CHAPTER – III

PROFILE OF THE ORGANISATION AND THEORETICAL ASPECTS OF ORGANISATIONAL CLIMATE VARIABLES
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This chapter presents Standard Chartered Bank’s profile and a brief introduction of organizational climate variables and the factors used to measure the employees perception of SCB under study.

3.1 STANDARD CHARTERED BANK – PROFILE

Standard Chartered Bank is a multinational financial services company headquartered in London, United Kingdom with operations in more than seventy countries. It operates a network of over 1,700 branches and outlets (including subsidiaries, associates and joint ventures) 5,600 ATMs in more than 70 countries and territories across the globe employs around. Its employees are of 125 nationalities, of which about 70 are represented among senior management. It is the world’s best international bank employs 80,000 people nearly half of whom are women. Its international and diverse workforce enables them to better serve their customers and maintain competitive advantage.

It is a universal bank and has operations in consumer, corporate and institutional banking and treasury services. Despite its British base, it has only one branch in United Kingdom and around 90% of its profits come from Asia, Africa, and the Middle East.
Standard Chartered Bank has its primary listing on the London Stock Exchange and is a constituent of the FTSE 100 Index. It has secondary listings on the Hong Kong Stock Exchange and the Indian Stock Exchanges. Its largest shareholder is Temasek Holdings.

3.2 **Its financial status is as follows**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>US$16.06bn</td>
<td>2010</td>
</tr>
<tr>
<td>Operating income</td>
<td>US$6.12bn</td>
<td>2010</td>
</tr>
<tr>
<td>Net income</td>
<td>US$4.23bn</td>
<td>2010</td>
</tr>
<tr>
<td>Total assets</td>
<td>US$517bn billion</td>
<td>2010</td>
</tr>
<tr>
<td>Total equity</td>
<td>$27.930 billion</td>
<td>2009</td>
</tr>
</tbody>
</table>

3.3 **SCB offers the following Products**

Finance and insurance, Consumer Banking, Corporate Banking, Investment Banking, Investment Management, Private Banking, Private Equity, Mortgage loans, Credit Cards.

3.4 **PRINCIPLES**

Leading by example to be the right partner for its stakeholders, SCB is committed to building a sustainable business over the long term that is trusted worldwide for upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity.

3.5 **PRESENCE IN INDIA**

In India, the Standard Chartered Bank introduced its first branch in Kolkata on 12th of April 1858. Later on, when Mumbai took over Kolkata as
the financial capital of India, the bank administration was shifted to Mumbai from Kolkata.

Currently, the bank offers a wide variety of banking services and products to the Indian customers under Personal Banking, Private Banking, SME Banking and wholesale banking categories. The services being offered include Regular Banking Services, Credit Cards, and Debit & Prepaid cards, Loans & Mortgages, NRI Banking Services, Executive Banking and Insurance.

3.6 MANAGEMENT HIERARCHY OF STANDARD CHARTERED BANK

Grade K - Executive Vice President / Head of Business Units
Grade J - Senior Vice President
Grade I - Vice President
Grade H - Associate Vice President
Grade G - Senior Manager / Senior Project Manager
Grade F - Project Manager
Grade E - Team Leader/ Project Leader
Grade D - Senior Product Analyst
Grade C - Product Analyst
Grade B - Trainee

3.7 MANAGEMENT POLICIES OF STANDARD CHARTERED BANK TOWARDS ORGANIZATIONAL CLIMATE

SCB advocated an increase in the input of human resource considerations at strategic planning, an attitude of treating employees as assets, more participation and involvement for employees, effective and open
communications, less rule-oriented policies and practices, better training and career development opportunities, reward and recognition tied to performance.

It is committed in investing in their employees and ensuring that they work in a safe and fair working environment in which everyone is accorded equal worth, and is equipped with the learning and tools needed to achieve excellence in their job and fulfill their potential, regardless of their age, gender, race, sexual orientation, nationality or disability.

While fixing the salaries the organization fixes it on the basis of either industry standards or organization standards. At most care is taken to see that the salaries are up to the market standards, which is taken as a benchmark for fixing the remunerations. It reviews remuneration policy on a regular basis against significant regulatory developments it encourages and focus on the behaviors that bring out the very best from every employee, assessing their performance not just on results but on how those results were achieved.

About the work environment, it is committed in creating an engaging, inclusive work environment, where people can make a difference, as individuals and as part of a team. The Bank places great emphasis on continuous improvement to increase productivity, enhance customer service and reduce administrative tasks, so that employees can spend more time in rewarding activities that add value to the Group. As one of the world’s most international banks, it attracts talented individuals from all over the world. Not only can it give them the benefit of their experience, it also reveals a closer, more personal look at the wide range of global opportunities it offers. It strives
to make Standard Chartered a great place to work by creating an engaging, inclusive and safe environment that rewards success and encourages employees to take control of their personal development.

As one of the world’s most international banks, with a unique presence in Asia, Africa and the Middle East, it provides career opportunities to an enormously diverse workforce. Its size and reach provide employees with opportunities for international experience, operating across many countries, interacting and learning from other cultures.

SCB’s employees represent 125 nationalities, 68 of those among senior management. This reflects our drive to create a diverse and inclusive environment where all employees can contribute to our success. In 2008, it introduced further measures to increase the number of women in senior management, including mentoring and development programmers reflecting the Bank’s policy towards providing equal opportunity for all. It also increased their focus on attracting prospective employees with disabilities.

Workplace health and safety is a continuous priority and in 2008, it held workshops to further embed positive safety organization. Its commitment extends beyond the working environment and they have reached out to support community health and safety campaigns. Their HIV/AIDS work has also been organization as world class by UNAIDS.

It includes the responsibility to identify and interact in the social, political, technological and economic environments in which the organization is and will be doing business.
3.8 ORGANIZATIONAL CLIMATE VARIABLES

The extensive literature review pertaining to organizational climate crucially identified the following variables which maintain proximity with organizational climate in the services industry. Motivation, work environment, job satisfaction, training, career development, organizational commitment, communication and leadership style are vital in determining the organizational climate. These variables are ascertained from environment of Standard Chartered Bank. A brief introduction of these variables, its impact on organizational organization and factors used to measure employees’ perceptions of SCB are given.

3.8.1 MOTIVATION

Diagnosing human behavior and organization as to why people behave in a particular way is of prime importance in motivating them irrespective of the nature of the organization because individual is the basic component of any organization. “Motivation is the complex forces starting and keeping a person at work in an organization. Motivation is something that moves the person to action, and continues him in the course of action already initiated” (Robert Dubin, 1974). According to McFarland (1974) “Motivation refers to the way in which urges, drives, desires, aspirations, and strivings or needs direct, control or explain the behavior of human beings.”

Motivation is necessary for work performance because if people do not feel inclined to engage themselves in work behavior, they will not put in
necessary efforts to perform well. However performance of an individual in
the organization depends on a variety of factors besides motivation.

Observations show that various individuals perform differently in the
same work situations, and the same individual performs differently in different
work situations. Motivated employees put higher performance as compared to
other employees and stay in the organization and their absenteeism is low
motivated people accept, introduce and implement organizational changes such
as technology, value system etc.

**Springer, Gary Jon (2010)** showed a positive correlation between job
motivation and job performance in bank employees and a positive correlation
between job satisfaction and job performance in bank employees.
Additionally, the combination of job motivation and job satisfaction was found
to significantly predict job performance in bank employees.

The factors used in **Motivation** to measure organizational climate of SCB are:

- Recognition,
- Work itself,
- Opportunity for advancement,
- Professional growth,
- Good feelings about organization,
- Skills and capacities are put to use,
- Good equipment to work with,
- Monetary rewards (salary, bonus, incentive),
- Non-monetary rewards (leave, pension, insurance etc),
Job security,
Good relation with co-workers,
Effective supervisor and
Presence of core values.

3.8.2 WORK ENVIRONMENT

A positive work climate leads to and sustains employee motivation, high performance, and better results in health care. Good leadership and management practices contribute to a positive work climate. Work climate which provides clarity, supportive and challenge achieve organizational performance (Perry C. Lemay N, Rodway G, and Tracy Agaler J. 2005).

Ryan, Jane L (2009) indicated that there is no significant relationship between generational cohort and employee perception of satisfaction with job opportunities and a weakly significant relationship between generational cohort and satisfaction with work environment. The existence of workplace diversity, within an organization or workplace, indicates that the organization or workplace is heterogeneous in terms of gender, race, and ethnicity, in which employees possess distinct elements and qualities, differing from one another (Robbins, 2003).

Edwards Buckingham, Cheryl Demetria (2010) indicated that a moderate relationship exists between diversity awareness and employee job satisfaction and those diversity characteristics (demographics) can potentially impact diversity awareness. Hrobowski-Culbreath, Gladys (2010) stated that flexible work arrangements are tied to turnover, absenteeism, job
The purpose of this research is threefold: (a) Examine the relationship between flexible work arrangement programs, job satisfaction, productivity and work-life balance.

**A.K. Srivastava (2008)** examined the effect of two constituents of work environment (i.e. physical and psychosocial) on employees’ job satisfaction and performance, and organizational effectiveness in a sample of 360 technical supervisors and operating core personnel. The analyses revealed that participants who perceived their work environment as to be adequate and favourable scored comparatively higher on the measures of job satisfaction, performance, and perceived organizational effectiveness. Regression analyses revealed that among the various components of work environment, working condition, welfare provisions, interpersonal relations, and trust and support predominantly contribute to employees’ job organization and organizational effectiveness.

**J. Bruce Tracey, Timothy R. Hinkin, Scott Tannenbaum, John E. Mathieu (2001)** tested a model in which pre training self-efficacy and motivation were hypothesized to mediate the relationship between job involvement, organizational commitment, perceptions of the work environment, and training reactions and knowledge acquisition. It also proposed hierarchical relationships between levels of training effectiveness criteria.

The factors used in **Work Environment** to measure organizational climate of SCB are:
- Efficient supervisors,
- Supportive co-workers,
- Challenging work,
- Involvement in decision making,
- Clarity of work and responsibilities,
- Recognition,
- Work schedule options,
- Use technology,
- Work on interested project,
- Administrative justice and
- Team work and team spirit.

3.8.3 JOB SATISFACTION

Job satisfaction has been defined in terms of attitudes that individuals have towards their jobs (Weiss 2002, Robbins 2003). Schneider and Snyder (1975) define job satisfaction as a personal evaluation of the current conditions of the job or the outcomes that arise as a result of having a job. Sempane, Rieger and Roodt (2002) appear to agree with this definition, stating that job satisfaction refers to the individual’s perception and evaluation of the job. According to these authors, the individual’s perception is influenced by his or her unique circumstances such as needs, values and expectations. Therefore, jobs are evaluated by people on the basis of factors that are important to them. Although the definitions of job satisfaction are varied, it is generally considered
to be an attitude or feeling that one has about one’s job that is either positive or negative.

Employees who are high in job satisfaction generally like their jobs; they feel as though they are being fairly treated, and believe their jobs have many desirable features or characteristics of interesting work, good pay and job security, autonomy, or nice coworkers (Robbins, 2003). The belief that satisfied employees are more productive than unsatisfied employees has been a basic tenet among managers for years (Robbins, 2003).

Diala, LifyS (2010) identifies the most pertinent job satisfaction factors such as personality trait, values: extrinsic and intrinsic, working condition and social influence. Other pertinent factors are assertiveness, emotional resilience, extraversion, openness, teamwork disposition, customer service orientation, optimism, and work drive. There are four factors conducive to high levels of employee job satisfaction: mentally challenging work, equitable rewards, supportive working conditions and supportive colleagues. Markham, Leann Mills (2009) stated that IT (Information Technology) employees were most satisfied with the work itself. Also, this same group was highly satisfied with their job in general. Lastly, the number of years of work experience did not make a significant difference in regards to overall job satisfaction.

The factors used in Job Satisfaction to measure organizational climate of SCB are:

- Satisfaction with work group,
- Satisfaction with supervisor,
- Satisfaction job security,
Satisfaction with organization,
Satisfaction with pay,
Satisfaction with personal progress,
Satisfaction chance to advance in the future and
Satisfaction overall job satisfaction.

3.8.4 TRAINING

Training is a systematic development of the knowledge, skills and expertise required by a person to effectively perform a given task or job (Patrick, 2000) as employees try to keep up in this rapidly growing technology age, they need to continuously learn new skills and improve their current skills. Job training is a set of planned activities on the part of an organization to increase the job knowledge and skills or to modify the attitudes and social behavior of its members in ways consistent with the goals of the organization and the requirements of the job.

Job needs, technical progress, organizational changes and internal mobility etc. require training. Training is beneficial to employees in the form of self-confidence, higher earnings, safety, adaptability, promotion and new skills. Training provides advantages of higher productivity, better quality, less learning period, cost reduction, less supervision, less accidents, personal growth and operational climate. Orientation, job, safety, promotional, refresher and remedial are types of training.

Bartlett (2001) examined the relationship between employee attitudes toward training and organizational commitment among registered nurses from
five hospitals. Results showed that perceived access to training had a higher commitment to the hospital if they were satisfied with their jobs. In addition, perceived access to training, social support for training, motivation to learn, and perceived benefits of training were all significantly correlated with job satisfaction. Employees are likely to expect their companies to provide them with opportunities to develop their skills and knowledge.

Goldstein (1991) stated that the work environment may have a substantial influence on an individual’s motivation to learn and subsequent performance during training. Indeed, a few studies have shown that characteristics of the work environment, such as the amount of choice afforded to individuals to attend a training program, may have a direct influence on their motivation to learn, as well as knowledge and skill acquisition. The extent to which the work environment supports learning and development activities can vary significantly across organizational settings.

The factors used in Training to measure organization climate of SCB are:

- On the job,
- Off the job,
- Within work place,
- Outside the work place,
- Training for incentive,
- Training for promotion,
- Providing feedback and
- Orderly work planning.
3.8.5 CAREER DEVELOPMENT

Career development is the process or paths through which career goals are achieved. It involves identifying needs, organization career opportunities, identifying match\ mismatch, formulating and executing strategies and reviewing the plans. Top management support, expansion, clear goals, motivated staff, proper selection, right age balance, fair promotion policy, and managing career stress are essentials of successful career development.

Research has shown that organization providing their employees with career advancement and opportunities have positive work-related outcomes. Employees who feel they are capable of advancing their careers are more satisfied with their company than those who do not. Bigliardi et al. (2005) emphasized that having a variety of career opportunities within an organization is important to reduce levels of turnover intent.

Bolton, Shantay(2010) The workplace has four generations coexisting with different value systems, making it difficult for organizational leaders to meet the career and motivational demands of a multigenerational workforce. The purpose of this study was to fill the gap between organizational talent management strategies and employee work needs. This quantitative descriptive study, based on Maslow’s hierarchy of needs, focused on job security and job satisfaction between four generational cohorts. There were significant differences in career motivation and career decisions between cohorts.
The factors used in **Career Development** to measure organizational Climate of SCB in are:

- Clarification of goals and objectives,
- Providing time and funds,
- Recognition for good performance,
- Help to select the best suited career,
- Work facilitating,
- Career self-management,
- Fast track program and
- Providing mentoring.

### 3.8.6 ORGANIZATIONAL COMMITMENT

**Allen and Meyer (1990)** defines Organizational commitment is a psychological state that binds the individual to the organization. As measured by increased sales, improved productivity, profitability and enhanced retention, loyal and engaged employees tend to generate high-performance business outcomes *(Rogers, 2001; Tsui, Pearce & Porter; 1995).* These employees commit themselves to the organization’s vision and mission. Organizational commitment has evolved as a key indicator of employees’ attitudes. High employee commitment is a prominent feature of world class organization. **Welsch and LaVan’s (1981)** found that organizational climate is directly associated with the organizational commitment. Specifically, they found out that the five organizational climate variables, i.e. communication, decision-making, leadership, motivation, and goal setting were significant predictors of organizational commitment.
Meyer along with Becker and Vandenberghe (2004) has studied the relationship between organizational commitment and motivation by trying to build an integrative model in which commitment is presented as one of several energizing forces for motivated behavior.

It has been suggested that in many different corporations, organizational commitment is related to specific employee behavior. If employees are committed to the organization, turnover and absenteeism rates lower. Igbaria and Greenhaus (1992), while job and extra-role performance increase. Studies have also shown that managers wishing to improve organizational efficiency and effectiveness should ensure that employee commitment is optimal. Meyer and Allen (1998); Ostroff (1992); Markovits et al. (2007) examined the relationships between organizational commitment profiles and job satisfaction in Greece by collecting responses from both public and private sector employees.

The factors used in Organizational Commitment to measure the organization climate of SCB in are:

- Affective commitment,
- Continuance commitment,
- Normative commitment,
- Self-motivation,
- Motivating others,
- Goal achieving,
- Less absenteeism and
- Customer friendly.
Myers and Myers (1982) who define organizational communication as “the central binding force that permits coordination among people and thus allows for organized behavior,” and Rogers and Rogers (1976) who argue that “the behavior of individuals in organization is best understood from a communication point of view.” Neher (1997) identifies the primary functions of organizational communication as: Compliance-gaining, Leading, motivating, and influencing, Sense-making, Problem-solving and decision-making, Conflict management, negotiating, and bargaining.

Paul M. Muchinsky (1977) indicated that certain dimensions of organizational communication were highly related to both organizational climate and job satisfaction. When supervisors communicate with their employees, there is a mutual understanding of goals and the direction of the company, and those employees whose supervisors provide information are satisfied with their jobs than employees whose supervisors do not communicate with them (Pincus, 1986).

Changes confronting organization and the associated changes in organizational forms have made organizational communication increasingly important to overall organizational functioning. Communication technologies and networks are increasingly essential to an organization’s structure and strategy. Communication is not only an essential aspect of organizational changes, but effective communication can be seen as the
foundation of modern organization (Grenier and Metes 1992; D’Aprix 1996; Witherspoon 1997; von Krogh et al. 2000).

Organizational communication commonly has two goals (De Ridder, 2003). The first goal of organizational communication should be to inform the employees about their tasks and about the policy and other issues of the organization. The second goal is communication with a mean to create a community within the organization.

The factors used in Communication to measure the organizational climate of SCB in are:

- Transparent,
- Direct and short,
- Reliable,
- Speedy,
- Sufficient,
- Objectives are clearly defined,
- Policies are well informed and
- Creating a community within organization

3.8.8 LEADERSHIP STYLES

Leadership can be defined as the art of influencing and inspiring subordinates to perform their duties willingly, competently and enthusiastically in order to achieve the desired organizational goals.

Harsey, paul and Kenneth H Blanchard (1988) defines as “Leadership is the process influencing the activities of individual or a group in efforts towards goal achievement in a given situation” According to Robert
Tannenbaum et al, (1961) “Leadership is interpersonal influence exercised in a situation and directed through communication process, towards the attainment of a specified goal or goals.” Barnard Keys and Thomas Case (1990) stated that “Leadership is the process of influencing and supporting others to work enthusiastically toward achieving objectives”.

Leaders are also judged by their behaviors as leaders irrespective of the characteristics. If a manager has high consideration for the welfare of his subordinates and his policies, procedures and work assignments are all acceptable to the subordinates then such manager would be considered as a good leader. Using the Pearson correlation coefficient Handsome, Joseph Dewayne (2009) determined that job satisfaction increased with transformational leadership styles and decreased with laissez-faire leadership styles. This study contributes to positive social change by identifying the leadership styles that contribute to job satisfaction, thereby enabling organization to develop strategies to heighten job satisfaction, which may increase employee retention, quality, and revenue. Pathak R. D : Dhamani A.N. : Pestonjee D. M. (1993) studied the relationship of managerial effectiveness with motivational climate and leadership effectiveness and found that an effective manager is likely to be an effective leader but an effective leader may not be an effective manager.

The factors used in Leadership Style to measure the organizational climate of SCB in are:

- Sharing vision and goals,
- Improving performance,
Leading by example,
Reducing frustrating barriers,
Developing team work,
Ethical behavior,
Effectively leads the department,
Communicates well with sub-ordinates,
Moral support and help in crisis,
Supervisor’s encouragement and
Effective decision making.

3.9 Conclusion:

It is concluded that the factors of organizational climate variables which are given above are used to measure the employees’ perception of STANDARD CHARTERED BANK and their influence on demographic variables are studied.
REFERENCE


- **Markham, Leann Mills., (2009)** Perceptions of motivation and job satisfaction for information technology professionals at institutions of higher learning in Mississippi Proquest Dissertations and theses 2009.


