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Organizational Culture and Job Satisfaction of Greek Banking Institutions

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Abstract

The purpose of this study is to investigate the relation between organizational culture and job satisfaction. In particular, the research hypothesis is that the type of organization culture in a specific institution is able to predict the levels of job satisfaction among employees. For the measurement of job satisfaction in the present study, the Employee Satisfaction Inventory - ESI (Koustelios, 1991; Koustelios & Bagiatis, 1997) was used. The inventory was created using Greek employees as a sample. It included 24 items , which measure six dimensions of job satisfaction. The assessment of organizational culture was performed with the Organizational Culture Assessment Instrument (OCAI) developed by Cameron and Quinn (2006). It included six questions (Dominant Characteristics, Organizational Leadership, Management of Employees, Organizational Glue, Strategic Emphases, Criteria of Success). Each question had four alternatives (A=Clan, B=Adhocracy, C=Market, D=Hierarchy). According to the results, there is a significant difference between all aspects of current and preferred organizational culture types among employees of Greek banking institutions. The majority of employees would prefer to work in a more friendly environment, where mutual trust and informal relationships among colleagues are dominant, personal ambitions are taken into consideration and teamwork is rewarded. Moreover, the present study showed that organizational culture can partially predict the levels of employees' job satisfaction. In particular, the adhocracy and the market type are more likely to make employees dissatisfied with their salary, while the opposite happens with the hierarchy type. Nevertheless, further investigation is needed, so that Greek bank employees' job satisfaction is being well studied and promoted.

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Keywords: Job Satisfaction; Organizational Culture; Bank employees; Greece

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1. Introduction

In modern, mainly western countries, the evolution of science, medicine and technology during the past decades has brought great social, cultural and economical changes. Many business sectors have risen and the global market has become more demanding and competitive than ever. As a result, an internal culture has arisen among employees, reflecting each organization's structure and politics. Nonetheless, the current global crisis in economy has badly affected the market in almost every country. Therefore, earnings have dropped dramatically, working hours have been extended and working force has impoverished.

As a result, employees have become more prone to stress, disappointment and aggression. More specifically, employees have negative attitudes and behavior towards their working conditions, superiors and colleagues, they tend to feel more anxious and less committed to their job, their intention to quit has risen and they show high levels of disappointment and pessimism. Therefore, it comes as no surprise that the interest of academics and company managers has turned to the study of human resource management and attribution, so that the levels of employees' job satisfaction rise and their experience of occupational stress and emotional burnout decreases.

2. Literature Review

2.1. Organizational Culture

Organizational culture has been a field of interest for many years, indicating several differences between values and expectations of employees with different cultural backgrounds (Tayeb, 1996). Black, Gregersen & Mendenhall (1992) have supported that problems that are likely to rise during multinational business activities and working environments are wrongly attributed to professional incompetence, while they most probably happen because of the employees weakness to perceive other people's beliefs and behavior and adapt to foreign strategies. Thus, a fundamental challenge for organizations is to make their employees re-categorize demographically dissimilar people as in-group members, so that interaction and mutual trust are promoted and information diversity becomes constructive (Gruenfeld, Mannix, Williams & Neale, 1996). According to Hofstede (1991) an organization's internal culture should be studied and measured as part of the workers' national culture, demographic characteristics and individual features. In the 1970's, the universal rise in economy and the elevation of competition among companies resulted in the migration of big numbers of workers and employees to Western countries, which made organizations and institutions multicultural and miscellaneous. Numerous researches were carried out to find out whether the employees' corporate attitudes, values and ways of behavior influenced their work performance and the institution's success (Tharp, 2009). Gradually, researchers introduced new means of improving business performance via knowledge, lifestyles, values and experiences shared among employees (Ouchi, 1981; Deal & Kennedy, 1982; Pascale & Athos 1981).

2.2. Definitions of Organizational Culture

Since many different definitions have been suggested for organizational culture, many researchers agree that it refers to a system of values, beliefs and behavior shared among employees (Deshpande & Webster 1989; Ravasi & Schultz, 2006; Xiaoming & Junchen, 2012). The most popular and concise definition is most probably the one that has been formed by Schein (2004), who stated that: "Organizational culture is the pattern of basic assumptions that a group has invented, or discovered in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems" (p. 3). In the frame of this definition, culture is a dynamic process, resulting from the interaction among others and promoted by leadership behaviors. It encompasses "a set of structures, routines, rules and norms that guide and constrain behavior" (Schein, 2004, p.1). Another successful –and perhaps more specific- definition of organizational culture has been given by Claver, Llopis, González and Gascó (2001, p. 248), according to which "organizational culture is a set of values, symbols and rituals, shared by the members of a specific firm, which describes the way things are done in an organization in order to solve both internal management problems and those related to customers, suppliers and environment".