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Impact of corporate culture on product innovation capacity: Evidence of Vietnam commercial bank

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ABSTRACT

The purpose of this study is to examine the impact of the bank's corporate culture on its product innovation in Vietnam. Based on the findings, recommendations are made to improve the bank's ability to innovate. Research hypotheses were put forth based on an analysis of the literature addressing the relationship between corporate culture and innovative potential. The data was obtained from the survey conducted in 2021 with 268 participants from 18 banks in Vietnam. SPSS software was used to verify the research hypotheses. According to the empirical findings of the regression model, creative culture and leadership are the two essential elements through which corporate culture influences Vietnamese commercial banks' creative product offerings. The study's results are expected to help bank managers use direct efforts and resources in the most effective and efficient way to encourage the bank's product innovation. Banks in Vietnam need to focus on building a culture that fosters innovation. The leaders of a bank need to be proactive in encouraging changes and taking risks to remain relevant in the market. Moreover, fostering and raising awareness of business culture among bank staff is of utmost importance. The bank needs to have a reasonable customer policy and clearly define the bank's vision and core values and create a culture of good behavior in the bank culture. The bank's product innovation capacity would be improved by promoting these values in the workplace.

Contribution/Originality: The results of this study are valuable in supplementing empirical results on the impact of corporate culture on product innovation capacity in the banking sector like in a developing country such as Vietnam.

1. INTRODUCTION

Banking services are one of the business areas in which the creation of completely new products is very difficult due to the specific and standardized nature of the products (Wang, Lu, & Chen, 2008). However, competition in the banking industry is very strong (Hassanpour & Mirfallahi, 2015). Therefore, commercial banks need to regularly introduce innovations to improve competitiveness. It is imperative to identify the variables that may impact commercial banks' creative potential which serves as the foundation and determines the success or failure of the commercial banks' innovative strategies (Saunila, Pekkola, & Ukko, 2014).

Innovation capacity in the banking sector has received less attention and research than in other manufacturing industries since services are less standardized, often not product-focused and highly fragmented. Furthermore, it is more challenging to study banks' capacity for innovation due to the emphasis on client engagement and the intangible aspects of banking services (Das, Verburg, Verbraeck, & Bonebakker, 2017).

Organizations need to develop a culture of "creativity" (differentiation and learning) and a culture of "support" (empowerment and caring) to encourage innovation in the workplace (Brand, 1998). Workplace "control" and "people" cultures impede innovation because they promote efficiency in management. Similar findings were found in Kay (1989) study on the technology sector for organization to be innovative, its culture must be established on a shared set of values that offer each employee clear instructions on how to understand and accept the organization's basic principles. Each bank's capacity for innovation is determined by its organizational culture (Bullinger, Bannert, & Brunswicker, 2007). The motivation to develop and implement new ideas comes from the bank's beliefs and values and the personal development of the staff is the source of the bank's innovations (Menzel & Fornahl, 2007).

Organizational culture has been identified as a significant factor in previous studies. A culture that is not aligned with an organization's strategic direction may limit its effectiveness (Shao, 2019). It is essential to establish and maintain an organizational culture to increase and improve organizational performance through innovation (Moon, Choi, & Armstrong, 2018). Adisa, Oruh, and Akanji (2020) have found that corporate culture significantly influences organizational innovation. According to Shanker, Bhanugopan, Van der Heijden, and Farrell (2017), organizational culture shapes and reinforces innovative workplace behavior by influencing how employees communicate in the workplace, encouraging employees to form positive relationships and encouraging healthy competition (Hassani & Mosconi, 2022; Meng & Berger, 2019). Accordingly, association culture needs individuals to share groundbreaking thoughts, gaining from each colleague prompts expanding its adequacy exclusively and individually (Aktaş, Çiçek, & Kıyak, 2011). Employees and managers interact simultaneously to form organizational culture. Therefore, corporate culture is anticipated to influence organizational innovation and effectiveness when considering a competitive value framework (Domínguez-Escrig, Mallén-Broch, Lapiedra-Alcamí, & Chiva-Gómez, 2019).

Therefore, this research aims to identify the effects of organizational culture on the innovation capacity of commercial banks, improve the innovation capacity of banks and encourage banks to make decisions to improve innovation strategies.

2. THEORETICAL BACKGROUND AND HYPOTHESIS

2.1. Innovation

Innovation is a multidimensional concept with many different meanings. According to Knight (1967) innovation is the process of introducing novel changes to an organization and its surrounding context. In addition, the term "adoption" refers to an organization's implementation of a novel concept. When it comes to defining innovation, academics have slightly different definitions of "new." Manual (2018) isolated the curiosity of development into three levels: institutional, global and intermediate. Innovation is the first change that is implemented globally. Institutional level development means that the advancement was recently carried out in a foundation executed in different establishments. The various types of innovation are distinguished from multiple perspectives. Product innovation (goods and services), process innovation, marketing innovation and organizational innovation are examples of fields in which innovation can be distinguished (OECD, 2005).

According to the OECD (2005) innovation is the performance of a significant improvement in a product or service, a marketing process, a method or a new operating method in doing business, operating an enterprise or its relationship with a partner. Thus, innovation in the organization is defined to include a series of activities and processes in terms of markets, business ideas, networks of customers and competitors, operational skills, organizational work and transfer. Creativity and knowledge take place both inside and outside the organization. Das et al. (2017) defined innovation as the introduction of, bringing to market a new product, business process or business model by commercializing or optimizing efficiency, activities and products available and contributing to increasing enterprises' competitiveness.

2.2. Corporate Culture

Organizational culture is understood as the deepest level of underlying values, assumptions and beliefs shared by members of an organization and expressed in action especially by leaders and management (Johnson, Scholes, & Whittington, 2008). Organizational culture can be expressed in many ways such as through rituals and habits, the language used, stories, legends, myths and symbols in the company. In other words, corporate culture is considered a set of collective norms that influences the behavior of company members.

The bank's culture is reflected in the vision and concretized in the bank's goals. Such banks aim for total quality management and customer satisfaction. In addition, the bank has a reward and punishment culture for innovation activities in the direction of "raise high and strike carefully." If mistakes occur (which is unavoidable when undertaking new things), the bank must withdraw. Learning lessons from mistakes promotes innovation activities (Dempewolf & Meyer, 2023; Wan, Ong, & Lee, 2005). Finally, banking culture is expressed through trust and sharing mutual respect, thereby creating an environment that encourages individuals to confidently practice new ideas without fear of consequences (Wan et al., 2005).

2.3. Impact of Corporate Culture on the Innovation Capacity of Banks

The corporate culture factor is considered an important factor and has a great impact on the innovation capacity of enterprises. According to Neely and Hii (1998) the innovation capacity of enterprises depends on the following factors: corporate culture, internal creative process and external environment. Herbig and Dunphy (1998) studies support the importance of corporate culture as a factor in organizational creativity.

Enterprise culture is one of the factors affecting the innovation capacity of organizations found in research (Herbig & Dunphy, 1998). Organizations with a culture that always supports innovation activities as demonstrated by the vision and determination of the executive leadership team and the actions of employees at all levels, will promote the innovation activities of the bank. Organizations with a strong culture will have mutual trust and respect creating an environment that encourages individuals to confidently practice new ideas without fear of consequences thereby enhancing the innovation capacity of the organization (Wan et al., 2005). According to research on the impact of organizational culture on organizational performance, organizations with knowledge sharing and democratic leadership have a beneficial impact on organizational performance (Odiri & Ideh, 2021).

McKenzie (2014) highlighted four types of factors affecting banks' creative capacity in the banking sector: (1) human resources (including factors such as the leadership team), executive leadership, staff and connectivity issues. (2) Corporate culture (including values, vision, beliefs, and operations). (3) The creative management process (including the role, scale and process of the creative strategy). (4) Resources (including financial resources and banking technology). Research by Tahir, Alhaidan, Halbusi, and Al-Swidi (2022) in the banking industry has shown that organizational culture has a positive impact on organizational performance through the role of the moderating variable which is innovation capacity. The organization's culture creates favorable conditions to promote and enhance creativity so that the performance of the organization will be higher.

Innovation in the banking sector is very complex and risky. Therefore, a bank's culture plays a role in determining how innovative a bank is within a safe margin. The reason is that each bank has a different risk appetite. However, banks still have to maintain prudential limits according to the standards and requirements of regulatory authorities. The bank has a culture of always supporting innovation activities, reflecting the vision in the determination of the leadership team and the actions of employees at all levels (Wan et al., 2005).

Therefore, the study proposes that corporate culture has a positive impact on the innovation capacity of banks.

The following specific research hypotheses are proposed:

Hypothesis 1: A bank with a good innovation culture will promote the improvement of the bank's product innovation capacity.

Hypothesis 2: Banks with leaders who support innovation will promote the improvement of the bank's product innovation capacity.

Hypothesis 3: Banks with governance activities that support innovation will promote the improvement of the bank's product innovation capacity.

3. RESEARCH METHODS

3.1. Research Model

The authors propose a study model to examine the impact of organizational culture on the bank's product innovation capability based on a review of theoretical studies. The model has three independent variables: leadership, corporate culture and management and the dependent variable is bank product innovation (see Figure 1).

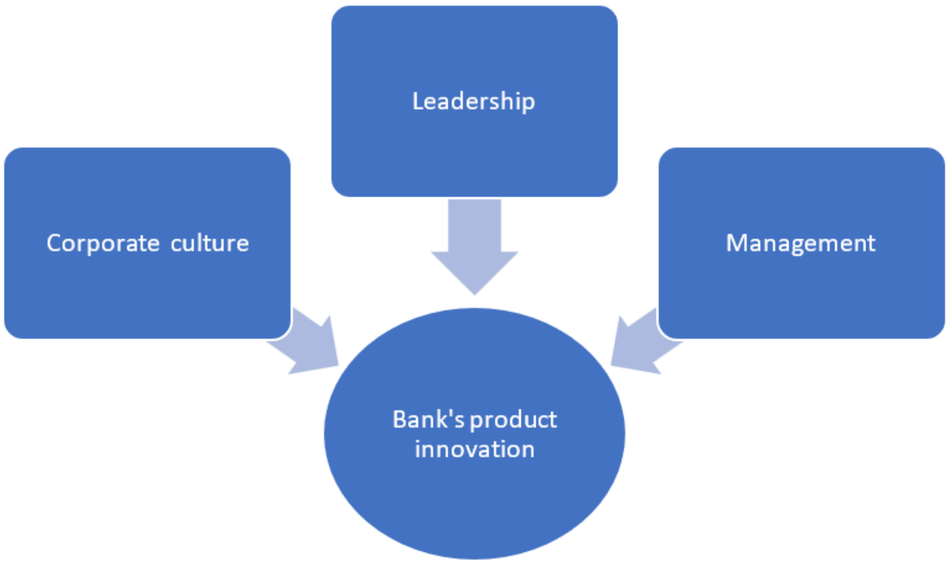

Figure 1. The conceptual model of the research.

3.2. Research Scale

3.2.1. Product Innovation

Product innovation is the development and introduction of a new product to a market or modification of existing products in terms of function, quality consistency or appearance (Liao, Fei, & Chen, 2007) or significantly improved in terms of its characteristics or intended use. These include significant improvements in specifications, components and materials, software integration, user friendliness or other functional characteristics (OECD, 2005). Product innovation can use new knowledge or technology or combinations of existing knowledge or technology. Product innovation is a difficult process driven by advanced technologies, changing customer needs, shortening product life cycles and increasing global competitiveness (Lin, Chen, & Kuan-Shun Chiu, 2010).

It requires a strong connection between organizations, customers and suppliers to be effective (Payzin, Ulusoy, Kaylan, & Akova, 1997). As a result, the bank's product innovation potential is founded on the inheritance of current studies. According to Lin et al. (2010) and the OECD (2005) product quality is assessed on five dimensions: enhance product quality, lower product costs, develop new characteristics, add new features and introduce new products. The scale for this dependent variable is illustrated in Table 1.

Table 1. Scale of "product innovation capacity".

Code	Indicators	Source
SP	Product innovation	Liao et al. (2007); Lin et al. (2010) and OECD (2005)
SP1	The bank has improved the quality of the product.	
SP2	The bank has cut the cost of the product.	
SP3	The bank has developed new product features for the convenience of its customers and increased their satisfaction.	
SP4	The bank has developed new product features that are completely different from before.	
SP5	The bank has developed a new product with completely different components from the existing product.	

3.2.2. Organizational Culture

Integrating innovation into company culture is an important means of achieving success and fostering innovation capabilities (Bullinger et al., 2007). An organization's convictions and values impact its representatives' gamble resistance, self-improvement, inventive exercises and inspiration to create and carry out groundbreaking thoughts (Menzel & Fornahl, 2007). The extent to which pioneers are prepared for creative procedures and the amount of time administrators spend dealing with a development in comparison to their regular duties are indicators for estimating advancement culture (Hittmar, Varmus, & Lendel, 2015). In this study, organizational culture variables are described in three aspects: innovation culture of the bank, leadership support of innovation of the bank and governance activities that promote innovation (see Table 2).

Table 2. Scale of "Organizational culture".

Code	Indicators of organization culture	Source
OCI	Corporate culture	
OCI1	The bank always organises group and joint activities to promote innovation activities.	Bullinger et al. (2007)
OCI2	The bank always supports the creation and testing of new ideas by its employees.	
OCI3	The bank adopts a decentralized decision-making method (More empowering for subordinates).	
OCI4	Innovation is an integral part of the bank's strategy.	
OCI5	Bank innovation is implemented to ensure quality and customer satisfaction.	
OCL	Leadership	
OCL1	At the bank, the lowest level employees are also empowered.	Menzel and Fornahl (2007)
OCL2	The bank applies a project-based approach with the participation of employees from many different departments.	
OCL3	The bank's top leadership demonstrates a high commitment to innovation.	
OCL4	Leadership encourages change and takes risks.	
OCM	Governance activities	
OCM1	The bank is always open to receiving feedback from stakeholders.	Hittmar et al. (2015)
OCM2	The bank regularly creates and applies new ideas.	
OCM3	Rewards bank for successful ideas.	
OCM4	The bank always sets priorities so that innovation projects can be implemented.	
OCM5	The bank invests many resources in innovation.	
OCM6	The bank regularly trains and develops human resources.	

3.3. Study Sample and Data

Banks were selected for inclusion in the study based on their representativeness in terms of ownership, size, and transparency of information. The study selected 18 commercial banks that met the requirements. Conducting a survey through a questionnaire distributed to respondents who are employees of selected commercial banks in the research sample to collect opinions and assess knowledge acquisition capacity in banking and product innovation.

The questionnaire was built on the Likert scale. Data is collected in 2021. The collected data is aggregated, cleaned and analyzed. The exploratory factor analysis (EFA) method identifies factors affecting bank product innovation. A regression analysis was then performed to assess the impact of organizational culture on the bank's product innovation. All data analysis was performed on SPSS version 20 software. The characteristics of the sample studied are presented in Table 3.

Table 3. Sample.

Characteristics of respondents	N	%
Bank's size	268	100
Small	56	20.9
Medium	89	33.2
Large	123	45.9
Position	268	100
Staff	186	69.4
Manager of the branch	61	22.8
Manager of the department	14	5.2
Manager at head office	7	2.6
Experience	268	100
Less than 3 years	84	31.3
From 3 years to less than 6 years	42	15.7
From 6 years to less than 10 years	60	22.4

Statistics from 268 observations in the research show that the majority of respondents (48.3%) belonged to the group of large banks followed by medium-sized banks (30.3%) and small banks (21.4%). The majority of respondents (67.9%) were employees followed by branch managers (24.4%) and senior managers at departments and headquarters (7.7%). The survey results have good value and high reliability because most of the respondents have a lot of work experience. According to the sample structure, 34.62% are members who have worked for more than 10 years with the bank, 20.9% of the members have worked for 6 to 10 years at the bank, 14.5% of the research sample is members who have worked for 3 to 5 years at the bank and only 70 people have worked at the bank for less than 3 years (accounting for 29.9%). Thus, most of the survey participants were engaged and devoted as well as understood the bank's organization, operation and business results. Therefore, the data obtained from the survey has a high-quality result because of their contribution to the survey.

3.4. The Reliability of the Scale

The Cronbach alpha reliability coefficient is used to evaluate the reliability of the scale. The standard selects the scale when it has an alpha confidence of 0.60 or higher. Variables with a total correlation coefficient less than 0.30 will be removed from the scale. The results of Cronbach's alpha analysis of the scales are presented in the following Table 4.

4. RESULTS

4.1. Exploratory Factor Analysis (EFA)

The exploratory factor analysis (EFA) method was used in order to identify the factors that affect the product innovation capacity of Vietnamese commercial banks. Variables with a weight less than 0.50 in the EFA will be discarded with varimax rotation and breakpoint when extracting eigenvalue=1 factors. The scale is accepted when the total variance extracted is equal to or greater than 50% and the factor weight is 0.50 or more. The Kaiser-Meyer-Olkin (KMO) and Bartlett's test results get the KMO coefficient of 0.960 > 0.05; the Bartlett test results have sig = 0.000 < 0.5 showing that factor analysis is appropriate with research data.

Table 4. Results: Cronbach's alpha of the measurement.

Code	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Scale organization culture (OCI)Cronbach's alpha 0.954					
OCI1	1.000	0.778	0.735	0.677	0.748
OCI2	0.778	1.000	0.760	0.707	0.726
OCI3	0.735	0.760	1.000	0.673	0.664
OCI4	0.677	0.707	0.673	1.000	0.799
OCI5	0.748	0.726	0.664	0.799	1.000
OCI6	0.749	0.729	0.677	0.781	0.799
OCI7	0.748	0.748	0.753	0.783	0.792
OCI8	0.679	0.660	0.666	0.702	0.712
OCI9	0.618	0.553	0.664	0.545	0.540

Code	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Scale leadership (OCL)Cronbach's alpha 0.933					
OCL1	11.12	8.208	0.768	0.602	0.939
OCL2	10.92	8.166	0.879	0.776	0.901
OCL3	10.77	8.298	0.858	0.771	0.908
OCL4	10.82	8.088	0.872	0.781	0.903
Scale governance (OCM)activities Cronbach's alpha: 0.954					
OCM1	20.45	14.001	0.844	0.727	0.947
OCM2	20.53	13.194	0.869	0.762	0.944
OCM3	20.46	13.814	0.826	0.686	0.948
OCM4	20.55	13.394	0.872	0.771	0.943
OCM5	20.52	13.584	0.861	0.746	0.945
OCM6	20.43	13.325	0.868	0.761	0.944
Scale bank's product Innovation (SP) Cronbach's alpha: 0.930					
SP1	15.95	9.233	0.827	0.714	0.912
SP2	16.21	9.030	0.722	0.558	0.934
SP3	15.94	9.202	0.823	0.725	0.912
SP4	15.96	8.860	0.856	0.770	0.906
SP5	16.03	8.797	0.860	0.768	0.905
SP1	15.95	9.233	0.827	0.714	0.912

Table 5. Two factors attracted from EFA.

Component	Initial eigenvalues			Extraction sums of squared loadings			Rotation sums of squared loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	12.399	65.256	65.256	12.399	65.256	65.256	9.364	49.284	49.284
2	1.752	9.221	74.477	1.752	9.221	74.477	4.787	25.194	74.477
3	0.808	4.252	78.729						
4	0.653	3.438	82.167						
5	0.459	2.418	84.585						
6	0.368	1.935	86.520						
7	0.318	1.676	88.196						
8	0.282	1.485	89.681						
9	0.262	1.379	91.060						
10	0.239	1.258	92.318						
11	0.223	1.174	93.492						
12	0.214	1.126	94.618						
13	0.195	1.024	95.643						
14	0.170	0.894	96.537						
15	0.154	0.808	97.345						
16	0.138	0.724	98.069						
17	0.132	0.695	98.764						
18	0.128	0.672	99.436						
19	0.107	0.564	100.000						

Note: Extraction method: Principal component analysis

Table 5 shows the findings of the EFA analysis on the correlation between all 19 variables studied. Two factors extracted include innovation culture and leadership. Corporate culture and governance activities are the components of the innovation culture factor. These factors contribute 74.47% to the mean of organization culture and are to be used in regression analysis to determine the impact level of each factor.

4.2. Regression Model

The one-way analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of two or more independent variables. The linear regression model used is suitable because the results of the model test through the F test in the ANOVA test show that sig is 0 so there is enough evidence to reject the hypothesis H0 and conclude that the regression model is statistically significant. The results of the regression are given in Table 6.

Table 6. The multiple regression output.

Coefficients						
Model		**Unstandardized coefficients**		**Standardized coefficients**	**t**	**Sig.**
		B	**Std. error**	**Beta**		
1	(Constant)	3.987E-017	0.041		0.000	1.000
	Innovation culture (FAC1_1)	0.643	0.041	0.643	15.626	0.000
	Leadership (FAC2_1)	0.373	0.041	0.373	9.074	0.000

Note: a. Dependent variable: FAC1_2 : The bank's product innovation

The results also show in Table 7 that the model has a satisfactory fit (R2 = 0.549) which explains 55% of the variation in the bank's product innovation capacity. Table 7 indicates the overall fit of the model (F=163.255, Sig. = 0.000).

Table 7. The fit of the model (ANOVA table).

ANOVA[a]						
Model		**Sum of squares**	**Df**	**Mean square**	**F**	**Sig.**
1	Regression	147.383	2	73.691	163.255	0.000[b]
	Residual	119.617	265	0.451		
	Total	267.000	267			

Note: a. Dependent variable: FAC1_2: The bank's product innovation.
b. Predictors: (constant), FAC2_1: innovation culture, FAC1-1: leadership.

Based on the regression results in Table 6, it shows that the bank's ability to innovate products is affected by two factors: innovation culture and leadership. The effect of culture on bank product innovation in Vietnamese is that innovation culture is the most influential factor 1 (FAC1-1) (b1= 0.643) followed by factor 2 leadership (FAC2_1) (b2 = 0.373). Therefore, the hypotheses are supported with a significance level of 1%. The impact of corporate culture on product innovation capacity at banks in Vietnam is shown in Figure 2.

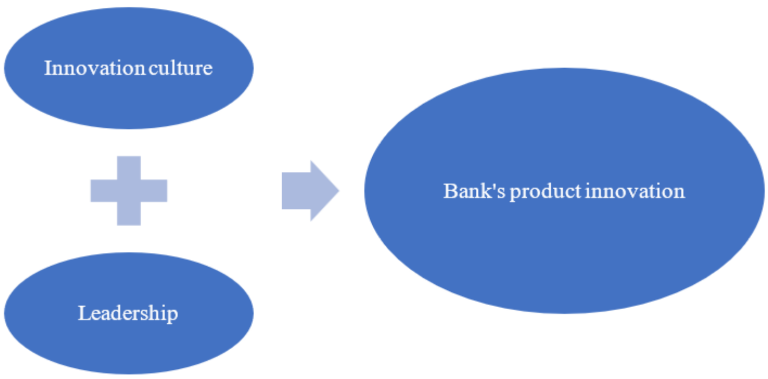

Figure 2. Results model.

5. DISCUSSION AND RECOMMENDATIONS

The banking sector in Vietnam has expanded significantly in recent years with the rise of new firms. The competition has become more intense and banks need to differentiate themselves by creating innovative products that meet the needs and demands of their customers. According to research, the bank's culture had a positive effect on the bank's product innovation in the Vietnamese context. Product innovation at Vietnamese commercial banks will increase if banks achieve the following:

Firstly, banks in Vietnam need to focus on building a culture that fosters innovation, appointing leaders who are committed to innovation and creating an environment that encourages employees to think outside the box to gain a sustainable competitive advantage. Culture is a vital aspect of any organization that has a significant impact on its overall performance. A positive culture not only enhances employee morale and job satisfaction but also leads to increased productivity and innovation. A strong culture enables employees to understand the core values and beliefs that guide the organization's actions, inspiring them to work together towards common goals. Banks in Vietnam need to focus on building a culture that fosters creativity, risk-taking and collaboration to encourage innovation throughout the organization. When employees feel empowered to share ideas and take risks, they are more likely to come up with innovative solutions that can differentiate the bank in the market. However, many organizations in Vietnam do not foster such an environment as traditional cultures can be risk-averse and hierarchical. Therefore, banks need to focus on building a culture that provides opportunities for employees to share their thoughts, visions and ideas freely. Leadership also plays a significant role in promoting innovation within the organization. It is critical to appoint leaders who are devoted to innovation and can serve as role models for others in the organization. Leaders play an important role in any organization since their decisions and actions affect the entire organization. Therefore, it is essential to select leaders who have experience in innovation and who are highly motivated to drive change. When leaders demonstrate enthusiasm and dedication to innovation, they cultivate a culture that nurtures creativity and motivates employees to think creatively. Appointing skilled executives and fostering an environment that supports motivation and dedication to innovation are crucial in developing countries such as Vietnam. The highly competitive banking landscape in Vietnam makes it necessary for banks to differentiate themselves through innovative products, services and strategies. Thus, appointing leaders with experience and expertise in innovation is crucial. The research conducted by Crowley and Bourke (2018) highlights the importance of experience and motivation in promoting innovation within organizations. The study found that leaders' experience and motivation are closely related to the innovation capacity of the enterprise. Leaders with experience in innovation can assist the organization in avoiding common problems that impede innovation such as a strict organizational culture or a lack of resources. Additionally, highly motivated leaders can inspire employees to work together, to take risks, to experiment with new ideas and to develop innovative products and services. Building such a culture requires time and dedication. However, the advantages in terms of increased employee engagement, productivity and innovation will empower organizations to remain pertinent and competitive in the long term. Secondly, the leaders of a bank need to be proactive in encouraging changes and taking risks to remain relevant in the market. Leaders in the banking industry must develop strategies that encourage innovation and risk-taking while balancing the need to protect the institution's financial assets and reputation. This will require a fundamental shift in the culture of the organization, creating an atmosphere where employees feel encouraged to offer new ideas and suggestions on how to improve processes and products. Leadership must set a good example by creating a culture that encourages innovation and is willing to take risks.

Taking risks is an essential part of business growth and the banking industry is no exception. However, taking risks in banking requires a delicate balance between the need to generate profits and the need to protect the bank's financial assets. Leaders in the banking industry have to develop risk management strategies that will help them identify, assess, monitor and control potential risks. They must ensure that their teams are appropriately prepared to handle risk and that they have backup strategies in emergencies. The banking industry is heavily regulated and leaders in the industry have to ensure that their operations and decisions are compliant with the law. They need to stay updated with new regulations and be proactive in implementing them. Lawyers are essential in providing legal advice to the bank's leadership to ensure their operations comply with relevant laws and regulations. A team of lawyers is an essential part of any bank's leadership and is critical to ensure the institution's compliance with regulatory bodies. The role of the bank's leadership in managing the performance of the financial institution is paramount. The leaders of a bank are responsible for ensuring that the bank's operations are smooth and generate revenue while protecting the bank's financial assets. Leaders must be knowledgeable about the industry and stay informed about trends that could impact the bank's operations. This will enable them to make informed decisions that will benefit the bank in the long term. Leaders in the banking industry should also have excellent communication and interpersonal skills. They must be able to communicate effectively with their teams and stakeholders including shareholders and regulatory bodies. Good communication skills will help cultivate transparency, open communication and a culture of trust in the institution.

Leaders in the banking industry should also be competent and ethical in addition to being proactive, innovative and risk-taking. They should possess a high degree of integrity and be committed to doing what is right even when it is not the most popular decision. Leaders should also be able to inspire their teams to work towards the institution's goals while creating a culture of respect and professionalism.

Thirdly, fostering and raising awareness of business culture among bank staff is of utmost importance. Corporate culture refers to the values, beliefs, practices, customs and behaviors that a company follows and it has a significant impact on the overall functioning of the organization. In today's competitive business environment, creating and maintaining a strong corporate culture is essential for the success of a company. The role of bank staff in shaping the corporate culture is undeniable. They are the ones who interact with clients, vendors and other stakeholders on a regular basis and hence, their level of understanding, customs, habits and communication play a pivotal role in creating cultural values in general and corporate culture in particular. It will be impossible to develop and sustain the bank's culture if they do not work properly.

It is crucial to value the workforce in each department recognizing the significance of each department of the bank in building corporate culture. It is also essential to understand that the culture of the organization is not the responsibility of the HR department. Instead, it should be the shared responsibility of all staff. The first step towards fostering and raising awareness of business culture among bank staff is to clearly communicate the values, goals and expectations of the organization. Senior management should clearly define the corporate culture and its importance in achieving the bank's strategic goals. They should also ensure that all bank staff understand how their individual roles contribute significantly to the overall success of the organization.

The next step is to provide training and support to staff in implementing and living the corporate culture. The training should focus on building emotional intelligence, communication skills, teamwork and leadership skills. It is essential to foster a workplace environment that fosters the corporate culture. The bank's leader should act as a role model and showcase the desired behaviors and work culture. This includes providing a safe and healthy work environment, encouraging open communication, recognizing outstanding performance, encouraging teamwork, providing opportunities for career development and promoting work-life balance. Employee engagement is another critical element in fostering and raising awareness of business culture among bank staff. Engaged employees are more likely to be committed to the organization and they are more likely to demonstrate the desired behaviors and work culture. The bank's leadership should recognize the accomplishments of staff, provide regular feedback and encourage the sharing of ideas and suggestions to achieve employee engagement. The bank can create and maintain a culture that will drive its strategic goals and promote its success by valuing the importance of each department of the bank, defining the corporate culture, providing training and support, fostering a healthy work environment and encouraging employee engagement. Fourthly, the bank should set up a relationship between the customer and the management system. The banking sector has evolved significantly over the years, with the customer emerging as the most important aspect of their operations. Banks realized that the key to their continued growth and success was to focus on customer satisfaction. This realization led to the adoption of reasonable customer policies by banks worldwide. A reasonable customer policy refers to a set of rules and regulations that govern the interaction between banks and their customers. These policies are designed to ensure that customers are treated fairly and their interests are protected. Customer policies apply to all aspects of banking including account opening, loan applications, withdrawals and customer service.

One of the essential aspects of a reasonable customer policy is transparency. Banks need to be open and clear about the terms and conditions of their services. They should not hide any charges or fees from the customers. This transparency builds trust among customers and helps to foster long-term relationships.

Another critical aspect of customer policies is accountability. When banks make mistakes or fail to deliver on their promises, they need to take responsibility for their actions. A good customer policy should specify what action the bank will take in case of an error or mistake and how they will compensate the affected customer. The customer policies of a bank should also prioritize the satisfaction of their customers. Banks need to listen to their customers and address their concerns promptly. They should have a customer service department that is accessible, responsive and helpful. This can be achieved by providing multiple channels of communication such as chatbots, email, phone, and social media. In addition, banks should provide a range of products and services that cater to the different needs of their customers. For instance, they need to offer flexible loan terms to clients who may have a poor credit history or are in precarious financial situations. Banks also need to provide multiple payment options and this includes mobile and online banking. These services should be user-friendly and easy to access.

The success of banks depends on the satisfaction of their customers. Banks can build trust, accountability and loyalty among their customers by adopting a reasonable customer policy. This will result in increased revenue, improved customer retention and a better reputation for the bank.

Fifth, clearly define the bank's vision and core values, including cultural values. Corporate culture is increasingly becoming a critical factor in determining the success of any business and the banking sector is no exception. A bank's corporate culture comprises shared values, behaviors and beliefs that steer its daily operations. A well-defined culture helps shape an institution's performance, reputation, brand image and longevity. In this regard, banks must clearly define their vision and core values including cultural values in order to build a strong corporate culture. Vision and core values are fundamental elements in defining a bank's corporate culture. A bank's vision defines its future direction, aspirations and goals. This vision should motivate and inspire employees and stakeholders to work towards achieving the bank's objectives. A well-defined vision could be to become a leading financial institution in its area of operations with a reputation for innovation, excellent customer service and sustainable growth. Core values, on the other hand, describe an organization's principles and beliefs. Banks need to identify their core values and ensure they align with the institutional mission, vision and objectives. Clear and well-defined core values guide a bank in conducting its operations ethically, responsibly and with integrity. The core values of a bank should include customer focus, teamwork, accountability, respect and continuous improvement. Cultural values have a vital role in determining and shaping the bank's operational operations in addition to the bank's vision and core values. Cultural values are the principles and beliefs that influence the behavior and mindset of the bank's employees. These values encompass the bank's attitudes, customs and practices that promote its ethical and responsible conduct. Banks need to establish their cultural values and ensure they align with their mission, vision and core values. It is vital to identify cultural values that promote an inclusive organizational culture and that facilitate diversity, equity, and inclusiveness. Cultural values such as respect, openness, inclusion and accountability foster a conducive work environment that promotes teamwork, employee engagement and retention. A strong corporate culture starts with strong leadership. The bank's leadership team should be responsible for setting the tone for the organization's culture by representing its vision and core values. They should model the expected behaviors and work towards ensuring that all employees understand and live by the bank's cultural values. The bank's leadership should communicate the institution's vision, core values and cultural values consistently and regularly to employees and stakeholders through formal communication channels such as newsletters, emails and town hall meetings.

Establishing a robust and positive corporate culture requires ongoing efforts. Banks should ensure that every employee understands the importance of their role in shaping the culture of the institution. Training and development programs that promote the bank's cultural values can be vital in ensuring that employees are aligned with the institution's objectives. Banks can also encourage transparency and feedback to promote an inclusive culture. Regular surveys and employee engagement programs can help identify areas that need improvement in terms of the bank's culture. A strong corporate culture is the foundation of a successful bank. Banks have a responsibility to establish a clear vision, core values and cultural values that align with the institution's objectives. They must communicate these values effectively to their employees and stakeholders and ensure that they are applied in all aspects of the bank's operations. Ultimately, a positive corporate culture enhances the bank's reputation, brand image and financial performance.

Finally, creating a culture of good behavior in the bank is one of the most significant aspects of establishing a strong and trustworthy relationship between the bank and its customers. It is essential to build this culture as customers expect to be treated with respect and courtesy when they walk into the bank. In addition, a good culture for the bank will allow employees to feel valued and to contribute positively to the bank's image. One of the most important ways to create a culture of good behavior in the bank is by training employees to provide excellent customer service. This training should include how to greet customers warmly and how to communicate with them in a respectful and friendly way. Staff training should also include how to listen to customer concerns and how to address their needs in a timely and professional manner. This type of training will enable employees to be more empathetic and more able to assist the customer in the best possible way.

Another important aspect of building a good culture at the bank is encouraging teamwork among employees. Encouraging collaboration not only enhances productivity but also strengthens the bond between the employees. This will not only help to create a friendly and welcoming atmosphere for customers but also increase the level of trust customers have in the bank. Employees who work together are more likely to solve problems quickly and efficiently which can result in more satisfied customers.

To make the bank more welcoming and friendly, it is important to create an environment that is clean, tidy and aesthetically pleasing by decorating the bank with plants, paintings and comfortable seating areas. A well-decorated and well-maintained bank will make customers feel more comfortable and less anxious which will also make them more likely to do business with the bank in the future. It is important to note that a good culture for the bank goes beyond the physical appearance of the bank. The bank must also work on developing its values and ethics which will be reflected in the behavior of its employees. One way to promote ethical behavior among employees is to make sure that they understand the bank's code of conduct. The code should be designed to help employees understand what is expected of them both legally and ethically. Employees should also be made aware of the consequences of violating the code of conduct. Another way to promote ethical behavior is through the implementation of a whistleblower policy. This policy allows employees to report any unethical behavior that they witness without fear of retaliation. A whistleblower policy provides employees with a sense of security and increases their trust in the bank. This will help to foster a positive culture within the bank.

It is important to recognize and reward employees who exhibit exemplary behavior to ensure that the good culture within the bank is maintained. This recognition can be in the form of incentives such as bonuses or promotions. Recognition will encourage employees to continue exhibiting good behavior and also inspire others to do the same. The bank must train its employees to provide excellent customer service, encourage teamwork, maintain a clean environment and promote ethical behavior. The bank can ensure that it attracts and retains customers while also creating a positive work environment for its employees by promoting these values in the workplace.

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