

Effect of Organizational Culture and Climate on employee Engagement and Performance (with special reference to Punjab National Bank, Meerut)

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Abstract-

Every organization is recognized by its unique characteristics which are termed as culture. Culture or climate of any organization makes it different from other organization, hence culture itself influences the employee's engagement in the organization and employee engagement is the benchmark for the productivity in organization. This paper examines the effect of organization culture on employee engagement.

Key words- Organization culture, climate, Employee engagement

1. Introduction

1.1 Organizational Culture -

Organizational culture is something like the values and behaviours that contribute to the unique social and psychological environment of an organization.

Organizational culture includes an organizational expectations, experiences, philosophy and values that hold it together and is expressed in its self-image, inner workings, interactions with the outside world and future expectations .

It is based on shared attitudes, beliefs customs, and written and unwritten rules that have been developed over time and are considered valid also called corporate culture like-

- 1) The way the organization conducts its business, treats its employees, customs and the wider community.
- 2) The extent to which freedom is allowed in decision-making, developing new ideas and personal expression.
- 3) How power and information flow through its hierarchy and
- 4) How committed employees are towards collective objectives.

It affects the Organization's productivity and performance and provides guidelines on customer care and service, product quality and safety attendance and punctuality and concern for the environment.

'Organizational culture' is unique for every organization and one of the hardest things to change'.

Eg-

- 1) When working in the mental health field company's OC is one of the caring and compassion at all times.

Each company's OC stems from vision of their own leaders.

2. Review of Literature

Organizational culture and organizational climate sets a frame work within individual and group behavior takes place. The internal working environment of every organisation has certain commonly perceived psychological characteristics or traits which are collectively called its climate, culture or milieu. These traits generally vary from organisation, are relatively stable over time and influence the behaviour of people in the organization. Organizational culture plays an important role in the lives of Organizational culture organizational members. Enmeshed in a set of shared values, norms and meanings, it helps to promote organizational objectives. It is a frame work for understanding and attributing meaning to the structures, systems, events, instructions and other phenomena that take place in organizations. Every time people come together with a shared purpose, culture is crated within a group. This group of people could be family, neighborhood, project team or company. Culture is powerful and invisible and its manifestations are far reaching. What makes OC enduring is the socialization process of an organization. This process, which familiarizes a fresher with the various characteristics of culture and forces him to adjust to it, continues throughout one's entire career in the organization. Socialization process has 3 stages: pre arrival, encounter and metamorphosis. Selection of only right type of persons who fit the eligibility requirement is an attempt to maintain and perpetuate the existing organization culture even before the outsider has joined the Organization. If a wrong person gains an entry into the organization his encounter with the new forces begins. These forces try to change him according to OC. The person may decide either to surrender him to theses forces and get completely changed or to leave the organization if he finds the impact of these forces unbearable. He may even think of fighting against these forces and changing the OC. This, of course, is not easy.

Organizational culture has been defined severally by different authors and in most of these the common fact or denominator is the idea that culture is something that is shared among members of an organisation. Organizational culture according to Suharto and Suliyan is a system of values held and conducted by members of an organisation which distinguishes the organisation form

other organizations. It is a pattern of basic assumptions, invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that have worked well enough to be considered valid and therefore is to be taught to new members as the correct way to perceive, think and feel in relation to those problems. Different models of culture exist in literature. These include Cooper's cultural model; Cammazzi's cultural model, Schein's cognitive levels of culture and Deal and Kennedy's Cultural Parameters. Among these, the more prominent model is Hendy's cultural framework which identifies four kinds of organizational culture as: Power culture, Role culture, Achievement culture and Support culture.

1. ' Culture is how organizations do things'.
2. 'Culture is consistent, observable patterns of behavior in Organizations.'

According to Aristotle- 'we are what we repeatedly'

This view elevates repeated behavior or habits as the core of culture what people feel, think or believe. It also focuses our attention on the forces that shape behavior in organizations, and so highlights on important questions are all those forces (including structure, processes and incentives). 'Culture or is culture simply the behavioural outputs.'

- a) According to Haverstick- 'In large part culture is a product of compensation'. Culture is powerfully shaped by incentives. The best predictor of what people will do is what they are incentivized to do. By incentives- we mean here the full set of incentives- monetary rewards, non-monetary rewards such as-Status, recognition, and advancement and sanctions to which members of the organization are subject.
- b) According to Bruce Pearson- 'Organizational Culture defines a jointly shared des
- c) Cription of an organization from within'.

3. Impact of Organizational culture on employee engagement

Organizational culture and employee engagement several studies in developed countries have confirmed a link between organizational culture and employee engagement. The relationship between organizational culture and EE can be explained from the social exchange theory (SET) perspective. According to the theory, social behaviour is the result of an exchange process. In his seminal writing on social exchange, Homans noted that "Social behaviour is an exchange of goods. Thus, when employees perceive the culture of the organisation allows them to have good relationship with other members within the organisation, where they have the needed support and power among others, they tend to give their all, be dedicated and work with vigor. In a cross-sectional study of employees in public accounting firms in Pakistan, Sheridan found that accounting firms got their workers committed and engaged in their jobs not because of the nature of attractive incentives given them but because their organizational culture was compatible with the employees' values. Schein established that when the culture of an organisation is not appreciated by its members, the employees develop a high tendency to quit than to stay. Allen in

his Person-Environment (P-E) Fit Model established that organizations' that develop cultures that are compatible with the values of their members are able to retain and engage a higher percentage of their key employees.

4. Research Methodology

The researcher conducted the data collection at a Public sector Bank (Punjab National Bank).

. The Researcher conducted the research using Descriptive Research design in nature. A descriptive study is a fact finding investigation with adequate interpretation. It is concerned with describing the characteristics or specific individual, groups or situation. The universe of the study was the employees and executives of Punjab National Bank. The researcher used simple random sampling design as the sampling design for gathering information of this research as the universe is known to the researcher. The technique used to decide the sampling unit from the field of study would be the lottery method without replacement as the sampling technique of this research. This technique has been taken to give participation to all the participants in this research; this will remove the feeling of participants of being ignored by the researcher. The sample size for the research would be fifty respondents from the field of study. The tool used for data collection from the sample by questionnaire. The questionnaire used in this study will help to analysis the impact of organizational culture and climate on employee's engagement. Questionnaire in the study contains close ended, open ended both types of questions and close ended questions contains dichotomous types of questions.

Secondary source of data collection for the study would be from journals, books and websites
Primary source of data collection would be from sample unit by using the tool of questionnaire.

5. Finding of the study

. The findings of the study have led the researcher to conclude that the level of organizational culture and climate in the organisation is good. It helps to increase the performance among the employees. Only conducive organisational climate and good organisational culture can truly motivate the employees and create a sense of belonging and commitment to the organisation. In changing environment providing appropriate climate and assessing culture is always beneficial. Based this study, we can say that if the management wants to raise employee engagement among the employees, it must evaluate its culture and climate and have to make necessary changes so that employees easily adhere to it, which will automatically increase their engagement level and leads to high productivity and it also reduces attrition rate. So the organizations should keep in track with the problems relating to organisational culture and organisational climate.

Response Rate-

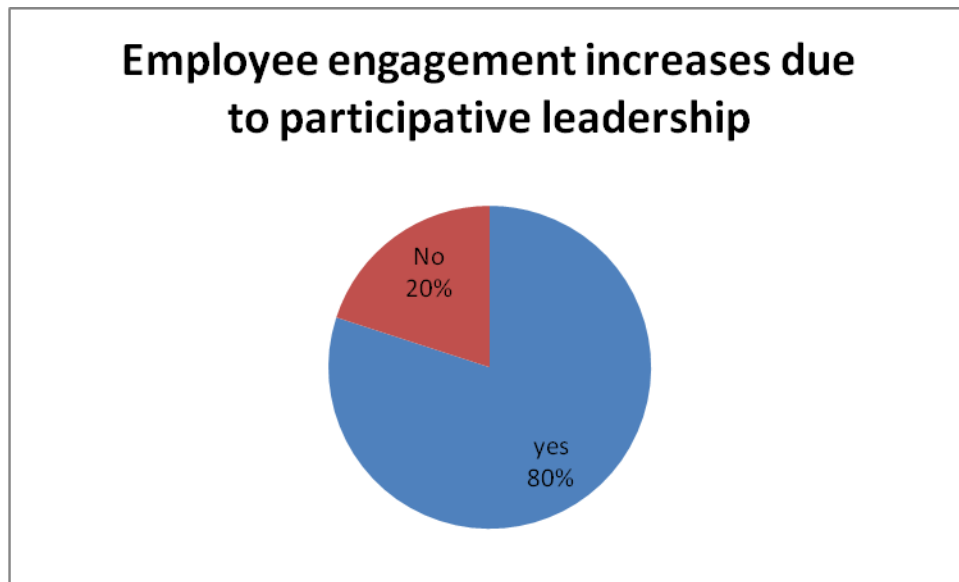
Questioners were distributed to fifty employees selected from a public sector Bank (PNB). Utmost care was taken to obtain the questioners get filled without delay to avoid bias in

response. The researchers were successful in 44 cases. While 6 respondents asked for a week time to fill it up. Two of them gave the filled up questionnaire within a week without further pressure. While two others submitted after a second reminder. Two others were reluctant to respond to researchers' further calls and hence they were rejected. Out of fifty selected candidates forty eight responded promptly and hence the response rate is ninety six percent

Major Finding

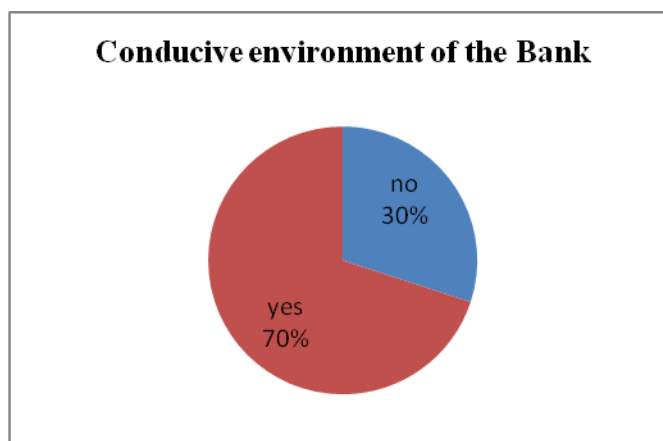
FINDINGS	
PERCENTAGE	RESPONSE
80%	Participative leadership increases employees engagement
82%	Organization culture has an impact on organization climate
80%	Organization culture and climate influences employee engagement
50%	Performance appraisal reports are based on objective assessment

*‘The study shows that Organizational culture has its significance impact on Employee’s engagement’.



Eighty one percent of the respondents felt that employee engagement increases when organization follows the participative leadership style, Reward system, rendering fringe benefit and suitable Human Resource policies. Eighty two percent of the respondents agreed that Organizational Culture is very important predictor for climate. Seventy seven percent of the respondent agreed that Climate in this organisation is very conducive. It reveals that people in this organisation are helpful to each other and have good relationship. Seventy one percent of the respondents agreed that organizational culture and climate is conducive, it shows that Bank employees are in good relationship. . Fifty one percent of the respondents agreed that in this

organisation Performance appraisal reports are based on objective assessment. It reveals that Performance appraisal reports are done without any bias and it is done for the development and growth of the employees Seventy eight of the respondents agreed that Organizational culture and organizational climate motivates in developing knowledge of the respondents. Eighty one percent of the respondents agreed that Organizational Culture and Organizational Climate reduce the attrition rate. Eighty five percent of the respondents agreed that Organisation Culture and Organisation Climate always influence employee's engagement.



6. Suggestions-

From the research conducted, the researcher found that the Banks culture brings the employee integrity and the feeling of belongingness among employee's increases, so the cultural change in the organization is required to cope with the changing culture. Only strong organizational culture enables to improve employees' engagement. As a result it leads to improve in employee performance. Employee must be given a chance of involvement in the Bank's functioning decision making. If they participate in the functioning of the Bank they will feel themselves as a part of Bank. The result describes that an employee who feels that work place is good is more productive. Work will be enjoyable when the area is pleasant, the people get along with free and there will be good team work. In such setting the tardiness, absenteeism and attrition will be less, while productivity goes up. Bank has to create good Culture and Climate which will reduce the attrition rate. Only good organizational Culture and Climate in Bank can bring high team participation.

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