IMPACT OF DECENTRALIZATION OF AUTHORITY ON THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND ORGANIZATIONAL PERFORMANCE

A thesis submitted in partial fulfillment of the requirements for the award of the degree of DOCTOR OF PHILOSOPHY

By

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1.1. Introduction to the topic:

The concept of the decentralization of authority had become controversial for many years in developed and developing countries. India, considered as the largest democracy in the world, has had a long history implementing the concept of decentralization. Power concentration vs. power diffusion and bureaucracy vs. democracy are the emerging trends in the present context. The term decentralization is rationale in terms of operations across different countries. As a result the concept of decentralization had become very broad. Most reputed Multi National Corporations (MNCs) Apple, Google, Microsoft and General Electric are famous for their strong organizational culture identifiable through their core values and norms. At present the organizational culture defines the pathways to build a successful organization [1].

Administrative Decentralization was analyzed in a work carried out in the year 2010 named as “The Social Development Note” on countries such as Uganda, India, Philippines and Rwanda. The study revealed that the nations are not having robust mechanism to handle their staff accountable. The term ‘decentralization’ itself indicates that it is not centralized. Here the decision making, powers and responsibilities are dissolved to the other level of management to plan and perform their tasks. The concept of the decentralization of authority is seen in all industrial sectors [2].

There is also a study to evaluate the discretion in public spending and concluded that countries which are having fiscal decentralization are able to successfully implement it and achieve the objective as per The Social Development Note (2010, p. 7–8). By implementation of decentralization, OECD countries experienced tremendous growth in introduction by way of economic reforms. Countries such as Italy, Greece and Portugal attained fiscal independence by way of implementing decentralization. While evaluating the context of local administration in Philippine where 113 governance units and 1501 municipalities and found that there is a lack of local administration and decentralization. The relation between the service delivery and participatory budget also demonstrated [3].

Research shows that the culture of a national defines it importance in international operations [4][5]. Some of the studies concluded that the advantages, hurdles, differences,
and new improvements of advanced theories and encourage additional research in the area of culture. While implementation of operation management practices, it is always advisable to develop a better consensus between organizational and national culture [6].

In the current scenario, governments are directed to decentralize few operations, in view of rise of capitalism across the globe [7].

The concept of Decentralization is being adopted by developed and developing countries around the world; thus, this policy has been defined as one of the key areas of research and thorough analysis being done [8].

The U.S., had a balance in power distance norms, it neither favors participatory nor autocratic decision-making. Countries such as Sweden are having lower power distance which means the existence of consensual decision making. Kras stated that in Mexico, the hierarchical system is in force, where there is no delegation and subordinates are expected to follow the instructions unconditionally. There is a much requirement to embrace for the changes and need to revisit the existing practices or systems in place for better decentralization in case of countries which are having high power distance [9].

Neghandi and Reimann carried out the influence of decentralization on 30 manufacturing entities in India and discovered that entities which are decentralized are functioning more effectively than that of centralized entities [10].

The process of decentralization in small states evolves as a separate set of questions very different from the ones that come up in large size states. Since, India is a country of socio-political in origin; the power is distributed to several other sub-units. The main fundamental component of decentralization of authority is power sharing. The notion of decentralization and good governance are prominent in contemporary development discourse [11].

India, considered as the largest democracy in the world, has had a significant history in the implementation of decentralization. India has reached a landmark in the progress towards democratic decentralization in 1992 when parliament passed a Constitution (73rd Amendment) Act. To achieve the goal of development, the decentralization of power to
the local bodies is necessary which generates the local citizens’ involvement and help in 
the implementation of rural development programmes. Indeed, decentralization and good 
governance have been the sine quo non for development in the emerging countries such 
as India [12].

Decentralization enables to have a sustainable development in local areas and this can be 
achieved by way of having fiscal autonomy as in the case of Jordan [13].

As quoted by Edgar schen a critical aspect which leaders need to do is create and 
manage a culture, He also mentioned that if leaders are unable to define or built a proper 
culture this may adversely affect the organization and they might not be even aware of 
the situation [14].

According to World Bank in 1994, 63 of the world’s 75 developing countries having 
population of around 5 million are actively engaged in empowering their local 
governments [15].

The contingency theory of organizations states that a stable environment is prerequisite 
for an authority to have centralized structure. Where as in case of dynamic environments 
it is always suggestible to have decentralized structure of authority. The application of 
contingency theory was tested in the developing countries [16].

The observations of the Webster in 1992 proved that the decentralization of authority 
leads to the increased participation of all the people. As a result it increases the 
empowerment among them [17].

The evolution of decentralization of authority is historically into natural zones depends 
upon socio- cultural factors, such as ethnicity and language. India being a country of 
Unity in Diversity had a wide variety of social, cultural and economic diversities [18].

In a study carried out Banks incorporated in India by Mr. D.N-. Elhance and 
A.D.Agarwal to understand the delegation of authority. In addition to the above, another 
analysis was carried out by Mr. F.U Kumar, Venekataraman and B.Balmohan and their 
area of study is on dynamics of delegation in selected Public Sector enterprises in
comparison with private sector. The simple thing is that one has the authority to delegate [19].

An organization to strive for a goal must be empowered with the authority to strive to achieve it. The concept of authority needs to have a superior and subordinate relationship. The constitution and organizational structure is the authority which empowers the superior to exercise control over the subordinate [20].

Follett says that decision making empowerment is called Authority and it vests with the Job [21]. Fayol quotes Official authority will results in giving orders and empowering to mandate obedience. There should be a clear distinction between the official authority deriving from the post and personal authority which is a composition of intelligence, morale and this will be major attributable to complement the official authority [22]. Peter F.Drucker had emphasized the need for clarity in the authority channel in the organization [23]. The organizational authority is to be defined properly by considering the structure, employees and their functions. Based on the work culture, the reporting authority will feel safe as the prevalent culture can address the challenges of formal and informal communication. Thus, Peter F Drucker advises on the formal specification for organization in these lines. Organization structure should address minimum requirements with respect to vision, insight of an individual of his own task and complete perspective about the organization and they needs to be aware of the decision making, permanence and flexibility, and continuation [24].

The bureaucracy in India still practices the colonial culture of maintaining secrecy, distance, and mystification. At present there is an urge from every citizen regarding public scrutiny of acts and decisions taken and ensuring that they are in consistent with the principles of public interest, probity, and justice and also mandates for transparency and adjudging the responsible person in administration [25].

The bureaucratic system can be characterized by control, standardization and establishing the hierarchy from highest to lowest, and effective resource utilization can be done by the retains the central control [26].
Decentralization can be described as empowerment of that level of government with decision making rather than awaiting for instructions from the top. Administrative decentralization is empowerment of lower body to exercise its functions effectively, and this can be reclaimed by the central authority as and when the requirement is fulfilled [27].

The effective implementation of decentralization can be measured; where the local offices are empowered to make decisions and the higher decision making body is meant for guidance [28].

Countries such as Spain or Portugal are more centralized, when compared to former Soviet states where the process of decentralization is limited. Economic development results in greater expenditure decentralization, when compared to the revenue decentralization which is minimal. In developed countries most of the states are decentralized because of the Federalism is prevalent. Ethno linguistic divisions did not correlate with decentralization [29]. Usually in product life cycle, also the concept of decentralization plays a predominant role at the initial phase and final phase. Whereas the Centralization process will enjoy the benefits in intermediate phase. Thus, organizational change also appears to be a natural part of the life cycle as well as a response to economic shocks [30]. The product market competition of the firm leads to the decentralization [31].

In early stages, economic growth is considered as the criteria for development and measurement, because growth itself was not considered the only parameter to measure the development, but it was presumed that this will accelerate the extension of benefits to "trickle down" to the poor, or that corrective governmental action would be taken to redistribute them, or that inequality and poverty are essential for growth [32].

Based on a survey conducted by World Development Bank in 1991, they concluded that Technological progress will define the productivity of a nation and this is also significantly influenced by culture, policies and education. They also emphasized that productivity is directly linked with the investments in human capital and continuous improvement of economic environment when the economic situation is distorted [33].
The said report also describes, "The objective of development is to improve quality of life. Also the development not only focuses on the higher incomes but it needs to be evaluated in a broader sense. It contains aiming at less poverty, Education for all, Health and nutrition supplement to all and having a rich cultural life with greater individual freedom. Any measure of economic progress should go beyond the element of per capita income to eliminate inequality, and continuous progress of health, education, to eradicate the malnutrition and ensure development of people residing below poverty line and their standard of living [34].

Obstacles to participation range from institutional to socio cultural, from technical to logistical etc. Secondly, cultural constraints are often a major factor. The concept of well-being is interpreted in a wide sense so as to include freedom cultural life and environment also [35].

Decentralized planning is necessary to meet the challenge of growth with social justice, to discover dormant resources, to identify the obstacles to growth etc. Planner must understand the social and cultural history of the region. Decentralized planning will strengthen the national planning. This finally results in the performance of the country or organization [36].

Involving the subordinates in the decision making can be construed as the process of participation [37].

As far as industrial sector is concerned "Performance in the Sixth Five Year Plan fell short of the fixed targets' in respect of basic industries like steel, fertilizers and cement and also in industries like textiles. The overall industrial growth rate was also below the target and it was also fluctuating from year to year" [38].

According to M. L. Dantwala, "Decentralized planning can give institutional support to strengthen asset and skill base of the indigent and prevent the "$\text{trickle up in the special programmes for the weaker section and improve their performance}$" [39].

Planning has to aim at full employment utilizations of resources human and material, provide basic minimum needs such as food, drinking water, health, housing, education
and cultural activities. The involvement may increase higher mobilization of local resources [40].

The whole decentralized planning rests not only on technical grounds but also on the involvement and participation of the people. What is meant by grass root planning is that it is not only technically more efficient but also operationally more efficient because of the psychology it creates of a movement for development and social and economic change [41].

Research reveals that based on the organizational complexity, the extent of participation in decision making and allocation of resource can be done. Research on human service organization also established that unified structures and local control can nurture the coordination at various levels and in specified areas within the system and in program areas within the system [42].

Making individuals and groups as a part of governing body will result in accountability of government and considered as effective means of Decentralization [43].

The transformation of a society can be measured by analyzing the involvement of economically weaker sections in the decision making. To attain this there should be structural and cultural transformation of society [44].

The participation of major population indicates that all are being given equal opportunity and it is focused on all round of development in terms of humanitarian, socio economic conditions of the community [45].

According to Sen the standard of living of a society should not be judged by GNP per capita and the supply of particular goods, but by people’s capabilities. That is, what a person can or cannot do, or can or cannot be. The expansion of these capabilities implies freedom of choices political, social, economic and cultural freedom [46].

The process of decentralization was introduced to attain the Good governance by engaging administrative units at all stages of authority in the fields of finance, political and administrative[47].
Decentralization was first introduced in United States where political power was decentralized in federal states as mentioned by Alexis. However, this was later expanded in to various other fields in his study “outlooks of centralization and decentralization” by Mr.Wilhelm Ropke and he concluded that they are expanded in all forms of administration, economy, industrial organization including politics [48].

For a Non family manger to increase the performance of the organization he needs to ensure that the authority decentralization and delegation of decision making power is a part of the professionalization concept [49].

Basically, to enhance the efficiency of the schools, the school managers should be empowered to determine the means to evaluate the students, determine curriculum, and define the educational and behavioral plans [50].

1.2. Definitions:

In the words of Mr. Bray, Decentralization can be termed as a process where organization resources are utilized by the subordinate levels under the guidance of top management [51].

Decentralization serves administration on one hand and on other it has a civic dimension, this helps to encourage the public to be part of public affairs and enable them to seek freedom and on accumulation of all these things, even though it may have counterweight the will of the central government, but this will ensure that the objective is achieved as written by A. De Tocqueville (1805-1859) in “A History of Decentralization”, World Bank (2003) [52].

Mr P.G.Luther observed ‘Managements of State enterprises should be immunized from Bureaucratic infusion” [53].

Mr Luther states “Erosion of autonomy will result in the elimination of authority and debilitation of management” [54]

US Agency for International Development (2000) has defined decentralization as empowering the local authority to utilize resources both the financial and economic to
efficient discharge of administrative responsibilities' [55].

IN the terms of Jean-Paul Faguet (2003) decentralization is existed where the central government is willing to decentralize and empower the local governments to execute the administrative, political and economic activities independently within their functional and geographical purview [56].

Perhaps the best general definition of decentralization is by Rondinelli and Cheema (1983). They define decentralization as makeshift of power from the union government to state government in terms of Policy making, execution of the same and further to local administrative offices [57].

Decentralization empowers the villages to be more self-reliant and enabling them to have efficient use of modern resources of their country and without foregoing their cultural traditions [58].

Decentralization means enabling the transfer and delegation of authority in terms of power, resources from a higher authority to low level authority. Decentralization of authority may be defined as a process where the organization being segregated in to several independent power units who are responsible for results and their structure is determined by the central organization by taking in to consideration the facts [59].

1.3. Impact of decentralization on the relationship between the culture and performance:

After Industrial revolution, there is huge technological invention in all facets of life, there is a significant change in the technological environment, our economy, and it also has a deep impact on our culture, consciousness and behavior [60].

Administrative performance is now linked to sustainable development, accountability, and transparency with which economic growth being achieved. Decentralized governance is a process of development, which performs better in a certain culture, it has also been argued that any singer element of democracy is not sufficient to ensure local governments' responsiveness to peoples’ needs and wants [61].
The process of decentralization of authority mainly dissolves knowledge; develop values and skills, which are useful for the socio-cultural and economic development of India [62].

The Department of General Education in Thailand who is most accounted for the secondary school administration, has given the priority to the internal supervision. This is done through the administrational efficacy and the educational supervision are to be improved; through focusing on administration reformation; through decentralizing authorities to the operating units for their competent execution [63].

The role of corporate or business headquarters are having a paradigm shift a traditional form of effective controller to that of monitoring, as most of the organizational are being incorporated as autonomous units with bottom line target through decentralization and organizational integration [64].

The effectiveness of the political leadership can be defined based on the terms in which local panchayat, and rural power structure is defined at the bottom [65].

The process of decentralization of authority because of caste, color, religion etc. will create a culture of genuine democracy and political participation. The modern constitution could not afford to be oblivious of 'our great Indian culture'; the values of which were thought to be the exclusive preserves of the 'immutable' [66].

Community development may be defined as the process where the efforts by the governments are aligned with the people efforts to achieve better cultural, socio and economic conditions and integrate them with the central government for consistent country progress [67].

The concept of centralized decision will not have major impact on achieving the target, due to diversified linguistic, ethnic and cultural lines are to be addressed. The concept of well-being is interpreted in a wide sense so as to include freedom cultural life and environment also. Participation can be viewed as a process. As a process it is evolutionary in nature. Adjustment takes place slowly and depends upon social, cultural and historical aspects of the community [68].
Penning’s reported that centralized structures are less effective when compared to organizations having participative, decentralization, and autonomy [69].

1.4. Evolution of decentralization of authority:

Socio-political philosophy of the country historically into natural zones based on a variety of socio-cultural factors, such as ethnicity and language that is of crucial importance in creating decentralized units. Community participation is an enormous challenge considering its social, economic and cultural diversity. Based on its eco system there is an inherent demand for decentralization in India based on existence of several states having unique demands according to the personal preferences of the residents themselves, due to cultural differences or other sources of heterogeneous across states [70].

In the recent past, there is a remarkable revival of interest in decentralized government in both Developed and Third world countries around the globe. In midst of collapse of the welfare states in Europe, there is a complete shift in ideology of governance, democracy and development that came to dominate much social science [71].

Indian constitution is mainly built on the basis of continuity and harmony and its ideology of extending the idea of federalism to address the requirements of the nation which are large and extremely diverse on the basis of economic, cultural, social and linguistic society [72].

India has modified the adoption of decentralization time to time i.e., from delegation to decentralization and ultimately to devolution. The constitution considered the decentralization as fundamental element. According to the constitution, Governments also carried the policy framework to have subsidiary governance and to enhance the efficient governance, and reduce poverty in the country [73].

Decentralization is a more difficult way of life, in the beginning stage. The reason is that there should be a change in behaviors against the culture patterns of mankind, which are rooted in history [74].
In the 73rd Constitutional Amendment, the rural man started to give up the depending culture and focused on self-reliant policy [75].

Gandhi’s vision of Grama Swaraj, constructed on the image of Panchayat resembling the socio-economic conditions prevalent in India. Its ideology is based on the participatory democracy, where self-rule and self-government shall be given emphasis by empowering the local government [76].

Gandhiji’s anticipated that material advancement and prosperity based on heavy industrialization and technology and mechanization will have adverse impact on the indigenous culture of the country. The concept of decentralization has several economic overtones. It will address the ills of the society such as hunger, poverty and exploitation of the weaker sections. Development of infrastructure facilities and effective utilization of natural resources at the local level will result in job creation and encourage economic activities, which in turn drives the rural development and achieve national growth [77].

Gandhiji’s insistence on non-violence, moralization of every aspect of human life, insistence on freedom, equality, repudiation of state authority over the individual, swaraj, critique of technology, industrialization and machinery, Swadeshi and Khadi are the central theme of his economic ideas and reflect the central idea of decentralization. Gandhiji’s economic ideas provide a practical formula to eradicate the problems of poverty, hunger, exploitation and unemployment to a great extent. The remedy for the economic ills lies in decentralization at various levels. Decentralization, in the economic sphere aims to create an unexploited and egalitarian society with emphasis on village and cottage industries so as to strengthen the rural and village life. With the beginning of British rule, the changes started occurring in cultural, socio-political and economic profiles of Indian villages. The British's highly centralized system of administration had deeply affected the village institutions including the Panchayat Gram Sabah are meant to continue and safeguard the local customs and cultural identity. Democratic decentralization is a part of India’s hoary cultural heritage. It is the legacy of Mahatma Gandhi [78].

In the western countries which are developed, empowered the provincial governments to
incur significant of amount towards education, law, and order. With this kind of robust mechanisms and internal practices, they ensured to exercise dominance over the Third World today. Third world countries are paying a key attention towards the mechanism developed and adopted by the forward countries [79].
2. Industry profile

2.1 Introduction

This basically provides an insight on the tremendous growth achieved by India in the field of Information Technology. In the early stages this sector was operated under highly regulated environment, where entities are owned by the Government [80].

Information Technology Sector can be classified in to two major segments: IT application services and Business / Knowledge Process Outsourcing (BPO / KPO). The contribution from Information Technology raised to 7.7% (2017) when compared to 1.2% (1998). Out of the total exports, United States of America accounts for two-thirds. It was estimated that by the year 2025 the total revenue shall be US$350 billion and the share of Digital services is estimated at 38 per cent. NASSCOM estimate that there will be a growth of 12% - 14% during 2016-17 and will be one of the two major contributors for Exports. There is a significant growth in outsourcing services and the trend appears to continue when compared to the IT-BPM industry. The total estimated revenue for the year 2018-19 stood at US$ 181 billion. It was estimated that US $ 90 Billion shall be spent on information technology in India [81].

Bangalore is IT capital of India. It is home for renowned Indian IT companies such as Infosys, WIPRO and Mindtree and termed as Silicon Valley of India [82].

India is the leading service provider for the IT and ITES across the world and also the rapidly increasing its contribution to the Country in terms of revenue and employment. It caters the requirements of USA, Canada and APAC zone. Several initiatives were taken by the Government on a continuous basis for decades resulting in the increased contribution of revenue and one such program termed as “Digital India” project initiated by Prime Minister of India Shri. N.Modi, and the key focus on the providing IT Services and engage in manufacturing of IT products. In addition to Bangalore, India is also developed centers in Hyderabad, Chennai, Mumbai and emphasis being laid on conversion of Tier II cities such as Visakhapatnam, Trivandrum, Bhubaneshwar, Kochi,
Chandigarh, Mangalore, Lucknow, Coimbatore, and Vadodara to cater future requirements. [83].

2.2 IT Industry growth in India [84]

India’s contribution to the sector of IT / ITES is enormous and today it is a global powerhouse, and its contribution to India is immense. It also encouraged attracting Foreign Direct Investments into the country and source of employment generation major contributor for country’s growth prospects. The last decade witnessed a tremendous increase in contribution to GDP to fivefold i.e., 7.9% in FY17-18. Indian IT companies now enter in to new gamut of opportunities by way emerging technologies as they had demonstrated their capabilities while serving and meeting the requirements of both on-shore and off-shore services to MNCs. The low employee cost turnover to be the unique selling point for the country and resulting in country’s competitiveness in securing International and Domestic contracts.

Indian leadership continues in the fields of Global outsourcing and IT – BPM industry growth. In terms of overall market for IT and ITES Services, it was estimated that it will be a US $ 1.3 Trillion (Excluding Hardware) and with a increase of 1.4 times the Global sourcing market will stand at US $ 185-190 Billion. The share of India continued to be 55% and Indian IT – ITES are also expanding the horizon of operations across the globe by setting up delivery centers across the world.

2.1.2 Performance of IT and ITES industry

Revenue

As shown in below table 1, it clearly explains about revenue of IT/ITES, it recorded growth rate around 7% compared FY 2016-17. These results estimated from below survey and identified those 151.0 billion US dollars in FY 2017-2018. The following table depicts the overall industry’s growth for past five years.

Source: NASSCOM SR-2018, E: Estimate, Table 1.
## Exports

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<td>Exports</td>
<td>87.3</td>
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<td>Total</td>
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<td>129.5</td>
<td>141.0</td>
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### Exports

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<tbody>
<tr>
<td>IT Service</td>
<td>49.2</td>
<td>55.3</td>
<td>61.0</td>
<td>66.0</td>
<td>69.3</td>
<td>10.07</td>
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<td>ITeS-BPO</td>
<td>20.4</td>
<td>22.5</td>
<td>24.4</td>
<td>26.0</td>
<td>28.4</td>
<td>9.19</td>
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<tr>
<td>Software Products, Engineering Services, R&amp;D</td>
<td>17.7</td>
<td>20.0</td>
<td>22.4</td>
<td>25.0</td>
<td>28.3</td>
<td>13.09</td>
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<tr>
<td>Total IT-ITeS</td>
<td>87.3</td>
<td>97.8</td>
<td>107.8</td>
<td>117.0</td>
<td>126.0</td>
<td>10.32</td>
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**Source:** NASSCOM SR-2018, E: Estimate, Table 2

Based on the NASSCOM reports the growth pattern of IT / ITES exports of US $ 126 Billion is as follows for FY 2017-18 (E)

- IT Service with a CAGR of 10.07% will earn US $ 69.3 Billion
- ITES – BPO with a CAGR of 9.19% will earn US $ 28.4 Billion
- Software Products with a CAGR of 13.9% will earn US $ 28.3 Billion
Domestic Market

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<td>IT Service</td>
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<td>100500</td>
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<td>ITeS-BPO</td>
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<td>Software Products</td>
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<tr>
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<tr>
<td>Total IT-ITeS</td>
<td>114784.2</td>
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<td>140833</td>
<td>160800</td>
<td>173800</td>
<td>10.75</td>
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**Source:** NASSCOM SR-2018, E: Estimated, Table 3

Based on the NASSCOM reports the growth pattern of IT / ITES in Domestic arena is ₹ 1.73 Lakh Crores follows for FY 2017-18 (E)

- IT services in FY 17-18 will reach ₹ 1.13 Lakh Crores.
- ITES in FY 17-18 will reach ₹ 0.26 Lakh Crores.
- Software Products & Engineering R&D in FY 17-18 will reach ₹ 0.33 Lakh Crores

In view of the growing industrialization and services sectors, the share of domestic markets have been on a significant increasing trend, however the major share is earned through exports only. It was estimated that India’s Domestic IT requirements will raise to US $ 41 Billion by FY 18-19. The process of digitalization is expected to be the driving factor or catalyst for further growth.
Export Destinations

Demographically it can be seen that more than 90% of revenue for IT & ITES are generated through USA, UK and EU union. However, in view of the recent developments there is going to be a new challenge which may surface in these countries. Therefore, the new areas explored such as continental Europe, Japan and Africa to maintain the continuous growth trends for the upcoming years.

Employment

The personnel employed are diverse in terms of Nationality, Economic and regional backgrounds. There is a potential growth in terms of addition in head count, and 1,05,000 employees were recruited during 2017-18 resulting in the total workforce of 3.96 million and the trend is also showing a YOY increase at 4% which is a commendable accomplishment for the sector.

The total workforce deployed by the IT sector stands at 3.968 Million and the constituents are as follows

- IT Services & Exports engages 1.984 Million employees
- BPO Exports engages 1.191 Million employees
- Domestic market engages 0.793 Million employees

IT & ITES is one of the largest employers which not only results in directly employment but as also a major contributor for employment in unorganized sector by way of transportation, hospitality and security services and real estate. The following table depicts the trends of employment in comparison with last 5 years for reference.
Electronic and Computer Software Export Promotion Council (ESC)

ESC is one of the representative bodies which showcases the capabilities of Indian Electronics and IT Sector. This council represents the Indian capabilities at various stages such as International trading arena, business councils across the world. Under the aegis of the Council, India is able to expand its footprint across 200 countries and able to maintain its leadership in terms of quality and competitiveness. ESC also plays a vital role in ensuring that India, is meeting the ever changing dynamics of IT Industry.

National Association of Software and Services Companies (NASSCOM)

NASSCOM is the foremost trade association established in the year 1998 for the Tech industry in India. This association comprises of 2800 members across the Indian companies and MNCs that have presence in India. Members of this association contribute more than 95% of the industry revenue and employ more than 3.5 Million professionals. Based on this platform, strategies were defined, and industry leaders joined together to express their view for taking Indian IT Industry to the next level by designing both short

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</tr>
</thead>
<tbody>
<tr>
<td>IT Services &amp; Exports</td>
<td>1.6</td>
<td>1.74</td>
<td>1.846</td>
<td>1.921</td>
<td>1.984</td>
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<tr>
<td>BPO Exports</td>
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<td>1.03</td>
<td>1.086</td>
<td>1.152</td>
<td>1.191</td>
</tr>
<tr>
<td>Domestic Market</td>
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<td>0.745</td>
<td>0.758</td>
<td>0.790</td>
<td>0.793</td>
</tr>
<tr>
<td>Net Addition</td>
<td>0.301</td>
<td>0.218</td>
<td>0.203</td>
<td>0.173</td>
<td>0.105</td>
</tr>
</tbody>
</table>

Source: NASSCOM SR-2018, E: Estimated, Table 4
term and long term vision. Apart from the traditional IT Industry NASSCOM had also taken initiative to harness the startup culture by way of setting 10,000 start-ups initiative by NASSCOM, and conversion of them to stable and progressive companies over the decade.

NASSCOM played a significant role in Indian IT Industry, it also founded several institutions such as Data Security Council of India (DSCI) that emphases on data and cyber security; It not only contributes to the IT fraternity but also to the nation building by setting up its independent arm for carrying out CSR activities and partnering with National Institute of Smart Governance (NISG) – to enhance the IT capabilities for e-governance; IT-ITeS Sector Skill Council under the NSDC initiative to focus on skill building.

The expected IT growth is at CAGR 41%, and considers being a brand to reckon with in the international market. It was estimated that revenue of $400 billion is expected to be generated by the year 2020. According to NASSCOM, the domestic market is expected to grow at a considerable rate of 10% resulting in employment opportunities of 150,000 jobs approximately in FY2018

2.1.2. Software Technology Parks of India (STPI)

STPIs were setup under the MEITY. The core objective is to promotion of Software exports. As a part of its initiative, 57 STPI operational centers/ Sub-centers throughout the country were incorporated, and approx. 90% of such parks were incorporated in other than metro cities and in the FY 2016-17. During the FY 16-17, it was estimated that STPI accounts to 50% of total exports at ₹ 350679.7 crore.

With an increase of 7.2% the total exports made by STPI stood at 3,75,988 Crores when compared to Rs. 3,50,679 Crore in 2016-17.

The segregation of exports during the year 2017-18 is as follows:

a) Rs. 3,42,129.49 Crores from Units availing services under STPI scheme (under FTDR Act 1992)
b) Rs. 33,858.22 Crores from Units availing Softex attestation services.

2.2. Decentralization of authority in IT sector:

According to Schein’s model of organizational culture, the researchers concluded that balance between value and customer orientation is important, as emotional connection with the customer results in customer retention and continuous business relation with the organization [85].

The decentralization can be implemented in the service sector; this enables to improve the efficiency and productivity [86].

The use of Decentralization and achieving its objective by effective utilization of IT in an organization either directly or indirectly results in higher financial performance [87].

Due to decentralization, employees will be empowered to execute the things in case of unpredictable environments without any further delays in anticipation of approval from hierarchy [88]. Therefore, Organizations whose business runs in a stable environment may opt for standardized operating procedures with predefined hierarchy, whereas organizations having dynamic scenarios should opt for decentralization to meet the ever changing business requirements [89]. In view of ever changing dynamic scenario it is advisable to have [90], a decentralized decision structure will play a significant role. Galbraith [91] emphasized that while executing uncertain tasks the requirement of information will be more and establishment of information systems will enable the teams to take informed decisions. Therefore, IT can enhance the decision making abilities in a decentralized structure by reducing informal mode of communication [92].

Gurbaxani and Whang adopted a comparable set of dichotomous arguments. They emphasized that the influence of IT on decision making also assessment regarding the costs associated and agency theory. They stated that the Centralized processing costs can be reduced by having a strong and reliable IT structure, also the agency costs to be incurred in decentralized decision-making [93]. However, while adopting the centralized decision making process, due to the large volumes of data flowing from all directions to the hierarchy. In contrast, Enhanced IT abilities will result in loads of information and
this will burden the centralized decision nodes to handle the information and process the relevant information to upwards in a hierarchical structure. This can be understood that based on the changing environmental settings, it is always advisable to have decentralized decision structure for effective decision making [94].

Decentralization facilitates to execute activities in parallel rather than in a sequential manner which enables the organization to capitalize on enhanced decision-making process [95]. Innovative means of clubbing the communication with authority to take decisions will increase the organizational performance [96]. According to Aiken and Hage’s the actual participation can be measured based on the decentralization of authority with reference to organizational hierarchy [97].

A decentralized structure will attract more user involvement while defining the information systems of an organization [98]. Based on the organizational culture and hierarchical structures, companies which are having lower power distance will naturally inclined towards decentralization and consensual decision making, on the other hand centralized power is preferred in case of high power distance cultures [99].

A study carried out on multinational corporations (MNCs) had revealed that emphasis being laid to move towards horizontal communication which facilitates the development of networks of personal relationship [100]. Under such decentralized structure, horizontal communication is regarded as one of the integrative mechanisms that keep the organization from dissolving into anarchy [101].

However, few studies revealed that higher degree of decentralization results in intensified and horizontal communication resulting in distorted communication and which may result in adverse results than what it is intended communication flow [102].

Sodergren states, the most lucid way of implementing decentralization process is to have formal restructuring of the organization and creation of small power houses which are autonomous resulting in reduction of hierarchy and bureaucracy [103]. The concept of empowerment being followed mainly in the developed nations like USA, UK. However, in most of the countries empowerment is seen as threatening and negative for top
management. The success of decentralization basically depends upon the culture of the organization [104].

The benefits of decentralization were reaped by the Finnish multinational Kone Elevators by establishing two resource centers to channelize the flow of information between subsidiaries as desired by the top management [105].

In Organizations with high customer turnover, Decentralization will empower the branch manager with decision making ability rather than going by specified set of rules in order to nourish the long term relationship with customer and developing a strong customer base [106].

An employee association with the organization can be defined based on the Organizational culture. Organizational culture tends to drive the employee attention, resulting in the success story of the entity. This is clearly evident in the IT Sector. [107,108 & 109].

Organizational culture will play a significant factor on the behaviors of workforce and performance of the entire organization. Thus Organization culture plays an important role while designing and implementing Information Security Management or ISM practices. Based on two studies carried out [110] it was observed that organizations with a coherent culture, where employees are following a code of ethics, in such organizations the implementation of ISM policies are hassle free [111]. The factors which influence the behavioral compliances can be tested by using protection motivation theory (PMT) and the theory of planned behavior (TPB) [112], and it yielded a positive results in terms of compliance of the ISM policy by employees [113]. The organization culture should be embedded with the ISM policy to reap the benefits of self regulated mechanism over ISM policies and protection of Data and Assets of the company. According to [114], organizations must enhance and ensure the information security behaviors of employees. Such motivated behaviors will result in balance ISC which have a direct bearing on the organization. Through a questionnaire survey [115], an instrument was designed to evaluate the effectiveness of ISC. This covers the aspects of ISC, including ISM, communication, governance, accountability and skill development. As per study carried
out [116], it was observed that study of culture will lead the way in obtaining conclusions on behavioral information security research. Therefore the need for this study arises and in summary it may be concluded that there is a requirement to demonstrate the relationship between the ISC and Organizational culture and the framework that needs to be defined by the ISC practitioners for better practices [117].

The philosophy of Decentralization is the theme adopted by the management of General Motors [118].

Innovative ideas can be nourished and furtherance of IT business is mainly depended on the upgradation of its knowledge resources and this can be achieved by way of autonomy in decision-making in IT and decentralization [119].

2.3. The advantages of decentralization:

1) To Ease Burden on Top Management:

On adoption of centralization methodology, the responsibility will be on the shoulders of the Executive team and its immediate subordinates. This will put the executive in an embarrassing position, because he is over-burdened with each and every aspect of management and, therefore, will hardly find any time to think over and plan ahead, for organizational problems, co-ordination and business controls [120].

Proliferation of personal staff by the executives is an indication that he is tired of his job and would like to get assistance from his colleagues to complete part of his workload. When this has been practiced very often, there will be a general discontent among his assistants, since they are to do the work without having any authority [121].

Centralized executive also forms committee to get rid of his work-load. Through this method, he brings together experienced managers who are well qualified to take approximate decisions. This is how the executive tries to lessen the burden of his work by introducing systematic decentralization [122].
(2) To Facilitate Diversification:

Diversification of products or marketing is possible when divisionalization is generally based on the principle of decentralization. Even without diversification, a company can grow very large either in sales or employees and can be managed by one man, provided problems presented to him are limited in respect to his capacity and are not complex and varied. This is possible again only when one line of business is prevailing [123].

But where a company deals in varied products such as chemicals, feeds and pharmaceuticals etc., one man’s control over all the different aspects of marketing these products will not be effective. So, in order to grow markets for these varied products, decentralization must be adapted to such point where skilled and experienced judgment can be brought fully to solve the major problems [124].

Thus we find that it is diversity, rather than size, which is mainly responsible for decentralization. This conclusion holds well in any type of company irrespective of its size [125].

(3) To Provide Market and Product Emphasis:

When a company is not in a position to satisfy its customers by supplying the products and fails very badly to face the competition, it is ascribed to the inefficiency of a highly centralized management. In a competitive market, customers expect salesman to offer them a new style, lower prices, qualitative goods etc. without bothering themselves with the difficulties of the top management [126].

Therefore, a customer can be given full satisfaction in respect of quality, delivery, novelty and prices of products he intends to purchase if different departments are formed with full responsibility and authority. This ends the process of centralization and given birth to decentralization [127].

(4) To Encourage Development of Managers:

If management is centralized, hardly one or two a chance to take decisions on vital matters. This method provides no opportunity to others either at the middle or lower level
management to develop their thinking power nor gives them a chance to show their ability, skill or efficiency in handling matters independently [128].

The development of managers is possible only by giving them a management job to do and delegating them with authority to make executive decisions. It is also found that decentralization gives managers to explore beyond the traditional way of decision making and try new methods and techniques and a chance to every individual to learn how to lead. Further, decentralization helps managers to develop their skill, because it spreads decision-making to more positions [129].

(5) To Improve Motivation:

It has been observed that organization structure can influence the motivation of people within the company. If the organization structure is based on sound principles, it also motivates managers to the highest productivity. Therefore, the organization structure expected for this purpose should be of small groups and should provide not only close interaction but mutual interdependence [130].

This means the large-scale decentralization results in creation of multiple result oriented groups. Where the organization is decentralized, leadership in this type of organization demands a high degree of participation, constant effort to communicate, and continuing personal interest in the welfare of the members of the company. Under decentralization scheme, the executive will be further motivated since he gets opportunity to work closely with his subordinates and is, therefore encouraged to guide them and also to appraise their performance [131].

As stated by Blanes I Vidal (2007) when the interest of the employees are aligned, empowering them with authority boosts the moral of the employees to take decision on a daily matters without disrupting the strategic decisions [132].

(i) Gives Relief to Higher Executive:

By delegating a part of their authority to subordinates, higher up executive will get some relief and he can concentrate his time on important matters. In fact, decentralization is a
means of expanding business activates [133].

(ii) Facilitates Managerial Development:

As delegation of a part of authority of higher executive to the subordinate, the subordinate will get experience in discharging his superior. This will make the juniors to learn work and become capable for promotion, by learning managerial work like planning, organizing, staffing and controlling [134].

(iii) Promotes Coordination:

Because of the decentralization, junior’s gets opportunities of promotion, because of their managerial capability acquired through delegation of authority by superiors. Naturally it smoothens personal relationship and promotes coordination among employees [135].

(iv) Boosts the Moral and Efficiency of Managers:

Because of decentralization the divisional managers performing the superior’s duty with greater care, this will enhance the performance of his department or division. The department’s achievements may be measured in terms of benefits to the enterprise from the divisions to recognize the efficiency of divisional manager and necessary award may be given to the division. This will generally boost the moral and efficiency of divisional managers [136].

(v) Infuses Greater Motivation:

By delegating greater decision making power on managers down the line, imitative is prompted and they are motivated to higher performance [137].

The end result of implementing decentralization can be quantified in terms of increasing administrative efficiency; and decentralization in decision making encourages the elected officials to contribute to the society and strengthens the support for political decentralization [138].

The foremost benefit of decentralization can be viewed when adopted to the political
scenarios, where it demonstrates stability and ensures local development and can be viewed as a means to poverty alleviation and ability to deliver services at people doorstep and it will enhances sustainable local growth and development by way of fiscal autonomy[139, 140 & 141].

2.4. Opportunities and challenges of decentralization:

In view of ongoing globalization on one hand the market acquires supremacy over a section of people or country that are more vulnerable, on the other hand decentralization can be seen as a safeguard measure which enables the people to acquire control over decisions that define the outcome for future generations [142].

There should be involvement of the local people who understands better the prevalent cultural practices and religious beliefs existing in the society which is quintessential while carrying out the decentralization [143 & 144].
3. Literature review:

3.1 Literature review on relationship between the culture and performance

Organizational culture is an essential factor which influences the performance of the entity [145 & 146]. Enhancement of performance can be considered as a yardstick to measure the employee commitment whereas values, objectives and norms will enhance the organizational culture. Dimensions of the culture influence the organizational performance. [147 & 148]. Usually the cultural elements and personality elements will have considerable amount of effect on the functioning of the organization [149]. Organizational culture will have impact on the following functions such as identity of the members, commitment, defining core values and influencing the behavior through a monitoring mechanism [150]. The study of organization culture on entity performance is done with several dimensions and typical Japanese firms will stand as typical example for this Knowledge management performs a mediating position in defining the organizational culture and its effectiveness [151]. Organizational knowledge will enable the company to produce new products and improve efficiency and enhance its effectiveness [152 & 153]. In several studies and various constructs, the correlation between the effects of organizational culture on organizational performance was done [154]. Success story of this culture can be observed from effective team structures of Japanese who effectively introduced it for maximum benefits [155].

Denison (1984) had carried out a research regarding long term financial performance and its correlation with that of culture and organizational performance. The research was done for a period of 5 years on 34 companies using various quantitative technique methods to evaluate the performance in terms of return on investment and sales [156].

Based on research carried out, it was also concluded that the concepts of operational excellence can be achieved with integration of organizational agility and organizational culture [157].

Culture plays a predominant role while determining the entrepreneurship values, creativity and adaptability and flexibility in which the organizational environment is
Organizational culture should be considered as a prerequisite before deployment of any excellence programs or to ensure their successful implementation [159]. Integration of an organizational culture and its human resources are the key elements to achieve excellence in terms of Process/Business and Operational Excellence [160]. In order to avoid failures of rigid TQM programs, it is quintessential to be aware of the cultural characteristics of the organization. [161]. It was also revealed that correlation between the Quality management techniques and organizational culture carries impact on entity performance [162].

Jaeger, Matyas, and Sihn (2014) identified that for a operational long term success the essentials are leadership, culture, strategy, organization and team work [163]. The performance of the East Asian economics with those of Latin America, Jeffray Sachs remarked “Due to intense political and macroeconomic factors and the need to increase the income level of below poverty line people, resulted in to wrong policy choices and weak economic performances. Empirically, it has been found that in the OECD Countries having less unequal income distribution are able to perform better after post war period [164].

A study was carried out by P.G. Padmanabhan on Ayalkoottoms in Kumarakom had revealed that interpersonal relation provided a congenial environment for conflict resolution of life and overall human development [165]. The organizational culture has an pivotal role in the achievement of organization, in case of hotel industry the employee behavior with the clients is directly correlated with that of the organizational culture in which the hotel operates. It is a regular practice in the hotel industry to carry out frequent organizational restructure and use motivational concepts and use different leadership skills to maintain the Positive environment in the organization [166]. Understanding the customs and practices of every single employee in the organization is considered to the Organizational culture in 1970s [167].
Kotter and Heskett conducted a study on 207 companies for more than 5 years to assess the relationship between the organization culture and performance. It was observed that when there is lack of alignment between the managers and the societal principles of the organization, and then the effect of culture on the functioning of the organization is negligible [168].

Crawford P. L. states that an organizational performance can be measured by way of customer satisfaction, market share, and share price in their assessment of 1000 British companies. However, for assessment of Organization culture they considered innovative, bureaucratic, and community cultures as parameters. Their study revealed that organization performance is having a direct or indirect correlation with all the above mentioned variables [169].

Maclntosh and Doherty (2010) states that to influence and excel the performance of an employee, there is a need to develop the employee’s insight, of the nature and strength of organizational culture [170].

Kemp and Dwyer (2001) suggested that for strong organizational performance, we need have to focus on nurturing a strong organizational culture [171].

To ensure the effectiveness and ensure to maintain their efficiency there should be a continuous learning for teachers and this should be made adoptive in the culture of the Organization [172].

Marcoulides & Heck, (1993), had defined a model where various latent variables shall form part of organizational culture they are briefly known as individual principles, purpose, environment; hierarchy and others. Socio cultural organization beliefs, individual beliefs and collective beliefs shall form part of the organization [173].

Sternberg (1985) has argued that Parental beliefs are instrumental in shaping home environment, we can assume that parental beliefs are related to the academic achievement of the child. Again it is now well evidenced that parental beliefs differ from culture to culture and the relationship between parental belief and the academic achievement exists, a cultural difference in academic achievement cannot be ruled out. If parents seek to
develop culturally and desired traits in their children, this will depend upon the society in which they are born and brought up [174].

Cameron (2004) claims that even though Organization culture is not tangible but still it more powerful than market factors like high barriers to entry, non-sustainable products, buyers with low bargaining power, etc. and is a major factor contributing to its competitive advantage over competitors[175].

Organizational culture can be evaluated in various dimensions varying from analysis of organizational behavior to anthropology, sociology, management studies and communication. The concept of Organizational culture is dates back to early 1940s, however it gained significant importance during 1980s and then onwards it attracted many authors to define about it and which are listed among New York times best seller list. This was principally originated to study the ethnic and natural differences in the fields of sociology and social psychology [176,177 &178].

Many researches had defined that abilities and competencies are not only the factors contributing to the success and effectiveness, but Organizational culture is equally important while defining the success of an organization [179].

An organization can expect to attain a higher level of productivity, when it possess a strong organizational culture by exhibiting the standard values, beliefs and behaviors [180].

Organizational culture is an vital contributor to organizational performance, it facilitates coordination and communication, gives organization a competitive advantage over its competitors and increases production and sales [181].

Culture creates consensus about strategic direction increases employee productivity by enabling the suitable adjustment among the organization’s internal system and as confirmed by [182] organizational culture influences all management practices. Robust organizational cultures will encourage employees and excel in their roles because they realize that their actions are self-made and [183] it affects employee participation and involvement [184].
Organizational culture has also been reported to have effects on various segments such as performance, financial, customer satisfaction and innovation [185].

Organizational Culture has been viewed as a means of improving competence in an organization. It is a crucial factor in Organizational Performance, it also facilitates coordination and communication, gives organization a competitive advantage over its competitors. It can also be effective in maintaining organizational commitment and effectiveness, enhances financial performance and increases employee productivity, increases production and sales [186 & 187].

Canon Tong, Walder Ip Wah Tak and Anthony Wong (2014), emphasized the essence of disseminating knowledge which results in Job satisfaction and impact on the Organizational Culture. On a research carried out on 228 respondents in ICT Industry in Hongkong, they concluded that the Organizational Culture will enhance the intention of employees to share knowledge and which results in significant improvement in Job satisfaction [188].

Hina Zafar, Muhammad Haroon Hafeez and Mohd Noor Mohd Shariff (2016), investigated the nexus among Organizational performance, learning and marker orientation. The study provides that organizational culture shall act as a driving factor which results in innovation of new products, and improve process to achieve high performance [189].

Gao-Liang Wang (2016), had analyzed the effect of Organizational Cultures of International Tourist Hotels in Taiwan on Organizational Performance. The study was conducted among the domestic and overseas scholars. The results had proven that organizational culture had a considerable influence on organizational performance in case of the hotel [190].

Omar Diaj Bin Omira (2015), analyzed the effect of organizational culture on the civic bodies in Saudi Arabia along with its impact on its leadership. The survey was carried out with in 16 different portfolios of ministers and several employees working in them. They concluded that there is a partial relationship between the leadership styles and
organizational performance [191].

Seyed Mousavi, Hosseini and Hassanpour (2015), studied regarding impact of Organizational Culture on state banks in Iran and their Organizational Performance. Managers of the banks were asked to fill the questionnaires regarding performance evaluation, whereas the employees were asked to fill regarding Organizational culture. The key takeaways from the evaluation is that participation and adaptability have impact the performance of the banks and other are having indirect effect on performance [192].

Julius Ng’Ang’A Munyambu (2015), had carried out study on Del Monte Kenya Limited to assess the nexus between the Performance and organizational culture. The survey had conducted on 40 out of 163 employees of the company. They stated that workforce had commitment which resulted in the overall profitability and this happened due to adoption of distinct cultural practices [193].

Devanadhan and Ahmad Sofi (2015) studied the performance and efficiency of banks located in Jammu and Kashmir based on their Organizational Culture. The survey was conducted among 290 respondents consisting of executive cadre of several banks located in the state of Jammu and Kashmir, (India). The following are the various factors which impact the organizational performance namely; bureaucratic, community, competitive and innovative cultures and established that the Organizational culture have shown considerable impact on Organizational Performance [194].

Anas Mahmoud Khaled Bashayreh (2014), investigated the impact of organizational culture on Insurance companies in Jordan to evaluate their performance and management practices. A survey was conducted on 327 employees working in 28 insurance companies. The finding reveals that there is a nexus between HR Practices and Organizational culture which in turn impacts the efficiency of the Organization. They also stated that there is a mediating effect of HR practices on performance, culture of the organization [195].

Agu Afamuefuna Philemon (2014), studied about the Performance of the Manufacturing Industry in South Eastern Nigeria based on its organizational culture. The survey was
conducted among 508 out of 1108 of population in five states of South Eastern Nigeria (Enugu, Ebonyi, Abia, Anambra and Imo). The organizational culture gives an understanding on the organization and motivates the employee to excel [196].

Olanipekun, Aje and Abiola-Falemu (2013), studied about Organizational Culture and its impact on the efficiency levels of surveying companies in Nigeria. 90 questions were asked in surveying firms for carrying out this research. The paper concludes that firms can achieve sustainable performance by having an organizational culture which addresses the areas of incentive, stability and competitiveness [197].

Keneth Bahati (2013), investigated the Tanzania public services college to assess the influence of Organizational Cultural Change on performance. The findings revealed that as long as the company is invested in Technology, Human Resources and organization cultural had impacted positively on Organizational Performance [198].

Aripin, Ubud Salim and Margono Setiawan (2013), studied the impact of Leadership qualities and Organizational Culture on police sector in West Java on their efficiency and work satisfaction. The survey was conducted among 167 policemen. The study reveals that Leadership traits and culture are having significant influence over job satisfaction, however there is not much improvement in organizational performance [199].

Moradi, Ali and Mohammad (2013), investigated the significance of culture on the efficiency of Insurance entities established in Iran. This study was conducted among the Vice president of major insurance companies established in Iran and out of 200 questionnaires 84% were retrieved. The results indicate that competitive advantage of a company can be improved by its cultural fit and strategy fit [200].

Shahzad, Rana Adeel, Rashid Khan and Shabbir (2012), studied the interlinkage of performance and culture of an Organization. Research concludes that Managers should develop strong culture and the policies should be same across the organization to increase productivity [201].

Zhipeng Zhang and Xiancheng Zhu (2012), The outcome of this study depicts that Financial performance and market performance can be improved basing on adhocracy
culture and market culture [202].

Evans Sokro (2012), states that Organization which develop strong culture of recognizing the employee efforts will create a healthy organizational culture which in turn results in increased productivity [203].

Yin-Hsi Lo, (2012), the survey was conducted among the members top management of Chinese hotels located in North-East cities of China. The study results emphasized that customer satisfaction is depended upon the organizational culture and this in turn improves the organizational performance [204].

Roger J. Givens (2012), the survey was conducted among the administration members of 43 Christian churches. The study reveals that culture will plays an important factor while evaluating their performances and would result in improvement [205].

Keng-Sheng Ting (2011), made an effort to analyze the impact of Organizational Culture on a nursing organization in Taiwan. The study was conducted with the questionnaires and the sample collected data. Outcome of the research reveals that organizational performance is influenced by organizational culture and redefining them accordingly will bear the positive results [206].

Isik Cicek and Bilal Ozer (2011), studied the impact of organizational performance on Outsourcing Human Resource. The research depicts that views of employees needs to be considered regarding outsourcing and this can be done in the instances where there is a strong organization culture exists in the company [207].

Sumarto and Andi Subroto (2011), the survey was conducted among members of 165 companies of GIAMM throughout Indonesia. The survey concluded that to have a strong organizational culture, there should be a strong leadership, however having a strong organizational culture will not result in performance excellence [208].

IVY N. Allard (2010) examined the nexus between Culture and Performance among moderators of Culture. 247 employees took part in this survey they are employed by three technical institutes in South Dakota. The study reveals that longer association of the
workforce with the company results in strong bonding and thus ensures employee-organization culture [209].

Henrietta Mbamalu Okoro (2010), the study was taken to evaluate the Organizational performance carried out among the merged banks in Nigeria. The results shown that mergers & acquisitions will fail in case there is a lack of cultural integration [210].

Li Xiao and Subhasish Dasgupta (2009) studied the effects of Dynamic IT Capability and Organizational Culture on Firm Performance. The study finds that when the IT capability is clubbed with organizational culture, this can bring a huge success to the company [211].

Che Rose, Naresh Kumar, Abdullah and Yeng Ling (2008), studied about performance improvement there is a need for strong Organizational Culture. The results conclude that culture is an essential for having very important role in terms of organizational change. Top management should focus more on to revolutionize the organization culture to address dynamic business requirements [212].

Athena Xenikou and Maria Simosi (2006), studied and to measure and improve the business unit importance there is a requirement of strong leadership and Organizational Culture. A questionnaire comprising of 300 questions were circulated to the employees of a large financial organization in Greece to carry out the survey. The research findings revealed that transformational leadership is essential to add leadership and orientation will transform the objectives of employees from executing their roles to define winning strategies [213].

M. A. O. Aluko (2003), investigated the performance and efficiency of textile firms in Nigeria in the context of organizational culture. In total 630 questionnaires were used for the study analysis. The analysis showed that cultural variables show a considerable effect on the level of work and it was also noted that there are several other factors which contribute to the success of the organization [214].

A higher level of productivity can be achieved by way of imbibing strong cultural attitude and principles in the culture of the organization [215].
Creativity of workforce can be enhanced by empowering the people and their approach of the industry by way of establishing relationship between organizational culture and productivity [216].

Mohd. Jasim, Luva Rumana & Md.Saad (2013), had stated that culture has a direct bearing on the productivity, the study was carried out on employees working in telecom sector in Bangladesh. They further mentioned that belief, gesture and norms of employees will enhance the performance [217].

McShane, Glinow, Sharma, (2011), based on their study observed that there is a high probability of selecting a person as an employee whose characteristics and values are aligning with the organization. The subcultures will bound the employees’ work together resulting in the growth of the organization [218].

Murugam Sakthivel M. (2009), He stated that the companies should upgrade its technological abilities and competitive environment and create an organizational climate which attracts and maintain human capital to achieve the organization goal [219].

Chatterjee, N. (2009), suggests that working culture will vary from entity to entity. Organization culture should be defined in such a manner which resulting in growth of the organization [220].

Kohli, A.S. (2008), emphasizes that in order to maintain competitive advantage, every company should have robust organizational culture [221].

Robbins andSeema, (2006), disclosed that all the elements of an organization such as strategy, environment, culture and technology should be aligned. The individual factors such as initiative, risk tolerance, integration, and support will result in strong work culture and result in higher productivity [222].

Wildderm, Glunk U. and Maslowski, R. (2000) recommended that productivity is influenced by the culture. They also concluded that the atmosphere in which the company operates will have a significant progress and performance of the organization [223].

Akin (1986), mentioned about nexus between culture and performance of an
organization. The study revealed that workforce plays an important part of culture and the dominant factor which drives the productivity and Organizational members’ attitude towards deliverables [224].

Another prominent factor for organizational effectiveness is its Culture [225]. An Organizational performance is depended on its Manager Commitment and Self-efficacy towards the organization [226]. The value of the culture signifies the cognitive context to evaluate the control or efficacy of the decision-makers [227].

To inspire the workforce and driving the company towards success we need to have a strong organizational culture [228]. Some of studies concluded that there is a considerable upturn in the financial performance based on the changes in Organizational Culture [229]. Translation of cultural and technical resources will result into social and financial rewards for the organization [230]. There is a significant change in the way in which the local professionals had transformed due to increased globalization, technology advancement [231][232]. The top priority of an organization should be to develop its leaders to be well trained on maintaining organizational culture [233][234]. The organizational cultures is in existence from the olden days, however it keeps transforming along with the concept of culture and civilization according to modern civilization [235][236].

Servant leadership impacts on the organizational culture, organizational commitment ad employee performance [237].

3.2 Literature review on the impact of the decentralization of authority on the nexus between the culture and performance:

The Organizational performance can be measured by way of the correlation between the inputs, whether matching with the expected results i.e., goals and objectives [238]. Organization can be defined as a collective effort of Human, Finance and Capital for achieving a single objective [239].

Organization is set to achieve its target as and when there is a continuous communication between the Management, Leader and Employee is mandatory to set expectations,
monitor performance and evaluation of the results. The development of an organization is mainly depending upon the strategic planning, operations, and financial, legal and organizational development. [240].

Naranjo-ValenciaJ.C. (2015) studied the nexus between innovation and organizational culture on 1600 Spanish companies and their performance. Information was collected through direct interviews held with 446 respondents using a valid questionnaire. The results indicated that innovation in employees has significantly positive influence on the firm’s performance. Some of the studies explored organizational culture helps to a greater extent to reduce workplace bullying in Estonia as a post-transitional country [241].

The Organizational structure and organizational culture will have a key role to play while understanding the causes and forms of people’s behavior. This will have a direct bearing on the efficiency of the organization [242].

The theory of Organizational culture was promoted in 1980s but its origin can be referred to early 1940s in view of entities established at that point of time. This had been a topic for discussions for many a times and landed four books in the New York Times best seller report. It was also established that there is a nexus between the Organizational culture and Decentralization of authority [243].

In view of globalization there is a increasing demand or expectations from the managers to perform and meet targets in collaboration with multicultural workforce. Organizational performance is evaluated by parameters such as Power, Role achievement and support which enables to maintain effective work environment or feel [244].

Formalization can be defined as process in an entity which creates consistency and transparency, the management should ensure that philosophical values, beliefs and attitude of the organization should flow to the top managers and to the downstream [245].

To say in other words, the process of formalization can be replaced by a strong culture. The guidelines which are framed to regulate the members’ behavior can be assumed by the organizations to adopt the organizational culture. In the absence of such practice, it may be would result in a fragile organizational culture. One of the dimensions in a
cultural model is Power-oriented culture. This is required to implement, maintain and exercise control. Harrison and Stokes (1992) describe that existence of inequality in access to resources is a clear indicator of power-oriented culture. The formalization modes of operation of an Organization. Power-oriented culture in an organization is classified into low and high formalization. Brown (1998) describes that an entire organization can be influenced by a single source of power culture. The functional and specialist strings connect the members of an organization where the power is centralized [246].

There is a clear cut demarcation and specified rules and it concentrates on esteemed authority, and division of works in case of a power organizational culture [247].

Some of the research concluded that financial performance in a manufacturing company can be improved by organizational culture dimensions (GLOBE framework) [248 & 249].

Contentious policy issues such as culture and education may be utilized to restrain communal violence among the Ethnic divisions and this can be achieved through decentralization [250]. This policy of decentralization is a prominent character of ‘consociation democracy’, divided societies can be preserved by design of democratic institutions.

A fiscal decentralization will preserve stability in ethically divided societies and this need to be taken care along with other policy decentralization [251].

In the era of globalization, it is critical for each entity to recognize and interchange the national and organizational culture. Due to the ongoing continuous process of benchmarking and due to mergers the sharing of innovative practices may be high and the culture should be more adoptable to accommodate these changes as and when occurred. Higher performance can be expected where there is a future-oriented culture promotes continuous improvement [252].

The central government may also opt for decentralization of expenditure to improve the efficiency. The local governments are aware of the customs and practices of the people
which enable them to design policies as per the needs of the people. Fiscal decentralization is more in developed countries due to the growth in per capita income locally where there is an increasing trend to consume the domestic production efficiently [253].

Usually the organization, is a structure which is similar to a web structure along with hierarchy in its system, this indicates that whole systems connects to the central power where the authority of decision making flows from highest level to lowest level. In case of smaller organizations leadership vests with few and relied upon their capability. In this scenario, people strive to exercise complete control over the balance. This kind of structure is suitable, when the organization is in small size, but once the organization evolves and transforms it to a big company, as too many activities can break the web or hierarchy itself [254].

Harrison and Stokes (1992) reveal that most of the large organizations, there is abuse of power, by way of inducing fear in the employees. This results in developing favoritism and Nepotism. Usually companies tend to follow top down approach when they are following a power oriented culture, and there are many chances of decisions getting influenced rather than on logical basis [255]. The management feels in secured, whenever there is a proposition to induce new policy changes either by the internal and external environments [256]. In result of the above, Organizations tend to exert complete power to control. As a consequence, some managers tend to follow the above practice in fear of losing power and want to continue the hierarchical positions.

Harrison and Stokes (1992) describes role-oriented culture as a model of organizational culture, the roles and responsibilities are pre defined and these have no bearing to any specific individual. The role-oriented cultures have a significant impact in terms of formalization and centralized way of operation. Another model of culture resembles the structure of Greek temples with pillars [255]. Brown (1998) states that organization should be built on foundation of centralized and more formal functions; which are regulated by informative and role based procedures [257]. The organizations which follow this method are described as bureaucratic based on its process. Organizations
having this culture are defined by a specified set of roles or job aligned with other functionalities in a logical and pre defined manner [258].

In case of organizations which are which are power oriented, or role oriented tends to motivate the employees by way of rewards. The roles of the organizations shall be defined by specified persons representing the senior management [259].

Brown (1998), states that usually in a support oriented organization where operations are carried out with lower centralization and with minimum formalization. This structure is with nominal hierarchy, which means less power control exercised by the management on workforce [257]. In few dimensions it is equivalent to role oriented culture organization where tasks will be assigned basing on the task competence. They will exercise the Power when the need arises to complete a task or need for expert arises. This will enhance the influence and helpfulness of each other through examples. Manetje and Martins (2009) describe where outcomes of the management decisions were extrapolated and taken, such culture is popular and known as people orientation culture [260].

The managers will always take care of their employees in this type of organization. The main essences of these organizations are that they are nuclear and work together for a longer tenure which helps to build personal relationships [261]. The relationships are developed mutual trust which binds people to one another. In this model of culture, there is a less requirement of central power and the same being substituted with consensus decision making [262].

Khandwalla (1996) states the following regarding a large enterprise and concluded the same: The corporate business headquarters will develop an integrated system building vision and core values, whereas the preference will be given to maintain bottom line responsibility to identified individual units who are empowered with decentralization [263].

The practice of evaluating the organizational culture bolstered by Hofstede (1980); and Pfeffer (1997). The key outcomes are idea and estimation of hierarchical culture and authoritative execution. Koufsteros & Vonderembse, (1998), have researched on the
impact of organization structure on the level of Just in Time (JIT) attainment. JIT will enhance the organization with competitive capabilities and radical innovation. However, theorists advise that depending upon the organization design and requirement this Innovation process to be adopted. This study focusses on implementation of JIT and emphasizes the essential characters such as degree of centralization, formalization and complexity. The study has considered four structured horizontal differentiation and vertical differentiation. The centralized power will help in the initial stages to overcome the initial problems and surpass the opposition for change. Limitation of procedures, assertiveness, and experimentation will be required for initiating JIT [264].

Simpson R.L.,(1959), evaluated the communication means which are flowing horizontally and vertically across the organization. His research revealed that communication to be moved vertically throughout the hierarchy, but it should not pass cutting across the lines of hierarchy [265].

Chowdhury M.S., (2007), in his study examined the performance of the sales person is driven by the impact of supervisor’s behavior while motivating them or achieving the sales target. He emphasized that supervisors Positive Achievement Motivation Behavior (PAMB) will encourage the subordinates [266].

Some researchers equated the term with productivity and profit enhancement. The survival of the organization depends on the degree upon which the determined goals are achieved. The ability of an organization to mobilization of resources and achieving its objective without placing undue pressure on its members [267, 268 & 269].

Effective management of knowledge sharing is very much essential for the success of the organization, as timely decisions needs to be taken to deal with environmental changes and production data, information from inside and outside agencies to address the ever changing business dynamics [270].

The basis on which the behavior and communication between the employees and which enables them to perform their day to day activities is directly dependent upon the Organizational Culture [271].
The progress of a company is basically devised by the internal organizational culture, in which the all levels of management operate, encourage others, nourish new ideas and enhance innovation to have new concepts, tools for growth [272].

For the development of work culture following, the most important issues are [273]:

• Development should be of learning rather than a teaching process.

• Growth should be measured in terms of objectives achieved.

• Weakness in the work culture needs to be eliminated.

• The organization should develop the feeling of belongingness among the employees.

• Employees should be bestowed with faith and belief in the organization and motivate who do better.

People must inculcate the attributes of open heart and mind that are willing to accept the new changes. Dependent culture is descriptive of organizations, which are developed, in guidance of higher authority. There are the centralized decision-making policies, which do not empower their members. It is in a controlled manner with clear decisions with superior and the other members of the organization. Members are given full authority to work within the involvement of their superior. Power culture implies that the members inherit in members position in case of non-participative organizations. The members are believed to reward for taking charge, controlling subordinates and they response to demands of the superiors. There arises a demand of loyalty among the associates of the organization. Hofstede (2001), says that categorization of cultures enables us to draw attention towards the variations that exist along national boundaries. Hofstede (1980), in his studies found significant difference amongst the employees working for IMB based upon their national cultures that explained the variation in the work related values and attitudes [274].

The primary dimensions of difference, as observed by Hofstede, were [274]:

☐ Independence/Collectivism
Power Distance

Uncertainty Avoidance

Masculinity/ Felinity (Career success/ quality of life)

Power distance can be described as the acceptance of employees or members of a society their lack of access to the power center or inadequate dispersal of power. In case of high power distance countries, superiors and subordinates bypass the insubordination. In contrast, employees or members of society expect to frequently bypass in order to getting their work executed in case of low power distances countries or organizations [275].

Beer (1980) also described four components that determined for the work cultures are [276]:

- People: Here capabilities, desires, values, and expectations, relationship, equality of employees of the organization.

- Process: In this the individual traits, their attitudes, and interactions that happen within the organization either related to an individual, single group or multiple groups within the organization.

- Structure: The systems of the organization are structured in such a manner that it fulfills the needs of the organization. It is also designed to fulfill the goals of the organization.

- Environment: These are deliberate principals to make decisions and to achieve the organizational outcomes. It involves rules and regulations, mission etc.

Robbins, S. P. & Judge, T. A. (2008), concluded that the strong work culture has congruence between what their values are and what work they do for the organizational culture. He further said that the human resource is an important asset to the organization. They always performed in a well-established environment and in work culture, which is adopted by each and every human resource that are working in the organization. All human resources are managed in the organization for the benefit of the organization.
They all are not managed like other resources such as raw material and machine. They are also used in the productivity of the organization [277].

They provide some methods to manage all the human resources, which are described as below [277]:

Human Resource: The following are the basic functions of the HR i.e, recruitment, performance appraisal and termination which are involved in each organization.

Employee influence: The power executing his work and the level of authority which was delegated to him will define this.

Work systems: Definitions/design of work, levels of work done by people in the organization and work culture.

Reward system: Pays systems and motivation etc. are given to the employees.

Hossian (2008) stated about the disclosure requirements in annual reports, that Indian banking companies fully complies with the high quality and transparency under the guidance of regulatory authority. Matters relating to corporate social, governance risk and other supplementary details are disclosed in the annual reports. He also concluded that J&K Bank also consider the profitability and market discipline as a measures its effectiveness [278].

Furnham and Gunter (1993), referred to the essentials of work culture which may be influenced by the behavioral norms established in the company. They specifically advocated for development of four key factors for a strong work culture namely uncertainty avoidance, power distance, masculinity / femininity, and individualism / collectivism [279].

Bhattacharyya (2012) said that the culture cannot exist in isolation. The managers need to handle the following 8 S’s they are Strategy, Structure, Systems, Style, Staff, Skills, Shared values and streaming. There will be a continuous interaction with the internal and external environment to strike a balance between them. Several issues will be generated by the people, based on the structures, HR policies, market strategies, client relations,
accounting procedures, individual behavior etc. A specified set of rules which are predefined and the same are being implemented shall be called as Bureaucratic. In an organization where there is a competitive atmosphere and incentives for additional efforts, and empowered with decision making and autonomy shall be regarded as Jungle. The third one is considered as protocol based work culture, which is a automated process where individual decision making is of least important. The culture of an organization determines its profitability and productivity. A strong and definitive work culture is essential and it should consist of defined procedural aspects related to the organization [280].

Prajogo and McDermott (2005) concluded that work culture and management practices will determine the effectiveness of total quality management (TQM). Total quality management will have a significant influence on power distance and individualism on the organization. The productivity of the entity will be enhanced in matters of products and quality of service would also improve by implementation of total quality management [281].

Robbin (2005) mentions that employees’ performance shall be influenced by the organizational culture and this will enhance the organizational productivity. The productivity is also affected when clubbed with tolerance, team importance and support of people. Members in the organization with motivation, integrity and passion, can excel in their duties resulting in overall progress of the organization. If these factors are not present then this will result in high turnover rate of employees. These will augment the efficiency and performance of employees. Optimal method of executing things will create appreciation and adaption of the same across the employee groups and organization [282].

Bakalis, Joiner, and Zhou (2007) states that an organization to be effective, there important managements process to have is decentralizing authority and delegating decision making. To have better governance and signal a positive effect, the involvement of family members should be restricted to a minimum level. Firms, which make the decentralization of authority and frame financial control systems, can implement the
nonfamily involvement. Some of the researchers based on a comparative analysis concluded that organizational growth is explained by market and cultural factors, whereas the organizational structure will be defined by them but that authority patterns and legitimate strategies [283].

Organizational culture impacts on the process of innovation [284]. Unless the chief executive officer (CEO) can be a one-man management system, innovation cannot be accomplished without both a decentralized management structure and a decentralized culture. In the developing world, there is a significant contribution of local governance and the same can be utilized for democratic and progressive empowerment of rural populations [285 & 286].
4. Research Methodology

Research can be defined as a systematic approach and scientific analysis for specific information on a relevant topic. Research is an art of scientific investigation. According to Clifford Woody, “Research comprises defining and redefining the problems, formulating hypothesis, suggesting solutions, collecting, organizing, evaluating data and giving conclusions by fulfilling the hypothesis.”

The present chapter provides insight about the problem, gap, do research questions and involves Significance of the research, objectives, conceptual model, alternative hypothesis and research design

4.1. Statement of the Problem

The key issue which was deliberated is to evaluate the impact of decentralization of authority on culture and performance.

There are very few researches, which are carried out to arrive at conclusive evidence on the effect of decentralization on business performance [287].

There is research that relates organizational culture to implementation of performance [288].

4.2. Research Gap:

During the review of literature and after understanding the research done in this connection, it is based found that majority of the research on decentralization of authority, organizational culture, organizational effectiveness and organizational performance was done in European and American context in besides that some studies have concentrated on the nexus between culture and performance of an organization.

However, there were no works were done studying the mediation or moderation of decentralization of authority regarding the correlation between organizational culture and performance of the organization. There to in India, especially in IT sector this types of research was not done. So, it is presumed there such kind of study may be helpful in
adding insights and value to the existing research. With this motive, the present research undertaken to assess the mediation impact of decentralization in the relationship between organizational culture and organizational performance in IT and ITES sector industrial establishments based of Bangalore and Hyderabad in India.

4.3. Research issues

The following research issues are relevant to the crucial objective of the research and seeking to recognize the impact of decentralization of authority on the relationship between the organizational culture and organizational performance.

The following are research issues:

1. Whether there is a nexus between the performance and culture?
2. What is the impact of decentralization of authority on the relationship between the organizational culture and organizational performance?
3. Whether the existing organizational culture in the IT sector due to authority decentralization, has any considerable influence on their performance?

4.4. Need for the study

Decentralization has been a crucial point of discussion in International sphere from 1980s.

In India, decentralization was aimed at improving service delivery, development and poverty reduction. After getting independence, India had the dream of achieving quick economic growth through industrial development.

Being the largest democratic in the world and with glorious past, India is practicing the theory of decentralization from ages.

Decentralization is a structural strategy to manage organizational growth and diversification and to cope of the complexity, uncertainty and exposure to the external environment.
Level of decentralization depends on the extent of decision making power is distributed throughout top & middle levels and to align the decision making ability closer to the actions without any delay.

• Decentralization of authority is practiced when the organizations will have a strong culture.

• Organizational culture with decentralization of authority improves will have a positive effect on productivity.

• Managing organizational culture can better manage the delegation of decentralization of authority.

• The factors like decentralization of authority, Level of Management, age and Experience moderates the significance of organizational culture on Organizational Performance.

Hence the following research was carried out to assess the impact of decentralization of authority on the nexus between the culture and performance of the organization.

4.5. Scope of the study:

The current study analyses the significance of decentralization of authority on the relation between the organizational culture and organizational performance on IT Firms established in Hyderabad and Bangalore region.

The extent of the research is strictly restricted to the following sampling area (IT firms in the Hyderabad and Bangalore region).

The following research is conducted to find the variables that are showing the mediating effect and involved in the impact of the decentralization of authority on the relation between the culture and performance the other variables are ignored.

The research is concluded based on the findings obtained by the conducting the research between the time periods of 2017-2020.
4.6. Objectives of the study

1. To examine the impact of organizational culture on organizational performance.
2. To delve into the relationship of decentralization of authority on organizational culture.
3. To determine impact of decentralization of authority on the relation between organizational culture and organizational performance.

4.7. Hypothesis of present study:

Based on the objectives following hypothesis were generated to provide statistical support and evidence in drawing conclusions or inferences

Based on the above conceptual model the following Alternative Hypotheses are formulated.

1. H₁: Decentralization of Authority has a positive and significant impact on Organizational Performance.

2. H₂: Organizational Culture has a positive and significant impact on Decentralization of Authority.

3. H₃: Organizational Culture has a Positive impact on Organizational Performance

4. H₄: Decentralization of Authority mediates the positive impact of Organizational Culture on Organizational Performance.

5. H₅: Level of Management moderates the positive impact of Organizational Culture on Decentralization of Authority such that lower levels of management the positive impact is more significant.

6. H₆: Age moderates the positive impact of Decentralization of Authority on Organizational Performance such that impact is stronger at higher levels of Age.
7. H7: Experience moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Experience the positive impact is stronger than at higher levels of Experience.

4.8. Framing Conceptual Model:

This model has been developed to convert all research objectives to suitable hypothesis from the research standpoint. This framework shows a clear view of the whole research to be done. The conceptual model consists of the three categories of impact of decentralization of authority on the organizational performance, impact of organizational culture on the decentralization of authority and organizational performance.

(Figure 1)
4.9. Research Design:

This facilitates the researcher in the prioritization of resources by prioritizing the tasks in a chronological manner to complete the research.

Research design facilitates to structure and includes a framework of what the investigator will carry out while drafting hypothesis and their inferences to the analysis.

4.10. Descriptive Research Design:

The study was carried out in descriptive, and the design narrates the features of a defined system also the opinions held by the participants about the system. The opinions expressed by the personnel about the system will improve the sustainability of the system as well as addressing the limitations which may hinder its effectiveness.

4.11. Sampling Area:

The sampling area for the present study includes IT industries in Hyderabad and Bangalore region.

There are three major classifications of IT Companies, First category is rendering IT services to be called as IT companies, Second category is serving IT Enabled services called as ITES companies and the Third category is Computer Hardware companies. IT companies handle various kinds of projects across the globe, to various industrial sectors and several services. In this category, Hyderabad and Bangalore has a huge number of national and international companies to its credit. Maximum share of revenue on account of IT exports usually accrues from Hyderabad and Bangalore. Core IT sector along with ITES will form a major part of companies located in Hyderabad / Bangalore. The third category of IT companies shall comprise of hardware industries. Several companies are providing the computer hardware support to various multinational companies and they intend to extend their services across the nation. Hence, these two areas are selected.
4.12. Sampling Unit:

Each respondent is sampling unit. The data is collected directly from the respondent of those randomly selected units in the Bangalore and Hyderabad. This envisages examining empirically the Organizational culture, decentralization of authority and organizational performance status of IT / ITES for units under study and determining, if any, the correlation between in Organizational culture, decentralization of authority and organizational performance and its components /elements of IT employees. Then the each unit has minimum 50 respondents are collected. That is 10 companies from Hyderabad and 10 from Bangalore.

4.13. Sampling Method:

For Structural Equation Modeling (SEM), the number of participants needed (sample size) remains a point of debate.(Barrett,2007,Icobucci,2010). However, depending on the model complexity, amount of missing data and magnitude of factor loadings the required sample size for SEM is determined (Wolf, Harrington, Clark and Miller, 2013). A single latent variable with 6 indicators requires a sample size of 60 for CFA (Wolf et al, 2013). The present study uses a theoretical model having a total of 10 latent variables with 6 to 7 indicators (questions) each. Thus, our study requires a sample size of a minimum of 664 participants. However, samples of 705 respondents were considered for the study. The Structural Equation Model as specified above is being estimated by Maximum Likelihood Method. The open source R- Package, Lavaan 0.6-5 was implemented for this purpose.

4.14. Population:

Population is the collection of elements which are having common characteristics. The number of elements comprising in the population shall be considered as population.

Employees from IT and ITES companies at Bangalore and Hyderabad (selected companies). Total population of IT and ITES employees at Bangalore (10 lakhs) and Hyderabad (5.5 lakhs) is 15.5 lakhs as economictimes and NASSCOM data.
4.15. Sampling Techniques:

Sampling is the basis on which the accuracy of the result will depend. Out of the several techniques available, random sampling is chosen for this study.

Simple Random Sampling is technique, where there is a possibility of getting selected rests equally with all constituents of the sample. When there is no prior information available regarding the population this method is advisable.

4.16. Sampling Size:

A sample can be described as the subset of the population. In the present study, Number of employees are considered as elements in the sample size

A sample of 705 respondents was considered for the study. The sample distributed to the respondents as per

4.16.1. First Method:

It is derived from thumb rule of various test books.

1. Tinsley (1987) recommended a proportion of 5/10 subjects per item amounting to 300 topics [289].

2. As a thumb rule, the sample size could be 4 or 5 times of the variable included in the analysis [290].

3. Listed both the number of subjects and the number of items analyzed with 5:1 ratio respectively [291].

4.16.2 Second Method

Used Cochran’s formula [292]:

\[ N_0 = \left( \frac{Z^2}{e^2} \right) pq \]

Where,
$N_0$ is a sample size,

$Z$ is a confidence level and the $Z$-value are found in a $Z$ table

e as the desired level of precision (i.e. the margin of error),

$p$ is the (estimated) proportion of the population which has the attribute in question,

$q = 1 – p$.

**From the first method utilized to ascertain the sample size with statements (questionnaire) wide, that is**

It is a collection of 6 statements respectively organizational culture has clan culture, Adhocracy culture, market culture and hierarchy culture.

Organizational performance has 6 statements and decentralization of authority has administrative 7 statements, fiscal 6 statements and political 7 statements respectively.

Total of statements’ 50 (questionnaire)

$50 \times 10 = 500$ respondents are required as per thumb rule.

Expected return 50 percent then distributed 1000 respondents with full of details received 70.5 percent that is 705 is response rate.

The response rate 705 is greater than required sample of 500 then it is considered.

**From the second method used to determine the sample size:**

$$N_0 = \frac{(Z)^2(p)(q)}{e^2}$$

Confidence level at 99 percent

Confidence interval at 5,

If the parameter is an unknown constant and no probability statement concerning its value may be made.
The margin of error can be accept at 5% is a common choice

For population 1550000 in Hyderabad (5.5 lakhs) and Bangalore (10 lakhs) as per economic times data, NASSCOM and there will not be much change in the sample size in case of the populations larger than 20,000 it is a thumb rule.

Expected Percentage 50 respondents are the rate of response.

\[ N_0 = \frac{(2.58)^2(0.5)(0.5)}{(0.05)^2} \]

\[ = 664 \]

So, the required sample size is 664.

The distributed to respondents 1000.

The returned with full information is 705 therefore response rate 70.5 percent. This is greater than required sample 664. Hence it is considered.

4.16.3. Sample Size for the Model.

For Structural Equation Modeling (SEM), the number of participants needed (sample size) remains a point of contention [293]. However, depending on the model complexity, amount of missing data and magnitude of factor loadings the required sample size for SEM is determined [294]. A single latent variable with 6 indicators requires a sample size of 60 for CFA [295]. The present study uses a theoretical model having a total of 10 latent variables with 6 to 7 indicators (questions) each. Thus, our study requires a sample size of a minimum of 600 participants [296]. However, a sample of 705 respondents was considered for the study. The Structural Equation Model as specified above is being estimated by Maximum Likelihood Method. The open source R- Package, Lavaan0.6-5 was implemented for this purpose.
4.17. Sources of Data:

Data collection:

In order to collect the data, structured questionnaire was utilized. Apart from this, face to face interaction was also done with employees. Data from printed reports like various journals, magazines and internet etc. was used for data collection.

4.18. Instrument for Research:

Instruments can be defined as a measurement device. They are broadly conceptualized in to two categories – Researcher completed where specified methods are adopted to analyze and the other is subject completed which are completed based on the participant outlook. Depending upon the objective an appropriate method will be chosen. In the current study, a well structured questionnaire becomes means to collect the requisite data for research.

About the research instrument:

To attain the objectives a questionnaire was used to collect the requisite data.

The questionnaire starts with the demographic variables of the respondent.

The variables for organizational culture and organizational performance statements adopted from by Cameron and Quinn and Decentralization of authority statements adopted from 'Contemporary Management, 1991, developed by Durbin.

4.19. Types of Data:

Primary data collection (Questionnaire). For this study the instrument used is questionnaire. This questionnaire has segregated into two parts i.e., Part A and Part B

Part A consists of demographics factors like name, age, company name, Educational qualification, Designation, Years of experience, Function of management, level of management, income and type of recruitment.
Part B contains organizational culture that have market culture, adhocracy culture and hierarchy culture. Organizational Performance and Decentralization of Authority have Administrative Decentralization, Fiscal Decentralization and Political Decentralization.

**4.20. Questionnaire Development:**

For this study, the questionnaire was prepared on the bases of different articles, considered various variables of culture and performance of organizations defined model by Cameron & Quinn and decentralization of authority defined model by Durbin.

**4.21. The variables for Clan culture are derived from the following literature review:**

Clan orientation focuses the mini cultures related to family, in this focus of monitoring, economic and financial things are analyzed together “doing things together.”

From clan culture they are employee involvement, qualities of leadership, motivation, organization style, team work, loyalty, employee commitment [297]

**4.22. The variables for Adhocracy culture are derived from the following literature review:**

Adhocracy oriented cultures advocates for executing the things first, this mainly focus on the shaping up of risk taking abilities and this results in dynamic and entrepreneurial behavior.

From Adhocracy culture they are encouragement, management style, determination, value creation, Innovation with risk factors [298].

**4.23. The variables for market culture are derived from the following literature review:**

The market oriented the managerial performances are shootout the various cultures, these are resulting the computation of organization achievement of goals and “getting the job done.”
From Market culture they are competitive and achievements, result oriented, demands, organizational goals, employee targets, market success capture [299]

4.24. The variables for Hierarchy culture are derived from the following literature review:

The hierarchy cultures oriented the controlling of markets and structured the focusing elements with efficiency, stability and accuracy “doing things right.”

From Hierarchy Culture they are controlled, structure, efficiency, security, rules and policies, operations, cost of production [300].

4.25. The variables for Organizational Performance are derived from the following literature review:

From Organizational Performance key factors are effectiveness, efficiency, customer satisfaction, engagement, efficiency levels of work force and conducive climate or work environment, and harnessing the leadership skills on a continuous basis and maintaining accountability in terms of legal, financial and ethical, market share [301]

4.26. The variables for Administrative Decentralization are derived from the following literature review:

To serve the needs of various levels of management, there is a need for Administrative decentralization, which mandates for redistribution of authority, responsibility and financial resources.

Key factors of Administrative decentralization are Organizational goals and employee targets, opportunities, involvement, discussions, role administration, hierarchy decisions and restrictions [302].
4.27. The variables for Fiscal Decentralization are derived from the following literature review:

To carry out decentralization effectively, organizations should also adopt financial decentralization, the lower level should be able to take decisions with respect to incurring expenditure as well as ascertaining various sources of income. In the absence of income, there should be allocation of funds from the higher level to lower level.

Key factors of Fiscal decentralization are about allocating resources, executing works, about access funds, available funds, and emergencies in decision, permissions and functionalization with accountability [303]

4.28. The variables for Political Decentralization are derived from the following literature review:

People expect to have their selected agents serving them and attending their needs without any hierarchical impediments, which results in effective political decentralization

Key factors of Political decentralization are decision making & implementing, functional freedom, delegation of employee roles, impact of low management decisions, continuous monitoring in vertical levels of management regarding decisions [304].

4.29. Tools of the study:

Tools utilized for collection of data:

Questionnaire is being utilized to obtain the data and the analogy behind using this is to that Respondents needs to answer on a scale of one to five with adequate time.

Statistical Tool used:

The Statistical techniques like descriptive analysis, Tabulation methods, graphical representations, Regression methods and Moderation analysis are used in the complication. The data is analyzed using R.
4.30. Period of the study:

The duration of the Study was undertaken between 2017-2020.

4.31. Statistical Analysis:

4.31.1. Reliability analysis:

1. The item will checked whether it is valid or not with correlation[305]

2. As a thumb rule, the variables should be correlated in the validity test [306].

3. Reliability means the instrument which considered the questionnaire whether fit to the test for statistically or not and It depends on range of Cronbach’s Alpha [307].

4. The test will be considered reliable when there is identical result even after repetitive tests [308].

4.31.2. Normality:

The underlying data set is set to be normally distributed when the data collected is well defined and structured [309].

4.31.3. Regression:

The parameter regression is probabilistic model; it is utilized in management, investing and other areas. This implies many calculations and relations characterized by dependent variables. The series of dependent and independent variables makes this regression accurate [310].

4.31.4. Mediation Analysis:

In this model, third variable known as mediator variable will be utilized to ascertain the relation between the independent variable and dependent variable.
Mediation examines the influence of one variable on another and also facilitates to understand the relationship between the variables inter dependency [311].

**4.31.5. Moderation Analysis:**

The scenario where relationships between two variables are relied up on the third variable is called moderation. The third variable is known as moderator variable and this signifies statistically the relevance between two variables and also determines the direction between the independent and dependent variables. In case of a correlation analysis this affects the zero order correlation and also determines the slope between the independent and dependent variables [312].

**4.32. Limitations of the study:**

The Current study examines the impact of decentralization of authority on the relationship between the organizational culture and organizational performance on established IT firms in the Hyderabad and Bangalore region.

The objective of the study is strictly restricted to following sampling area (IT firms in the Hyderabad and Bangalore region).

The following research is conducted to find out only on the variables that are showing the mediating effect and involved in the impact of the decentralization of authority on the relationship between the culture and performance and other variables are ignored. The study is concluded based on the outcomes obtained by conducting the research between the time periods of 2017-2020. The other factors which impacts on the performance are ignored.
5. DATA ANALYSIS

5.1 Introduction:

Data Analysis is the critical phase in research process. It is through the information extracted from data analysis the research questions of a study are answered. The present chapter consists of analysis of descriptive, explorative and inferential statistics that were applied to the primary data collected from the randomly sampled 705 respondents. The descriptive data analysis consists of description of variables, demographic profiles of sampled respondents. Inferential statistical analysis describes the testing of maintained hypotheses that were generated through the conceptual model developed for the study. The following process is adopted to analyze and draw conclusions from the data

5.2 Description of variables for the study (Table 5):

<table>
<thead>
<tr>
<th>S.N</th>
<th>Variable</th>
<th>Description</th>
<th>Variable Type</th>
<th>Code Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age</td>
<td>Age of the respondent classified into four categories</td>
<td>Categorical (4 categories)</td>
<td>1. 18-30 2. 31-40 3. 41-50 4. &gt; 51 years</td>
</tr>
<tr>
<td>2</td>
<td>Gender</td>
<td>Gender of the respondent classified into two categories</td>
<td>Categorical (2 categories)</td>
<td>1:Male 2:Female</td>
</tr>
<tr>
<td>3</td>
<td>Educational Qualification</td>
<td>Educational Status of the respondent classified into three categories</td>
<td>Categorical (3 categories)</td>
<td>1: Graduation 2: Post – Graduation 3: Others</td>
</tr>
<tr>
<td>4</td>
<td>Years of Experience</td>
<td>Work Experience of the respondent Classified into five Categories</td>
<td>Categorical (5 categories)</td>
<td>I: 0 – 5 Years II. 6 – 10 Years IIII1– 15 Years IV 16 –20 Years V &gt; 20 Years</td>
</tr>
<tr>
<td></td>
<td>Management function</td>
<td>The function of management with which the respondent is associated.</td>
<td>Categorical (6 categories)</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---------------------</td>
<td>---------------------------------------------------------------------</td>
<td>---------------------------</td>
<td>---</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>1. Personnel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Production</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3. Marketing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4. Finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5. Secretarial</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6. Any other</td>
</tr>
<tr>
<td>6</td>
<td>Level of Management</td>
<td>Functional Level of management of the respondent classified into three categories</td>
<td>Categorical (3 categories)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Top level Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Middle level Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3. Lower level Management</td>
</tr>
<tr>
<td>7</td>
<td>Income</td>
<td>Income Levels of Respondents categorized into Five categories</td>
<td>Categorical (5 Categories)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1: 10,000– 20,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2: 20,001 – 30,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3: 30,001– 40,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4: 40,001 - 50,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5. &gt; 50,000</td>
</tr>
<tr>
<td>8</td>
<td>Way of reaching Present Position</td>
<td>Upward Mobility of respondents</td>
<td>Categorical (2 Categories)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Promotion</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Recruitment</td>
</tr>
<tr>
<td>9</td>
<td>Decentralization of Authority</td>
<td>Extent to which decision making Power is distributed</td>
<td>Categorical (5 Categories)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Strongly Agree</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Agree</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3. Neutral</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4. DisAgree</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5. Strongly Dis Agree</td>
</tr>
<tr>
<td>10</td>
<td>Organization al</td>
<td>Categorized by Rapid Decision Making.</td>
<td>Categorical (5 Categories)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Strongly Agree</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Agree</td>
</tr>
</tbody>
</table>

5.3. Descriptive Statistics of Demographic and Organizational Variables (Table 6)
5.4. Demographic and Organizational Profile of the Respondents (Table 7)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Stats / Values</th>
<th>Freqs (% of Valid)</th>
<th>Text Graph</th>
<th>Valid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>mean (sd) : 1.91 (1.13)</td>
<td>1.133 (47.2%)</td>
<td>I</td>
<td>(100%)</td>
</tr>
<tr>
<td></td>
<td>min &lt; med &lt; max : 2.261 (37.0%)</td>
<td></td>
<td>I</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 &lt; 2 &lt; 5</td>
<td>3.85 (12.1%)</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IQR (CV) : 2 (0.59)</td>
<td>4.22 (3.1%)</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.3 (0.4%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>mean (sd) : 1.21 (0.41)</td>
<td>1 : 555 (78.7%)</td>
<td>I</td>
<td>(100%)</td>
</tr>
<tr>
<td></td>
<td>min &lt; med &lt; max : 2 : 150 (21.3%)</td>
<td></td>
<td>III</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 &lt; 1 &lt; 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IQR (CV) : 0 (0.34)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>mean (sd) : 3.43 (1.61)</td>
<td>1 : 511 (73.2%)</td>
<td>III</td>
<td></td>
</tr>
<tr>
<td></td>
<td>min &lt; med &lt; max : 2.221 (31.4%)</td>
<td></td>
<td>IIIIIIIIIII</td>
<td>(100%)</td>
</tr>
<tr>
<td></td>
<td>1 &lt; 3 &lt; 6</td>
<td>1.221 (15.9%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IQR (CV) : 3 (0.47)</td>
<td>4 : 4.35 (4.5%)</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.6 (0.6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>mean (sd) : 2.31 (0.79)</td>
<td>1 : 127 (18.0%)</td>
<td>III</td>
<td>(100%)</td>
</tr>
<tr>
<td></td>
<td>min &lt; med &lt; max : 2 : 242 (34.3%)</td>
<td></td>
<td>IIIIIIIIII</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 &lt; 2 &lt; 5</td>
<td>3 : 327 (46.4%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IQR (CV) : 1 (0.34)</td>
<td>4 : 5 (0.7%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.8 (0.6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>mean (sd) : 4.26 (0.86)</td>
<td>1 : 9 (1.3%)</td>
<td></td>
<td>(100%)</td>
</tr>
<tr>
<td></td>
<td>min &lt; med &lt; max : 2 : 26 (1.7%)</td>
<td></td>
<td>I</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 &lt; 4 &lt; 5</td>
<td>3 : 59 (8.4%)</td>
<td>II</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IQR (CV) : 1 (0.2)</td>
<td>4 : 287 (40.7%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 : 324 (46.0%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>mean (sd) : 1.72 (0.56)</td>
<td>1 : 218 (30.9%)</td>
<td>IIIIIIIIIII</td>
<td>(100%)</td>
</tr>
<tr>
<td></td>
<td>min &lt; med &lt; max : 2 : 480 (68.1%)</td>
<td></td>
<td>IIIIIIIIIIIII</td>
<td>(100%)</td>
</tr>
</tbody>
</table>
5.5. Explorative Data Analysis.

5.5.1. Distribution of Demographic Variable (Figure 2)

5.5.2. Interpretation for the demographic variables:

a. Age:
The above analysis interprets that the age of respondents of the four categories are as follows

18 - 30 years of age are 333 respondents (47.2%)
31 - 40 years of age are 261 respondents (37.0%)
41 - 50 years of age are 85 respondents (12.1%)
50 and above years of age are 26 respondents (3.7%)

b. Gender:
The above analysis interprets that the gender of respondents of the two categories are as follows

555 are male respondents (78.7%)
150 are female respondents (21.3%)
C. Educational Qualification

The above analysis interprets that the educational qualification of respondents of the two categories are as follows

133 respondents are graduates (18.9%)
413 respondents are post graduates (58.6%)
159 respondents are others (22.6%)

d. Experience

The above analysis interprets that the experience of respondents of the five categories are as follows

Respondents with 0-5 years of experience are 347 (49.2%)
Respondents with 6-10 years of experience are 174 (24.7%)
Respondents with 11-15 years of experience are 117 (16.6%)
Respondents with 16-20 years of experience are 32 (4.5%)
Respondents with >20 years of experience are 35 (5.0%)

e. Function. Management

The above analysis interprets that the management function of respondents of the six categories are as follows

Respondents in HR function are 61 (8.6%)
Respondents in Production function are 221 (31.4%)
Respondents in marketing function are 112 (15.9%)
Respondents in finance function are 61(8.6%)
Respondents in Official/ Secretarial function are 164 (23.3%)
Respondents in other functions are 86(12.2%)

F. Level of Management

The above analysis interprets that the level of management of respondents of the three categories are as follows:

Respondents in top management are 136 (19.3%)
Respondents in middle management are 242 (34.3%)
Respondents in low level management are 327 (46.4%)

G. Level of income
The above analysis interprets that the level of income of respondents of the five categories are as follows:

Respondents with 10,000 – 20,000 income are 9 (1.3%)
Respondents with 20,001 – 30,000 income are 26 (3.7%)
Respondents with 30,001 – 40,000 income are 59 (8.4%)
Respondents with 40,001 - 50,000 income are 287 (40.7%)
Respondents with > 50,000 income are 324 (46.0%)

H. Type of recruitment
The above analysis interprets that the Upward Mobility of respondents in the organization in three categories are as follows:

Respondents through Promotion are 225 (31.9%)
Respondents through recruitment are 480 (68.1%)

5.6. Descriptive Statistics of study variables (Table 8)

<table>
<thead>
<tr>
<th>Statistic</th>
<th>DCA</th>
<th>OC</th>
<th>OP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>75.13</td>
<td>91.39</td>
<td>23.02</td>
</tr>
<tr>
<td>Std.Dev</td>
<td>11.20</td>
<td>12.48</td>
<td>4.16</td>
</tr>
<tr>
<td>Min</td>
<td>38.00</td>
<td>47.00</td>
<td>8.00</td>
</tr>
<tr>
<td>Q1</td>
<td>66.00</td>
<td>81.00</td>
<td>20.00</td>
</tr>
<tr>
<td>Median</td>
<td>76.00</td>
<td>93.00</td>
<td>24.00</td>
</tr>
<tr>
<td>Q3</td>
<td>85.00</td>
<td>102.00</td>
<td>27.00</td>
</tr>
<tr>
<td>Max</td>
<td>100.00</td>
<td>120.00</td>
<td>30.00</td>
</tr>
</tbody>
</table>
5.7.1. Visualisation of the Distribution of the measured variables (Figure 3)
5.7.2. Distributions of Study Variables (Figure 4)

The frequency of Decentralization of authority, Organizational Culture and Organizational performance in positive way.

5.8. Graphical Presentation of the Conceptual Model to be tested (Figure 5)
5.9. Hypotheses for the study

With reference to the above conceptual model below mentioned hypotheses are formulated

1. **H1**: Decentralization of Authority has a positive and significant impact on Organizational Performance.

2. **H2**: Organizational Culture has a positive and significant impact on Decentralization of Authority.

3. **H3**: Organizational Culture has a Positive impact on Organizational Performance

4. **H4**: Decentralization of Authority mediates the positive impact of Organizational Culture on Organizational Performance.

5. **H5**: Level of Management moderates the positive impact of Organizational Culture on Decentralization of Authority such that at lower levels of management the positive impact is more significant.

6. **H6**: Age moderates the positive impact of Decentralization of Authority on Organizational Performance such that impact is stronger at higher levels of Age.

7. **H7**: Experience moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Experience the positive impact is stronger than at higher levels of Experience.
5.10. Graphical Presentation of the Measurement Model and Structural Models (Figure 6)

OC= Organizational Culture, OP=Organizational Performance, DCA=Decentralization of Authority CC = Clan Culture, AC=Adhocracy Culture, MC=Market Culture, HC=Hierarchy AD = Administrative Decentralization, FD= Fiscal Decentralization, PD=Political Decentralization

5.11. Validating the scales (Table 9)

The following analysis is done for testing the reliability of the scales which are used for measuring the latent variables in the study.

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Scale</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Culture</td>
<td>Likert’s Five-Point Scale (SA-5,A-4,N-3, DA-4,SDA-5)</td>
<td>Clan Culture+ Adhocracy Culture+ Market Culture+ Hierarchy Culture</td>
</tr>
<tr>
<td>Clan Culture</td>
<td>**</td>
<td>Q1,Q2,Q3,Q4 , Q5,Q6</td>
</tr>
<tr>
<td>Adhocracy Culture</td>
<td>**</td>
<td>Q7, Q8, Q9, Q10 , Q11, Q12</td>
</tr>
<tr>
<td>Market Culture</td>
<td>**</td>
<td>Q13, Q14, Q15, Q16 , Q17, Q18</td>
</tr>
</tbody>
</table>
5.12. Scale Reliability Analysis

The following outcomes are displayed in following table. The Cronbach’s alpha and means are calculated using correlation scale reliability. When Alpha >0.7 mean correlation was adjusted to <= 0.3 [313].

**Scale Reliability Analysis**

**Clan Culture** (Table 10)

<table>
<thead>
<tr>
<th>Row</th>
<th>Missings</th>
<th>Mean</th>
<th>SD</th>
<th>Skew</th>
<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>0.00 %</td>
<td>3.97</td>
<td>1.27</td>
<td>-1</td>
<td>0.79</td>
<td>0.322</td>
<td>0.705</td>
</tr>
<tr>
<td>Q2</td>
<td>0.00 %</td>
<td>4.01</td>
<td>1.03</td>
<td>-1.12</td>
<td>0.8</td>
<td>0.394</td>
<td>0.776</td>
</tr>
<tr>
<td>Q3</td>
<td>0.00 %</td>
<td>3.9</td>
<td>1.16</td>
<td>-1.09</td>
<td>0.78</td>
<td>0.389</td>
<td>0.676</td>
</tr>
<tr>
<td>Q4</td>
<td>0.00 %</td>
<td>3.87</td>
<td>1.08</td>
<td>-1.02</td>
<td>0.77</td>
<td>0.321</td>
<td>0.682</td>
</tr>
<tr>
<td>Q5</td>
<td>0.00 %</td>
<td>3.81</td>
<td>1.15</td>
<td>-0.93</td>
<td>0.76</td>
<td>0.365</td>
<td>0.785</td>
</tr>
<tr>
<td>Q6</td>
<td>0.00 %</td>
<td>3.79</td>
<td>1.13</td>
<td>-0.84</td>
<td>0.76</td>
<td>0.385</td>
<td>0.678</td>
</tr>
</tbody>
</table>

*Mean inter-item-correlation=0.224 · Cronbach's α=0.701*
### Adhocracy Culture (Table 11)

<table>
<thead>
<tr>
<th>Row</th>
<th>Missings</th>
<th>Mean</th>
<th>SD</th>
<th>Skew</th>
<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q7</td>
<td>0.00 %</td>
<td>3.98</td>
<td>1.13</td>
<td>-0.96</td>
<td>0.8</td>
<td>0.342</td>
<td>0.733</td>
</tr>
<tr>
<td>Q8</td>
<td>0.00 %</td>
<td>3.84</td>
<td>1.13</td>
<td>-1.04</td>
<td>0.77</td>
<td>0.354</td>
<td>0.629</td>
</tr>
<tr>
<td>Q9</td>
<td>0.00 %</td>
<td>3.84</td>
<td>1.11</td>
<td>-0.93</td>
<td>0.77</td>
<td>0.427</td>
<td>0.734</td>
</tr>
<tr>
<td>Q10</td>
<td>0.00 %</td>
<td>3.72</td>
<td>1.16</td>
<td>-0.81</td>
<td>0.74</td>
<td>0.416</td>
<td>0.693</td>
</tr>
<tr>
<td>Q11</td>
<td>0.00 %</td>
<td>3.71</td>
<td>1.17</td>
<td>-0.87</td>
<td>0.74</td>
<td>0.41</td>
<td>0.679</td>
</tr>
<tr>
<td>Q12</td>
<td>0.00 %</td>
<td>3.83</td>
<td>1.14</td>
<td>-0.84</td>
<td>0.77</td>
<td>0.38</td>
<td>0.72</td>
</tr>
</tbody>
</table>

*Mean inter-item-correlation=0.244  Cronbach's α=0.719*

### Market Culture (Table 12)

<table>
<thead>
<tr>
<th>Row</th>
<th>Missings</th>
<th>Mean</th>
<th>SD</th>
<th>Skew</th>
<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
</tr>
</thead>
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<tr>
<td>Q13</td>
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<td>4.01</td>
<td>1.22</td>
<td>-1.14</td>
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<tr>
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<td>1.09</td>
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<td>0.77</td>
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<td>0.76</td>
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<td>0.75</td>
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*Mean inter-item-correlation=0.254  Cronbach's α=0.720*

### Hierarchical Culture (Table 13)

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<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
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<td>-1.06</td>
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<td>1.08</td>
<td>-0.82</td>
<td>0.76</td>
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### Organizational Culture

(Tale 14)

<table>
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<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
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</tr>
<tr>
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<td>1.13</td>
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<td>0.76</td>
<td>0.449</td>
<td>0.817</td>
</tr>
<tr>
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<td>0.464</td>
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<td>-1.04</td>
<td>0.77</td>
<td>0.372</td>
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<td>1.09</td>
<td>-0.85</td>
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<td>0.424</td>
<td>0.818</td>
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<td>-0.94</td>
<td>0.76</td>
<td>0.442</td>
<td>0.817</td>
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<tr>
<td>Q17</td>
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<td>3.74</td>
<td>1.19</td>
<td>-0.86</td>
<td>0.75</td>
<td>0.49</td>
<td>0.815</td>
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*Mean inter-item-correlation=0.136 · Cronbach’s α=0.658*
### Organizational Performance (Table 15)

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<th>Row</th>
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<th>SD</th>
<th>Skew</th>
<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
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</thead>
<tbody>
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<td>Q25</td>
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<td>0.671</td>
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<tr>
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<td>1.12</td>
<td>-0.92</td>
<td>0.76</td>
<td>0.447</td>
<td>0.69</td>
</tr>
<tr>
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<td>1.1</td>
<td>-0.92</td>
<td>0.76</td>
<td>0.467</td>
<td>0.694</td>
</tr>
<tr>
<td>Q29</td>
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<td>1.11</td>
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<td>0.76</td>
<td>0.45</td>
<td>0.799</td>
</tr>
<tr>
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Mean inter-item-correlation=0.171 · Cronbach’s α=0.826

### Administering Decentralization (Table 16)

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<th>SD</th>
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<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q31</td>
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<td>4.06</td>
<td>1.13</td>
<td>-1.21</td>
<td>0.81</td>
<td>0.376</td>
<td>0.724</td>
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<tr>
<td>Q32</td>
<td>0.00 %</td>
<td>3.88</td>
<td>1.1</td>
<td>-1.07</td>
<td>0.78</td>
<td>0.404</td>
<td>0.718</td>
</tr>
<tr>
<td>Q33</td>
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<td>3.87</td>
<td>1.14</td>
<td>-0.94</td>
<td>0.77</td>
<td>0.519</td>
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Mean inter-item-correlation=0.248 · Cronbach’s α=0.692
### Fiscal decentralization (Table 17)

<table>
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<th>Row</th>
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<th>SD</th>
<th>Skew</th>
<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
</tr>
</thead>
<tbody>
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<td>Q38</td>
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<td>1.15</td>
<td>-1</td>
<td>0.77</td>
<td>0.499</td>
<td>0.67</td>
</tr>
<tr>
<td>Q40</td>
<td>0.14 %</td>
<td>3.86</td>
<td>1.13</td>
<td>-0.87</td>
<td>0.77</td>
<td>0.499</td>
<td>0.67</td>
</tr>
<tr>
<td>Q41</td>
<td>0.00 %</td>
<td>3.82</td>
<td>1.11</td>
<td>-0.92</td>
<td>0.76</td>
<td>0.42</td>
<td>0.693</td>
</tr>
<tr>
<td>Q42</td>
<td>0.00 %</td>
<td>3.77</td>
<td>1.21</td>
<td>-0.88</td>
<td>0.75</td>
<td>0.43</td>
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</tr>
<tr>
<td>Q43</td>
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</table>

Mean inter-item-correlation=0.302 · Cronbach's α=0.721

### Political Decentralization (Table 18)

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<th>Skew</th>
<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
</tr>
</thead>
<tbody>
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<td>0.79</td>
<td>0.296</td>
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<tr>
<td>Q45</td>
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<td>1.1</td>
<td>-0.85</td>
<td>0.75</td>
<td>0.37</td>
<td>0.63</td>
</tr>
<tr>
<td>Q46</td>
<td>0.00 %</td>
<td>3.71</td>
<td>1.14</td>
<td>-0.74</td>
<td>0.74</td>
<td>0.37</td>
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<tr>
<td>Q47</td>
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<td>1.15</td>
<td>-0.54</td>
<td>0.71</td>
<td>0.38</td>
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<tr>
<td>Q48</td>
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<td>1.19</td>
<td>-0.59</td>
<td>0.72</td>
<td>0.377</td>
<td>0.625</td>
</tr>
<tr>
<td>Q49</td>
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<td>-0.56</td>
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### Decentralization of Authority (Table 19)

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<th>Item Difficulty</th>
<th>Item Discrimination</th>
<th>α if deleted</th>
</tr>
</thead>
<tbody>
<tr>
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<td>-1.21</td>
<td>0.81</td>
<td>0.422</td>
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<tr>
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<td>1.1</td>
<td>-1.07</td>
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<tr>
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<td>1.14</td>
<td>-0.94</td>
<td>0.77</td>
<td>0.49</td>
<td>0.808</td>
</tr>
<tr>
<td>Q34</td>
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</tr>
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</tr>
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<td>0.453</td>
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<td>0.76</td>
<td>0.334</td>
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<td>1.27</td>
<td>-1.09</td>
<td>0.79</td>
<td>0.469</td>
<td>0.809</td>
</tr>
<tr>
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<td>0.77</td>
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<td>1.13</td>
<td>-0.87</td>
<td>0.77</td>
<td>0.498</td>
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<tr>
<td>Q41</td>
<td>0.00 %</td>
<td>3.82</td>
<td>1.11</td>
<td>-0.92</td>
<td>0.76</td>
<td>0.383</td>
<td>0.814</td>
</tr>
<tr>
<td>Q42</td>
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<td>3.77</td>
<td>1.21</td>
<td>-0.88</td>
<td>0.75</td>
<td>0.438</td>
<td>0.811</td>
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<tr>
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<tr>
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<td>-1.09</td>
<td>0.79</td>
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<td>-0.85</td>
<td>0.75</td>
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<td>0.812</td>
</tr>
<tr>
<td>Q46</td>
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<td>1.14</td>
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<td>0.74</td>
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<tr>
<td>Q47</td>
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<td>0.71</td>
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<tr>
<td>Q48</td>
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<td>1.19</td>
<td>-0.59</td>
<td>0.72</td>
<td>0.36</td>
<td>0.815</td>
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<tr>
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<td>0.72</td>
<td>0.245</td>
<td>0.82</td>
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Mean inter-item-correlation=0.191 · Cronbach’s α=0.821
Reliability Analysis (Table 20)

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<tr>
<td>Adhocracy Culture</td>
<td>0.719</td>
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<tr>
<td>Market culture</td>
<td>0.720</td>
</tr>
<tr>
<td>Hierarchy culture</td>
<td>0.658</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>0.826</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>0.692</td>
</tr>
<tr>
<td>Administrative Decentralization</td>
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</tr>
<tr>
<td>Fiscal decentralization</td>
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<tr>
<td>Political decentralization</td>
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<tr>
<td>Decentralization of Authority</td>
<td>0.821</td>
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</table>

All the data are reliable with Cronbach’s Alfa above 0.65.

5.13. Assessing Normality of the variables in the model

For Estimating Structural Equation Model (SEM) with Maximum Likelihood method one of the key assumptions is that the measured variables are normally distributed. We require both univariate and multivariate normality of the variables.

To determine the extent of non-normality in data we first screen the data for outliers and then examine the Skewness and Kurtosis of the measured variables.

There are no missing values in the data. Mardia test for multivariate.

Normality and Shapiro-Wilks test for univariate normality was used to check normality of the measured variables.

The results of both these tests on the three measured variables are reported below.
Results of the tests show that the three measured variables have multivariate normality and univariate normality except for the variable DCA. Thus, for estimation of SEM we take both the variables OC and OP at levels where a log transformation is applied to the variable DCA.

5.13.1. Multivariate Normality (Table 21)

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>p value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mardia Skewness</td>
<td>25.66</td>
<td>0.177</td>
</tr>
<tr>
<td>2. Mardia Kurtosis</td>
<td>1.29</td>
<td>0.193</td>
</tr>
</tbody>
</table>

5.13.2. Univariate Normality (Table 22)

<table>
<thead>
<tr>
<th>Test</th>
<th>Variable</th>
<th>Statistic</th>
<th>P-value</th>
<th>Normality</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Shapiro-Wilk</td>
<td>OC</td>
<td>10.42</td>
<td>&gt; 0.05</td>
<td>YES</td>
</tr>
<tr>
<td>2Shapiro-Wilk</td>
<td>OP</td>
<td>16.95</td>
<td>&gt; 0.05</td>
<td>YES</td>
</tr>
<tr>
<td>3Shapiro-Wilk</td>
<td>DCA</td>
<td>0.9664</td>
<td>&lt; 0.001</td>
<td>NO</td>
</tr>
</tbody>
</table>

5.14. Testing the Structural model

Results of the estimated Structural Equation Model (SEM) with Lavaan was shown below.

5.14.1. Results:

lavaan 0.6-5 ended normally after 104 iterations (Table 23)

<table>
<thead>
<tr>
<th>Estimator</th>
<th>ML</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optimization method</td>
<td>NLMINB</td>
</tr>
<tr>
<td>Number of free parameters</td>
<td>110</td>
</tr>
<tr>
<td>Number of observations</td>
<td>705</td>
</tr>
</tbody>
</table>

5.14.1.1. Test User Model: (Table 24)

| Test statistic | 53.81 |
| Degrees of freedom | 1165 |
| P-value (Chi-square) | 0.000 |

5.14.1.2. Fit Measures Model:
Model Test Baseline Model: (Table 25)

Test statistic          9323.62
Degrees of freedom                   1225
P-value                                       0.000

5.14.1.3. User Model versus Baseline Model (Table 26)

Comparative Fit Index (CFI) 0.921
Tucker-Lewis Index (TLI) 0.962

5.14.1.4. Root Mean Square Error of Approximation (Table 27)

RMSEA                                                        0.051
  90 Percent confidence interval-lower  0.048
  90 Percent confidence interval-upper  0.053
P-value RMSEA <=0.05                              0.341

5.14.1.5. Standardized Root Mean Square Residual (Table 28)

SRMR                                                        0.051

5.14.1.6. Regressions (table 29):

|                | Estimate | Std.Err | z-value | P(>|z|) | Std.lv | Std.all |
|----------------|----------|---------|---------|---------|--------|---------|
| DCA ~ OC       | 0.400    | 0.088   | 4.536   | 0.000   | 0.900  | 0.900   |
| OP ~ DCA       | 0.252    | 0.064   | 3.912   | 0.000   | 0.128  | 0.128   |
| OP ~ OC        | 0.656    | 0.232   | 2.822   | 0.005   | 0.635  | 0.635   |

5.14.2. Interpretation of the Results of the Structural Model

1. The Output shows that lavaan converges normally after 104 iterations.

2. The number of observations that were effectively used in the analysis are 703.

3. The estimator used for obtaining parameters was Maximum Likelihood Estimator (ML)

4. The Chi-square test statistic was 53.81 with 1165 df and a P-value of 0.000
5. The various fit indices are reported: Comparative Fit Index (CFI), Tucker Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA) and Standardized Root Mean Square Residual (SRMR).

6. The output on parameter estimates shows all the free and fixed parameters that were included in the model.

7. First Latent variables are reported followed by covariance’s and (residual) variances.

8. The first columns column consists of the estimated value for each of the model parameter and second column consists of the standard error of the parameter followed by the last column which consists of the P-value corresponding to the null hypothesis that population value of the parameter is 0.

9. The reported fit indices indicates that RMSEA (0.05 < 0.08), SRMR (0.05 < 0.8), CFI (0.92 > 0.90), TLI (0.961 > 0.90), shows satisfactory indices of fit. But NFI (0.65 < 0.90) show poor indices of fit.

10. Thus, we conclude that both measurement and structural models shows a good fit of the sample data.
5.15. Structural Equation Model (Figure 7)

5.16. Mediation Model

5.16.1. The estimated mediation model output is shown below:

lavaan 0.6-5 ended normally after 14 iterations Estimator ML

Optimization method: NLMINB
Number of free parameters Used: 5
Number of observations: 705

5.16.1.1. Model Test User Model (Table 30):

Test statistic: 0.000
Degrees of freedom: 0
5.16.1.2. Model Test Baseline Model (Table 31):

- Test statistic: 808.628
- Degrees of freedom: 3
- P-value: 0.000

5.16.1.3. User Model versus Baseline Model: (Table 32)

- Comparative Fit Index (CFI): 1.000
- Tucker-Lewis Index (TLI): 1.000

5.16.1.4. Log likelihood and Information Criteria (Table 33):

- Log likelihood user model (H0): -4366.150
- Log likelihood unrestricted model (H1): -4366.150
- Akaike (AIC): 8742.300
- Bayesian (BIC): 8765.077
- Sample-size adjusted Bayesian (BIC): 8749.201

5.16.1.5. Root Mean Square Error of Approximation RMSEA (Table 34):

- RMSEA: 0.000
- 90 Percent confidence interval-lower: 0.000
- 90 Percent confidence interval-upper: 0.000
- P-value RMSEA<=0.05: NA

5.16.1.6. Standardized Root Mean Square Residual (Table 35):

- SRMR: 0.000
- Parameter Estimates: Information: Expected
  Information saturated (h1) model
  Structured Standard errors: Standard
5.16.1.7. Regressions (Table 36):

<table>
<thead>
<tr>
<th>Link</th>
<th>Coefficient</th>
<th>SE</th>
<th>95% CI</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP ~ DCA</td>
<td>0.08</td>
<td>0.02</td>
<td>[0.05, 0.11]</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>DCA ~ OC</td>
<td>0.81</td>
<td>0.03</td>
<td>[0.75, 0.87]</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>OP ~ OC</td>
<td>0.13</td>
<td>0.01</td>
<td>[0.10, 0.16]</td>
<td>&lt; .001</td>
</tr>
</tbody>
</table>

5.16.1.8. Variances (Table 37):

| Estimate | Std.Err | z-value | P(>|z|) |
|----------|---------|---------|--------|
| .OP      | 11.550  | 0.616   | 18.748 | 0.000  |
| .DCA     | 73.630  | 3.927   | 18.748 | 0.000  |

5.16.1.9. Defined Parameters: (Table 38)

| Estimate | Std.Err | z-value | P(>|z|) |
|----------|---------|---------|--------|
| ab       | 0.107   | 0.013   | 8.422  | 0.000  |
| total    | 0.188   | 0.012   | 15.559 | 0.000  |

5.16.2. Interpretation of Results of mediation model

1. The RMSEA (0.00 < .08), CFI (1.00 > .90), GFI (1.00 > 0.90), TLI (1.00 > 0.90), NFI(1.00 > 0.90) show satisfactory indices of fit.

2. The mediation effect (ab=0.107) is statistically significant and positive.
5.16.3. Mediation model (Figure 8)

5.17. Moderation Analysis

Moderation Analysis

The DV (Y) was Decentralization Of Authority (DCA),
The IV (X) was Organizational Culture (OC) and
The moderation Variable was Level of management

5.17.1. Moderation Estimates (Table 39)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC</td>
<td>0.8124</td>
<td>0.0288</td>
<td>0.746</td>
<td>0.85891</td>
<td>27.82</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>level.of.management</td>
<td>0.9233</td>
<td>0.4066</td>
<td>0.156</td>
<td>1.75023</td>
<td>2.34</td>
<td>0.019</td>
</tr>
<tr>
<td>OC * level.of.management</td>
<td>0.0751</td>
<td>0.0365</td>
<td>0.067</td>
<td>0.1362</td>
<td>2.06</td>
<td>0.039</td>
</tr>
</tbody>
</table>
5.17.2. Simple Slope Estimates (table 40)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>0.802</td>
<td>0.029</td>
<td>0.746</td>
<td>0.859</td>
<td>27.7</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Low (-1SD)</td>
<td>0.862</td>
<td>0.039</td>
<td>0.785</td>
<td>0.939</td>
<td>22.0</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>High (+1SD)</td>
<td>0.743</td>
<td>0.042</td>
<td>0.660</td>
<td>0.826</td>
<td>17.5</td>
<td>&lt;.001</td>
</tr>
</tbody>
</table>

Note. shows the effect of the predictor (OC) on the dependent variable (DCA) at different levels of the moderator (level.of.management)

5.17.3. Simple Slope Plot (Figure 9)

5.18. Moderation Analysis

Moderation Analysis

The DV (Y) was Organizational Performance (OP),
The IV (X) was Decentralization of Authority (DCA) and
The moderation variable is Age
5.18.1. Moderation Estimates (Table 41)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCA</td>
<td>0.18457</td>
<td>0.0106</td>
<td>0.1638</td>
<td>0.2053</td>
<td>17.408</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Age</td>
<td>0.1335</td>
<td>0.0579</td>
<td>0.2661</td>
<td>0.3528</td>
<td>2.575</td>
<td>0.004</td>
</tr>
<tr>
<td>DCA ✻ Age</td>
<td>0.0633</td>
<td>0.0126</td>
<td>-0.0183</td>
<td>0.0310</td>
<td>0.503</td>
<td>0.615</td>
</tr>
</tbody>
</table>

5.18.2. Simple Slope Estimates (Table 42)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>0.185</td>
<td>0.0106</td>
<td>0.164</td>
<td>0.205</td>
<td>17.4</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Low (-1SD)</td>
<td>0.179</td>
<td>0.0161</td>
<td>0.148</td>
<td>0.211</td>
<td>11.2</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>High (+1SD)</td>
<td>0.190</td>
<td>0.0135</td>
<td>0.163</td>
<td>0.216</td>
<td>14.1</td>
<td>&lt;.001</td>
</tr>
</tbody>
</table>

Note. shows the effect of the predictor (DCA) on the dependent variable (OP) at different levels of the moderator (Age)

5.18.3. Simple Slope Plot (Figure 10)

![Simple Slope Plot](image-url)
5.19. Moderation Analysis

Moderation Analysis

The DV (Y) was Organizational Performance (OP);
The IV (X) was Decentralization of Authority (DCA) and
The moderating variable was experience

5.19.1. Moderation Estimates (Table 43)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCA</td>
<td>0.18362</td>
<td>0.01049</td>
<td>0.16305</td>
<td>0.2042</td>
<td>17.499</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>experience</td>
<td>-0.03486</td>
<td>0.11500</td>
<td>-0.26025</td>
<td>0.1905</td>
<td>-0.303</td>
<td>0.762</td>
</tr>
<tr>
<td>DCA * experience</td>
<td>-0.0846</td>
<td>0.0421</td>
<td>0.0200</td>
<td>0.1259</td>
<td>2.150</td>
<td>0.042</td>
</tr>
</tbody>
</table>

5.19.2. Simple Slope Estimates (Table 44)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>0.184</td>
<td>0.0105</td>
<td>0.163</td>
<td>0.204</td>
<td>17.5</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>Low (-1SD)</td>
<td>0.174</td>
<td>0.0153</td>
<td>0.144</td>
<td>0.204</td>
<td>11.4</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>High (+1SD)</td>
<td>0.193</td>
<td>0.0138</td>
<td>0.166</td>
<td>0.220</td>
<td>14.0</td>
<td>&lt; .001</td>
</tr>
</tbody>
</table>

Note. shows the effect of the predictor (DCA) on the dependent variable (OP) at different levels of the moderator (experience)

5.19.3. Simple Slope Plot (Figure 11)
5.20. Testing of Hypotheses (H1, H2, H3)

We shall use the following results to test our first three Hypotheses.

5. 20.1. Regression estimates (Table 45)

| Link      | Estimate | S.E | z-value | P(>|z|) |
|-----------|----------|-----|---------|--------|
| OC ~DCA   | 0.400    | 0.088 | 4.536   | <0.000 |
| DCA ~ OP  | 0.252    | 0.064 | 3.912   | <0.000 |
| OC ~OP    | 0.656    | 0.232 | 2.822   | <0.005 |

1. Hypothesis H$_1$: Decentralization of Authority has a positive and significant impact on Organizational Performance.
   **Interpretation:**

   To test the above hypothesis results shows that the estimated impact of Decentralization of Authority (DCA) on Organizational Performance (OP) is 0.252 (25%) and is statistically significant at 5% as the P-value is <0.05. Thus, we may accept our hypothesis $H_1$ and conclude that decentralization of Authority will improve Organizational Performance.

2. Hypothesis H$_2$: Organizational Culture has a positive and significant impact on Decentralization of Authority.
   **Interpretation:**

   To test the above hypothesis results shows that the estimated impact of Organizational Culture (OC) on Decentralization of Authority (DCA) is 0.40 (40%) and is statistically significant at 5% as the P-value is <0.05. Thus, we may accept our hypothesis $H_2$ and conclude that Organizational Culture (OC) has positive impact on Decentralization of Authority (DCA).

3. Hypothesis H$_3$: Organizational Culture has a Positive impact on Organizational Performance.
   **Interpretation:**

   To test the above hypothesis results shows that the estimated impact of Organizational Culture (OC) on Organizational Performance (OP) is 0.656 (65%) and is statistically
significant at 5% as the P-value is <0.05. Thus, we may accept our hypothesis $H_3$ and conclude that **Organizational Culture (OC)** will improve **Organizational Performance (OP)**.

5.21. Testing for Mediation

We shall use the following results to test our fourth Hypothesis ($H_4$)

**Model Fit Indices (Table 46)**

User Model versus Baseline Model:

<table>
<thead>
<tr>
<th></th>
<th>CFI</th>
<th>TLI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparative Fit Index (CFI)</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tucker-Lewis Index (TLI)</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Root Mean Square Error Approximation (RMSEA)</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.21.1. Mediation Estimates (Table 47)

| Link   | Estimate | S.E | Z-value | $P(|z|)$ |
|--------|----------|-----|---------|----------|
| OP~ DCA| 0.08     | 0.02| 4.0     | <.001    |
| OC~ DCA| 0.81     | 0.23| 3.61    | <.001    |
| OP~ OC | 0.13     | 0.03| 4.25    | <.001    |
| a*b    | 0.10     | 0.01| 8.42    | <0.000   |

4. **Mediation Hypothesis: $H_4$: Decentralization of Authority mediates the positive impact of Organizational Culture on Organizational Performance.**

**Interpretation:**

From the above results we find that:

1. The RMSEA (0.00 < .08), CFI (1.00 > .90), GFI (1.00 > 0.90), TLI (1.00 > 0.90) Show satisfactory indices of fit.

2. The mediation effect (ab=0.107) is statistically significant and positive.

Thus, we may accept the mediation hypothesis that **Decentralization of Authority (DCA) mediates the positive impact of Organizational Culture (OC) on Organizational Performance (OP) at 5% level of significance.**
5.22. Testing for Moderation:

We shall use the following results to test the moderation Hypotheses (H₅, H₇)

5. Hypothesis H₅: Level of Management moderates the positive impact of Organizational Culture on Decentralization of Authority such that at lower levels of management the positive impact is more stronger than at higher levels of management.

Estimated Results

The DV (Y) was Decentralization of Authority (DCA), The IV (X) was Organizational Culture (OC) and The moderation Variable was Level of management.

Moderation Estimates (Table 48)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC</td>
<td>0.8124</td>
<td>0.0288</td>
<td>0.746</td>
<td>0.85891</td>
<td>27.82</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>level.of.management</td>
<td>0.9233</td>
<td>0.4066</td>
<td>0.156</td>
<td>1.75023</td>
<td>2.34</td>
<td>0.019</td>
</tr>
<tr>
<td>OC ✻level.of.management</td>
<td>0.0751</td>
<td>0.0365</td>
<td>0.067</td>
<td>0.1362</td>
<td>2.06</td>
<td>0.039</td>
</tr>
</tbody>
</table>

Interpretation:

From the above table we find that the hypothesized moderation effect (OC ✻ level.of.management) is statistically significant at 5% level and thus we may accept the hypothesis H₅ and conclude that level of management moderates the positive impact of Organizational Culture on Decentralization of Authority such that at lower levels of management the positive impact is stronger than at higher levels of management.

**Hypothesis H₆:** Age moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Age the positive impact is stronger than at higher levels of Age.

The DV (Y) was Organizational Performance (OP), The IV (X) was Decentralization of Authority (DCA) and the moderating variable was Age

### Moderation Estimates (Table 49)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCA</td>
<td>0.18457</td>
<td>0.0106</td>
<td>0.1638</td>
<td>0.2053</td>
<td>17.408</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Age</td>
<td>0.1335</td>
<td>0.0579</td>
<td>0.2661</td>
<td>0.3528</td>
<td>2.575</td>
<td>0.004</td>
</tr>
<tr>
<td>DCA ✻ Age</td>
<td>0.0633</td>
<td>0.0126</td>
<td>-0.0183</td>
<td>0.0310</td>
<td>0.503</td>
<td>0.615</td>
</tr>
</tbody>
</table>

**Interpretation:**

From the above table we find that the hypothesized moderation effect (DCA ✻ Age) is statistically significant at 5% level and thus we may accept the hypothesis H₆ and conclude that AGE moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Age the positive impact is stronger than at higher levels of Age.


**Hypothesis H₇:** Experience moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Experience the positive impact is stronger than at higher levels of Experience.

The DV (Y) was Organizational Performance (OP), The IV (X) was Decentralization of Authority (DCA) and The moderating variable was experience
Moderation Estimates (Table 50)

<table>
<thead>
<tr>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCA</td>
<td>0.18362</td>
<td>0.01049</td>
<td>0.16305</td>
<td>0.2042</td>
<td>17.499</td>
</tr>
<tr>
<td>experience</td>
<td>-0.03486</td>
<td>0.11500</td>
<td>-0.26025</td>
<td>0.1905</td>
<td>-0.303</td>
</tr>
<tr>
<td>DCA * experience</td>
<td>-0.0846</td>
<td>0.0421</td>
<td>0.0200</td>
<td>0.1259</td>
<td>2.150</td>
</tr>
</tbody>
</table>

**Interpretation:**

From the above table we find that the hypothesized moderation effect (DCA * Experience) is not statistically significant at 5% level and thus we may fail accept the hypothesis H7 and conclude that Experience does not moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Experience the positive impact is stronger than at higher levels of Experience.

5.25. Summary of hypothesis (Table 51):

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Mediator/Moderator</th>
<th>Hypothesized Association</th>
<th>Supported or Not</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Organizational Performance</td>
<td>Decentralization Of Authority</td>
<td>----</td>
<td>Decentralization of Authority has a “positive and significant impact on Organizational Performance”</td>
<td>YES</td>
</tr>
<tr>
<td>H2</td>
<td>Decentralization of Authority</td>
<td>Organizational Culture</td>
<td>----</td>
<td>Organizational Culture has a positive and significant impact on Decentralization of Authority</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Organizational Performance</td>
<td>Organizational Culture</td>
<td>Decentralization of Authority</td>
<td>Organizational Culture has a Positive impact on Organizational Performance</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---------------------------</td>
<td>------------------------</td>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>H3</td>
<td>Organizational Performance</td>
<td>Organizational Culture</td>
<td>Decentralization of Authority</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>H4</td>
<td>Organizational Performance</td>
<td>Organizational Culture</td>
<td>Decentralization of Authority</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>H5</td>
<td>Decentralization of Authority</td>
<td>Organizational Culture</td>
<td>Level of Management</td>
<td>Level of Management moderates the positive impact of Organizational Culture on Decentralization of Authority such that at lower levels of management the positive impact is more significant</td>
<td>Yes</td>
</tr>
<tr>
<td>H6</td>
<td>Organizational Performance</td>
<td>Decentralization of Authority</td>
<td>Age</td>
<td>Age moderates the “positive impact of Decentralization of Authority on Organizational Performance” such that impact is stronger at higher levels of Age</td>
<td>Yes</td>
</tr>
<tr>
<td>H7</td>
<td>Organizational Performance</td>
<td>Decentralization of Authority</td>
<td>Experience</td>
<td>Experience moderates the “positive impact of Decentralization of Authority on Organizational Performance” such that at lower levels of Experience the positive impact is stronger than at higher levels of Experience</td>
<td>No</td>
</tr>
</tbody>
</table>
Findings:

6.1. Findings from the descriptive analysis:

1.1 Age: The respondents of the age group 18 -30 years are 333 (47.2%) in number, which is highest and number of respondents from 41- 50 years of age are 22 (3.5%) which is the lowest.

1.2. Gender: The male respondents are highest with 555 and female respondents are lowest with 150 (21.3%).

1.3. Educational. Qualification:

The 413 respondents with post-graduation qualification are the highest population among the respondents and the 133 respondents with graduation are the lowest population.

1.4. Experience: The respondents with less than five years of experience (0-5years) are the highest population present in the organization and the lowest are with (16-20) years of experience are 32 (4.5%).

1.5. Function of Management: Respondents in Production function are 221 (31.4%) and the lowest respondents are in the finance function are 61 (8.6%).

1.6. Level of Management: The respondents in the low level management are having the lowest population of top management 127 (18.0%) followed by the middle management 242 (34.3%) and low level management 327 (46.4%)

1.7. Level of income:

The respondents with > 50,000 income are highest among the population 324 (46.0%) and respondents with lowest population with 10,000 – 20,000 income are 9 (1.3%).

1.8. Type of recruitment:

Respondents recruited through the recruitment process are the highest responses 480 (68.1%) and the respondents through the other sources are lowest responses 218 (30.9%).
6.2. Findings from reliability analysis:

The cut off points for Cronbach’s Alpha was >= 0.7 and for mean inter item correlation it was<= 0.3.
Since the Mean inter-item-correlation=0.191 and Cronbach's $\alpha=0.821$, it is reliable.
Through Cronbach’s alpha and mean inter item correlations it was proved that the scale was reliable.

6.3. Findings from Normality analysis:

The results of both univariate and multivariate normality of the variables are analyzed.
The analysis is proved that all the variables in the model showed multivariate normality and univariate normality except for the variable DCA.

6.4. Findings from the Structural Model.

The results indicated that RMSEA (0.05 < .08), SRMR (0.0.05<0.8), CFI (0.92 > .90), TLI (0.961 > 0.90), shows satisfactory indices of fit. But NFI (0.65 < 0.90) show poor indices of fit. So it was conclude that both measurement and structural models shows a good fit of the sample data.

6.5. Findings from the mediation model

The results interprets that the RMSEA (0.00 < .08), CFI (1.00 > .90), GFI (1.00 > 0.90), TLI (1.0 0 > 0.90), NFI(1.00 > 0.90) show satisfactory indices of fit. So it was proved that the mediation effect (ab=0.107) is statistically significant and positive.

6.6. Findings from the testing of hypothesis

a. Hypothesis H1: Decentralization of Authority has a positive and significant impact on Organizational Performance.

The estimated impact of Decentralization of Authority (DCA) on Organizational Performance(OP) is 0.252 (25%) and is statistically significant at 5% as the P- value is <0.05.Hence, hypothesis H1 was accepted and concluded that Decentralization of Authority will improve Organizational Performance.
b. Hypothesis H2: Organizational Culture has a positive and significant impact on Decentralization of Authority.

The estimated impact of Organizational Culture (OC) on Decentralization of Authority (DCA) is 0.40 (40%) and is statistically significant at 5% as the P-value is <0.05. So, hypothesis H2 is accepted and concluded that Organizational Culture (OC) will impact on Decentralization of Authority (DCA).

c. Hypothesis H3: Organizational Culture has a Positive impact on Organizational Performance.

The estimated impact of Organizational Culture (OC) on Organizational Performance (OP) is 0.656 (65%) and is statistically significant at 5% as the P-value is <0.05. So, the hypothesis H3 was accepted and concluded that Organizational Culture (OC) has positive impact Organizational Performance (OP).

6.7. Findings from the Mediation

d. Hypothesis H4: Decentralization of Authority mediates the positive impact of Organizational Culture on Organizational Performance.

The analysis proved that the RMSEA (0.00 < .08), CFI (1.00 > .90), GFI (1.00 > 0.90), TLI (1.00 > 0.90) show satisfactory indices of fit and the mediation effect (ab=0.107) is statistically significant and positive. So it was accepted that the mediation hypothesis that Decentralization of Authority (DCA) mediates the positive impact of Organizational Culture (OC) on Organizational Performance (OP) at 5% level of significance.

6.8. Findings from the Moderation:

e. Hypothesis H5: Level of Management moderates the positive impact of Organizational Culture on Decentralization of Authority such that at lower levels of management the positive impact is stronger than at higher levels of management.

The hypothesized moderation effect (OC × level of management) is statistically significant at 5% level and the hypothesis H5 was accepted and concluded that level of
management moderates the positive impact of Organizational Culture on Decentralization of Authority such that at lower levels of management the positive impact is stronger than at higher levels of management.

f. Hypothesis H6: Age moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Age the positive impact is stronger than at higher levels of Age.

The results of the hypothesized moderation effect (DCA \times Age) is statistically significant at 5% level and thus the hypothesis H6 was accepted and concluded that AGE moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Age the positive impact is stronger than at higher levels of Age.

g. Hypothesis H7: Experience moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Experience the positive impact is stronger than at higher levels of Experience.

The results interpreted that the hypothesized moderation effect (DCA \times Experience) is not statistically significant at 5% level and thus the hypothesis H7 is not accepted and concluded that Experience does not moderates the positive impact of Decentralization of Authority on Organizational Performance such that at lower levels of Experience the positive impact is stronger than at higher levels of Experience.

Suggestions from the research:

India is a country of Unity in diversity in which different cultures are followed at different geographical locations. So the present study suggests that.

1. The decision of implementing decentralization may pose certain challenges, which have to be managed effectively, for enhancing organizational performance.
2. In improving the organizational performance middle level and lower level employee should be considered and their views also should be taken care of.
3. Administrative decentralization should be given more priority when compared to political decentralization.

4. In the recruitment process, young people may be preferred for improving organizational performance as they can adapt to the latest technologies skills fast.

5. An organization with people at leadership level demonstrating the creativity, risk taking ability and entrepreneurial qualities can enhance its performance considerably.

6. Based on the outcomes of the study it is suggested that the top management shall interface with employees at the lower level, in operation level decisions as they have better idea about various operations.

7. Most of the participants disagreed with the statement 24, hence it is suggested that, besides factors like dependable delivery, low cost production and smooth scheduling, there are other key factors like productivity, process innovation, efficiency and innovation that can define organizational efficiency in a better manner.

8. Besides hard and fast measures, sometimes smooth control measures are also needed, whenever required, to attain performance and stability.

9. A good organizational culture will increase the cohesiveness among the employees / teams and this will result in employees trusting each other and feel that their contribution is equally important towards attaining the organization goals and continuous improvement of the organization.

10. It is suggested that administrative and political decentralization are more preferable when compared to the fiscal decentralization, to improve organizational performance (31 to 43).

11. Decentralization of authority makes the delegation of decision making, power, people or things from the top management to the lower level management and thereby it improves the quality of services in service industries.

The present research had strengthened a strong relationship between the culture and performance of the organization. It was also proved the impact of decentralization of authority on the relationship between the culture and performance, which results in the organization productivity, effectiveness and performance.
Conclusion:

The study involves the impact of the process of decentralization of authority on the relationship between the organizational culture and organizational performance. The Decentralization process in Multinational Corporation (MNC) shall comprise of explaining internal corporate culture and also equal importance to the external national culture and there is proper channel for the allocation of decision rights to subsidiaries. In IT sector, there exists a nexus between the decentralization of authority and technology. As several studies in social sciences proves that there exists a robust relationship between the decentralization of authority, culture and performance. The present research proved the impact of the decentralization of authority on the relationship between the organizational culture and organizational performance.

The present research proved that the process of decentralisation of authority impacts on the performance of the organisation in which the decentralisation of authority mediates the positive impact of organisational culture on the performance of the firm. The variables like age and level of management has a strong influence in the moderation effect between the organizational culture, decentralisation of authority and performance.