



Organizational climate in Banks with special focus on 'Warmth and Support, Leadership and Motivation'

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ABSTRACT

The basic concept of this study was derived from various studies conducted already by many experts. The publications in the form of books, articles, papers and information through websites were very carefully gone through by the investigator and the result is the title of this study "Organizational climate in banks with special focus on warmth and support, Leadership and Motivation.

KEYWORDS : Leadership, Motivation, Organizational Climate and Warmth and Support

Introduction

Organizational climate is one of the most important concepts to enter into the theory of organizations in this century. The intensive research as well as debates on its conceptualization and assessment during the last few decades seems to have helped to develop organizational climate as a mature concept in management. The concept has also proved useful in predicting and explaining a variety of job related behaviours, attitudes and performance as well as organizational performance on a number of dimensions. The importance of this concept is best indicated by the fact that a lot of reviews have been published in the leading journals across the world during the last few decades.

Review of Literature

The new path carver in the field of administrative research with regard to organizational climate in banks was Motile Sharma. He has used the methodologies, tools and techniques developed in the west. He has conducted a comparative study on O.C. of Government and private schools of the churl District Rajasthan. Also he has assessed the school climate in its relationship with head master's leadership behaviour. He has also conducted another study on the O.C. of secondary schools of Rajasthan.

Shula, studied teachers alienation in relation to principal's administrative styles administrative effectiveness and some of the organizational characteristics of schools at two levels at Meerut. The study revealed that alienation was present in all the teachers in varying degrees.

A study conducted by sing and Singh to find out the job satisfaction of physical education teachers working at various places in India revealed that 59% of the subjects never felt overloaded with work, 90% felt that facilities were too mean, 60 percent expressed dissatisfaction over pay, however they felt security in their job.

An analysis conducted by Susan Chirayath with regard to the relationship between the organizational climate of schools and the teacher's attitude towards teaching profession working in those schools revealed that these two variables are significantly and positively correlated. The study further revealed that aloofness and production emphasis (head master's behaviour) are negatively correlated with teacher's attitude.

In a study conducted by Harish Shula and D.P. Mishap, the authors attempted to analyze the O.C. of professional and non-professional colleges of Indore division from the perception of the staff members including teaching and non-teaching employees. The findings show that O.C. as perceived by the employees of professional and non-professional does not differ significantly. The employees belonging to teaching departments have better perception of O.C.

than those non-teaching departments have better perception of O.C. than that of non-teaching employees. The employees in the older age group perceive climate in better way than that of young employees. Female employees are more positive in their perception as compared to their male counterparts. The post graduate employees have better perception have O.C. than that of their undergraduate colleges.

As pointed out by Pareek, that culture provides a strong run for a fast moving wheel, keeps several factors intergraded and acts as a binding force to manage the difficult terrain.

Shared Kumar studied the organizational climate of banks in India. He has taken 26 public sector banks and 25 banks in private sector. The factors he has taken for the study are, leadership, motivation, communication, interaction – influence, decision making, goal setting and control process. He concluded that the coverage perception of O.C. on all the factors is better in case of new private sector banks and foreign banks, compared to public sector banks.

RituLehal, describes, that existence of right climate is essential not only for management development but also for improving its effectiveness and efficiency. Organizational climate usually has a major influence on motivation, productivity and job satisfaction. It is a major motivating factor responsible for satisfaction/ dissatisfaction of employees and affects the quantum of their turn over. The further concluded that there is positive relationship between O.C and managerial effectiveness, and job satisfaction.

A study has been conducted by K. Uthayasurujam; regarding performance oriented climate (POC) at Bharath Heavy Electrical, Trichirappalli, revealed that the climate of the organization was moderate. Also all the dimensions of OC did not receive the same amount of attention. It also revealed the positive, significant relationship between OC and job performance. The author has selected ten climatic factor namely 1) workers attitude, (WOA), 2) Job characteristics (JOC), 3) working conditions (WOC), 4) personal policies (PPS), 5) managerial structure and policies (MS&P), 8) external influences (EXI), 9) social values (SOV) and 10) new technology analysis (NTA). The respondents asked to respond to the 7 statements under each factor and measured by 5 point liker scale.

The climate rates fixed according to the scores were:

1. High climate rating (HCR) 315 – 350
2. Moderate climate rating (MCR) 245 – 315
3. Low climate rating (LCR) less than 245.

A separate questionnaire with 6 common attributes namely, motivation, ability, potential, initiative, relationship and change was structured to evaluate the performance of employees.

The suggestion is that by paying special attention to the social and psychological needs, the overall performance of the organization would be improved.

Another study conducted by Sunray Srivastav, clearly emphasizes the organization culture provides strong rim for a fast moving wheel. The study was conducted at three organizations namely Marti Dog Limited, Escort limited and Pepsi foods Ltd. The three organizations are apparently rooted in Japanese, Indian and American managerial systems. 150 employees in each organization were drawn for the study. The study revealed that the group of managers across the organizations have strongly endorsed the values leading to self-actualization that are ability utilization, achievement, advancement, peace of mind and personal development through their wish. Whereas the executives and supervisors scored higher on socio economic support dimensions.

K. Uthayasurujan has conducted another study entitled, "organizational climate in public enterprises" in the year 2005. This study traced out the growing significance of the study of organization climate and examines the type of climate prevails in a large public enterprises in order to suggest viable measures to improve the climate of Indian organization in general and public enterprises in particular. He has used the same ten climate factors already considered in his previous study. He concluded that, the climate that emerges, within an organization becomes the major determinant of employee behaviour. In any organization, the existence of climate may be influenced by many factors some of them are within the control of management. The others are the past of the personnel, social, political and economic environment of the organization within which it operates. The factors WOC, PMT and PPS are part of the internal environment. Further concluded that, for an ideal climate in public sector organizations, the personnel policies or practices may be so modified as to live up to the expectations to the employees. Regular or recurring rewards in perception to the performance will also go a long way in promoting climate.

Joe Folkman portrayed the one of important component play in the organizational climate as the 'change'. A variety of skills and process can facilitate organizational change. He says creating change is a difficult employee usually resists the unintended and chaotic changes. Also it is very hard to come out from the existing or older habits or the system. Organizational climate survey results showed a strong positive climate, as well as several negative issues, of which "collaboration" stood first. He found the following factors important in the process of O.C. they are communication, building support, building commitment, keeping clear vision, communication the change.

Jejuna Agarwala, studied the "innovative human resource practices and HRD climate" comparing the automobile and IT industries. The purpose of the study was to empirically address the relationship of the three dimensions of innovative human resource practice (IHRPs) that is, Importance, Introduction, and Satisfaction with HRD climate of the both organizations. The study was conducted on five organizations of which three from automobile industry and two from IT industry. The author has used the HRD climate survey developed by the centre for HRD at XLRI, in 1985. The questionnaire consisted of 38 items grouped into three categories: general climate, OCTAPAC culture and HRD.

He has concluded that, for organizations seeking positive outcomes, it was important not only to modify HR programmes, but also to understand what influences employee acceptance of innovations. The results also suggested that irrespective of the industry, introduction of IHRPs was important for attaining good organization climate. IT industry was more proactive and positive when compared to the automobile industry with respect to the introduction of IHRPs, employee satisfaction with IHRPs and the HRD climate.

The impact of leadership style on HRD climate and role efficiency an empirical analysis", a study was conducted by P.V. Bide and O.B. Saied in the year 2002. Leadership at all levels is crucial to align, motivate and inspire people in the transformational process (Kilger, 1996) the authors attempted to find out the impact of leadership style on HRD climate. They found that the Indian cultural context an ethos is very important factors for leadership effectiveness and western theories, many times, have been found to be ineffective in Indian conditions. Based on validated Indian theories and instruments, the study was conducted.

The findings are that HRD climate; role efficiency and dependency of subordinates were found to be significantly correlated with each of the six leadership styles. The HRD dimensions that are 1) Top management commitment and support, 2) positive development climate, 3) employee nurturance 4) employee trainability 5) customer orientation 6) reward administration 7) mutuality and trust 8) career development and growth and ten role efficiency, they are 1) centrality, 2) sub integration, 3) proactively, 4) creativity 5) inter-role linkage 6) helping relationships, 7) super-ordination, 8) influence 9) growth and confrontation were also significantly correlated.

Poona Purring (2008), has measured HRD climate in terms of various dimensions like participation, succession planning, training performance appraisal and job enrichment and its relationship with the organizational commitment of managers. This study was a survey research performed in five organizations on a total sample of 247 middle level managers. The study hypothesized a positive relationship between the ten dimensions of HRD climate and organizational commitment. The study proposes that a positive perception of the climate shall enhance the commitment, which further enhances the performance of the managers.¹⁹

Objectives of the study

- To undertake a study on Organizational climate.
- To compare Private sector banks and Public sector banks in the context of Organizational Climate.
- To study the level of agreements on dimensions such as warmth and support, leadership and motivation.
- To perform differential analysis on the above mentioned dimensions.

Purpose of the study

The objectives of performing an employee climate assessment is to identify the key areas which are hindering the performance or working, reducing effectiveness and which might generate unexpected costs in the near future. The idea and the approach is for the banks not to simply perform an professional exercise, simply because they 'do it at this time every year', but to critically examine themselves to see where the banks and employees might be timely tuned to generate high levels of performance once identified, opportunities to strengthen existing approaches, which are working are well, as well as select appropriate interventions for addressing the weakest areas, should be aggressively pursued for the maximum benefit of every one.

Scope of the study

From the study, the reasons for the short fall of the performance could be ascertained and rectified. This study may lead to maintain cordial employee-employer relationship. Also it may help the staff to update their skills, knowledge and give better performance.

Research Methodology

Descriptive research design is used here. In total, there are 198 respondents selected for this study. The interview schedule used in this study is constructed and designed by the researcher. Employees who work in Banks in Trichy are considered to be the respondents.

Results and discussion

LEVEL OF AGREEMENTS ON THE DIMENSION 'WARMTH AND SUPPORT'

Sl. No.	Factors / Statements	Levels of Agreement		
		Agree	Undecided	Disagree
1.	Employee-employer relationship is good	99 (50.5)	16 (8.1)	83 (84.9)
2.	Management always take more care on the welfare of staff	118 (59.7)	12 (6.1)	68 (34.3)
3.	Trainings are conducted regularly	117 (59.1)	13 (6.6)	68 (34.3)
4.	Transportation provided on free of cost	26 (13.1)	18 (9.1)	154 (77.8)
5.	Uniforms, etc., are supplied by management	30 (15.2)	64 (32.3)	104 (52.5)

Note: Figures in the parentheses indicate percentages.

The table reveals that the managements take more care on employees and, trainings are being conducted regularly. However, those employees have also replied that the managements are not providing free transportation and uniforms. With regard to the factor, "employee-employer relationship", half the numbers have agreed that there is a good relationship between employee and employer but nearly half have disagreed with the statement.

Hence, on the whole, in most of the banks, employee-employer relationship is yet to be shaped. Because, they are not provided with free transportation and uniforms, which cost minimum but cause more on the relationship.

LEVELS OF AGREEMENTS ON THE DIMENSION 'LEADERSHIP'

Sl. No.	Factors / Statements	Level of Agreement		
		Agree	Undecided	Disagree
1.	My bank maintains hierarchy	47 (23.8)	62 (31.3)	89 (45.0)
2.	Management is flexible and accommodative	130 (65.6)	47 (23.7)	21 (10.6)
3.	Management understands the difficulties and problems of the staff	119 (60.1)	56 (28.3)	23 (11.7)
4.	Management will not punish any employee without proper reasons	113 (57.1)	70 (35.4)	15 (7.6)
5.	Opportunity is given to exhibit leadership	113 (57.1)	26 (13.1)	59 (29.8)
6.	Management could be contacted directly or easily to make representations	124 (63.1)	8 (4.0)	66 (32.8)

Note: Figures in the parentheses indicate percentages.

It is ascertained from table that the hierarchy is not at all maintained in all banks. But the employees agreed that the management is flexible and accommodative, and understands the difficulties and problems of the staff members. Also they agreed that the punishments are given on proper reasons and opportunities are given to exhibit leadership. Making representations by meeting the management is very easy. However the numbers of the responses undecided have to be considered. This shows that fearing any

repercussive action, most of the employees might not have given definite answers to the specific statements which directly affect the management.

LEVELS OF AGREEMENTS ON THE DIMENSION 'MOTIVATION'

Sl. No.	Factors / Statements	Level of Agreement		
		Agree	Undecided	Disagree
1.	The motivation mechanism is good in our bank	108 (54.5)	8 (4.0)	82 (41.4)
2.	Good opportunities are given to achieve goals	105 (53.2)	11 (5.6)	82 (41.4)
3.	Management encourages the staff to do right things	112 (56.6)	11 (5.6)	75 (37.9)
4.	All are treated respectfully	114 (57.5)	11 (5.6)	73 (36.9)
5.	Any help needed in the works will be provided immediately and dependency is mutual in our bank	44 (22.2)	73 (36.9)	81 (40.9)
6.	Bank encourages the employees who work more in the good cause	115 (58.1)	9 (4.5)	74 (37.3)

Note: Figures in the parentheses indicate percentages.

It is observed from the table, the employees have disagreed that there is mutual dependency in the organization. Also, it is interested to note that most of them have replied that they are not able to decide on this. However, most of them have agreed that motivation mechanism is working well in their banks and opportunities are given to achieve the goals. They further agreed, that the management encourages them to do right thing and treat them respectfully.

Except on mutual dependency, the motivational mechanism in most of the banks is working well.

DIFFERENTIAL ANALYSIS ON THE DIMENSION "WARMTH AND SUPPORT"

Sl. No.	Statements	Mean score		t' value	Levels of significance
		Private Banks	Public Sector Banks		
1.	Employees-employer relationship is good	3.0693	3.5158	-2.06*	0.041
2.	Management always take more care on the welfare of staff	3.2421	3.3441	-0.40	0.682
3.	Trainings are conducted regularly	3.2277	3.3158	-0.35	0.724
4.	Transportation provided on free of cost	1.8119	2.2211	-2.32*	0.021
5.	Uniforms, etc, are supplied by management	2.1188	2.3895	-1.50	0.136

*Significant at 5 percent level.

An inspection of the above table shows that the t-values of the factors in the statements in Sl. Nos. 2, 3, 4 and 5 are not statistically significant, because the t-values are less than the tabled t-value of 1.96. Hence the null hypothesis is accepted with regard to the above four factors. So it is inferred that there is no significant difference of perception between the employees of private and public sector banks with the factors above.

However, the t-value (-2.06) for the factor "employee –employee relationship is good" is statistically significant. Since the t-value is greater than the tabled t-value of 1.96. Hence the null hypothesis is rejected for this factor showing the difference of perception between the employees of private and public sector banks with regard to the above factor.

Dimension: Leadership

Null Hypothesis

There is no significant difference in the perception between private and public sector banks- employees with regard to the dimension 'Leadership'.

The data with regard to the perception on the dimension 'leadership' were fitted with t-test and the results are presented in the following table.

DIFFERENTIAL ANALYSIS ON THE DIMENSION "LEADERSHIP"

Sl. No.	Statements	Mean score		't' value	Level of significance
		Private Banks	Public sector Banks		
1.	My Bank maintains hierarchy	2.2178	2.2396	-2.75	0.007
2.	Management is flexible and accommodative	3.4947	3.5957	-0.74	0.463
3.	Management understands the difficulties and problems of the staff	3.5248	3.5521	-0.19	0.848
4.	Management will not punish any employee without proper reasons	3.7624	3.8750	-0.68	0.499
5.	Opportunity is given to exhibit leaderships	3.5248	3.6458	0.62	0.537
6.	Management could be contacted directly or easily to make representation	3.2574	3.3750	-0.67	0.505

*Significant at 5 percent level.

It is ascertained from the above table that, the t-values of the five factors from Sl. No. 2-6 is not statistically significant because, the t-values are less than the tabled t-value of 1.96. Hence the null hypothesis is accepted with regard to the above five factors. So it is concluded that, there is no significant difference of perception between the employees of private and public sector banks with regard to the five factors.

However, the t-value (2.75) of the factor, 'my bank maintains hierarchy' is statistically significant, since the t-value is greater than the tabled t-value of 1.96. Hence the null hypotheses are rejected with regard to the above factor. So it is inferred that, there is significant difference of perception between the employees of private and public sectors banks with regard to the above factor.

Dimension: motivation

Null hypothesis

There is no significant difference in the perception of the employees between private and public sector banks with regard to the dimension 'motivation'.

The following table provides statistical data mean and t-value for testing the hypothesis stated above.

DIFFERENTIAL ANALYSIS ON THE DIMENSION "MOTIVATION"

Sl. No.	Statements	Mean score		't' value	Level of significance
		Private Banks	Public sector Banks		
1.	The motivation mechanism is good in our bank	2.9505	3.3438	-1.67	0.096

2.	Good opportunities are given to achieve goals	3.0099	3.3229	-1.26	0.210
3.	Management encourages the staff to do right things	3.1089	3.3958	-1.15	0.252
4.	All are treated respectfully	3.0625	3.4255	-1.48	0.140
5.	Any help needed in the works will be provided immediately and dependency is mutual in our bank	2.3564	2.6667	-1.67	0.097
6.	Bank encourages the employees who work more in the good cause	2.8317	3.0625	-1.10	0.275

It is seen from the above table that the t-values of all the six factors under the dimension motivation are not statistically significant, because the t-values are lesser than the tabled t-value of 1.96. Hence the null hypothesis is accepted.

Hence it is concluded that, there is no difference of perception between the employees of private and public sector banks with regard to all the six factors under the dimension 'motivation'.

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