

Impact of Employees' Work Culture on Bank Customers

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Abstract: *In this era of competition and technological advancement, in order to develop and enhance a stronger customer-base, customers' perceptions and expectations from the providers of services have become important, specifically in the case of banks. The banks are spending a lot on this by using various tools. Employees' work culture has emerged as one of the important factors of attracting the customers towards the banks' products and thus enhancing banks' performance. The study tries to examine the impact of employees' work culture on the customers' expectations and perceptions from the banks. The study was conducted on a randomly selected sample of 1750 customers of seven selected banks namely SBI, PNB, HDFC, ICICI, Axis, Standard Chartered and HSBC. The results indicated that the employees' work culture had a significant impact on customers' perceptions and expectations across commercial banks.*

Keywords: Bank-customers, employees' work culture, expectations, perceptions.

1. Introduction

Employees' work-culture refers to the conditions under which the employees work, perceive and expect in context of banks. It involves employees' perception of customers, boss & junior staff, problem-solving by the employees and their performance review. An assumption about the employees' work culture which has been widely accepted is that, a good culture at the workplace, encourage the employees to perform better and produce better results. The culture at the office can be divided into two parts which are physical and behavioral components. These components can be further segregated into different variables. These variables can affect the employees' performance at workplace which directly shows the impact on the business of that organization.

The workplace should be impressive that employees like every day. Employees should like to go to their work. In fact, they should feel hard to leave as they should be physically and mentally ready to enjoy the confrontations, their colleagues, and the ambiance. Jobs shouldn't aggravate anxiety in employees. While the work may be complicated, the culture shouldn't add to the pressure of the work. On the contrary, the culture should be designed to lessen the work related stress. That is why culture matters as it maintains employee interest. Happy employees are required because they produce more output. And when a business is more fruitful, that means it is working faster; and when it works faster, it can face competition. So it is important for the organizations to construct and nurture their culture.

When the focus is on culture, there are guiding principles. Employees will live by it. It will help them get through difficult times. A better organizational culture leads to better organizational performance in which employees are loyal and organization perform better. Organizational culture identifies the way employees complete work and interrelate with each other in an organization. The cultural pattern covers various rituals, values, beliefs and symbols that govern the operating manner of the people within an organization. Corporate culture joins the workforce together

and provides a direction for the organization. In times of change, the biggest challenge for any organization is to change its culture, as the employees are already habitual of certain ways of doing things.

Well-built corporate cultures specify that employees are like-minded and embrace similar beliefs and ethical values. When these beliefs and ethical values line up with business objectives, they can establish effective teams as relationship and faith quickly follows. The links that the teams build help them evade conflicts and focus on task completion. Strong corporate cultures relieve communication of positions and responsibilities to all individuals. Employees know what is supposed of them and how management reviews their performance and what forms of rewards are offered.

2. Literature Survey

Several researchers focussed their studies on work culture as Deal & Kennedy (1982); Hofstede (1984); Mehta & Krishnan (2004); Shili (2008); Sledge & Angela (2008); Smrita, Ajay & Rajul (2010); Mittal & Verma (2013) and Mohd Jasim (2013) examined the impact of work culture on organizational performance. Deal & Kennedy (1982) identified different types of organizational cultures and found that poor decisions and time taken by the top management to implement the decisions affect the development of cultural elements in the organization which further influence the organizational performance. Hofstede (1984) concluded that organizations from developed nations trying to establish in the developing nations should send the managers from their home- countries in order to establish an updated culture in their organization to achieve competitive advantages across nations. Mehta & Krishnan (2004) indicated that if leaders use soft influence tactics and adapt changes easily, there persists a strong organizational culture leading towards better organizational performance. Shili (2008) tried to explore the implications of organizational culture from performance perspectives and found that each organization has its own culture. In order to achieve better performance, management should seriously consider the organizational culture and its theme, because culture propose

many advantages like control, commitment and communication which can be used as tools for better performance.

Sledge & Angela (2008) established a link between motivation, employee satisfaction and impact of work culture on the organization. They found that employee satisfaction is directly related to positive outcomes of organization and increased employee productivity. Smrita, Ajay & Rajul (2010) investigated the impact of work culture on motivation and performance level of employees in private sector companies. They inferred that rigid authoritarian corporate culture might initially translate into positive work output in short- term but leads to a long- term work place dissatisfaction. Mittal & Verma (2013) focused on finding out the perceptions of SBI employees towards its work culture. It was found that the perceptions of employees towards work culture vary according to their age and experience and therefore, policies are required to be customized with respect to it. Mohd Jasim (2013) examined the impact of organizational culture on employees' performance and productivity and found that organizational culture significantly influences employee performance and productivity in the dynamic emerging markets.

3. Problem Definition

The main objective was to estimate the impact of employees' work culture on customers' expectations and perceptions from banks. This study employed the ex-post-facto survey design. This design is suitable for the study as it sought to examine the impact of employees' work culture on customers' expectations and perceptions from banks.

4. Research Methodology

Sample and sampling technique: Survey was conducted on the customers' of seven selected banks namely PNB, SBI, Axis, HDF, ICICI, Standard Chartered and HSBC in Uttarakhand and Delhi NCR. A sample of 1750 customers was randomly selected.

Measurement: In order to collect the data a questionnaire on customers' expectations and perceptions from bank was developed and validated by the researcher herself. The instrument consisted of 64 items measuring two dimensions i.e. customers' perceptions and customers' expectations from banks. The scale employed 5 point likert scale ranging from 1= strongly disagree to 5=strongly agree. The internal reliability of the scale was measured by Chronbach's Alpha statistics. For the whole scale Chronbach's Alpha $\alpha = .93$

Administration: The questionnaire was administered to measure the variables of the study on the impact of customer relationship management on customers' expectations and perceptions from banks. Total of 1750 questionnaires were distributed out of which 1623 were recovered giving a return rate of 92.74 percent. It was hypothesized that employees' work culture has a significant impact on customers' expectations and perceptions from banks.

5. Results and Discussion

The data was analyzed through regression analysis. Demographic profile was analyzed through frequency and percentage. Table1 presents the demographic profile of the respondents.

Table 1: Demographic profile of the customers:

Demographic Profile	Criteria	Frequency	Percentage
Age	18 to 35 yrs	1284	79.1
	35 to 50 yrs	219	13.5
	50 yrs and above	120	7.4
Gender	Male	861	53
	Female	762	47
Marital Status	Married	687	42.3
	Unmarried	936	57.7
Occupation	Service	852	52.5
	Business	669	41.2
	Other	102	6.3
Annual Income	Upto 5lakhs	580	35.7
	5 to 10 Lakhs	526	32.4
	10 lakhs and above	517	31.9
Duration	Less than 2yrs	471	29
	2 to 3 yrs	557	34.3
	More than 3 yrs	595	36.7
No. of Products	1 to 3	9	0.6
	4 to 6	245	15.1
	More than 6	1369	84.3

Looking into the demographic profile of the respondents, it is observed that most of the respondents are between the ages of 18 to 35 years, male, married, with an occupation of service. Most of them have an annual income limited to 5 lakh rupees and relationship with their respective banks for more than 3 years with 1 to 3 products of the respective banks.

This implies that mostly the commercial retail banking transactions are done by the young or middle-aged, middle-class, married service-men. This may be because they get their salaries in their bank accounts and widely use debit/credit cards and EDC machines for spending. This shows their trust and inclination towards the new technology of the banks.

Table 2: Results of regression analysis of EWC on Customers' Perceptions

tim	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	15.195	0.822		18.484	0
EWC	0.435	0.016	0.582	27.907	0

a. Dependent Variable: CustPercep

The table shows that there is a significant impact of employees' work culture ($\beta = .582, t = 27.907, p < .05$) on customers' perceptions of the banks at 95% level of confidence.

Table 3: Results of regression analysis of EWC on Customers' Expectations
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.971	0.962		10.362	0
	EWC	0.514	0.018	0.586	28.195	0

a. Dependent Variable: Custexpec

The table shows that there is a significant impact of employees' work culture ($\beta=.586, t=28.195, p<.05$) on customers' expectations from the banks at 95% level of confidence.

6. Conclusion

The study indicated that there is a significant impact of employees' work culture (in terms of employee performance, employee knowledge & skill, employee satisfaction, employee relations and problem-solving) on the customers' perceptions as well as expectations from banks.

7. Future Scope

The results of the study imply that in order to attract more and more customers, the banks need to focus more on their employees' work culture that has a significant impact on the formation of the perceptions of the customers i.e. (notion of the perceived service quality) from the banks as well as the expectations of the customers i.e. (the customers' experience of the actual service) from the banks.

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