ORGANIZATIONAL CULTURE IN BANKING INDUSTRY – AN ANALYSIS

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Abstract
Organizational culture is the basic pattern of shared assumptions and meanings. Values and beliefs are considered to be the correct way of thinking about and acting on problems and opportunities facing the organization. It also defines what is important and unimportant in the company. Beliefs represent the individual's perceptions of reality. Values are more stable, long-lasting beliefs about what is important. Overall organization Culture focuses on the values, beliefs and norms of individuals in the organization and how these individual perceptions coalesce into shared meanings. Culture is helpful in the fulfillment of committed goals of an individual, organization and society. It increases the capabilities and efficiency of an individual which is likely to reflect itself in the long run in the well-being of the individual good reputation of the institution and ultimately the well-being of the society.

Key Words: Organizational culture, Employee, Commitment, Values.

INTRODUCTION

The field of organizational behavior and the related discipline of management science began investigating organizations in terms of culture as early as the 1930s. The final phase of the famous Hawthorne studies at the Western Electric Company marked the first systematic attempt to use a concept of culture to understand the work environment. While it was an important step forward in qualitative research, the investigation was rather blunt and the understanding of organizational culture remained fairly primitive during the following decades. Most mid-century attempts at understanding were conducted by scholars steeped in quantitative psychology and sociology, though by the 1970s researchers more explicitly and emphatically appropriated the theories and methods of anthropology. The late-century upsurge of interest in organizational culture is credited largely to the economic conditions of the 1970s when international competition had heightened and more foreign companies were operating factories in the United States. Specifically, the success of the Japanese in many industries sparked curiosity about whether their differing corporate values, attitudes, and behaviors were responsible for their often superior performance. Since 1980s, academic and applied exploration of organizational culture has steadily increased and even now there is little indication of abatement as changes in data management, work organization, values, lifestyles, demographics, knowledge-intensive work, outsourcing, and a host of other social, economic, and technological factors continue to impact the relationship between organizations, workers, and the workplace. **Peters & Wasserman (1982)** in Search of Excellence stirred through its suggestion that organizations with strong cultures were more effective.

CONCEPT OF ORGANIZATIONAL CULTURE

The concept of culture has become increasingly significant in almost all the fields of employment. There has been growing concerns over the ways many organizations have chosen to do business in the recent past. Organizational culture refers to the personality of an organization that guides how employees think and act on the job. Organization Culture relates to the informal aspects of organizations rather than their official elements. Culture is manifested by symbols and rituals rather than through the formal structure of the organization. It refers to the beliefs and values that have existed in an organization for a long time, and to the beliefs of the staff and the foreseen value of their work that will influence their attitudes and behavior. Organizational culture is considered the "glue" that holds an organization together and for others, the "compass" that provides direction. (Bruce M. Tharp 2009).

The topic of organizational culture has been studied from many perspectives and disciplines, such as anthropology, sociology, organizational behavior, and organizational leadership. An organizational culture signals to workers what is acceptable, what is worthwhile, and what makes sense. These signals are acquired gradually as a person learns from older hands and gains a sense of membership in a collective-a process of acculturation.

REVIEW OF THE LITERATURE

Ahiauzu (1986) comments that it is becoming increasingly widely accepted among social scientists, especially managers and organizational theorists that the patterns of management and employee behaviour in the work place are largely culture-bound.

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According to Bush (2003) Beliefs, values and ideology are at the heart of organizations. Individuals hold certain ideas and value-preferences which influence how they behave and how they view the behaviour of other members. These norms become shared traditions which are communicated within the group and are reinforced by symbols and ritual.

Deal (1999) defines organizational culture as values, beliefs, and behaviors that differentiate one organization from another. Schein, (1999) outlines the manifestations of culture as "the way we do things around here", "the rites and rituals of our company", "the company climate", "the reward system", "our basic values", and so on. These are manifestations of culture because they do not represent culture at the deeper levels where we must understand and manage at the deeper levels.

In the words of **O'Neill (1994)** Organizations, therefore, articulate values in order to provide form and meaning for the activities of organizational members in the absence of visible and certain organizational structures and relationships. In this sense the analysis and influence of organizational culture becomes essential management tools in the pursuit of increased organizational growth and effectiveness.

Organizational culture plays a central role in regulating and encouraging political behavior. Many politically manipulated meanings are embedded in the language and knowledge contained within a culture. Culture determines which political moves raise eyebrows and which are waved-off as "par for the course."(**Peter Stoyko 2009).**

NEED AND IMPORTANCE OF THE STUDY
The liberalization of the economy has created a competitive culture that has taken the service industry and particularly the banking industry by storm. The banking sector has been the backbone of every emerging country. It implements and brings about economic reforms. Any change in this sector through technology adoption has a sweeping impact on a country's growth. The development in information collection, storage, processing and transmission technologies have influenced all aspects of the banking activity. The major problem that every banking sectors now facing is that they are taking much strain in keeping skilled and knowledgeable employees. The concept of organization culture and commitment has gained much attention in the field of management and behavioral science because of the expected outcome of commitment.

Organization Culture is a key factor not only in achieving organizational goals, but also in attracting and keeping desirable employees, creating a positive public image, and building respectful relationships with stakeholders. Thus, they are very passionate to make their employees more committed to their work. The increased use of such cultural descriptors in the management is significant because it reflects a need for banking sectors to be able to articulate deeply held and shared values in more tangible ways and therefore respond more effectively to new, uncertain and potentially threatening demands on their capabilities. In addition, culture is a complex phenomenon that ranges from underlying beliefs and assumptions to visible structures and practices, healthy skepticism exists with respect to whether organizational culture can actually be "measured" in a comparative sense.

OBJECTIVES OF THE STUDY
1. To examine the factors influencing the organizational culture in public and private sector banks.
2. To study the influence of personal organizational details of the employees on organizational culture of the employees.

METHODOLOGY
The methodology of the study is based on the primary as well as secondary data. The study depends mainly on the primary data collected through a well-framed and structured questionnaire to elicit the well-considered opinions of the respondents. The Multi-Stage Random Sampling is adopted to obtain the responses from the employees of both Public and Private Sector Banks. The researcher has taken 5 PSBs and 5 PRSBs located in Krishna District. Multi-Stage Random Sampling Method is used in the study to select the sample. A total of 600 questionnaires have been distributed and out of which 283 from PSBs and 270 from PRSBs are received. After the scrutiny of these questionnaires, 15 questionnaires from PSBs and 28 questionnaires from PRSBs are rejected on account of incomplete responses. Finally, 268 and 242 completed questionnaires with a total of 510 from PSBs and PRSBs respectively are used for the present study.

ORGANIZATIONAL SUBCULTURES
In general, organizational culture actually refers to the dominant culture; that is, the themes shared most widely by the organization's members. However, organizations are also comprised of subcultures located throughout its various divisions, geographic regions, and occupational groups. Some subcultures enhance the dominant culture by espousing parallel assumptions, values, and beliefs; others are called countercultures because they directly oppose the organization's core

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values. Subcultures, particularly countercultures, potentially create conflict and dissension among employees, but they also serve two important functions. First, they maintain the organization's standards of performance and ethical behavior. Employees who hold countercultural values are an important source of surveillance and evaluation of the dominant order. They encourage constructive controversy and more creative thinking about how the organization should interact with its environment. Subcultures prevent employees from blindly following one set of values and thereby help the organization to abide by society's ethical values. The second function of subcultures is that they are the spawning grounds for emerging values that keep the firm aligned with the needs of customers, suppliers, society, and other stakeholders. Companies eventually need to replace their dominant values with ones that are more appropriate for the changing environment. If subcultures are suppressed, the organization may take longer to discover and adopt values aligned with the emerging environment. (Bruce M. Tharp 2009). Culture is important because it shapes organization's decisions, employees behaviours and how they interact with each other within the organization, It also explains how individuals, work groups and the organization as a whole deal with work assigned to them, identifies the speed and efficiency with which things get done, help to know the organization's capacity for and receptiveness to change and the attitudes of outside stakeholders to the organization.

IMPORTANCE OF ORGANIZATIONAL CULTURE IN THE BANKING INDUSTRY

Banking is a service industry which delivers its services across the counter to the ultimate customer. The activities of banking industry are all about 'relationship'. Hence, Organizational culture assume a very important role in banking industry for providing better services to the customer with a smile in order to cultivate and maintain long lasting relationship with their customers. Notwithstanding the level of technology, banking being a labour intensive service sector, can sustain its effectiveness and committed service only by giving importance to human resource management/ development; technology is only an aid to human effort and not a substitution there of. If technology is the equalizer, then the human capital shall be the differential in future. The Organizational culture is the most important element for the progress of banking in India. Though technology can replace manual intervention, the thinking process is the exclusive preserve of human beings. With changing times and technology, banks would require employees with special skills in the areas of risk management, treasury, product development, customer relationship management and IT services. The technology can improve speed and quality of performance, but at the same time, it can also unleash the risk factor. It is a recognized fact that human resources occupy a unique and sensitive position in banking sector; no meaningful change is possible without the involvement of their employees. Therefore, banks have come to terms with the significant changes to adapt themselves to new competitive environment. The adoption is now in organizing and preparing its human resources to the requirement of competitive banking.
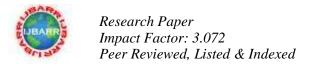
ORGANIZATIONAL CULTURE PRACTICES- DISCUSSIONS AND RESULTS

An attempt has been made to investigate the opinion of the employees towards organizational culture and examine its effectiveness in PSBs and PRSBs. It was hypothesized that organizational cultural would be positively related to banking organization effectively. The PSBs and PRSBs practice the following cultural practices for the benefit of the banks and its employees.

Table 1.1: Organizational cultural practices

Particulars	Frequency Yes	Frequency (No)	Total
The growth and new resources are continuously developing in banks	317(62.2%)	193(37.8%)	510(100%)
Risk management becomes very important in organization	370(72.5%)	140(27.5%)	510(100%)
Goal setting is regularly informed to the employees of banks	414(81.2%)	96(18.8%)	510(100%)
Prevailing competition among the banks have no changes the organizational culture	173(33.9%)	337(66.1%)	510(100%)
The personalized involvement of banks employees is not very important for the organizational culture	125(24.5%)	385(75.5%)	510(100%)

From the above table it is inferred that 62.1% of the bank employees accept their banks follow effective organizational cultural practices for the growth and new resources development whereas 27.5% of the bank employee's opinion differs as they do not accept risk management as important for the development of their Banks. It is further inferred that 81.2% of the employees accept that they are regularly informed by their banks about goal setting. From the above table, it is further analyzed that the banks employees opinion differs as 66.1% of the employees expressed that prevailing competition among the banks is major cause for the changes in the organizational culture and 75.5% of the employees expressed that their

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personalized involvement in banks is very important for the development of organizational culture. Therefore it is concluded from the above table that organizational culture practices in banks is very important for the development and its growth, to face the prevailing competitions in the market for which the banks are required to develop effective goal strategies by measuring the risk prevailing in the banks and personalized involvement of the bank employees becomes necessary.

FACTOR ANALYSIS

Factor analysis has been applied to analyze a large number of variables by identifying common and unique sets variance that are referred to as dimensions, factors, or components. It allows the researcher to summarize and reduce the data. The process of summary and reduction allows the data to be described by a much smaller number of variables than the original and the results are discussed below.

Factor Analysis Of Employees Perception Towards Organizational Culture Practices
Factor analysis by the principal component method is applied on all 20 variables of employees' perception towards organizational culture practices. The following results are obtained for the classification of the factors.

Table: 1.2: KMO and Bartlett's Test for Organizational culture

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.813
Bartlett's Test of Sphericity	Approx. Chi-Square	1110.425
	Df	91
	Sig.	.000

Source: Computed data

From the above table it is formed that Kaiser – Mayer – Olkin measure of sampling adequacy is .813, Bartlett's test of sphericity and Chi-Square value 1110.425 are statistically significant. This shows that the Organizational culture obtained from 510 samples significantly explaining the data reduction process through Factor analysis. The following table gives the number of factors deduced into 4 predominant factors.

Table: 1.3: KMO and Bartlett's Test for Organizational culture & Total Variance Explained

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	%of Variance	Cumulative%	Total	%of Variance	Cumulative%
1	3.625	25.895	25.895	2.346	16.754	16.754
2	2.988	29.879	29.879	1.995	14.251	31.005
3	1.346	9.618	35.512	1.656	11.826	42.830
4	1.163	11.628	41.508	1.083	7.735	50.565
5	1.090	7.783	43.295			
6	1.018	7.270	50.565			
7	.929	6.636	57.201			
8	.907	9.070	59.723			
9	.886	6.331	63.532			
10	.808	8.079	67.802			
11	.865	6.177	69.709			
12	.746	5.331	75.040			
13	.704	5.028	80.068			
14	.733	7.333	82.687			
15	.666	4.757	84.825			
16	.646	4.611	89.436			
17	.527	3.763	93.199			
18	.551	5.508	94.973			
19	.479	3.425	96.624			
20	.473	3.376	100.000			

Extraction Method: Principal Component Analysis. Source: Computed data

From the table, it is found that the four Eigen values 2.346, 1.995, 1.656 and 1.083 along with individual variances 16.754, 14.251, 11.826 and 7.735. The total variance explained by the 20 variables is 50.565 which are statistically significant. The four factors deduced so far are loaded with certain number of variables as shown in the following table.

Table: 1.4: KMO and Bartlett's Test for Organizational culture & Rotated Component Matrix [a]

Component	Values			
	1	2	3	4
OC 7	.696			
OC 3	.612			
OC 5	.591			
OC 6	.574			
OC 8	.538			
OC 2	.486			
OC 17	.491			
OC 18	.482			
OC 13		.731		
OC 12		.681		
OC 11		.586		
OC 10		.548		
OC 14		.528		
OC 20		.491		
OC 1			.679	
OC 15			.605	
OC 4			.480	
OC 19			.475	
OC 9				.914
OC 20				.846

Source: Computed data

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization. A Rotation converged in 9 iterations.
From the above table it is analyzed that

The first factor comprises of 8 factors namely
- Competitive actions achievement and measurable goals are indispensable (.696)
- Employees are willing to take risk (.612)
- Goal accomplishment is emphasized in Banks(.591)
- Banks targets are shared among all the employees(.574)
- Employees are personally involved in the development(.538)
- The Banks are well equipped to meet new challenges(.486)
- Planned human resource system is found in the banking organization(.491)
- High cohesion and morality are realized by the management(.482)

Therefore this factor is named as **"Dynamic culture"**

The second factor comprises of 6 factors namely
- Efficient and smooth technical operations are found abundantly in banks (.731)
- Permanence and stability is always prevailing in the banks(.681)
- Coordinators, organizers and administrators follow procedures to govern the employees smoothly (.586)
- The Banks are well formalized and structured (.548)
- Employees advice is taken for implementation (.528)
- Potentiality of the employees is used properly(.491)

This factor is named as "**Goal Oriented"**

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The third factor comprises of 4 factors namely
- Banking Organization aims at acquiring growth and new resources (.679)
- Employees are loyal towards their subordinates at work (.605)
- The Banks are dynamic in nature (.480)
- Employees advice is taken for implementation (.475)

Therefore this factor is named as **"Participative Culture"**

The fourth factor comprises of 2 factors namely:
- Management policies are aimed at smooth running of the company (.914)
- Potentiality of the employees is used properly (.846)

Therefore this factor is named as **"Prudential Culture"**

FINDINGS OF THE STUDY
1. It is inferred that 62.1% of the bank employees accept their banks follow effective organizational cultural practices for the growth and new resources development whereas 27.5% of the bank employees opinion differs as they do not accept risk management as important for the development of their Banks, 81.2% of the employees accept that they are regularly informed by their banks about goal setting, 66.1% of the employees expressed that prevailing competition among the banks is major cause for the changes in the organizational culture.
2. 75.5% of the employees expressed that their personalized involvement in banks is very important for the development of organizational culture. The bank employees perception towards organizational cultural can be revealed through the four predominant factors namely dynamic culture, goal oriented, participative culture and prudential culture.
3. There is a significant difference between dynamic culture and organizational culture. This implies that the employees of PRSB strongly agree with their banks effective dynamic organizational culture. Similarly there is significant difference between goal orientation and organizational culture. PSB employees strongly agree that their banks focus on goal oriented culture.
4. There is a significant difference in participative culture and this implies that the PSB employees agree to their banks practice of effective participative culture. Similarly, prudential culture is statistically significant and the PSB employees agree their banks concentrate in prudential culture compared to PRSB employees.
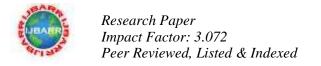
SUGGESTIONS OF THE STUDY
1. The organizational culture practices in banking sectors accelerates the innovative capabilities of the employees in the form of new resources and products and services, which could increase the competitive space providing for policies to augment career through training practices.
2. The major objectives of organizational culture practices in banks aims at strengthening employee performance, separate programs may be conducted among the employees to motivate them to develop their potentiality more by realizing their strength and responsibility.
3. The organizational cultural practices encompass the various developmental activities like dynamic culture, goal oriented, participative culture and prudential culture. They should also incorporate the new mechanisms like performance assessment, potential appraisal, training and development, job rotation, and career planning.
4. The study has ascertained a significant effectiveness of Training Program in Banks on organizational cultural practices and organizational commitment practices. So, the top level management in PSBs and PRSBs may take measures to implement an intensified Training Program in their organization.

CONCLUSION
The organizational culture is considered the most significant resource activating all other resources in banking industry. The organizational culture objectives are accomplished by strengthening the employees' commitment, maintaining their motivational level, to maximize their individual potential. Organizational culture practices initiate creative skills and initiate employees to have loyalty and commitment towards their job. Organizational culture needs are fulfilled through dynamic objectives of banks in serving the customers and equipping the employees to have high commitment to the customer service.

SCOPE FOR FURTHER RESEARCH
The HRM subsystems can be evaluated and studied in detail individually like Training and Development, Performance Management and Career Growth. The retention policies followed by banks can be researched to arrive at models and techniques. The role of effective HR department managing the various practices is to be detailed separately. The recruitment process has to be analyzed step by step by critically examining the stages such as pre, during and post. The factors

contributing to the organization to remain as employer of choice can be analyzed. The study can be extended to the related foreign banks.

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