

## The Empirical Assessment of Organisational Culture in State Bank of India

**Sugandha Verma**

Research Scholar (Ph. D. Student) Department of Commerce, S.M.J.N (P.G.) College, Haridwar Uttarakhand, India

### Abstract

Organisations have their own corporate culture and this culture consists of practices, values and beliefs. Organisation's cultural norms leave strong effects on the employees working in that organisation. Organisational Culture is a topic of innovative relevance for thinkers, researchers and scholars for the last many years. But, in Indian context, there is an acute shortage regarding the concerned subject. Therefore, this research paper has tried to assess empirically the existing status of Organisational Culture within the State Bank of India, being the largest banking institution of our country. Denison's Organisational Culture model was used on 212 respondents, who were selected out of purposive sampling technique. The analysis section was drawn on the basis of percentage and mean values. The paper has its academic significance for the intellectuals and meaningful managerial implications for the related policy-makers. Conclusively, the condition of Organisational Culture among the employees of State Bank of India is found to be good, except on the ground of adaptability.

**KEYWORDS:** Adaptability, Consistency, Involvement, Mission, Organisational culture, State Bank of India.

### Introduction to Organisational Culture

Every society constitutes a culture which determines the values, norms and ethics to be followed by the members. Likewise, an organisation also has its own corporate culture. Organisational research originally focused strongly on the surveying of corporate climate, but during 1980s the organisational climate concept was to some extent replaced by the concept of Organisational Culture OC and since then the concept of OC became trendy. Practically, culture consists of some combination of artifacts (also called practices, expressive symbols or forms), values and beliefs and underlying assumptions that organisational members share about appropriate behavior (Gordon and Di Tomaso, 1992; Schein, 1992; Schwartz and Davis, 1981). Although, there are so many definitions of culture, but OC has been viewed as holistic, historically determined, and socially constructed. Culture involves beliefs and behavior, exists at various levels, and manifests itself in a wide range of features of organisational life (Hofstede et al. 1990).

According to Robbins and Judge, "OC refers to a system of shared meaning held by members that distinguishes the organisation from other organisations." Seven primary characteristics seem to capture the essence of an organisation's culture:

1. **Innovation and risk taking:** The degree to which employees are encouraged to be innovative and take risks.
2. **Attention to detail:** The degree to which employees are expected to exhibit precision, analysis and attention to detail.
3. **Outcome orientation:** The degree to which management focuses on results or outcomes rather than on techniques and processes used to achieve them.
4. **People orientation:** The degree to which management decisions take into

consideration the effect of outcomes on people within the organisation.

5. **Team orientation:** The degree to which work activities are organised around teams rather than individuals.
6. **Aggressiveness:** The degree to which people are aggressive and competitive rather than easygoing.
7. **Stability:** The degree to which organisational activities emphasize maintaining the status quo in contrast to growth.

As such, OC refers to a set of shared values, beliefs, assumptions and practices that shape and guide members' attitudes and behavior in the organisation (Davis, 1984; Denison, 1990; Kotter and Heskett, 1992; O'Reilly and Chatman, 1996; Wilson, 2001).

### **Literature Review**

Deal and Kennedy (1982) recognized the relationship between culture and organisational performance through human resource development (HRD) programmes. The cultural values and HRD programmes were found to be consistent with organisational chosen strategies that led to successful organisations.

The OC was outlined by Schein in 1990 as overall phenomenon of the organisation such as natural settings, the rite and rituals, climate, values and programmes of the company, e.g., performance management, training and development, recruitment and selection, etc.

Klein (1996) positioned OC as the core organisation's activities which have aggregate impact on its overall effectiveness and the quality of its products and services.

Rashid, Sambasivan and Rahman (2004) investigated the influence of OC on attitudes toward organisational change in Malaysia. Their study presented an association between OC and the affective, cognitive, and behavioral tendency of attitudes towards organisational change. This demonstrated the importance of each type of culture and level of acceptance on attitude toward change.

Ahmadi et al. (2012) explored the association between OC and strategy implementation and their typological and dimensional correlations, using a sample of 136 members of Iranian Karafarin Bank. Their findings provided empirical evidence for the positive link between OC and strategy implementation. According to the obtained results, clan and adhocracy cultures considerably favour strategy implementation. Results also showed market and hierarchy cultures encourage the implementation.

Adewale and Anthonia (2013) identified the impact of OC on HR practices in some selected Nigerian private universities. Statistical analysis confirmed a close relationship between OC and recruitment process, training programmes, job performance management, performance of employees, pay structure and compensation administration

### **Originality and Significance of the Paper**

OC has been the topic of concern for researchers and scholars worldwide for many years. The conducted studies have set the trend to diagnose the OC and its impact on various HR dimensions as well. But it is quite surprising to note that the work done in India regarding OC is very nominal. The significant value of this research paper refers to its focus on the assessment of OC in the largest banking institution of the country, State Bank of India (SBI). Due to the fact that the subject has not been explored in depth, this paper provides empirical assessment of OC.

### **Objectives of the Paper**

The core objective of this research paper is to assess the prevailing drift of OC

in SBI. It will highlight the status of employees of the bank regarding their attitudes on OC. The paper will cover the knowledge gap on OC in Indian context.

**Research Methodology**

Being an empirically proven technique to be used, Denison’s OC model has been applied to appraise the present status of OC among the employees of SBI in this paper, as many earlier researchers like Khatri (2000), Yilmaz and Ergun (2008) and Ahmad (2012) also have employed this model of OC.

Denison’s OC model is based on four cultural traits, namely, involvement, consistency, adaptability and mission. The structured questionnaire having 12 items for these four dimensions (three items for each dimension) has been put into operation to collect the primary data for the empirical study. Response has been collected through five point Likert scale representing 1 for strongly disagree and 5 for strongly agree as the extreme points on the continuum. Demographic aspects of the respondents also have been identified. Percentage and mean values are used to analyse the primary data statistically with the help of SPSS (16.0). The sample has been collected on the basis of purposive sampling technique from the employees working in various branches of SBI at the district of Haridwar (Uttarakhand). The questionnaire were distributed among 250 employees, but eventually 212 were found to be correct in all respect to conduct the study, showing the good response rate of more than 84 percent.

**Data Analysis**

First of all, the demographic profile of respondents is presented hereunder in Table 1.

**Table 1:** Demographic profile of Respondents

Item	Classification	Frequency (N = 212)	Percentage (100)
Gender	Male	154	72.6
	Female	58	27.4
Age	18-25	81	38.2
	26-35	75	35.4
	36-50	39	18.4
	51 and above	17	8.0
Educational Qualification	Graduate	103	48.6
	Post-Graduate	79	37.3
	Professional/Technical Education	30	14.1
	Work Experience	Up to 5 years	67
	6-10 years	89	42.0
	11-20 years	44	20.8
	Above 20 years	12	5.6
	Job Category	Clerical	178
Managerial		34	16.0

\*Source: Calculated from Primary Data

**Assessment of Organisational Culture (OC)**

Four dimensions, namely, Involvement, Consistency, Adaptability and Mission have been explored on the basis of 12 items (3 each for every dimension). Since the 5-point Likert scale is being used to rate the response, the mean value of every dimension represents the level of OC in SBI as shown in Table 2 below:

**Table 2:** Rating of Organisational Culture

Mean Value of the Dimension	Level of Organisational Culture
Up to 2.0	Worst
2.1 to 3.0	Poor
3.1 to 4.0	Good
4.1 to 5.0	Excellent

\*Source: Denison's model of OC

**Table 3: Involvement (First Dimension)**

Response	Item 1 (Empowerment)		Item 2 (Team Orientation)		Item 3 (Capability Development)	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Strongly Disagree	-	-	-	-	-	-
Disagree	-	-	26	12.3	31	14.6
Neutral	22	10.4	58	27.4	72	34.0
Agree	153	72.2	128	60.3	104	49.0
Strongly Agree	37	17.4	-	-	5	2.4
Total	212	100.0	212	100.0	212	100.0
Mean	4.07		3.48		3.39	
<b>Aggregate Mean = 3.65</b>			<b>Reliability Value of</b>			
<b>Cronbach's Alpha = 0.91</b>						

\*Source: Calculated from Primary Data

**Table 4: Consistency (Second Dimension)**

Response	Item 1 (Core Values)		Item 2 (Agreement)		Item 3 (Coordination and Integration)	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Strongly Disagree	-	-	-	-	-	-
Disagree	29	13.7	35	16.5	41	19.3
Neutral	75	35.4	105	49.5	133	62.7
Agree	108	50.9	72	34.0	38	18.0
Strongly Agree	-	-	-	-	-	-
Total	212	100.0	212	100.0	212	100.0
Mean	3.37		3.17		2.98	
<b>Aggregate Mean = 3.17</b>			<b>Reliability Value of</b>			
<b>Cronbach's Alpha = 0.87</b>						

\*Source: Calculated from Primary Data

**Table 5: Adaptability (Third Dimension)**

Response	Item 1 (Creating Change)		Item 2 (Customer Focus)		Item 3 (Organisational Learning)	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Strongly Disagree	-	-	-	-	-	-
Disagree	131	61.8	27	12.7	27	12.7

Neutral	74	35.0	154	72.6	134	63.2
Agree	7	3.2	31	14.7	51	24.1
Strongly Agree	-	-	-	-	-	-
Total	212	100.0	212	100.0	212	100.0
Mean	2.41		3.02		3.11	
<b>Aggregate Mean = 2.84</b>			<b>Reliability Value of</b>			
<b>Cronbach's Alpha = 0.89</b>						

\*Source: Calculated from Primary Data.

**Table 6: Mission (Fourth Dimension)**

Response	Item 1 (Strategic Direction and Intent)		Item 2 (Goals and Objectives)		Item 3 (Vision)	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Strongly Disagree	-	-	-	-	-	-
Disagree	45	21.2	44	20.7	12	5.7
Neutral	111	52.3	79	37.3	61	28.8
Agree	56	26.5	89	42.0	139	65.5
Strongly Agree	-	-	-	-	-	-
Total	212	100.0	212	100.0	212	100.0
Mean	3.05		3.21		3.60	
<b>Aggregate Mean = 3.28</b>			<b>Reliability Value of</b>			
<b>Cronbach's Alpha = 0.77</b>						

\*Source: Calculated from Primary Data.

**Findings**

Analysis shows that due to the feeling of empowerment being the highest (4.07) and good for the team orientation (3.48) and capability development (3.39), the overall status of first dimension, i.e., Involvement is also good with 3.65 mean value.

On the ground of second dimension, viz., Consistency; it can be said be said that while the core values (3.37) and agreement (3.17) among the staff of SBI is up to the mark, but coordination and integration (2.98) seem to be in a little bit poor condition. Therefore, the combined result is 3.17 as the aggregate mean value, representing again the good position on the scale.

The ability of creating change is found to be poor (2.41) among the employees of SBI. But, the status of customer focus (3.02) and the organisational learning (3.11) are identified as good. So, with the value of combined mean (2.84) Adaptability, the third dimension has a poor level.

Fourth and the last dimension, Mission is also found to be in a good condition with 3.28 aggregate mean value. The items of strategic direction and intent (3.05), goals and objectives (3.21) and vision (3.60) also depict the sound OC within the organisation.

The values of Cronbach's alpha for Involvement (0.91), Consistency (0.87), Adaptability (0.89) and for Mission (0.77) have figured the satisfactory level of reliability about the data collection instrument.

**Conclusion**

It is evidenced after the analysis of each individual dimension that

Involvement (3.65), being the highest; Consistency (3.17) and Mission (3.28) all the three are in a good position constitutes the OC of the organisation, namely, SBI. But the prevailing condition of poor Adaptability (2.84) puts forth a matter of great concern for the policy makers and other higher officials from the HR department. This empirical effort has tried to outline the present status of OC within SBI, being the largest public banking institution of India. However, some other dimensions may also be used to highlight the various components of OC.

## References

1. Adewale, O.O. and Anthonia, A.A. (2013). Impact of organisational culture and human resource practices: A study of selected Nigerian private universities. *Journal of Competitiveness*, Vol. 5, Issue 4, pp. 115-133.
2. Ahmad, Shakil M. (2012). Impact of organisational culture on performance management practices in Pakistan. *Business Intelligence Journal*, Vol. 5, No. 1, pp. 50-55.
3. Ahmadi, Seyed A. Akbar, Salamzadeh, Y., Daraei, M. and Akbari Jamshid (2012). Relationship between organisational culture and strategy implementation: Typologies and dimensions. *Global Business and Management Research: An International Journal*, Vol. 4, No. 3 and 4, pp. 286-299.
4. Davis, S. (1984). *Managing Corporate Culture*. Balinger, Cambridge, MA.
5. Deal, T.E. and Kennedy, A.A. (1982). *Corporate Cultures: The Rites and Rituals of Corporate Life*. Harmondsworth: Penguin Books.
6. Denison, D.R. (1990). *Corporate Culture and Organisational Effectiveness*. John Wiley and Sons, New York.
7. Gordon, G.G. and Di Tomaso, N. (1992). Predicting corporate performance from organisational culture. *Journal of Management Studies*, Vol. 29, No., 6, pp. 783-798.
8. Hofstede, G., Neuijen, B., Ohayv, D.D. and Sanders, G. (1990). Measuring organisational culture: A qualitative and quantitative study across twenty cases. *Administrative Science Quarterly*, Vol. 35, No. 2, pp. 286-316.
9. Khatri, N. (2000). Managing human resource for competitive advantage: A study of companies in Singapore. *The International Journal of Human Resource Management*, Vol. 11 (2), pp. 336-365.
10. Klein, A. (1996). Validity and reliability for competency based systems: Reducing litigation risks. *Compensation and Benefits Review*, Vol. 28, No. 4, pp. 31-47.
11. Kotter, J.P. and Heskett, J.L. (1992). *Corporate Culture and Performance*. The Free Press, New York.
12. O'Reilly, C.A. III and Chatman, J.A. (1996). Culture as social control: Corporation, cults and commitment. In Staw, B.M. and Cummings, L.L. (Eds), *Research in Organizational Behavior*. JAI Press, Greenwich, CT, Vol. 8, pp. 157-200.
13. Rashid, Zabid A., Sambasivan, M. and Rahman, Azmawani A. (2004). The influence of organisational culture on attitudes toward organisational change. *Leadership and Organisation Development Journal*, Vol. 25, No. 2, pp. 161-179.
14. Robbins, Stephen P. and Judge, Timothy A. (2013). *Organizational Behavior*. Pearson, 15<sup>th</sup> ed., New Jersey.
15. Schein, E.H. (1990). Organisational culture. *American Psychologist*, Vol. 45

- (2), pp. 109-119.
16. Schein, E.H. (1992). *Organisational Culture and Leadership*. 2<sup>nd</sup> ed. Jossey-Bass, San Francisco, CA.
  17. Schwartz, H. and Davis, S.M. (1981). Matching corporate culture and business strategy. *Organisational Dynamics*, Vol. 10, No. 1, pp. 30-38.
  18. Wilson, A.M. (2001). Understanding organisational culture and the implication for corporate marketing. *European Journal of Marketing*, Vol. 35, No. 3/4, pp. 353-367.
  19. [www.google.co.in](http://www.google.co.in)
  20. Yilmaz, C. and Ergun, E. (2008). Organisational culture and firm effectiveness: An examination of relative effects of culture traits and the balanced culture hypothesis in an emerging economy. *Journal of World Business*, Vol. 43, pp. 290-306.