



# A Study of Organizational Climate in Banking Services and It's Relationship with Job Satisfaction

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**ABSTRACT:** Banking industry has a tremendous place to work for employees and providing more financial services to customers. The organizational climate change has been a rising substance of all business organizations and mostly banking institutions in India. There is more of climate change between the employees and working atmosphere of the bank. Nowadays, the banking institutions play an important role in all other industries for the economic growth of our country. The success of the banking institution is based on employee's contribution. With the positive support of the employees the banks can create and maintain a favourable and pleasant organizational climate. Employees are the company's most valuable asset, so management must invest heavily to keep them happy and retained for a longer period of time. Any organization's strategic progress relies on productive people. It is true that a person's ability to be satisfied at work largely depends on how well those expectations match up with reality. Economical-factors (like retirement and compensation benefits) as well as family and occupational factors influence how these job expectations are shaped (job satisfaction, relocation, professional satisfaction, advancement opportunities, etc.). Indian banking sector is the largest sector which is like life blood of the economy. Private sector banks are the largest job provider in banking sector.

**KEYWORDS:** banking, organizational climate, services, relationship, job satisfaction, management, sector

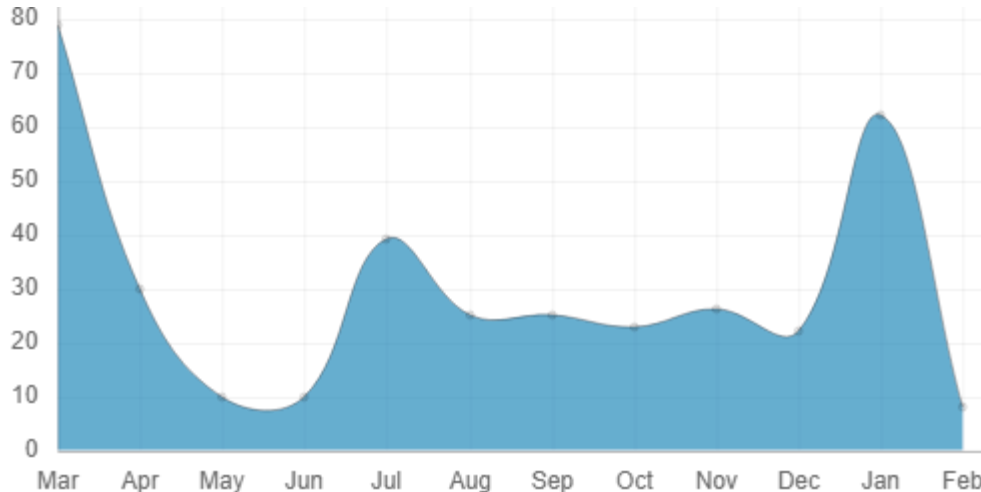
## I.INTRODUCTION

This study aims to analyze the moderating effect of Organizational Commitment in the effect of Marketing Internal and Organizational Climate on internal customers' satisfaction of Conventional Banking Industry and to test the effect of internal customers' satisfaction of Conventional Banking Industry on the loyalty behavior of internal customers that can bring about the marketing performance of Indian conventional bank. The study showed that Organizational Commitment affects the effect of Marketing Internal and Organizational Climate on internal customers' satisfaction, and then the customers' satisfaction has a positive significant influence on loyalty behavior. The loyalty behavior can positively significant affect marketing performance also, and conventional banking industry increase. <sup>1</sup>

The result of this empirical investigation support that organizational climate has a significant impact on turnover intention of banking employees. The study results revealed that climate, commitment, and staff satisfaction are the three antecedents of organizational climate, which has an inverse significant impact on turnover intention. Out of many characteristics of managerial effectiveness, managers gave first three ranks to: competence and responsible, good work ethics, and work quality. 'Adaptability factor' was given rankings by all managers which have an important implication in terms of managerial development.<sup>2</sup> Motivational climate of the organization was seen as characterized by 'extension', 'achievement' and 'expert influence.' The co- relational analysis of managerial effectiveness with organizational climate dimensions suggest that branch managers are not considering themselves in the role of 'change agents' rather there is tendency to stick to rules and procedures.<sup>3</sup> The findings also suggest that an effective manager is likely to be an effective leader but an effective leader may not be an effective manager. The relationship between leadership style effectiveness and managerial effectiveness needs further investigation utilizing a leadership effectiveness instrument with known psychometric qualities.<sup>4</sup> The study of job satisfaction among Bank employees is important because there are various aspects of the job that are highly attractive and lead to satisfaction and aspects of the job that lead to dissatisfaction. Positive aspects include the opportunity to work in Bank and employees to accomplish common goals, developing banking background and the ability to work with co-workers. It is important to identify which factors contribute to job satisfaction as well as those that may lead to job dissatisfaction to assure that the manager ship is attractive to potent. There are many variables that have been hypothesized to be a result of job satisfaction or dissatisfaction.<sup>5</sup> It is an established fact that the success of any organization



depends on the satisfaction of its work force. The aim of this study is to determine that bank employees are satisfied with their job and also to identify those factors that are of high concern to bank employees regarding their satisfaction.<sup>6</sup>



We should know whether a focused type of organizational climate, misconduct and risk climate (M&R climate), contributes to preventing misconduct risk and excessive risk-taking in banking. It also explores the effects on the relationship between organizational M&R climate and perceived organizational performance of incentives associated with compensation, promotion and knowledge-sharing practices, transmitted via employee training and cross-functional collaboration<sup>7</sup>. The review supports the previous literature regarding the influence of organizational climate and reveal how, along with incentives and knowledge-sharing practices, it influences employees' perceptions of organizational performance in addressing misconduct and risk-taking.<sup>8</sup>

## II.DISCUSSION

Bank Organizational climate is the social glue that binds the members of the organization through the sharing of values, symbolic and social ideas. Strong or weak depends on the alignment of organizational climate, the deal values, and individual commitment to a common goal . Researchers say that it will build a strong cultural alignment, loyalty, and responsibilities in the organization. In the end it will increase effectiveness organization. In general, bank organizational climate or management founded the pioneering company. Philosophy or strategy is set by the founders of this year to the instructions and guidelines in carrying out the duties of their subordinates. When implementing this strategy that is proved successful and can survive same years, the philosophy or vision, is believed to be developing into the organizational climate. <sup>9</sup>Climate of the organization by the founder or top management will be applied to all existing human resources within the bank organization, thus organizational climate can be defined as a form of assumption held, implicitly accepted by the group and determine how the proficiency level feel, think, and react to its environment diversity. Characteristics definition highlights three important organizational climates. First, given the bank organizational climate to new employees through the process of socialization. Second, organizational climate affects behavior in the workplace<sup>10</sup>. Third, the effect of organizational climate on two different levels. Organizational climate can also foster commitment to exceed their own personal goals. Organizational climate is also a control mechanism that provides guidance and shaping attitudes and behaviors of employees. Just as organizational rules, organizational climate encourages consistency in the attitude of the employees. Both can support each other, when the rules stated that by the misuse of the assets forming the mental attitude of employees to refrain from misuse of assets of the organization, the rules on the matter can be very effective and do not need maximum control. <sup>11</sup>

Organizational climate is often described in terms of a jointly owned. The patterns of beliefs, symbols, and rituals of the myths that evolved over time serve as the glue that involves the organization. Rich variety forms of organization, of course, have different climates but this is simply because the organization is different also. Many opinions attempt to characterize the climate of an organization. Scientist suggests seven primary characteristics that are used together to understand the nature of the climate of an organization, the masses now. The seven primary characteristics are as follows: (1) Innovation



and risk-taking: A freedom for the members of the organization so motivated to perform actions that are innovative and willing to take risks. (2) Attention to details: Expectations of the organization to its members to act in a careful, analytical, and attention to details<sup>12</sup>. (3) Orientation on the result: The extent of the bank organization's management to pay more attention the work of members of the organization rather than technique or process to achieve those results. (4) Orientation to the people: How an organization treats its members humanely. (5) Orientation on the team: Indicates whether the work processes of the organization is carried out in working groups, rather than individuals. (6) Aggressiveness: The extent to which members of the organization behave aggressive and competitive in the working process<sup>13</sup>. (7) Stability: The power of seven members of the organization to uphold these characteristics indicates whether or not the bank organization is stable in laying her face changes that occur. Understanding Information Technology Capabilities, a researcher explains that the capacity refers to an individual's capacity to do various tasks in a job. The ability of an individual is in fact composed of two sets of factors: the ability of intellectual and physical abilities. Intellectual ability is the ability required to perform mental activities. The seven dimensions that make up the most often cited are the intellectual ability numeracy skills, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, visualization, and memory space.<sup>14</sup> Physical ability is the ability required to perform tasks that require stamina, dexterity, strength, and similar skills. Capabilities are the skills a person has. Capabilities are associated with a person's proficiency in performing a job and are a very important factor in improving the performance or productivity of labor, i.e. the extent to which one can achieve satisfactory results in the work depends on skill or capabilities. Employees tend to prefer jobs that give them opportunities to use their skills and abilities, while less demanding jobs create boredom . Further it said that the conditions are that most employees will experience pleasure and gratification.<sup>15</sup> Description above it can be concluded that the skill is an ability, skill, and ability of the individual to perform a job and take advantage of an opportunity to align and motivate yourself to achieve a goal.<sup>30</sup> The ability of information technology in general is more easily understood as information processing includes storing, accessing, communicating, informing, processing, and communicating information. As noted in general, information technology is defined as a computer-based technology to store, access, process, and communicate information.<sup>16</sup> Described nowadays information technology is a factor that strongly supports the implementation of the information system, an organizational and management solution to solve management problems therefore management in most bank organizations today uses information technology to solve organizational problems.<sup>17</sup>

According to researchers the information is knowledge gained from data technology called Artificial Intelligence which can produce quality information. According to researchers, there are five characteristics of high quality information that: pertinence, timeliness, accuracy, and the element of surprised reducing uncertainty. Taken the quality of the private sphere(s) it should not just be applied to the public sector or civil<sup>18</sup>. Accordingly, the technology itself and the IT change and grow more rapidly. Technology is a way and a specific tool in the hands of management to control changes and create something in such changes. Technology is a new opportunity to explain the basis of the combination of economic development. Technology helps improve productivity and effectiveness.<sup>29</sup> By using new combinations, new things (new innovations) can be found and developed, which are expected to increase the productivity of the company. Scientist means that the implementation of technology in the bank organization is expected to enhance the productivity or performance of the bank organization.<sup>19</sup>

### III.RESULTS

Organizational climates defined as «a dominant approach that conceptualizes climate as employees' shared perceptions of organizational events, practices, and procedures»<sup>28</sup>. Scientists explained that organizational climate reflects the environmental quality of an organization as experienced by its members and can influence their behaviour. However the quality of work-life provides insight into what happens to employees in an organization. The organizational climate refers to the contextual situation at one point in time; it has to do with the feelings and behaviour of the organization's members<sup>20</sup>. Organizational climate dimensions can be used as a guideline to measure how well an organization's climate is. From another angle, the organizational climate in different banks aided in explaining employees' perceptions of organizational characteristics such as leadership style, decision-making process, and work norms<sup>21</sup> . These variables considering when researching the relationship between organizational climate and organizational citizenship behaviour in the banking industry. Employees' organizational citizenship behaviour in the banking industry is positively influenced by the organizational climate . Researchers verified this result. Various reviewers revealed similar findings, indicating that the mediator effect of organizational climate on organizational citizenship behaviour was statistically significant. Many define leader-member exchange as «a high-quality relationship characterized by dyad members possessing strong mutual affection based on interpersonal attraction, expressing public support for the goals of the other member,<sup>22</sup> and perceiving professional



respect for one another». Previous studies indicated that leader-member exchange is the most projecting theory that deals with the dual relationship between a leader and the subordinates in developing a diverse relationship with their subordinates ranging from low (out-group) to high (in-group) quality. Accordingly a high-quality relationship increases a sense of freedom and delegates power from superiors to their subordinates, which ultimately helps in reducing employees' withdrawal behaviour. Other studies have considered the leader-member exchange to be one of the essential constructs of organizational citizenship behaviour.<sup>23</sup> The leader-member exchange was significantly related to organizational citizenship behaviour in the Indian context. It is defined as an employee's discretionary actions that are not explicitly recognized by formal reward systems that, in aggregate, promote the effective functioning of the organization. Many defined organizational citizenship behaviour as a self-willed behaviour that goes beyond job requirements and is not rewarded often by the organization.<sup>24</sup> Moreover it is determined organizational citizenship behaviour as «an employee's behaviour that is not a vital issue to the work, task, duty, or labour to promote the functioning of organizations». Organizational citizenship behaviour contributes to a positive climate within an organization, which influences organizational citizenship behaviour individual. Organizational citizenship behaviour is discovered to influence employee commitment while improving employee performance in Indian banking context.<sup>25</sup>

#### IV. CONCLUSIONS

According to many researchers, "Existence of job stress in organisation can result in negative effects like reduced efficiency, decreased capacity to perform and lower sense of self esteem, depression, low motivation to work, dampened initiatives and reduced interest in working, increased rigidity of thoughts and lack of concern for organization and peers and a loss of responsibilities".<sup>26</sup> Further, Banks should try to reduce role overload stress by hiring more staff for the work because one employee had to do the task of two or three individuals. Organization should ensure that one's work life and personal life should be balanced. Work timing should be clearly defined for working staff so that they get reasonable time for their domestic life. Also, banks need to arrange workshops and seminars for counsel their employees regarding source of stress and the ways to reduce it.<sup>27</sup> Similarly, lack of organizational commitment, low performance, low productivity and high absenteeism are results of job dissatisfaction. The present investigation concluded that entire banking staff is facing job stress at some level regardless of doing job in different banks and job satisfaction is significantly negatively affected by job stress. So, the study recommends that increment in job satisfaction by reduction in job stress is very important.<sup>31</sup>

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