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Teamwork and Collaborative Decision Making at ARKA Fincap, Chennai

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Abstract

The need for collaboration and joint decision-making has become more crucial in the modern financial world than ever before, with regard to the efficiency of organisations, employee engagement, and overall performance. This study explores the nature and effectiveness of team working and collaborative decision making practices at ARKA Fincap Limited, a Mumbai based Non-Banking Financial Company (NBFC) with branch in Chennai. The primary data were gathered on 120 employees from all hierarchical levels by using structured questionnaire on 5-point likert scale. The population of the Chennai unit was covered in a census method. The percentage analysis, Chi-Square analysis and Correlation analysis were used as statistical tools. This indicates that most respondents have positive views on the importance of teamworking in the reduction of stress, increase in goal attainment and improvement of organisational performance. But findings of mixed views were noted with regards to open communication in decision making, employee participation in idea sharing and clarity of role. The results of the Chi-Square analysis showed no significant relationship between educational qualification and opinions on structural changes for a team's performance ($p = 0.126$). The years of work experience were found to be slightly negatively correlated with the perception of effectiveness of teamwork ($r = -0.003$). The study concludes that though the collaborative practices are generally valued at ARKA Fincap, there is a need to introduce structured changes in its communication, role definition and decision making process in order to maintain the high performance team culture in the NBFC sector.

Keywords: EEP, CDM, Financial Services, Organisational Performance, Teamwork.

Introduction

With the current competitive and fluid financial climate, businesses are turning to recognise that individual abilities are not enough for continued performance. Teamwork (coordinated action of people who are working towards an organisation's common purpose) and collaborative decision making (inclusive process of involving multiple stakeholders to solve a problem and develop a

strategy) are now foundational to HRM and OB. Non-Banking Financial Companies (NBFCs) are the bridge between conventional banking and the new-fangled financial technology, and therefore they are dealing with unique challenges, which require a high level of precision and agility.

ARKA Fincap Limited, a company rebranded in 2019 from Kirloskar Capital Limited, is an NBFC licensed by the RBI which offers customised financial solutions to MSMEs, SMEs, corporates and retail clients. Collaboration, trust and employee empowerment are core tenets of ARKA Fincap's business model, as it strives to serve the people that came first in its mission: 'serve deeply and lend wisely'. It is, therefore, important to understand how one of these values would manifest itself in the team practices of day-to-day life and decision making; a subject that carries significant academic and managerial importance.

The present study has been conducted on 120 employees of ARKA Fincap, Chennai to understand the impact of team work and cooperative decision making on the organizational performance and employee satisfaction. The study is timely, in the background of the fast growth of the NBFC sector in India and the need of the financial institutions to accommodate both regulatory requirements and innovation through employee oriented service delivery. There has been a lot of work done on teamwork and decision-making in manufacturing and services industries in general, but there is limited empirical evidence on this topic in the Indian context of NBFCs (Kwon and Kim, 2025; Rabhi et al., 2024). The study thus contributes to the body of knowledge of organisational behaviour in financial institutions in a contextual manner.

Literature Review

There is an increasing literature that highlights the importance of participative practices and its central role in the effectiveness of teams and organisational outcomes. Kwon and Kim (2025) found that PDM did significantly improve employee cognitive flexibility, creativity, and voice behavior, with cognitive flexibility being a significant mediator. Their results suggest that finance firms such as ARKA Fincap can benefit from managers who promote inclusive decision-making processes because this contributes to both individual and collective adaptability, which is especially relevant in credit assessment and risk evaluation involving multiple functions and considerations.

In high-stakes, dynamic decision environments, Spak, Backlander, Andersson, and Granlund (2025) concluded that teams with balanced profiles of functional competency are more likely to perform well than homogeneous teams. This can be used in financial services teams to support the value of cross functional team composition for loan appraisal, compliance and customer relations. Similarly, Rabhi et al. (2024) found that team empowerment (trust, communication and participative decision frames) plays an important role in the speed of decision-making and coordination in administration, which is an important aspect for NBFCs where turnaround time of clients is a competitive edge.

Rutka (2023) found that higher level of team member involvement and better decision quality along with better team effectiveness, further supporting the need for consultative and consensus based decision models in financial organisations. In a post-pandemic hybrid work culture setup by many financial institutions in India, Sanchez et al. (2023) also pointed out that team success is significantly correlated with effective communication, feedback frequency and dynamic coordination in virtual and distributed teams.

In a domestic perspective, Charles et al. (2021) applied the concept of employee involvement in decision-making in an Access Bank, Nigeria type financial institution and found that such employee involvement has direct link with the productivity and creativity of the organisation. Overall, this body of evidence highlights that collaborative decision-making and team organization is no longer a matter of HR best practice but a business requirement for companies like ARKA Fincap that work in regulated financial environments.

Research Methods

This research paper aims to explore the characteristics of teamwork and collaborative decision making process adopted at ARKA Fincap, Chennai and its impact on the organizational performance. Descriptive research design was used, the study was not experimental because there was no manipulation of variables and the issue was to describe the perception and attitude of the employee towards the team related practices in a systematic way.

A non-disguised structured questionnaire with 25 items on a 5-point Likert scale (5 = Strongly agree to 1 = Strongly disagree) was used to collect the primary data from 120 ARKA Fincap’s employees in Chennai. Data collection included secondary data gathered from company annual reports, academic journals and organisational websites. The number of individuals in the population was manageable (N = 120); therefore, there was no need to use a sampling technique. The data were gathered for three months from January to April 2026.

The sample consisted of employees from all levels of management – top level (26.7%), middle level (47.5%), lower level (20.0%), and operational staff (5.8%). The following statistical techniques were used: Percentage Analysis for the description of the distribution of demographic and perceptual data; Chi-Square Analysis for testing the independence of the perception of the structural change and educational qualification; and Correlation Analysis for testing the relationship between work experience and teamwork effectiveness. All statistical calculations have been done using SPSS.

Table 1 Demographic Profile of Respondents

Variable	Category	Percentage (%)
Gender	Male / Female	52.5 / 47.5
Age	Below 25 years (majority)	56.7
Education	UG / PG (majority)	46.7 / 35.2
Designation	Middle Level Management	47.5
Work Experience	Less than 1 year (majority)	35.0

Source: Primary Survey

Data Analysis and Findings

Percentage Analysis

The percentage analysis shows a more complex and nuanced impression of teamwork and joint decision making among employees of ARKA Fincap. In terms of teamwork effectiveness, 41.7 per cent agreed strongly that they can depend on teammates to finish tasks and 31.7 per cent strongly agreed that working on a team makes work-related stress less. This was one of the highest level of agreement across all items, and indicates a generally positive team culture.

Concerning goal orientation and role clarity, 36.7% strongly agreed that the role of teamwork is well defined and facilitates goal achievement and 35.0% strongly agreed that effective teamwork facilitates the achievement of organisational goals. Overall, the training programs’ value was the most strongly agreed upon item with 40.8% of employees strongly agreeing that training programs enhance teamwork and collaboration skills, indicating good acceptance of the program by employees.

But there were gaps that were identified in the area of collaborative decision-making. 29.2% strongly agree that they have opportunities to share ideas and suggestions. Nearly as many disagreed (39.1 per cent combined) that decisions are discussed openly within teams, and 43.3 per cent disagreed or felt uncomfortable with the expression of views within teams. This indicates

an identifiable difference between intent and action at the team level, regarding the value of collaboration in the organisation.

Table 2 Key Perceptual Findings on Teamwork and Collaborative Decision-Making

Statement	Agree + Strongly Agree (%)	Disagree + Strongly Disagree (%)
Working as a team reduces work-related stress	58.4	25.0
Can rely on teammates to complete responsibilities	56.9	23.4
Teamwork supports goal achievement (well-defined)	62.5	15.8
Teamwork improves overall organisational performance	60.9	30.0
Training programs improve teamwork skills	60.8	26.0
Opportunities to share ideas and suggestions	45.9	39.1
Decisions discussed openly within the team	42.5	40.8
Comfortable expressing views in team discussions	45.8	43.3
Collaborative decisions lead to better outcomes	48.3	37.5

Source: Primary Survey

Chi-Square Analysis

To explore whether there was any association between educational qualifications and perception that change in work structure can enhance team performance a Chi-Square test was applied. The null hypothesis was put forward: educational level does not have a significant relationship with changes in the structure of work that will enhance the performance of the team.

Table 3: Chi-Square Analysis – Educational Qualification and Work Structure Perception

Test	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.569	16	0.126
Likelihood Ratio	26.928	16	0.042
N of Valid Cases	120	—	—

Source: Primary Survey

The Pearson Chi-Square p-value (0.126) is greater than the 5% significance level (0.05) and the null hypothesis is accepted. This means that people’s attitudes towards change to improve their teams do not differ depending on their level of education. The results align with the findings by Zamecnik et al. (2024), who found that the attitudes towards team collaboration are not determined by the academic background but are more influenced by organizational culture and interpersonal relations.

Correlation Analysis

To determine whether there was a relationship between years of work experience and perception of well-defined teamwork and teamwork supporting goal achievement, a Pearson’s correlation coefficient was used.

Table 4 Correlation Analysis – Work Experience and Teamwork Effectiveness

Factor	Pearson Correlation (r)	Sig. (2-tailed)
Years of Work Experience vs. Teamwork Effectiveness	-0.003	0.974
N = 120	—	—

Source: Primary Survey

The correlation coefficient ($r = -0.003$) shows that there is a very small and statistically insignificant ($p = 0.974$) negative correlation between work experience and the perceived effectiveness of teamwork. This suggests that there is little difference between the experience levels of employees in their experience of teamwork; and that the length of time spent at the company does not meaningfully impact employees' perception of goal support or role clarity. So, organisations such as ARKA Fincap simply cannot count on experience building to foster collaborative team cultures; explicit interventions are still required, regardless of the level of seniority.

Suggestions

Role Clarity and Communication: ARKA Fincap must clearly define and communicate roles and responsibilities to the team via structured onboarding, team handbooks and regular role reviews. When everyone is on the same page regarding a sense of accountability, the ambiguity is minimized and intra-team coordination is improved.

Inclusive Decision-Making Frameworks: The organisation should have participative decision structures – including huddles, cross-departmental review committees and open door feedback processes – that enable all employees to meaningfully contribute to strategic decision making and operational decisions. This is especially important as more than 39% of respondents indicated they were not well-integrated in sharing ideas.

Improve Training and Development: When 60.8% of respondents said that training programs enhance collaboration, ARKA Fincap should consider organizing structured team-building sessions, collaborative problem-solving exercises, and cross-departmental project teams to foster unity and mutual understanding among employees.

Psychological Safety and Openness: The organisation needs to respond to the significant discomfort reported by more than 43% of respondents in voicing views on the team. To reap the maximum benefit of collective decision making, it is essential to create a psychologically safe environment, as demonstrated through manager training, anonymous feedback channels, and non-punitive cultures of dissent.

Role overlap and task duplication (more than 44% of respondents identified this as a concern) should be tackled by process mapping, job descriptions and an RACI (responsibility assignment matrix). This will enhance efficiency and decrease team friction in the organisation.

Conclusion

This study focused on the teamwork and collaborative decision making process in ARKA Fincap Limited, Chennai with primary data collection from 120 employees from all the hierarchical levels. It is shown in this analysis that employees have a generally positive perception of the influence of team working on reducing stress, achieving goals and increasing organisation effectiveness. The use of training programmes was particularly strongly recommended as a way of developing collaborative capacity.

But there are still some areas where organisational intent is not yet consistently fulfilled, such as open communication, inclusive idea-sharing and transparent team decisions. The Chi-

Square analysis found that education is not a significant factor affecting perception of structural team changes ($p = 0.126$), and correlation analysis observed that there was negligible influence of work experience on the perception of employees' teamwork ($r = -0.003$). The data all point to the importance of cultural and structural interventions over demographic factors to improve collaborative performance.

The institutional basis of the reforms is robust which is highlighted by ARKA Fincap's core values of trust, collaboration and employee success. The following actions are therefore recommended: improve participatory decision making arrangements, improve role clarity, build on psychological safety and systematically reduce duplication of effort. Future research can extend the study to the dynamics of collaboration across multiple generations of NBFC employees and examine the impact digital collaboration tools can play in improving the quality of decision making in the Indian financial services sector.

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