

RELATIONSHIP OF ORGANISATIONAL CULTURE AND ORGANISATIONAL CITIZENSHIP BEHAVIOR IN PUBLIC AND PRIVATE BANKS: AN ANALYSIS

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ABSTRACT

Organisational culture is one of the most crucial factors in determining an individual's behavior in an organization. It is through organization culture a collective mindset is developed in an organization. The present study aimed to assess the organisational culture and organisational citizenship behaviour of public and private sector banks as well as examined the impact of organization culture on organization citizenship behavior. Sample consisted of 151 employees of public sector and private sector banks. Sample was selected through convenience sampling technique. Descriptive statistics, independent sample t test, pearson correlation and simple regression were used for analysis of the data. Results revealed significant difference in organisational culture between public and private sector banks, however, in case of organization citizenship behavior no significant difference was found. The study further revealed that there is a significant impact of organisational culture on organisational citizenship behavior. The study has wide implication in human resource management, as it suggests that organisational culture plays a vital role in formation of organization citizenship behavior.

Keywords: *Autonomy, Collaboration, Experimentation, Organisational Citizenship Behaviour, Organisational Culture.*

INTRODUCTION

Banking sector is one of the key sectors of Indian economy. Indian banking system has been significantly contributing to the economic development of the country. It has the potential to become the fifth largest in the world by 2020 and third largest by 2025. According to KPMG-CII report, India's banking and financial sector is expanding rapidly. The Indian banking industry is currently worth Rs. 81 trillion (US \$ 1.31 trillion) and banks are now utilizing the latest technologies like internet and mobile devices to carry out transactions and communicate with the masses. The Indian banking sector consists of 26 public sector banks, 20 private sector banks and 43 foreign banks along with 61 regional rural banks (RRBs) and more than 90,000 credit cooperatives.

Organisational culture plays a vital role in determining an individual's behavior in an organization. It acts as glue that bonds people to an organization. Managers, today, are increasingly challenged with changing organization's culture to support new ways of accomplishing work. Therefore, the purpose of this study was to understand and differentiate the organisational culture prevailing in the private sector and public sector banks. It also aimed to identify the role of organisational culture in formation of organization citizenship behavior.

LITERATURE REVIEW

Organization Culture

Organisational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in

organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization. Organisational culture consists of values and behaviors that contribute to the social and psychological environment of an organization. Thus, organisational culture affects the way people and groups interact with each other, with clients, and with stakeholders. In addition, organisational culture may affect how much employees identify with an organization. Researchers have conducted various studies to ascertain the antecedents and outcome of organisational culture.

Purnama(2013) conducted a study on influence of organisational culture, organisational commitment, job satisfaction and organisational citizenship behavior (OCB) on improved organisational performance. Result indicated that organisational culture has a positive effect on organisational commitment, job satisfaction and organisational commitment. Majority of existing studies on organisational culture have concentrated on organisational performance. Using the Denison's Organisational model, due to its integrative nature as well as its emphasis on both internal and external factors, the study examined the relationship between organisational culture and performance in Ghana. All the variable items for organisational culture and performance were measured using five-point Likert scale and using the Denison Organisational Survey instruments. The study revealed that though there was a significant difference among the banks in

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terms of the organisational culture traits, there was no significant difference among them with regards to performance. Apparently, none of the banks was more innovative than the others. Overall, there was a positive relationship between organisational culture and performance in the banking industry in Ghana. In all cases, culture trait has the strongest potential of impacting positively on performance. Similar result was found by Racelis (2010) in the Philippine banking sector.

In another different kind of study, Luxmi&Punia, (2005) conducted a study to test differences in perception of organisational culture. Organization culture was measured by using Likert five point scale. Results revealed that organizations having a strong organization culture perform better than organizations having weak culture.

Marinova, (2005) conducted a study on organisational culture perspective on role emergence and role enactment. The survey was conducted electronically by sending emails. An exploratory factor analysis (EFA) with principal axis method, correlation and ANOVA were used for data analysis. Result indicated that organisational culture was positively related to role emergence& role enactment and achievement orientation.

Khan & Rashid (2012) conducted a study on the mediating effect of organisational commitment on organisational culture, leadership and organisational citizenship behavior. Results indicated that among all the variables, organisational commitment has more impact in explaining OCB among employees which provided a optimistic results in terms of selecting this as the mediating variable for organization culture, leadership style and organization justice.

Organisational Citizenship Behavior (OCB)

Organisational citizenship behavior is a concept that describes a person's voluntary commitment within an organization or company that is not part of his or her contractual tasks. Cilla& Joseph, (2011) conducted a study on exploring the relationship between organisational citizenship behavior and organisational climates for creativity. Result indicated that when employees have challenging work with required resources needed to perform their own work, they were more inclined not only to help their co-workers, but also comply with the organisational rules that are in place and did not focus on negative aspects within the organization. OCB includes three critical aspects that are central to this construct. First, OCBs are thought of as discretionary behaviors, which are not part of the job description, and are performed by the employee as a result of personal choice. Second, OCBs go above and beyond that which is an enforceable requirement of the job description. Finally, OCBs contribute positively to overall organisational effectiveness.

Nawaser and Ahmadi (2015) conducted a study on organisational citizenship behavior and bank profitability in an Iranian bank. Result indicated that there is a significant relationship between various dimensions of organisational citizenship behavior and profitability of bank branches.

Likewise, Mohanty&Rath (2012) conducted a study on the influence of organization culture on organisational citizenship behaviour. The results derived indicated a high positive correlation between organisational culture and organisational citizenship behavior across all the organizations (manufacturing, IT, banking). The results also demonstrated a significant level of correlation between organisational culture and organisational citizenship behavior in the individual Organizations as well. Similar type of finding were also revealed by other researchers (Mohamed&Anisa ,2012; Mohammad & Mehrabi 2014 & Sarfaraz& Kia, 2015).

Though numerous studies have been conducted on organisational culture, and relationship between organisational culture and organization citizenship behavior, there are dearth of studies in this area particularly in indian banking sector. To address this gap, the present study has been conducted to assess the relationship between organisational culture and organization citizenship behavior in indian banks.

OBJECTIVES OF THE STUDY

- (a) To examine the difference in organization culture in public and private sector banks.
- (b) To examine the difference in organization citizenship behaviour in public and private sector banks.
- (c) To explore the impact of organization culture in formation of organization citizenship behaviour in public and private sector banks.

HYPOTHESES OF THE STUDY

H1: There is difference of organization culture in public and private banks.

H2: There is difference of organization citizenship behavior in public and private banks.

H3: There is significant impact of organisational culture on organisational citizenship behavior in banks.

RESEARCH METHODOLOGY

The research design was descriptive in nature with survey method used to collect primary data. Standardized questionnaires measuring organisational culture (developed by Udai Pareek, 2000) and organization citizenship behavior (developed by Sheik Mohamed and H Anisa, 2012) were used for collecting data.

Sample & Procedure

Sample was selected through convenience sampling method. Total sample size for the study was 151 employees of public and private sector banks located in Delhi. Data was collected by personally visiting the bank branches. A prior appointment was taken from the senior manager to explain the relevance and objectives of the study. Thereafter, each respondent was personally approached and responses were obtained through

the standardized questionnaires.

Measures

The organizational culture questionnaire measures organisational culture in terms of eight values which deals with the extent to which openness, confrontation, trust, autonomy, pro-activity, authenticity, collaboration & experimentation are valued and promoted in the organizations. It was developed by UdaiPareek. Respondents rate their organizations on these eight values, using a four-point scale ranging from 1- 4, where 1 implied that the value is rarely shared among the employees and 4 implied the value is widely shared among the employees. The questionnaire consisted of 22 statements encompassing all the eight values.

Following is the detailed description of eight values:

- (a) Openness: Freedom to communicate, share and interact without hesitation,
- (b) Confrontation: Facing the problems and challenges boldly and not shying away,
- (c) Trust: Maintaining the confidentiality of information shared by others and company,
- (d) Autonomy: Using and giving freedom to plan and act in one's own sphere,
- (e) Pro-activity: Taking initiative, preplanning and taking preventive action,
- (f) Authenticity: Congruence between what one feels and says,
- (g) Collaboration: Giving help to and accepting help from others in team, and
- (h) Experimentation: Using and encouraging innovative approaches to solve problems

Organisational citizenship behavior was measured by using standardized questionnaire developed by Sheik Mohamed and H Anisa (2012). The questionnaire consisted of eight (8) statements and responses were recorded through a five point likert scale, where 1 implied strongly disagree and 5 implied strongly agree. The respondents rated their agreement on each statement measuring organisational citizenship behaviour.

Data Processing & Analysis

Collected data were analyzed by computing mean, SD, independent t and Pearson product moment correlation and simple regression techniques. Mean was calculated to assess the average score of organisational culture and organisational citizenship behavior of employees of both private sector and public sector banks. Independent t test was computed to ascertain the significant difference in organisational culture and organisational citizenship behavior between public and private sector banks. Correlation was computed to examine the relationship between organisational culture and organisational citizenship behavior. Simple regression was calculated to assess the impact of organisational culture on organisational citizenship behavior.

RESULTS & DISCUSSION

Reliability Analysis of the Questionnaires

The questionnaires used for measuring organizational culture and organisational citizenship behavior were tested for reliability. Table 1 depicts Cronbach's Alpha value of the questionnaires. Both the questionnaires were found to be reliable as the Cronbach's value were 0.84 and 0.87 for organizational culture and organizational citizenship behavior respectively.

Demographic Analysis

After the collection of data, demographic analysis was conducted to examine the percentage of respondents in each category such as age, gender, educational qualification and type of organization. Table 2 depicts the total respondents participated in the study. Respondents were of different age groups with varying education levels. According to the age, the respondents were divided into three categories: below 21-35, 36-50 and above 50. Table 2 shows, 44% comprised of males and 56% comprised of females; 79 respondents were graduate with a percentage of 52% and 72 were postgraduate with a percentage of 48%; 74 employees belong to private sector bank and 77 employees belong to public sector bank; 36 % belong to 36-50 age group, maximum (52%) are graduates.

Table 1: Reliability Analysis

Sl. No.	Variables	No. of items	Cronbach's Alpha
1.	Organization Culture	25	0.84
2.	Organization Citizenship Behaviour	8	0.87

Table 2: Frequency of Demographic Variables of Organisational Culture and Organisational Citizenship Behaviour in Public & Private Banks

Demographic Variables	Classification	Number of Respondents	% of Respondents	Total
Age	21 – 35	47	31	151
	36 – 50	54	36	
	Above 50	50	33	
Gender	Male	66	44	151
	Female	85	56	
Education level	Graduate	79	52	151
	Post Graduate	72	48	
Organization	Private	74	49	151
	Public	77	51	

Table 3: Mean, SD and t value of Private & Public Banks with regard to Organisational Culture & Organisational Citizenship Behaviour (N=151)

Variables	Private Banks			Public Banks			t	Critical value of t
	n	Mean	SD	n	Mean	SD		
Organisational Culture	74	3.17	0.58	77	2.93	0.43	2.87	1.64
Organisational Citizenship Behaviour	74	3.91	0.51	77	3.87	0.69	0.48	1.64
Level of Significance = 0.01								

Table 4: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.446	0.199	0.188	0.626

Table 5: ANOVA

Model	Sum of Squares	df	Mean Square	F	Critical Value of F
Regression	7.300	1	7.300	18.623	3.84
Residual	29.40	149	0.392		
Total	36.701	150			

Difference of Organization Culture in Public and Private Sector Banks

Table 3 depicts the Mean, SD, t value and significance level of private and public sector banks with regard to organisation culture and organization citizenship behavior. Independent sample t test was carried out to statistically test the significant mean difference of organisation culture between private and public banks. Since the calculated value of t (2.87) is greater than critical value (1.64), we accept H1 and conclude that there is significant difference in organisational culture between private and public sector banks.

Difference of Organization Citizenship Behavior in Public and Private Banks

In case of organisation citizenship behavior, Table 3 shows that calculated value of t is less than the critical value, therefore, H2 is rejected; we conclude that there is no significant variation in organizational citizenship behavior between private and public banks.

Impact of Organisational Culture on Organisational Citizenship Behavior in Banks

Simple regression analysis was carried out to study the impact

of organisational culture on organisational citizenship behavior in banks. Table 4, 5 and 6 depicts the results of regression analysis.

The R square value of 0.199 in Table 4 implies that organisational culture only explains 19.9% of variation in organisational citizenship behaviour. This means organisational citizenship behaviour is determined by many other variables which are not included in the study.

Table 5 shows corresponding ANOVA values from the regression model. Since calculated F value (18.623) is greater than critical value (3.84) with (1,149) degrees of freedom, therefore, H3 is accepted. We, thus, conclude that organisational culture has significant impact on organisational citizenship behavior.

CONCLUSION

The present study was conducted to assess role of organisational culture in formation of organisational citizenship behavior in banks. Following conclusion can be drawn from the study:

- (a) There is a significant difference in organisational culture between private and public sector bank.
- (b) There is no significant difference in organisational citizenship behavior between private and public sector bank.
- (c) Organisational culture has come out to be predictor of organisational citizenship behavior in banks.

Hence, it is concluded that organisational culture has a vital role in formation of organizational citizenship behavior.

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