

**Workplace Culture and its impact on Organisational Efficiency**

**Amma-Harar Russell young**

**1808757**

**Nadeem Mirza**

|                                                         |              |
|---------------------------------------------------------|--------------|
| <b>Table of contents.....</b>                           | <b>2</b>     |
| <b>Executive summary.....</b>                           | <b>3</b>     |
| <b>Introduction.....</b>                                | <b>4</b>     |
| <b>Main Body\ Company<br/>background.....</b>           | <b>5</b>     |
| <b>Business Environmental Analysis Tools.....</b>       | <b>6</b>     |
| <b>External environmental analysis.....</b>             | <b>7--9</b>  |
| <b>Industry Analysis of your Company.....</b>           | <b>10-12</b> |
| <b>Organisational Culture.....</b>                      | <b>13-15</b> |
| <b>Organisational Culture and External Factors.....</b> | <b>16</b>    |
| <b>Organisational Culture and Performance.....</b>      | <b>17</b>    |
| <b>Ethical Dilemma.....</b>                             | <b>18-19</b> |
| <b>Conclusion and Recommendations.....</b>              | <b>20</b>    |
| <b>Individual Reflective.....</b>                       | <b>21-22</b> |
| <b>References.....</b>                                  | <b>23</b>    |

**Executive Summary:**

This report provides information on the culture of an organisation and how it can affect regulation. The Nationwide Building Society must deal with different external problems that affect its ability to collect information. To overcome these challenges, the organisation has developed different strategies. Tools such as pestle analysis will be used to explore more deeply the ethical problems in their daily activities and the impact it has on the business.

**Introduction:**

This study will detail how the workplace has changed substantially because of the epidemic, as well as the restrictions that have remained in place. How organisations have had to adapt to the new normal, but despite the difficulties, this has provided many opportunities for new adventures in the workplace, as well as bringing the community spirit together and demonstrating people's resilience.

PESTEL analysis will be one of the most important business analytical tools used to support this report. PESTEL Analysis is a strategic framework for evaluating an organization's external environment by separating opportunities and hazards into PESTEL analysis. Micro and macro elements in the external environment have an impact on businesses. Businesses use this tool to study and monitor macro-environmental issues. This also makes it easier to keep track of changing activities in the office.

## **Main Body:**

### **Company background**

“Nationwide began in the nineteenth century, when many people's daily lives were difficult. Families moved from the countryside in search of work, and towns were bursting at the seams. Most of these families had little choice but to rent a home, putting them at the whim of shady landlords.

The newly formed building societies provided an alternative. They were created when a group of like-minded people pooled their resources, no matter how small, to help each other buy their own homes and improve their circumstances.

The Co-operative Permanent Building Society, which initially opened its doors in London in 1884, was one such building society. The Co-operative Permanent has grown and amalgamated with over 250 other building societies over the years” (Fyfield 2015).

## **Business Environmental Analysis Tools:**

Pestel analysis, cultural WEB, and Porter's five forces will be used to support this report's environmental analysis. An organisation must sustain its business activities while also reacting to the external and internal elements that affect the organization's core objectives and strategy. Anything that impacts or influences business activity is considered part of the company's governmental environment.

## **External environmental analysis:**

### **Pestel Analysis**

#### **Political factors**

“Governments can change the tax rate for corporations. They can also have an impact on businesses by increasing value-added tax (VAT) on products or business rates. This may have an influence on profitability. If the VAT rate is raised, a company's selling price will have to rise, thereby reducing sales.

The government can enact new legislation, such as the National Minimum Wage. Profits will be impacted if the business's wage costs rise.

New health and safety legislation can be introduced by governments. This means that a company may need to change how it operates, such as by training employees or improving machinery or safety equipment.

The United Kingdom's commerce with the EU single market will be affected by the referendum to leave the European Union, popularly known as Brexit. The impact could be negative loss of commerce with EU customers or positive increased trade with EU consumers, less restrictions placed on firms by EU lawmakers.

#### **Economic Factors:**

In the financial system and the economy, commercial banks play a crucial role. Banks allocate funds from savers to borrowers in an efficient manner as a key component of the financial system. They offer specialised financial services that lower the cost of obtaining information about savings and borrowing options. These financial services contribute to the efficiency of the overall economy.

#### **Sociocultural Factors:**

The values and views about how a society runs are linked to social factors. It indicates the features of work in that organisation in terms of the organisational environment. These qualities reveal how employees accomplish a specific set of jobs and what variables they consider when evaluating ethics.

This, in turn, has an impact on the organisational environment, which decides what constitutes ethical or unethical behaviour in the performance of organisational tasks.

### **Technological Factors:**

In many industries, technology is changing the way businesses operate and deliver products to customers. We have poisonous substance detectors, medical equipment that can detect life-threatening conditions before they become a problem, and smarter computer software that makes controlling vital equipment easier than ever before.

The use of technology in the financial world is an industry that has seen a lot of innovation in recent years. The new buzzword in the industry is 'FinTech,' and with an ever-evolving corporate and consumer focus, the need to keep up with advancements is resulting in more choice and a better user experience across the board.

Many businesses are embracing FinTech's disruptive nature. There are several key areas where technology is being integrated into financial activities to aid in the development of the customer journey, including:

Online Banking has traditionally been done in a non-virtual environment. People would go to their bank in town to withdraw money, transfer funds from one account to another, and organise their finances. In a physical location, you would interact with people and speak with a helpful staff member. However, these types of locations are quickly becoming obsolete. Daily, online banking becomes more sophisticated – we can transfer money or pay for goods with the click of a button.

We can switch between banks and choose products for our needs using sites like [finance.co.uk](http://finance.co.uk); the list is endless. We live in a time when we can access our bank accounts from our phones, computers, and other devices.

Customer service is the most significant way that FinTech is disrupting the finance and banking industries. In the past, any company involved in finance

needed a strong customer service team. Anything involving the handling of money or financial matters necessitated the use of trained personnel who could help people solve problems and help.

Chatbots, on the other hand, has quickly become the norm for customers to interact with. On paper, an AI that evolves and becomes smarter sounds good, but in practice, it lacks a human touch and renders many people obsolete.

In fraud detection, both men and machines used to put equal effort into fraud investigation and detection. The system would aid in the tracking of potentially fraudulent transactions, but it would be up to the fraud-detection staff to review all the data and determine whether there was fraudulent activity on the account.

However, AI is progressing beyond the capacity of those who create it, and it is now being used to detect and identify fraud. Based on previous patterns, the machine can track the victim's history and calculate and predict the likelihood of fraud. This can all be done at a much faster rate than a human could, which means that a lot can be accomplished in a short amount of time.

### **Environmental Factors:**

Banks that lend to high-risk industries face credit and reputational risks. Loans that cause social unrest or environmental damage may face repayment delays, tarnishing the client's and financier's reputations.

### **Legal Factors:**

Following the financial crisis, when thousands of banks were bailed out globally, the banking industry has been hit by a slew of reforms driven by the G20 global agenda. According to the British Banking Association, capital requirements for the largest banks have increased significantly since the collapse of Lehman Brothers, with many pieces of legislation and rules passed.

Several government agencies and watchdogs, including the UK's Financial Conduct Authority, which was established in 2013, have conducted regulatory investigations into many of the world's largest banks. Banks paid billions to settle claims related to foreign exchange rigging and the London Inter-Bank Offered Rate” (Brubakk 1996).

## **Industry Analysis**

### **Porters five forces**

#### **Threats of New Entrants:**

“According to the FDIC1, an average of 215 new banks opened each year between 1977 and 2002, despite the regulatory and capital requirements of starting a new bank. The threat of new entrants should be extremely high, given how many new banks enter the market each year. However, due to mergers and bank failures, the total number of banks falls by 100s each year. One of the main reasons for this is trust, which is arguably the most significant barrier to entry for the banking industry.

New banks find it difficult to get started because they deal with other people's money and financial information. People are more willing to put their trust in big name, well-known, major companies because of the nature of the Consumers are more likely to allow one bank to hold all their accounts and service their financial needs, enhancing the role of trust as a barrier to entry for new banks looking to compete with major banks.

In the end, the banking industry has relatively low entry barriers. While it is nearly impossible for new banks to enter the industry and provide the same level of trust and services as a major bank, it is relatively simple to start a smaller bank. Industry.

#### **Power of Suppliers:**

Capital is the most significant resource for any bank, and there are four major sources of capital in the industry other sources such as fees contribute to a lesser extent. Client deposits, loans and mortgages Mortgage-backed securities, other financial institutions' loans

The bank can be sure that they have the resources they need to service their customers' borrowing needs while still having enough capital to meet withdrawal expectations if they use these four major suppliers. Suppliers'

power is determined by the market, and it is frequently estimated to range from medium to high.

### **Power of Buyers:**

Although the individual does not pose a significant threat to the banking industry, high switching costs are a major factor influencing buyer power. If a person has one bank that handles all their banking needs, such as mortgages, savings, and checking accounts, switching to another bank can be a major hassle.

To persuade customers to switch to their bank, banks frequently reduce the cost of switching, though most people still prefer to stay with their current bank. In the banking industry, the internet has increased the consumer's power. Consumers can now compare the costs of opening/holding accounts as well as the rates offered much more easily and at a lower cost thanks to the internet.

### **Threat of Substitutes:**

Non-financial competitors pose some of the most significant threats of substitution to the banking industry. In terms of deposits and withdrawals, the industry is not threatened by substitutes; however, non-banking companies provide insurance, mutual funds, and fixed income securities, among other banking services.

There is also the threat of payment method substitutes, and the industry's loan ratio is relatively high. Big-name electronics, jewellers, car dealers, and other retailers, for example, frequently offer preferential financing on "big ticket" items. These non-banking companies frequently offer lower interest rates on payments than a traditional bank loan.

### **Competitive Rivalry:**

The banking industry is known for its fierce competition. The financial services industry has existed for hundreds of years, and almost everyone who requires banking services has access to it. As a result, banks must try to entice customers away from competitors. They do this by offering lower financing, higher rates, investment services, and greater conveniences than their rivals.

The banking competition is frequently a race to see which bank can provide the best and fastest services, but it has resulted in lower ROA for banks (Return on Assets). The banking industry is more likely to see further consolidation due to the nature of the industry. Rather than spending money on marketing, major banks prefer to acquire or merge with other banks (Elsbach 2018).

## **Organisational Culture:**

“The number of Board Directors must not be less than eight as determined by the Board under Society Rule 28. Including the Chief Executive Officer and the Chief Financial Officer. Non-executive Directors whom the Board considers to be independent should make up at least half of the Board, excluding the Society Chair. Other Board members should be Executive Directors who work full-time for the Society in key management positions.

At least one non-executive Director on the Board must have the potential (but not necessarily the qualifications) for the position of Society Chair. All directors must pass the PRA's or Financial Conduct Authority's fitness and propriety test before being appointed (FCA). A Fit and Proper Persons test is conducted on an annual basis to determine Directors' continued suitability to serve on the Board.

Skills, knowledge, experience, integrity, and time commitment are all part of the evaluation process. On behalf of the Board, the Nomination and Governance Committee will assess Board composition and work to ensure that the Board and Committees have the necessary capabilities to oversee the organisation's strategic priorities, culture, and purpose. This will include a suitable combination of skills, experience, knowledge, and behaviours. As a member of the Audit Committee, a non-executive Director with recent and relevant financial experience will be appointed” (Kotter 2008).

## **Cultural WEB model:**

### **Stories:**

### **Symbols:**

“The symbols reflect the various institutions in the organisation, the uniforms of staff, and the unique symbols of employees, such as entourage and status symbols, that Reflects the importance of the facilities in banks especially with branches closing to enable customers to do online banking and a lot of this will be a measure that will be used to ensure their future end plan.

### **Power Structure:**

The Chair's Role is to Lead the Board, ensuring that it is effective in setting the Society's strategic direction, including shaping the Boardroom culture. By fostering open and honest debates in the Boardroom, sets the tone from the top and epitomises the Society's culture. Encourages open dialogue and mutual respect between executive and non-executive directors both inside and outside the Boardroom, including ensuring that each non-executive director contributes meaningfully.

Promotes the Society's long-term success and ensures accountability to its members, in collaboration with the other members of the Board Supports and advises the Chief Executive Officer while maintaining executive authority.

The Chief Executive's Role is responsible for the Society's day-to-day operations and financial and operational performance, and accountable to the Board responsible for providing leadership and direction in the implementation of the Society's strategy, with a focus on the duty to promote the Society's success in the interests of members, colleagues, and Nationwide's public and social responsibilities within the wider community.

Embodying the Society's culture and values, as well as developing policies for the Society's people to encourage appropriate behaviour, Implements and monitors systems that ensure the Society's operational efficiency and high standards of business conduct by allocating and overseeing responsibilities, controls, and best practises.

The role of the Senior Independent Director is to provide a sounding board for the Society Chair, as well as assistance in achieving his goals. Available to directors who have concerns after contacting the usual channels (Chair, CEO, or other executive directors) has failed to resolve the issue or when such

contact is not appropriate. When necessary, acts as a trusted intermediary for other directors.

Leads the Board's annual review of the Chair's performance and is responsible for the Society Chair's succession process, in collaboration with the Nomination and Governance Committee.

### **Organisational Structures:**

To ensure that the Nationwide Building Society's Board of Directors (the Board) is made up of individuals who are all fit and proper to lead the Society's business with prudence, integrity, and professional skills. Have a diverse range of backgrounds and a good mix of skills, experience, knowledge, and behaviours.

To provide policy guidance on the structure, size, and composition of the Board and its committees, as well as the identification and selection of qualified candidates for Board appointment and its committees. To summarise the Nomination and Governance Committee's specific responsibilities regarding board composition and succession, as outlined in the Nomination and Governance Committee Terms of Reference.

All appointments to the Board and its Committees, as well as the Nationwide Leadership Team and their direct reports, and all Material Risk Takers, are reviewed by the Nomination and Governance Committee. For all these appointments, the Nomination and Governance Committee ensures a thorough recruitment process to ensure fair and effective selection outcomes. When it comes to Board appointments, the Committee ensures that any search firm used has no ties to the Society and that the directorships of newly appointed Board members are within PRA-recommended limits.

### **Control Systems:**

Refers to measurement and reward systems used to monitor and motivate employees, and there for empathise with what is important within the company. For example, the Nationwide Building Society invests in employees' reward and bonus based on their performance, and managers use high bonuses to motivate employees to obtain profits through any means, no matter how ethical or unethical, so that employees keep working hard.

### **Ritual and Routines**

This is how Nationwide do things here daily in Nationwide's building society investment arm employees' main work includes running processes to clear answers to all transactions correctly documents and report the transaction and investigating breaks in the cash account within the investment bank, among other things. Always working hard to make money from Barclays, even if it means working overtime.

## **Organisational Culture and External Factors**

### **Vision and Values**

Nationwide's enjoy being a part of a mutual that works together to benefit its members. They genuinely care about their members and each other, and they take pride in acting in their best interests. They work quickly and respectfully with our members' funds. They recognise their role in shaping society and are committed to making it the best it can be.

They are dedicated to assisting members in making the most of their money throughout their lives by providing legendary service and long-term value built on strong personal relationships. The PRIDE values are ingrained in our culture, guiding our decisions, actions, and interactions with one another.

Their commitment to inclusion and diversity has become much more explicit as part of a recent refresh of their values the 'E' of PRIDE has changed from 'Excelling at relationships' to 'Empowering each other.'

This is in line with their goal of creating an inclusive culture where everyone can succeed empowering someone means making them stronger and more confident, while 'each other' implies a sense of mutual responsibility we all share” (Schein (2010)).

.

## **Organisational Culture and Performance:**

“The Culture Mosaic is a way for them to track how far they have come toward their desired culture, and it is based on the PRIDE values. Their culture is based on distinct aspirational behaviours that they can increase or decrease. The Future of Work Strategy, other strategic priorities, and cultural initiatives that are tangible and measurable across the Society drive these behaviours.

The all-employee engagement survey, as well as the inclusion and diversity measures, are among the tools they use. In addition, they get information from more focused initiatives like efficiency activities and risk culture assessments to understand how the colleague experience is changing.

These insights, which are a mix of qualitative and quantitative data points, are used to show the progress, direction, and pace, as well as track the overall impact, allowing them to have a rich and meaningful conversation about the culture.

Nationwide invested in a new colleague listening platform in 2021, which allows them to evaluate their culture on a regular basis through pulse surveys. The Culture Mosaic benefits from these insights as well.

Nationwide hold a Culture Mosaic review panel twice a year. The panel brings together non-hierarchical, diverse perspectives from various business areas, as well as a variety of experiences, to support a collective decision on the position and progress of cultural shifts. The panel is independent and facilitates an open and safe environment for people to express themselves” (Waltz 1979).

## **Ethical Dilemma:**

“The bank agrees to receive money and collect bills on behalf of its customers. The proceeds are not held in trust for the customer; rather, the bank borrows the funds and promises to repay them. The promise to repay is to pay at the bank branch where the account is held, during business hours. It includes a promise to repay any portion of the amount due in accordance with the customer's written order addressed to the bank at the branch.

Bankers never make a payment to a customer in respect of a current account unless the customer demands it. A bank is a place where people deposit their money to keep it safe, but this is only a small part of the picture. The retail bank, the central bank, and the investment bank are three different types of banks. Individuals and small businesses are dealt with directly in retail banking. Investment banking is a type of financial intermediary that provides a wide range of services.

This includes underwriting, acting as a liaison between a securities issuer and the investing public, and facilitating mergers and other corporate restructurings. The government's banker is the central bank. The central bank is the bankers' bank, the lender of last resort, and the printer of money.

Ethical dilemma occurs when moral principles cannot determine whether a particular action is right or wrong. There are many rights and wrongs in banking. Banks today are required to follow ethical policies. Human rights are included in these ethical policies.

Some banks may refuse to invest in companies that violate basic human rights other ethical policies include arms trade, social responsibility, and global trade, social enterprise, animal welfare, and customer consultation. These are some of the ethical guidelines that a bank must follow. The question is whether all banks support and adhere to these policies. Unfortunately, in the banking system, ethical policies are still not strictly enforced.

Banks make people's lives easier by organising all their funding and transactions. Many people struggle with money, which is where the bank comes in. They assist people in saving money, providing mortgage and investment advice, granting loans, and making it simple for people to pay their bills. Imagine if banks didn't exist there would be no place to deposit your money to save it.

It would have a significant impact on the economy companies with millions or billions of dollars would have no place to keep their money and would be vulnerable to thieves, mafia, and other criminals and people would simply have a much more difficult life without banks.

Many people associate banks with all the negative aspects of their lives; however, banks are not all bad. There is no type of economy today that does not have a banking sector. Banks allow transactions to take place without the use of coins, they allow people to borrow money, and we now have the electronic transfer system, which has made people's lives much easier, and many now also issue stocks, bonds, and other securities.

Banks deal with many depositors they allow people to deposit money and keep it safe, they provide investment and mortgage advice, and, most importantly, they provide loans. Giving out loans is a risky business because people may fail to repay the money to the bank.

The money people deposit in a bank is used for loans, and banks charge interest on those loans, so if someone doesn't pay their loan, the bank must cover it in order to have enough money available for depositors to withdraw. Banks also provide overdrafts, which are short-term loans used to pay off debts" (Keohane 1977).

**Conclusion:**

Finally, before developing a strategy, Nationwide Building Society must analyse culture, and the cultural web model is an effective tool for doing so.

Furthermore, because individuals cannot use the model objectively or affectively, group work may be more effective.

**Recommendation:**

Nationwide has a refer a friend scheme that is one of the most generous around. If you recommend anybody you will each earn £100. This will be very appealing to customers and could even earn as much as £500 every year. New customers can also take advantage of their joining offer.

## Individual Reflection

Employers are also looking for people who can think outside the box. In essence, I am a very imaginative individual. I look at things from a different angle. Typically, I take an original idea and expand it with my creativity, which occasionally results in something completely new. It has to do with thinking outside of the box. Employers want their employees to be able to solve problems using their creativity and reasoning skills. Innovative problem solvers can take any company to the next level, regardless of industry.

My friends frequently tell me that I am good at persuading them to participate in activities with me. 9 times out of 10, I usually get my way. I always try to do things my way, as they say. This is also known as diplomatic art. Organizations now benefit greatly from having employees who can persuade others because they may face situations where they must persuade customers or unions to reach an agreement. This ability may be linked to the employee's ability to sell.

Effective interpersonal communication is a fundamental but crucial skill. Everyone has naturally practised this skill since they were able to speak, listen, or write, but many organisations still appear to have a communication gap between employers and employees. Employees and employers must maintain effective communication in order to have a productive workplace.

In business, effective communication is critical. I've improved my communication abilities over time. I can easily communicate with the other party and make them understand me verbally or in writing. My listening skills are also exceptional, because I patiently listen to the other person before communicating with them. By practising more, I can improve this skill.

Teamwork was another skill I developed while writing reports at university. Working as part of a team is probably one of the most important skills for success in the workplace, particularly in terms of how you communicate with co-workers. Most jobs require you to collaborate with others.

Working with various groups of teams taught me how to communicate with various colleagues and how to appreciate their perspectives when solving problems. Teamwork has numerous advantages, one of which is that it facilitates the generation of numerous ideas, resulting in creative solutions,

and it speeds up the process. My abilities will be tested once I begin working professionally, so having more projects that require teamwork will prepare me.

## References

Brubakk, B., & Wilkinson, A. (1996). Agents of change? Bank branch managers and the management of corporate culture change. *International Journal of Service Industry Management*, 7(2), 21-43.

Elsbach, K. D., & Stigliani, I. (2018). Design thinking and organizational culture: A review and framework for future research. *Journal of Management*, 44(6), 2274-2306.

Kotter, J. P. (2008). *Corporate culture and performance*. Simon and Schuster.

Schein, E. H. (2010). *Organizational culture and leadership* (Vol. 2). John Wiley & Sons.

Figures derived from OECD, DAC, Annual Report (Paris: OECD, 1979)[Google Scholar](#), Tables A. 1 and C. 3.

White, *Regional Development Banks*, pp. 173–86[Google Scholar](#);

Dell, *Inter-American Development Bank*, pp. 131–32; House Committee on Appropriations, *Foreign Assistance for 1979*, Part 5, pp. CRS 135–36, 206–07[Google Scholar](#).

Waltz, Kenneth, *Theory of International Relations* (Menlo Park, Cal.: Addison-Wesley, 1979)[Google Scholar](#),

Keohane, Robert and Nye, Joseph, *Power and Interdependence* (Boston: Little, Brown, 1977), pp. 49–52[Google Scholar](#).

[www.nationwide.com](http://www.nationwide.com), Board composition and succession policy | Nationwide, July 2021

Joe, Garner (2020). Our culture our pride,10, Available at [WWW.nationwide.com](http://WWW.nationwide.com) (Accessed: (1 May 2022)).

Mai Fyfield (2015) board leadership team, 20, Available at [www.Nationwide.com](http://www.Nationwide.com) (Accessed: 20 April 2022).

Nick, Ismail (2018) www. How technology is impacting the finance and banking sector, 4, Available at [www.information-age.com](http://www.information-age.com) (Accessed:4 May 2022).