

**THE EFFECTS OF ORGANIZATIONAL BEHAVIOUR ON
EMPLOYEE JOB SATISFACTION AFFECTING
INFORMATION TECHNOLOGY INVESTMENTS IN
GLOBAL BANKS**

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ABSTRAK

Kajian ini adalah untuk mengembangkan konsep topik penyelidikan yang cuba memeriksa dan menunjukkan kesan tingkah laku organisasi terhadap kepuasan kerja pekerja yang terlibat dalam pelaburan teknologi maklumat (IT) di bank-bank global. Dengan jumlah yang agak besar daripada perbelanjaan ke atas pelaburan IT oleh bank-bank global dalam landskap global yang amat kompetitif, setiap dolar yang dilaburkan akan dikira untuk menghasilkan pulangan tertinggi secara berkesan melalui penjimatan kos dan pendapatan. Penyelidikan ini mengkaji kesan 2 kawasan strategik tingkah laku organisasi, iaitu budaya organisasi dan politik organisasi terhadap kepuasan kerja pekerja. Ia menilai bagaimana 2 kawasan perlakuan organisasi akan mempengaruhi kepuasan kerja pekerja untuk memaksimumkan keuntungan dan pertumbuhan perniagaan melalui pelaburan IT bagi bank-bank global. Untuk mencapai matlamatnya, kajian ini menggunakan kaedah kuantitatif dengan mengedarkan soal selidik kepada individu-individu yang mempunyai sekurang-kurangnya 2 tahun ke atas pengalaman bekerja dengan bank-bank global yang mempunyai operasi di Malaysia dan Singapura. Sebanyak 76 maklum balas yang boleh digunakan telah diterima. Kajian ini mendedahkan tumpuan Kepuasan Kerja Pekerja, 2 kategori Kebudayaan Organisasi (Motivators dan Hygiene Factors) dan 3 kategori Persepsi Politik Organisasi (General Political Behaviour, Going Along to Get Ahead dan Pay and Promotion). Keputusan kaji selidik itu menunjukkan bahawa kehadiran kedua-dua faktor Kebudayaan Organisasi, Motivators dan Hygiene Factors, mempunyai kesan positif ke atas Kepuasan Kerja Pekerja. Sebaliknya, terdapat hubungan negatif Persepsi Politik Organisasi dengan Kepuasan Kerja Pekerja.

ABSTRACT

This research is conceptually to develop the research topic which attempts to examine and show the effects of organizational behaviour on employee job satisfaction affecting information technology investments in global banks. With the relatively large amount of expenditure on IT investments by global banks in the extremely competitive global landscape, every investment dollar counts to effectively produce the highest return through high cost savings and revenue. This study examines the effects of 2 strategic areas of organization behaviour, namely organizational culture and organizational politics on employee job satisfaction. It assesses how these 2 areas of organizational behaviour could affect the outcome of the employee job satisfaction in order to maximize profits and business growth through IT investments for global banks. To attain its objectives, this study utilized quantitative approach by distributing survey questionnaire to the individuals who have at least 2 years and above working experience with global banks having presence in Malaysia and Singapore. A total of 76 usable responses were received. This study revealed a focus of Employee Job Satisfaction, 2 categories of Organizational Culture (Motivators & Hygiene Factors) and 3 categories of Perception of Organizational Politics (General Political Behaviour, Going Along to Get Ahead & Pay and Promotion). The results of the survey indicate that the presence of both Organizational Culture factors, Motivators & Hygiene Factors, have positive effect on Employee Job Satisfaction. On the contrary, there is a negative correlation of Perception of Organizational Politics with Employee Job Satisfaction.

CHAPTER 1: INTRODUCTION

1.1 Background of Study

Ever since the development and improvement of information technologies (IT), it has instigated a paradigm shift towards a more integrated and interdependent world economy. Globalization and technology have created tremendous opportunities for banks to tap into the worldwide markets, but at the same time created an intense competition. More opportunities for service delivery are created by technological innovation, but at the same time, the forms of competition and range of potential competitors in the provision of financial services are extended as well. The new and faster ways of sharing information through IT has led to a paradox faced by global banks between the cooperation needed to benchmark competitive rivalry. As such, global banks invest substantially in creating sustainable competitive advantages through IT in order to stay ahead of their rivals in the global economy.

Investments that elevate the ability to create value for both company and shareholder are usually discretionary. IT is the core entity to integrate across various information systems, execute daily operations, implements corporate strategies to increase shareholder value, platform to develop new financial services and products, provide convenience to clients and as a tool to manage client relationships effectively. The arena of finance and banking industry has become IT intensive that makes investing in IT extremely crucial to improve core competencies that it can no longer be absent from the expenditure budget. The importance of investing in IT for global banks can be equated to investing in research and development for the manufacturing industry. These investments are essential in the execution of revenue growth strategy by expanding into new markets, acquiring new customers, retaining existing customers with innovative products and services. IT is also particularly critical in increasing productivity as a cost saving measure by reducing wastage and utilizing assets efficiently.

Chang-Soo Kim (2004) finds that there is a positive impact on increasing profitability, market share and labor productivity with the use of IT for high IT level banks. IT investments increase operating income and revenues for high IT level banks. However, if IT investment is to achieve the optimal results, the IT plan must be formulated throughout the entire value chain within global bank as an integral part of implementing management strategy.

The spending on information technology consists of outlays on software, hardware and technology-related services on both new developments and maintenance. It encompasses fully loaded expenditure for both external and internal technology activities, including expenses related to hardware and software development, the management and operation of data centers, third party licensing fees, professional fees to contractors and vendor-supplied technology experts, fees paid to outsourcers, internal technology staff and their management, and any other expenditure on information technology or IT management. All internal personnel costs are fully loaded to allow for premises costs, management, and administration.

According to reports published by Celent (Jacob Jegher, 2007-2013), a consulting and research firm focused on the application of information technology in the global financial services industry, there has been significant IT expenditure globally in the past few decades due to the booming of technology advancement and internet in full force. Figure 1.1 summarise the Total Global IT Spending in Financial Services extracted from Celent reports from 2008 to 2014. In recent years, notably in the region of North America, Europe and Asia, there's an average actual global IT spending of US\$ 268 billion registered between 2008 and 2012 for the financial industry. Global IT spending in financial services have remained on the high of above US\$300 billion until 2011 where it has seen an almost 50% sharp drop. This is due to the aftermath of the 2008 global economy meltdown where global banks started the trend of restructuring their operations which leads to cost cutting to curb with the

decreased of government stimulus packages, sales and tougher competition landscape. However, global IT spending has since seen a growth rate of 2.5% in 2012. Total financial services IT spending across Asia-Pacific, North America, and Europe is estimated continue to grow to US\$178.1 billion in 2013 and US\$185.8 in 2014 respectively. The spending level of 2013 and 2014 is estimated to be 3.4% and 3.8 % higher comparing to the previous year. This is an encouraging indicator of future growth with the slightly upward shift.

Spending by banks in the Asia Pacific region will grow by a solid 5.9% in 2013 to US\$62.3 billion where the majority of growth is coming from. This forecasted growth will continue at the rate of 6.3% to reach US\$66.5 billion in 2014. Canadian and US banks are also reporting positive growth in IT spending. North American banks' spending is forecasted to grow by 4.0% to US\$56.9 billion in 2013. This figure will increase to 4.4% to US\$59.4 billion in 2014. However, European banks reporting little to no growth forecasted and are in far deeper trouble. Expenditure by European banks will grow 0.4% to US\$59.5 billion in 2013. However, European spending growth will fall through 2014, increasing by just 0.3% to US\$59.9 billion.

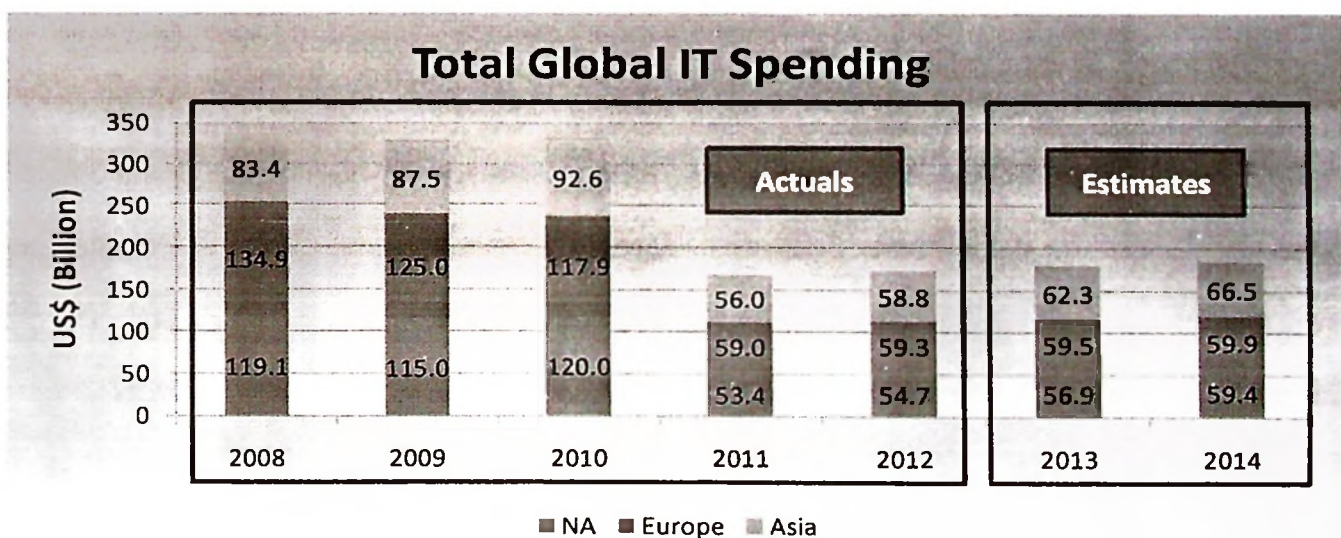


Figure 1.1: Total Global IT Spending in Financial Services. Sources: Jacob Jegher, "IT spending in Financial Services: A Global Perspective", Celent (2007-2013)

As new technologies are proliferating so quickly, global banks simply cannot afford to keep postponing IT investments. Smart phones and tablets are the recent phenomenon that enters the global mainstream besides the ever growing popularity of social media. This has changes the entire ecosystem of services and technologies where there's an urgent need for global banks to capitalize on the trend of mobile banking. The unprecedented popularity of mobile devices to consumers has created a demand of increasingly faster, more affordable mobile internet access on a worldwide basis. The new business trend of social media and mobile banking is a clear IT investment priority that drives up spending on total global IT spending in the banking industry since the dip in 2011.

However, despite the growth of IT expenditures, the operating environment remained challenging and gone are the days where allocating a certain percentage of their budget to IT investments can be easily approved. Each dollar spent needs to be carefully justified along with the highest return on investment (ROI). Crucial buy-in needs to be taken by senior management before proceeding with an IT investment. Evaluating the initial planned IT spending levels versus achieving expected ROI within global bank and with external peers represents a valuable exercise. After new investments are being approved, only IT projects that are well executed throughout the entire software development cycle and successfully implemented that meet the stipulated requirements and objectives could realise the benefits of the expenditure. For many global banks, promising IT initiatives started with impressive sales presentations with promising solutions that decision makers hoped will address many of their problems. But in the end, the ambitious initiatives became a phobic topic within the organization because the new system is underutilized and original objectives haven't been met.

The Standish Group (1995-2009) has published the CHAOS reports illustrated in Table 1.1 where data are collected over a 15 years long from 1995-2009. Failed projects (cancelled at some point during the development cycle) ranges between 18% and 40%, challenged projects (completed and operational but over the time estimate and over budget, and offers fewer features and functions than specified requirements) ranges between 33% and 53%, whereas successful projects (completed on time and on budget, offering all features and functions as per specified requirements) are between 16% and 35%. The successful projects percentage has never passed 35% which indicates that at least 65% of all IT projects have deviated from the project plan or cancelled.

| Year | Successful (%) | Challenged (%) | Failed (%) |
|------|----------------|----------------|------------|
| 1994 | 16 | 53 | 31 |
| 1996 | 27 | 33 | 40 |
| 1998 | 26 | 46 | 28 |
| 2000 | 28 | 49 | 23 |
| 2004 | 29 | 53 | 18 |
| 2006 | 35 | 46 | 19 |
| 2009 | 32 | 44 | 24 |

Table 1.1 Standish Project Benchmark. Sources: Standish Group (1995-2009), The CHAOS Report, The Standish Group International, Boston, MA.

Despite the massive expenditure, rigorous process, framework, governance and the prevalence of sophisticated tools and techniques established by global banks to curb with the failure rate of IT projects, it has little or no improvement on the success rate after almost 2 decades long. Although the results' credibility of the Chaos Reports have been challenged by

Eveleens and Verhoef (2010) citing four major contradiction where they are one sided, pervert the estimation practice, misleading and result in meaningless figures, the fact that a high number of abandoned projects are still unacceptable. That failure rate wastes so much money and human resources that even a small increase in the success rate is worth a lot. The focus of this study is to trace the cause of IT failures in global banks which underlies the severity of setbacks to move up and stay ahead of the competition.

All IT projects will involve resources from various functions, i.e. sponsors, project managers, architects, analysts, developers, testers, users, consultants and other support staffs. The constraints are set by people and if they do not listen to the people that are suggesting the constraints nor understand the project well enough to set the constraints, then people are the problem. Unfortunately, most books, research, associations and consulting groups fail to identify that it was people that caused the new or existing system to fail. Generally, the effectiveness and skills of the people involved through their ability to focus on the project, openness to change, team dynamics and stakeholder relationships determine success or failure. The shaping of organizational behaviour determines the attitude, values, belief and behaviour of the people which has a direct impact on decision making and working culture of global banks. Organizational behaviour set the people in the appropriate perception and mindset, then motivates them to utilise available assets to the best benefits of the organization instead of personal gain.

The study will investigate failure caused by people factor which are influenced by organizational behaviour to achieve global banks' IT spending objectives. The focus of this study covers areas pertaining to organizational behaviour as well as general perceptions of how it affects the successful utilization of IT expenditure to create sustainable competitive advantage and maximise overall business performance.

1.2 Problem Statement

Globalization has made the competition fiercer which drove global banks to adopt as quickly as possible to the latest information technology and management information system framework. This allows the development of competitive capabilities that enable global banks to compete successfully against rivals with robust IT systems in place. The research concluded by Chang-Soo Kim (2004) shows that for high IT level banks, IT expenditures reduce payroll expenses; but the use of IT does not reduce total expenses regardless of IT level. Hence, with IT as the core of the operations of a bank, if the use of IT does not reduce total expenses, it must maximize business performance and increase the level of competitiveness of a global bank. Any global bank can focus to adapt quickly to the change of information technology which is evolving at an incredible pace, but failed to increase the overall business performance as intended. According to a McKinsey-Oxford study conducted by Michael Bloch, Sven Blumberg, and Jurgen Laartz (2012), 17 percent of IT projects failed so badly that they can threaten the very existence of the company. In another report issued by UK Parliament (2009), the collapse of Scotland's largest consumer-owned lender known as the Dunfermline Building Society was contributed by a failed business strategy involving a large IT blunder in the year of 2009. As a result, despite total profit for the year of only 11 million pounds, the Society is writing off £9.5 million in IT loss. The UK government has to come to the rescue and bailed out the troubled bank.

Global banks are revising their business operating models to address increasingly fast-paced dynamic markets and demanding customers. The competition in the financial business landscape has conditioned customers to have high expectation on value from every point of contact and instant service. Their bank experiences are being compared against their everyday interactions with other service providers. Besides looking for more value in banking relationships as individuals, customers have also developed their own dialog via social media

at the mobility ease on their fingertips with smartphones and tablets. The increasing empowerment of the collective voice of customers continues to raise the pressure on banks to stay relevant, improve their relationships and demonstrate their added value. Global banks must act quickly as rapidly evolving customer expectations and new technologies are causing profound changes in the marketplace that have opened this once impenetrable industry to non-traditional entrants. Global banks need far greater access to the operating capital and operating dexterity currently locked in legacy systems in order to innovate ahead of competitors. Both failure to act swiftly to keep up with the changes and failure on upgrading the IT systems are going to cost global banks a huge loss. On a recent news report from The Telegraph (2013) in November, the Co-Op Bank from the UK had written off nearly £150 million on the first half of 2013 against the cost of failed IT project on developing a new computer platform for its bank, after having spent £245 million between 2009 and 2012 on upgrading its system. The troubled lender said it will refocus attention on its earlier disastrous investment but will have to spend at least £150 million every year for next years on building new computer system. Overall, Co-op Bank's expenditure on a complete overhaul of its system might be as much as £450m, as well as a further £50m upgrading its back office technology processes. Despite spending half a billion pounds in IT systems upgrade, without having an apt organization behaviour that has the capability and ability to hold up to the rapid changes and fierce intensity of competition through the information technology, global banks are deemed to fail even for leading banks in first world countries like the UK. Besides having the well thought of strategy, world class processes, expensive technology, creative ideas and best pools of talents, the culture and political landscape of an organization, although invisible, is a powerful force that can be felt. This unseen force plays a critical role in driving the organization forward in a desired manner and stay ahead of the competition.

There are many reasons to the failure of IT projects, but Shuhab (2010) pointed that there's no one project will fail for the exact same reason, and individually will prevail in determining failure characteristics. Most post mortem results may point towards system limitations or process gaps; however technology and processes have improved dramatically over the last 50 years. Despite the many years of academic research have provided greater organizational insights, stories of failures abound and software development remains problematic.

| No | Project Success Factors | Project Challenged Factors | Project Failure Factors |
|----|---------------------------------|--|--|
| 1 | User Involvement | Lack of User Input | Incomplete Requirements |
| 2 | Executive Management Support | Incomplete Requirements & Specifications | Lack of User Involvement |
| 3 | Clear Statement of Requirements | Changing Requirements & Specifications | Changing Requirements & Specifications |
| 4 | Proper Planning | Lack of Executive Support | Unrealistic Expectations |
| 5 | Realistic Expectations | Technology Incompetence | Lack of Executive Support |
| 6 | Smaller Project Milestones | Lack of Resources | Lack of Resources |
| 7 | Competent Staff | Unrealistic Expectations | Lack of Planning |
| 8 | Ownership | Unclear Objectives | Didn't Need It Any Longer |
| 9 | Clear Vision & Objectives | Unrealistic Time Frames | Lack of IT Management |
| 10 | Hard-Working, Focused Staff | New Technology | Technology Illiteracy |

Table 1.2 Top 10 IT Project Success/Failure Factors. Sources: Standish Group (1995-2009),

The CHAOS Report, The Standish Group International, Boston, MA.

Notice in Table 1.2 published by Standish Group (1995-2009), the IT project success/failure factors lists are about people or the underlying factors are people. People are at the root of all failures, everything else is a symptom. The list of familiar symptoms has been repetitive over the years. In fact, the recurring pattern of symptoms in IT projects failure is so common that it's being mentioned by IT experts. Below are the statement cited by Jake Widman (2008) on the article written for ComputerWorld.com:

Anthony Finkelstein who is a professor of software systems engineering at University College London (UCL) and dean of UCL Engineering has pointed out none of the reasons of common IT failures would come as a surprise to IT professionals, however, he is more intrigued with a more interesting challenge on the reason why the same mistakes are bound to be repeated.

Mark Kozak-Holland, who is author of Titanic Lessons for IT Projects and senior business architect and consultant with HP Services echoed the same stating: "When you look at the reasons for project failure, it's like a top 10 list that just repeats itself over and over again".

With the proven benefits of utilizing IT in banks to gain competitive advantage, it's common for global banks in competing to hire the best talents, implement the most advanced technology and cut down time-to-market and cost by outsourcing to reputable vendors. However, even with the best of the talents, technology and outsourcing strategy, the list of similar factors that cause IT project failures keep surfacing over the years. There's a lack of study into the organization behaviour that affects the value of the invested dollars in IT to have maximum overall business performance in return due to employee satisfaction. The lack of emphasis organizational culture and politics affecting employee satisfaction and innovation may not only increase the sunk cost of global banks, but it could cost a bank to

lose its competitive advantages even it has the capability to implement cutting edge technology and hiring best talents.

In order to stand out from its competitors, global banks should relook into the behaviour of its organization which could affect its internal operations and steer toward the direction of utilizing the available technology and talents effectively to maximize organizational business performance. As the root cause of IT failures are due to people, global banks which failed to ensure its employees job satisfaction which was proven to have a great impact on the entire organization will be stripped off in the fast paced race. Global banks are so highly integrated and dependable on IT that any failure could possibly mean the existence of the banks is being threatened. The repercussion of troubled global banks is usually massive due to the scale of operations which are tightly interconnected within the socio economic system. Hence, government rescue is almost inevitable for such cases. Even with the rescue stimulus package from government, taxpayers are generally unhappy as their tax money is not being put into good use, but to save troubled global banks from collapsing because of IT blunder. Any global banks that require government rescue do not only put the image of the bank at risk, it will also trigger a panic within its customers and raise questions on the governance of the nation's financial system. This will open the leeway for further speculation on the nation's capability on their financial system governance and possibly having instantaneous reduced in trust by the people of the nation and the world. If the failed global bank and government are unable to instill back trust into the people at the brink of collapse, they risk losing customers and outflow of cash. Improving the organizational behaviour is critical to ensure that IT investments are effectively utilized by its employees to help the bank to innovate and stay ahead of the competition. Organization culture and organizational politics are related to efficiency and effectiveness improvement through employee job satisfaction which could eventually increase the competitive level of global

banks. Employee job satisfaction plays an important role in current industry's both areas of sustainable competitive advantage and overall business performance. This study will discover the organizational culture and organizational politics issues and improvement on employee job satisfaction to ensure the maximum return of IT investments.

1.3 Research Objectives

The main objective of the study is to analyze the relationship of organizational behaviour in terms of organizational culture and organizational politics on employee job satisfaction impacting the invested IT expenditures in global banks to achieve overall business performance. This refers to organizational behaviour that can help global banks realize the maximum benefits of IT investments by having an improved outcome on the employee job satisfaction in order to have sustainable competitive advantages and growth.

Below show the list of objectives of the study:-

1. To determine the relationship between organizational culture (Hygiene factors & Motivators) and employee job satisfaction.
2. To determine the relationship between organizational politics (Perception of Organizational Politics: General Political Behaviour, Go Along and Get Ahead, Pay and Promotion) and employee job satisfaction.

Research Questions

This research focuses on finding the organizational behaviours that are perceived to be to ensuring the success of implementing and utilising IT to the benefits of the global influenced by employee job satisfaction. From a business aspect, this determination is important as it will have implications on the allocation and evaluation of resources. The purpose of this study could help global banks determine optimal corporate strategies for

reducing waste and maximising the potential benefits on scarce resources. From the previous discussion, the deduced specific research questions of the study as follows:-

1. Is there a significant relationship between organizational culture (Hygiene factors & Motivators) and employee job satisfaction on the IT expenditures of global banks?
2. Is there a significant relationship between organizational politics (Perception of Organizational Politics: General Political Behaviour, Go Along and Get Ahead, Pay and Promotion) and employee job satisfaction on the IT expenditures of global banks?

1.5 Significance of Study

The empirical studies on the root cause of IT investments failures in global banks have been primarily focused on the process, governance, effects or even technology itself. However, there are few studies on human factors that could have caused the failure on realizing the benefits of IT investments or even the great loss of global banks because of failed IT investments. There's no study that link the importance of organizational behaviour to employee job satisfaction on maximizing the overall business performance from IT expenditures which this research could be the first to analyze. It is not well identified whether under different organizational behaviour conditions will affect the employee job satisfaction to better utilize IT spending in global banks.

The relationship between organizational behaviour and employee job satisfaction affecting IT investments in global banks is ambiguous because of the absence of prior studies. In the highly competitive, dynamic and globalised world today, all global banks understand the importance of using information technology in gaining competitive advantage over their rivals to improve the situation for their products or services in the market. The faster time-to-market of quality products and services through IT platform that satisfy customer needs and

ability to reduce waste make a huge difference in the revenue growth of global banks. This study evaluates the organizational behaviour which could possibly enable its employees to maximize the overall business performance of global banks from the increasing expenditure in IT investments. Global banks are able to enhance their competitive advantages by lowering operating and processing costs, improving its bargaining power with customers and suppliers, changing competitive scope, enhancing product differentiation, and/or increasing barriers to entry through the success in IT advances (Porter and Millar, 1985).

This study has significant value for global banks specifically. While budget is set aside for IT expenditure in order to increase the competitiveness and performance for global banks, the emphasis of employee job satisfaction is to ensure that the money invested in IT enables global banks to stay relevant and ahead in the competition. The study is significant to banks that have already or intend to invest in IT. Allocating a large budget for IT expenditure does not ensure staying ahead of other competitors as competitors are able or might even be investing a larger amount of money in IT. Hence, this study is able to identify and implement preferred organization culture and organizational politics to ensure that the return of invested amount of money in IT is maximized. The enhancements of IT allow the management to improve significant aspects of a global banks' organizational structure and operations in exchange for better economic performance (Porter, 2001). This incites most companies to invest in IT where the largest investors come from airline, telecommunication, consulting firms, financial (i.e., banks) and film production. The research serves as a significant cross reference to identify and improve the organizational behaviour and employee job satisfaction of non-banking industry firms in a way that creates more value and improve overall business performance in return of IT expenditures.

Despite the large amount of investment in the best brains, skills, process, equipments, facilities and technology, it's this unseen force that is going to unleash the full potential of expensive IT spending through its employees which in turn maximizing the overall business performance of the firm. With a proper organization behaviour, firms can ensure that a conducive environment is created to bring out the best of the talents for the benefit of the organization and not for personal gains. With organizations being more proactive in their approach in recruiting, developing and retaining the IT professionals, they need to stay competitive in the global economy, this study is significant to global banks which employ and retaining highly skilled IT staffs. Global banks will be able to find out how employees feel about their jobs, and hence be able to improve the conditions to establish effective institutions for producing future local and global leaders as well as to establish an effective human resource pool in ensuring sustainable competitive advantage. This study is also significant for other non IT departments in training employees and human resource managers to understand the behaviour in human capital resources in order to retain the well trained and accustomed talents who are vital assets to the continuous success of global banks.

This research may be useful in providing greater insights to educators and education administrators on the human ergonomics and behaviour in order to better prepare students to be equipped with values, attitude, belief and behaviour which would be of beneficial in their careers. Globalization changes the flow of knowledge and skills which can be relatively easy to acquire and learn. On the other hand, higher educator and education administrators have to address more about organizational behaviour such as course structure, course content and delivery method with real world examples to prepare students to be self-sufficient and one class above. After graduation, students are able to utilise learned organizational behaviour along with other acquired skills and knowledge. Graduates of universities will be able to identify how the unseen yet critical element of organizational culture and organizational

politics in their jobs and react accordingly. They can relate to each other more, and compare the best practices of organizational behaviour, and make decisions in their work or even personal lives accordingly.

1.6 Scope of Study

The scope of the research is to examine the current level of organizational behaviour practice in terms of organizational culture and organizational politics in the IT function of global banks which are operating in Malaysia or Singapore. There are 5 specific goals that this research seeks to achieve:

1. To provide an analysis and overview of the effects of organization behaviour on employee job satisfaction affecting the increasing expenditures on IT investments in global banks.
2. To formulate the types of organizational culture and organizational politics affecting the employee job satisfaction in the IT investments of global banks.
3. To analyse the relationship and document any significant issues related to the organizational behaviour approaches being constructed from organizational culture and organizational politics aspects and the potential impact on employee job satisfaction.
4. To propose ways to share the best practice in the emphasis and implementation of organizational behaviour in global banks.
5. To indicate the scope in which further enhancement could be developed and provide recommendation on how it might be achieved.

The research will investigate the five goals and to examine the key issues associated with the key areas of organizational behaviour, namely organizational culture and organizational politics, in maximizing the overall business performance in global bank in

return of IT expenditure through employee job satisfaction. With the existence of different stakeholders within the IT function who might well represent divergent perspectives within the global banks, survey instruments like questionnaires were developed to record the diverse responses, for example, staff directly involved IT and the entire Software Development Life Cycle (SDLC) (business analysts, application developers, application support, testers, project managers etc.); IT management (CIO, global & regional IT function heads, country technology heads etc.); and those involved in using the end product (business users).

1.7 Limitations

The study was limited within the IT function of global banks, which only focus on the delivery of IT investments and related elements. This study should expand further to other aspects such as operations, customer service, relationship management, marketing, human resource, accounting on the critical emphasis of organizational behaviour in terms of increasing their efficiency and effectiveness, hence the overall functional productivity and competitiveness which leads to better overall business performance.

Another limitation of this study is that the questionnaires prepared are mainly to the organizations' interest in terms of improving employee job satisfaction through effective implementation of organizational behaviour approaches in order to fully realize the benefits of IT expenditures. These questionnaires should involve all parties, such as suppliers, vendors and internal staffs in order to provide their point of view on organizational behaviour improvement programs implementation to the organizations.

As this is a cross-sectional instead of longitudinal study, it was limited only to a certain geographical area, where a few selected global banks which have the presence in Malaysia or Singapore. Thus, the research data collected might not be sufficient for the

research study which requires worldwide coverage on the effects of organizational behaviour to maximize the benefits of IT expenditures.

1.8 Definition of Key Terms

The following is the definition of the main variables used in this research:

Organizational Behaviour (OB):

An organization can be viewed as an arrangement or structuring of elements (such as people), providing a boundary separating it from its environment, exercising control over its own performance and collectively pursuing goals. The elements or parts of an organization work together to achieve goals as it is accepted that achievement of these goals would be beyond the means of the separate elements on their own. Organizational Behaviour is a multidisciplinary and humanistic oriented field of study to understand the way of thinking for groups or individuals within organizations and has an application orientation by managing them to work effectively by measuring their performance (Johns & Saks, 2008).

Organizational Culture:

The basic assumptions, shared values, beliefs, or norms within the organization. Culture is a coherent system of basic values and assumptions, which distinguish one organization or group from another and orient its choices (Schein, 1985, 1992; Roland Calori & Philippe Sarnin, 1991).

Motivators:

Herzberg's theory (1966) defines motivators give positive satisfaction arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth.

Hygiene Factors:

According to Herzberg's two factor theory (1966), hygiene factors are extrinsic to the work itself including aspects such as company policies, supervisory practices, or wages/salary that do not give positive satisfaction, though dissatisfaction results from their absence.

Organizational Politics:

This definition is adapted from Pfeffer (1981), Cropanzano et al., (1995) is an omnipresent system of influence within organizations wherein individuals or groups use their power in pursuit of their own interests or in the interests of others. These interests may or may not be consistent with organization objectives. According to Drory (1993), behaviours that involve intentional acts of influence and occur on an informal basis within an organization that are designed to enhance or protect individuals' professional careers during possible conflicting courses of action.

Perception of organisational politics (POPs):

A subjective, context specific and multi-dimensional psychological phenomenon. It involves how the general political behaviour of others within the organization are perceived by individuals, how individuals perceived the inaction of other members of an organization as going along to get ahead, and how pay and promotions are perceived to be politically applied by others (Ferris et al., 1989 and Kacmar and Ferris, 1991).

General Political Behaviour:

Political behaviour is high in organizations where no rules and regulations are available or are not clearly defined to govern actions (Kacmar et al., 1999).

Going Along and Get Ahead:

According to Kacmar et al. (1999), in organization behavior of individuals that involves no action (e.g., remaining silent) to get valuable resources.

Pay and Promotions:

How organizations and employees behave politically through policy implementation and decision making. Particularly, performance evaluation is the basis of pay and promotion policies in organizations where the systems are often quite political in nature (Kacmar et al., 1999).

Employee Job Satisfaction:

Spector (1997) defined employee job satisfaction as the degree to which employees are happy with their jobs. It is simply whether does employees like (satisfaction) or dislike (dissatisfaction) their jobs.

Global Banks:

Global banks are defined by businessdictionary.com as any multinational financial institution which has operations in two or more countries.

1.9 Summary of Chapters

Chapter One serves as an introduction to the research with some general idea about the background of the study, problem statement, research objectives, research questions and the significance of the study.

Chapter Two provides literature review that explains the focus of employee job satisfaction and clarifies the factors of strategic organizational behaviour in terms of

organizational culture and organizational politics which influence employee job satisfaction. The theoretical framework and research hypotheses development based on analysis of literature are subsequently presented in this chapter.

Chapter Three provides research methodology that includes research design, specifying population and sample, and variables under study. The chapter then explains the development of measurement and scales for the questionnaires, and statistical techniques to be used in analyzing the data.

Chapter Four presents findings of the study that includes analysis of the collected data from survey, statistical interpretation and presentation of results.

The thesis ends with Chapter Five that provides discussion of the results of the study. Implication from the research, as well as the limitation and suggestions for future research will also be covered.

CHAPTER 2: LITERATURE REVIEW

This chapter focuses on the identification of the definition and concept of Organizational Behaviour (OB) and the key areas for the purpose of this research on the basis of literature review. It is based on the theoretical foundation where OB as an independent field and empirical findings from past research of study. The detailed explanations of the OB constructs and strategic underlying organizational behaviour theories adopted in this study will be presented. The employee job satisfaction and together with the formulation of theoretical models of OB will be demonstrated. The relationships among the OB and employee job satisfaction constructs are explained in this chapter and also included is the indication of whether the relationships are positive or negative.

2.1 Organizational Behaviour

OB is an interdisciplinary field of study seeking to understand the behaviour of individual, group and organizational processes in organizational settings (Baron & Kenny, 1986) which can be applied to better understand and manage people at work (Kreitner & Kinicki, 2007). OB involves the study and application of knowledge about how people act within organizations, as individuals and within groups, what they think, feel and do in and around organizations (McShane & Von Glinow, 2005) and it investigates the impact that individuals, groups and structures have on behaviour within organizations in order to ultimately improve an organization's effectiveness (Robbins, 2001).

OB has an academic element that can be applied in the management of people and organizations and provides advice on what managers can do to improve organizational performance. Staw (1991) asserts that the behaviour of organizations can be related to the

behaviour of individuals (actual persons such as the C-suite) and could thus be explained through organizational behaviour theories. It is however important to remember that organizations are collaborations of their participants by definition. So although individual behaviour can explain some aspects of OB, what makes OB unique are the behavioural combinations and collaborations of the organizational members within the organizations.

Organizational behaviour may thus be defined as the attempt to study, explain, describe and understand how the attitudes, beliefs, values, behaviour and emotional responses of people in their workplaces is cultivated by the actual, perceived, implied, implicit or imagined rules and roles in their workplaces (Furnham, 2004).

2.1.1 Overview of the Field of Organizational Behaviour

The strategic approach to OB is based on the premise that is harnessing and managing an organization's main resource, namely its people (management, employees and stakeholders) effectively in order to implement the organization's strategy, drives competitive advantage and sustained success (Hitt et al., 2006). Thus, to sustain the effective management of organizations such as global banks it is necessary to have a strategic OB framework in place.

Organization's foundation rests on its philosophy, values, vision and goals, which is influenced by the leadership. The organizational behaviour influences the manner in which communication takes place, as well as the group dynamics within the organization. The individuals within an organization may perceive this as the quality of work life and it will influence their motivation. Further outcomes include performance, satisfaction, personal growth and development. Together these elements form the model on which the organization operates (Kreitner & Kinicki, 2007).

2.1.2 Identification of Strategic Organizational Behaviour

Global banks are organizations which have their core strategy and competencies successfully implemented and will be managing the sustained existence of their global presence. Organizations must implement their strategy successfully in order to gain a competitive advantage in a dynamic environment. The effective organizing and managing of the actions, knowledge and skills of the individuals and groups within an organizational context will lead to strategic success, and this is referred to as the strategic approach to OB (Hitt, et al., 2006). Strategic OB involves harnessing the potential of entities within an organizational setting to achieve a common objective. According to Hitt et al. (2006), an organization's strategy must be implemented and its goals achieved by empowering these entities in order to utilize their capabilities to the benefit of the organization.

Godkin and Allcorn (2008) suggest that three types of inertia, i.e. that of insight, action and psychological inertia, are key roadblocks to fostering institutional willingness in developing and implementing strategic direction and thus are key barriers to the strategic management of OB. Insight inertia occurs when management may not observe and interpret signs from the internal or external environment in a timely fashion to determine and adjust organizational behaviour or strategy to meet internally driven or external environmental and market place demands for change. Members of the organization are thus failed to explain why certain changes happened or unable to make sense of the environment at all. When something informative has been learned that should guide management decision-making but managerial responses are too slow to be beneficial to the organization, action inertia is the result. Organizational resistance is usually translates into psychological inertia. Members of organizations are frequently resistant to change regardless of its necessity as they may be threatened by the perceived implications thereof, such as the loss of social capital defined as