



ISSN Print: 2394-7500  
ISSN Online: 2394-5869  
Impact Factor: 5.2  
IJAR 2016; 2(5): 741-744  
www.allresearchjournal.com  
Received: 25-03-2016  
Accepted: 27-04-2016

**S Gurumoorthy**  
Assistant Professor,  
Department of Business  
Administration, Annamalai  
University, Chidambaram,  
Tamil Nadu, India

## **A study on organizational climate among employees in Neycr India limited, Vadalore**

**Dr. S Gurumoorthy**

### **Abstract**

The study found that there is no significant difference towards organizational climate with respect to demographic variables. The study also found that employees perceived moderate level of organizational climate in Neycr India limited. The study highlighted that there is influence of organizational climate on organizational performance. It is recommended that the special attention to be given to improve dyadic and group relation which can be obtained through joint goal setting, self-appraisal, team building exercises, incentives etc., by the in Neycr India limited. It is concluded that Neycr India limited needs to focus on HRD system and improve the climate in order to obtain effective efficient people for sustenance and growth in the competitive era.

**Keywords:** Organizational climate, organizational performance, HRD system and joint goal setting

### **Introduction**

Organizational climate is the shared perception of employees who work and live in the organization. It is the sum of individual perceptions regarding the organizational procedures, policies and practices. It represents the psychological environment of the organization consisting of individual opinions framed upon micro events that happen to them as well as to others around, over a period of time. It is the set of measurable properties of the work environment, perceived directly or indirectly by the members, influencing their work and satisfaction.

The Organizational Climate facilitates the firm to identify to the deficiencies in connection with different organizational factors, such as organizational structure, employee compensation system, communication level, physical atmosphere, organizational culture, etc. It is the apparent trait of a firm and its sub-systems as replicated in the mode in which an organization deals with its associates, team members and organizational problems. It is comparatively enduring excellence of the in-house atmosphere that is experienced by its employees which influences their performance and can be described in terms of the values of a specific set of behaviors in the firm.

Organizational Climate is comprised of a mixture of norms, values, expectations, policies and procedures that influence work motivation, commitment and ultimately individual or work unit performance.

Organizational Climate reflects a person's perception of the organization to which he belongs. It is a set of characteristics and factors that are perceived by the employees about their organizations that serve as a major force in influencing their behavior. These factors may include job descriptions. Organizational structural format, performance and evaluation standards, leadership style, challenges and innovations, organizational values and culture and so on.

### **Review of Literature**

As demonstrated by T. Constantin (2008) <sup>[1]</sup> the organizational climate analysis allows obtaining relevant data sets for the organization, the reality of immediate practical application data that can help to optimize the efficiency, but also to obtain better employee satisfaction. Furthermore, the organizational climate analysis can be easily translated into useful tools for diagnosis and organizational change.

**Correspondence**  
**S Gurumoorthy**  
Assistant Professor,  
Department of Business  
Administration, Annamalai  
University, Chidambaram,  
Tamil Nadu, India

Downey, *et al.* (1975) <sup>[6]</sup> has been study reported from their study that the situation in the private sector banks was worse than that in the public sector banks in Kathmandu. Further, as compared to workers, the officers found their organizational climate relatively better. Certain measures aimed at improving the organizational climate and the overall effectiveness of the organization has also been suggested.

Baldev. R. Sharma (1981) <sup>[2]</sup> investigates the effect of organizational attributes of goal setting on the perception of organizational climate by the employees. The study was intended to compare the manufacturing sector and health sector in this respect. The total sample consisted of one hundred and fifty personnel, from health as well as manufacturing sectors. Doctors and nurses from private as well as public hospitals were selected as health sector personnel. Managers and supervisors were selected from large and medium sector industries of Vadodara, Gujarat were selected as manufacturing sector personnel. Personnel from public sectors belonged to State run hospitals, Indian Oil Corporation and Indian Petroleum Company Limited. Personnel from private sector included doctors and nurses of private hospitals and employees of some medium scale industries from Gujarat Industrial Development Corporation industrial estate at Vadodara. Organizational climate dimensions were measured using the scale

Patterson, *et al.* (2005) <sup>[3]</sup> in their study entitled Validating the Organizational Climate Measure. They proposed the dimensions of employee welfare, autonomy, participation and communication, emphasis on training, integration and supervisory support associated with the first quadrant of the human relations approach. They also indicate that formalization and tradition should be part of the internal process approach and that flexibility, innovation, outward focus and reflexivity is associated with the open systems approach. They also stated that the study of organizational climate is important, not only for enhancing the organizational performance but also for enhancing human well-being in the organization. It can, therefore, be concluded that climate is not homogeneous throughout the organization. Besides the main climate for the overall organization, an organization has more than one sub-climate in its different units or divisions, like the age groups.

Susan Chirayath (2007) <sup>[7]</sup> has been study conducted in the Higher Secondary Schools in Kerala State, concluded that, the Organizational Climate of the schools and the teachers' attitude towards teaching profession working those schools were significantly and positively correlated. She has found that teachers rated high on disengagement, and hindrances are rated low on their attitude towards their job. Spirit and intimacy are significantly and positively related to the attitude of teachers. Teachers of a fraternity high on spirit work as a unit with great vim, vigor and pleasure. They work together with respect to the task at hand and they get both social and job satisfaction out of the task and the team spirit with which they accomplish it. They have emotional attachment to one another and enjoy close human relationships among themselves. Teachers high on intimacy also enjoy friendly social relationship with each other. The teaching fraternity is a dynamic social group working well in harmony. Teachers high on spirit and intimacy definitely have the right attitude towards their profession. They had job satisfaction.

Jianwei Zhang (2010) <sup>[5]</sup> proposed the empirical study of organizational climate, studies in this area have proliferated. He defined organizational climate as "a group of measurable characteristics that members could perceive directly or indirectly in the work environment," and, as a description of environmental factors, it could help researchers ascertain the effects of environment on employee commitment. In addition, organizational climate was the most common variable applied to descriptions of the organizational context. As a description of individuals' perception of organization, organizational climate was more similar to the real behavior than the real environment.

## Materials and Method

### Research Design

Descriptive research design will be employed to determine the relationship between the dependent and the independent variables and to establish any association between these variables. The researcher will employ the survey strategy for the study. This strategy is proposed because it allows the collection of a large amount of data from a sizable population in an economical manner. The method is also perceived as authoritative by people in general and is both comparatively easy to explain and to understand.

### Objectives of the study

- To study the organizational climate among employees of Neycr India Limited.
- To identify the influence of organizational climate on organizational performance.

### Hypotheses of the study

- Respondents' opinion does not differ towards organizational climate with respect to demographic variables in Neycr India Limited.
- There is no influence of organizational climate on organizational performance in Neycr India Limited.

### Sampling Technique

Then simple random sampling will be employed to ensure that all employees stand equal chance of being selected to avoid sample bias and ensure that the results are reliable enough to be generalized.

### Sampling Size

Out of the sample frame of 200 employees in Neycr India Limited, a sample of 50 will be chosen based on the percentage method, representing 25% of the population.

### Tools for data analysis

- One way ANOVA
- Regression

### One Way ANOVA

ANOVA considers that all the variables in the study are assumed to be equal, was adopted to find the differences between the means of three or more variables.

### Regression

Regression is used to find the influence of independent variable over the dependent variable.

**Analysis and Interpretation**

**Table 1:** One Way ANOVA Showing Opinion Difference among Education Groups With Respect to Organizational Climate

Education	N	Mean	Std. Deviation	F	p
Up to HSC	11	3.5909	.70350	1.047	0.381
ITI	10	4.1000	.80829		
Diploma	15	4.0200	.69200		
Degree	14	3.9429	.73140		
Total	50	3.9200	.73067		

Source: primary data

The one way ANOVA is conducted for the sample of 50, to validate the significant difference among the education groups of employees with respect organizational climate. Independent variable education is classified into four groups such as up to HSC, ITI, diploma and degree. Frequency distribution, mean, standard deviation, F ratio and p value are calculated and following hypothesis are framed.

**Null hypothesis H<sub>0</sub>:** Employees’ opinion does not differ towards organizational climate with respect to education of the employees.

**Null hypothesis H<sub>A</sub>:** Employees’ opinion differs towards organizational climate with respect to education of the employees.

The above table shows that overall value for organizational climate (F – 1.047 and p – 0.381). Hence the p value is greater than 0.05 and not significant. It is affirmed that there is no significant difference towards organizational climate with respect to education groups of the employees.

**Table 2:** One Way ANOVA Showing Opinion Difference among Age Groups With Respect to Organizational Climate

Income	N	Mean	Std. Deviation	F	p
Up to Rs. 10000	2	3.2500	.77782	2.654	0.081
Rs. 10001 to Rs.20000	14	4.2429	.50492		
Above 20000	34	3.8265	.77040		
Total	50	3.9200	.73067		

Source: primary data

The one way ANOVA is conducted for the sample of 50, to validate the significant difference among the income groups of employees with respect organizational climate. Independent variable income is classified into three groups such as up to Rs. 10000, Rs. 10001 to Rs.20000 and above 20000. Frequency distribution, mean, standard deviation, F ratio and p value are calculated and following hypothesis are framed.

**Null hypothesis H<sub>0</sub>:** Employees’ opinion does not differ towards organizational climate with respect to income of the employees.

The above table shows that overall value for organizational climate (F – 2.654 and p – 0.081). Hence the p value is greater than 0.05 and not significant. It is affirmed that there is no significant difference towards organizational climate with respect to income groups of the employees.

**Table 3:** Regression Analysis Showing Influence of Organizational Climate on Organizational Performance Model Summary

R	R Square	Adjusted R Square	SE of the Estimate	F	Sig.
.678	.460	.449	.678	40.917	0.000

**Null hypothesis H<sub>A</sub>:** Employees’ opinion differs towards organizational climate with respect to income of the

**Coefficients**

S No.	Variable	Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	Constant	1.751	.334		5.246	.000
1	Organizational Climate	.536	.084	.678	6.397	.000

Dependent Variable: organizational performance Source: primary data

The multiple regression analysis has been carried a sample of 50 and data considering organizational performance as a dependent variable and the independent variable is organizational climate. The reaction of the employees and influence of the independent variable on organizational performance have been studied by the regression analysis. The F value obtained for the analysis is 40.917 which are significant at 1% level. Hence the assumed regression model may be considered as a good fit. The value of R<sup>2</sup> is 0.460 and implies that 46% of organizational performance is influenced by the organizational climate.

**H<sub>0</sub>:** There is no influence of organizational climate on organizational performance.

**H<sub>A</sub>:** There is an influence of organizational climate on organizational performance.

The analysis found that the p value of prospectus is less than 1% level. Hence, the null hypothesis is rejected and alternative hypothesis is accepted. It is concluded that there is an influence of organizational climate on organizational performance.

### Findings

- It is identified that the p value is greater than 0.05; so the null hypothesis is accepted and alternative hypothesis is rejected and not significant. From the one way ANOVA result, it is shown that education group of the employees have do not differ towards organizational climate. It is noted that one way ANOVA result that moderately perceived towards organizational climate with respect to education group of the employees.
- It is identified that the p value is greater than 0.05; so the null hypothesis is rejected and alternative hypothesis is rejected and not significant. From the one way ANOVA result, it is shown that income group of the employees have do not differ towards organizational climate. It is noted that one way ANOVA result that moderately perceived towards organizational climate with respect to income group of the employees.
- The study identified that there is influence of organizational climate on organizational performance.

### Recommendations

- There should be change in feedback system and it needs to be linked with training, reward and career system, in order to strengthen the functioning of HRD mechanism.
- The special attention to be given to improve dyadic and group relation which can be obtained through joint goal setting, self-appraisal, team building exercises, incentives etc., by the in Neycr India limited.
- Neycr India limited needs to focus on HRD system and improve the climate in order to obtain effective efficient people for sustenance and growth in the competitive era.

### Conclusion

The study found that there is no significant difference towards organizational climate with respect to demographic variables. The study also found that employees perceived moderate level of organizational climate in Neycr India limited. The study highlighted that there is influence of organizational climate on organizational performance. It is recommended that the special attention to be given to improve dyadic and group relation which can be obtained through joint goal setting, self-appraisal, team building exercises, incentives etc., by the in Neycr India limited. It is concluded that Neycr India limited needs to focus on HRD system and improve the climate in order to obtain effective efficient people for sustenance and growth in the competitive era.

### Reference

1. Constantin T. Analyze climate organizational. Psihologie organizational-manageriala. Tendin (e actuale. Iasi: Polirom, 2008.
2. Baldev R Sharma. Organizational determinants of supervisory-management relations in Corinthian Bank Limited, Prajnan, October December. 1981; 10(4)339-349.
3. Patterson MG, West MA, Shackleton VJ, Dawson JF, Lawthom R, Maitlis S *et al.* Validating the Organizational Climate Measure: Links to Managerial Practices, Productivity and Innovation, Journal of Organizational Behavior, 2005; 26:379-408.
4. Susan Chirayath. Organizational Climate and Attitude of Teachers – A correlational study, Contemporary management Research. 2007; 1(1):72-89.
5. Jianwei Zhang. Organizational Climate and Its Effects on Organizational Variables: An Empirical Study International Journal of Psychological Studies. 2010, 2 (2).
6. Downey H Kirk, Heilriegel, Don, Slocum Jr John W. Congruence Between Individual Needs, Organizational Climate, Job Satisfaction and performance, Academy of Management Journal, 1975; 18(1):149-155.