To Study the Impact of Organizational Climate on Employee Engagement in the Banking Sector with Special Reference to State Bank of India, Indore

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The purpose of the present paper is to identify the drivers of the employee engagement in the banking sector with special reference to SBI, Indore. The present study used a sample of 100 actual employees who are working in the SBI [Indore].The responses were collected through self structured questionnaire based on five point likert scale. Pie-chart and Percentage Analysis have been used for analysis of data. The result shows that there is a significant relation between organizational climate and Employee Engagement. The study also focuses on organizational climate factors such as Structure, Responsibility, Standards, Support, Commitment, Reward, Warmth and Risk and Conflict that effect the employee's counterproductive behaviours that act as a driver for engaging the bank employees. It is expected that the findings will provide vital inputs to managers in framing their HR strategies. The research will further attempt to examine factors that help in engaging the employees and can be utilized effectively by HR of different companies in different sector.

***Keywords**: Organizational Effectiveness, Employee Engagement, Organizational Climate, Banking Sector.*

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INTRODUCTION

Effectiveness of a organizations performance depends on the prevailing organization climate. The connection between climate and varied organization outcomes appears well documented (e.g. Patterson et al., 2005). A number of studies conjointly specialize in explaining the role of leadership in managing climate and relate this to organization outcomes like productivity (Ekvall and Ryhammar, 1998), and innovation (Jung et al., 2003; Mumford, Scott, Gaddis and Strange, 2002). As today's businesses continue to struggle to survive or acquire sustainable competitive advantage, it is important for organizations to better understand the factors that influence employees and important employee-oriented work outcomes. The growing significance placed on understanding employees and their behaviour within the organization has produced a great deal of interest in investigating employee perceptions of climate within the organization.

Work environment or climate perception of employees has significant consequences for both individuals and organizational. Climate or atmosphere in workplace has impact on employee's motivation, behaviour, attitudes and potential, which, in turn is predicted to influence organizational productivity. Employees are engaged when organizations have healthy work culture and communication practices, where they can get platforms to express their concerns and opportunities to grow and develop their potential. The level of engagement in employees can be enhanced by identifying its drivers (influential factors) and work on them. For the purpose of study, the drivers of the employee engagement are identified. The relationship between organizational effectiveness and employee engagement is examined from the response 30 employees, chosen on the basis of convenient sampling.
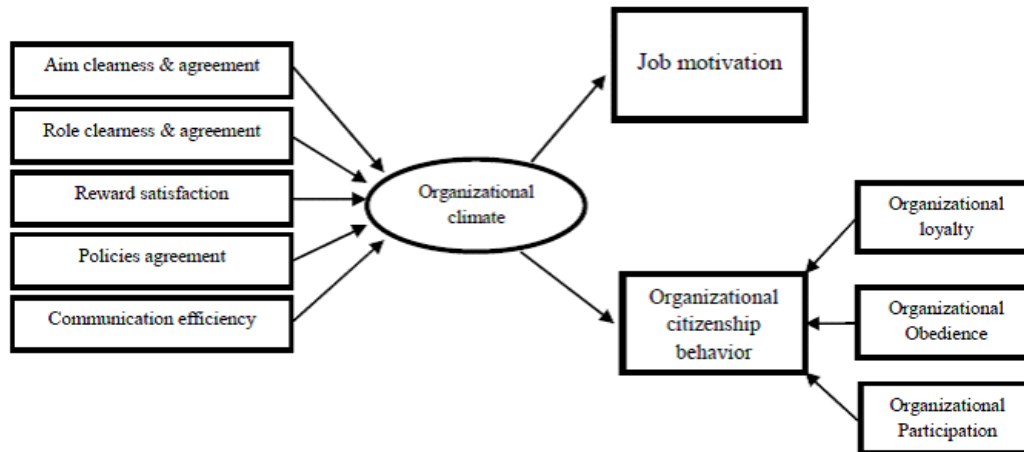
LITERATURE REVIEW

Biloch and Lofstedt (2013) created a model referred as gamification, partially based on established concepts within performance management and motivation and partially based on a pioneer concept within business to promote employee engagement. The aim of their study was to adapt this model to an organizational setting characterized as potentially unengaging to be able to identify possible benefits and concerns with the model developed. The data collection was done through a case study involving both qualitative semi-structured interviews and observations with professionals within haulage firms. The model created was thereafter configured to the work situation of a truck driver, in order to illustrate how employee engagement can be promoted within haulage firms. An important finding of their study is that each component of the performance management cycle can, to various extents, be supported by game elements to drive employee engagement within the performance management process. It has also been found that this model can be adapted to different work situations on the basis of the appropriate style of management control and a means-ends analysis of the constituent game elements that underlie the model. Moreover, this thesis propose how haulage firms, through this model, can promote employee engagement and thereby an opportunity to command a source of competitive advantage. This study therefore sought to explore the effect of employee engagement on organization performance.

Organisational climate assumes a discriminating part in organisations and impacts employees' observations, which affects on their practices. Organisational climate is seen as

the whole of recognitions focused around the collaboration between the individual perception and organisational environment. Schneider and Hall (2010) exhibited organisational climate as a set of worldwide observations held by people about their environmental surroundings.

The sets of discernments are fundamentally the after effect of cooperation's in the middle of individual and hierarchical qualities. The connection between the measurements of organisational climate, view of backing for advancement and execution is directed by organisational slack and a solid association exists between the diverse measurements of organisational climate and view of backing for advancement (Antonia Ruiz-Moreno Väctor J. Garcia-Morales, Francisco Javier Llorens-Montes, 2008). There is a positive and solid relationship between assorted qualities administration and organisational climate measurements: strategies and systems, segregation, sexual orientation issues, uniformity in states of occupation, segregation and work value (Tjale, Tsedile Ethel, 2005). Zhang, Jianwei , Liu, Yuxin (2010) explored that organisational climate had significant main effects on human resources management effectiveness such as turnover intention, job satisfaction and work efficacy; organisational climate also had significant main effects on organisation effectiveness like staff members' organisation commitment and collective identity. .

Forehand, G.a., & Glimer, B.h. (2009) ploted three gimmicks of organisational climate: firstly, it shifts among distinctive organisational; besides, it is tireless; finally, it can influence the conduct of organisational parts. Filipe Jorge Coelho, Mårio Gomes Augusto, Arnaldo Fernandes Coelho, Paträcia Moura Sa (2010) created a structural mathematical statements model also experimentally tried, demonstrating that impression of client, moral, and innovation climates apply a circuitous impact on the appropriation of customer oriented practices by cutting edge employees.

The concept of Human capital has relatively more importance in labour-surplus countries. These countries are naturally endowed with more of labour due to high birth rate under the given climatic conditions (House, 1996). The surplus labour in these countries is the human resource available in more abundance than the tangible capital resource. According to Kelly (2007) human resource can be transformed into human capital with effective inputs of education, health and moral values. The transformation of raw human resource into highly productive human resource with these inputs is the process of human capital formation. The

problem of scarcity of tangible capital in the labour surplus countries can be resolved by accelerating the rate of human capital formation with both private and public investment in education and health sectors of their National economies.

Friedlander and Margulies (2004) investigated various effects of organisational climate parts and individual employment values upon laborer's fulfillments and the mixes of distinctive climate parts which expand work fulfillments are directed by the work values held by the employee. Schneider, White, and Paul (1998) inspected how administration arranged practices by employees can advance reporting of positive client administration experiences.

RATIONALE

Today banks are operating in a highly competitive scenario; it is pertinent to note that they need to differentiate themselves from each other. They need to have employees who are passionate about their work and strive to take their organization to greater heights. This study measures employee engagement in the banking sector. The strength and impact of organizational culture and communication on facilitating employee engagement is also measured in the scope of this study. It focuses on organizational drivers which can be channelized to enhance engagement levels of employees. Conducting employee engagement survey is in order to find out the involvement and willingness of employees to perform their jobs and contribute to the success of their organization is not a new idea; however, it has become more popular than ever. The reason for doing research on this topic is to find out a direct link between organization climate and employee engagement with the productivity and profitability of an organizational.

OBJECTIVES

1. To study the impact of organizational climate on employee engagement.
2. To study the engagement level of employees in an organization.
3. To examine the organizational climate existing in the organization.

RESEARCH METHODOLOGY

The Study

This is a descriptive study, which involves collection and analysis of the primary data collected with the help of structured questionnaires.

The Sample

For the purpose of this study   primary data as well as secondary data is being used. The population of this study consists of the employees of the **State Bank of India, Indore**. To achieve the objectives of the study 100 questionnaires were distributed to the employees of **State Bank of India Indore.**

The Tool of Data Collection

The Primary data was collected through a self structured questionnaire based on **Employee Engagement Surveys (ESS).** The Secondary data was collected from existing literature.

The Tool of Data Analysis

The tool used for analysis were Pie Chart and Percentage Analysis. The variable used in the study are depicted in the figure below.
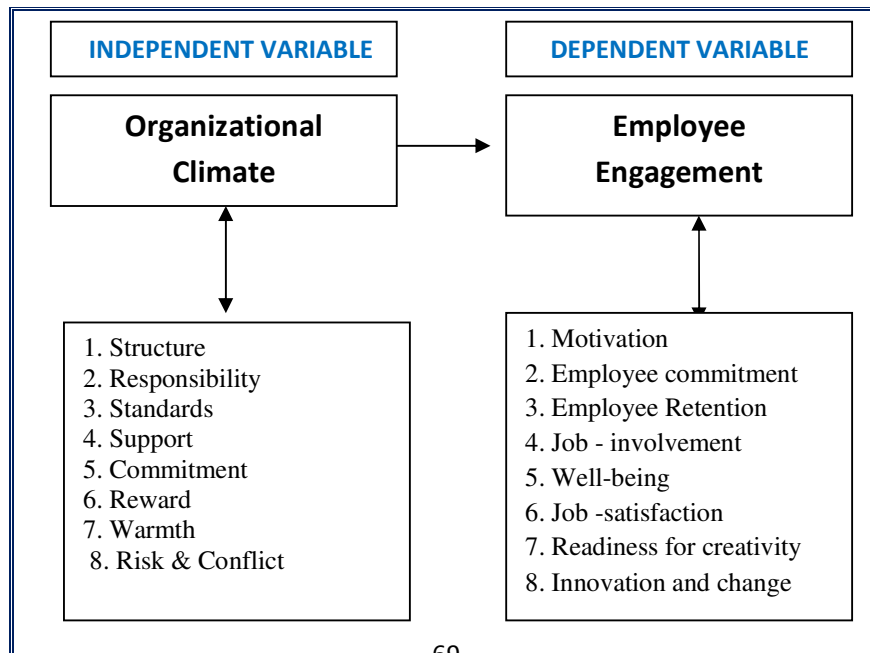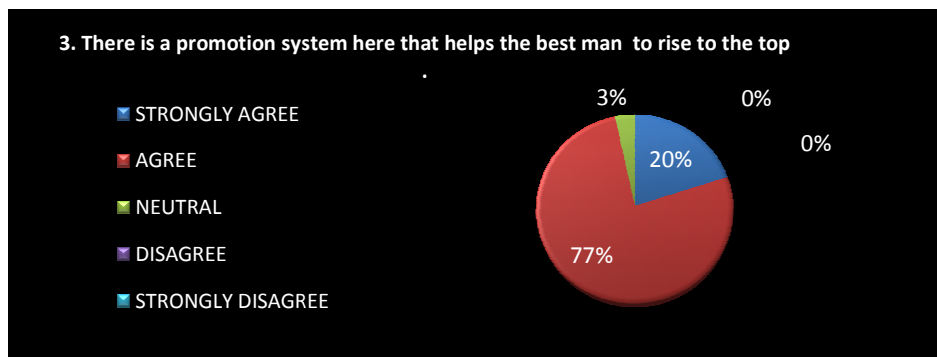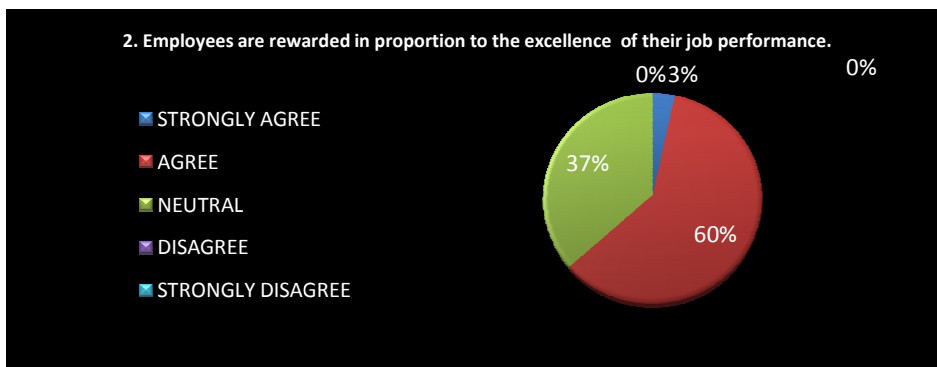
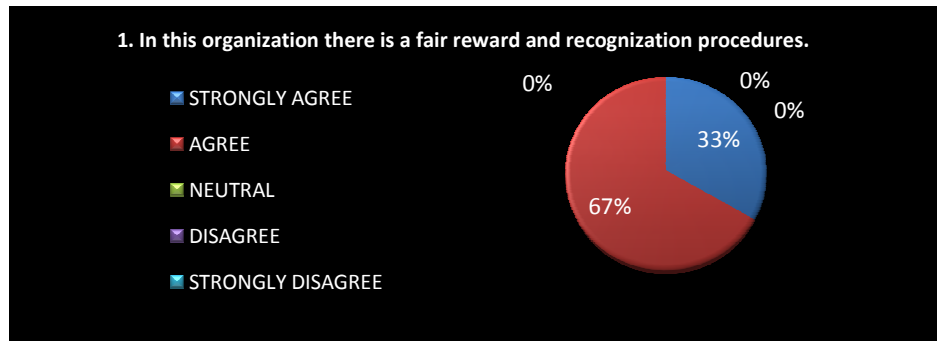| INDEPENDENT VARIABLE	DEPENDENT VARIABLE
Organizational Climate	**Employee Engagement**
1. Structure 2. Responsibility 3. Standards 4. Support 5. Commitment 6. Reward 7. Warmth 8. Risk & Conflict	1. Motivation 2. Employee commitment 3. Employee Retention 4. Job - involvement 5. Well-being 6. Job -satisfaction 7. Readiness for creativity 8. Innovation and change

Figure 1. Variables under study
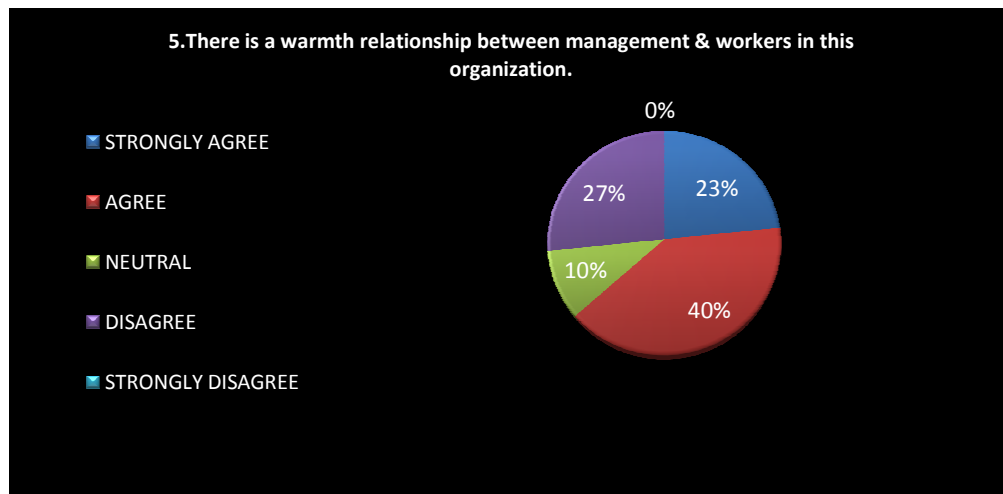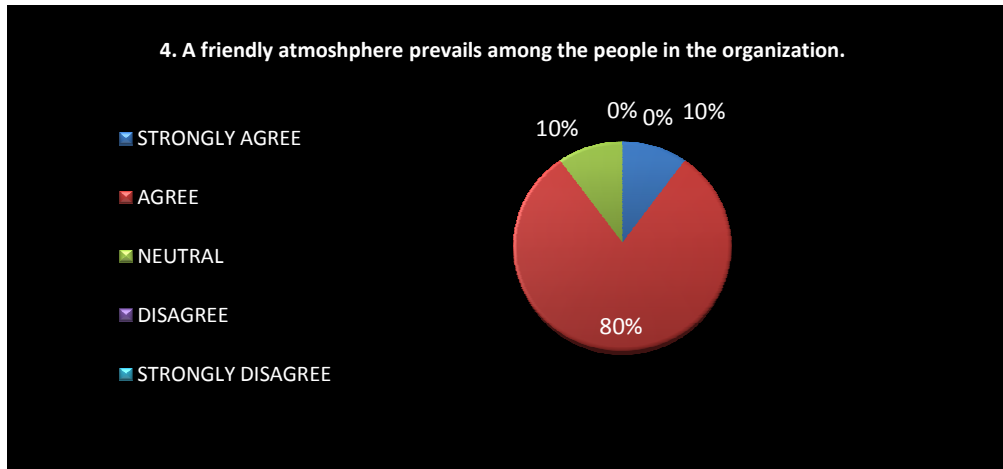
Data Analysis and Interpretations

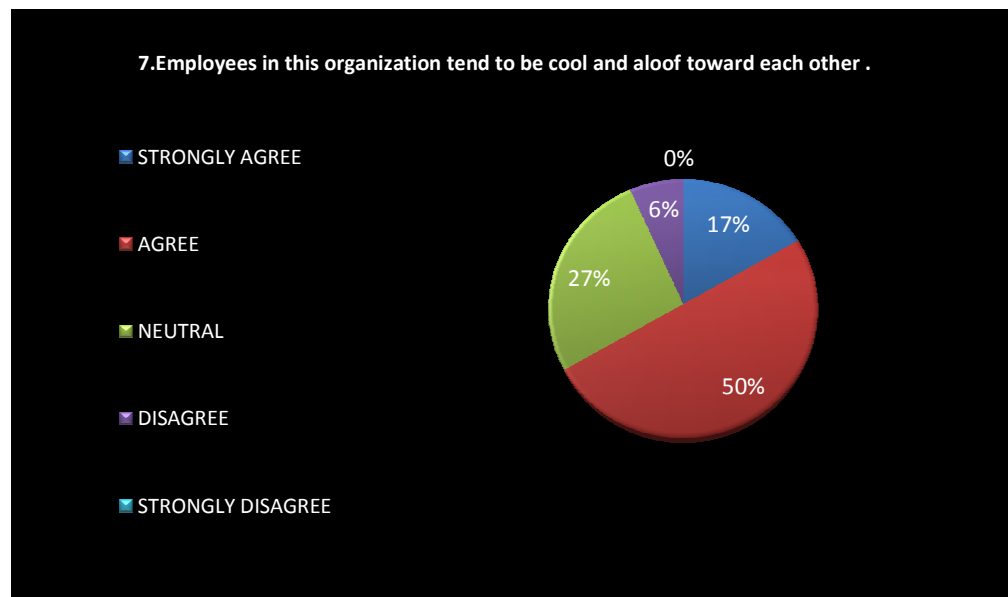Percentage analysis was carried out on the collected data and the results are discussed below

FACTOR 1: REWARD

1. In this organization there is a fair reward and recognition procedures.

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

0% 0% 0% 33% 67%

2. Employees are rewarded in proportion to the excellence of their job performance.

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

0% 3% 0% 37% 60%

3. There is a promotion system here that helps the best man to rise to the top
.

- STRONGLY AGREE
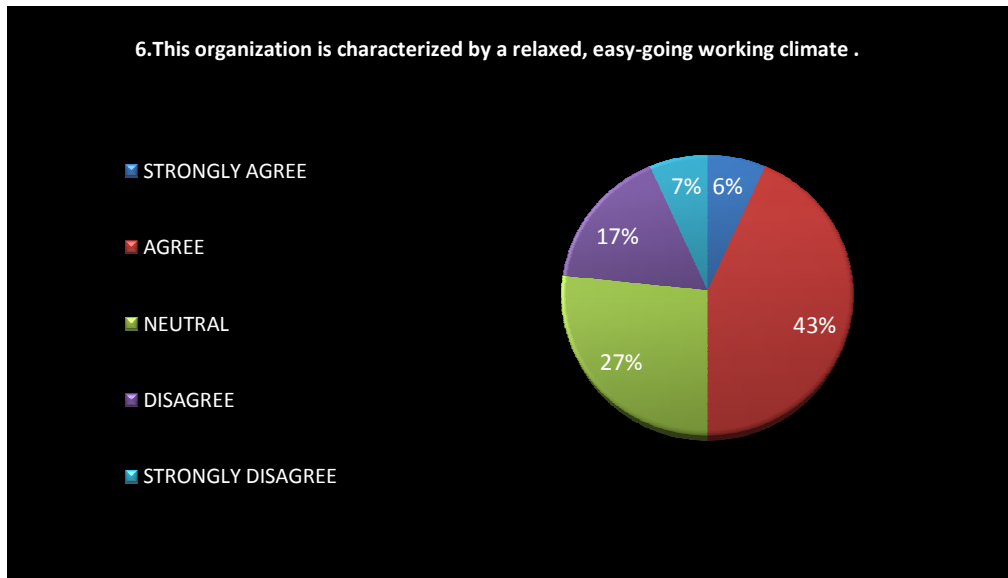- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

3% 0% 0% 20% 77%

From the pie charts above, we found out that most of the employees in the State Bank of India, Indore   agree with the reward system of their bank. Thus the employees were satisfied with their jobs.

FACTOR 2: WARMTH

4. A friendly atmoshphere prevails among the people in the organization.

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

5.There is a warmth relationship between management & workers in this organization.

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

6.This organization is characterized by a relaxed, easy-going working climate .

STRONGLY AGREE

AGREE

NEUTRAL

DISAGREE

STRONGLY DISAGREE

7% 6%
17%
43%
27%

7.Employees in this organization tend to be cool and aloof toward each other .

STRONGLY AGREE

AGREE

NEUTRAL

DISAGREE

STRONGLY DISAGREE

0%
6% 17%
27%
50%
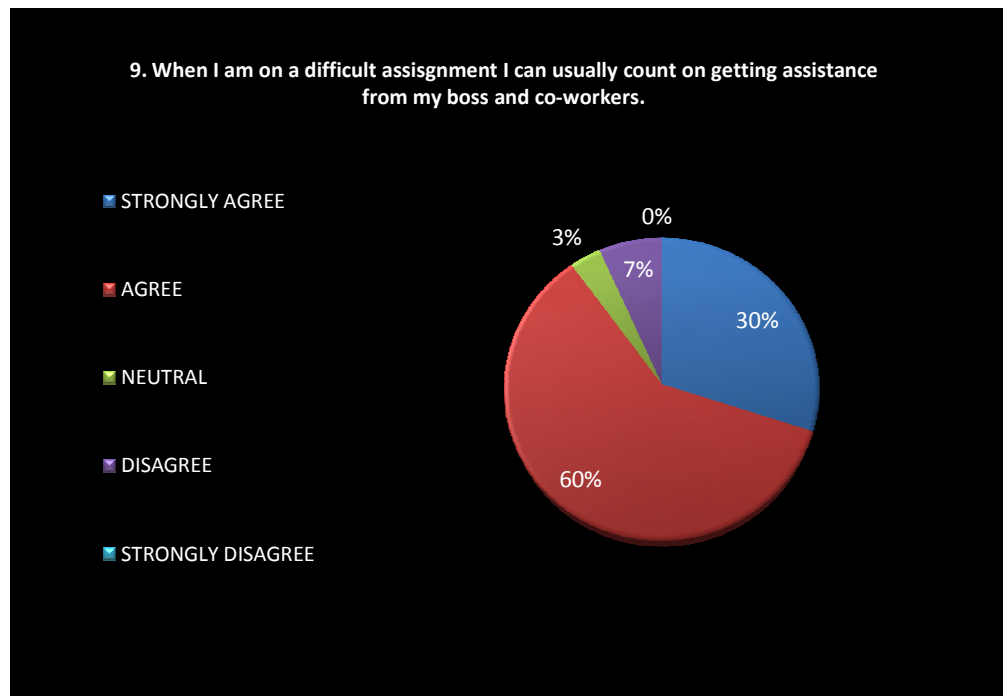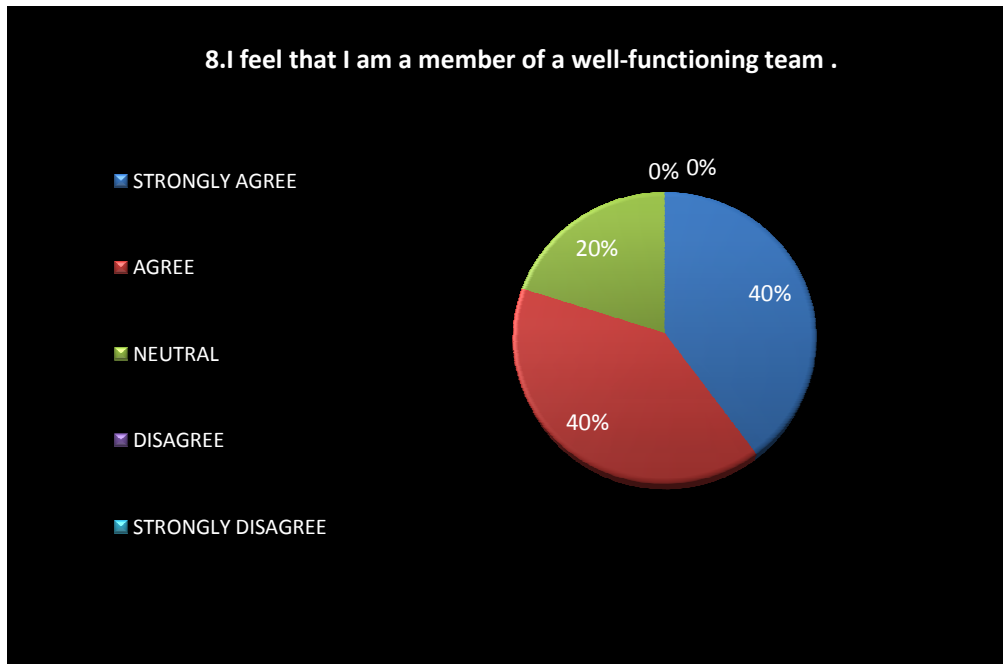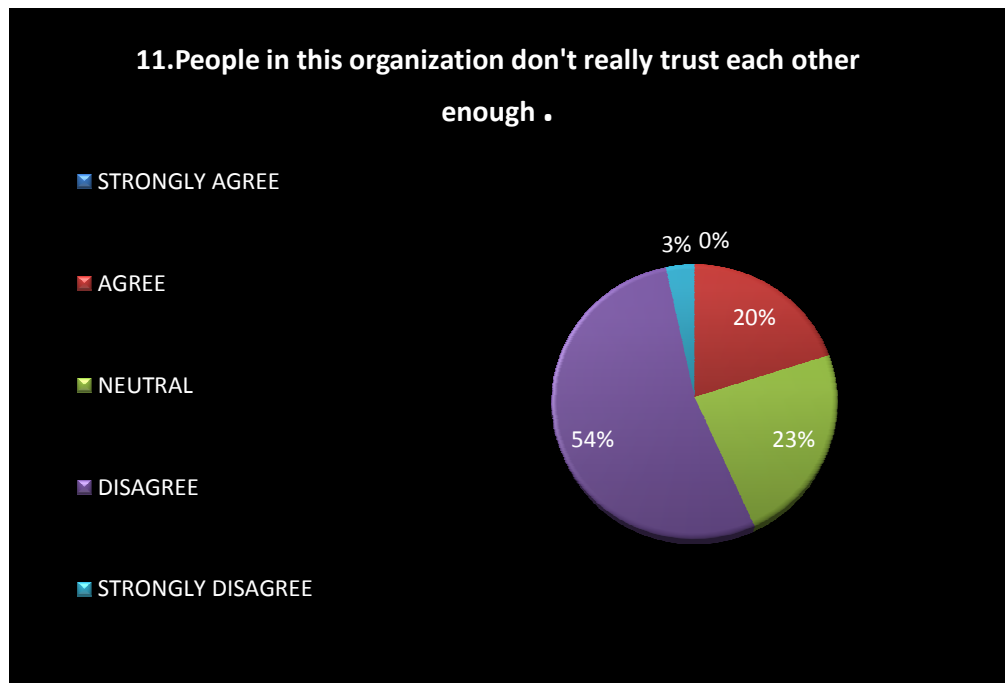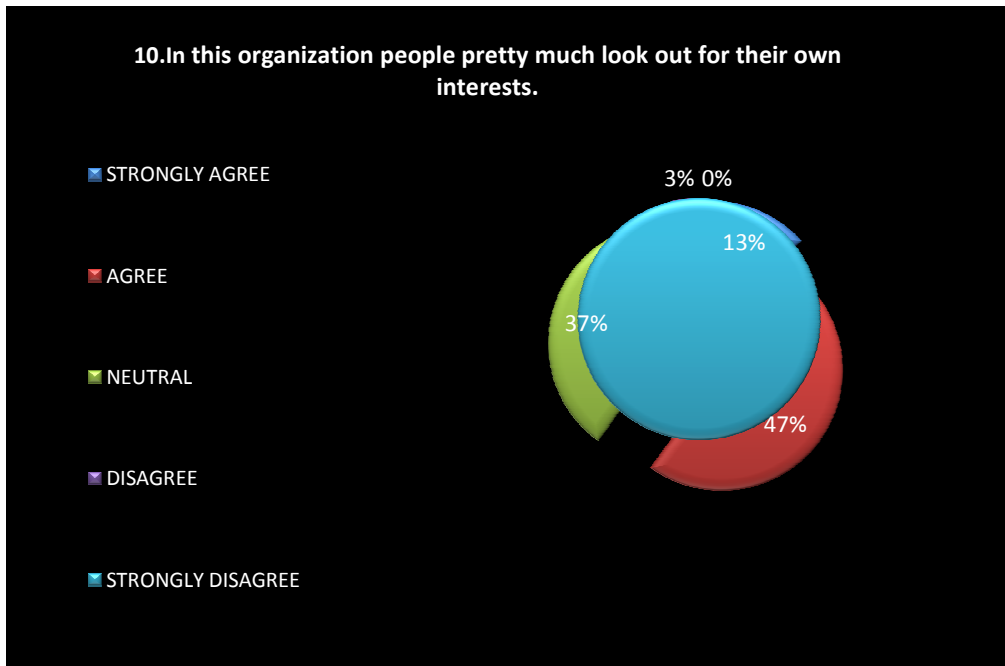
From the above findings, there is a feeling of warmth between the employees but relation between management and employees were found to be neutral.
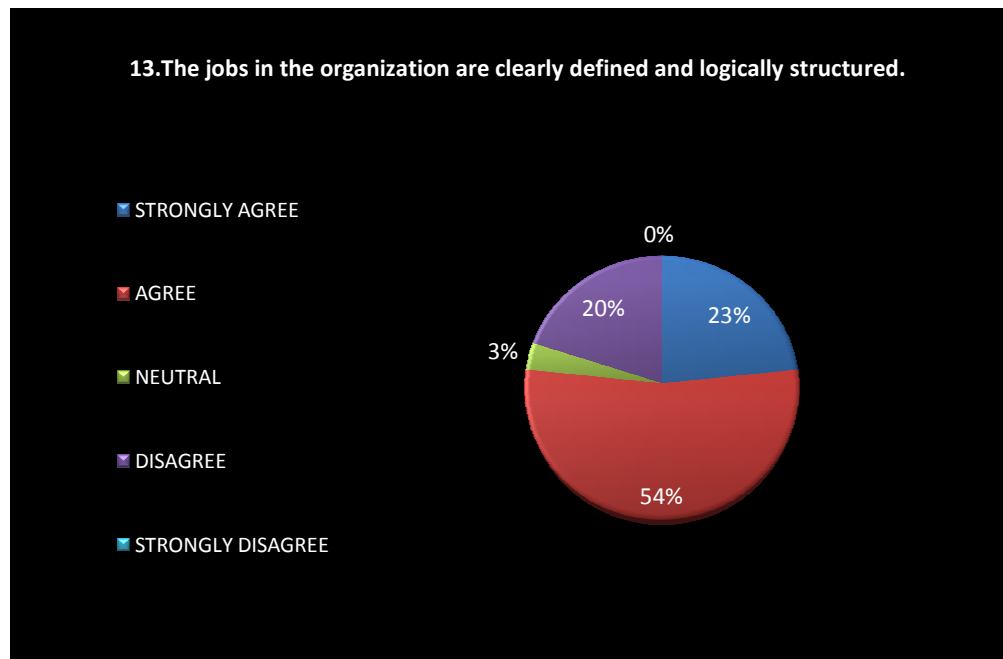
FACTOR 3: SUPPORT AND COMMITMENT

8.I feel that I am a member of a well-functioning team .

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

0% 0%
20%
40%
40%

9. When I am on a difficult assisgnment I can usually count on getting assistance from my boss and co-workers.

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

3% 0%
7%
30%
60%
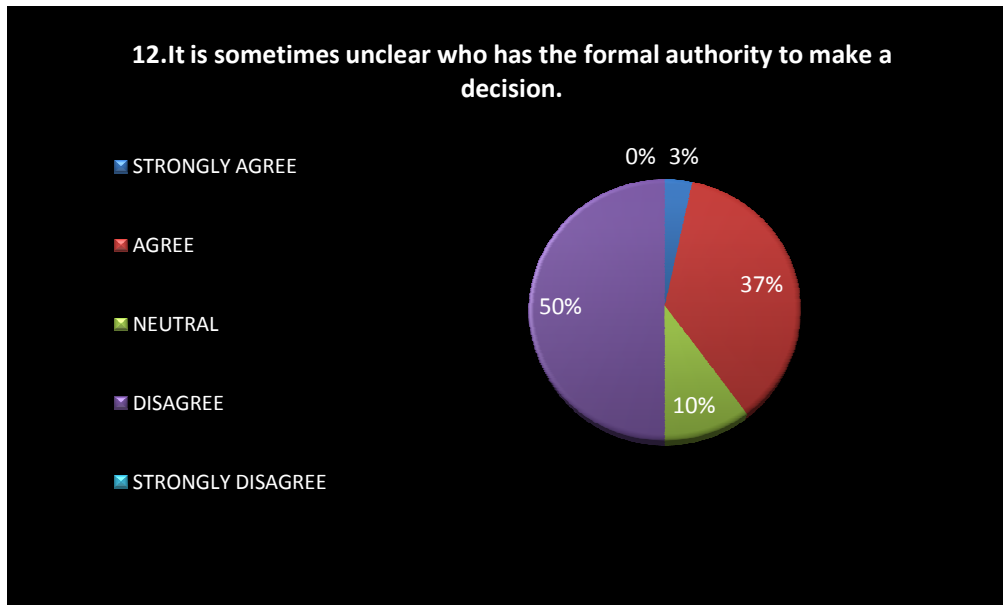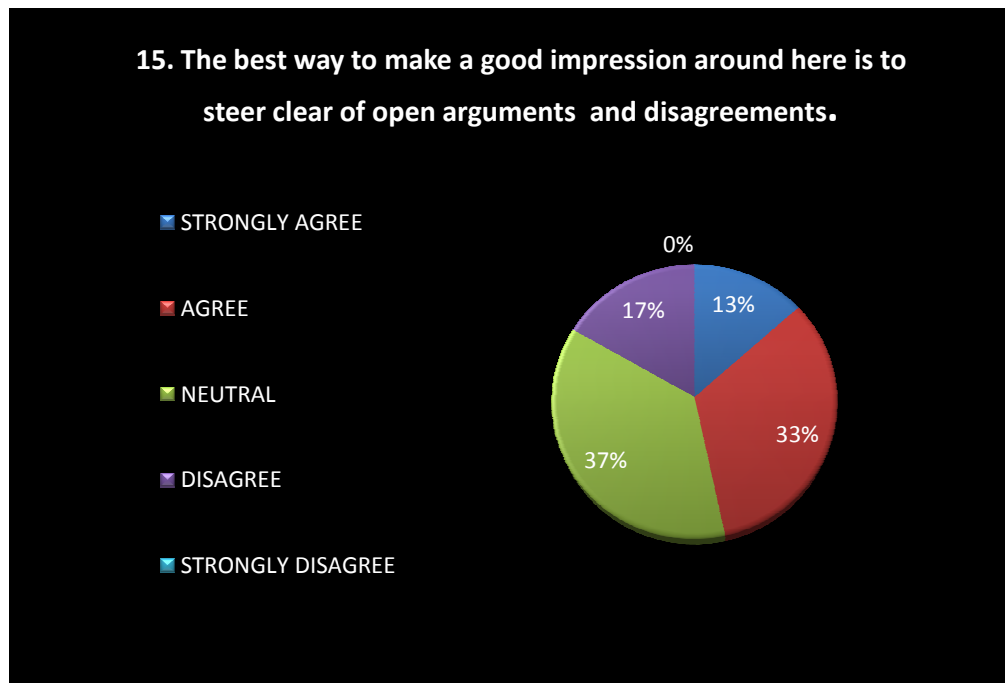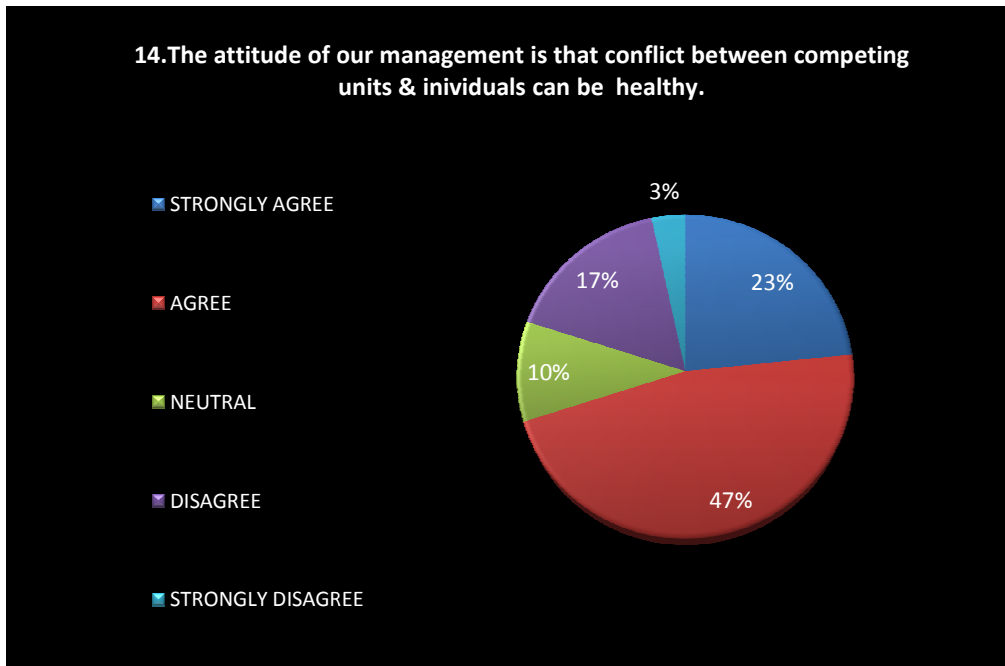
The results of pie chart depicts that most of the employees agree on the fact that there is lack of support and commitment in the organization from the management point of view.

FACTOR 4: STRUCTURE

12.It is sometimes unclear who has the formal authority to make a decision.

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

0% 3%
37%
50%
10%

13.The jobs in the organization are clearly defined and logically structured.

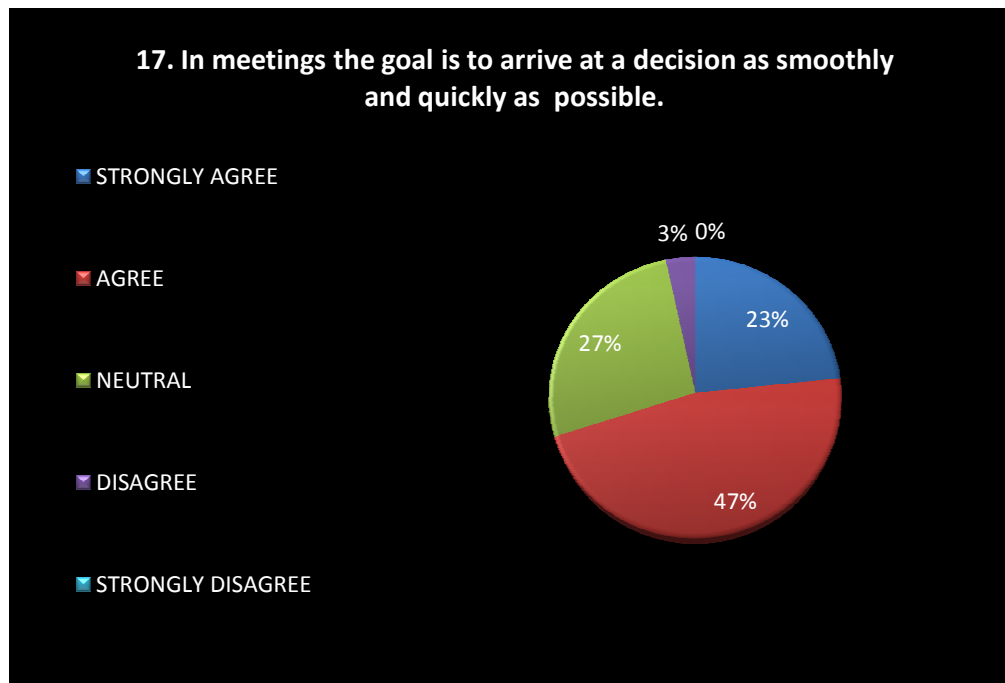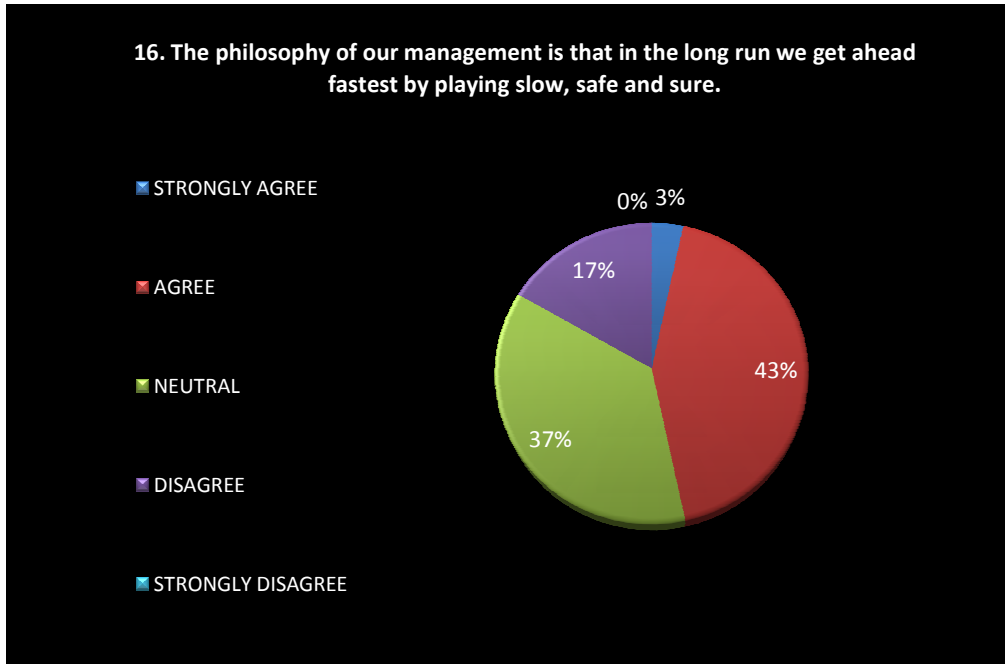- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

0%
20%
3%
23%
54%

The analysis confirms that most of the employees agree on the fact that inspite of having clear and logical job structure, but who have the formal authority of performing it, is sometimes ambiguous.

FACTOR 5: RISK AND CONFLICT

14.The attitude of our management is that conflict between competing units & inividuals can be healthy.

STRONGLY AGREE
AGREE
NEUTRAL
DISAGREE
STRONGLY DISAGREE

3%
17%
23%
10%
47%

15. The best way to make a good impression around here is to steer clear of open arguments and disagreements.

STRONGLY AGREE
AGREE
NEUTRAL
DISAGREE
STRONGLY DISAGREE

0%
17%
13%
37%
33%

16. The philosophy of our management is that in the long run we get ahead fastest by playing slow, safe and sure.

17. In meetings the goal is to arrive at a decision as smoothly and quickly as possible.
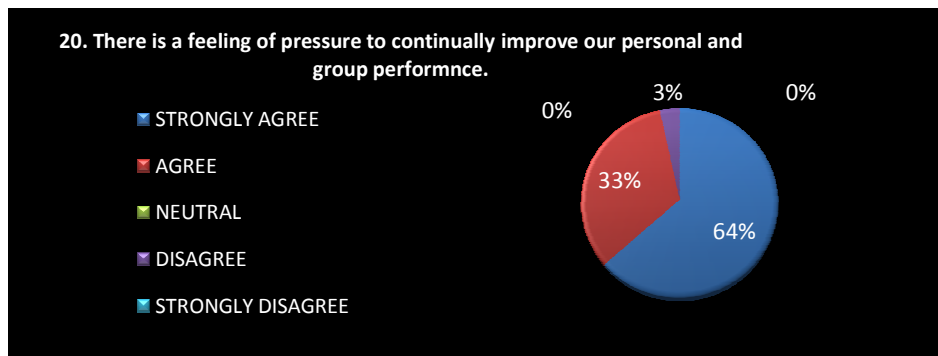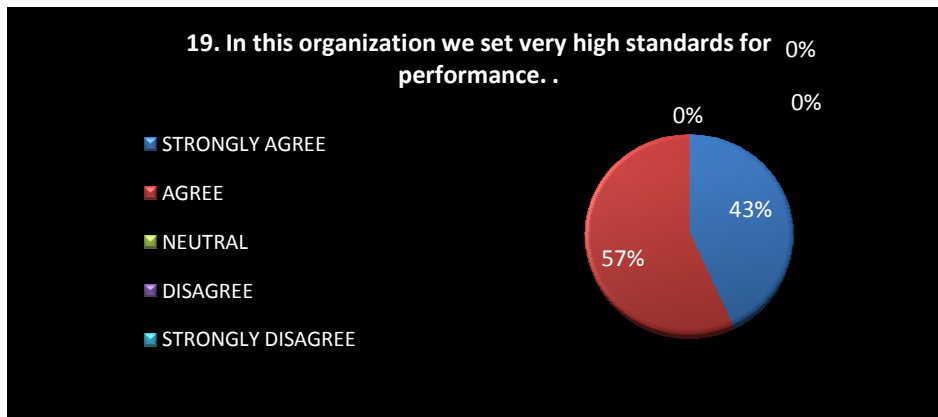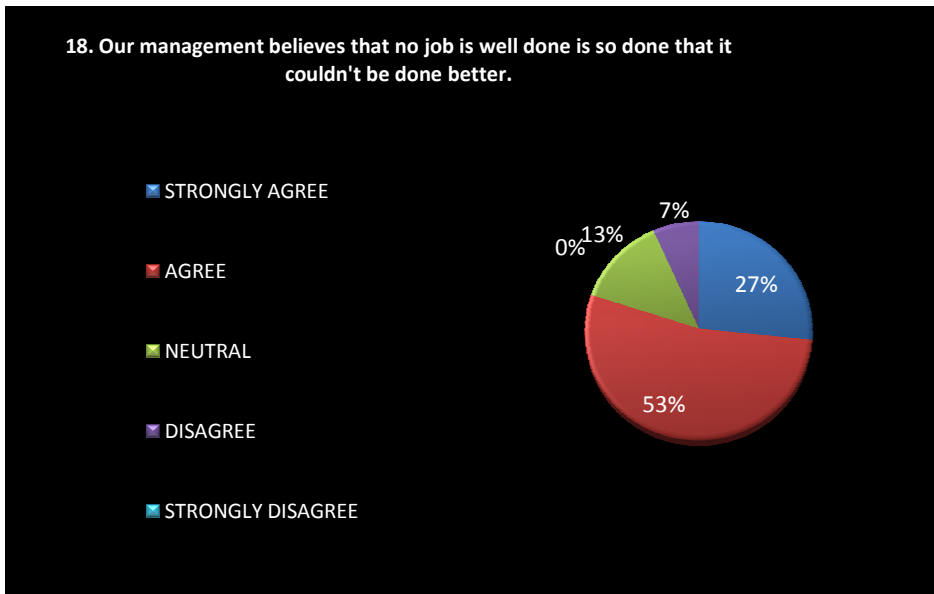
The findings above reveal that most of the employees strongly agree on the fact that risk and conflict solving techniques are appreciable in the organization.

FACTOR 6: STANDARDS

18. Our management believes that no job is well done is so done that it couldn't be done better.

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

7%
0% 13%
27%
53%

19. In this organization we set very high standards for performance. .

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

0%
0%
0%
43%
57%

20. There is a feeling of pressure to continually improve our personal and group performnce.

- STRONGLY AGREE
- AGREE
- NEUTRAL
- DISAGREE
- STRONGLY DISAGREE

3% 0%
0%
33%
64%

The charts given above confirm that standards set by the organization are superior and effective.

CONCLUSION

Employees create the key element for organizations to achieve sustainable competitive advantage in today's dynamic and changing operating conditions. Organizations try to attract qualified employees, take advantage of them at the maximum level and keep employing them in working conditions in which the workforce have a critical role. Therefore, creating a healthy and positive organizational climate, which cares about the welfare of employees, is thought to be important. Because, it is thought that a positive working environment which appreciates employees is expected to positively affect their performance levels, so they will undertake additional roles in organizational processes and act in an innovative and creative way. In other words, organizational climate has either a positive or negative effect on performance levels, attitudes and behaviours of employees. It is possible that employees can perceive organizational climate with a positive perception and consider it to be matching with their personal objectives and so, they can demonstrate positive attitudes towards colleagues and the organization. However, a negatively perceived organizational climate which does not support its employees is expected to promote counterproductive behaviour among employees. In the literature, it is possible to see lots of studies dealing with many variables such as personality, emotional intelligence, organizational justice, trust, perceived organizational support and ethical climate which lead employees to show counterproductive behaviours. Among all these, limited numbers of studies referring to organizational climate are available. In this respect, this study aims to investigate the impact of organizational climate on counterproductive behaviours. Therefore, it is believed that this study will contribute to and fill the gap in the literature.

SUGGESTIONS AND RECOMMENDATIONS

Employees and Managers should meet at regular intervals with the employees to discuss about the improvement in the company, at work place and in their living of standard, family problems etc. Gap between managers and the employees should be reduced by raising the level of engagement. For example: by conducting extra co-curricular activities like social and cultural programs. Very few employees feel that their ideas or work is not recognized/

appreciated. So management should encourage them by making them feel that their ideas are noteworthy as well as they are important for the company. Create good and healthy environment at work place and increase the environment. Some of the employees find their job boring and monotonous. Encourage them to take part in extra co curricular activities.

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