CHAPTER-IV

RESEARCH METHODOLOGY

INTRODUCTION

Research work logically can be considered as that process which is used in educational institutions or backgrounds. According to various thinkers in this field research truly means analyzing the obstacle area where the research is needed, looking the scope to make research feasible on it, gathering, managing and analyzing available matter or data on it, doing findings and looking for result and finally doing strict scrutiny that all that process done reaches the desired scope or hypotheses and serves the aim with which research is initiated. Thus we can conclude that research is adding some substance to the knowledge in every field by choosing some specific topic and enhancing enormous awareness on it. It is the genuine finding of awareness and knowledge by experimenting and analyzing and is done through with a systemized set of rules and regulations in order to find the solutions to various problem and giving new findings in the field of education. Thus we can mention that research is a part of formulizing existing studies and looking the scope for new ones. It is the method of reaching at various standards with certain set of rules and regulations that assures its validity and give avenues of knowledge by scholars thus enhancing the value of knowledge of every field. It can be done to solve any kind of problem in any kind of field or finding new patterns on knowledge basis in theoretical or practical ways or on interest basis in whatever field desired.

METHODOLOGY FOR RESEARCH

Methodology of research work is the process by which the problem of research is solved in systematic manner. Some scholars regard that research process is a scientific science.
As the good research is one which is carried out with explainable logics and reason behind it is adopted in today’s scenario. Only having the knowledge of what basically research is not enough but also the methodology i.e. the sequence of steps and their applicability with which research is carried out should also be known to the researchers. It should not like that a researcher feel like analyzing a topic and had done it with some theoretical measures instead he should specify all the process and need for research and also the various methods with which he should continue his research work.

He should not really be aware about how to get through from certain tests, how to do all the formulas required, how to get through the various statistical calculations like mean, median and mode, how to get correct standard deviation, about the chi square, the various new recent techniques but rather than that whether they are putting things in right manner. The awareness is very important where and how the statistical calculations should used. What all the formulas actually mean and are they putted on relevant side in research work. The meaning and nature of statistical calculation should be very clear to the researchers. Also the different assumptions should be considered that holds the whole document and the terms and techniques should be clear with their procedures and also the applicability of them to the topic chosen.

Thus we can conclude it is very important for researcher to be set a layout for his research methodology as the research methodology is unique to every research area and totally depends on the type of findings the researcher want to carry out. For instance when a builder decides to design his building he first makes a complete blue print of what he assumes from roof, wall, doors, and windows to all interiors, find their appropriate size according to building and sees whether the design seems appropriate in the given area with all the requirements. Same way research scholar has to evaluate all the basic things and criterion to move on with his research area and evaluate them before initiating his research work. Whatever the dimensions he chooses for his research work should be transparent and mentioned by him in his research work for future scope to him and other researchers. Thus we can conclude that methodology of research is very significant step in conducting any research work.
When the research work is initiated the logic, rules and regulation, process of conducting the research work, applicability of using the various logics and the reason for not using the other logics. Also the technical things that are been used should be exactly précised to the researcher.

He should also be clear with the view why he has taken certain research problem only to be his topic and what compatibility he has with the area to carry out his research work. What set of methods he will follow, how he will design the questions that will really help out to get the findings of his work. His transparency at the earlier stage and proper assumptions will make a complete base for further research work in future. Every aspect concerning the problem should be really very much clear to him and should be mentioned in his hypotheses properly.

Process of research:

The steps included in the process of a research work are neither dependent on each other nor they are separated from each other. They does not come like a series of steps mandatory to be done but still all the steps are necessary on their own places. Thus researcher has to give a very close scrutiny on his research work and find the correct way of following these steps, as all steps are very important for completion of his research work. The order of all those research methodology steps is mentioned below which provides a proper guideline of how to conduct the research process with help of these steps:

- Finding and analyzing the research problem.
- Reviewing the literature for same
- Hypotheses development
- Layout preparation
- Deciding its sample size.
- Data collection method
- Implementing above steps
- Analyzing the work done
- Test the hypotheses
• Conclusions and results
• Presenting reports and presentation on it

AIM OF THE RESEARCH WORK:

Very generally any research is conducted to find the answers it holds and to draw certain meaningful conclusions. It regenerates many truths unfolded which are still not known in that area. Although it is not easy to categorize the research work’s aim because every research work is unique and represents its own area but in broader sense we can mention the aims of research work as follows:

• To find the new vision in an existing field and give new dimensions to it (such insights may be coined as study exploring certain areas). It spreads new core values.
• To accurately present the situations or research of any person, place or any of the group in the research studies (such research specifying the objects are known as descriptive ones)
• To determine how something happens and with what intensity it is happening and various measures related to it (such types of findings are known as diagnostic ones)
• To test the coordination or relationship between two things or ant two different variables (such findings carried out comes under hypotheses testing findings of the research work)

The objectives of this research work are as under:

This particular of the study is centre around the following objective:

• To study in detail about the organization culture of state bank and its associates.
• To study about the organizational management pattern of state bank and its associates.
• To find the effectiveness of the managerial practices in state bank and its associates.
• To find out how we can suggest that to manage organization in a better way.
• To study the relationship between management and employees and identify its various aspects on banking.

Various kinds of research

The various kinds of researches that are followed and taken as a clue to carry research work are as follows:

• Descriptive research
• Analytical research
• Applied research
• Fundamental research
• Quantitative research
• Qualitative research
• Conceptual research
• Empirical research

Descriptive research:

• Concludes a fact at the end.
• Shows the factors as it is.
• Also called Ex-post facto research
• Not in control of scholar working on it
• Followed by surveys
• Depends on consensus

Analytical research:

• Based on past data
• No new avenues
• Can analyze and results no fresh information
Applied research:

- For urgent problems
- Action oriented approach
- Discover immediate solution
- Solve complex situations
- Applied mostly in social, economic & political fields

Fundamental research:

- General kind of research
- Collects the complete knowledge
- Applies to natural processes or mathematics
- Broad findings on some interested topics
- Reflects human behavior

Quantitative research:

- Find out the quantity
- Straight forward approach
- Conducted for specific quantity based fact findings

Qualitative research:

- Reflects quality of something
- Answers why and how
- Motivational research
- Depends on attitudes and suggestions
- Done through may tests
- Unfolds human behavior
- Require rigorous concentration

Conceptual research:
• Related to some concept or good idea
• Give fresh results on existing problems
• Control is over the variables is there
• Don’t require much evidence

Empirical research:

• Based on experience
• Also called experimental research
• Needs hypotheses design
• Evidences are must
• Evidences and variables are compared

Keeping in view all the above mentioned, we will advance forward in this study. This study is descriptive in nature. Some studies somewhat near to this study has been done earlier but applying OD interventions on the ethos and then to analyze them is a new concept and this will affect the organizational management system too. After judging from all the angles and keeping in mind the complications to form the hypothesis of this research work, hypothesis has not been formed. The direction of the research work has not been determined and everything in this study is open and uncontrolled so that the analysis and interpretation of the data collected will only show the actual results of this research work and the directions of the research work.

There are certain small organizational factors which will affect the study but are very negligible so these are not taken into account in this research work.

Organizations like SBI & Its Associates are not generally taken into account for study purpose; this study is the first of its type in SBI & Its Associates. Initially all the objectives of this analysis were clearly explained to all the employees of SBI & Its Associates. The Objectives of this study will only determine what specific OD are to be used to bring change in the ethos of the organization which will develop the organization as a whole.
This is a twofold study i.e. octapace before applying OD interventions and then analyzing the ethos/octapace culture after the application of the OD interventions. The objective is now crystal clear so now we can very well proceed in this research work.

Designing the flow in descriptive studies:

As we understood by the word descriptive it is the study explaining the characters of any person, place or groups. They does not calculate the frequency of the things happening. Descriptive research sometimes goes parallel with diagnostic researches. So finally the design in such studies of descriptive or sometimes diagnostic type should be like:

- Giving predictions
- Explaining facts
- Analyzing individuals
- Part of research of social kinds
- Population required
- Measures the variables
- Strive for accurate results
- Should be planned properly
- Should reduce bias
- Completes in the required economic capacity
- Should be done with diagnostic studies
- Size of population plays a big role

So taking care of the above points the design of such researches should be strict enough and should surely follow below listed points:

- Planning and analyzing the objective of the study i.e. formulating it for the sake what it is all about.
- The process of collecting the data should be interpreted and collected and analyze what techniques will be used.
- Choosing the sample that how much population will be required to carry study sufficiently
• Methods of data collection which should be relevant and accurate in nature and helpful for carrying the studies.
• Analyzing all the above gathered postulates and move with the research work.
• Recording the results

In descriptive type of studies the main aim of the researcher is to first clarify the aim of study with intense concentration so that results obtained may justify the study. If the concentration is not given seriously in the initial steps the purpose of doing research may not satisfy the objective with which it is done.

Also doing research with proper methods and techniques is also very important. We are putting emphasis on this thing again and again as very good results desired may also get hampered if one does not ensure proper sequences and accuracy. Also the record of all the techniques should also be recorded so that any manipulations may not occur or if any may get solve by the proper record.

Questionnaire methods should be strong enough and design in a such way that can obtain all the queries and generate all the data required for the research work. A strong questionnaire can help a lot to squeeze the information. Interview method is the verbal record that assists for further completion of avenues of data collecting.

Present Study as Descriptive Research:

SBI & Its Associates is a public organization which was studied on the basis of two stage surveys. The surveys were done on the basis of standard questionnaire containing 40 questions related to eight ethos or inner values of the organization. The main aim for which this study is conducted is to describe first the ethos of the organization and thus know about the organizational culture of the organization. This was the research before the application of organizational development interventions. Second time after organizational development data collected on the basis of the same survey and analyzed to find out the changes in culture and organizational management system on OD application. This organizational research work is connected with the social background too.
Knowingly or deliberately we cannot vary any of the elements of SBI & Its Associates but we study as they are and try to improve them. Thus, the variables are not controllable. Here the researcher tried to find out the basic causes of low scores in the ethos of SBI & Its Associates. The complete research work was analyzed by using quantitative methods like measurement of central tendency, finding out correlation among the ethos of SBI & Its Associates and then measured coefficient of variation. After OD application in the similar manner the ethos, were analyzed and compared with the first analysis.

Thus, all such explanations indicate and show that this research work was a descriptive type of research.

SIZE OF SAMPLE:

This refers to the number of items to be selected from the universe to constitute a sample. This is a major problem before a researcher. The size of sample should neither be excessively large, nor too small. It should be optimum. An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility. While deciding the size of sample, researcher must determine the desired precision as also an acceptable confidence level for the estimate. The size of population variance needs to be considered as in case of larger variance usually a bigger sample is needed. The size of population must be kept in view for this also limits the sample size. The parameters of interest in a research study must be kept in view, while deciding the size of the sample. Costs to dictate the size of sample that we can draw. As such, budgetary constraint must invariably be taken into consideration when we decide the sample size.\(^\text{53}\)

SAMPLING

Probability sampling:

- Also known as ‘random sampling’ or ‘chance sampling’.
- Every unit is given priority in such sampling.

\(^{53}\) Research Methodology by C.R. Kothari, Page-56
• Samples are not picked desirably but chosen by some system of random pick.
• The accuracy of desired result is more in it via probability.
• Error can easily be judged by random sampling.
• It is type of sampling superior in nature than others.
• Probability sampling follows the statistical laws.
• It is authenticated technique of data sampling recommended.
• It takes a definite sample into consideration.
• Every sample becomes a part of research in random sampling.
• The samples once selected cannot reoccur.

Thus if we precise the random sampling we can ensure the following points:

a) Every unit in the probability sampling is of great importance and becomes the part of the research work, also each unit does not depend on another.

b) Random sampling gives every unit an opportunity of getting into the process.

Stratified sampling:

• It occurs in the case of heterogeneous sample.
• When the variance is high it is applied
• It is divided into sub units or groups.
• Sub units are called strata’s.
• Sub units can be homogenous in nature
• Each representative sample is selected from sub units
• Stratums distinguish from total samples
• Stratums are easier to distinguish and estimate
• Accuracy is high in stratified sampling
• The results produced out of it can be more dependable.
Process of Sampling in this Research topic

Sample size in any research work especially in the social / behavioral science and organizational studies plays a very important role. The sample size help to analyze and generalize the final outcome of the research work. There is no such specific rule for the sample size in any study or research work. But in the year 1979, an expert named as Thorndike formed a guide or an informal rule to give estimation about the quantity of sample for any research work.

As per the informed rule, there must be ten (10) respondents from each of the variables plus fifty respondents. Accordingly, we must have \((7 \times 10) + 50 = 120\) respondents in a research work.

This study is conducted on 135 employees of SBI & Its Associates, Sriganganagar and hanumangarh, Rajasthan. Some of them are contractual but as they are working with the organization since very long so they are also included in this study. In the initial stage, the target sample size was 150 but due to some unforeseen reasons, data of 15 could not be collected.

Sample:

<table>
<thead>
<tr>
<th>Organization</th>
<th>Place</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>State bank of India &amp; Its associates.</td>
<td>Sriganganagar, hanumangarh, Rajasthan</td>
<td>135 Employees</td>
</tr>
</tbody>
</table>

135 effective samples, i.e. 135 employees of SBI & Its Associates were selected randomly for the study by using the Chit System. Then the OCTAPACE questions or questionnaire containing 40 questions were distributed to the respondents. Some of the employees in the lower strata of the organization were having problem in understanding
the questions, so the researcher explained the questions to them in Hindi, apart from this all the questions were explained clearly to all the respondents. There was no such sample break up in this study. After OD the same samples were subjected for study the second time.

Here stratified sampling has been done as the complete population from where sample has been collected is not homogeneous. This means some are qualified & some are not and some are experienced and some are less experienced. This is so done to have reliable and detailed data and information for the study.

Another sampling involved in this was random sampling. So finally this can be termed as stratified random sampling. Several times, checked so that it may shows the real representations of an organization and the analysis will give out the correct result. Some of the respondents are from highly educated background and at AGM level post, some were at managerial post and deals in segmental banking, some from clerical background and deals in clearing and routine banking, cashier and few public relation officer were also included to assess the actual position.

**PROCESS OF COLLECTING DATA:**

When a research design is finalized by the research scholar, begins the process collecting the data by various methods. There are two most significant points that should be considered while collecting the data that it is always two category:

a) Primary data:
   - Unique and fresh in nature
   - Original in nature
   - Used for first time

b) Secondary data
   - Already in use by someone
   - Not so original in nature

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54 Research Methodology by C.R. Kothari, 2008, page 64
Thus a research scholar has to choose by careful study that what data collection method he will use for his research work. The method of collecting both the data vary in process from each other very much. Primary data cannot be copied from anywhere and it needs to be gathered by its own natural ways on the other hand we have to do the process of relating and taking into study others matter and then to compile it in our research work according to the requirement. Every method has its own advantages and disadvantages so we have to chose wisely looking the scope it will get for our desired research work.

When we are experimental research, in such researches primary data itself can be collected by doing certain experiments in that field. When we are researches which are part of descriptive researches’ than we have to perform different types of surveys in order to get correct primary data.

In such surveys giving an intense thought and closely scrutinizing and having a proper word with the concerned person is very important.

When we talk about collecting primary data for descriptive research than following methods are the ones taken into the consideration:

- Method of close observing
- Interviewing process
- Filling questionnaires
- Fixing schedules
- Direct discussions

Some other processes are:

- Warranty cards
- Audits of distributor
- Audits of pantry
- Consumer panels
- Use of mechanical devices
- Project based techniques
- Interviews with great intensity
• Scrutinizing the available content

Collection of secondary data

Secondary data is not the fresh data, it is the one already taken into consideration for research work in previous research works. The best way to attain and go through to secondary data is to search into various sources either from internet, old published books, through any other written material etc. by collecting secondary data researcher got a good view of existing material in the same field and knowledge how to carry his research work. Though collecting primary data is more complex in nature as compared to secondary data because of its original nature.

Primary data is not mostly published but secondary data is may be published or it cannot be available in publications. Availability of secondary can be find in various forms as:

• Matter published in government legislations.
• Matter published in international bodies and their sub bodies
• Various journals of trade and technical nature
• Magazines, books, internet and newspapers
• Reports published in industries, banks, stock exchanges
• Matters soughed by various scholars in universities and various economists
• Through previous histories, old statistics or any other information

There are many other sources of secondary data too they can be found in someone’s personal data’s, written in personal diaries, can be collected from various biographies and autobiographies. Secondary data may also be available in various bureaus of knowledge, private and public publications, various libraries and knowledge based associations. But still the research scholar should sort secondary data with attentiveness. He should select secondary data with intense interest, may take the necessary one and eradicate the unwanted material very carefully. The selection should be like that which should support the research work.
PROCEDURE ADOPTED FOR DATA COLLECTION IN THIS RESEARCH WORK:

The basic aim of the research work was to study the OCTAPACE culture of SBI & Its Associates, Sriganganagar and Hanumangarh, Rajasthan and to analyze the changes in the OCTAPACE variables by the use of OD interventions which in turn will change the organizational management systems in positive ways. In this study collection of primary data was done by using questionnaire method.

A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms”. To collect the primary research data a questionnaire based on OCTAPACE profile was distributed to the target samples or to the employees of SBI & Its Associates, Sriganganagar and Hanumangarh, Rajasthan. The questions of the questionnaire were personally explained to all in English and Hindi. The questionnaire covered all the aspects of OCTAPACE profile of the organization. After OD application the same method was adopted for primary data collection from SBI & Its Associates, Hanumangarh & Sriganganagar. Out of 150 questionnaires, 135 were filled properly by the respondents and returned. All the 135 questionnaires have been used for analysis in the study. The same was repeated after OD interventions, has been used.

SBI & Its Associates is a well known autonomous bank and is under government of India. The Bank is actively involved since 1973 in non-profit activity called Community Services Banking. All branches and administrative offices throughout the country sponsor and participate in large number of welfare activities and social causes. Its business is more than banking because they touch the lives of people anywhere in many ways. Timings of the bank for clerical staff is 9:45am to 6:00 pm and managerial staff is 9:45 am to 7:00 pm but they stay till late i.e. 8 to 9 pm depending upon the work.

To cover all the respondents’ data was collected sometimes in the morning hours and sometimes during the noon i.e. after 14:00 hrs after public dealing gets over. The lunch break has also been kept in mind. By this way, the targeted respondents were covered for primary data in this research work. For this, the investigator personally contacted each
targeted respondents to avoid any biased data. The respondents were given surety that confidentiality of their responses will be maintained.

For the collection of secondary data, several face to face interviews and meetings were conducted in SBI & Its Associates, along with the Chief manager Mr. Yograj Bhatia and the senior and junior staffs of branches of hanumangarh and sri gangbanger branches, Rajasthan. The interviews conducted for the collection of secondary data were structured, semi-structured and with opened questions. Few face to face interviews were also framed with the AGM, Nand lal sharma and other staffs of bank so as to satisfy the basic need of the study. The secondary data was collected so as to know about the detailed background information of Sbi, Hanumangarh, Rajasthan, to know about the structure of Bank, about the history and about the culture that is prevailing in the organization. The various organizational, business and organizational core elements for the research work were obtained from different reports. Personal data and administrative data of the employees were collected from various departments of bank. All these information gathered to advance in this study.

**Sources of Primary & Secondary Data:**

Different sources have been used to extract both the primary as well as the secondary data for this research work. The basic sources for the collection of primary data were as follows:

- AGM of SBI & Its Associates
- Executives of various departments of SBI & Its Associates.
- Employees of SBI & Its Associates.

As this organization is very big so 14 different branches of SBI & Its Associates, of Hanumangarh and Sri ganganagar including two regional circle office of the region were covered place of dividing the organization into different layers all the samples were counted or treated as a single group for this study, i.e. target sample size as 142 employees of SBI & Its Associates.

**Sources of Secondary Data for this Study:**
- Quarterly Magazines Sathi and Upwan.
- Financial reports of SBI & Its Associates.
- Annual reports of SBI & Its Associates.
- Daily local newspapers and magazines of SBI & Its Associates.
- Concerned websites of SBI & Its Associates.
- Different policy manuals of SBI & Its Associates.
- National and state published manuals
- Written document and published web pages of the organization.
- Direct interview with Director of SBI & Its Associates.

**A thanks giving list to Major contributors:**

- Mr. Nand Lal Sharma, AGM, Circle head Regional Office, Hanumangarh.
- Mr. R.P. Saini, Chief Manager,
- Mr. Rishi Goyal- BM, State bank of Bikaner & Jaipur, Hanumangarh jn.
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- Mr. H.C.Shishodia-BM, State Bank Of India, Hanumangarh jn.
- Mr. Puneet ji – Clerk, state bank of India, Sriganganagar.
- Mr. krishan kumar- Manager (loan), state bank of Bikaner & Jaipur-Sriganganagar.
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- Mr. Sanjeev Arora- BM- state bank of Patiala- hanumangarh town.
- Mr. Praveen suthar-cashier- state bank of Patiala- Sri ganganagar.
- Mr. K.L. Tuttania-BM-RASEEC- special loan branch- hanumangarh
- Mr. S.K. Pupneja- BM-RASEEC- special loan branch-sri ganganagar.
TOOLS FOR DATA COLLECTION IN THIS STUDY:

The basic tool used for the primary data collection was the OCTAPACE questionnaire on eight basic pillars of the organizational culture (the eight ethos). The 4 point scale on the basics of the above mentioned questionnaire. This 4 point scale was developed by Dr. Pareek (2003) was of great use for primary data collection. The OCTAPACE profile is a 40 item instrument that gives the profile of organization’s ethos in eight values. These values are - openness, confrontation, trust, authenticity, proaction, autonomy, collaboration and experimentation. There are total 40 questions in the questionnaire, 5 questions for each dimension.

T.V. Rao introduced the concept of OCTAPACE culture as a good and progressive way of building different competitive organizations. Dr. Udai Pareek and T.V. Rao pioneered the basic concept of OCTAPACE culture. The dimensions of organizational culture judged by the questionnaire with 40-questions are as - The word experimentation was added later in this concept.

- Openness in SBI & Its Associates.
- Confrontation in SBI & Its Associates.
- Trust among employees of SBI & Its Associates.
- Authenticity in SBI & Its Associates.
- Proaction in SBI & Its Associates.
- Autonomy to work and take decisions in SBI & Its Associates.
- Collaboration in this organization.
- Experimentation adopted in SBI & Its Associates.

There are total 40 questions and scores are on the basic of a 4-point scale. i.e.

Marked (4) for - vary widely shared belief / highly valued.

Marked (3) for - fairly widely shared / fairly high value.

Marked (2) for - some employees share this / rather low value

Marked (1) means - few or none have this belief / a very low value.
To make the scoring easy, an answer sheet is provided with each questionnaire. There are few questions in the questionnaire marked with asterisk show that they give reversed scores, which means 4 becomes 1, 3 becomes 2, 3 becomes 2 and 1 becomes 4. This makes all the items unidirectional. There are five questions related to each of the dimensions of OCTAPACE culture.

Total there were 135 employees of SBI & Its Associates used in research work. One questionnaire used for one employee of SBI & Its Associates. Number of responses in each questionnaire for eight dimensions will be 5. So, for 135 samples 135 questionnaires were used. So, total number of responses for each dimension will be \((135 \times 5) = 675\) responses, i.e. - for:

- **Openness**: 5 responses in one questionnaire x 135 samples
  
  So, total 675 responses for openness.

- **Confrontations**: 5 x 135 = 675 responses.

- **Trust**: 675 responses.

- **Authenticity**: 675 responses

- **Proaction**: 675 responses

- **Autonomy**: 675 responses

- **Confrontations-**: 675 responses

- **Experimentation**: 675 responses

**STATISTICAL TOOLS USED IN THIS RESEARCH WORK:**

Data so obtained in this research work were properly analyzed for all the eight dimensions of the OCTAPACE culture. The dimensions were analyzed separately and in relation with other
The primary data been analyzed by using the below mentioned statistical packages, they are as:

1. **The Arithmetic mean / mean / averages (X) as Ex-bar** :

   Mean is the most used tool for studying the measure of central tendency of data collected. This indicates how the data group around the middle point of the distribution of the responses of the employees of SBI & Its Associates. It is denoted by X. The **mean** (or average) of a set of data values is the sum of all of the data values divided by the number of data values. That is:

   \[
   \text{Mean} = \frac{\text{Sum of all data values}}{\text{Number of data values}}
   \]

   Symbolically,

   \[
   \bar{x} = \frac{\sum x}{n}
   \]

   where \( \bar{x} \) (read as 'x bar') is the mean of the set of x values,

   \( \sum x \) is the sum of all the x values, and

   \( n \) is the number of x values.

   The mean is essentially a model of your data set. It is the value that is most common. You will notice, however, that the mean is not often one of the actual values that you have observed in your data set. However, one of its important properties is that it minimizes error in the prediction of any one value in your data set. That is, it is the value that produces the lowest amount of error from all other values in the data set.

   An important property of the mean is that it includes every value in your data set as part of the calculation. In addition, the mean is the only measure of central tendency where the sum of the deviations of each value from the mean is always zero.
2. The Median

The median of a set of data values is the middle value of the data set when it has been arranged in ascending order. That is, from the smallest value to the highest value.

The Median is the 'middle value' in your list. When the totals of the list are odd, the median is the middle entry in the list after sorting the list into increasing order. When the totals of the list are even, the median is equal to the sum of the two middle (after sorting the list into increasing order) numbers divided by two. Thus, remember to line up your values, the middle number is the median!

In general:

$$\text{Median} = \frac{1}{2}(n + 1)\text{th value, where } n \text{ is the number of data values in the sample}$$

If the number of values in the data set is even, then the median is the average of the two middle values.

- Half of the values in the data set lie below the median and half lie above the median.

- The median is the most commonly quoted figure used to measure property prices. The use of the median avoids the problem of the mean property price which is affected by a few expensive properties that are not representative of the general property market.

3. The Mode

The mode in a list of numbers refers to the list of numbers that occur most frequently. A trick to remember this one is to remember that mode starts with the same first two letters that most does. Most frequently - Mode. It is possible to have more than one mode, and it is possible to have no mode. If there is no mode-write "no mode", do not write zero (0).
4. The standard deviation

The Standard Deviation is a measure of how spreads out numbers are.

Its symbol is $\sigma$ (the Greek letter sigma)

The formula is easy: it is the **square root** of the **Variance**. So now you ask, "What is the Variance?"

**Variance**

The Variance is defined as:

The average of the squared differences from the Mean. To calculate the variance follow these steps:

**Work out the Mean** (the simple average of the numbers)

- Then for each number: subtract the Mean and square the result (the squared difference).
- Then work out the average of those squared differences.

This is one of the most important tools based on all the observations and data collected. Standard deviation is the measure of dispersion about the mean. This will measure dispersion of the eight ethos. This tool help to find out with sufficient accuracy where the value of frequency distribution of variables are situated / located in relation to the mean. This will further be helpful in explaining how far the items in the distribution departs from the mean of the distribution. This has been used in this study to note the extent of the responses of the employees of SBI & Its Associates in the distribution departs from the mean of the distribution.

1. A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance.

In statistics and probability theory, standard deviation (represented by the symbol $\sigma$)
sigma, \( \sigma \) shows how much variation or "dispersion" exists from the average (mean, or expected value). A low standard deviation indicates that the data points tend to be very close to the mean; high standard deviation indicates that the data points are spread out over a large range of values.

- **Correlation (r)** - as coefficient of correlation. This had been used to find out existing relationship between various variables of OCTAPACE culture of SBI & Its Associates. It also been used to detect out whether values of one data set are positively or negatively related or are unrelated or have zero correlation.

Correlation can have a value:

- 1 is a perfect positive correlation
- 0 is no correlation (the values don't seem linked at all)
- -1 is a perfect negative correlation

### 5. Skewness

Measures of asymmetry (Skewness): The coefficient of skewness is (j). Skewness is thus a measure of asymmetry and shows the manner in which the items are clustered around the average. In a symmetrical distribution, the items show a perfect balance on either side of the mode, but in a skew distribution the balance is thrown on one side. A fundamental task in many statistical analyses is to characterize the location and variability of a data set. A further characterization of the data includes skewness and kurtosis.

Skewness is a measure of symmetry, or more precisely, the lack of symmetry. A distribution, or data set, is symmetric if it looks the same to the left and right of the center point.

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55 Research Methodology by C.R. Kothari, 2008, Pg. 137.
In probability theory and statistics, skewness is a measure of the asymmetry of the probability distribution of a real-valued random variable. The skewness value can be positive or negative, or even undefined.

6. Co-efficient of Variation:

This ratio of standard deviation to mean is the co-efficient of variations. It measures the degree of variation from one data series to another. CV - Coefficient of Variation Calculator is the online statistics tool for data analysis specifically programmed to find out the values of number of inputs, Mean, Standard Deviation and Variance Coefficient with respect to the input values of data set.

The normalized measure of dispersion of a probability distribution is called as coefficient of variation as often abbreviated as CV. In probability theory and statistics, it is also known as unitized risk or the variation coefficient. The CV is derived from the ratio of the standard deviation to the non-zero mean and the absolute value is taken for the mean to ensure it always positive. It is sometimes expressed as percentage, in which case the CV is multiplied by 100

Coefficient of Variance Formula

The Equation or Formula to find out the Coefficient of Variation is given below

\[ \text{Coefficient of Variation } C_v = \frac{\text{Standard Deviation}}{\text{Mean}} \]

The standard deviation of data must always be understood in the context of the mean of the data therefore the coefficient of variation is useful. The coefficient of variation is a dimensionless number. So when comparing between data sets with different units or widely different means, one should use the coefficient of variation for comparison instead of the standard deviation.
DESCRIPTION OF SBI & ITS ASSOCIATES

The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later the bank received its charter and was re-designed as the Bank of Bengal (2 January 1809). A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) followed the Bank of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27 January 1921.

A major change in the conditions of operation of the Banks of Bengal, Bombay and Madras occurred after 1860. With the passing of the Paper Currency Act of 1861, the right of note issue of the presidency banks was abolished and the Government of India assumed from 1 March 1862 the sole power of issuing paper currency within British India.

The presidency Banks Act, which came into operation on 1 May 1876, brought the three presidency banks under a common statute with similar restrictions on business. The proprietary connection of the Government was, however, terminated, though the banks continued to hold charge of the public debt offices in the three presidency towns, and the custody of a part of the government balances. The Act also stipulated the creation of Reserve Treasuries at Calcutta, Bombay and Madras into which sums above the specified minimum balances promised to the presidency banks at only their head offices were to be lodged. The Government could lend to the presidency banks from such Reserve Treasuries but the latter could look upon them more as a favor than as a right.56

While the Banks of Bengal and Bombay were engaged in the financing of large modern manufacturing industries, the Bank of Madras went into the financing of large modern manufacturing industries; the Bank of Madras went into the financing of small-scale industries in a way which had no parallel elsewhere. But the three banks were rigorously excluded from any business involving foreign exchange. Not only was such business

56 Source: www.sbi.co.in
considered risky for these banks, which held government deposits, it was also feared that these banks enjoying government patronage would offer unfair competition to the exchange banks which had by then arrived in India. This exclusion continued till the creation of the Reserve Bank of India in 1935.

The presidency Banks of Bengal, Bombay and Madras with their 70 branches were merged in 1921 to form the Imperial Bank of India. The triad had been transformed into a monolith and a giant among Indian commercial banks had emerged. When India attained freedom, the Imperial Bank had a capital base (including reserves) of Rs.11.85 crores, deposits and advances of Rs.275.14 crores and Rs.72.94 crores respectively and a network of 172 branches and more than 200 sub offices extending all over the country.

In 1951, when the First Five Year Plan was launched, the development of rural India was given the highest priority. The commercial banks of the country including the Imperial Bank of India had till then confined their operations to the urban sector and were not equipped to respond to the emergent needs of economic regeneration of the rural areas. In order, therefore, to serve the economy in general and the rural sector in particular, the All India Rural Credit Survey Committee recommended the creation of a state-partnered and state-sponsored bank by taking over the Imperial Bank of India, and integrating with it, the former state-owned or state-associate banks. An act was accordingly passed in Parliament in May 1955 and the State Bank of India was constituted on 1 July 1955.

The State Bank of India was thus born with a new sense of social purpose aided by the 480 offices comprising branches, sub offices and three Local Head Offices inherited from the Imperial Bank. The concept of banking as mere repositories of the community's savings and lenders to creditworthy parties was soon to give way to the concept of purposeful banking sub serving the growing and diversified financial needs of planned economic development. The State Bank of India was destined to act as the pacesetter in this respect and lead the Indian banking system into the exciting field of national development.\footnote{Source:www.sbi.co.in}
Major features at highlight:

- SBI is Government owned and is the largest bank in India.
- It traces its ancestry back to the Bank of Calcutta which was established in 1806, this makes the SBI the oldest commercial bank in Indian Subcontinent.
- Managing the Asia’s largest ATM network.
- SBI provides various domestic, international and NRI products and services, through its vast network in India and overseas.
- In recent years, the bank has focused on three priorities first reducing its huge staff through Golden Handshake schemes known as the voluntary retirement scheme, which saw many of its best and brightest defects to the private sector.
- Second, computerizing its operations. Third, trying to change the attitude its largely rude staff through a program aptly named ‘parivartan or change’.
- State bank of India is present in 32 countries, where it has 84 offices serving the international needs of the bank’s foreign customers and in some cases conducts retail operations. the focus of these offices is India related business. SBI has branches in these countries:
  - Australia
  - Bahrain
  - Bangladesh
  - Belgium
  - Canada
  - France
  - Germany
  - Hong Kong
  - Israel
  - Japan

Vision statement of the bank:

58 www.slideshare.net/prabhat1111/state-bank-of-india-presentation
• My SBI
• My Customer First.
• My SBI: First in customer account.\(^{59}\)

**Mission statement of the bank:**

• We will be prompt, polite and proactive with our customers.
• We will speak the language of young India
• We will create products and services that help our customers achieve their goals.
• We will go beyond the call of duty to make our customers feel valued.
• We will be of service even in the remotest part of our country.
• We will offer excellence in services to those abroad as much as we do to Indians.
• We will imbibe state of art technology to drive excellence.

**Core values of the bank:**

• We will always be honest, transparent and ethical.
• We will respect our customers and fellow associates.
• We will be knowledge driven.
• We will learn and share our learning.
• We will never take the easy way out.
• We will do everything we can contribute to community we work in.
• We will nurture pride in India.\(^{60}\)

**STATE BANK ACADEMY: TRAINING PROGRAMME**

The State bank Academy (SBA), Formerly known as state bank staff college was set up at Gurgaon, on the 18th nov 1982.

It is a centre for training middle and senior management officials of the state bank group and other organizations of India and abroad.

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\(^{59}\) SBI group promotion exams banking guide by G.S.Subramanian

\(^{60}\) SBI group promotion exams banking guide by G.S.Subramanian
The program at SBA Gurgaon have attained a steady stream maturity over the years. SBA has imparted training to over 19,000 managers during the past five years.\(^6\)

**BANKING SUBSIDIARIES**

Associate banks

- State Bank of India has the following five Associate Banks (ABs) with controlling interest ranging from 75% to 100%.
- State Bank of Bikaner and Jaipur (SBBJ)
- State Bank of Hyderabad (SBH)
- State Bank of Mysore (SBM)
- State Bank of Patiala (SBP)
- State Bank of Travancore (SBT)\(^7\)

As on June 30, 2011, the five ABs have a combined network of 4748 branches in India which are on core banking and 4713 ATMs networked with SBI ATMs, providing value added services to clientele.

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\(^6\) [www.slideshare.net/prabhat1111/state-bank-of-india-presentation](http://www.slideshare.net/prabhat1111/state-bank-of-india-presentation)

\(^7\) Source: [www.sbi.co.in](http://www.sbi.co.in)
The combined net profit of these banks increased by 10.67% over the previous year to reach Rs.735.79 crores as on 30th June 2011. Deposits and advances grew by 12.39% and 16.32%, respectively, during the year. The combined Net NPA ratio of all ABs was at 1.12% as on 30th June 2011. The highlights of performance of the five ABs for the quarter ended June 11 are as follows:

| (Rs. In crores) |  
|----------------|---|
| Deposits       | 317581 |
| Loans          | 240601 |
| Investments    | 97439  |
| Total Assets   | 378565 |
| Return on Assets | 0.79% |
| No. of Branches| 4748   |

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SBICI Bank Ltd (Banking Subsidiary, fully owned by SBI):

SBICI Bank Ltd has two branches, fully computerized, operating in Mumbai. The Bank recorded a net profit of Rs.0.27 crore during quarter ended June 11. Deposits, Loans and Investments were at Rs.416.89 crore, Rs.233.95 crore and Rs.304.40 crore, respectively, as at 30th June 2011. Return on Assets was at 0.17% while Capital Adequacy Ratio stood at 29.67% as on 30.6.2011.

The Bank has since been acquired by SBI on 29.07.2011.63

NON BANKING SUBSIDIARIES

The Bank has the following Non-Banking Subsidiaries in India:

- SBI Capital Markets Ltd
- SBI Funds Management Pvt Ltd
- SBI Factors & Commercial Services Pvt Ltd
- SBI Cards & Payments Services Pvt. Ltd. (SBICPSL)
- SBI DFHI Ltd
- SBI General Insurance Company Limited

JOINT VENTURES

The Bank has the following Joint Ventures in India:

- SBI Life Insurance Company Ltd (SBI LIFE)
- SBI General Insurance Company Limited
- SBI-SG Global Securities Private Limited64

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63 Source:www.sbi.co.in
64 Source:www.sbi.co.in
KNOW YOUR CUSTOMER (KYC), ANTI MONEY LAUNDERING (AML), COMBATING FOR FINANCING OF TERRORISM (CFT):

The objective of KYC/AML/CFT is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. KYC procedures also enable banks to know/understand their customers and their financial dealings better which in turn help them damage their risks prudently.

For the purpose of KYC policy, a ‘customer’ is defined as:

- A person or entity that maintains an account or has a business relationship with the bank.
- One on whose behalf the account is maintained.
- Beneficiaries of transactions conducted by professional intermediaries, such as stock brokers, chartered account, solicitors etc as permitted under the law.

KYC policy:

Banks should frame their KYC policies incorporating the following key elements:

- Customer acceptance policy
- Customer identification procedures
- Monitoring of transactions
- Risk management

Combating financing of terrorism- unlawful activities (prevention) amendment act, 2008- obligation of banks:

Under PMLA rules suspicious transactions include those transactions which give rise to reasonable ground of suspicion that these may involve financing terrorist activities. Enhanced monitoring of those accounts that are suspected of having terrorist links has to be done to identify swiftly such transactions and report to MHA/RBI/FIU-IND promptly.

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65 SBI group promotion exams banking guide by G.S.Subramanian
List of individuals/entities suspected to have terrorist links are approved by security council committee established pursuant to the resolutions passed by UNSCRs (United Nations Security Council Resolutions). These lists are sent to the Govt of India which in turn sends it to RBI. RBI sends these lists to banks. These lists are found in UN website (http://www.un.org/sc/committees/1267/consolist.shtml).

STATE BANK AND BUSINESS PROCESS RE-ENGINEERING

BPR: since 1991 the economy has witnessed fundamental changes the rise of private sector, abolition of controls, deregulation, globalization, disintermediation, the emergence of middle class/upper middle class, the emergence of young and tech savvy professionals with substantial incomes etc. Consequently fundamental changes in competition, technology and customer expectations took place in the banking arena. Foreign and private sector banks either their superiority in technology and systems posed a stiff challenge to bank. Also there had been many changes in the delivery systems posed a stiff challenge to bank. But the business processes i.e. the tasks, procedures, documentation etc had remained the same. BPR is the fundamental re-thinking and radical redesign of business processes to bring about dramatic improvement in performance.

BPR initiatives may be broadly classified as customer facing (front end) and non customer facing (back end).

Why BPR was introduced in SBI & its Associates?

- Globalization and competition had intensified.
- The bank had to increase its market share in the high net worth customers/youth segment.
- Customer service quality to be enhanced
- Productivity/profitability, cost/income ratio needed dramatic improvement to match the new private sector banks/foreign banks.

What does BPR involve?

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It involves in depth study of our internal processes, learning from Indian/international players and using internal expertise.

Benefits of BPR:

- Adoption of world class processes.
- Putting in the state of art infrastructure.
- Fulfillment of customer expectations
- Meeting the competition headlong and getting ahead of customers.

Objectives of SBI BPR:

- To increase customer satisfaction and convenience
- More time for branch and BM to focus on sales and marketing
- To simplify processes at operational level.
- To achieve world class status.
- To improve market share and quality of business.

Major steps envisaged in the BPR plan of the bank:

- Branch redesign
- Central processing centers
- Alternate channel designs
- Introduction of database marketing
- Core process redesign
- Organizational and performance management redesign
- Change management

TRANSFORMATION JOURNEY IN STATE BANK OF INDIA

The State Bank of India, the country’s oldest Bank and a premier in terms of balance sheet size, number of branches, market capitalization and profits is today going through a momentous phase of Change and Transformation – the two hundred year old Public

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67 SBI group promotion exams banking guide by G.S.Subramanian
68 SBI group promotion exams banking guide by G.S.Subramanian
sector behemoth is today stirring out of its Public Sector legacy and moving with an agility to give the Private and Foreign Banks a run for their money.

The bank is entering into many new businesses with strategic tie ups – Pension Funds, General Insurance, Custodial Services, Private Equity, Mobile Banking, Point of Sale Merchant Acquisition, Advisory Services, structured products etc – each one of these initiatives having a huge potential for growth.69

The Bank is forging ahead with cutting edge technology and innovative new banking models, to expand its Rural Banking base, looking at the vast untapped potential in the hinterland and proposes to cover 100,000 villages in the next two years.

It is also focusing at the top end of the market, on wholesale banking capabilities to provide India’s growing mid / large Corporate with a complete array of products and services. It is consolidating its global treasury operations and entering into structured products and derivative instruments. Today, the Bank is the largest provider of infrastructure debt and the largest arranger of external commercial borrowings in the country. It is the only Indian bank to feature in the Fortune 500 list.

The Bank is changing outdated front and back end processes to modern customer friendly processes to help improve the total customer experience. With about 8500 of its own 10000 branches and another 5100 branches of its Associate Banks already networked, today it offers the largest banking network to the Indian customer. The Bank is also in the process of providing complete payment solution to its clientele with its over 21000 ATMs, and other electronic channels such as Internet banking, debit cards, mobile banking, etc.

With four national level Apex Training Colleges and 54 learning Centers spread all over the country the Bank is continuously engaged in skill enhancement of its employees. Some of the training programs are attended by bankers from banks in other countries.

69 Source:www.sbi.co.in
The bank is also looking at opportunities to grow in size in India as well as internationally. It presently has 173 foreign offices in 33 countries across the globe. It has also 7 Subsidiaries in India – SBI Capital Markets, SBICAP Securities, SBI DFHI, SBI Factors, SBI Life and SBI Cards - forming a formidable group in the Indian Banking scenario. It is in the process of raising capital for its growth and also consolidating its various holdings.

Throughout all this change, the Bank is also attempting to change old mindsets, attitudes and take all employees together on this exciting road to Transformation. In a recently concluded mass internal communication programmed termed ‘Parivartan’ the Bank rolled out over 3300 two day workshops across the country and covered over 130,000 employees in a period of 100 days using about 400 Trainers, to drive home the message of Change and inclusiveness. The workshops fired the imagination of the employees with some other banks in India as well as other Public Sector Organizations seeking to emulate the programmed.

The CNN IBN, Network 18 recognized this momentous transformation journey, the State Bank of India is undertaking, and has awarded the prestigious Indian of the Year – Business, to its Chairman, Mr. O. P. Bhatt in January 2008.

The elephant has indeed started to dance.

**AWARDS AND RECOGNITION OF SBI & ITS ASSOCIATES**

- State bank of India has been adjudged the best bank 2009 by business India(august-2009)
- State bank of India ranked as no.1 in the 4ps b & m & icmr survey on India’s best marketed banks (august-2009)
- State Bank of India is the country's premier financial institution. It is a crucial wheel in the economy with the ability to move markets. SBI has produced many stalwarts, and its chairman Om Prakash Bhatt stands out among them. For Bhatt has put the bank on a high growth path.

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70 Source: www.sbi.co.in
• State bank of India got more awards from IBA Banking Technology Awards, State bank of India concentrating on customer satisfaction, which is really in banking service, as SBI (state bank of India) is a nationalized bank everyone trusting their service and also they are proving, this year really a very good year for State bank of India.

**IBA Banking Technology Awards 2010.**

1. State bank of India has been awarded by IBA Banking Technology Awards Best Online Banking Award (Winner-2010).
2. State bank of India has been awarded by IBA Banking Technology Awards Best Risk Management Award (Runner-up)
3. State bank of India has been awarded by IBA Banking Technology Awards Best Customer Initiative Award (Winner)

**ORGANISATIONAL STRUCTURE OF SBI & ITS ASSOCIATES**

![Organization Structure of SBI & Its Associates-I](Organization%20Chart%20of%20State%20Bank%20of%20India.htm)

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71 [Organization%20Chart%20of%20State%20Bank%20of%20India.htm](Organization%20Chart%20of%20State%20Bank%20of%20India.htm)
Figure 4.2 Organization Structure of SBI & Its Associates-II
Two Fold Model of the Research Work

Fold 1 of the Model:-

Fold 2 of the Model:-

Explanation of the Model:

Lots of efforts were put so as to form a simplified model of the research work. The model will form a clear picture of the study. This will also help the research scholar to advance in the study in a proper way. The model is called the two fold model. It is called so as the whole of the research work had been represented in two stages or in two folds. In the
fold, one of the model the existing ethos and the organizational culture of SBI & Its Associates, Hanumangarh & Sri ganganagar has been taken as the subject matter to be studied or processed. This is the core of the research where from the work will start. OCTAPACE profiling by means of OCTAPACE questionnaire was used as inputs or as the analyzer and the studied and analyzed ethos / OC of SBI & Its Associates, & was presented in form of statistical data. This was done in the first fold of the research work.

In the second fold of the research work, the analyzed ethos/OC of SBI & Its Associates was again subjected to various organizational developmental interventions. The OD was a combined effort of the investigator and executives & employees of the SBI & Its Associates. Then again same tools were used after OD and second time the ethos, and OC of SBI & Its Associates, was analyzed. On the basis of all these the final outcomes and suggestions to SBI & Its Associates was extracted out. It can be told that this was the conclusion of this research work.

CULTURE IN BANKING

What do bank lending disasters like Parmalat and Enron as well as the rogue traders in Barings and AIB have in common? And, for that matter, why do so many banks have a deserved reputation for failing to satisfy customer service expectations? We suggest that banking culture is a common theme underpinning bank performance – both good and bad. Not the only one, but certainly one of the least understood by outside observers. we explore the nature of culture in banking, why it is even more important today than in the past, and how it might evolve in the future. Quite simply, culture is viewed by most people as ‘the way we do things around here in our organization’. Academics like Barney (1986) are more specific: ‘a complex set of values, beliefs, assumptions and symbols that define the way a firm conducts its business’.

Is banking culture any different from that in other fields?

No significant academic or management writings were on the subject, but it was clear from some research that there is a significant difference between the culture to which many banks aspire and what exists today. Large commercial banks are widely viewed – both internally and externally – as hierarchical, bureaucratic and slow-moving
organizations dominated by a silo mentality in which individual units look to their own political interests rather than that of the bank as a whole. What the customer wants may or may not be their focus, but integrating their efforts on behalf of the customer is often extra ordinarily difficult.

The nirvana for the variety of cultural change programs undertaken over the years by banks is thus a ‘one bank’ Banking mentality in which the customer is the focus and where individual line and staff units collaborate to maximize the bank’s profitability through providing an integrated service package to the client. A by-product of this collaboration is open communication which provides top management with an insight into risk and other issues. To return to the disasters listed in the lead sentence above, one can argue that rogue traders and unwise lending and underwriting practices are more likely to be uncovered and discouraged in such an open environment. Our research in earlier books on the management of excellent banks (see biographical note) demonstrates how difficult it is to convert a large bank’s embedded culture into customer oriented one bank reality. Even among highly regarded institutions, in our interviews in the 1980s we found the chief executives of excellent banks, like the former Bankers Trust and Credit Suisse, espousing such values but unable to prevent financial massive and reputational losses in the 1990s.

Why is culture so critical?

Why is a bank’s culture such a critical management issue today?

We suggest three reasons:

- Banks desperately need to sell more to existing customers to achieve the double-digit annual revenue growth demanded by investors. Such ‘cross telling gains usually requires convincing a client to move existing business from competitors, which in turn implies a level of superior service quality. In our view, few banks in reality can demonstrate this superiority. Sustained organic market share gains are rare indeed across the banking world.

- The same pressure to boost revenues increases the likelihood of unethical or unwise credit or market risk judgments. The ideal culture of open communication
and consideration of the best interest of the bank and its client is one of the few effective.

- barriers to such reputational and financial losses. One would like to think that open discussion at the top management level of the merits of off balance sheet lending to an Enron or Parmalat might have mitigated the subsequent disaster to a number of banks. And such a culture should have exposed the rogue traders at Barings and other banks.

- Managing size and complexity has become a key management issue as institutions like Citigroup and HSBC, with hundreds of thousands of employees and hundreds of operating units across the globe have become a new model of universal banking. Once again, a common culture of mutual trust and communication is one of the few means of overcoming the inevitable bureaucratic, political and silo barriers which hamper flexibility and impair customer service.\(^2\)

**A management priority**

A research in 2004 for Excellence in Banking revisited highlights these challenges. Of the nine excellent banks selected for their management quality by our independent panel of international banking experts, four believe they have achieved the nirvana of a true client oriented culture. And most of the others have targeted this culture as their top management priority. Culture can be positive or negative The four success stories are Goldman Sachs in investment banking, Handelsbanken of Sweden in corporate/ retail banking, and two predominantly retail banks: Bunco Popular Espanol of Spain and Fifth Third in the US. Perhaps the most signal characteristic of this group is the time it has taken to build a one-bank, customer-oriented culture. At Goldman, a defining moment was the agreement on fourteen core management values, including customer focus and a one-bank orientation, in the 1970s.

In the other three success stories, a change in management going back two or three decades underpins the introduction of today’s one bank, customer-oriented culture. Jan

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\(^2\) Source: [www.dibc.co.uk/culture_in_banking.pdf](www.dibc.co.uk/culture_in_banking.pdf)
Wallander in Handelsbanken and Luis Valls at Banco Popular introduced in the 1970s the culture which continues to distinguish these role models, while today George Schaefer of Fifth Third carries on the cultural message of several of his predecessors. Among our other excellent banks which aspire to a single, customer-facing culture, the diversity introduced by a series of mergers is the major challenge which must be overcome. At Citigroup, which for many represents the ‘new model’ global bank, the former Travelers team has driven since the merger in 1998 a new culture throughout the world’s largest financial institution. Hans Morris, the CFO of the corporate and investment bank describes the secret sauce of the culture as ‘intellectual honesty of the numbers, clear accountability and entrepreneurial zeal’. But a strong culture can be a negative as well as positive force. JP Morgan figured as one of the most admired role models in our two books written in the 1980s on excellent banks – in large part because of its client focus. Yet in 1999 the bank felt obliged to merge with the larger Chase Manhattan to sustain its investment banking momentum. Many observers both within and outside the bank attribute this outcome to management’s unwillingness at an earlier date to consider a merger which might have diluted this unique culture. As one of our interviewees opines, ‘It was a Shakespearean tragedy. What creates a great institution bears the seeds of its downfall’.

**Mergers, organizational culture, and cultural leadership**

One of the biggest obstacles in the way of the merging of two organizations is organizational culture. Each organization has its own unique culture and most often, when brought together, these cultures clash. When mergers fail employees point to issues such as identity, communication problems, human resources problems, ego clashes, and inter-group conflicts, which all fall under the category of “cultural differences”. One way to combat such difficulties is through cultural leadership. Organizational leaders must also be cultural leaders and help facilitate the change from the two old cultures into the one new culture. This is done through cultural innovation followed by cultural maintenance.
Cultural innovation includes

- Creating a new culture: recognizing past cultural differences and setting realistic expectations for change
- Changing the culture: weakening and replacing the old cultures

Cultural maintenance includes:

- Integrating the new culture: reconciling the differences between the old cultures and the new one
- Embodying the new culture: Establishing, affirming, and keeping the new culture
- Corporate culture and organizational culture

Corporate culture is the total sum of the values, customs, traditions, and meanings that make a company unique. Corporate culture is often called "the character of an organization", since it embodies the vision of the company's founders. The values of a corporate culture influence the ethical standards within a corporation, as well as managerial behavior.

Senior management may try to determine a corporate culture. They may wish to impose corporate values and standards of behavior that specifically reflect the objectives of the organization. In addition, there will also be an extant internal culture within the workforce. Work-groups within the organization have their own behavioral quirks and interactions which, to an extent, affect the whole system. Roger Harrison's four-culture typology, and adapted by Charles Handy, suggests that unlike organizational culture, corporate culture can be 'imported'. For example, computer technicians will have expertise, language and behaviors gained independently of the organization, but their presence can influence the culture of the organization as a whole. Corporate culture as humorously defined by the authors of "Death to All Sacred Cows" takes an interesting twist. Beau Fraser, David Bernstein and Bill Schwab introduce the term 'Sacred Cow' as the ultimate sin to corporate culture. Their book is dedicated to killing these "fundamental tenets of commerce" by emphasizing that these 'Sacred Cows' "survive by keeping everything the same."
Organizational culture and corporate culture are often used interchangeably but it is a mistake to state that they are the same concept. All corporations are also organizations but not all organizations are corporations. Organizations include religious institutions, not-for-profit groups, and government agencies. There is even the Canadian Criminal Code definition of "organized crime" as meaning "a group comprised of three or more persons which has, as one of its primary activities or purposes, the commission of serious offences which likely results in financial gain." Corporations are organizations and are also legal entities. As Schein (2009), Deal & Kennedy (2000), Kotter (1992) and many others state, organizations often have very differing cultures as well as subcultures.