

IMPACT OF THE COVID-19 PANDEMIC ON THE PRODUCTIVITY CULTURES OF INDIAN AND FOREIGN MULTINATIONAL COMPANIES

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ABSTRACT

Objectives: This is a descriptive cross-sectional study to elicit the impact of the Covid-19 pandemic on the productivity cultures of Indian and Foreign MNC's using a survey questionnaire. **Materials and Methods:** Descriptive hypotheses were set and studied based on both primary and secondary data. Using secondary data, ten emerging productivity cultural elements were identified first as Consistency; Caring; Commitment to learning; Communication; Team Celebrations; Community; Camaraderie; Core values; Connect; Chronicles. Next, by way of a short survey of 100 respondents each from the two types of MNCs (Indian and Foreign), an opinion was then taken through a 5-point agree/disagree Likert scale. **Results:** The study showed that both the set of respondents from the Indian and Foreign MNC's agreed to the researcher's cultural elements. The agreement for Indian MNCs was 83%, and it was 87% for the foreign MNCs. The hypothesis that the emerging cultural elements identified are not significant was rejected. The hypothesis that both sets of companies show similar levels of agreement could not be rejected. **Conclusion:** The study results have established our initial contention that both Indian and foreign MNC's agree on the impact of the cultural productivity trends identified in the literature after the Covid-19 pandemic of 2020.

Keywords: Covid-19, Emerging productivity culture, Indian MNCs, Foreign MNCs.

Introduction

The Covid-19 pandemic, both nationally and internationally, has forcefully changed how working, communicating, mingling with other people and pitched the global economy into recession. It has affected most sectors like investments, human capital, education, trade and supply relationships, etc. (Dieppe, 2020). Productivity growth is the main basis for per capita income growth and decreases the poverty rate by 1 % point per year. But due to the Covid -19 crises, ninety percent of the countries have seen a fall in their per capita incomes (Dieppe, 2020). About three million people in the US have filed for unemployment insurance since last year in March (Li et al., 2020).

Everybody has had to follow the dictates of this catastrophe, and even though some have been fortunate to work from home, for example, information technology professionals, accountants, etc. but others in the manufacturing, service/ hospitality industry had to shut shop leading to huge monetary and personal losses (Li et al., 2020). The familiar organizational scenarios of planned work areas and informal business chats have given way to protective equipment, zoom meetings, and work from home has become the new reality,

which is a challenge for HR managers as to how to hone the company culture (Spicer, 2020). Covid-19 has had a challenging influence on the productivity culture trends of both foreign and Indian multinational companies. Spiegelman (2014) has identified ten elements of productivity culture, which are as follows: Consistency; Caring; Commitment to learning; Communication; Team Celebrations; Community; Camaraderie; Core values; Connect; Chronicles. Hence this review plans to study the impact of these cultural productivity trends on the different company cultures.

Literature Review

Unexpected blows, whether environmental or market-related like the financial crisis of 2007, can change the way people think even in the best of organizations as it damages self-confidence, obstructs access to funds, reduces corporate earnings, and hampers investment in the long run (Dieppe, 2020). For example, in 2007, Nokia was riddled with anger, fear, and stubbornness to accept market changes resulting in its failure (Elliot and Smith 2006), and so the different mantra is to try and "fit in" with the new culture (Meyer, 1982), but that does not mean that it should be done in an insensitive manner with loss of important

values that had formed the basis of the organizational culture in its good days (Spicer, 2020).

Alternatively, Elsbach and Stigliani (2018) have proposed a three-step process of reflection, experiment, and action in a cyclic manner to deal with cultural changes. The various ways and means to attain this by making them feel safe, confident and use their pre-existing cultural habits to readjust to new ones aligned to the present environment that involves working from home or in the offices with social distancing rules and regulations (Edmonson, 1999 and Howard-Greenville, 2020).

The impact of Covid-19 has impacted both national and global companies to re-think their business strategies. Work from home (WFH) is the biggest cultural productivity trend where online/ virtual meetings, e-learning, enhancing strategic work from remote areas policies (Choudhary, Larson, Foroughi, 2019). The company can now save rent by having smaller offices, and on the lighter side, the staff can indulge in home-cooked food with no time spent on commuting (Li et al., 2020).

Covid-19 has taught the world resilience to adversity (Li et al., 2020), i.e., to repair and transcend the organization's vulnerability (Waldman, Carmeli, Halevi, 2011). In this phase of natural disaster, productivity can be boosted by self-efficacy, self-esteem, locus of control support systems, etc. (Bimrose and Hearne, 2012).

This impact can be countered by turning towards other solutions such as training the employees for new technology like artificial intelligence, robotics, etc. Other structural reforms include

- research and development,
- re-allocation of resources to productive zones like innovation, and
- encouraging growth-friendly macro-economic and organizational environments.

The emerging productivity culture

It is characterized by a mix of the following ten C elements:

1. Consistency,
2. Caring,

3. Commitment to learning,
4. Communication,
5. Team Celebrations,
6. Community,
7. Camaraderie,
8. Core values,
9. Connect, and
10. Chronicles.

(Source: Spiegelman, 2014)

Methodology

- A survey questionnaire was administered to 100 respondents from each of the two types of companies (Foreign and Indian MNC's).
- The selection of the respondents was based on the judgment of the writer of getting the responses.
- Responses were sought on the opinion then taken through a 5-point agree/disagree Likert scale.
- The ten elements of the productivity culture were: Consistency; Caring; Commitment to learning; Communication; Team Celebrations; Community; Camaraderie; Core values; Connect; Chronicles (Spiegelman, 2014).
- A data-set of the 100 respondents was created, and the hypotheses were tested based on responses to the ten questions.
- While calculating the agreement/disagreement, the strongly options were assigned a weight of two to distinguish them from the somewhat options.
- Average agreement percentages for the ten elements were calculated, and they were compared with a hypothesized population mean of 50% (connoting an event by chance) to test for statistical significance at a 95% confidence level.
- Additionally, applying a two-sample test, the responses were compared between the Indian and foreign MNCs to determine if they were significantly different.

Statement of Hypotheses

Ho1: The agreement to the identified cultural elements is not significant

Ha1: The agreement to the identified cultural elements is significant

Ho2: The difference in the agreement between the two sets of companies is equal to 0.

Ha2: The difference in the agreement between the two sets of companies is not equal to 0.

The survey instruments returned Cronbach's alpha of 0.959 (Indian MNCs) and 0.979 (Foreign MNCs) that is better than 0.70 (the standard) and hence was considered as reliable. Data analysis included descriptive analysis specifying features of the sample, and the inferential analysis to test the hypotheses was t-test for two independent samples / Two-tailed test: 95% confidence interval on the difference between the means.

Results

Descriptive analysis

Indian MNCs:

Male respondents (83) formed a larger proportion of the sample than females (17). Twenty-six respondents belonged to the age-group category of <30 years, 35 to the age-group category of 30-50 years, and 39 to the age-group category of >50 years. Twenty-five

had work experience of <5 years, 34 had work experience of 5-10 years, and balance 41 had more than ten years of work experience. Forty-two respondents belonged to the manufacturing sector, while 58 belonged to the service sector.

Foreign MNCs:

Male respondents (89) formed a larger proportion of the sample than females (11). Thirty-three respondents belonged to the age-group category of <30 years, 32 to the age-group category of 30-50 years, and 35 to the age-group category of >50 years. Fifteen had work experience of <5 years, 49 had work experience of 5-10 years, and balance 36 had more than ten years of work experience. Sixty respondents belonged to the manufacturing sector, while 40 belonged to the service sector.

Summary of the ratings for the agreement levels are given in Table 1 below:

Table 1: Summary of Agreement for productivity cultural trends (%) between the Indian and Foreign MNC's

Cultural element	1	2	3	4	5	6	7	8	9	10	Average
Agree-Indian MNC	86%	86%	81%	80%	90%	83%	78%	86%	88%	76%	83%
Agree-Foreign MNC	87%	90%	81%	85%	93%	81%	82%	90%	93%	86%	87%

Table 2 shows the testing of the first hypotheses at 95% confidence level.

Table 2: Testing of the hypotheses

Parameter	Indian MNCs	Foreign MNCs
Sample Mean (\bar{x})	83%	87%
Hypothesized population mean (μ)	50%	50%
SD of sample	0.785147	0.885188
n (sample size)	100	100
t-value= $abs((\bar{x} - \mu) / (s/\sqrt{n}))$	4.244164	4.138786
p-value = $tdist(t,(n-1),1)$	0.00002	0.00004
Decision	Reject Null	Reject Null

The null hypothesis was rejected in favor of the alternate that the sample means are significantly different from the hypothesized population mean level of agreement of 50%.

A two-sample means test was applied for the two sets of responses of the Indian and Foreign MNCs, and the results were as under:

Summary statistics

Variable	Observations	Obs. with missing data	Obs. without missing data	Minimum	Maximum	Mean	Std. deviation
Ind-MNC	100	0	100	1.200	4.000	3.131	0.672
For-MNC	100	0	100	1.000	4.000	3.215	0.814

t-test for two independent samples / Two-tailed test:

95% confidence interval on the difference between the means: [-0.292,0.124]

Difference	-0.084
t (Observed value)	-0.796
t (Critical value)	1.972
DF	198
p-value (Two-tailed)	0.427
alpha	0.050

The null hypothesis could not be rejected given the p-value of 0.427.

Discussion of results

All the ten elements indicating the emergence of a new productivity culture, namely, Consistency; Caring; Commitment to learning; Communication; Team Celebrations; Community; Camaraderie; Core values; Connect; Chronicles were rated as widely acceptable elements by the 100 respondents from both the Indian and Foreign MNCs. The average agreement for the Indian MNCs was 83%, and that of the Foreign MNCs was 87%. In the backdrop of the pandemic Covid-19, one

can easily connect with elements like Caring that commits to paying attention to the employees and customers' well-being. The difference in the agreement level between the two sets of companies was not found to be significant.

Conclusion

In the backdrop of Covid-19, a culture reflecting care, resilience, team spirit, and a fighting attitude is emerging on the productivity front for MNCs. The emerging productivity culture is characterized by ten C's: Consistency; Caring; Commitment to learning; Communication; Team Celebrations; Community; Camaraderie; Core values; Connect; Chronicles. Our study results show that people from the MNCs, both Indian and Foreign, believe that it is this culture that will enable them to fight back and launch a strong recovery post-2020. All the ten elements in themselves are significant, but they have a more powerful combined effect, and that combination is set out to become the productivity culture in the days to come.

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