

Influence of Organizational Climate and Work Culture on Employee Job Satisfaction in Banking Industry

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Abstract: The aim of the present study is to analyze the influence of organizational climate and work culture on job satisfaction of employees. The study is based on primary data which was collected from public and private sector banks in Dehradun and Haridwar district of Uttarakhand. Total 200 self-structured questionnaires were distributed in concerned area, 50% regarding to public sector and 50% for private sector banks. Independent sample T test was used for knowing the job satisfaction existence between public and private sector. Regression analysis was done to investigate the influence of organizational climate and work culture on employee job satisfaction. Study reveals that a significant difference exists in the satisfaction of employees between public and private sector and job satisfaction influences organizational climate and work culture.

Keywords: Job satisfaction, Organizational climate, Work culture.

I. INTRODUCTION

After LPG model banking scenario has drastically changed, new techniques of making banking business very easy and comprehensive has started. In older time customer had to go bank for banking transaction, but now day's bank is coming to the customer for banking business. In other words it can be said that at beginning, banking was bank oriented but now it has become customer oriented. Employees are the backbone for the success of any organization. In the absence of capable and skilled employees a good business may go down. At present time customer retention is a big challenge in front of banks either public or private, and this challenging work can be done by skilled and satisfied employees. If employees are satisfied regarding their work they can complete their task easily. In current time when global competition is increasing day by day almost all organizations try to obtain the opportunity to increase staff commitment and direct them about achieving organization's goal. Organization applies classical as well as motivational measures for the employee satisfaction. Employee satisfaction represents the fundamental principles

of contemporary human resource management; because any organization can increase its competitive advantage and values only through the quality motivation system.

Lots of factors influence job satisfaction in an organization. Organizational climate and work culture are also one of them. Organizational climate is treated as an objective essential for the organization in previous studies, but now it's define as a set of special characteristics which characterize each organization like, feelings, behavior and opinion etc. There are three different approaches to the study of organizational climate. One approach assumes that organizational climate to be an attribute of the organization and independent of any individuals who might provide data about it. According to this approach "Organizational climate is a set of characteristics that describe an organization and that (a) distinguish the organization from other organizations (b) are relatively enduring overtime and (c) influence the behavior of people in the organization". (Forehand and Gilmer (1964)) Climate under this approach is a product of organizational characteristic such as size, structure, system and complexity, leadership style, physical environment and goals. It is assumed that the interaction of these factors produces climate.

Climate is that atmosphere which is perceived by employees and created by organizational practices, procedure, policies, perception and reward. This climate is developed on a day to day basis. It is not based on management, company's annual report or newsletter, rather it is based on executive behavior and their actions. Climate is the set of such measurable properties which directly or indirectly influence the work and satisfaction of the employees.

In context of an organization, work culture means activities which related to work and meaning of such activities should be attached to the framework of norms and values. Each organization has its boundaries, objectives, management practices, material and human resources and constraints, there employees have knowledge, needs, skills and expectations which differs it to another organization. Organizational and individual & interact and overtime, are two set of factors which establish roles, norms and values related to work. Work culture is closely related to organization functions. It is a social interlocking mechanism based on which organization

works effectively. Through a good work culture organization establish better psychological contact with the employees. An ordinary person can perform extraordinary through a good work culture. A good work culture can be seen where each one is committed to making that work is done well and the chances of mistakes are very less. Goodwork cultures prove helpful to find out the ways, through which things can be better. It is an effective psychological determinant which influences the satisfaction of employees regarding their job.

Ultimately, both independent variable of the study (organizational climate and work culture) are interlinked to job satisfaction of the employees. Employee job satisfaction is very important because most of people spend the large part of their working lives at work. In this competitive world organization realizing that employee is a valuable assets for the organization, without employees completing the work is only an imagination which can't be true in this challenging environment. So employee satisfaction is taking more attention of management. If employee will be satisfied then profit will increase and level of growth also will be high. Normally employees will be satisfied if they feel that they will get reward for fairly work done and their contribution also consider in motivational work of organization. Several different factors are found in organization due to work which changes the satisfaction level of employees, job satisfaction is most important of them.

II. REVIEW OF LITERATURE

Pinak Deb, Prof. Dinesh Kumar Pandiya, Dr. Kingshuk Adhikari (2016) made an attempt to investigate the capability of organizational factors to influencing job satisfaction of employees. South Assam branches of United Bank of India located in four districts have been elected for the study. Study has been done for the purpose of analysis of importance of selected organizational factors which influence the employee job satisfaction and examine the degree of satisfaction of employees. Mean and coefficient of variance used for data analysis. Result reveals that pay and allowances is that factor which is most capable to influencing degree of employee job satisfaction. Findings reveals that generally employees are satisfied but with low degree.

A. Jahufer (2015) measured overall job satisfaction through the ability utilization, motivation, social status, compensation and security and working conditions. He checked the overall job satisfaction and incorporated with demographic variables. Data was collected from public and private banks employees in different regions of Sri Lanka was done to check the determinants of job satisfaction.

Principal component analysis, independent sample T test, ANOVA and mean comparison test are used for data analysis. Result of independent sample t test reveals that a significant difference exists between gender & type of banks with overall job satisfaction. On the basis of ANOVA it found that excluding to distance to working place, rest all demographic factors are notsignificantly related to job satisfaction.

Rashmi Rai (2014) made a study to explore the organizational climate impact on employee job satisfaction in Indian IT organization. She measured organization climate on the basis of nine parameters. Study determined the relationship between organizational climate component and job satisfaction of employee. From five IT companies in NCR Delhi, selected for data collection. Result indicates that organizational climate and job satisfaction is positively related to each other. Study concludes that through the positive organizational climate, organization can be increased supportive factor and employee job satisfaction may be high in the organization.

Suman Devi, Ajay Suneja (2013) designed the study to find out the difference regarding the level of job satisfaction between public and private sector bank employees. Two public sector and two private sector banks with 110 employees have chose from Kurukshetra. Study reveals that regarding aspects of job satisfaction a significant difference is exists between public and private sector employees but about some aspects like, empowerment, supervision, co-workers relation, performance appraisal and job nature employees are significant. Md. Rifayat Islam, Md. Tauhid Rasul, G. M. Wali Ullah (2012) analyzed the study to find out the influencing factors of job satisfaction and their impact on job satisfaction of the employees. Nine responsible factors are containing through the literature review and a group discussion among the employees. To analyze the impact of factors, quantitative research was done. For data collection, convenience sampling technique was used. Result revealed that out of ninefactors, four factors have significant influence on job satisfaction. The study conclude that organization have to be make sure that regarding achieving the goals and satisfaction there is good coordination and cooperation is exist among the employees within the sphere of its influence.

Reecha Ranjan Singh, Amit Chauhan, Sangeeta Agrawal, Saurabh Kapoor (2011) made a comparative study among four telecommunication companies, to access the impact of organizational climate on job satisfaction. Data collected from four companies namely AIRTEL, IDEA, TATA and Reliance. Study revealed that how organizational climate correlates with job satisfaction through the various factors. Study conclude that to create a favorable climate is a need of organization, so as to employee can be satisfied form their job and be effective. Study findings indicate that favorable climate increase job satisfaction in all selected four companies.

III. OBJECTIVES OF THE STUDY

1. To assess the job satisfaction among public and private sector banks employees.
2. To study the influence of organizational climate on job satisfaction of employees.
3. To study the influence of work culture on job satisfaction of employees.

IV. HYPOTHESES OF THE STUDY

H01 - There is no significant difference in job satisfaction between public and private sector banks.

H02 - There is no significant influence of organizational climate on job satisfaction of employees.

H03 - There is no significant influence of work culture on job satisfaction of employees.

V. RESEARCH METHODOLOGY

A. Sampling Design

Samples are drawn by banking industry of Uttarakhand. Five public sector and five private sector banks (SBI, PNB, Bank of Baroda, Allahabad bank and Central bank of India & HDFC, ICICI, Axis bank, Yes bank and Kotak Mahindra) have selected for the present study. Simple random sample technique is used for collecting the data. Through the structured questionnaire 200 samples collected from the public and private sector banks. Scale I, Scale II, and Scale III employees are selected for taking the response from various banks (50% from public banks and 50% from private banks). Scope of the study is limited to Dehradun and Haridwar district only.

B. Instrument Design

There are two independent and one dependent variable in the study. For measuring the influence of organizational climate and work culture on job satisfaction, data are collected with two questionnaires. All dimensions of climate and work culture find out through the literature review. Questionnaire is reliable and well tested by various researchers.

C. Organizational Climate

For measuring this, 6 organizational climate factor containing 30 statements 5 for each factor is taken. Response is taken by 5 point Likert Scale from strongly agree to strongly disagree.

D. Work Culture

This contains four factors namely affinity with the organization, technological contribution, motivation and working conditions. Total 20 statements having 5 for each with 5 point Likert Scale is taken.

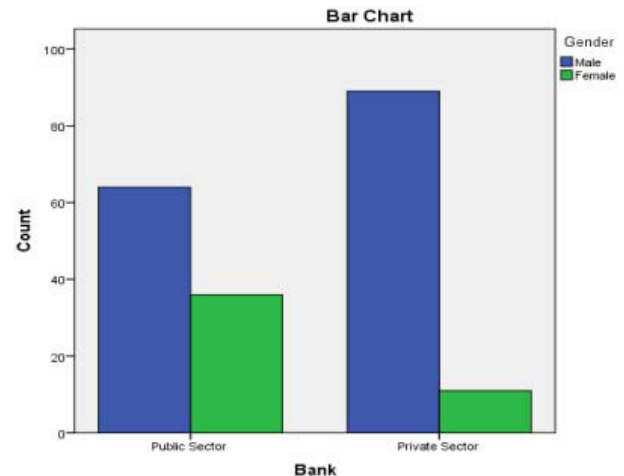
E. Job Satisfaction

This contains 20 statements towards the employee job satisfaction. It is blend of different variables like, pay, promotion, opportunity, rewards, job security, feedback, working conditions, confidence in management etc.

F. Data Analysis on the Basis of Demographic Profile

TABLE I: BANK * GENDER CROSS TABULATION

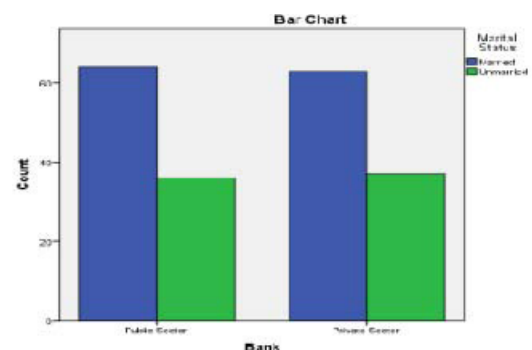
Bank		Gender		Total
		Male	Female	
Bank	Public Sector	64	36	100
	Private Sector	89	11	100
	Total	153	47	200



During the study it was found that 64% male and 36% female employees are working in public sector banks. Whereas, 89% male and 11% female employees were found in private sector banks. This figure is the result of the fact that male employees are more attractive towards private sector while female employees are towards public sector banks.

TABLE II: BANK * MARTIAL STATUS CROSS TABULATION

Bank * Marital Status Crosstabulation				
		Count		Total
		Marital Status		
		Married	Unmarried	
Bank	Public Sector	64	36	100
	Private Sector	63	37	100
	Total	127	73	200



As Table II indicated that 64% married and 36% unmarried employees are working in public sector banks. Similarly 63%

married and 37% unmarried employees were found in private sector banks. It can be say that on the basis of marital status there is not strong difference between both sectors.

TABLE III: BANK * AGE CROSS TABULATION

Count

		Age					Total
		Less than 25 Yrs	25-35 Yrs	35-45Yrs	45-55Yrs	More than 55 yrs	
Bank	Public Sector	3	42	31	14	10	100
	Private Sector	7	43	45	5	0	100
	Total	10	85	76	19	10	200

As Table III reveals that 3% employees are in under 25 years group, 42% are in the age group of 25-35 years, 31% are in the 35-45 years age group, 14% employees are within 45-55 years age group and only 10% employees are in the group of above to 55 in the public sector. Overall 42% employees (out of total employees of public sector) are more than 25 years old or less than 35 years. Whereas, in private sector 7% employees are less than 25 years, 43% are in the age group of 25-35 years, 45% employees is in 35-45 age group and 5% employees were found in the 45-55 years age group. There is no one employee more than 55 years old. Majority of 25-35 year age group can be seen in the table regarding total sample size.

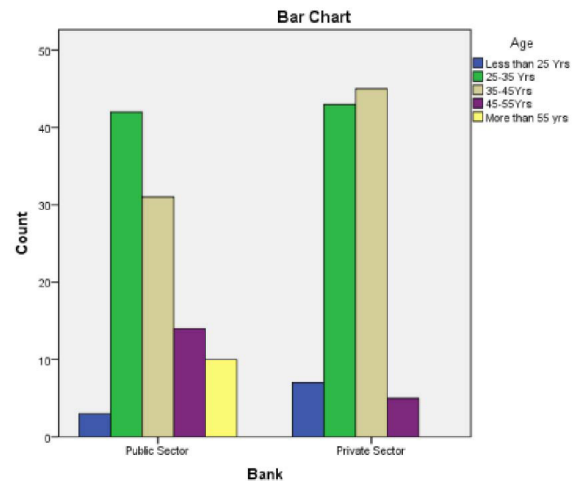


TABLE IV: BANK * EDUCATION CROSS TABULATION

Count

		Education				Total
		Intermediate	Graduate	Post Graduate	Doctorate	
Bank	Public Sector	30	39	16	15	100
	Private Sector	17	42	26	15	100
	Total	47	81	42	30	200

The Table IV reveals that highest 39% employees are graduate in public sector banks. 30% are intermediate, 16% are post graduate and 15% are having doctorate degree. While private

sector's 42% employees are graduate, 17% are intermediate, 26% employees are post graduate and 15% are doctorate degree holder. Overall 81% employees are graduates out of total samples.

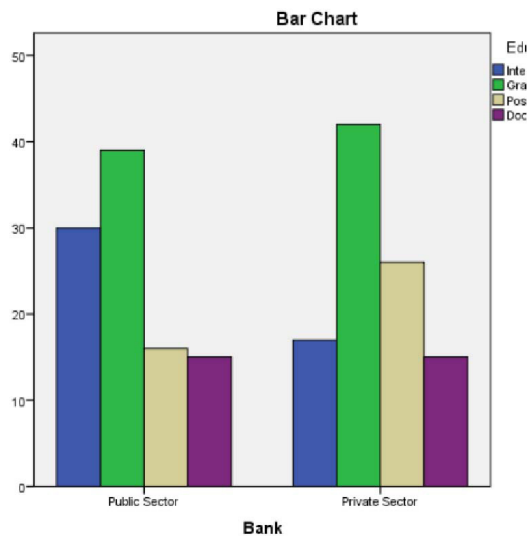


TABLE V: BANK * DESIGNATION HOLD CROSS TABULATION

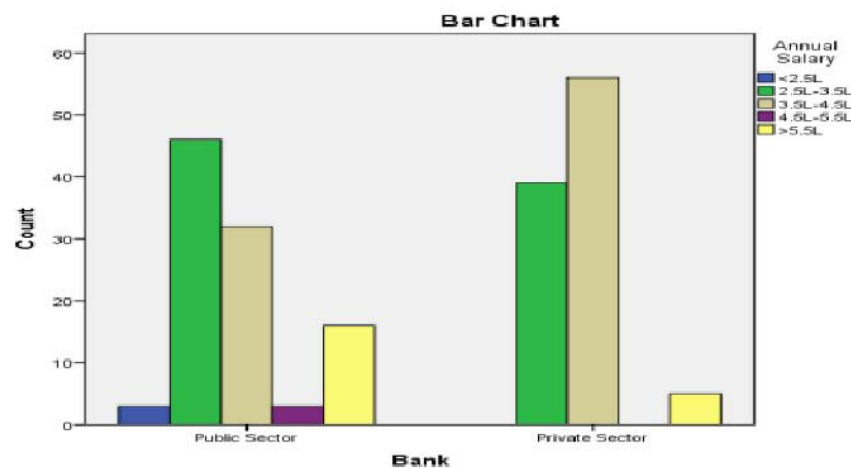
Count		Designation Hold			Total
		Scale 3	Scale2	Scale 1	
Bank	Public Sector	4	22	74	100
	Private Sector	15	25	60	100
Total		47	19	134	200

In the present study it found that 74% Scale 1 employee, 22% Scale 2 employees and 4% Scale 3 employees were working in public sector. Similarly 60% were Scale 1, 25% were Scale 2 and 15% were Scale 3 employees in private sector banks. Overall 134% employees were found Scale 1 in both sector, it means a large percentage of employees found just new broom in banking organization.

TABLE VI: BANK * ANNUAL SALARY CROSS TABULATION

Count

		Annual Salary					Total
		<2.5L	2.5L-3.5L	3.5L-4.5L	4.5L-5.5L	>5.5L	
Bank	Public Sector	3	46	32	3	16	100
	Private Sector	0	39	56	0	5	100
Total		3	85	88	3	21	200



As above table shows that employees are divided in 5 ranks on the basis of salary. In public sector the highest percentage of getting (2.5-3.5lac) 46% whereas 56% employees get 3.4-4.5lac salary in private sector. In this case it concludes that the number of employees is much more in private sector that gets high salary compare than public sector employees. While other side there is more strength in public sector banks getting

maximum salary (15%) whereas only 5% employees in private sector get 5.5lac salary.

G. Data Analysis and Findings

Objective 1: To assess the job satisfaction among public and private sector banks.

H01 - There is no significant difference in job satisfaction between public and private sector bank.

Independent Samples Test

Job satisfaction among public and private sector banks employees	t-test for Equality of Means		
	T	Df	Sig. (2-tailed)
Job Satisfaction	2.017	198	.045

Interpretation - The significance value in the above Table is 0.045 which is less than 0.05 and hence null hypothesis is rejected and there is statistically significant difference exist on the satisfaction level of public and private sector banks.

Objective 2: To study the influence of organizational climate on job satisfaction of employees.

H02 - There is no significant influence of organizational climate on job satisfaction of employees.

Model Summary^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.422 ^a	.315	.010	3.76086

a. Predictors: (Constant), Organisational Climate

b. Dependent Variable: Job_Satisfaction

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	22.046	1.667		13.223	.000
1 Organizational Climate	.364	.186	.322	1.737	.084

a. Dependent Variable: Job_Satisfaction

Interpretation - Hence the value of R square is .315. It means 31.5% variability exist in job satisfaction caused by Organizational Climate. The regression equation can be as follows:

Therefore, $Job\ Satisfaction = 22.046 + 0.364 (OC)$

Objective 3: To study the influence of work culture on job satisfaction of employees. H03 - There is no significant influence of work culture on job satisfaction of employees.

Model Summary^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.353 ^a	.295	.290	3.54567

a. Predictors: (Constant), Work_Culture

b. Dependent Variable: Job_Satisfaction

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	15.505	1.789		8.667	.000
1 Work Culture	.327	.062	.353	5.306	.000

a. Dependent Variable: Job_Satisfaction

Interpretation

As calculated in the above Table the value of R square is .295, hence 29.5% variability is the job satisfaction caused by organizational climate and work culture. The regression equation can be retain as follows:

Therefore, $Job\ Satisfaction = 15.505 + 0.327(Work\ Culture)$

VI. CONCLUSION

As above analysis shows, it can be concluded that job satisfaction is a strong factor of the organization which extremely influenced by organization's climate and there exist work culture. There are lots of factors in each organization which influence the employees work, organizational climate and work culture also the blend of such kind of factors. Organizational climate provides a good working environment through feeling, belief and opinion, while work culture is that determinant which operate the organization's work.

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