



## CONTRIBUTING FACTORS OF ORGANIZATIONAL CULTURE IN PUBLIC SECTOR BANKS

**MUTHU MANIVANNAN**

Doctoral Research Scholar, Department of Business Administration, Annamalai University, Chidambaram, Tamilnadu

**Dr.C.KATHIRAVAN**

Assistant Professor, Department of Business Administration, Annamalai University, Chidambaram, Tamilnadu.

**ABSTRACT**

Organizational culture plays a very important role in organizations. Understanding the essence of the culture of an organisation and its values will facilitate the adaptation of the organizations in a time of global economy and turbulent economic environment and more important, the improvement of employee's performance. The aim of this research study was to identify the factors inducing Organizational culture among the bank employees. For this determination, questionnaire was used to get response from 120 employees in public banks among various branches in Vadapalani. Lastly, the result displays with the help of multiple regression analysis that Organizational culture influenced with collaboration, learning and management support among the public banks.

**KEYWORDS**

Organizational culture, Collaboration, Business Strategy, Learning and Public Banks

**Introduction**

Organizational culture comprises the unwritten customs, behaviors and beliefs that determine the "rules of the game" for decision-making, structure and power. It's based on the shared history and traditions of the organization combined with current leadership values. In effect, culture dictates the way we do business here and the organizational survival tactics that facilitate assimilation and personal success (Dave H. and Jeanne Ulrich, 2011). With a strong organizational culture, employees do things because they believe it's the right thing to do and feel they'll be rewarded for their actions. Organizational culture can be treated as a series of distinctive characteristics of a specific organisation. Some modern definitions of organizational culture are dynamic, directed at creativity, innovations and entrepreneurship. Organizational culture is a series of values, standards and beliefs (Handy C.B, 1986).

**Review of Literature**

Slocum (2009) contends that organizational culture can enhance employees' performance if what sustains it can be understood. Thus, the culture of an organization acquaints employees with the firm's history as well as current methods of operation that guide employees on expected and acceptable future organizational behaviors and norms. Some theoretical models assert that effective human resource system is based on supporting values, that create a positive impact on employees' attitudes and behaviors which in turn influence their performance. Potter (2012) the effects of organizational culture on employee behavior and performance can be summarized thus: First, knowing the culture of an organization allows employees to understand both the organization's history and current methods of operation. Second, organizational culture can foster commitment to the organization's philosophy and values. Finally, certain types of organizational cultures may be related directly to greater effectiveness and productivity than others.

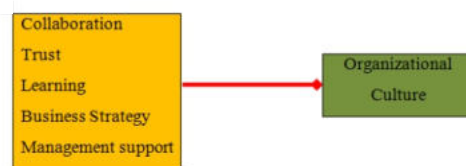
Stewart (2010) stated that organization's norms and values have a strong effect on all of those who are attached with the organization. It is considered by him that norms are invisible but if the organizations want to improve the performance of the employees and profitability, norms are places first to look. Martins and Terblanche (2003), culture is deeply associated with values and beliefs shared by personnel in an organization. Organizational culture relates the employees to organizations values, norms, stories, beliefs and principles and incorporates these assumptions

into them as activity and behavioral set of standards.

Schein (2004) says that organizational culture is a pattern of basic assumptions that are found, created or developed by a certain group with the intention that organization could learn to solve its problems arising from external adaptation and internal integration. Robbins (2009) says that members of an organization hold shared values—meaning that members form a system of shared values as differentiator from other organizations. This shared values system is a set of key characteristics of the organization's values. An organizational culture is not a diversity of race, ethnicity, and background of the individual, but as a way of life in an organization, such as climate or atmosphere of emotional and psychological that include employee morale, attitude, level of productivity, the symbol (action, routine, conversation, and others) and the meanings attached to the symbols that include verbal and nonverbal communication in the organization. Kathiravan C and Manivannan M (2016) have found the relationship and impact of knowledge management on employee's performance among the banks in chennai city. For that purpose, the independent variables are Knowledge, Information Technology, Organization, Efficacy and Innovation. The dependent variables of employee's performance are Organizational Culture, Manager's Attitude, Personal Problems, Job Content and Financial Rewards. This study is descriptive in nature and the data will be collected by using questionnaire by 400 employees from public, private and foreign banks in Chennai. For analysis, this study will be used Correlation and multiple regression analysis. From the findings of this research we concluded there is a positive relationship and significant influence towards the knowledge management on employee's performance among the banks.

**Conceptual Framework of the Study**

Based on the literature review, the studied variables comprehend organizational culture. The theoretical framework is presented below. Conservation of resources (Lee and Choi (2003, 2008), Lin (2007) theory is utilized for framework.



**Objectives of the Study**

- To describe the influence of organizational culture among the public sector banks.

**Data Collection and Tools Used**

For the purpose of data collection, the researcher used questionnaire to measure the factors contributing organizational culture among the public bank employees in Chennai. For that purpose the Vadapalani division is selected where there is more number of public banks is available. In this study, stratified sampling to be used as a sample of 120 bank employees and multiple regressions applied to find out the influence of organizational culture towards the bank employees.

**Multiple Regression Showing Influences of Organizational Culture in Public Sector Banks**

**Model Summary**

R	R Square	Adjusted R Square	F	p
.328	.081	.082	8.542	.000

**Coefficients**

S.N	Variables	B	SE	Beta	t	p
0.	Constant	2.562	.151		15.453	.000
1	Collaboration	.018	.006	.114	2.024	.040
2	Trust	-.004	.005	-.033	-.546	.534
3	Learning	.021	.020	.132	2.141	.024
4	Business Strategy	-.005	.006	-.045	-.400	.401
5	Management Support	.030	.007	.247	5.051	.001

**Dependent Variable: Overall Organizational Culture**

The multiple regression analysis has been carried a sample of 120 and data considering organizational culture as a dependent variable and the remaining five independent variables viz., Collaboration, Trust, Learning, Business Strategy and Management Support. The response of the defendants and effect of the independent variables over Organizational Culture of bank employees have been studied by the regression analysis. The F value obtained for the analysis is 8.542 which are significant at one percent level. Hence the assumed regression model may be considered as a good fit. The value of R2 is 0.081 and implies that 10% of Organizational Culture of bank employees are influenced by the above five variables.

Seeing the significant individual regression coefficients, it is seen that the variables Collaboration (Beta – 0.114, t – 2.024, P – 0.040) , Learning (Beta – 0.132, t – 2.141, P – 0.024), management support (Beta – 0.247, t – 5.051, P – 0.001) are having effect over the organizational culture of bank employees. In the rest of the factors it is seen that three variables influenced at 5% per cent level. And the remaining two variables such as trust and business strategy values are more than 0.05 and it doesn't influence the organizational culture among the bank employees. The analysis found that Collaboration, Learning, and management support variables are influenced on organizational culture and the variables trust and business strategy doesn't influence the organizational culture towards bank employees.

**Recommendations**

Cultural change in public sector banks should be made gradual and constant in order to be effective. Special attention should be paid by top management to bank employees in terms of having equal advancement opportunities. Bank management should clarify the banks mission, values, and strategic objectives by achieving the goals in time. Provide training and development opportunities for all the bank employees.

**Limitations**

The study can be restricted only in Vadapalani and 120 respondents as a sample. Some of the banks do not encourage their employees to participate in this study. The resistance of the respondents due to fear, lack of interest and time is a major constraint and steps were taken to reduce this error by giving assurance that it is only for academic purpose. The data cannot be

collected by all the banks and all the employees by the selected region

**Conclusion**

The paper demonstrated that numerous attributes of organizational culture have significant positive influence over the bank employees. Every person or employee in the banking has own different values and beliefs that he/she works with them. Whenever join any bank he/she allowed himself to internalize first with the organization's culture to know whether he come up with them or not. Culture is being investigated to impact miscellany of organizational process. On the basis of this study we can conclude that organizational culture has a positive impact on the employees of public sector banks. Researches shows that every individual in the organization has different culture and he/she first try to adjust him with the norms and values of the organization. The adoption of culture of the organization is helpful for the employees to done their work efficiently and effectively.

**References**

- Bulach, C., Lunenburg, F. C., & Potter, L. (2012). Creating a culture for high-performing schools: A comprehensive approach to school reform (2nd ed.). Lanham, MD: Rowman & Littlefield.
- Kathiravan. C and Manivannan. M (2016). Influence of Knowledge Management on Employees Performance in Banking Sector. International Journal of Applied Management Research. Volume: 8, pp 11–16.
- Dave Hofferberth and Jeanne Ulrich (2011). The Effect of Culture on Performance SPI Research, 2011
- Handy C. B. (1986): Understanding Organizations, 3rd ed. Penguin Books, Harmondsworth
- Hellriegel, D. & Slocum, J. M. (2009). Organizational Behavior (9th Edition). Sydney: Thomson Learners.
- Martin, E. C., & Terblanche F. (2003). Building organizational culture that stimulates creativity and innovation. European Journal of Innovation Management, 6(1), 64-74.
- Robbins. S. P. 2009. Organizational Behavior, 13th edition. Pearson Education, New Delhi
- Schein, E. H. 2004. Organizational Culture and Leadership (3rd ed.). Jossey-Bass, San Francisco
- Stewart Douglas, (2010). Growing the Corporate Culture, obtained from <https://www.wachovia.com/foundation/v/index.jsp?vgnextoid=ab411f07760aa110VgnVCM1000004b0d1872RCRD&vgnnextfmt=default> on July 9th, 2010