



A STUDY ON THE FACTORS INFLUENCING THE ORGANISATIONAL CLIMATE IN PUBLIC SECTOR ORGANISATIONS IN KERALA

C Raghunadhan¹, K S Chandrasekar²

¹Deputy Registrar, CWDRM, Calicut, India

²Professor and Director, School of Business Management and Legal studies,
University of Kerala, Trivandrum, India

ABSTRACT

Organisational climate is the summary perception which people have about an organization. It is thus, a global expression of what the organization is. There are many factors which influence the organizational climate and all the factors have been included for the study. The study covered the public sector companies and accordingly the variables were tested among executives. The findings reveal that in order to create good organizational climate, an organisation should consider the impact of all personnel factors, compensatory factors, human relations factors and employees. There is a huge scope for improving the organizational climate in public manufacturing sector in Kerala.

Key words: *Compensatory factors, Human relations factors, Kerala, Manufacturing, Organisational climate, Personnel factors, Public sector*

INTRODUCTION:

Organisational climate is a relatively enduring quality of the internal environment that is experienced by the members, influence their behaviour and can be described in terms of the values of a particular set of characteristics of the organization. Organization is a set of characteristics that describe as organization and that distinguish one organization from another b) are relatively enduring over a period of time and c) influence the behaviour of people in the organization. It is the summary perception of which people have about an

organization. It is thus as a global expansion of what the organization is. Organization climate is thus the manifestation of the attitudes of organization members towards the organization itself. An organization tends to attract and keep people who fits climate, so that its patterns are perpetuated at least to some extent. Organization climate, the totality to its culture tradition and method of action, is the human environment within which organization employees perform work. In any organisation, the men, materials, methods and money are regarded as the most important factors. But, human resources are regarded as the only dynamic factor in any organisation. Individuals as human beings are very complex in their psychological make-up. When they interact with one another in large groups, their complexities are multiplied. The work environment or climate has a vital role to play in shaping the personality as well as the behaviour of an employee in any organisation. The study confines to public sector organisations in Kerala.

REVIEW OF LITERATURE:

Avinashkumar Srivastava (2008) in his study found that there are the six motives of organizational climate such as achievement, expert influence, extension, control, dependency and affiliation. The study concluded that the organization must specify critical attributes such as knowledge, qualification and experience for each and revamp the recruitment, transfer and promotion policies so as to minimize the number of overqualified executive in the organization.

Baldev R.Sharma (1989) concluded in his study that whereas climate perception are both evaluative and descriptive in nature, organizational climate and job satisfaction are divergent concepts.

D.V.Giri and Anuva Choudhury (2004) in their study among the employees of National Aluminium Company Limited (NALCO) found a positive orientation towards their work which appeared to be largely dependent upon a proper organizational climate prevailing in the organization.

Surabhi Chaturvedi and Rishu Roy (2007) explained how organizational climate and job experience influenced organizational commitment of the employees in telecommunication industries. They pointed out that employees with long organizational tenure might develop retrospective attachment to the organization and concluded that greater was the job experience, greater the organizational commitment.

R. Ramachandran (2009) mentioned the essentials and effects of training. He pointed out the significance of motivation, progress information reinforcements practice and individual differences in training. It was concluded that employees would work better when the organization provided them an opportunity to develop and utilize their capabilities to a large extent and would work better when they being trusted and treated with dignity.

It was found from the above literature that the development of the organization fully depends on the performance of the employee. From all the above information it is evident that the management of all organizations must provide a good organizational climate if they want to have a successful conduct of business and achieve their overall objectives and goals. Failure to do this will lead to negative effects like reduction in productivity, absenteeism, turnover and negative publicity.

OBJECTIVES AND HYPOTHESES OF THE STUDY:

Based on the above, the following objectives were set for the study:

1. To study the theoretical frame work of organisational climate.
2. To examine the factors which determine the organisational climate.
3. To assess the level of opinion of public and private sector company employees about the factors influencing organisational climate.
4. To analyse the consequences of organisational climate
5. To compare the factors influencing organisational climate prevailing in the public sector manufacturing organisations.

There are many factors which influence the organizational climate of an organization. These factors are classified into 4 major divisions such as *Personnel Factors*, *Compensatory Factors*, *Human Relations Factors* and *Employee-Management Relations Factors*. *Personnel Factors* include *job design, orientation, supervision and team work, job enlargement, job rotation, job enrichment, training, development and education, promotion, goal setting, action, performance appraisal and feedback*. *Compensatory factors* include *monetary benefits, employee welfare and fringe benefits, incentives and rewards*. *Human Relations Factors* include *recognition and appreciation, grievance handling, managing problems, communication, creative thinking, responsibility, leadership, motivation, opportunity for growth, managing mistakes, risky situations, peers character and subordinates character*.

Employee-Management relations factors include *working environment, participative management, interpersonal relationship, job security, superior-subordinate relationship, attrition, trade unions and automation*. From the above objectives and the variables set, the hypotheses were framed as:

1. There is no significant difference between Socio-economic variables such as Age, Gender, Category, position of organization, previous experience, Experience, Marital status, Educational qualification, Monthly income and the Level of opinion about factors influencing the organizational climate.
2. There exists a significant difference in the level of opinion of company employees about the factors influencing organizational climate.
3. Socio-economic variables do not influence the factors such as personal factors, company factors, human factors, human relations factors and employee management relations factors on organizational climate.
4. Socio-economic variables do not influence the factors such as personal factors, compensation factors, human relations factors and employee management relations factors on organizational climate in the public sector companies.

RESEARCH METHODOLOGY:

The present study is based on both primary and secondary data. Primary data have been collected through a well structured questionnaire given to the employees of the public sector companies in Kerala State. Secondary data have been collected from theses, dissertations, and post doctoral research submissions from various universities and news papers, company web sites, magazines, journals and govt. gazettes. The area of study is limited to manufacturing organisations identified in Kerala State irrespective of regions.

Method applied	- <i>Employee Survey</i>
Source of data	- <i>From public manufacturing sector, Kerala state.</i>
Method of collection	- <i>Primary & secondary data</i>
Statistical tool(s) used	- <i>Chi-square, Exploratory Factor Analysis, Multiple linear regression</i>
Error expected	- <i>+/- 5%</i>
Hypothesis formulated	- <i>H₀₁- H₀₄</i>

This is a descriptive as well as empirical study mainly based on primary and secondary sources. The study conducted among the 36 companies in public sector in south, central and north Kerala. In public sector manufacturing companies, 30124 employees are working in technical, administrative and in different positions. Judgment sampling method was used with greater elements of convenience. Using the judgment sampling, a sample of 200 employees across different positions 20 public sector companies from the south, central and north regions of Kerala were identified.

FINDINGS:

Out of nine socio-economic variables, six namely designation, previous experience (sector), experience (in years), marital status, educational qualification and professional qualification contribute significant difference of opinion about factors influencing organisational climate. The remaining 3 variables namely age, gender and monthly income do not contribute significant difference to the opinion about organisational climate. In the inter-correlation analysis, the correlation coefficients are statistically significant at 5% level. It reveals that there is a reasonable relationship among the respondent's score for the 38 organisational factors. Under the factor analysis, the factors influencing organisational climate has been identified. Kaiser-Meyer-Olkin (KMO) test and Batlett's test of sphericity has been applied to check whether the data are fit for the factor analysis or not, where the Kaiser-Meyer-Olkin Measure of Sampling Adequacy was 0.861.

Ten factors explain the factors influencing organisational climate to the extent of 73.98%. Factor –I is 'individual factors', which is comprised of managing problems, opportunity for growth, action, participative management and responsibility. It explains 29.371% of variance. 'Attitude towards job' is the second factor explaining 12.055%. It consists of rewards, job design, sub ordinates' character and peers' character. The third factor accounted for 6.487% of total variance, consisting of 4 factors viz, leadership, supervision and team work, motivation and automation and it is named as 'group behaviour factors'. The fourth factor consists of employee welfare and fringe benefits, job security, recognition & appreciation and superior-subordinate relationship. This factor is named as 'welfare of employees' and the total variance for this factor is 5.086%. 'Intervening factors' is the 5th factor which consists of attrition, performance appraisal, grievance handling and job enlargement. The total variance is 4.276%. 'Better performance' is the 6th factor with a total variance of 4.066% and comprises of managing mistakes, job rotation, performance and goal setting. The 7th factor is named as

‘extensive factors’, which comprise of interpersonal relationship, communication, risky situations and feedback and has 3.928% variance. ‘Recognition factors’ is the 8th factor which consists of promotion, monetary benefits and orientation in organisations. The total variance for this factor is 3.725%. The 9th factor is named as ‘managerial factors’ which consist of trade unions, creative thinking and training, development and education and has 2.906% variance. The last factor extracted ‘working condition and incentives’ includes working environment, incentives and job enrichment and it accounts for 2.083 % variance.

The response of employees on the consequences of organisational climate may be constructive or destructive. Hence, the managers should clearly understand the causes and consequences of organisational climate and solve the employee problems by encouraging constructive attitude like productivity, loyalty, etc. and should discourage the destructive attitude such as absenteeism, turnover, etc. The statement ‘rest intervals are adequate’ scores very high (74.23%) in the consequence ‘productivity’. In regular attendance, ‘there is no monotony of work’ statement scores high (91.42%). Among turnover/attrition rate, the statement ‘Salaries and allowance are attractive’ has the high score (77.42%). The statement ‘working conditions provided by management are good’ secures high (81.23%) in the corresponding consequence called ‘unionization’ with regard to ‘employee unrest’ consequence, the statement ‘monetary benefits other than salaries are adequate’ scores high (84.32%). As per the consequence job stress, 86.42% of employees are yet to complete the job perfectly. In smooth functioning of regular activities, the statement ‘fellow employees are co-operative to do quality work’ gets high score (82.75%). ‘Lack of co-worker’s interference due to better office layout’ secures high (81.12%) in ‘accuracy of work’.

The overall opinion about the consequences of organizational climate, above 80% of score have given by the respondents for the statements ‘there is no monotony of work (91.42%), ‘lack of co-workers’ (81.12%), ‘fellow employees are co-operative to do quality work’ (82.75%), and there is adequate no. of employees to complete the job’ (86.42%). The statements which have lowest score % are, ‘lack of consumers’/customers’ disturbance due to availability of frequent enquiries’ (57.12%), ‘there is a fair work allotment (51.19%), ‘there is a fair promotion policy’ (61.19%), ‘management appreciate the work done by the employees’ (63.17%) and ‘employer is readily available when clarification is required’ (59.79%).

SUGGESTIONS:

On the ground of the findings from this study the following suggestions have been made to improve working environment, *i.e.*, productive organisational climate which leads to proper job rotation, job enrichment, job satisfaction and improvement in job performance.

1. The management has to encourage the employees by arranging regular technical coaching classes for the exams conducted to improve the employee's professional qualifications.
2. Employees work not only for monetary benefits but also for their personal satisfaction. So, both the managements have to recognize and appreciate the employees in front of their colleagues and co-workers.
3. Employees spend their time in work place. So the working atmosphere has to be convenient and stress free.
4. Higher authorities should create a congenial work atmosphere and pleasing surroundings and arrange for better job facilities by having better tools and appliances. These acts will improve working capacity; develop enthusiasm and a sense of responsibility in an employee within the organisations. Quality of work life and work life balance has now become an important aspect.
5. Efficient and deserved employees have to be recognized with due rewards which will increase their morale and efficiency.
6. The Corporate Social Responsibility (CSR) activities should be established with the help of employees which will boost the social commitment of them as it has become mandatory now.
7. As there is a compulsion for every employee to do any job at the time of absence of any colleagues or at the time of job rotation, adequate on-the job training has to be given to all the concerned employees. The employees also have to attend the training with enthusiasm and have an active participation.
8. In the public sector organisations, working atmosphere should be conducive to enhance the employees' work efficiency. Enough lighting and ventilations have to be arranged. Convenient seating facility, availability of pure drinking water, proper recreation facilities, rest rooms, canteens, lunch rooms etc., should be provided the employees to refresh.

9. New entrants/recruitees have to be given proper training in such a manner that they would also be able to hold any position. This would help the management in easier job rotation which in turn would avoid monotony.

CONCLUSION:

It can be seen that various studies related to the HRD climate in terms of various dimensions like participation, succession planning, training, performance appraisal and job enrichment and its relationship with the organizational commitment of managers. It can be seen that the success of the organization always lies with its employees committed to the organization and thus acts as a catalyst in improving their performance. Similarly participation in solving strengthened organizational commitment in public sector. Task related participation and participative influence weakened organizational commitment in the private sector but strengthened it in the public sector.

Most of the problems are solved through open efforts. This was felt by majority of employees. Industrial relations climate is not discouraging it is so congenial. Exercise of control over the discipline is moderately favorable to the people to keep their behavior consistent to the rules and regulations. The sufficient training and development activities effect the administration of performance appraisal and plans for future career growth and development of the employees in this organization. The co-efficient of variation is higher in the opinion of the public sector employees regarding the impact of all personnel factors, compensatory factors, human relations factors and employees - management relations factors on organisational climate except in job enrichment factor and performance in personal factors; viz, motivation, managing mistakes, peer's characters and subordinate's characters in human-relations factors and participative management, job security, superior-subordinate relationship and attrition in employee-management relation factors.

REFERENCES

Journal Papers:

1. Avinashkumar Srivastava , “Differential Climate in the Organizations: An Empirical Study Across Qualification Levels”, *The ICFAI Journal of management Research*, Vol.VII, No.6, June 2008, pp.23-33.
2. Baldev R.Sharma, “Organisational Climate: A Property of the Individual or the Organisation”, *Indian journal of Industrial Relations*, Vol.25, No.1,July 1989, pp.23-34.

3. D.V.Giri and Anuva Choudhury, "Towards a Positive Work Culture: The NALCO Experience", *Indian Journal of Industrial Relations*, Vol.40, No.2, October 2004, pp.154-174.
4. Surabhi Chaturvedi and Rishu Roy, "Job Experience, Organisational Climate and Organisational Commitment: An Exploratory Study", *The ICFAI Journal of Organisational Behavior*, Vol.VI, No.1, January 2007, pp.55-62.
5. R.Ramachandran, "Organisational Training – Essence and Effects", *HRD Times*, Vol.11, No.11, November 2009, pp.18-20.