

Pilot Study - A Study on Impact of Organization Structure, Organizational Culture on Employee Performance with Special Reference to Public Banks in Maharashtra

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Abstract—The present pilot study explores the impact of organizational structure and organizational culture on employee performance with special reference to public sector banks in Maharashtra. The study aims to understand how structural design and cultural orientation within banking institutions influence employee motivation, efficiency, and overall institutional productivity. Using a descriptive research approach, primary data were collected through structured questionnaires from a small sample of employees across selected public banks. The data were analysed to identify relationships between organizational variables and performance outcomes. Preliminary findings indicate that a flexible and well-defined organizational structure, combined with a positive and participative organizational culture, significantly enhances both employee engagement and effectiveness. The study also highlights challenges faced by public banks in adapting to changing cultural and structural demands.

Index Terms—Organizational Structure, Organizational Culture, Employee Performance, Organizational Performance, Public Sector Banks, Maharashtra

I. INTRODUCTION

In today's dynamic and competitive business environment, organizations continuously strive to enhance their performance by optimizing both structural and cultural dimensions. Organizational structure and organizational culture are two crucial factors that determine how effectively an organization operates and adapts to internal and external challenges. While structure defines the hierarchy, roles, and flow of communication, culture represents the shared

values, beliefs, and behavioural norms that influence employee attitudes and performance.

In the Indian context, public sector banks play a vital role in the nation's financial and economic development. However, these institutions often face challenges such as rigid hierarchies, bureaucratic decision-making processes, and resistance to cultural change. As the banking sector undergoes transformation due to technological advancement, digitalization, and customer-centric reforms, understanding the impact of organizational structure and culture on performance has become more significant than ever.

This pilot study focuses on public banks in Maharashtra to explore how structural and cultural factors affect both employee and organizational performance. It aims to identify whether existing structures and cultures promote efficiency, innovation, and employee satisfaction or hinder overall productivity. The study also seeks to test the validity and reliability of the research instruments and provide preliminary insights that will inform the larger, comprehensive study.

By examining the interrelationship between organizational structure, culture, and performance in public sector banks, this research contributes to the growing body of knowledge in organizational behaviour and management. Moreover, it provides practical implications for policymakers and banking leaders striving to improve performance and competitiveness within India's public banking sector.

II. OBJECTIVES OF THE STUDY

- To analyze the relationship between job to analyze the relationship between job
- 1. To study the concept of organizational structure and culture and its significance.
- 2. To study the implementation of organisation structure and culture at Public Banks in Maharashtra
- 3. To assess the impact of organizational structure and culture on employee performance. with Special Reference to Public Banks in Maharashtra
- 4. To identify challenges and areas for improvement in the existing structural and cultural practices within public banks.

III. METHODOLOGY

In this pilot study researcher has added exploratory type of method, Non probability convenient sampling method is used with sample size 75 employee of various public sector banks like sbi maharashtra bank etc, structured and questionnaire was prepared for collecting the data focusing on parameters like Implementation of organisation structure and culture , effectiveness of organisation culture and structure on employee performance and barriers in implementation of organisation structure and culture .

- To provide recommendations for enhancing

IV. REVIEW OF LITERATURE

The relationship between organizational structure, organizational culture, and performance has been a central topic in management and organizational behaviour research for decades. Both structure and culture are considered critical determinants of how effectively an organization functions and how employees perform within it.

Organizational structure defines how activities such as task allocation, coordination, and supervision are directed toward achieving organizational goals (Mintzberg, 1979). A well-designed structure provides clarity in roles and responsibilities, reduces redundancy, and facilitates effective decision-making. Robbins and Coulter (2018) emphasize that flexible structures encourage innovation and quick adaptation to environmental changes, while rigid hierarchical structures may slow down responsiveness. In the

context of public sector banks, traditional hierarchical structures often lead to bureaucratic delays and reduced operational efficiency (Kumar & Sharma, 2015). Studies by Gupta (2019) also found that flatter structures improve communication and employee engagement in service organizations.

Organizational culture refers to the shared values, beliefs, and norms that shape behaviour within an organization (Schein, 2010). It influences employee motivation, job satisfaction, and commitment. A positive and participative culture fosters teamwork, creativity, and accountability, leading to better performance outcomes (Denison, 1990). Research by Lok and Crawford (2004) indicates that employees working in supportive and innovative cultures exhibit higher levels of satisfaction and productivity. In the Indian banking context, Singh (2017) noted that banks with a customer-focused and learning-oriented culture perform better in terms of service quality and employee morale.

Studies have highlighted that organizational structure and culture are interdependent and collectively influence organizational performance. According to Daft (2016), the alignment between structure and culture enhances strategic effectiveness and operational efficiency. A mismatch between the two can lead to employee dissatisfaction, communication gaps, and performance decline. Research by Patel and Deshmukh (2020) on Indian public sector banks revealed that cultural rigidity and centralized decision-making negatively impact employee motivation and innovation potential. Conversely, adaptive structures supported by participative cultures promote better organizational outcomes.

While several studies have explored structure and culture separately, limited research has examined their combined effect on both employee and organizational performance within the Indian public banking sector. Moreover, most prior studies have focused on private or multinational organizations, leaving a gap in understanding how public sector banks, with their unique bureaucratic and service-oriented nature, manage structural and cultural dynamics.

The literature suggests a strong theoretical foundation linking structure and culture to performance outcomes. However, empirical evidence specific to public sector banks in Maharashtra remains insufficient. Hence, this pilot study seeks to bridge that gap by examining how organizational structure and culture jointly affect

employee and organizational performance, providing groundwork for a more comprehensive study.

V. THEORETICAL BACKGROUND ABOUT ORGANISATION STRUCTURE AND CULTURE

Organizational structure refers to the formal system of roles, responsibilities, and relationships within an organization. It defines how activities such as task allocation, coordination, and supervision are directed toward achieving organizational goals. In simple terms, it's the framework that shows how work is organized and who reports to whom.

Organisation structure and culture are two fundamental elements that shape how an organisation functions and how employees behave within it. The organisational structure defines the formal framework of roles, responsibilities, authority and communication channels. It determines how tasks are divided, coordinated and supervised to achieve organisational goals. Common structures include line, line and staff, functional and matrix forms, each varying in complexity and flexibility. On the other hand, organisational culture refers to the shared values, beliefs, norms and practices that influence how employees interact and make decisions. It represents the internal environment and personality of the organisation, guiding expected behaviours and shaping workplace relationships. A strong, positive culture supports motivation, teamwork and commitment, while a weak culture can lead to conflict, low morale and inefficiency. Together, structure and culture play a crucial role in organisational performance structure provides the framework for operations, while culture ensures that employees align with organisational objectives. When both are well-designed and mutually supportive, they enhance productivity, innovation and overall organisational effectiveness. Organizational Culture

VI. DATA PRESENTATION AND ANALYSIS

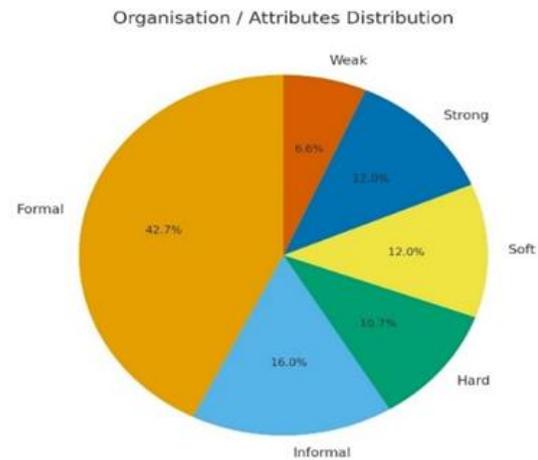
Researcher has conducted survey method for collecting data a pilot study of 75 respondent collected through questionnaire methods. Researcher analyses the organisation culture and structure adopted and implemented in the organisation, impact of organisation structure and culture on employee performances etc.

Following tables presenting the analysis of data through pilot study.

- Type of organisation culture adopted and implemented in your organisation

Table no. 5.1

Organisation / attributes	Respondent	Percentage
Formal	32	42.7 %
Informal	12	16 %
Hard	8	10.7 %
Soft	9	12%
Strong	9	12%
Weak	5	6.6 %
Total	75	100 %



Sources – Primary data (questionnaire)

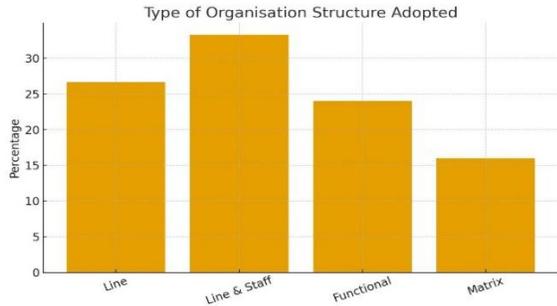
Interpretation and analysis

The results from the 75 respondents reveal that the dominant organizational culture within the organization is formal (42.7%). The informal culture was identified by 16% of respondents, about 10.7% of respondents described the culture as hard, Furthermore, 12% of respondents perceived the culture as strong, 12% viewed it as soft, and only 6.6% considered the culture weak, this indicates that the most of the organization operates with clearly defined hierarchies, established rules, and standard operating procedures. Employees likely follow official communication channels, and decision-making is guided by authority and structure. Such a culture is typically found in organizations that value order, discipline, and consistency in operations.

- Type of organisation structure adopted in implemented

Table No. 5.2 – Type of organisation structure

esponse	Respondent	Percentage
Line	20	26.67 %
Line and staff organisation	25	33.33 %
Function organisation	18	24 %
Matrix organisation	12	16 %
Total	75	100



Sources – Primary Data (Questionnaire)

Analysis and Interpretation

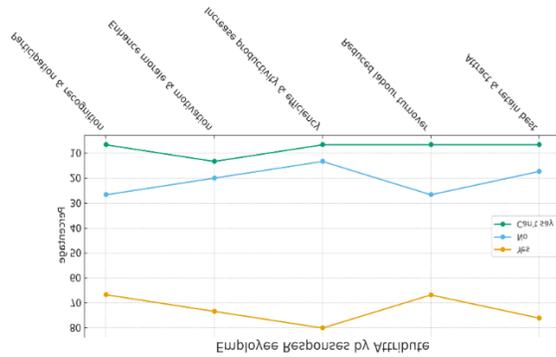
The data shows that the Line and Staff organisation is the most widely adopted structure, with 33.33% of respondents, indicating a preference for combining direct authority with specialized staff support. The Line structure follows with 26.67%, suggesting that many organisations still value a simple and clear chain of command. The Functional organisation, chosen by 24%, reflects the need for specialization and departmental expertise. The Matrix structure is the least preferred at 16%, likely due to its complexity and dual reporting system. Overall, the results indicate that organisations tend to choose structures that balance authority, support, and specialization while avoiding more complex models like the matrix structure.

- Impact of organisation structure and culture for enhancing employee performance on parameters

Table No. 5.3 - Impact of organisation structure and culture for enhancing employee performance on parameters

Sr. No.	Organisation/ Attributes	Respondent	Percentage	
1	Participation and recognitions of employees	Yes	50	66.67%
		No	20	26.67%
		Can't say	5	6.67%
		total	75	100%
2	Enhance moral and motivation	Yes	55	73.33%
		No	15	20%
		Can't say	10	13.33%
		Total	75	100%
3	Increase productivity and efficiency	yes	60	80%
		No	10	13.33%
		Can't say	5	6.67%
		Total	75	100%
3	Reduced labour turns over	Yes	50	66.75%
		No	20	26.67%
		Can't say	5	6.67%
		Total	75	100%
5	Attract and retain best	Yes	57	76%
		No	13	17.33%
		Can't say	5	6.67%
		Total	75	100%

Sources – Primary data (questionnaire)



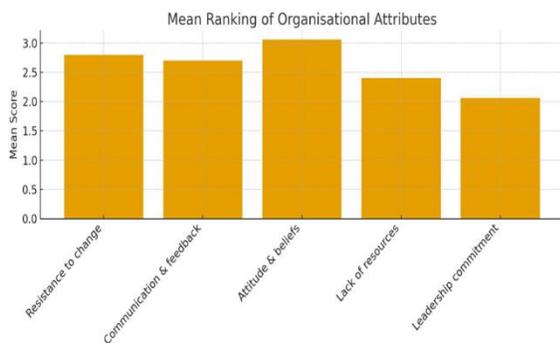
Analysis and Interpretation and
The analysis shows that employees hold largely positive views about the organisation’s practices and

outcomes. A significant majority agree that participation and recognition of employees is effective (66.67% yes), and even more believe that the organisation enhances morale and motivation (73.33% yes). The highest positive response is seen in increased productivity and efficiency, with 80% of employees agreeing that these practices lead to better performance. Reduced labour turnover also reflects positively, with 66.75% indicating improvement. Additionally, 76% of respondents feel that the organisation is successful in attracting and retaining the best talent. Overall, the data clearly indicates that organisational initiatives are well-received and contribute positively to employee motivation, productivity, and retention.

- Barriers and challenges during implementation of organisation culture
- Table No. 5.4 – Barriers and challenges during implementation of organisation culture

Sr. no.	Responses / Attribution	Ranking					Total	Mean	Rank /Percentage
		1	2	3	4	5			
1	Resistance to change	30	20	10	10	5	75	2.8	2
2	Communication and feedback	20	30	10	10	5	75	2.7	3
3	Attitude and beliefs of employee toward organisation culture	10	15	30	10	10	75	3.06	1
4	Lack of resources	10	5	15	20	25	75	2.4	5
5	Leadership commitment	5	5	10	25	30	75	2.06	4
	total	75	75	75	75	75			

Sources – Primary data (questionnaire)



Interpretation and Analysis
From response received it is found that highest calculated mean value is 3.06 for attitude and beliefs of employees towards organisation culture as a barriers and challenges during implementation of organisation culture. followed by 2.8 for Resistance to change, 2.7 for communication feedback, 2.06

Leadership commitment and 2.4 for lack of resources. it reveals that first rank and preferences is for for attitude and beliefs of employees towards organisation culture as a barriers and challenges during implementation of organisation culture. followed by second rank for Resistance to change, third rank for communication feedback, fourth rank for Leadership commitment and fifth rank for lack of resources. as a barriers and challenges during implementation of organisation culture.

VII. FINDINGS AND CONCLUSION –

The findings indicate that the organisation predominantly follows a formal culture (42.7%), characterised by structured procedures and hierarchical decision-making, while other cultural types such as informal, strong, soft, hard, and weak

were reported to a lesser extent. The Line and Staff structure (33.33%) is the most preferred, followed by Line and Functional structures, indicating a balance between authority and specialised support, while the Matrix structure is least adopted. Employees' responses reflect strong satisfaction with organisational practices, such as recognition, motivation, productivity, talent retention, and reduced labour turnover. However, certain barriers affect cultural implementation, with the highest challenge arising from employees' attitudes and beliefs (mean 3.06), followed by resistance to change, communication gaps, leadership commitment, and resource limitations. Overall, the study concludes that although the organisation is structurally strong and positively perceived by employees, successful cultural implementation requires addressing behavioural and communication-related challenges.

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