

Chapter 2

Methodology

Section 1 - Introduction

What influences Companies those are most competitively poised for survival, growth & prosperity in the 21st century? A question that was sought to be answered through this research venture

The endeavor in this proposal is to ***“Study Culture and Leadership in the New Millennium. A case analysis for purposeful organizational performance and architecture”***.

The Researcher selected a set of new millennium companies performing business roles relating to Information technology, Telecommunications, Management Consulting, FMCG, High Tech Manufacturing, Advertising and financial services. The industry segment has been chosen to demonstrate the greater relevance of the individual and the quality of mind on the end product and profitability of the corporation. The study would seek to identify organizations in preparedness towards the new millennium through its cultural and leadership influences. The study would attempt to establish a relationship between the leadership style prevalent in the Company and it's influence on the culture.

As a further information source the researcher desires studying specific HR practices in the companies, to establish the role of various Human Resource Management practices in creating and sustaining the culture in the Companies.

“The Company” in our assumption personifies the human being and makes the human mind the foundation of the corporation. Our assumption borders on a singular dependence on the human being and the human mind to make organizations of the future effective. All other organizational factors are presumed to be secondary.

Intellect seen in its purest form is propaedeutic in its conceptual state. It is primarily elementary and forms the core of the enterprise. Individuals seek freedom of expression, in an environment where learning, teaching and understanding is available and is in a position to adapt, contribute and improve as they learn. The intellectual company deals below the surface of overt relationships, seeks psychological contract built on trust, collaboration and mutuality of purpose and provides an environment that offers respect and dignity to the individual. The Corporation has an undebatable, unalterable dictate on the faith in the human mind, the spirit and power of the intellect. Business Process facets of the corporation described above through the knowledge organization succeeds the management of the enterprise

Leadership, Culture and Organization and Management Models

The models have been constructed by the Researcher as an important aspect of defining this research perspective on Organizational and Management Models. Consequently the researcher has provided conceptual definitions to the following through Chapter 1:

- 1. Definitions of the 4 Types of Cultures as defined by Edgar Schein (3 Cultures) and combined it with another culture, defined by the Researcher, namely the Evolving Culture**
- 2. Definitions of 8 types of Leadership Styles**
- 3. Definitions of 8 types of Organization and Management Models.**

And having done the above,

- 4. The Research now attempted to combine the relevance of Leadership Styles on Cultures in the context of Organization and Management Models.**

Section 2: Statement of Problem, Objectives, Pilot Study and Final Study

Statement of the Problem of the Study

“Study Culture and Leadership in the New Millennium. A case analysis for purposeful organizational performance and architecture”.

1. Objectives of the Study

At a simplistic level software organization, consulting, advisory firms, research, new product development, design and generic knowledge based value-adding companies (advertising, financial services, communication, entertainment, education, multi product conglomerate corporations) are treated as knowledge firms given their role in development of raw data, creation of unknown into known and the utilization of people as the primary state of creators.

2. Possible Scenarios and Assumptions

1. Pilot Study

In the proposal it was suggested that the sample will consist between 5 and 8 companies from the industries as defined in, namely Information technology, high tech manufacturing companies, FMCG, Telecommunications, Management Consulting, Advertising, financial services. The

target profile would consist of CEO's, select top management cadre and HR Managers. Given the inherent difficulty in obtaining time and commitment of CEO's and their top management of high performing/visible companies an appropriate data collection technique would be used as the research progresses. It was decided that corrective actions would be taken on an on going basis to exhaustively collect data.

Accordingly, the pilot study evaluated 5 companies consisting of financial services, new product organizations, FMCG, management consulting and information technology. The investigator used a culture assessment model (**Scenario based case analysis**) as a backdrop to the research model outlined below. The researcher used 8 comparable organizational models and 8 leadership models providing the interviewee 8 alternatives to choose 4 organizational types and 8 alternatives to choose 4 leadership types. The 16 alternatives helped connect leadership influence on organizational culture in the intellectual company.

2. Final Study

Subsequently in the final analysis, the researcher expanded the number of companies and consequent sample concerning top management as well as other levels of management to over 204 interviews, back ground research and some degree of in depth analysis. The additional companies enable the formation of the case studies. This was done in respect of a few companies (Andersen, Citibank N A, Lalbhai Group, Anagram Finance – (Morgan Grenfill/Wellington Asset Management Company) Schoolnet (IL & FS) India, Pfizer Incorporated, BNP Paribas Banking Corporation, Quintiles Corporation, ICICI Corporation, Whirlpool Corporation, Amtrex Hitachi, HDFC Bank etc). For the remaining companies of the sample a basic understanding of the company, particularly in regard to leadership style and cultures were elicited. Sufficient material could not be obtained for a detailed case analysis This was made possible owing to the personal

experience of the researcher in these organizations and the willingness of some of their top management to participate in such a detailed study. The sample number of companies researched is provided below:

| | Primary & Secondary Research Sample | | | |
|--------------------------|-------------------------------------|------------|------------|------------|
| Sample Company Profile | Company | Primary | Secondary | Total |
| | Numbers | Respondent | Respondent | Respondent |
| | | | | |
| Consulting | 3 | 8 | 6 | 14 |
| | | | | |
| Education | 8 | 15 | 5 | 20 |
| | | | | |
| Financial Services | 10 | 30 | 18 | 48 |
| | | | | |
| Diversified/F M C G | 28 | 54 | 28 | 82 |
| | | | | |
| Intellectual Company | 6 | 12 | 4 | 16 |
| | | | | |
| Technology/Communication | 13 | 17 | 7 | 24 |
| | 68 | 136 | 68 | 204 |

Figure: 17 Primary and Secondary Research Sample Data

Step 1

Various scenarios were structured to identify dominant characteristics in organizational and management models, culture and leadership as it influences each other. Each of these scenarios were provided for in the various case studies(constructed for a small sample companies) and

Scenarios provided below for the purpose of interviewing. These scenarios facilitated obtaining data, including quotes, in the course of the research.

1. Scenario 1: History and Tradition of the Organization
2. Scenario 2: Structure and Hierarchy Influence, Management Style, the Role of the CEO in building organization vision
3. Scenario 3: The Role of the CEO in regard to strategy processes technology and people actions and leader's influence in the existence of specific types of cultures
4. Scenario 4: Leadership Style as practiced by the management groups
5. Scenario 5: CEO focus on performance, climate, communication, and HRM practices, on monetary reward programs and influence over high performers, and management attention on retaining high performers.
6. Scenario 6: Role of the leader in building work processes, in managing people strategy issues, and organizational emphasis on competing and performing in a complex environment.
7. Scenario 7: Leader's emphasis on building future leaders through mentoring, coaching and teaching, emphasis on team work
8. Scenario 8: Role of the CEO in enabling organization to restructure and right size.
9. Scenario 9: Role of the CEO in preparing the organization to change as required.
10. Scenario 10: Leader's role in sponsoring innovation, new ideas, take risks and implementing experiments and
11. Scenario 11: CEO's role in enabling inters dependencies between functions, businesses, technologies and the organization as a whole.
12. Scenario 12: The Leader as a person – Vision, values, beliefs and the dream
13. Scenario 13: The Leader's emphasis on the Individual and the Intellect, and a role in building individual and organizational knowledge

14. Scenario 14: The CEO's role in emphasizing on culture aspects pertaining to empowerment, delegation, individual contribution, accountability and
15. Scenario 15 CEO's role in actively participating in attracting, retaining and rewarding star talent and performers
16. Scenario 16: The Leader's role in helping the organization retains an open mind to an unknown environment.

Step 2

Thereafter specific scenario based definitions for Organizational and Management Models 1 & 2 and Leadership Styles Model 1 & 2 were constructed driven by conceptual outlines and definitions for what did each of them mean. This in turn enabled the survey feedback and content analysis as one of the additional methods apart from scenario to test for leadership and its influence on organizational culture in the intellectual company.

In order to effectively provide a conceptual background to the survey feedback and to facilitate content research, the Researcher constructed specific definitions pertaining to the following:

1. 8 types of Organization and Management Models. - OMM
2. 8 types of Leadership Styles. - LSM
3. 4 types of Organizational Cultures based on Edgar Schein model of 3 cultures. - OCM

The definitions (organization and Leadership) provided below were critical for the survey feedback and content analysis used by the researcher while interviewing or studying organizations and their leaders. The definitions enabled the researcher to type organizations and classify them into various categories of organizations or leadership styles. Thereafter the researcher super imposed the leadership style on these organizations and studied them for their appropriate culture. The researcher had also intended to refine these definitions on completion of the research and validate its meaning, exhaustiveness of its implication to the sample studies based on the research finding. This has since been done.

Organizational and Management Model (OMM M1) – Model 1 to connect its relevance to leadership style as it impacts culture. An appropriate forced ranking instrument was used to a small sample to obtain respondent ranks.

1. The Human Organization

- Driven by orientation to people, their actions, beliefs in the value of human good and concerns
- Focus on making people productive through internal drivers without clarity on final goals and tasks
- Action through policies, rewards, interactive processes, job design making people an important consideration in organizational issues
- Long term organization growth, meaning profits, shareholder value meant people growth

2. The Learning Organization

- Driven by organizational energy to learn, self develop, perpetuate individualization as they grow to compete
- Focus on people productivity through learning drivers on what can be done should be done
- Action through making knowledge an important performance parameter
- Long term competitive advantage through focus on performance empowerment

3. The Institution

- Driven by structural effectiveness, procedural clarity, defined end states and eventual success of people and the systems that lasts over time
- Focus on enterprise success on a holistic basis and dependent on people expertise
- Action through making systems the critical consideration for organizational effectiveness
- Long term orientation to building an enterprise that works through economics cycles without a major emphasis on revitalization or renewal

4. The Competing Organization

- Driven by the need for internal and external energy to perform and focus on results
- Focus on organizational vision, values, philosophy and performance
- Action through making people subservient to systems and external stimuli
- Long Term competitive advantage seen as dominance and measures that sustain organizational competitiveness

Organization and Management Model (OMM M2)- Model 2 to connect its relevance to leadership style as it impacts culture. An appropriate forced ranking instrument was used to test on the sample to obtain respondent ranks.

1. The Voluntary Organization

- Driven by conscious endeavor to support a cause that extends beyond commercial perspective in many situations
- Focus through driving synergies of the people and process systems that integrate organizational goals to an end objective
- Action orientation measured by appropriate planning, measured steps, building consensus and reasonable task orientation
- Long term goals to build sustainable business models that can seamlessly move from one situation to another without a strong immediate task and performance pressure

2. The Intellectual Organization

- Driven by the need to promote and perpetuate intellect as it determines individual and organizational means and tasks.
- Focus on delivery through advancement of learning, knowledge, skills but lacks need for attitudes and appropriate behavior to make things happen
- Action driven by merciless meritocracy and rewards to processes and systems that goes beyond human dependence

- Long Term sustainability only based on enhanced intellectual capital, innovation and newness of things done within and without the organization.

3. The Mechanistic Organization

- Driven by the successes, stories, rituals and processes that have proved in time that it works and should be followed
- Focus on building internal architectures, systems and processes that drives individual and team performance
- Action orientation is expected to be more an outcome given smooth working methods and competitive pressures built within the organizational framework.
- Long Term need to make teams work together to achieve group goals that achieves today;s performance and tomorrow's systems.

4. The Performing Organization

- Driven by business bottom line, financial focus and the need to achieve tasks and goals established to be accomplished
- Focus on driving results through structure, style, roles, benchmarks as it impacts organizational effectiveness
- Action to demonstrate what finally matters in the organization, the stakes involved and reward and punishment that follows post action
- Long Term destination treated as an end in itself and pursuit of the goals set as non-negotiable and that it should be accepted and achieved by all internal stakeholders.

Leadership Style Model 1 (LSM 1) as it impacts cultural formation in the organization and management model. An appropriate forced ranking instrument was used to test the sample to obtain respondent ranks.

1. The People Strategist

- Driven need to motivate and keep people in the right frame of mind to be productive and happy
- Focus on creating people oriented systems that enable a culture that brings individuals, teams and organizations together
- Action oriented to demonstrate by action that concern for people enables organizations to perform above expectation
- Long Term orientation to delivering value through people development, individualized tasks, creating an environment that is self exhilarating

2. The Teacher

- Driven by the need to make people, processes and systems learn from one another, interact to make a meaningful whole and are constantly seeking holistic behavior from organizational systems
- Focus through clear policy perspectives and on delivering intellectual and performance value that sponsors native instincts, creative pursuits, feedback and review processes and encourages actions that facilitates results

- Action oriented towards developing people competencies, ensures organizational competitiveness is appropriately managed by right people and makes organizational goals subservient to competency development
- Long Term vision to build an organizational that can culturally sustain itself to renew, learn, contribute in varying life cycles and has adequate organizational energy to grow with momentum

3. The Builder

- Driven by encouraging things to be worked out, provides job clarity, coaches and rewards for performance
- Focus on building for the future through institutional processes, demanding systems that connect organizational functions and works through structures that are streamlined, regulated and planned
- Action oriented through appropriateness of actions driven by circumstance, enabling learning to be documented, creates knowledge sharing atmosphere, drives decisions through consensus and takes meaningful time to accomplish tasks
- Long Term desire to make lasting organizations that can stream through economic and business life cycles and does not have the pressure to retain performance under all circumstance

4. The Visionary

- Driven by sharing strategic goals, communicates, shares values, distinctive concern for individual sensitivity and demonstrated by examples

- Focus on collaboration, business models that are appropriate and accepted by people and goals that have been worked to individual and organizational advantage
- Action oriented to make people believe in the overall good, establishes concreteness to tasks to be accomplished
- Long Term priority to build organizational wealth, individual intellect, collective wisdom, sustainable business model and overall organizational effectiveness parameters.

Leadership Style Model 2 (LSM 2) as it impacts cultures formation in organization and management model. An appropriate forced ranking instrument was used to a small sample obtain respondent ranks.

1. The Manager

- Driven by institutionalizing policies that provide clarity to goals, tasks and manages a team through maintaining status quo through conflicting circumstance and taking decisions that involve retaining established norms and practices
- Focus on building loyalty through establishing people oriented systems that enable handling tasks that are individually focused
- Action oriented to enable easy and smooth management of the organization, streamlines administrative processes, establishes a string back office operations organization and manages customer oriented roles through follow procedure route.
- Long Term desire to make organizational working built on strong fundamentals of bureaucracy, frameworks and management styles.

2. The Scientist

- Driven by the urge to create, make actions intellectually dominant, treats developmental processes a predominant organizational factor and is willing to compromise for nothing other than intellectual superiority in actions
- Focus on attracting and nurturing talent, systems and processes that are of utility today and tomorrow, more tomorrow, and is willing to absorb the costs of human and organizational process costs as a necessary condition of managing the human mind
- Action oriented to demonstrate merit and results supercedes all other performance factors, does not believe in means as an important consideration while acting upon information and manages rewards as a necessary evil in people management processes
- Long Term desire to create a self propelling organization that has internal renewal capability to prod organizational performance, individual effectiveness and shareholder satisfaction

3. The Technocrat

- Driven by engineering sciences, that technology provides solutions to complex organizational problems and believes in logic and rationality as desired attitudes
- Focus on adding technical and functional values to business situations enables competency development that is vertical and incisive and promotes organizations to drive business through technological excellence
- Action through individualized working, avoiding teams and consequent inefficiencies, meets deadlines under all circumstance and seeks the best
- Long Term desire to make people processes subservient to technological processes and works towards eliminating elaborate actions that involve meetings, group work, communication forums and large scale explanation to actions

4. The Driver

- Driven by a performance system that overrides all other considerations and makes individual targets an important element achieving results
- Focus on priorities that are determined quickly, followed through decisively and ensures that different parts of the organization are focused on their own deliverables
- Action oriented to provide criteria for success and failures and ensures it is adequately communicated and holds accountability on streamlined systemic norms
- Long Term orientation to retain competitive advantage by providing profitability through consistent intervals and prefers revenue to growth

A scenario-based analysis was undertaken to study the influence of leadership on the culture of an organization. Each of the scenarios was presented to the research sample and their comments were noted. The scenarios were constructed to provide research material to, for example, a matrix on how do organizational models, culture and leadership integrate with one another. **The results were then converted into organizational case studies to demonstrate influence of leadership on the culture of an organization in the context of a specific organization and management model.**

Illustration

Figure 18: Sample Company Analysis as they Relate to Culture, Leadership and Organization Model

| ORGANIZATION | CULTURE | | | |
|----------------------------|-----------------------|---------------|-------------|----------|
| | Executive | Operator | Engineering | Evolving |
| Human Organization | The People Strategist | | | |
| Learning Organization | The Teacher | | The Teacher | |
| Institutional Organization | | The Builder | | |
| Competing Organization | | The Visionary | | |

Example: In organization X defined as a Human Organization, People Strategist is the preferred leadership style, which in turn influences an executive culture. Or in a Learning Organization, the Teacher is a preferred leadership style and influences both the Executive and Engineering culture. Those all-4 cultures tend to be possible in a Competing Organization that has a Visionary leadership.

Step 3

Based on the above objectives and scenarios pertaining to organizational culture, organizational and management models and leadership styles and HRM practices of the study the following 10 NULL HYPOTHESIS were framed:

1. Null hypotheses

1. There is no correlation between the leadership style of the CEO and the manifest culture of the organization.
2. The CEO has no role to play in the culture of the company
3. The three cultures, Operator, Engineering and Executive cultures, exist on a mutually exclusive basis in all the companies. i.e. No company will have one identifiable culture.
4. The CEO/leader do not directly influence the existence of any one/all of the three cultures in the company.
5. There is no correlation between the three cultures and the different functions (Marketing/Production/Finance/Personnel/Research/IT etc) of the company
6. There is no definite management style(s) of the top management (direct reports and company defined top management excluding the CEO) that influences the culture of the organization?
7. There is no difference in leadership style and that are available in the companies being studied.
8. Leadership does not influence and direct the culture of an organization through HRM practices/ processes like hiring, training, performance appraisal, compensation, rewards and communication
9. The CEO would not focus on monetary reward program for retention of high performers.
10. Top management time is not spent on managing employee retention activities.

2. Variables: The information pertaining to the following variables were included for study

- Age
- Education
- Functional Background (Marketing/Finance/HR/R&D/IT/Manufacturing/Others)
- Company Information (Finance/Employee Headcount/Others as appropriate)

Information related to the above variables were collected as was available for each of the sample cases.

Independent Variable: Leadership: That leadership independently influences the creation and institutionalization of culture in organizations. Leadership in turn performs the role of directing and influencing organizational performance. Leadership includes the CEO and all other top management employees who perform a role in managing people.

Dependent Variable: Culture: That Culture creation, institutionalization and transformation across inter/intra organizational networks is dependent on the leadership of the company.

| | Demographic Profile of Companies Studied | | |
|----------------------------------|--|----------------------|---------------------------|
| Listing of | Company Profile | CEO / Leader Profile | Top Management Profile |
| Select Companies Only | | | |
| | | | |
| Consulting /Services Firm | Global Multinational | Home Grown | Mostly Home Grown |
| A | Over 1000 Employees | 40 Years | Average Age - 42 |
| B | Multiple Functions | Multiple Functional | Multiple Functional Exp |
| C | 5 - 19 years Old | Post Graduate | Post Graduates |
| | | | |
| Education Company | Indian Institution | Home Grown | Lateral Hires |
| D | Over 500 - 2000 Empl | 42 Years | Average Age - 45 |
| E | Multiple Functions | Multiple Functional | Generalists & Specialists |
| F | 5 - 17 Years Old | Post Graduate | Graduates & Post Grads |
| G | | | |
| | | | |
| Financial Services | Global MNC/Indian MNC | Home /Lateral | Lateral Hires |
| H | Over 1500 - 3000 Empl | 45 - 55 Years | Average Age - 42 |

| | | | |
|-----------------------------|--------------------------------|----------------------------|--------------------------------------|
| I | Multiple Functions | Multiple Functional | Generalists & Specialists |
| J | 10 - 50 Years | Post Graduate | Graduates & Post Grads |
| | | | |
| Diversified Company | Indian MNC/Global MNC | Home/Lateral | Lateral Hires |
| K | Over 4000 - 10,000 Empl | 35 - 50 Years | Average Age - 40 |
| L | Multiple Functions | Multiple Functional | Generalists & Specialists |
| M | 15 - 70 Years | Post Graduate | Graduates & Post Grads |
| N | | | |
| | | | |
| Intellectual Company | Global MNC | Home/Lateral | Lateral Hires |
| O | Over 1500 - 2500 Empl | 36 Years | Average Age - 50 |
| P | Multiple Functions | Multiple Functional | Generalists & Specialists |
| Q | 10 - 25 Years | Post Graduate | Graduates & Post Grads |
| | | | |
| Technology Company | Global MNC/Indian MNC | Home/Lateral | Lateral Hires |
| R | Over 1000 Employees | 45 Years | Average Age - 35 |
| S | Multiple Functions | Multiple Functional | Generalists & Specialists |
| T | 5 - 20 Years | Post Graduate | Graduates & Post Grads |

Figure 19: Demographic profile of Companies, Leaders and Management Sample Studied through Primary and Secondary Research

Demographic Profile of Select Companies Studied (Sample Exhibited)

The above profile presentation provides a set of select companies of which CEO's/Top management interviews were conducted in regard to specific aspects of the research.

List of Select Companies

| | <i>Diversified Company</i> | <i>Intellectual Company</i> |
|------------------------------|----------------------------|-----------------------------|
| Listing of | Lalbhai Group | Pfizer |
| Select Companies Only | Amtrex Hitachi | IL O |
| | G E | Clinical Diagnostic |
| Consulting /Services | Coke | Cadila Pharma |
| Andersen | Cadbury | Quintiles |
| Renaissance | Reliance | DNV |
| KSA Technopak | Al Suwaidi | |
| 3 | Nestle | 6 |
| Education Company | Kotak Mahindra | Technology Company |
| Schoolnet India | Sundaram Group | Satyam |
| Yashada | Conagra | Talisma |
| Idika Education | Sintex Industries | Zenar |
| IIM M Pune | Castrol | Wipro |
| K IIT | M I C O | Vanguard technology |
| APN Group | IT C | Vismaya Tech |
| IIM Bangalore | Goodyear | Kale |
| J Digital Media | Pepsi | Bharati |
| 8 | Tata Group | A Telecom |
| Financial Services | Hero Honda | Phillips Software |
| Citibank/ | R P G Group | Aptech |
| Anagram Finance | Chanrai Group | TCS |
| Transamerica | Indus League | HCL |
| ICICI | Jindal | 13 |
| IDBI Bank | Land T | TOTAL 68 |
| BNP | Blow Plast | |
| Crisil | Whirlpool | |
| Bank America | Maruti | |
| Metlife | Unilever | |
| HDFC | | |
| 10 | 28 | Total - 68 Companies |

Figure 20: List of Select Sample Companies Studies

4. Instruments



Tools

- Survey Feedback and Process Observation and Interviews (Checklist Approach) were conducted as appropriate amongst CEO's, leaders and management. Where appropriate secondary verification, third party view were also obtained.
- Scenario Based Analysis and Forced Ranking Method was utilized to study comparisons between organizational culture, organization and management models and leadership styles. In this instrument the questionnaire was divided into 8 discrete parts. Parts A through to Part H, Part A being forced ranking on Alternate Cultures, Part B and C being forced ranking on alternate organization and management models, Part D and E being forced ranking on alternate leadership styles. Part F focused on forced ranking the organization and management models together, Part G had a 2 point scale, Agree/Disagree, on proving the 10 null hypothesis. Part H had 16 Scenarios defined and the respondents were asked to again, Agree/Disagree (2-point scale) with each of the scenarios.
- Case Study/Illustration Approach was utilized extensively to study CEO/Leaders and Top Management responses.
- Significant literature survey, secondary research on to compare work done in the independent areas of culture, leadership and organizational and management models and specific work, if any, connecting all three aspects together in the context of organizations.
- Content analysis of all data generated through scenario mapping, interviews, survey feedback and process observation and relevant secondary research to design specific case studies.

Procedures

- All of the above was conducted keeping in perspective CEO/Leader time availability to respond to detailed instrument or interviews and appropriate secondary research was conducted to corroborate personal findings
- Several CEO/Leaders/management personnel were administered small sets of scenarios, surveys and personal interviews to support each company findings. (For example retired and resigned top management personnel were also met with to support organizational findings).
- To facilitate adequate content research specific quotes and responses were also obtained on various aspects of the study.
- To demonstrate validity of the case lets written as a part of this research, select published material was utilized to demonstrate easy understanding of the concepts attempting to be established by the researcher.

Thank you, For your kind reading,

Please proceed to Volume 2

Ganesh Shermon