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## Role of organizational climate in its growth

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### Abstract

The paper aims to investigate the impact of organisational climate on employee satisfaction in the J.P. Industries organisations. Organisational climate has been measured on the basis of nine parameters that is : Role and responsibility, Objectives and goals, Leadership and management, work environment, Performance management, Career growth opportunities, Work life balance, Rewards & recognition and Pay & benefit. The study determines the relation between components of organisational climate with Employee job satisfaction. The data was collected from J.P. Industries. The result obtained highlights the positive relation between Organisational Climate and Employee Job Satisfaction. A clear structure, chain of command, coordination mechanism, and communication systems enhance the performance of employees and increases job satisfaction among employees which results in positive organisational climate.

**Keywords:** Role, organizational, climate, growth, job satisfaction, reward and performance

### 1. Introduction

Human resource may be thought as the total knowledge, skills, creative abilities talents and aptitude of an organization's work force. It is the sum of inherent abilities, acquired knowledge and skills, represented by the talent and aptitude of the employed persons. It is the most valuable asset of an organization. An Organization's performance and resulting productivity are directly proportional to the quantity and quality of its human resource. To understand better about the role of human relation in the growth of an organization, whether formal or informal, large or small, is to understand the role of the human resource who come from different walks of life and who are different from one another in their psychological make up. Human relations refer to the interaction of people in all walks of life, in schools, homes, business and government. When applied to a business or an industry they refer to the interaction of people employed in a business firm or an industrial unit. When a relationship exists in an organization it is referred to as "employee human relation" and when it exist outside it is known as "public human relation" (Argyris, 1962) [1].

Organisational climate is the core circle of human environment in the boundaries of which the employees of an organisation works. Climate effects each activity in an organisation directly or indirectly and is affected by almost everything that occurs in the organisation. The survival and growth of any organisation is directly proportional to the favorable climate in it. Organisation climate is of great significance for utilization of human relations and resources at all levels. Organisational climate has a major influence on motivation, productivity and job satisfaction. It is also a major motivating factor responsible for satisfaction and dissatisfaction of employees and affects the quantum of their turnover.

Jaiprakash Associates Ltd is a diversified infrastructural industrial conglomerate in India. The company is the leader in Engineering and Construction of Hydropower projects in India. They are the only integrated solution provider for Hydropower projects in the country with a track record of strong project implementation in different capacities. The company is in the business of heavy civil engineering construction, expressways, cement, and real estate and hospitality. The company is engaged in the business of integrated engineering construction and operates at the locations of their clients and uses electric energy for implementation of various projects undertaken by them. They are also engaged in the business of manufacture and marketing of cement and own Five Star Hotels at New Delhi, Mussoorie and Agra and a Golf Course with associated recreational and residential facilities at Greater Noida as part of their real estate business.

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The thrust of human relations theories is towards establishing a convergence among social, economic, and psychological goals of members and the organizational goals of production, productivity, and profit. Bennis (1966)<sup>[2]</sup> defines conditions for human effectiveness in terms of the organization's polar systems of control -bureaucracy versus democracy. Bureaucracy depresses initiative and creativity through its elaborate, rigid, and restrictive rules and regulations. Democracy facilitates expression of creativity and talent through its adaptive and flexible governing system. It encourages the synergistic achievement of individual and organizational goals.

The Hawthorne studies revolutionized management's approach to direction (or motivation) of employees. Before the Hawthorne investigation, most organizations had used money as the primary means of motivating workers. The importance of the Hawthorne findings lies not in denying the effect of money as a motivator, but in emphasizing the presence of a number of other sources of employee motivation. Each individual is motivated to take action designed to satisfy needs. A need is simply the lack of something useful. It reflects a gap between an individual's actual state and his desired state. A motive is the inner state that directs the individual toward the goal of satisfying a felt need. The individual is moved (the root word for *motive*) to act to reduce a state of tension and return to a condition of status. The relationship between needs and motives can be explained by example (Luthans, 2005)<sup>[3]</sup>.

The congruence among the various human relations theories is impressive. Their identification of the nature and conditions of human effectiveness provided by Herzberg (1966)<sup>[4]</sup>, Myers (1970)<sup>[5]</sup>, and Maslow (1968)<sup>[6]</sup>. According to Herzberg, effective human performance depends on the satisfaction of the lower order hygienic and the higher order motivation needs. Hygienic needs refer to the requirements of clean and comfortable physical environment of work and equity and non-discrimination in matters of pay, promotion, and benefits. Satisfaction of hygienic needs by itself, however, does not lead to performance improvement. It rather serves to prevent loss of morale, efficiency, and trust. It is, hence, a prerequisite for effective motivation. Motivation needs refer to opportunities for meaningful work, intellectual growth, professional advancement, responsibility, achievement, and recognition. Myers also distinguishes between maintenance and motivation needs. Maintenance factors refer to economic, security, orientation, status, social, and physical needs. But people seek something beyond comfortable working conditions, wages, and benefits. Motivation needs refer to man's requirements of growth achievement, responsibility, and recognition.

Jaiprakash Associates Ltd, a part of the Jaypee Group was incorporated in the year in the year 1995 under the name Bela Cement Ltd. The company was promoted by Jaiprakash Gaur, a well known leader in the construction of multi-purpose river valley and hydropower projects. In the year 2000, Jaypee Rewa Cement Plant and Jaypee Bela Cement Plant were merged. In April 1, 2002, the cement division of Jaiprakash Industries Ltd was hived off and merged with the company. The name of the company was changed to Jaypee Cement Ltd. In the year 2003, Jaiprakash Industries Ltd was amalgamated with the company with effect from April 1, 2002 and the name of the company was changed from Jaypee Cement Ltd to Jaiprakash Associates Ltd with effect from March 11, 2004.

## 2. Materials and Methods

The scope of the study is to gain an insight into organisational climate prevailing at the Indian Information Technology Industry, and also to observe the degree of satisfaction levels of the employees in the organisation. This study is an attempt to find out the root cause of problems related to employees with organisational climate and job satisfaction.

The study is based on the collection of responses from executives from all over in India from each organization, Responses from 100 Executives from various J.P. Industries were taken into consideration. The results were then computed in form of percentage system to make the understanding easy.

For searching organizational climate and job satisfaction information's, data are collected through two different questionnaires with like scale to make the processing easy. Organizational Climate Questionnaire: This contain 8 factors on which the effect of organizational climate on job satisfaction is measured, which include Responsibility, Leadership and management. Good environment, performance management, Career Growth opportunity and Work life Balance

## 3. Discussion and Conclusion

### 3.1 Role and Responsibility

While doing the survey we found that around 57% felt satisfied about the fact that their job makes good use of their skills and abilities. 53% were satisfied with the fact that 'my job impacts the overall objective of the organisation'. 54% felt that their work is challenging enough. Also 76% employees were completely satisfied and clear about their reporting relationships but 33% of the employees were dissatisfied with the fact that 'my roles and responsibilities are clearly agreed upon. Data indicates that 54% of the employees were satisfied with the role and responsibilities they have in the organisation, while 27% were in indifference zone and 19% were dissatisfied.

### 3.2 Work Environment

Data regarding work environment indicates that 62% of the employees questioned were not satisfied with the statement that 'team members get all the information they need from other departments', 42% felt satisfied that the entire team works for collective goal. 44% were satisfied with the statement that 'here is unity, trust and cooperation between members' and 51% were satisfied with the statement that 'I have the tools and resources to do my job well'. 32% employees felt satisfied that organisation treats all the employees equally while 43% were dissatisfied. 42% employees were satisfied with the statement 'at work my ideas and suggestions are given due importance'. Therefore 39% of the employees were satisfied with the work environment prevailing in the organisation, 26% were in indifference zone and 35% were dissatisfied.

### 3.3 Career Growth Opportunities

Only 15% of the total employees questioned were satisfied with the opportunities provided by the organisation for career development while 66% were dissatisfied. 26% of the employees were satisfied with the level of transparency in promotion plan while 48% were dissatisfied. Only 14% of the total employees questioned were satisfied with the statement that 'Organisation gives me support for my career

growth', while 63% are dissatisfied. Therefore 17% of the total employees questioned were satisfied with the career growth opportunities provided to them, while 22% were neutral and 61% were dissatisfied.

### **3.4 Work-Life Balance**

24% of the employees were satisfied that they can devote equal time to work and life, while 44% of the employees were dissatisfied. 23% of the employees were satisfied and feel that their job is not strenuous, while 56% were dissatisfied and feel so. Therefore 24% of the total employees questioned were satisfied with the quality of work-life at IT industry, 26% were neutral, while 50% were dissatisfied.

### **3.5 Rewards and Recognition**

29% of the employees were satisfied with the reward given to them for their efforts, while 66% of them were dissatisfied. Out of 58 people questioned 54% were satisfied with the statement that 'Efforts are rewarded and recognized on a timely basis'. 41% of the employees questioned were satisfied with their rewards and recognition, 17% were neither satisfied nor dissatisfied and 42% were dissatisfied.

## **4. Conclusion**

The purpose of the study was to determine the aspects of organisational climate that promote and enhance job satisfaction, to determine the degree of job satisfaction among the organizational employees and to recommend changes that can be made to improve job satisfaction, performance levels and reducing the turnover wastage.

The present study found a positive relationship between organisational climate and employee satisfaction; as if the climate of any organisation is found unable to create a satisfactory atmosphere for its employees it may lead to decline in the loyalty and satisfaction of the very important assets of any organisation, i.e.; the employees.

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