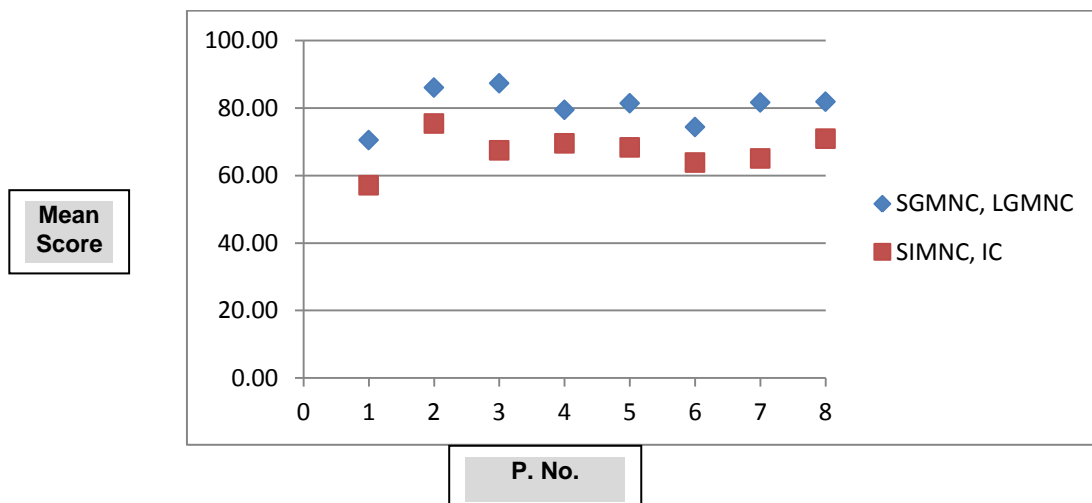
C. Inferences

Significant differences were found in the practices of Modern Management Introduction, Modern Management Rationale, Target Balance, Performance Review, Performance Dialogue, Consequence Management, Target Time Horizon and Target Stretch .**From the**

above averages it can be inferred that Global Multinationals (S GMNC & L GMNC) scores for all the practices are higher when compared to Small and Medium Indian Multinationals and Indian Companies (S IMNCs and ICs).

STEP 4 -Statistical Analysis through one way ANOVA of 2 groups S GMNC/L GMNC and L IMNC

A.   ANOVA Test and Significant Differences

The next step was to find out if any differences existed in the practices of S GMNC/L GMNC and L IMNC. The data was sorted into two groups. S IMNC and ICs were eliminated.

Table A4.1 ANOVA of 2 groups S GMNC/L GMNC and L IMNC

Practice		Sum of Squares	df	Mean Square	F	Sig.
P1	Between Groups	127.841	1	127.841	.251	.619
	Within Groups	21428.409	42	510.200		
	Total	21556.250	43			
P2	Between Groups	338.273	1	338.273	1.300	.261
	Within Groups	10927.455	42	260.177		
	Total	11265.727	43			
P3	Between Groups	68.750	1	68.750	.087	.770
	Within Groups	33260.227	42	791.910		
	Total	33328.977	43			
P4	Between Groups	205.114	1	205.114	.452	.505
	Within Groups	19055.682	42	453.707		
	Total	19260.795	43			
P5	Between Groups	360.818	1	360.818	.855	.360
	Within Groups	17719.818	42	421.900		
	Total	18080.636	43			
P6	Between Groups	121.114	1	121.114	.236	.629
	Within Groups	21523.136	42	512.456		
	Total	21644.250	43			
P7	Between Groups	.818	1	.818	.002	.961
	Within Groups	14038.091	42	334.240		
	Total	14038.909	43			
P8	Between Groups	1100.000	1	1100.000	2.902	.096
	Within Groups	15918.182	42	379.004		
	Total	17018.182	43			
P9	Between Groups	56.818	1	56.818	.227	.637
	Within Groups	10534.091	42	250.812		
	Total	10590.909	43			
P10	Between Groups	56.818	1	56.818	.165	.687
	Within Groups	14484.091	42	344.859		
	Total	14540.909	43			
P11	Between Groups	736.364	1	736.364	2.030	.162
	Within Groups	15236.364	42	362.771		

	Total	15972.727	43			
P12	Between Groups	76.455	1	76.455	.133	.717
	Within Groups	24131.091	42	574.550		
	Total	24207.545	43			
P13	Between Groups	20.455	1	20.455	.037	.849
	Within Groups	23334.091	42	555.574		
	Total	23354.545	43			
P14	Between Groups	250.568	1	250.568	.473	.496
	Within Groups	22269.318	42	530.222		
	Total	22519.886	43			
P15	Between Groups	68.750	1	68.750	.122	.729
	Within Groups	23728.409	42	564.962		
	Total	23797.159	43			
P16	Between Groups	14.205	1	14.205	.021	.884
	Within Groups	27782.955	42	661.499		
	Total	27797.159	43			
P17	Between Groups	14.205	1	14.205	.030	.863
	Within Groups	19660.227	42	468.101		
	Total	19674.432	43			
P18	Between Groups	184.091	1	184.091	.317	.577
	Within Groups	24420.455	42	581.439		
	Total	24604.545	43			

No significant difference was found in any of the practices between Small/ Medium, Large Global Multinationals and Large Indian Multinationals (S GMNC/ LGMNC and L IMNC). This means that Large Indian Multinationals (L IMNC) practices resemble those of Global multinationals.

B.   Graphical Representation

The following table A4.2depicts the averages of the practices and captures it in the form of a graph as shown below in 5.26.

Table A4.2Mean Differences of 2 groups S GMNC/L GMNC and L IMNC

P.No.	1	2	3	4	5	6	7	8	9
TYPE	P1	P2	P3	P4	P5	P6	P7	P8	P9
S & L GMC	72.06	84.59	70.91	72.38	85.06	69.00	80.32	82.65	74.56
L IMNC	67.05	80.45	67.27	**79.09**	81.55	**73.41**	79.68	71.36	**76.59**

P.No.	10	11	12	13	14	15	16	17	18
TYPE	P10	P11	P12	P13	P14	P15	P16	P17	P18
S & L GMC	81.03	86.82	64.65	65.91	70.65	75.06	80.29	71.68	67.85
L IMNC	79.32	73.64	62.36	**66.14**	**75.23**	72.05	78.86	70.45	**70.23**

Graph 4 Mean Values of 2 groups S GMNC/L GMNC and L IMNC
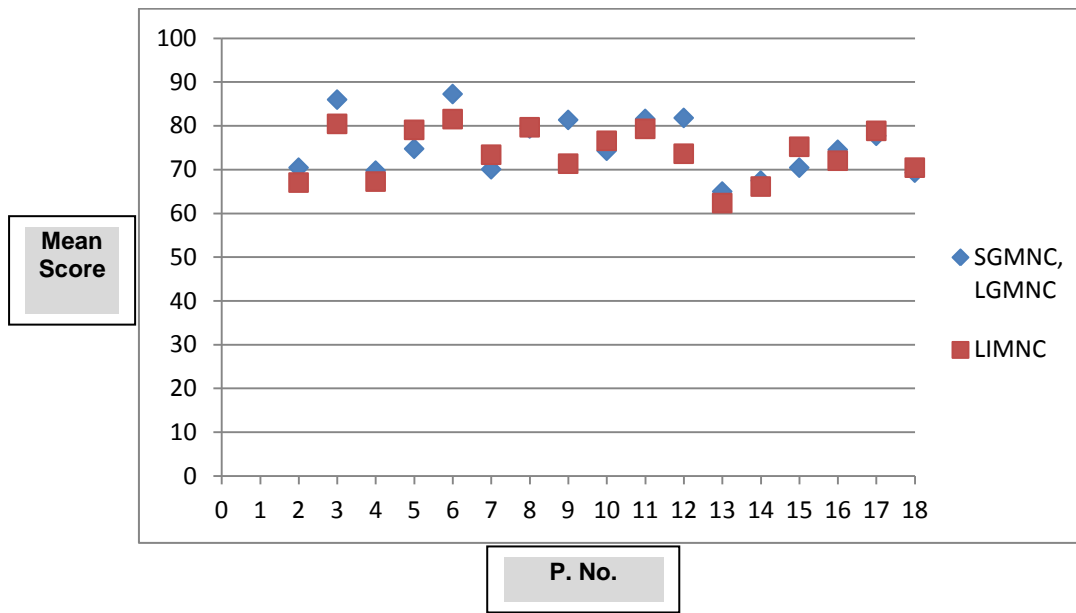
C.   Inferences

Though there are no significant differences in the practices of Global Multinationals and Large Indian Multinationals, **Large Indian Multinationals score better than global Multinationals in the practices of Performance Tracking, Target Interconnection, Consequence Management, Managing Human Capital, Rewarding High Performers and Retaining Human Capital**.

STEP 5 -Statistical Analysis through one way ANOVA of   2 groups L IMNC and SIMNC/IC

A.   ANOVA Test and Significant Differences

The final stage was to see if any differences existed in the practices of L IMNC and SIMNC/IC. S GMNC and L GMNC were eliminated from this analysis.

Table A 5.1 ANOVA of 2 groups L IMNC and SIMNC /IC

Practice		Sum of Squares	df	Mean Square	F	Sig.
P4	Between Groups	2758.519	1	2758.519	5.245	**.026**
	Within Groups	25769.129	49	525.901		
	Total	28527.647	50			
P7	Between Groups	1301.280	1	1301.280	4.862	**.032**
	Within Groups	13114.014	49	267.633		
	Total	14415.294	50			
P9	Between Groups	2048.904	1	2048.904	7.967	**.007**
	Within Groups	12602.077	49	257.185		

|							
	Total	14650.980	50				
P10	Between Groups	2564.639	1	2564.639	8.841	**.005**	
	Within Groups	14214.773	49	290.097			
	Total	16779.412	50				
P17	Between Groups	1367.291	1	1367.291	4.590	**.037**	
	Within Groups	14595.455	49	297.866			
	Total	15962.745	50				

B. Graphical Representation

The above differences on the basis of F values have been captured in the following graph 5.27 which depicts the differences in mean values of companies grouped into two groups as L IMNC and S IMNC / IC. Table A5.2 shows the mean values for different practices

Table A 5.2 Mean differences of 2 groups L IMNC and SIMNC /IC

P.No.	1	2	3	4	5
Practices Groups	P4	P7	P9	P10	P17
L IMNC	79.09	79.68	76.59	79.32	70.45
SIMNC /IC	61.38	66.92	59.13	64.60	59.21

Graph 5 Mean values of 2 groups L IMNC and SIMNC /IC
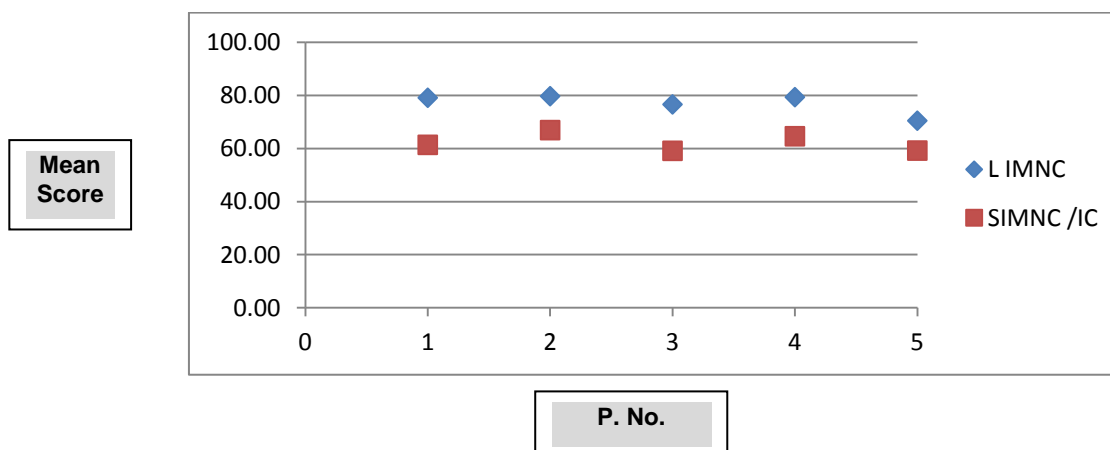
C. Inferences

There were significant differences in the practices of Performance Tracking, Performance Review, Consequence Management, Target Time Horizon and Attracting Human Capital, between Large Indian Multinationals and Small and Medium Indian Multinationals and Indian Companies (L IMNC & SIMNC /IC). From the above averages it can be inferred that Large Indian Multinationals scores for all the practices are higher when compared to Small and Medium Indian Multinationals and Indian Companies.

Appendix 11 - Proximity Matrix for Cluster Analysis

Case Processing Summary[a]

Cases					
Valid		Missing		Total	
N	Percent	N	Percent	N	Percent
42	100.0%	0	.0%	42	100.0%

a. Squared Euclidean Distance used

Appendix 12- Agglomeration Schedule for Cluster Analysis

Agglomeration Schedule

	Cluster Combined			Stage Cluster First Appears		
Stage	Cluster 1	Cluster 2	Coefficients	Cluster 1	Cluster 2	Next Stage
1	12	16	.059	0	0	25
2	20	35	.124	0	0	17
3	27	34	.270	0	0	15
4	29	30	.429	0	0	9
5	21	42	.590	0	0	9
6	17	26	.775	0	0	13
7	13	36	.965	0	0	11
8	32	33	1.170	0	0	12
9	21	29	1.379	5	4	17
10	6	14	1.607	0	0	23
11	13	15	1.836	7	0	18
12	18	32	2.093	0	8	20
13	17	37	2.375	6	0	21
14	9	11	2.681	0	0	22
15	23	27	3.004	0	3	20
16	3	28	3.351	0	0	21
17	20	21	3.701	2	9	24
18	4	13	4.061	0	11	37
19	24	38	4.449	0	0	27
20	18	23	4.871	12	15	22
21	3	17	5.411	16	13	25
22	9	18	5.992	14	20	23
23	6	9	6.575	10	22	31
24	20	22	7.275	17	0	27
25	3	12	8.018	21	1	31
26	2	25	8.856	0	0	32
27	20	24	9.705	24	19	35
28	31	39	10.679	0	0	34
29	10	19	11.719	0	0	38
30	40	41	12.807	0	0	33
31	3	6	14.103	25	23	36
32	2	8	15.407	26	0	36
33	1	40	16.872	0	30	40
34	7	31	18.454	0	28	39
35	5	20	20.207	0	27	38
36	2	3	22.625	32	31	37
37	2	4	25.411	36	18	41
38	5	10	28.579	35	29	39
39	5	7	31.901	38	34	40
40	1	5	35.915	33	39	41
41	1	2	45.702	40	37	0

Publications

Conference Publications

Mahesh, J., Bhat, A. (2012), '''Indian'' Management Practices: A Chimera or Reality'. *Proceedings of the International Conference on Management in the New World Order - Concepts and Practices from India, Indian Institute of Management, Ranchi, McGraw* Hill, India, pp. 452-465.

Conference Presentations

Mahesh, J., 'Exploring the Paradox of Globalization of 'Indian' Management : A Qualitative Research Study' . Paper presented at the PAN IIM World Management Conference held at IIM Kozhikode from November 5-8, 2014.

Mahesh, J., 'Research Design Proposal for An Empirical Investigation of 'Indian' Management Practices'. Paper presented at the 3rd Doctoral Colloquium, January 8-9, 2010 IIM Ahmedabad.

Mahesh, J., 'Proposed Framework For Identifying "Indian" Management Practices'. Paper presented at the Conference on Asian Management Practices: People, Strategies and Evolution March 19-21, 2009, IIM(L), Noida Campus.

Case Study Publication

Sudarsan , A., Raghunathan, R., Mahesh, J., (2013). Case Study - Seth Project Consultants Ltd: Striving for Growth. *Indira Management Review*. VII(1):70-83

Sudarsan , A., Mahesh, J., (2013). Case Analysis - Turnaround at TASS. *Indira Management Review*. VII(2):49-52

Thesis Related Papers in the Process of Being Communicated to (ABDC- ranked) Journals.

1. How 'Indian' is Management in India? – An Empirical Investigation into Management Practices in Indian I T Sector

2. Predicting an Organizations' Group Membership through its Management Practices – A Cluster Analytic Approach

3. Gaps between Professed and Actual Management Practices: A Mixed Methods Research Evidence of 'Dualism' in Indian Management

Papers in Indian Journals

1. Mahesh, J., Bhat , A. (2015), 'Proposed Framework For Identifying "Indian" Management Practices'. *International Journal of Research in Management & Social Science,* 3 (1- IV) : 21- 26

2. Amonker, N., Mahesh J.(2014) , 'Impact of National Culture on Factors Affecting Product Design'.*International Journal of Business and Administration Research Review*, 3(6):109-116

3. Bhat A.K., Mahesh J., (2008) 'Indian Management Philosophy – An Unexplored Territory Whose Time Has Come'. *Productivity Promotion*. 11(40):18-25.

Vita

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Supervisor:

Prof. Anil Bhat graduated in Mechanical Engineering in 1982 from REC, (now NIT) Srinagar and obtained his doctorate (fellowship) from IIM-Bangalore. His specialization is Marketing Research and his methodological contribution has been in the area of "Cluster analysis of rank order data". He is a member of Academy of Management and a Fellow of Institution of Engineers (India). He has been trained at international workshops conducted by Haas School of Business, University of California, Berkeley and STVP, Stanford & has completed "10,000 Women Program: Tools for Growing your Business" organized by Goldman Sachs in partnership with London Business School. Prof. Bhat has worked in managerial capacity for organizations before turning to academics. He has more than eighty publications to his credit and has conceptualized, designed and conducted many MDP's both for private as well as for public sector companies. He has served as a management expert on Union Public Service Commission expert panel. He has been certified as an Entrepreneur Educator by STVP Stanford, NEN and IIMB. Besides guiding many PhD's, he has co-authored a book on management published by Oxford University Press. He is presently Professor and Head Management Department, Member Research Board and Faculty advisor, Center for Entrepreneurial Leadership (CEL) at BITS-Pilani. He believes that Business is a force for Good and his Management Philosophy is anchored around the Goal of Maximizing the Impact of Individual Actions for the Good of Society.