



A STUDY ON THE EFFECT OF ORGANIZATIONAL CULTURE AND ORGANIZATIONAL CLIMATE ON JOB SATISFACTION AMONG PUBLIC SECTOR BANK EMPLOYEES IN COIMBATORE CITY.

Dr.M.Dhanabhakya* C.Mownica**

Associate Professor, Dept of Commerce, Bharathiar University, Coimbatore.
M.Phil Research Scholar, Dept of Commerce, Bharathiar University, Coimbatore.

Abstract

Banking institutions in India plays a major role in financing the process of deliberate economic growth and development of the economy. The managements of these banks play a responsible and essential role in establishing and maintaining a conducive Organizational Culture and Climate. In order to secure the positive support of the employees, it becomes the ultimate responsibility of the banks to create and maintain a conducive and pleasant Organizational Culture and Climate. The creation and maintenance of the conducive Organizational culture and climate will result in improving the performance and Job Satisfaction of their employees and their perception towards their organization. This study attempted to measure the effects of organizational culture and climate on the job satisfaction among the public sector bank employees. The study chosen is descriptive in nature. The sample size determined for the study is 370 Public sector bank employees in Coimbatore district through proportionate random sampling method. The study reveals that the factors of organizational climate and culture have 54.2% influences on dependent variable called Job satisfaction.

Introduction

Banks play an active role in the economic development of a country. Banking institutions in India have been assigned a major role in financing the process of deliberate economic growth, and nationalization of banks was one of the steps taken by the Government of India to step up the phase of economic growth of the country. In order to face the challenges of competition in global economy, banks must focus on human resources in an effective manner. In order to improve the performance and commitment of the employees towards their organization, banks must create a suitable culture and conducive climate.

Organizational Culture may be defined as the shared basic assumptions, values, and beliefs that characterize a setting and are taught to newcomers as the proper way to think and feel, communicated by the myths and stories that people tell about how the organization came to be the way for solving the problems associated with external adaptation and internal integration. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Organizational culture refers to a set of some commonly experienced stable characteristics of an organization which constitutes the uniqueness of that organization and differentiates it from others.

Organizational climate is one of the important criteria for organizational effectiveness. Organizational climate describes the characteristics of an organization. It is the result of the interaction between the components of organization namely structure, system, culture, leader behaviour and employees' psychological needs. Organizational climate depends on the perception of the organizational members about various dimensions of the organization. The organizational climate has a tremendous impact on the success of an organization. It plays a very important role in developing, maintaining and improving the competency, motivation, morale and growth of its employees. The success and growth of an organization depend much on the employees of that organization.

Job satisfaction, an overall feeling response to a job context, is a complex phenomenon of immense importance. It is a pleasurable state resulting from the appraisal of one's job, achieving or facilitating the attainment of one's job values. Job satisfaction is the positive feeling about one's job resulting from an evaluation of its characteristics. A person with high level of job satisfaction holds positive feelings about the job, while a person who is dissatisfied holds negative feelings about the job. Job satisfaction shows an individual's complex attitude towards his job. It is a pleasurable emotional state resulting from the appraisal of one's job to facilitating the achievement of a particular job value. Job satisfaction can be defined as the extent of positive feelings or attitudes that individuals have towards their jobs. When a person says that he has high job satisfaction, it means that he really likes the job, feels good about it and values his job dignity. Job satisfaction is an important technique used to motivate the employees to work harder.

Statement of the Problem

Organizational culture is described as all the unwritten rules, practices, attitudes and beliefs that affect the way in which business is done in any organization. Although culture and climate are related, climate often proves easier to assess and change. Organizational climate are a set of attributes which are perceived about a particular organization and is mainly



derived from the interaction of members and environments. In the absence of organizational culture affects the performance and productivity of organizations in a tremendous way and there is no appropriate communication between management and employees. Climate that exists in an organization affects each and every activity of the organization both directly and indirectly. In turn, climate is affected by almost everything that occurs in an organization. Favourable Organizational Climate promotes work efficiency by raising job involvement and job satisfaction. Similarly the existence of an unfavourable organizational climate results in bringing down the job involvement, employee commitment, job satisfaction and the performance of the employees of the organization. Every organization should maintain a proper organizational culture and climate if any consequences arise it effect the overall performance of an employee and it leads to job dissatisfaction. Job satisfaction is very much important because most of the people spend a major portion of their life at working place. In the absence of job satisfaction it effect the entire growth of the concern. Organizational culture and climate is a central nerve for job satisfaction. So every concern to utilize their contribution they should be provided with good working conditions to boost their job satisfaction. Thus the research study was to investigate the effect of organizational culture and climate on job satisfaction among public sector bank employees.

Objective of the Study

- To measure the effects of organizational culture and climate on the job satisfaction among the public sector bank employees.
- To offer suggestions to improve the organizational culture and climate to enrich the job satisfaction among the public sector bank employees

Literature Reviews

Karel De Witte (1999)¹ examined that organizational culture is a socially constructed system of shared beliefs and values would find it inconsistent to think systematically managing or attempting to control the organizational culture phenomenon. They claim that organizational culture only is influenced in an indirect way and the result of interaction between the individual and organizational process. It is about the functional meaning of organizational culture related to the organizational variables as leadership, psychological contract and performances. The people are attracted to a certain type of organizational culture because it provides them with guidance and security.

Gani and Farooq Shah (2001)² provided an adequate description of the concept, constructs, determinants and correlates of Organizational Climate. The study indicated that the banking industry, as a whole, has a poorly perceived Organizational Climate and that the institution in the private sector banks is worse than that of the public sector ones. Further, when compared to workers, the officers find their Organizational Climate relatively better.

Adela J McMurray (2003)³ explored the relationship between organizational climate and organizational culture in newly emerging university. Organizational climate was explored through the distribution of the survey to 145 academic staff. It has particular relevance at the sub-unit level where climate features are most positive in those faculties whose sub culture are congruent with the leadership culture, and are least positive in faculty sub cultures that are incongruent with the leadership.

Castro and Martins(2009)⁴ tested the relationship between organizational climate and job performance using a convenience sample of 696 employees from a population of 1453 employees working in three regions in which the organization was operational. The results indicate a strong positive correlation between organizational climate and the dependent variables of job satisfaction.

Shallu Sehgal(2012)⁵ tested the differences in job satisfaction between the employees of two banks i.e. UCO Bank and AXIS Bank. A total sample size of 60 has been taken, 30 from each bank. It revealed that there is not much difference in the level of job satisfaction between public (UCO) banks and private (AXIS) banks, but regarding some factors like job security, salary offered to employees, benefits given to the employees and experience, the satisfaction level differs in both the banks . The employees of UCO Bank are highly satisfied with the level of job security and satisfaction as compared to the employees of AXIS Bank

Scope of the Study

This study aims to measure the level of job satisfaction of the employees of public sector banks in Coimbatore City. It covers different cadres of employees working in public sector banks such as manager, officers, clerical staff and it aims to assess to the extent of variation in job satisfaction of the respondents on organizational culture and climate that exists in the public sector banks in Coimbatore city.



Research Methodology

The research design of the study is descriptive in nature. The study was conducted in Coimbatore city. The sample size determined for the study is 370 Public sector bank employees in Coimbatore district through proportionate random sampling method. For the purpose of the study, the primary data was collected through questionnaire. The questionnaire was designed in such a way that it analyses to know the effects of organizational culture and climate to measure the level of job satisfaction of the employees of public sector banks in Coimbatore city. Thus, the collected data were analyzed using statistical tool namely multiple regression analysis.

Results and Discussion

Multiple Regression Analysis

Ho: The factors affecting organizational culture and climate has no effect on job satisfaction among public sector bank employees.

Multiple regression coefficient measures the relationship between variables in such a way that it identifies the effect of independent variables on dependent variable. Here the multiple regression analysis for job satisfaction was performed with 15 independent variables like Direction. Unity and loyalty, Organization policy, Social identity, Clearly defined goals, Mutual trust and participation, Work environment, Training and development, Performance appraisal, Employee incentives and benefits, Employee motivation and empowerment, Employee interpersonal relationship, Trade union, Employee grievances handling, Organizational commitments .

$$Y = a_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + \dots + b_{15}x_{15}$$

Where b_1, b_2, b_3 and b_{15} are partial regression coefficients and a_0 is a constant value.

Inter correlation between the factors of job satisfaction revealed that all the predictor variables were entered simultaneously for regression equation because no multi co-linearity exists among the selected 11 predictor variables.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|--|-------------------|----------|-------------------|----------------------------|
| 1 | .749 ^a | .561 | .542 | 6.03783 |
| a. Predictors: (Constant), Direction. Unity and loyalty, Organization policy, Social identity, Clearly defined goals, Mutual trust and participation, Work environment, Training and development, Performance appraisal, Employee incentives and benefits, Employee motivation and empowerment, Employee interpersonal relationship, Trade union, Employee grievances handling, Organizational commitments . | | | | |
| b. Dependent Variable: job satisfaction | | | | |

Source: Computed from primary data.

The above table shows the overall predictability of the regression model. Adjusted R² value of 0.542 states that all 15 independent factors have 54.2% influences on the dependent variable called job satisfaction.

ANOVA^a

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 16326.553 | 15 | 1088.437 | 29.857 | .000 ^b |
| | Residual | 12795.856 | 351 | 36.455 | | |
| | Total | 29122.409 | 366 | | | |

a. Dependent Variable: Job satisfaction

b. Predictors: (Constant), Direction. Unity and loyalty, Organization policy, Social identity, Clearly defined goals, Mutual trust and participation, Work environment, Training and development, Performance appraisal, Employee incentives and benefits, Employee motivation and empowerment, Employee interpersonal relationship, Trade union, Employee grievances handling, Organizational commitments .

Source: Computed from primary data



ANOVA results reveals p value as .000 which is less than 0.05 and it indicates that regression model is statistically significant. Hence there is a significant relationship exists between the variables tested in the hypothesis. Thus it has been concluded that the factor are closely associated and has an effect on the job satisfaction among bank employees.

| Model | | Coefficients ^a | | | T | Sig. |
|----------------------------|-------------------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | Unstandardized Coefficients | | Standardized Coefficients | | |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 17.265 | 3.792 | | 4.553 | .000 |
| | Direction | -.309 | .182 | -.079 | -1.695 | .091 |
| | Unity and loyalty | 1.217 | .205 | .348 | 5.932 | .000 |
| | Organizational policy | .629 | .162 | .196 | 3.882 | .000 |
| | Social identity | -.296 | .189 | -.073 | -1.571 | .117 |
| | Clearly defined goals | -.432 | .191 | -.119 | -2.266 | .024 |
| | Mutual trust and participation | -.400 | .181 | -.101 | -2.210 | .028 |
| | Work environment | .522 | .138 | .199 | 3.790 | .000 |
| | Training and development | .726 | .157 | .217 | 4.622 | .000 |
| | Performance appraisal | .461 | .184 | .144 | 2.499 | .013 |
| | Employee incentives and benefits | .384 | .102 | .201 | 3.770 | .000 |
| | Employee motivation and empowerment | .118 | .109 | .063 | 1.089 | .277 |
| | Employee interpersonal relationship | -.165 | .115 | -.082 | -1.434 | .152 |
| | Trade union | -.032 | .163 | -.010 | -.195 | .845 |
| | Employee grievances handling | -.178 | .132 | -.068 | -1.347 | .179 |
| Organizational commitments | .461 | .101 | .250 | 4.559 | .000 | |

a. Dependent Variable: Job satisfaction

Source: Computed from primary data

It is identified from the above table that the factors like Unity and loyalty($p=0.000<0.05$), Organizational policy($p=0.000<0.05$), Clearly defined goals ($p=0.024<0.05$), Mutual trust and participation ($p=0.028<0.05$), Work environment($p=0.000<0.05$), Training and development ($p=0.000<0.05$), Performance appraisal($p=0.013<0.05$), Employee incentives and benefits($p=0.000<0.05$), Organizational commitments($p=0.000<0.05$) have significant direct and positive effect on the job satisfaction among bank employees with other factors like Direction ($p=0.091>0.05$), Social identity ($p=0.091>0.117$), Employee motivation and empowerment ($p=0.277>0.05$), Employee interpersonal relationship ($p=0.152>0.05$), Trade union ($p=0.845>0.05$), Employee grievances handling($p=0.179>0.05$) have indirect and negative effect on the job satisfaction among bank employees.

Suggestions

1. The banks must be concrete in formulating and implementing unbiased, fair and equitable policies with regard to the monetary benefits offered to their employee. Formulation and implementation of such policies will lead to elimination of unnecessary disputes among the employee on the monetary rewards offered to them by the banks.
2. The proper job analysis has to be carried out by the banks at the branch levels and positions have to be established and they have to be adequately manned. It will result in making the work load reasonable and attainable.
3. The staff of the banks have to be properly motivated for promotion and effective functioning of these employee associations. Assisting in various forms and means for the promotion of these types of associations by the management will create a positive impact in the minds of the employee about their management.
4. To enhance the working conditions of the public sector banks, the higher authorities and government should act in a war footing to provide the working conditions as equivalent to the other sector of banks. Creation of attractive, neat looking well maintained and modernized look will increase employee job satisfaction .
5. Time to Time interaction with the employees should be done by the higher authorities to find out the need for Training and development in certain field like usage of computer, ATM operation and other modern equipment to maintain a healthy organizational culture and climate.



6. The management of the banks must try to take constructive measures for improving the job satisfaction of their employee. The factors such as Direction, Unity and loyalty, Organization policy, Social identity, Clearly defined goals, Mutual trust and participation, Work environment, Training and development, Performance appraisal, Employee incentives and benefits, Employee motivation and empowerment, Employee interpersonal relationship, Trade union, Employee grievances handling, Organizational commitments etc., can be effectively initiated by the banks. By undertaking the above stated measures, the level of job satisfaction will increase and the satisfied employee will have positive opinion on the organizational culture and climate.

Conclusions

The public sector bank employee wholly depends on the able support extended by their organization. The factors like Unity and loyalty, Organizational policy, Clearly defined goals, Mutual trust and participation, Work environment, Training and development, Performance appraisal, Employee incentives and benefits, Organizational commitments have an positive effect and Direction, Social identity, Employee motivation and empowerment, Employee interpersonal relationship, Trade union, Employee grievances handling factors have an negative effect on the job satisfaction among bank employees. It finally reveals that the factors of organizational climate and culture have 54.2% influences on dependent variable called Job satisfaction and these factors are closely associated and has an effect on the job satisfaction among bank employees. In order to secure the positive support of the employees, it becomes the ultimate responsibility of the banks to create and maintain a conducive and pleasant Organizational culture and climate. As the style of functioning and services offered by the public sector banks differ from the remaining categories of banks, there is a need to create a suitable culture and climate for ensuring the effective performance of their employees.

References

1. Aswasthappa K., "Human Resource Management", Fifth Edition, Tata McGraw Hill, Publishing House Ltd., New Delhi.
2. Bhattacharyya D. K., "Research Methodology", Second Edition-2006, Excel Books, New Delhi.
3. Fred Luthans, "Organizational Behaviour", McGraw Hill Education, 2002.
4. Karel De Witte and Jaap J. Van Muijen (1999). 'Organizational Culture', *European Journal of Work and Organizational Psychology*, Vol. 8, Issue. 4, pp. 497-502.
5. Gani.A. and Farooq.A. Shah (2001) "Correlates of organizational climate in banking industry", *Indian Journal of Industrial Relations*, vol 2., pp. 36-42.
6. Adela J McMurray (2003). 'The Relationship between Organizational Climate and Organizational Culture', *Journal of American Academy of Business, Cambridge*, Vol. 3, pp. 1-8.
7. Castro. M., & Martin, N. (2009) 'The Relationship between Organizational Climate and Employee Satisfaction in a South African Information and Technology Organisation', *SA Journal of Industrial Psychology*, vol . 36, issue. 1, pp 800-809.
8. Shallu Sehgal (2012). 'Job Satisfaction of Bank Employees in Shimla "A Comparative Study of Private & Public Sector Bank (Axis Bank & Uco Bank)"', *International Journal of Marketing, Financial Services & Management Research*, Vol.1, Issue 7, pp.124-146.