

The Impact of Learning Efficiency, Organization Climate & Role Ambiguity on Employee Productivity: A Case From 3 Private Banks

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ABSTRACT: Banking industry is going through turbulent times. With many Non-banking financial corporations joining the race and licenses being issued to many banks, private bank employees are going through tremendous pressure. Banking industry therefore needs to place great impetus on increasing the learning quotient of employee. New HR policies are implemented leading to change in organizational climate. Employees are given multiple roles in organization leading to role ambiguity. The study analyses the impact of learning efficiency, role ambiguity and organizational climate on employee productivity. The survey was conducted for 151 private bank employees and statistical tools like Regression and One-way ANOVA were used. Findings of the study indicated that learning efficiency, organization climate and role ambiguity have an impact on employees' productivity. Further difference in the productivity level among the various demographic factors was also computed. Survey had a limitation of time constraint and limited sample size. Future research may therefore encompass a larger sample size, comparison across various service sectors and public vs. private sector banks.

Keywords: *Employee productivity, Learning efficiency, Organizational climate, Role ambiguity*

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I. INTRODUCTION

In today's dynamic world business is characterized by growing competition, globalization and technical advances. The survival of the company is based on the unique benefits and services the company offers and goes an extra mile in differentiating itself from its competitors. In achieving this excellence organization employee plays a vital role in terms of knowledge acumen, skills and, commitment. Banking industry has gone through paradigm shift. With so many products under umbrella brand, banks employee are forced to perform multiple task. Many of the private banks has well planned training calendar to enable employees to learn the new dynamics of banking industry. According to Tsai, Yen, Huang, and Huang (2007) employees who are committed to learning showed greater job know how, which has a positive effect on their performance. Business today whose goals are to survive and prosper in this present day diverse and regressed economy has found it imperative to invest in ongoing training and development, paving a way for employee learning to improve proficiencies in business (Knoke & Kalleberg, 1994).

Bank employee who was earlier responsible for specific task is now assigned multiple roles like cross sell, insurance, casa selling. Role ambiguity refers to the lack of specificity and predictability for an employee's job or role functions and responsibility (Kahn et al., 1964; Beehr, 1976). Climate consists of a set of characteristics that describe an organization, distinguish it from other organizations that are relatively enduring over time and influence the behavior of people in it. Employee productivity is an assessment of efficiency of worker or group of workers. Private bank employees' performance and bonuses are linked up with performance therefore great pressure lies on employees to increase productivity. Therefore, it becomes important to understand the role of learning efficiency, role ambiguity, organization climate on employee productivity.

II. LITERATURE REVIEW

Many literary work has been done in the past individually in the domain of role ambiguity, learning efficiency, organization climate and employee productivity. But very few is available linking all these four domains together. Some of literature review can be presented as follows:

Role Ambiguity

Marilieu Nuriez Palamino & Fabio Frezatti (2016) used the structural equations technique, thus providing evidence that role conflict and ambiguity adversely affect job satisfaction among Brazilian controllers. The results indicated that Brazilian controllers perceived role conflict and role ambiguity while they perform their duties. Job satisfaction of the controllers was affected more strongly by role ambiguity than by role conflict. However, despite perceiving these two tensions, executives were moderately satisfied with their current working conditions. Muhammad Arif Khattak, Quarat-ul-ain, Nadeem Iqbal (2014) explored the relationship between role ambiguity, job stress and job satisfaction. The purpose of the study was to determine the effect of role ambiguity on job satisfaction with job stress as mediator variable using non-probability convenience sampling on 350 bank employees. Zhou Yongkang, Zeng Weixi, Hu Yalin, Xi Yipeng, Tan Liu (2014) explored the relationship among role conflict, role ambiguity, role overload and job stress of middle level cadres in Chinese local government through a questionnaire survey of 220 cadres. The results showed that time pressure was significantly correlated with role conflict and role overload; job anxiety and job stress were significantly and positively correlated with role ambiguity, role conflict and role overload; role ambiguity had a significant and positive effect on job anxiety and job stress; role conflict and role overload had significant and positive effect on time stress, job anxiety and job stress. Role ambiguity has been associated with anxiety (Katz & Kahn, 1978). Cohen (1959) found that ambiguously defined tasks with inconsistent guidance from supervisors result in anxiety and decreased productivity. Kahn et al. (1964) mentioned that ambiguity originates from complexities exceeding an individual's degree of comprehension and from the outcomes of changes associated with increased demands. Therefore, it is quite understandable that individuals experiencing role ambiguity will also face challenges in meeting performance expectations. Fisher, Cynthia D. & Gitelson, Richard (1983) suggested that the co-relational literature concerning the relationships of role conflict and ambiguity to numerous hypothesized antecedents and consequences is still somewhat unclear after a decade of research. Jackson and Schuler (1985) conducted a meta-analysis of correlations between role ambiguity and job performance. The study used a comprehensive database with a large sample size and a distribution of interpreter reliabilities to extend the previous findings. Past research (Bauer & Green, 1994; Szilagyi, 1977; Williams, Podsakoff & Huber, 1992; Sluss, van Dick, & Thompson, 2011) indicates that role ambiguity is detrimental to employee performance. Rizzo et al. (1970) posit that role ambiguity should increase anxiety and dissatisfaction with one's role and ultimately lead to diminished performance. Similarly, other researchers Fried, Ben David, Tieg, Avital, & Yeverehyahu, (1998) found that role ambiguity influenced supervisor rated performance and that those employees with high levels of role ambiguity were associated with lower levels of performance effectiveness. Fisher (2001) found that role ambiguity was negatively related to auditors' job performance, while Burney and Widener (2007) found that role ambiguity was negatively related to managerial performance in strategic planning and decision making areas. Van Sell, M. Brief, A. P., & Schuler, R. S. (1981) studied the relationship between role conflict and role ambiguity. House and Rizzo, (1972) indicated that role ambiguity indeed was more negatively related to job satisfaction than was role conflict. The authors concluded that role conflict and ambiguity were critical variables for organizational behavior, with ambiguity being the more powerful variable.

Learning Efficiency

Very few literature is available for learning efficiency. Many times, it is synonymously interchanged with training. Khans, F Zummurman and Thomas K. Baur (1999) evaluated the effects of substantial changes in the teaching material on students' learning efficiency. The results indicate that the main effects of the re-organization on the learning efficiency was a decreasing importance of students' attendance and of continuous preparation of the material. Rajesh Kanana, R. Shashank, Mahajan & R. Rajkumar (2016) studied the involvement of project based teaching as one of method of learning. The study was conducted on school students and the study concluded that project based learning was detrimental in increasing the employee learning efficiency to great extent. Sean H.K.Kang (2016) in the domain of cognitive and educational psychology have demonstrated that spacing out repeated encounters with the material over time produces superior long-term learning, compared with repetitions that are massed together. The research also coined that spaced review or practice enhances diverse forms of learning, including memory, problem solving, and generalization to new situations. Spaced practice is a feasible and cost-effective way to improve learning efficiency. Karthik R (2012) said that training objectives tell the trainee what is expected out of him at the end of the training program. Akinpeju (1999) stated process of learning and development as a continuous one. The need to perform one's job efficiently and the need to know how to lead others are sufficient reasons for training and development. Carvalho (1998) stated that in continuous changing scenario of business world, learning is an effective measure used by employers to supplement employees' knowledge, skills and behavior. Adeniyi (1995) stated that staff learning and development is a work activity that can make a very significant contribution to the overall effectiveness and profitability of an organization. Kane (1986) said that if training and development function must be effective in the future, it will need to move beyond its concern with techniques and traditional roles.

Organization Climate

Organization climate can be called as a mood of organization and is subject to change frequently by upper management. Various categories of climate are people oriented, rule oriented and goal oriented. Dr. Harish Shukla & Aditi Parita (2013) studied different organization climate based on certain demographic factors like gender, education, quality, experience, age and various levels of organization. P. Yukthamarani Permarupan, Bamini K.P.D Balakrishnan (2013) studied conceptual model of organization climate and employees work passion that provides an explanation of linkage between variables on 500 academicians. Jiyapragash (2013) studied organization climate in banks with various demographic profile and found that top management plays a great role in fostering organization climate. Kaizha and Kisk (1968) in their study linked employee performance with organization climate. Employee centric organization climate resulted in higher performance. Frederickson (1968) surveyed that innovation in organization climate will yield greater productivity and predictable task performance. Friedlander, F and Margulies, N. (1969) in their study opined that organizational climate is a significant determinant of individual job satisfaction specifically in interpersonal relations, tasks involved self-realization and achievement. Payne and Mansfield (1973) differentiated perceived organizational climate between managers and non-managers. Pritchard, R. and Karsick B. (1973) in their study opines that organizational climate was more strongly related to employees' job satisfaction than their job performance. Zohar, Dov (1980), stated that 2 dimensions of highest importance in determining the level of this climate were perceptions of management attitudes about safety and their own perceptions regarding the relevance of safety in general production processes.

Employee Productivity

Employee productivity can be computed as net sales over total employees an economic measure of output/unit by its input. Rohan Singh and Madhimita Mohanta studied the effects of training on employee productivity. The paper concludes that there exists a relationship between employee productivity and training. Chukuruma, Edwin Maduka and Dr. Obiefuna Okafor (2014) concluded that salary via promotion, overtime allowance and holiday with pay should be used as motivational tool. Thomas Zwich studied productivity impact of shop floor employee involvement on productivity. The study finds that the introduction of teamwork and autonomous work group and reduction of hierarchies significantly increased average established productivity. The paper further shows that productivity effect of shop floor employee involvement is stronger in employee with work councils. Hassan M.E.Aboazoum, Umar Nimran, Mohmmad Al Musadiq (2015) study revealed that employee performance is significantly associated with organization culture, job satisfaction, employee performance and training. The study also revealed that stress is not significantly associated with employee productivity. Thus, it can be said that though many studies have been done taking individual factors into consideration but very miniscule literature is available studying all the four variables. Therefore, the need of the study can be justified.

III. RESEARCH OBJECTIVES AND DESIGN

Research Objectives

- To study the impact of learning efficiency on employee productivity
- To study the impact of role ambiguity on employee productivity
- To study the impact of organization climate on employee productivity
- To study the effect of demographic factors on productivity level of employees

Research design, sample and data

The research design is divided into two parts, the first part is exploratory in nature and second part is descriptive. In the exploratory study research papers from various authors were studied to underpin 4 factors which have an impact on productivity. The sample size of the research was 170 but 19 were outliers hence the revised sample size was 151. Out of these 151 employees, 51 employees were from HDFC bank, 50 employees were from ICICI bank and 50 employees were from Axis bank from Ahmedabad region only. The top three banks were chosen based on the market capitalization. Type of sampling administered was non-probability convenience sampling. The data was collected through structured questionnaire. With the help of SPSS software reliability test, linear regression, and One-way ANOVA tests have been run on the data to get the findings.

From the literature review it is inferred that positive organization climate leads to increased productivity. Role ambiguity has a negative effect on employee productivity. Besides this the study also inferred correlation between learning efficiency and employee productivity. The study therefore aims in studying an impact of these three variables on employee productivity. The study therefore uses employee productivity as dependent variable and organization climate, learning efficiency and role ambiguity are taken as independent variables. These variables have individual constructs which are tested on five point likert scale which ranged from strongly disagree=1 to strongly agree=5.

Research hypotheses

- H1: There is a significant impact of role ambiguity on employee productivity
- H2: There is a significant impact of organizational climate on employee productivity
- H3: There is a significant impact of learning efficiency on employee productivity
- H4: There is a significant difference in the employee productivity among employees of various age groups
- H5: There is a significant difference in the employee productivity among employees of various designation groups
- H6: There is a significant difference in the employee productivity among the employees of various salary groups

Table 1: Correlation with Employee productivity

Variables	Pearson Coefficient	Significance value
Role ambiguity	-0.670	.000
Organization climate	0.634	.000
Learning Efficiency	0.728	.000

Table 2: Hypotheses and Conclusion with determining Co-efficient and p-value from regression analysis

Hypotheses	r-square	p-value	Conclusion
H1	0.445	.000	Role ambiguity has an impact on employee productivity
H2	0.398	.000	Organization climate has an impact on employee productivity
H3	0.490	.000	Learning efficiency has an impact on employee productivity

Table 3: One-way ANOVA

Hypothesis	Variable	Between Group	Within Group	P value	Conclusion
H4	Age Group	.608	45.43	.606	No significant difference in productivity level among employees of various age groups
H5	Designation Group	9.32	32.95	.000	Significant difference in productivity level among employees of various designation groups
H6	Salary	12.143	30.59	.000	Significant difference in productivity level among the employees of various income groups

IV. ANALYSIS AND FINDINGS

The analysis of the data was carried using SPSS. For the hypothesis testing regression analysis was carried out. First the reliability test was carried out for all the variables. The result of Cronbach alpha reliability test for role ambiguity was 0.65, organization climate was 0.67, learning efficiency was 0.69 and employee productivity was 0.65. Thus, it can be said that the questionnaire is reliable. Pearson correlation tests were conducted to see the correlations between role ambiguity, learning efficiency, organization climate and employee productivity. In addition, linear regression was conducted for hypothesis testing using employee productivity as dependent variable and role ambiguity, organization climate and learning efficiency as independent variable. One-way ANOVA was performed to find statistical difference among the employees of various age groups, designation groups and income groups. Age groups, designation groups and income groups were taken as independent variable and employee productivity was taken as dependent variable.

H1: In the result of Pearson Correlation test a significant correlation was found between employee productivity and role ambiguity. The data provided sufficient evidence that role ambiguity was negatively correlated with employee productivity. In consistence with the result of correlation, regression analysis also exhibited that there was an impact of role ambiguity on employee productivity. The value of r square is 0.445 therefore statistically it can be said that 44.5% of employee productivity can be predicted by role ambiguity. Higher role ambiguity lowers employee productivity. Thus, it can be said that management should reduce role ambiguity so that employee productivity can be increased.

H2: Pearson correlation test resulted that there is significant correlation between employee productivity and organization climate. The regression analysis suggested that organization climate has medium correlation with employee productivity. The value of R square is 0.398 therefore statistically it can be said that 39.8% of employee productivity can be predicted by organization climate. Thus, it can be said organization climate plays a role in improving employee productivity but not major one.

H3: The result of Pearson correlation test found a strong correlation between employee productivity and learning efficiency. The regression analysis suggested that employee learning efficiency has a great impact on employee productivity. The value of R square is .49 therefore it can be said that 49% of employee productivity can be predicted by learning efficiency. Thus, the organization should pay great emphasis on learning efficiency to increase employee productivity.

H4: The one-way ANOVA result exhibited that there was no variance in employee productivity among the employees of various age groups. Thus, it can be said that employee productivity level does not differ for varied age group. The reason for the same could be several other contributory factors rather than age or experience accounting for employee productivity.

H5: The one-way ANOVA result exhibited that there was a difference in employee productivity level among the employees of various designation groups. The reason could be job factors or level of complexities involved in job as per designation.

H6: The result of one-way ANOVA test revealed that there was a difference in employee productivity level among the employees of various income groups. The reason for differed productivity level can be association of some jobs directly with pay like marketing wherein more effort means more productivity thus higher income.

V. CONCLUSION

The analytical results indicate that employees perceived role ambiguity as having a direct impact on employee productivity. Thus, employee training and personnel development should emphasize tolerance of ambiguity and uncertainty in order to reduce role ambiguity. Workplace ethics policy should be developed to ensure that boundaries and the consequences for transgressing those boundaries are specified with clarity. Performing employees should be rewarded as it will increase employee's productivity. Learning efficiency increase would lead to higher productivity. Statistical relationship was found between learning efficiency, role ambiguity, and organization climate and employee productivity. Therefore, one should take measures to improve learning efficiency, decrease role ambiguity, and provide for congenial organizational climate to improve employee productivity. Banking organization whose prime goal is increasing the productivity level should therefore try to increase learning efficacy. Bank should take adequate measures fostering sound organization climate and enhance role clarity of an employee leading to decrease role ambiguity thus paving the way for increased employee productivity.

Limitations and future scope of study

The study has been done in banking sector of Ahmedabad area, therefore it may not be applicable to other sectors and regions. The study has considered only limited variables while assessing like learning efficiency, role ambiguity and organizational climate and employee productivity. Measuring attitudes of respondents is quite subjective as the study involved administration of structured questionnaire wherein lot of respondent's bias may be involved. Although great care was taken for precision, yet there may be certain gaps which need to be rectified. The study was restricted to sample of 151 respondents therefore pure generalizations of research may not be possible. The study with its limitation can broaden its future scope by comparing the four dimensions of study for public sector versus private banks. The same research can be further broadened by taking a larger sample size and expanding the same across various other service sector. Learning efficiency can be further compared across various time slot and across various stages of organisation life cycle.

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