

The Relationship between Organizational Culture and Customers' Satisfaction in Meli Bank Branches in Tehran

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ABSTRACT

The present study examined the relationship between organizational culture and customers' satisfaction in Iranian banking industry which is relatively a new topic of this kind. Another distinguishing aspect of this study is the employment of Dennison's Model to examine organizational culture and the use of Servqual's Model to explore customers' satisfaction; which are among the latest and most effective models for understanding organizational culture and customers' satisfaction. In addition, the structure of organizational culture model is capable of covering different aspects of organizational culture on one hand, and examining how culture is related to the organization's outputs, on the other. The present study examined the relationship between organizational culture and customers' satisfaction based on the four dimensions of organizational participation, adaptability, compatibility, and mission. The results of the Spearman Correlation Test indicated that there is a positive and significant relationship between organizational culture and customers' satisfaction.

KEYWORDS: culture, organizational culture, customers' satisfaction, Meli Bank

1. INTRODUCTION

Great efforts made today to improve performance management tools and enhance customers-centered vision by various researchers, experts and managers in business organizations suggest that customers' satisfaction is one of the most important factors for the fulfillment of organizational success and is one of the main concerns of different organizations and enterprises. Successful implementation of customer-centered strategy requires coordination with the organizational culture. Because each organization has its own culture which shows individuals how to understand events and give meaning to them. The present study examined the relationship between organizational culture and customers' satisfaction to determine a type of organizational culture appropriate for customers' satisfaction in the Meli Bank and to pave the way for the implementation of the principles of customer-centeredness and customers' satisfaction in the Meli Bank.

Statement of the problem

Customers' satisfaction directly affects the banking profitability, taking away customers away from competitors, the encouragement of customers' frequent transaction with the bank, enhancing business reputation, the reduction of costs used for attracting new customers, and the acquisition of the competitive advantage. The achievement of such important goals requires organizations active in the banking industry pay more and more attentions to customers' satisfaction and the employment of customer-orientation strategies (Fen and Lian, 2008). On the other hand, one of the causes of the failure of implementing such strategies is in the organization is the inattention to organizational culture and especially appropriate organizational culture. Paying attention to organization from the perspective of organizational culture is a relatively new phenomenon in the field of organization and management research (Denison and Mishra, 1995). However, organizational development as a planned process is the same as changes in organizational culture. In addition, it is not possible to make any changes in the organization regardless of organizational culture (Denison, 2000). Gillespie et al., (2008) have explored the relationship between organizational culture and customers' satisfaction in the construction industry and automobile sale industry. They used Dennison's Model to study organizational culture. The results of their study suggest that the maximum achievement in the construction industry was related to job involvement and organizational mission while the minimum achievement was associated with adaptability and compatibility within the organization. Besides, the maximum achievement in the automobile sale industry was related to the adaptability dimension and the minimum achievement/advantage was related to the compatibility in the organization (Gillespie et al., 2008). In the present study, Denison's Model which is more up-to-date and complete than the similar modes is used to examine the

organizational culture in Meli Bank branches. In this model, organizational culture has been divided into four dimensions of organizational participation, adaptability, compatibility, and mission (Denison, 2000). Besides, three indicators are defined to examine four dimensions of organizational culture. Finally, the relationship between organizational culture and customers' satisfaction is explored among the population under study using the indices introduced by Dennison. In other words, the aim of study is to find out whether there is a positive and significant relationship between the components of organizational culture and customers' satisfaction in a Meli Bank branches or not?.

Research hypotheses

The main hypotheses explored in the study are as follows:

1.6.1. The main research hypothesis: There is a significant relationship between organizational culture and customers' satisfaction.

1.6.2. The research sub-hypotheses:

1. There is a significant relationship between participatory culture and customers' satisfaction in Meli Bank branches.
2. There is a significant relationship between compatibility culture and customers' satisfaction in Meli Bank branches.
3. There is a significant relationship between adaptability culture and customers' satisfaction in Meli Bank branches.
4. There is a significant relationship between mission culture and customers' satisfaction in Meli Bank branches.

Research methodology: This survey study pursues a functional goal and employs a descriptive-correlational method to collect the needed data.

Research population and sample: The population under study consisted of employees and customers of Tier I and II bank branches in the districts 2,3,6 and 12 of Tehran.

Instruments: Two questionnaires, Denison's Organizational Culture Questionnaire and Parasorman's Satisfaction Scale were used to collect data. These questionnaires were anonymous and closed. In addition, a five-point Likert scale was used to score the responses given to the items.

Data analysis: Spearman Correlation Test was used to test the research hypotheses and to determine the relationship between variables under study.

Testing the research hypotheses

The main hypotheses: There is a significant relationship between organizational culture and customers' satisfaction.

H₀: There is no significant relationship.

H₁ There is a significant relationship.

Table 1: Results of Pearson Correlation Test for the main hypothesis

Variables	Number (n)	Spearman correlation coefficient	Sig.	Error level	Test results
Organizational culture	330	0.620	0.000	0.05	H1

Testing the sub-hypotheses:

1. There is a significant relationship between participatory culture and customers' satisfaction in Meli Bank branches.

H₀: There is no significant relationship.

H₁ There is a significant relationship.

Table 2: Results of Pearson Correlation Test for the main hypothesis

Variables	Number (n)	Spearman correlation coefficient	Sig.	Error level	Test results
Participatory culture	330	0.575	0.000	0.05	H1

2. There is a significant relationship between compatibility culture and customers' satisfaction in Meli Bank branches.

H₀: There is no significant relationship.

H₁ There is a significant relationship.

Table 3: Results of Pearson Correlation Test for the main hypothesis

Variables	Number (n)	Spearman correlation coefficient	Sig.	Error level	Test results
Adaptability culture	330	0.561	0.000	0.05	H1

3. There is a significant relationship between adaptability culture and customers' satisfaction in Meli Bank branches.

H₀: There is no significant relationship.

H₁ There is a significant relationship.

Table 4: Results of Pearson Correlation Test for the main hypothesis

Variables	Number (n)	Spearman correlation coefficient	Sig.	Error level	Test results
Compatibility culture	330	0.564	0.000	0.05	H1

4. There is a significant relationship between mission culture and customers' satisfaction in Meli Bank branches.

H₀: There is no significant relationship.

H₁ There is a significant relationship.

Table 5: Results of Pearson Correlation Test for the main hypothesis

Variables	Number (n)	Spearman correlation coefficient	Sig.	Error level	Test results
Mission culture	330	0.568	0.000	0.05	H1

Conclusion: The results of the study indicate that the organizational culture and customers' satisfaction in the Meli Bank branches are significantly correlated ($r = 0.0.62$). this finding is in line with the findings of the study conducted by Gillespie et al., (2008) and sand Dennison (2000) in the construction and automotive industries. The value of correlation coefficient indicates that organizational culture plays an important role in customers' satisfaction in the Meli Bank branches and the stronger the organizational culture; the more customers will be satisfied.

The results of the first hypothesis: There is a significant and positive relationship between job involvement and customers' satisfaction in the Meli Bank. As a result, it can be said if the bank work harder to improve employees' empowerment, increase their skills, and get things done in group, the customers' satisfaction will increase accordingly.

The results of the second hypothesis: There is significant relationship between organizational mission and customers' satisfaction. As a result, it can be said the more transparent and comprehensive the strategic orientation, objectives, and vision of the bank; the more customers will be satisfied.

The results of the third hypothesis: There is significant and positive relationship between compatibility and customers' satisfaction in the Meli Bank. Therefore, we can say that the greater the level of variability, customer-centeredness, and organizational learning, the more effective will be the role of the bank in customers' satisfaction.

The results of the fourth hypothesis: There is a positive and significant relationship between adaptability and customers' satisfaction in the Meli Bank branches. As a result, it can be said that if the employees share more fundamental values and more consensus when solving problems and if there is more coordination it is possible to enhance and improve customers' satisfaction. On the other hand, it was found that the adaptability culture received a lower score than other aspects of the organizational culture; implying that there is a low level of stability and integrity in the Meli Bank branches and its activities are not well matched and consistent. Therefore, organizational units of the Meli Bank with different functions cannot work well to achieve their common goals.

Suggestions

Adaptability culture: In order to increase customers' satisfaction, more attempts should be made to create fundamental values and behavior consistency in the field of culture. Accordingly, fundamental values and skills should be developed and taken into consideration as part of the organization's competitive strategies. The promotion

of interaction and communication between individuals and groups, increasing the number of people involved in solving problems, setting the goals, and generation of new ideas should be encouraged within the organization.

Compatibility culture: More attention must be paid to comments and suggestions offered by clients and employees, so that their suggestions lead to the change of procedures in the organization. In addition, attraction and retaining those employees must be taken into accounts; who wish to produce, organize, exchange, and apply knowledge, to change their organization's development capabilities, and employees who are willing to work in group, make compromise, and maintain the values in the organization. In fact, customer-centeredness reflects the organization's suppleness to ensure customers' satisfaction.

Mission culture: The overall strategy for the organization and for each unit should be determined separately. In addition, the prospect, mission, micro and macro objectives, and the direction of strategies should be made clear and the strategic management must be performed by receiving contributions from employees and qualified individuals. Awareness rising activities must be performed to inform employees with organizational objectives and the briefing will be held if necessary. Clear goals and objectives can be linked to organization's mission, vision and strategy to determine employees' tasks early.

Participatory culture : Organizations must perform formative and ongoing evaluations of their employees' skills development toward maintaining their competitive position and meeting their business needs. Rise believes information about performance, quality, competition, and customers must be collected throughout the organization. People who work closely with customers should be considered by involving them in making decision process. In addition to the technical specifications (such as the utilization of new technologies) that lead to customers' satisfaction and the organization's success; cultural features can also contribute to the survival of the organization in the competitive market and lead to the organization's continuous improvement and profitability. In other words, organizational culture can be considered as a main tool in the creation of long-term effectiveness in the Meli Bank. Furthermore, making necessary changes in the field of organizational culture may lead to the improvement of organizational performance with regard to return on capital, assets, profits, and customers' satisfaction (Fecikova, 2004).

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