



## A study on “Organizational culture in banking sector”

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### Abstract

The concept of ‘Organizational Climate’ is not significantly different from ‘Organizational Climate’. In fact ‘Organizational Climate’ represents the organizational environment as is perceived by the employers. In other words, it represents a part of the organizational culture in a broader sense as is perceived by the employees. Organizational climate can be a powerful strategically to an organization seeking a strategic advantage. It is a process which is very difficult for another organization to duplicate. Perhaps one of the most important and significant characteristics of a great workplace is its organizational climate. Organizational climate, manifested in a variety of human resource practices, is an important predictor of organizational success. Numerous studies have found positive relationships between positive organizational climates and various measures of organizational success. Customer satisfaction has become an important indication of climate inside banks. The enhancement and improvement of customer satisfaction will not depend on new incentives, schemes and organizational arrangements. Customers are rightly becoming more involved in their own required services. Presently customers are given a chance to voice their opinions about the care they receive and it can be seen as part of a broad commitment to the enhancing of Organizational climate in banks.

**Keywords:** organizational climate, customers, banks, satisfaction

### Introduction

Human beings live in organized groups. Initially, group activities were simple like gathering food, migrating or defending the security of the group. The outcome of this group effort was mainly that it gave people an opportunity to pool their talents and efforts for attaining larger goals such as building and of protecting their communities. The group also gave it a distinct identity. Later on, specialized nature functions enabled individuals to concentrate on tasks that they were best at, instead of doing every task which required for survival and progress. This sort of group activity requires cooperation without which members may work at cross-purposes and thus miss the benefits of association.

Organizational Climate proves to be hard to define. Organizational climate sometimes known as corporate climate is the process of quantifying the ‘culture’ of an organization. It is a set of properties of the work environment, perceived directly by the employees, that is assumed to be a major force in influencing employee behavior. The encyclopaedic Dictionary of Management defines ‘organizational climate’ as the, ‘various points of view, particularly, on how employees should be treated, that are common to most senior people in an organization. The encyclopaedic Dictionary of psychology explains’. The basic premise is that organizations have a set of generalized conditions that affect the experience and behaviour of people within that organization.

### Need For the Study

Various issues in measuring organizational climate are

presented here. The need to resolve the following problems in the area of climate research:

- Need to distinguish between the objective and subjective environment.
- Need to distinguish between the person and the situation.
- Need to determine as to which aspects of the environment should be specified.

### Objectives of the Study

- To study the theoretical comparative study of theoretical background of organizational climate, organizational effectiveness and customer satisfaction.
- To present the framework of customer services of Banks in Guntur district.
- To study the perceptions of Bank managers and staff on different dimensions of organizational climate in selected Banks.
- To study the impact of organizational climate and organizational effectiveness.
- To offer findings, suggestions and conclusion of the study.

### Methodology

Descriptive research design was employed to find the weak and strong dimensions or organizational climate in select banks. In order to study the perceptual differences of the bank staff, managers and customers percentages were calculated for the responses and the same were analysed based on their personal and demographic using percentages.

**a) Selection of sample bank employees, customers and others**

The total sample size is 600 out of that the bank employees 300 and customers 300

**b) Sources of data collection**

The data for the study includes both primary and secondary sources. Employees of banks constitute the primary data source. To know more about the organizational climate information on the implementation of effective growth of bank services. The data is collected from documents, manuals and internal circulars. The research reports and publications, journals, magazines are other sources. The data relating to perceptions of employees and customers of banks are collected followed by personal interview.

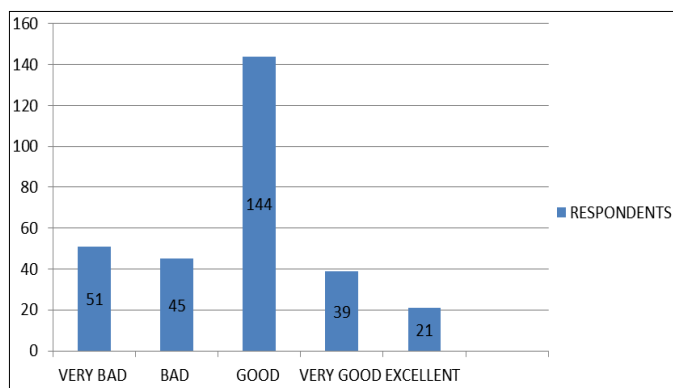
**Analysis of the study**

1) How do you rate the bank's latest infrastructure?

**Table 1**

Opinions	Respondents	Percentage %
Very bad	51	17
Bad	45	15
Good	144	48
Very good	39	13
Excellent	21	7
Total	300	100

The above contents show that 68% of the respondents accept that banks are furnished with latest infrastructure. The latest infrastructure like digital displays, online trading systems and on touch screen transactions are been made available for the customer convenience. The above table shows that most of the banks are providing sophisticated infrastructure with latest technology. In busy centres banking organizations providing E – Banking hubs with ATM machines, on touch screen transaction machines, deposit machines and swiping machines.



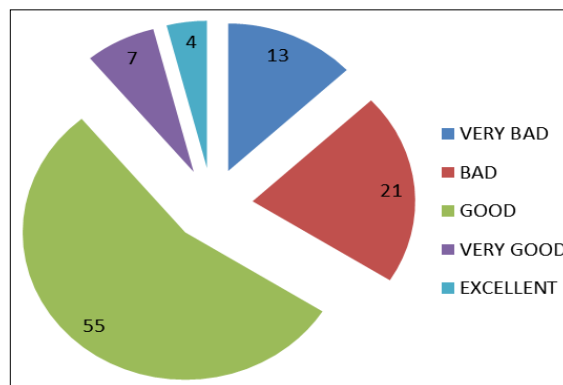
**Fig 1**

2) How do you rate about the present number of staff in the in the bank?

**Table 2**

Opinions	Respondents	Percentage %
Very bad	39	13
Bad	63	21
Good	165	55
Very good	21	7
Excellent	12	4
Total		

From the table it is clear that 34% of the respondents are not satisfied by the number of staff members in the bank. Manpower in the bank plays the efficiency role. Basing on the business hours and potentiality of the branch the manpower should accomplish and meet customer needed service. The table 4.5 shows that the banks are able to meet the customer requirement and services.



**Fig 2**

3) How do the bank staffs maintain the bank timings and physical appearance? Rate them?

**Table 3**

Opinions	Respondents	Percentage %
Very bad	45	15
Bad	36	12
Good	183	61
Very good	15	5
Excellent	21	7
Total	300	100

From the above table it is clear that the most of the bank staff maintain clear timings and acceptable physical appearance. The bank opening and closing timings effects the customer satisfaction levels at peak business hours. The physical appearance of the bank staff should be in a position to attract the customers for guiding and clearing the customer quires.

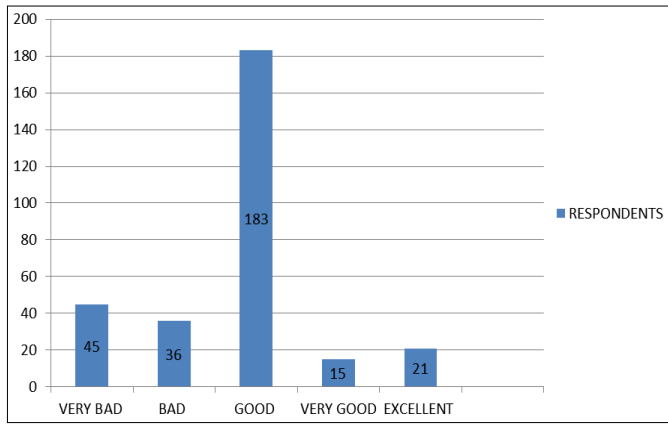


Fig 3

4) Is it sufficient, according to the potential of the bank that there is enough number staff members present in the bank?

Table 4

Opinions	Respondents	Percentage %
Very bad	24	8
Bad	51	17
Good	189	63
Very good	21	7
Excellent	15	5
Total	300	100

75% of the employees accept and are satisfied with the present number of staff members in the branch.

Recognizing people often want to work highly flexible working days or hours either in short or long term we offer as and when working through staff of the bank. Most banks require a standard group of employees that includes tellers, customer service representatives, book keepers, accounting clerks, loan officers and managers. The opinion of the bank staff is that bank branches are sufficient with staff.

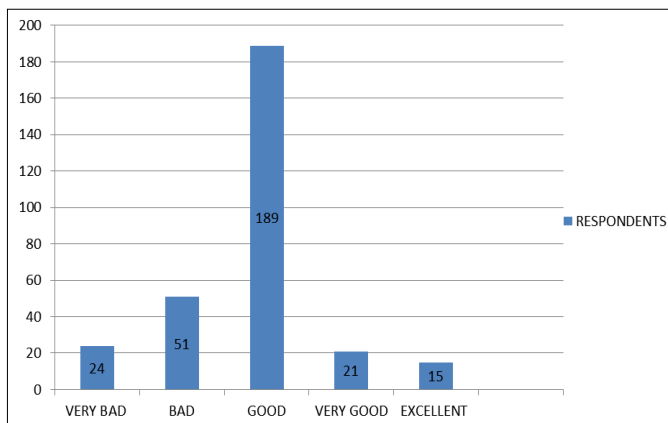


Fig 4

5) Do you think that your bank is offering best services to the customers?

Table 5

Opinions	Respondents	Percentage %
Very bad	12	4
Bad	21	7
Good	174	58
Very good	81	27
Excellent	12	4
Total	300	100

From the employee Respondents 89% staff are rendering performance based services to the customers.

Overall ranking based on recommendation is a comprehensive measure of a customer’s opinion of the bank they are recommending. From the study in view of the bank employees, the committed and responsible services are been rendered by the bank staff.

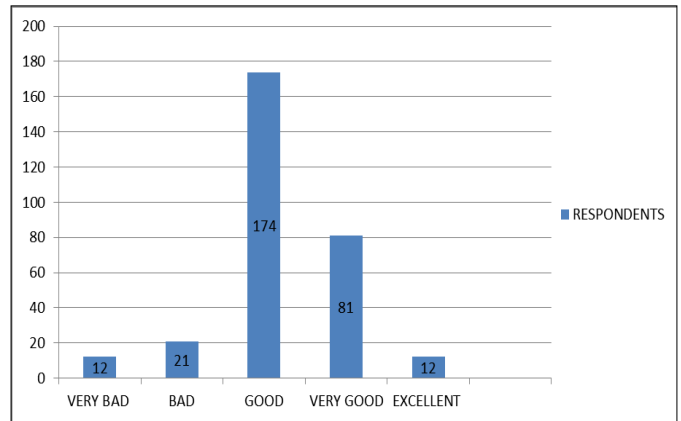


Fig 5

6) How bank is accountable on Corporate Social Responsibility? Is it acceptable?

Table 6

Opinions	Respondents	Percentage %
Very bad	27	9
Bad	42	14
Good	129	43
Very good	57	19
Excellent	45	15
Total	300	100

The study reveals that banks are at maximum limit towards CSR activities.

Banking sector in India is showing interest in integrating sustainability into their business models but its Corporate Social Responsibility reporting practices are far from

satisfaction. There are only a few banks which report their activities. Some of the CSR activities of banks are maintaining call centre for physically challenged people, ambulance sponsoring for health service centres, farmers training centres at villages, financial support to vulnerable sections of society, etc.

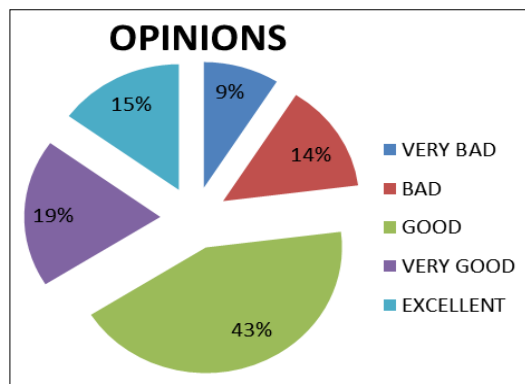


Fig 6

### Findings of the study

The following are the findings of the study.

It was observed that majority of respondent customers expressed that the facilities provided by the bank are good.

The factor related to the number of staff members is satisfactory enough to the required business.

The bank opening and closing timings effects the customer satisfaction levels at peak business hours. The physical appearance of the bank staff should be in a position to attract the customers for guiding and clearing the customer quires.

Recognizing people often want to work highly flexible working days or hours either in short or long term we offer as and when working through staff of the bank. Most banks require a standard group of employees that includes tellers, customer service representatives, book keepers, accounting clerks, loan officers and managers.

The study reveals that banks are at maximum limit towards CSR activities.

### Suggestions of the Study

The appearance of the banks physical facilities, equipments and personnel is not more attractive and appealing. So, management of the bank should either maintain the existing technologies performance or change with new technologies. Moreover, the appearance of the company's physical facilities and equipments is not attractive and appealing as it showed. As a result it needs to be arranged properly. Further study should be conducted to make proper appearance.

The management of the bank should motivate their employees through fair rewarding, compensations, job security, fairness in appraisal and promotions, fairness in payment and benefits to reduce the fear and anxiety from employees.

The management of the bank should implement learning programmes like training, education and career development to enhance employee skills on their jobs. This will help the employees to develop a positive attitude towards their jobs.

### Conclusion

Overall ranking based on recommendation is a comprehensive measure of a customer's opinion of the bank they are recommending. From the study in view of the bank employees, the committed and responsible services are been rendered by the bank staff. Banking sector in India is showing interest in integrating sustainability into their business models but its Corporate Social Responsibility reporting practices are far from satisfaction. There are only a few banks which report their activities. Some of the CSR activities of banks are maintaining call centre for physically challenged people, ambulance sponsoring for health service centres, farmers training centres at villages, financial support to vulnerable sections of society, etc.

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