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GRT ORGANIZATIONAL CULTURE, LEADERSHIP STYLES AND ORGANIZATIONAL EFFECTIVENESS IN BANKING SECTOR: AN ANALYSIS

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Abstract:-Organizational culture plays vital role in making organization effectiveness. It helps to develop teamwork, unification, focused and shared objectives and mission among members of the organizations. Organizational culture as well as leadership style was main engine force to develop positive looks towards assignments, job satisfaction, and job involvement. It also helps to absorb new changes similarly; leader designs such organization environment where people feel confidence, ready to shoulder risk and new challenges etc. This study is directed to examine the association between organizational culture and leadership style in respect to organizational effectiveness in banking sector. Secondary data has collected to justify the objectives of the study and hypothesis.

Keywords:Leadership Style, Organizational Culture, Organizational effectiveness, bank

1.INTRODUCTION:

Culture word had derived from Latin word ‘ colere’ which means to cultivate or the process of, or developing land. Organizational culture is a reflection of the organization. (Dr.S.R.Myneni)Organization culture shows to workforce what is appropriate or inappropriate in the organizational context. Culture plays crucial role to unite the people to create single identification. It guides people how to behave and observe organizational rules regulations and proper behavior etc. because people come in the organization with their beliefs, values, experience or personalities, which developed where they brought up. Organizational culture plays important role in the context of new or dynamic environment such as globalization, privatization and liberalization. Similarly, leaders can utilize available resource to achieve organizational effectiveness.

It is rightly pointed out by Warren Bennis , that “survival in 21st century ,organization require new generation of leaders but not managers. (Bennis, 1989) This quote denotes that manager with leadership can achieve the organizations target with changing organizational environment. Nowadays Organization’s has been recognized the importance of leadership. They are investing huge amount of money on development and training of people to develop leadership qualities among the employees. Manager with leadership skills can make organization effective.

2. RESEARCH METHODOLOGY:

This research paper’s main objectives are to study conceptual framework of leadership styles and organizational culture and second is to examine the association between leadership styles and organizational culture in respect organizational effectiveness in banking sector. The study has undertaken with a hypothesis that there is a positive relationship between leadership styles and organizational culture in relation to organizational effectiveness. For that purpose, secondary data has collected to justify objectives and hypothesis.

3. CONCEPTUAL FRAMEWORK:

Leadership is an influence that is the art of process of influencing people so that they will strive willingly and enthusiastic towards the achievement of groups goals”. (Weihrich)“Leadership’ as the process whereby one individual influence other group member towards the attainment of defined organizational goals”. (G.A. Yukl)

3.1. Leadership Style:

Leadership style denotes the behavioral pattern of leader toward task, employees and situation. Style may motivate or de-motivate to employees. Tannenbaum and Schmidt shows that “those internal forces influence are individual’s leadership style. Following are important leadership styles which influence the behavior of employees to achieve organization’s goals.

Basic three leadership styles coined by White Ralph, Lippitt and Ronald such as Authoritarian, Democratic and Laissez-faire leadership styles. According to Burns, transforming leadership is a process in which “leader and followers raise one another to higher levels of morality and motivation. (Burns, 1978) This type of leader emphasizes on autonomy, justice, freedom, peace and humanistic approach through which they appeal people to attain the goal of the organization. Whereas transactional leadership believed that people work efficiently when they were properly motivated by reward and punishment. Leaders apprise employees on the basis of his performance.

3.2. Organizational Culture:

In the word of (Kluckhohn.C) Culture as a patterned manner of thinking, feeling, which is acquired and communicated through symbols and embodied in artifacts. Organizational culture as the shared social knowledge within an organization regarding the rules, norms and values that shapes the attitude and behaviors of its employees. (Jason A .Colquitt)According to (Brown) Organizational culture refers to the pattern of beliefs and learned ways of coping with experience that have developed during the course of an organization’s history and which tend to be manifested in its material arrangement and in the behavior of its members. On the basis of the above definition culture refer it’s a process of sharing common thought, feeling and beliefs and learn and pass to others. It also helps to cope with external challenges and changes and maintain internal stability.

4. REVIEW OF LITERATURE:

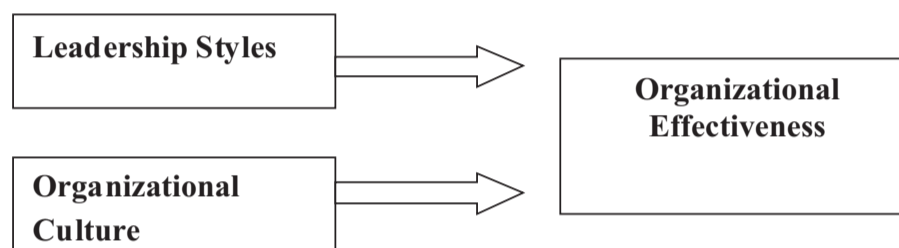
Following review of literature has light on the essential of appropriate leadership styles and organizational culture for making organization effective.

4.1. Leadership Styles and Organizational Effectiveness: A Review Leader should be aware of fact that fulfilling the needs and wants of employees can’t make organization effective unless he awakens them about their role and contribution towards organizational effectiveness. (Seshaih, 1981; K.Seshaiah, 1981) for that purpose leaders should adopt such leadership style which can make organization effective, organizational effectiveness is influenced by the transactional and transformational behavior of managers. (K.Rukamani, 2010)According to Weese (1994) transactional leadership styles help employees to know missions of the organization and build strong interpersonal relationship to adopt changes of mission, environment and direction. (Valle, Jan-March- 2001) Transformational leadership style is need in public sector to inspire and motivate employees to raise their commitment level and create a vision for future. (Anu Singh Lather, Oct-Dec. 2010).. It was found that transformational leadership style can effectively deal with these challenges, which help to build organizational commitment. (Ibrahim Sant Mert, 2010) Leaders can use different leadership styles according to perceived values, for example participative style can be used by managers when the organization’s main focus is on humanity-approach whereas authority style is adopted when organization’s main focus is on developing vision. (Kumar, Marh-2004) It was found that leadership styles such as bureaucratic, participative and authoritative are important leadership styles in relation to various tasks and varied situations to make organization effectiveness (Dr.B.B.Mishra, 2005)that nurturant, task-oriented and participatory leadership styles are an important expect authoritative style to create conducive environment and a sense of community.(R.Krishnan, Oct.1999)It is important that the leadership styles also vary according to level of management and age factor of managers.. (Oshagbemi, Oct.2008) There is positive correlation between the transformational leadership style of the managers and organization effectiveness.

4.2. Organizational Culture and Organizational Effectiveness: A Review The following review has examined the nexus between organizational culture and organizational effectiveness. The present review also probed in which culture directly linked with organizational effectiveness.

It was examined that strong organizational culture enhances the organizational effectiveness. Manager has to understand the organizational culture and orient his staff that result in right attitude of employees. It was found that there are cause and effect relation with each cultural factors. Leader should develop organizational culture in effective way and ensure that employee must absorb at the maximum strength. (Raduan Che Rose, March-2008). It was found vital cultural trait i.e. Involvement organization culture directly bears on employee’s satisfaction and overall organization’s performance along with adoptability found essential to enhance profitability of the organization. (Lone, 2008) It was found that job security is supposed to be major factors for low morale of employees as well as performance oriented plan should implement Organization’s values, belief’s and expectation are essential determinants to mould the attitude and behavior of employees towards organization effectiveness. (Priyadarshini, Aug.2005)Organizational effectiveness can be achieved through favorable organization climate. The effectiveness of bank concern to profits, it’s public image, the customer services, it’s rate of growth and its effectiveness.

Factors that contribute to organizational effectiveness are structural, process, organizational policy, climate, leadership style and behavioral and environmental factors. (Sunderarajan, July-1991) It was studied that organizational culture and its impact on organizational effectiveness at selected textile units of Northern India. Organizational effectiveness variable such as productivity, adaptability and flexibility. This research shows positive relation between organizational culture and organizational effectiveness. It also further provides Managing and developing human resource is essential for organizational effectiveness and it supported that transformational leaders can shape and maintain the desired culture of an organization. (Sharma, 2008) It was found that executives of MNC and public sector organizations are more concerned with autocratic, technocratic and entrepreneurial organizational culture. Whereas Public organization sector shows more concern to bureaucratic culture. It appears that frontline managers prepare Technocratic and entrepreneurial type of culture with analyzer and collaborative style of thinking. The main impact of culture on the frequency of using different decision modes may be the result of cultural difference in cognitive style, motivation or values. (Upadesh, Feb.2004).



Leadership Style, Organizational Culture and Organizational Effectiveness.

On the basis of the above review of literature it was revealed that the leadership style and organizational culture is associated with the organizational effectiveness. It was found that organizational culture and leadership style provides proper guidelines and motivation to workforce to achieve organizational goals. Thus, it can be possible only through effective leadership styles and conducive culture adopted in the organization. It was found that proper guidance and friendly environment within the organization results into organizational effectiveness. So it is clear from above review of literature that there is a positive relationship between leadership styles and organizational culture has positive relation with organizational effectiveness.

5. CONCLUSION:

Thus, banking sectors are playing important role in economic development and in providing employment opportunities. It is a known fact that banking sector is a pure customer oriented organization and success and growth of banking sector depends on conducive organizational culture and effective leadership style. Leader is the key person in organization who can understand customers need and expectation and try to motivate his staff to meet customer's goals. At the same time good leader and organizational culture also bridges the gap between management and employee.

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