

## **Perceived Organizational Culture among Bank Employees: A Comparative Study**



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**ABSTRACT:** The study focused on bringing out the significant differences between public sector bank employees and private sector bank employees in the perceived organizational culture. The survey instrument comprised organizational culture dimensions like participation, individual recognition, action orientation, risk attitude, and trust culture. 400 bank employees from the state of Andhra Pradesh were selected using a random sampling technique. An independent sample t-test was applied with the help of SPSS. Results of the study showed that all the organizational culture dimensions significantly differed between public and private sector bank employees except Action Orientation.

**KEYWORDS:** Organizational culture, banks employees, commercial banks, public and private sector banks, comparison.

### **I. INTRODUCTION AND LITERATURE REVIEW**

Organizational culture comprises the unwritten customs, behaviours, 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. However, if the leadership team lacks integrity or squelches diversity, powerful cultures can morph into cults, cliques, castes and insider clubs. Organisational culture can be treated as a series of distinctive characteristics of a specific organisation. Some modern definitions of organisational culture are dynamic, directed at creativity, innovations and entrepreneurship. Organisational culture includes; a system of ideas and concepts, customs, traditions, procedures and habits for functioning in a specific macro culture (Harris P. R, R.T Moran, 1981). Organisational culture is a series of values, standards and beliefs (Handy C.B, 1986). Organisational culture is implicit, invisible, intrinsic and informal awareness of the organisation which directs the behaviour of individuals and which results from their behaviour (Scholz Z 1987)

In understanding organisational culture, it is very important to know all its elements. Authors are not unanimous about what are the elements of the organisational culture. According to Armstrong (Žugaj, Cingula, 1992), there are four important elements of organisational culture. These are; organisation values, organisation climate, Leadership style, work processes and system. The culture of an organization refers to the behaviour patterns and standards that bind it together Schein (2010). A company's culture tells the people who work for it what is right and wrong, what to believe, what not to believe, how to react and how to feel. And its actions speak louder than its words. Generally, behaviour patterns are most strongly influenced by the leaders of the organization. The words and actions of the quality control and production managers reflect the values and beliefs of senior management. Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance management is a whole work system that begins when a job is defined as needed. It ends when an employee leaves your organization M. Heathfield, (2009).

Chatterjee, A., Pereira, A., & Bates, R. (2018) have examined the relationship between organizational culture and work environment factors. They studied clan culture, adhocracy culture, market culture, and hierarchy culture and their relationship with the learning transfer environment among various organizations. The results revealed that the organizations which were following clan and adhocracy cultures were defined as flexible, and were very supportive of the learning transfer environment. The organizations which were practising market/hierarchy culture were defined as stable organizations. They were less supportive of the learning transfer environment.

## Perceived Organizational Culture among Bank Employees: A Comparative Study

Nwakoby, N. P., Okoye, J. F., & Anugwu, C. C. (2019), has studied the effect of organizational culture on employee performance in Nigeria. He considered bureaucratic culture and innovative culture. The data was collected and analyzed through regression analysis. The results showed that bureaucratic culture failed to impress the employee and improve performance while innovative culture did it significantly.

Similarly, Sarhan, N., Harb, A., Shrafat, F., & Alhusban, M. (2020) also carried out a study on the organizational culture and its relationship with employee commitment in the Jordan hotel sector context. The data were collected on the dimensions like bureaucratic, supportive and innovative culture. A sample of 248 hotel employees was responded to the survey. The results showcased that bureaucratic culture supportive culture were resulting in high employee commitment than innovative culture.

Alnaser, Y. (2021) has tried to identify the dominant culture of universities. A sample from Northern Border University faculty was consulted for the study. The data were collected using Organizational Culture Assessment Instrument (OCAI). Results were showed that the hierarchy culture was found dominant in the university but interestingly the faculty were wishing clan culture to be dominant.

A comparison between public and private sector banks would make a significant contribution to the existing body of knowledge on perceived organizational culture. This discussion is timely. In India, the old concept of the public sector economy has been completely changed. Since job satisfaction is considered an important aspect of work culture, public sector and private sector variations seem to affect the job satisfaction of these organizations. Since public-private sector background is an important factor in shaping the work culture of an organization, the work culture also seems to have its root in the culture from which it is generated. Therefore, job satisfaction is likely to be affected by public-private sector differences.

A natural assumption can be made that the work culture of public-private sector banks would be different because such banks have different cultural roots. It has been observed that the work culture of public sector banks was based on the social economy concept, in which profitability was secondary. After nationalization, public sector banks used to serve social welfare in terms of social banking through special employment and poverty alleviation programs. Despite many adverse criticisms and comments, the Indian government had persisted in using bank funds to finance various social sector schemes for employment generation and poverty alleviation. On the other hand, private sector banks work towards profitability. There is a basic work culture difference between public and private sector banks due to their different objectives. Although after 1991, the working style of public sector banks has been changing, the previous impact of social banking policy on the work culture of public sector banks cannot be ignored. Being an important aspect of work culture, the job satisfaction level of these banks should also be different.

However, the arguments above are assumptions and there is a need to verify them. The present study is designed to examine the specific problem of whether the perceived organizational culture of the employees working in public and private sector banks is different. Hence, hypotheses are formulated as

- H1: there are no significant differences between public and private sector bank employees in the participative culture
- H2: there are no significant differences between public and private sector bank employees in the Individual Recognition
- H3: there are no significant differences between public and private sector bank employees in the Attitude to Risk
- H4: there are no significant differences between public and private sector bank employees in the Action Orientation
- H5: there are no significant differences between public and private sector bank employees in the Trust.

## II. METHODS AND MATERIALS

The study is intended to compare the important dimensions of organizational culture between the public sector and private sector bank employees in Andhra Pradesh. Two banks from each sector were selected and a total of four hundred employee respondents covering four banks namely SBI, Canara, HDFC, and Axis were approached and recorded responses on a five-point Likert scale starting from strongly disagree to strongly agree. A stratified random sampling technique has been used for the data collection. The research instrument comprised of organizational culture dimensions was adopted from Somonnoy Ghosh Bhupen K. Srivastava, (2015). The collected data were analyzed using Statistical Package for Social Science (SPSS) Version 25.0. The descriptive statistics (i.e., means, frequencies, percentages) were used for the distribution of the variables across the population. Inferential statistics were performed to identify significant relationships between outcome variables and the independent variables in the group.

## III. RESULTS AND DISCUSSION

Before proceeding to the analysis reliability analysis is carried out with the help of Cronbach alpha. The results of the reliability analysis are presented in table 1.

## Perceived Organizational Culture among Bank Employees: A Comparative Study

**Table 1. Reliability Test Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.908	.912	18

It shows that Cronbach's alpha value of 0.908 is greater than 0.7 and hence, the 18-item organizational culture model have possessing reliability.

### Differences between public and private sector employees in the Participative Culture

To identify the differences between Public and Private Sector bank employees in the dimension of Participative Culture of organizational culture, descriptive statistics and an independent sample t-test has been used and the results are presented below.

**Table 2. Descriptive Analysis of Participative culture**

	Public		Private	
	Mean	Std. Deviation	Mean	Std. Deviation
1 Everybody is encouraged to participate in meetings	4.33	.751	2.51	1.107
2 In meetings we seek to understand everyone's viewpoint	4.17	.635	2.50	1.107
3 Members are prepared to challenge the assumptions of the group	4.48	.808	2.50	1.116
4 Speaking out the truth, even if it is bitter, is encouraged	4.27	.848	2.51	1.112
<b>Average Score</b>	<b>4.31</b>	<b>0.76</b>	<b>2.50</b>	<b>1.11</b>

**Table 3. Independent Samples Test of Participative culture**

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	28.009	.000	19.291	398	.000	1.825	.095	1.639	2.011
Equal variances not assumed			19.291	350.090	.000	1.825	.095	1.639	2.011

The p-value (0.000) which is less than the critical value of 0.05 denotes that there are significant differences between Public and Private Sector bank respondents. Table 2 depicts the Participative Culture of both Public and Private Sector bank employees. The mean and standard deviations concerning sample respondents revealed as public sector bank respondents' mean value (4.31) are found greater than private sector bank respondents (2.50). In the specific item differences, all the public sector bank employees have scored more than the mean cutpoint 3.0, and hence, the formulated hypothesis "H1 There are no significant differences between public and private sector bank employees in perceiving the participative culture" is supported.

### Differences between public and private sector employees in the Individual Recognition

To find the differences between Public and Private Sector banks employees in the Individual Recognition, descriptive statistics, and independent sample t-test has been used and the results are presented below.

**Table 4. Descriptive Analysis of Individual Recognition**

Statement	Public		Private	
	Mean	SD	Mean	SD
5 My boss trusts me to deliver on his/her expectations	4.34	.746	2.58	1.217
6 My supervisor believes that good ideas and solutions to problems can come from any member of the group	4.24	.797	2.53	1.129
7 My organization makes the best possible use of my intellectual capacity	4.21	.911	2.58	1.213
	4.26	0.82	2.56	1.19

## Perceived Organizational Culture among Bank Employees: A Comparative Study

**Table 5. Independent Samples Test of Individual Recognition**

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	45.221	.000	17.434	398	.000	1.760	.101	1.562	1.958
Equal variances not assumed			17.434	330.170	.000	1.760	.101	1.561	1.959

The p-value (0.000) which is less than the critical value of 0.05 denotes that there are significant differences between Public and Private Sectors bank respondents. Table 4 depicts the Individual Recognition of both public and private employees. The mean and standard deviations concerning sample respondents revealed that public sector bank respondents' mean value (4.26) is found greater than private sector bank respondents (2.56). Among the public sector bank, all the items have scored more than the mean cutpoint of 3.0. Among the private sector bank employees, all the items scored less than 3.0. hence, the formulated hypothesis H2 is supported. It means that there are significant differences between both Public and Private Sectors bank employees, and public sector bank employees have possessed superior individual recognition to private sector bank employees.

### Differences between public and private sector employees in the Attitude to Risk

To find the differences between Public and Private Sector banks employees in the Attitude to Risk, descriptive statistics and an independent sample t-test has been used and the results are presented below.

**Table 6. Descriptive Analysis of Attitude to Risk**

Statement	Public		Private	
	Mean	SD	Mean	SD
8 If individuals in my organization make an error, they will usually try to cover it up	4.29	.806	2.53	1.129
9 There are 'holy cows' that seldom get questioned	4.27	.735	2.25	1.026
10 Most members believe in maintaining the status quo	4.52	.642	2.26	1.027
11 In our meetings most decisions are expected to be finally taken by the boss	4.40	.610	2.28	.983
12 If I do not agree with my supervisor, I feel comfortable voicing my views	2.02	.733	2.29	1.039
<b>Average score</b>	<b>3.90</b>	<b>0.70</b>	<b>2.32</b>	<b>1.04</b>

**Table 7. Independent Samples Test of Attitude to Risk**

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	31.091	.000	17.941	398	.000	1.760	.098	1.567	1.953
Equal variances not assumed			17.941	359.886	.000	1.760	.098	1.567	1.953

The p-value (0.000) which is less than the critical value of 0.05 denotes that there are significant differences between Public and Private Sectors bank respondents. Table 6 depicts the Attitude to Risk of both public and private sector bank employees. The mean

## Perceived Organizational Culture among Bank Employees: A Comparative Study

and standard deviations related to sample respondents revealed that, for public sector bank employees mean value (3.90) is found greater than private sector bank employees (2.32). Among the public sector bank employees, all the items have scored more than the mean cutpoint of 3.0 except item 12. Among the private sector bank employees, all the items scored less than 3.0. hence, the formulated hypothesis H3 is supported. It means that there are significant differences between both Public and Private Sectors bank respondents, and public sector bank employees have a greater level of Attitude to Risk than private sector bank employees.

### Differences between public and private sector employees in the Action Orientation

To find the differences between Public and Private Sector banks employees in the Action Orientation, descriptive statistics and an independent sample t-test have been used and the results are presented below.

**Table 8. Descriptive Analysis of Action Orientation**

Statement	Public		Private	
	Mean	SD	Mean	SD
13 In this organization a lot of discussions happen but very little seems to get done	2.14	.670	2.29	.989
14 A number of projects are initiated with gusto and enthusiasm but they don't seem to get anywhere	1.98	.661	2.46	1.065
15 We believe in the precept— 'nothing ventured, nothing gained'	2.31	.628	2.28	1.062
<b>Average score</b>	<b>2.14</b>	<b>0.65</b>	<b>2.34</b>	<b>1.04</b>

**Table 9. Independent Samples Test of Action Orientation**

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	30.896	.000	-1.775	398	.077	-.150	.084	-.316	.016
Equal variances not assumed			-1.775	349.851	.077	-.150	.084	-.316	.016

The p-value (0.77) which is not less than the critical value of 0.05 denotes that there are no significant differences between Public and Private Sectors bank employees. Table 9 depicts the action orientation of both public and private employees. The mean and standard deviations concerning sample respondents revealed that for public sector bank employees mean value (2.14) is almost similar to private sector bank employees (2.34). all the items for both bank sectors have not scored more than the mean cutpoint 3.0. Hence, the formulated hypothesis H4 is not supported. It means that there are no significant differences between both Public and Private Sector employees in their action orientation. Private sector bank employees' action orientation is slightly higher than public sector bank employees but it is not significant.

### Differences between public and private sector employees in the Trust

To find the differences between Public and Private Sector banks employees in the trust culture, descriptive statistics and an independent sample t-test has been used and the results are presented below.

**Table 10 Descriptive Analysis of Trust**

Statement	Public		Private	
	Mean	SD	Mean	SD
Access to the right information to start and run business	1.96	.822	2.27	1.040
Difficulty in networking with suppliers	1.81	.700	2.26	1.033
Fear of availability of skilled manpower	1.90	.642	2.27	1.040
<b>Average score</b>	<b>1.89</b>	<b>0.72</b>	<b>2.27</b>	<b>1.04</b>

## Perceived Organizational Culture among Bank Employees: A Comparative Study

Table 11. Independent Samples Test of Trust

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	9.489	.002	-3.359	398	.001	-.315	.094	-.499	-.131
Equal variances not assumed			-3.359	377.852	.001	-.315	.094	-.499	-.131

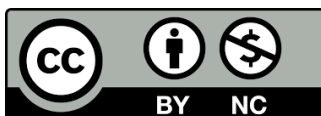
The p-value (0.001) which is less than the critical value of 0.05 denotes that there are significant differences between Public and Private Sectors bank employees. Table 10 depicts the trust of both public and private employees. The mean and standard deviations concerning sample respondents revealed that for private sector bank employees mean value (2.27) is higher than public sector bank employees (1.89). Hence, the formulated hypothesis H5 is supported. It means that there are significant differences between both Public and Private Sectors bank employees with respect to trust.

#### IV. CONCLUSION AND FUTURE DIRECTION

The study recorded both public sector and private sector bank employees' responses from the state of Andhra Pradesh. 400 employees covering two banks from each sector like public and private sector were analyzed using suitable statistical tools like reliability test and independent-sample t-test. The results of the study stated that, in the dimensions of Participative culture, Individual Recognition, Attitude to Risk and Trust, there were significant differences between public and private sector bank employees. But whereas no differences were found for the dimension Action orientation. Hence, future studies can look out for various other dimensions of culture for comparison by altering the geographical regions.

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