

Role of Organizational Culture in Quality Management: A Case of an Urban Co- Operative Bank in India

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EXECUTIVE SUMMARY

In this intensely competitive world, an organization can survive in business only as long as it is consistently able to deliver quality products and services. The impulse for higher quality has brought about far-reaching changes in the way business is conducted. Likewise, studies in recent years are attempting to establish the interrelationship between organizational culture and total quality management. An organization is likely to attain a set of core managerial standards, norms, and practices that distinctively identifies the way it runs business; such standards give rise to a culture that may confer the organization a persistent competitive advantage, particularly if it is nifty, atypical, and imperfectly replicable. The present study explores the case of Bhagini Nivedita Sahakari Bank Ltd., Pune, functioning in the state of Maharashtra in India. The bank serves as a classic example of business excellence through continuous quality improvement; it has a unique organizational culture realized by the adoption of a customer-centric business model.

ORGANIZATION BACKGROUND

Business establishments, organized on the principles of co-operation, function to meet people's needs and are not just driven by profit consideration; they are propelled by the values of care and concern for the community. Ever since co-operative legislation was first introduced in India in 1904 (Goel, 2001; Dwivedi, 2005), several co-operative banks and credit societies have sprung in different parts of the country; few of these have survived the tests of competition, reforms and regulations, while a few have been closed owing to failure to meet the requisite norms. The present study focuses on a co-operative bank, Bhagini Nivedita Sahakari Bank Ltd. (BNSB), Pune, which unlike most modern-day banks, operates over a limited geographical area, but continues to grow steadily and consistently; this may be attributed to its made-to-measure business strategies that are fashioned on the principles of prudence and judgment rather than jumping on the bandwagon to keep pace with the competitors.

Genesis and Growth of Bhagini Nivedita Sahakari Bank Ltd., Pune

The Bhagini Nivedita Sahakari Bank Ltd., Pune, was instituted on March 24, 1974, under the Maharashtra Co-operative Societies Act, 1960, by two visionaries, Mr. Vivek Dadhe and his ingenious wife Mrs. Meenakshi Dadhe ("Bhagini Nivedita Sahakari Bank Ltd.", n.d.). Mr. Dadhe, a Chartered Accountant by profession, was a highly committed man with a commendable sense of duty and service. He was deeply inspired by the work of Margaret Noble, a.k.a. Sister Nivedita, an Irish social worker and an adherent of Swami Vivekananda, who devoted her entire life to community service. Based on her precepts, the bank commenced its functions with the dictum of service to the common man. At inception, the bank primarily identified the following objectives, which persist till the present-day:

1. To encourage frugality and saving among the masses in general and women in particular;
2. To promote and push enterprising women for business initiatives and assist them in being economically self-contained;
3. To unfetter the poor and needy families from the shackles of moneylenders ; and
4. To meet the credit requirements of low-income and middle-income groups at reasonable interest rates.

A principal attribute of the bank has been its functioning controlled entirely by women, excluding the armed security guards and few subordinates in the loan recovery

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