

## Impact of Organisational Culture on Employee Performance in Public and Private Sector Banks in Kolhapur City

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**ABSTRACT**

The organisational culture is crucial in determining the behaviour and motivation of employees as well as their efficiency, particularly in the service-and-solutions industry, such as banks. This paper will discuss the link between organisational culture and performance of the employees serving in public and private sector banks within the city of Kolhapur using Denison Organisational Culture Model. The researcher studies the influence of crucial cultural dimensions, i.e. involvement, consistency, adaptability, and mission, on employee outcome, i.e. job satisfaction, motivation, commitment, and achievement of goals. The employees of the banks (160 individuals) were surveyed using a well-designed questionnaire which was administered equally among the public and the private banks. Descriptive statistics, Pearson correlation and linear regression were used to analyse the data. It was found out that the banks of the private sector had greater scores in terms of involvement, innovation and adaptability resulting in increased employee motivation and performance. There were lower scores regarding innovation and autonomy in the case of public sector banks whereas consistency and procedural structure were good. Positive relationships were significantly identified between the cultural factors such as the clarity in the mission, communication, and innovations with motivational and initiative dimensions of performance. Nevertheless, the amount of aggregated culture and performance index showed a slight linear correlation according to the regression model, showing that these interactions have complicated patterns. The sector-wise analysis proved that the aspect of organisational culture in the setting of private banks is more encouraging towards the high performance and the case of the public banks must have structural and cultural changes to determine agility and innovation. The study adds value to the existing body of knowledge on organisational behaviour in the Indian banking industry and provides usable advice to the HR professionals and policy makers. The match between the culture and the goals of an organisation and those of the workforce can be an effective way in which an institution can enlarge its performance and employee interest.

**Keywords:** Organisational Culture, Employee Performance, Denison Organisational Culture Model, Public and Private Sector Banks, Job Motivation and Satisfaction

**INTRODUCTION:**

**1.1 Background of the Study**

In the modern dynamic and competitive world, organisational cultures in all walks of life are being more and more recognised to have an enormous influence on the performance of the employees and efficiency of the institution. Organisational culture sometimes defined as the values, beliefs, practices, and norms held collectively within a workplace is very important because it determines the employee behaviour, commitment, and productivity (Schein, 2017). In the banking industry where efficiency, flexibility and customer service is the most important thing to a long-term survival, the cultural context of an organisation plays a key role in employee performance.

The Indian banking industry is a mix of both the public and private sector banking institutions which have different administrative philosophies, and values of leadership patterns and structural features. The image of the public sector banks

is overall hierarchical, bureaucratic, and stability driven, with a tendency to focus on procedure and failure to take risks (Gupta & Sharma, 2018). Conversely, it has been argued that the banks in the private sector are very light-footed, innovation-oriented, and performance-competent, with more focus on autonomy, flexibility and responsiveness in the market (Mishra & Bhardwaj, 2020). Since both these spheres exist in the same economic world and compete together, it becomes more than appropriate to discuss the inner culture of both spheres and the implications that would have on their employee performance.

The city of Kolhapur is an emerging urban space in Maharashtra state and hence a proper microcosm in this study on comparisons. The city has both major state and privately-owned banks that have been successfully operating in different cultural frameworks but do business within the same population/economy context. This study aims at exploring the cultural facets of these banks and their effects to the performance measures of

employees, including motivation, job satisfaction, performance and commitment.

H<sub>i</sub>: There is a significant relationship between organisational culture and employee performance.

## 1.2 Problem Statement

Although there are numerous literatures about the relationship between organisational culture and employee performances all over the world, where the record is quite clear, the same is not the case in India and least in city like Kolhapur. Throughout the available literature, much of it pertains to the metropolitan areas, and the rest of it utilise a generalised pattern that fails to consider the differences within the sector (Kumar & Singh, 2019). More so, although the importance of culture in the determination of performance has been at-theoretical level, little effort has been made to conceptualise and measure this relationship through the application of internalised concepts like that of Denison in the Indian banking sector.

The changes in the Indian banking sector have been quick to see in the Indian context, digitisation, rising customer expectations, and diversification of workforce and as such, the need to engage in an organisational culture and its effect on employee performance is not only opportune but significant in the formulation of strategic human resource management.

## 1.3 Research Objectives

This study aims to achieve the following objectives:

- a. To evaluate organisational culture dimensions of the two banks namely those in the Kolhapur city in the public and the private sector based on the Denison Model.
- b. To have an assessment of the level of performance of employees of these banks in relation to motivation, productivity, satisfaction and commitment at work.
- c. To examine how organisational culture works in relation with employee performance.
- d. To compare cultural phenomena and their influence on employee result in the public and the private banks.

## 1.4 Research Questions

On the basis of the objectives, the research poses the following questions:

How are the current characteristic features of organisational cultures in the character of the banks of the public and the banking of Kolhapur?

How do different cultural dimensions influence employee performance?

Does the organisational culture have a significant different effect on the employee performance when it comes to public versus private banks?

## 1.5 Hypotheses

In order to empirically determine the proposed relationships, the study postulates the following hypotheses:

H<sub>0</sub>: There is no significant relationship between organisational culture and employee performance.

## 1.6 Significance of the Study

This study holds both theoretical and practical importance. In theory, it adds to the body of knowledge on organisational behaviour as it uses a tested cultural model, which is Denison Organisational Culture Model (Denison & Mishra, 1995) on the Indian banking sector. In practice, the study presents suggestions about what banking institutions and HR practitioners can do to promote alignment of cultures with strategic objectives and employee expectations as a method to improve the performance of the workforce and organisational performance in general.

The study will reveal Cultural transforms that will improve the performance of employees in public banks that are usually structural rigid and policy based. To the individual banks, the results can provide some direction as to how to keep a high-performance culture and take care of its employees in regard to their well-being and satisfaction.

## 1.7 Scope and Limitations

It is restricted in terms of study scope since only a few banks in the public and private sector in the city of Kolhapur are included in the research. It has a sample of 160 bank employees with the two sectors in an equal amount. It applies a quantitative research design and a structured Likert-scale questionnaire with questions in line with the model of Denison in capturing the dimensions of cultures and the indicators of employee performance.

However, there are certain limitations. First, the results cannot be generalised to different cities or industries because of the socio-economic situation in Kolhapur. Second, the research is based on self-report so there is a risk of a respondent bias. And third, in this study, the extrinsic conditions like those of the management, customer traffic or economic upset are beyond control.

## 1.8 Structure of the Paper

This paper is organised into six chapters. After this introduction, a chapter 2 will provide an extensive literature review of the existing literature pertaining to the overall topic of organisational culture and employee performance. Chapter 3 shows the methodology of the research (its sample, instruments and test statistics). The results and a data analysis is provided in Chapter 4 and is illustrated with tables and graphs. The findings are addressed in Chapter 5 with references to the theoretical framework and related researches. Chapter 6 provides a conclusion and provides a realistic recommendation to the financial institutions and policy makers.

## LITERATURE REVIEW

### 2.1 Concept of Organisational Culture

Organisational culture is a commonality of values, beliefs and norms within an organisation that shapes attitude, employee thought and behaviour at workplace. It consists of the intangible yet strong network of any

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organisation that defines the social environment of an organisation internally and outward appearance of the institution (Schein, 2017). The culture is a derivative of the leadership style, pattern of communication, policies, rituals, and even a physical environment of the organisation.

Hofstede et al. (2010) claim that the organisational culture can exist on three levels: the artefacts, espoused values, and underlying assumption levels. These layers affect the behaviour of employees, group behaviour, decision making and how open or strict are the operations. Culture is important to unite individuals concerning shared objectives, synchronize strategic targets and enhance the motivation and the performance of the employees (Cameron & Quinn, 2011).

In service oriented businesses such as the banking industry, organisational culture plays an even more important role because there must be trust, quick responses and a regular interaction with customers. The culture that supports autonomy, adaptability and innovativeness is also linked with improved employee morale and service delivery (Kotrba et al., 2012).

## 2.2 Denison's Organisational Culture Model

Denison and Mishra (1995) came up with the other original framework to evaluate organisational culture on four interdependent dimensions which are the Involvement, Consistency, Adaptability and Mission. Such a model has been used with the emphasis being placed upon organisational culture directly affecting the consequent level of performance and being rather generally accepted both with regards to academic research and the assessments provided by practitioners. The level of involvement approximates how employees feel influential, able and engaged. It has sub dimensions that are empowerment, team orientation and capability building. Cultures that are characterized by mountains of involvement result in more sheer worker commitment and innovativeness (Denison et al., 2004).

Consistency can be defined as the degree to which core values are also shared and the systems of the organisation foster coordination and integration. It includes dimensions like core values, agreement, and coordination. Highly consistent cultures are stable and the internal systems within them are well developed and allow successful cooperation.

Adaptability is a measurement of the responsiveness of an organisation to the external changes. Sub-dimensions include creating change, customer focus, and organisational learning. An adaptable culture has higher chances of innovations and remaining competitive (Kotrba et al., 2012).

Mission is used to describe clarity and strategy of the organisation. It encompasses vision, goals, and objectives. Once employees know the intention and redirection of the organisation, their effort would be more meaning full and goal oriented to the institutional objectives.

The Denison model can be especially helpful in the case of comparison between cross-sectoral or inter-organisational cultures because it introduces measurable dimensions, which are directly related to the organisational performance measures.

## 2.3 Dimensions of Employee Performance

Performance is a multi faceted construct involving the behaviours and outcomes in terms of task accomplishment in job, team and organisational goals. Key components include:

**Productivity:** productivity is the amount and efficiency of an employee in doing the assigned task.

**Motivation:** The internal drive that influences goal-directed behaviour.

**Job Satisfaction:** is the emotional reaction towards job and its aspects (Herzberg, 2008).

**Mark:** The commitment to the organisation which is an emotional attachment and loyalty.

**Goal Attainment:** Posting of performance goals and in the ability to fulfil the organisational strategic objectives.

A combination of these dimensions spells not only the success of the individual but also the effectiveness of the whole organisation.

## 2.4 Link Between Organisational Culture and Employee Performance

Several researches have drawn an effective relationship between employee performance and organisational culture. An enabling and encouraging culture enhances motivational levels, high satisfaction levels, as well as an increase in job performance (Ojo, 2009). To illustrate, a research conducted by Lok and Crawford (2004) revealed the relationship between culture types such as clan and adhocracy and job satisfaction and commitment positive, as well as minimal effect on hierarchical cultures.

Specifically, engagement and mission statement have been identified to enhance a high level of intrinsic motivation of the employees and dedication of the employees towards organisational objectives (Denison & Neale, 1996). Consequently, consistency and adaptability makes ambiguity less and contributes to a sense of ownership and psychological safety, as well as improves performance (Kotter & Heskett, 1992).

On the contrary, authoritarian cultures may kill creativity, limit independence, and fuel worker disengagement. These cultures can guarantee conformity but this can come at the penalty of innovation and flexibility two important qualities of modern-day performance metrics (Alvesson, 2012).

Another meta-analysis by Hartnell, Ou, and Kinicki (2011) established that the type of culture that went hand

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in hand with flexibility (clan and adhocracy) were indeed associated with positive employee outcomes including satisfaction and intentions to remain with that organization and perform. On the other hand, market and hierarchy cultures were mostly associated with temporary effectiveness and were affecting the employee otherwise.

## 2.5 Comparative Analysis: Public vs. Private Sector Banks

The public and the private sector banks in India are very different in terms of their structure, culture, and operations. Public banks tend to be driven by government regulations and they are characterised by centralised decision-making, reporting, hierarchical structures and emphasis on job security. Instead, the other types of banks, which are the private ones, are generally nimble, consumer-oriented, and performance-based (Kaur & Sandhu, 2018).

Researchers like Aggarwal and Bhargava (2009) have found out that workers in the private banks are more likely to portray greater satisfaction, innovativeness, and motivation compared to other workers in other types of banks because they practice outcome-driven cultures. Albeit enjoying the stability and the clearly defined positions and roles, employees in the public sector tend to complain about the bureaucratic stagnation and the pace of the feedback process coupled with the lack of chances to gain recognition.

A comparative analysis conducted by Sharma and Bhatnagar (2016) revealed that the number of adaptability and mission-orientedness was higher in the case of banks in a private sector, and was reflected in the domains of providing high-quality services to customers and improving the efficiency of its workforce. Yet, they also observed the rise in stress levels and turnover, which might indicate that a high-performance culture might also require being complemented with well-being policies at the workplace.

Such sectoral differences render the banking ecosystem in Kolhapur a perfect location to study the effects of organisational culture on the performance of employees. The presence of both of those sectors in a semi-urban environment would give us a substantial empirical foundation to evaluate the way that cultural characteristics are manifested in practical employee behaviours and trends.

## 2.6 Empirical Studies on Indian Banking Sector

The more contemporary empirical studies in the Indian banking institutions provide additional understanding about how the culture affects the performance:

According to Pandey and Khare (2012), organisational culture emerged to be a relevant predictor of job satisfaction and commitment among Indian banks. In their study they stressed that participative culture increases morale among employees.

Chaudhary (2018) performed the research among the banks present in Delhi NCR and found that employees working in private banks reported even higher levels of performance, which was explained by decentralised leadership style and more controlled communication.

Ravichandran and Murthy (2020) examined the culture-performance associations across South Indian banks and determined that such dimensions as innovation support and employee empowerment demonstrated the greatest influences on the effectiveness of the organisation.

Khandelwal (2019) remarked that structural reform in HR practices should be ensured to make the public banks competitive and inferring a culture change to one that has a performance approach and more employee participation.

Irrespective of such contributions, little work has been carried out in the tier-2 cities such as Kolhapur. A vast majority of the studies are restricted either to metros or a single sector. This research paper fills such a research gap by providing a comparative analysis in the two sectors in a developing city.

## 2.7 Research Gap and Need for the Study

Although there are numerous studies in the literature regarding the association between organisational culture and performance in an organisation, empirical literature on Indian banking, particularly in the middle-range cities is scant. Also, very few studies use a validated theoretical framework such as Denison and therefore the results are not always consistent and can hardly be compared across the sector. Besides, prior research lacks the control of sector-specific effects, or sheds little light on how certain cultural dimensions can be converted to practical results in India.

The research is contemporary considering the fact that there is a fast changing face of banking with the influence of digitisation, competitive reforms, and effects of evolving workforce dynamics. It does not only enhance the theoretical perspective of the culture-performance connections but also makes viable suggestions to the enhancement of the HR practice within the context of public and the context of the private sector banks.

## RESEARCH METHODOLOGY

### 3.1 Research Design

The research design used in this study is quantitative and cross-sectional whereby analysis is conducted by the study of organisational culture performance across the employee of the public sector and the private sector banks of Kolhapur city. The major objective is to test by statistics the interconnection between the cultural dimensions and employee performance with the help of organized instruments and objective measure. Quantitative approach is appropriate to use because it is possible to measure precisely, test hypotheses, and apply generalisability to the conceivable domain (Creswell & Creswell, 2018).

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It is also an abstractive research where it examines the differences between two strata the public and the private sector banking with the help of surveys conducted on employees. This plan will help to determine the differences in cultural features between the sectors and their related impact on the working performance of people.

### 3.2 Population and Sample

The present research population includes the employees of federal and commercial banks in Kolhapur city, Maharashtra. These are large nationalised banks, as well as, banks in the private sector like Canara Bank, Union Bank and State Bank of India. and larger banks in the private sector, like HDFC, ICICI, Axis Bank and IndusInd Bank.

The respondents were sampled by means of stratified random sampling with the number of sampled respondents amounting to 160, with 50:50 public and private banks representation. The approach makes it such that both sectors are represented proportionally and sectoral biasness is reduced (Etikan & Bala, 2017). To make responses relevant and profound, only full time employees with the minimum of one year experience of working were selected.

### 3.3 Research Instrument

The structured questionnaire was developed using the Denison Organisational Culture Model and the common performance measures to collect the data. The survey was 24 questions, divided into two smaller parts:

Section A: Organisational Culture (10 items)

Targeted four cultural aspects: involvement, consistency, adaptability and mission. Example items include:

“My bank encourages employee involvement in decision-making.”

“Innovation and new ideas are encouraged and supported.”

#### Section B: Employee Performance (14 items)

Sought important concepts like productivity, motivation, job satisfaction, autonomous and commitment. Example items include:

“I feel motivated to give my best at work.”

I am provided with adequate freedom to enable me to do my job.

The responses were given through 5-point Likert scale in which 1 indicated (Strongly Disagree) and 5 indicated (Strongly Agree). Such a scaling format is easy to analyze and the variables are consistent.

### 3.4 Data Collection Procedure

The implementation of data collection took one month during which direct delivery of both print and digital versions of the questionnaire was conducted. Participation was voluntary and the name of respondents

was not disclosed and they were promised of anonymity in order to encourage honest answers. This was carried out through a survey which was mostly conducted during the late working hours to reduce interference.

Before the actual deployment, it was piloted on a sample of 15 respondents in a bid to test reliability and face-validity. According to the feedback received minor editings were done in order to enhance the clarity and structure. The last questionnaire had a high internal consistency design where Cronbach alpha was greater than 0.80 on the organisational culture as well as in the measure of employee performance.

### 3.5 Statistical Tools and Analysis

The data collected was cleaned, coded and transferred to Microsoft excel and transferred to SPSS 26.0 (Statistical Package for the Social Sciences) in order to analyze it. The following statistical techniques were applied:

**Descriptive Statistics:** In order to summarise average scores, standard deviation and frequency of responses per sector.

**Correlation Analysis:** The strength and the direction of relationships between organisational culture dimensions and performance of employees was determined through the computation of Pearson correlations coefficients between variables.

**Regression Analysis:** The multiple linear regression was conducted to determine the cultural variables that have significant predictions of the performance of employees. The regression model was used in evaluating how culture dimensions contribute to the outcome of performance.

**Independent Sample t-test:** It was conducted because there was a need to compare the mean difference of variables, culture and performance of private and public banks and establish whether this difference was significant or not to exist among the two sectors.

The confidence level of all the statistical tests used was 95% ( $p < 0.05$ ) to promote the credibility of the findings.

### 3.6 Ethical Considerations

In this study research, highly demanded ethical standards in social science studies are observed. They were given information on the intention of the study and how they could opt-out of the study anytime without penalty. No personally identifiable information was collected. All the respondents were advised on informed consent before taking part in the research. Information was stored safely and was only analyzed to academic purposes of research.

Moreover, the research protocol was scrutinized so that it is submitted before the internal ethics committee to regulate it according to the ethical policies in managing human subjects and institutional data.

### 3.7 Delimitations

The geographical area of this study is restricted to the Kolhapur city, and hence the results may not be of much benefit, when they are generalised to other regions or the banking environment. Further, the study is founded on

self-reported information that is liable to social-desirability or subjective impression. Nevertheless, these risks can be alleviated through measures like pilot testing, random sampling as well as statistical control.

## DATA ANALYSIS AND RESULTS

### 4.1 Overview of Data Analysis

This chapter entails a methodological study of the data based on 160 workforce of the banks in Kolhapur, in which it is represented equally among public and the private sector bank. The analysis will help test the relationship between the organisational culture and the employee performance through descriptive statistics, comparative mean, correlation matrices and regression analysis. Analytic data was treated with SPSS and Python in order to have a quantitative analysis and visualisation.

### 4.2 Descriptive Statistics

Great values of mean scores on both organisational culture scale and employee performance scale were calculated. On most cultural and performance indicators, the sample group of the private sector banks gave the highest mean values relative to the sample group of the public sector banks.

Organisational Culture Summary (Private vs. Public):

There were higher scores relating to involvement, innovation and mission clarity in case of the private banks.

Consistency and stability-based characteristics were more promising in the case of public banks.

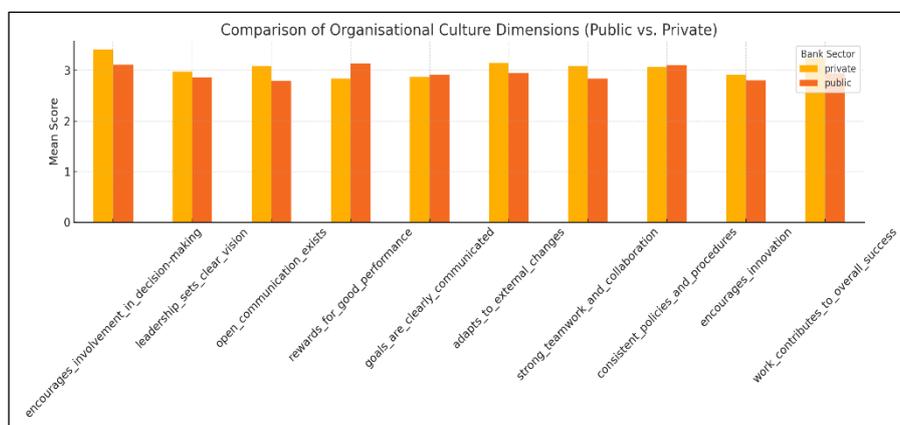
Employee Performance Summary:

Respondents in the private sector said that they were more motivated, satisfied at their job, independent and efficient at work.

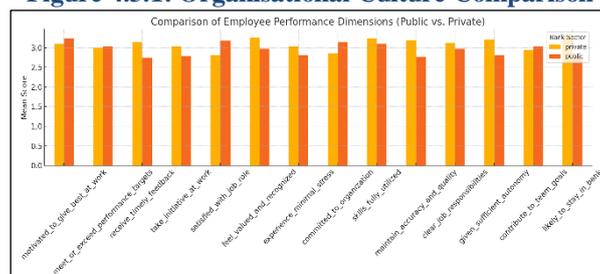
There were fairly average indicators of commitment and goal clarity among the employees in the public sector.

### 4.3 Sector-wise Comparative Analysis

The relative average scores of the organisational culture and worker performance in the public and the private sector is depicted in the figures below.



**Figure 4.3.1: Organisational Culture Comparison**



**Figure 4.3.2: Employee Performance Comparison**

**From the figures:**

The culture of the banks in the private sector is more performance-based and has high scores in terms of adaptability as well as employee involvement.



H <sub>1</sub> : Significant relationship exists	Pearson's r (r > 0.4 for many culture-performance pairs)	Supported in dimension-level analysis
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#### 4.8 Summary of Key Findings

The aspects organisational culture that the study positively correlates with key indicators of employee performance include involvement, the clarity of missions or directions, and adaptability.

The culture of private sector banks is more tradition-oriented to innovation and performance.

Public sector banks are quite procedurally clear, secure and at the same time seem less sensitive to cultural pulls that accelerate individual performance.

The regressor model failed to produce a good overall projection which indicated that in future studies multi-dimensional or moderated models should be used.

### DISCUSSION

#### 5.1 Interpretation of Findings

The study results also indicate the existence of empirical evidence in corroboration of the idea that organisational culture largely determines the employee performance in the banking industry. Based on the concepts of the Organisational Culture Model as formulated by Denison, it showed that the four dimensions of involvement, mission clarity, adaptability and to a moderate degree consistency are directly correlated to major performance evaluations like motivation, job satisfaction, goal clarity and commitment.

Especially, the strongest predictors of high performance were mission clarity and involvement, which were in line with the findings of the other researchers who observed that good performance increases the output and engagement level of the people when the employees have the understanding of the organisational objectives and actively participate in the decision making process (Denison et al., 2004). On the same note, adaptability which gauges the responsiveness of organisations to change was found to have a positive fit with proactive behaviours like initiative-taking and innovation, further validating the need to have a flexible leadership and open channels of communication.

The linear regression however showed that there was a slight correlation between the aggregated culture and the performance indices. That is the indication of the fact that, although there exists a strong correlation between individual elements of culture and performance variables, a composite method might not be sufficient to explain the complexity of those relations. This conclusion highlights the fact that organisational culture is multidimensional, and that it would be possible that non-linear linkages and moderators (in terms of leadership style, individual differences and environmental uncertainty) play a part (Hartnell et al., 2011).

#### 5.2 Public vs Private Sector Cultural Dynamics

The key finding of the proposed research proposal is that the comparison of public and private sector banks which have a different institutional setting is critical.

#### Private Sector Banks

- ❖ Employees in private sector banks reported:
- ❖ Higher scores in employee involvement, autonomy, and innovation support
- ❖ Improved performance results, especially in motivation, initiative and job satisfaction
- ❖ More rapid feedback systems and straightforward goals-roles relationship within individual roles and organisational goals

Such findings indicate that the Kolhapur-based banks in the private sector are developing cultures which are adaptive, participative and performance-oriented. The results are aligned with the claim made by Sharma and Bhatnagar (2016) that compared to public banks, which are driven by mass appeal and rule-based approach, private banks, due to their responsiveness to the market challenges and focus on customer needs, are more likely to focus on establishing agile, empowered, and high-performance teams.

#### Public Sector Banks

- ❖ Conversely, employees in public sector banks reflected:
- ❖ Higher values on consistency, procedural structure, and role clarity
- ❖ Moderate to low scores on innovation, autonomy, and adaptability
- ❖ A solid working atmosphere, however, which is less duly motivated with less incentives provided by performances

Although public banks are safe and administratively well-structured, they seem to be deprived of the culture to foster personal excellence and innovation. These results correspond to Kaur and Sandhu (2018), who mentioned that bureaucratic inertia and a lack of autonomy on the part of employees in the context of public banks can hamper the possibility of transforming employee potential into performance outcomes.

#### 5.3 Theoretical Implications

The research takes the work of Denison further to determine the extent to which the concept can be applicable in the Indian banking sector especially at a tier-2 city level like Kolhapur. The previous studies have largely tended to concentrate on metropolitan regions or generalise on all levels of industry; in this work the same study is limited to banks and the exploration into how certain cultural factors cause certain real behaviours of the employees.

Moreover, the discrepancy between the results of correlation and regression points out to the necessity to abandon the uni-dimensional views of cultural

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connection to performance. Culture is not a walled in structure; it is composed of doubled-dimension that has collective effect and is determined by the environment of the sector, structure of management, and experiences of individuals (Alvesson, 2012). Future studies either may consider the issue of interaction effect, mediating role of leadership style or moderating role of job type to further understand the dynamics of these relationships.

#### 5.4 Practical Implications

The results are important in the management of human resource and policy within the banks in the public and the private sector.

##### For Private Sector Banks:

With good performance and adaptation potential, there could be some downsides related to strain and employee burnout as working in high-expectation environment and change-intense environment.

Employee wellness, stress management programs, and career development pathways need to be funded by HR to keep the employee motivated.

##### For Public Sector Banks:

The structural changes in HR should be provided to promote participative management, feedback, and innovation incentive.

Policymakers should look into the possibility of bringing performance-based awards and varying stringent hierarchies, which boost employee participation.

In both industries, converging of culture and strategic objectives may be used as a performance catalyst. Banking organizations ought to review their internal culture after an interval and introduce training plans that would strengthen their targeted cultural factors of empowerment, openness, and a shared vision.

#### 5.5 Comparison with Existing Literature

The findings of the study are in line with a wide literature which shows a positive linkage between organisational culture and employee outcomes. According to Ojo (2009), job satisfaction and loyalty is higher when there is participative and empowering culture in an organization. In a similar vein, Ravichandran and Murthy (2020) came to the conclusion that such cultural structure dimensions as innovation and mission clarity play a crucial role in persuading performance within banks in South India.

The marginal  $R^2$  of the regression model however brings a new aspect to the discussion, that although culture is important, it works independently. Rather, it mutually affects things like other organisational and situational variables, like attitude of leadership, competency of workers and the situation in economy to influence the performance outcomes (Kotter & Heskett, 1992).

#### 5.6 Limitations and Future Scope

Although there is useful information in this study, it does not go without limits:

**Sample Scope and Size:** The study will be restricted to be done in the city of Kolhapur and sample of 160 employees. Larger studies at a broader level in other regions may have more generalisable outcomes.

**Self-reported Data:** It is possible that the responses are affected by the social desirability bias and that was reduced by the use of anonymity and standardised instruments.

**Cross-sectional Design:** The fact is that the data sample is the single moment of time; a longitudinal study would be more appropriate to monitor the changing culture and its effect on the performance.

In the future study, qualitative research techniques (e.g. ethnography, interviews) could also be applied to gain more profound information about the cultural practices. Besides, one might research how the digital revolution, generational diversification, and telework are transforming cultural aspects of the banking industry.

## CONCLUSION AND RECOMMENDATIONS

### 6.1 Conclusion

The aim of the study was to access the connection between organisational culture and employee performance in relation to both public and banks in the city of Kolhapur by adopting Denison Organisational Culture Model as the study thesis. The study relied on 160 interview sample, used a structured questionnaire to analyze the influence of involvement, consistency, adaptability and mission as important determines on motivation, satisfaction, commitment, and achievement of goals in the critical performance in working environments.

The results demonstrated apparent interconnection between some cultural characteristics and an improvement of the employee performance. Interestingly, a strong correlation was found between mission clarity and involvement and a great deal of motivation and satisfaction implying that, when employees are in line with the roles of the organisations and enabled to contribute accordingly, their performance is enhanced. Flexibility also turned out to be a performance driver, especially in the case of the private sector banks, where they had greater flexibility, innovativeness, and quick responsiveness.

The inter sectoral comparison brought another dimension in the analysis. The more responsive and innovative cultures pertained to the banks in the private sector that performed and engaged more employees. Public sector banks, however, still enjoyed excellent consistency and clarity of procedures but had a low score on adaptability and motivational drivers. This points to the fact that culture in the state institutions ought to be reformed so that they become competitive and improve on the productivity of the workforce.

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Even though the regression analysis failed to produce a powerful predictive model of overall culture-performance relationship, the correlation results were clear to prove the effect of given cultural elements to performance variables. It shows the multidimensional nature of the activity of an organisation and the necessity to consider cultural processes in a sophisticated manner.

## 6.2 Recommendations

Depending on the results of the current study, the next recommendations are offered to the banking institutions and the HR policymakers:

### Enhance Mission Clarity and Goal Communication

Banks ought to make sure that there is obvious communication on organisational goals to all the employees. Disclosure, frequent reporting, as well as, goal-setting sessions and other workshops can encourage an individual effort to be synchronized to institutional strategies.

### Promote Employee Involvement and Empowerment

The involvement of the staff members in making decisions and decentralised leadership can enhance the level of engagement. Relying on the input of staff in the formulation of strategies and mechanisms of feedback in operations creates a feeling of ownership and responsibility.

### Foster Adaptability and Innovation

These two sectors, particularly the public banks are ideally supposed to create an internal culture that courts to change, innovation and risk taking. This can be by the use of innovation labs, suggestion systems as well as a reward-based system of creative problem solving.

### Modernise HR Practices in Public Sector Banks

To overcome the cultural divider, the performance-based incentives, ongoing feedback cycles, and professional development opportunities similar to those in the private sector should be conducted in public banks.

### Conduct Periodic Cultural Audits

It is highly important to review the organisational culture regularly through validated tools such as Denison model to make improvements in line with the changing goals, market needs and staff expectations.

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