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A study on organizational climate and its effects on work environment

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Abstract

Climate is helpful in the fulfilment of committed goals of individual, organization and society. Effective performance depends on the type of HRD climate that provides in the organization. The study was carried out among the employees of IT companies. Proportionate random sampling was adopted. Structured questionnaire were used to collect the data and the reliability was checked using Cronbach's Alpha criterion. The data collected from the executives are subjected to statistical analysis to give torrent of results regarding HRD practices in IT companies. From the study it is concluded that the organizational climate of employees in IT industry depends upon the major factors such as organizational culture, work environment, safety and negotiation.

Keywords: organizational climate, organizational culture, work environment

Introduction

Set of factors which draw attention of HRD in organizations stem from changing organizational environment and organizational necessities to adapt and innovate in response to these changes (Gupta, 1988: 13-14). Some of these factors are:

Organizational climate change

The success of an organization depends to a large extent upon the capabilities, competence, efficiency and effectiveness of its human resources. The HRD system is an essential tool for management in order to develop a strong capability, competence and responsibility among the employees of a concern. M.N. Kulkarni observed that "HRD is an aid to the efficient running of the enterprise". It is now a firm belief that the organizations can improve their effectiveness and productivity through the development of human beings. Thus, HRD is the core of existence and strength of an organization, no organization is immune to the need of HRD to acquire and increase its capabilities for stability and renewal

Organizational climate and organizational goals

Climate is helpful in the fulfilment of committed goals of an individual, organization and society. It increases the capabilities and efficiency of an individual which is likely to reflect itself in the long run in the well-being of the individual good reputation of the institution and ultimately the wellbeing of the society. Geary Rummmler thus observed in this connection after having gained experience in his organization. "I have seen real success in last four years when the HRD function was managed in opportunities fashion in our organization. Climate developed a clear idea for what it wanted to accomplish and then waited and watched for just the right opportunity".

Climate Mechanism

In the field of management sciences, 1980 can be called decade of computers and HRD. The present decade is likely to continue to be a decade of new technologies in every field including human resources. It is now well recognized that human competency development is an essential pre-requisite for the development of any organization. Climate therefore should be a continuous process in the organizations. However the nature of efforts and investments in developing human resources may vary from organization to organization depending on its need, nature of capabilities the organization wants to build up, the change process, size of the organization etc.

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Climate variables

The organizational climate is built if the following variables are attributed to practice in the organization

1. Management's Policy on HRD
2. Potential Appraisal
3. Organizational development (OD)
4. Goal-setting
5. Role Analysis
6. Performance appraisal
7. Career planning
8. Executive Development
9. Training

Although any systematic or formal method which facilitates in increasing employee competency or helps in employee motivations and organization's climate development can be considered as HRD instrument or sub-system Accordingly, there can be various other HRD sub-systems including review discussions, feedback and counselling, communication policies job rotation, rewards, job enrichment programmes etc.

HRD Climate

A healthy organizational climate is required for utilizing and enchanting employee competencies and to develop employee motivation. HRD also aims at climate development. A healthy climate is one where:

1. The free expression of ideas, opinions and suggestions (openness) is encouraged.
2. There is promotion of collaboration among various individuals, teams and departments
3. People say what they mean, so what they say, and where people can be trusted.
4. Initiate pro-activity and creativity.
5. Problems are diagnosed, confronted and solved collectively or individually.
6. Every senior sees developing subordinates as his responsibility.
7. Seniors support their subordinates and juniors respect their seniors.
8. Problems, mistakes and difficult situations are handled with a learning orientation.
9. Participation is encouraged.
10. Every incident is treated as learning opportunity.
11. People have a sense of satisfaction in their work.
12. People feel that they are cared for and have a sense of belonging.

HRD aims at developing such a climate through periodic diagnosis and appropriate intervention to reach the organizational objectives. HRD climate is grouped into OCTAPACE culture through above mentioned HRD mechanisms.

Objectives of the Study

1. To analyze organizational climate suitable for the HRD objectives, needs, and practices of HRD in IT companies
2. To study the existence of different objectives of organizational climate in IT industry

Hypotheses

1. Different levels of management are independent of different HRD climate.

2. The elements of HRD climate and their effectiveness are independent of personal Profiles of executives
3. There is no significant impact of elements of HRD on the HRD climate.

Research Methodology

The objectives of the study are based on three level executives Top, Middle and Lower. So three questionnaires are formed for top, middle and lower level executives The opinions of these above mentioned executives are sort through the questionnaire comprising 5 point scales, 5 – Strongly Agree, 4 – Agree, 3 – Medium Agree nor Disagree 2 – Disagree, 1 – Strongly Disagree. Besides these questions certain personal demographic variables, questions are asked to the executives according to their limitations. The demographic variables Age, Salary, Educational Qualification, and Total Experience are introduced in the questionnaire. For all the three executives are asked to express their opinions about elements of HRD climate. They are also asked to express their views on the effect of practice of HRD elements in the organization and their determination about organizational goals. In order to determine the HRD climate the HRD climate statements, are given to the respective executives. These climate statements are posed according to the nature of executives. This information got through questionnaire and also interacting personally with all levels of executives in IT companies. These personal interviews gave useful and perfect information for further statistical analysis.

Sample size

Sample that is chosen for the study covers all parts management of IT companies in Chennai. Totally 220 employees are selected on proportionate random sampling method. Out of the sample, 138 employees only 136 returned the filled in questionnaires and of them 134 only were found useful for the analysis. Hence, the exact sample of the study was 134. The statements in the each questionnaire are checked for reliability using Cronbach's Alpha Criterion to include in the questionnaire and the samples obtained in a random way in those two organizations satisfy the probability normal distribution using Kolmogorov –Smirnov Test. The data collected from the executives are subjected to statistical analysis to give torrent of results regarding HRD practices in IT companies.

Statistical tools used

- 1) One sample t-test is applied to obtain the predominant factors of climate and Significant difference among them in the study
- 2) One-way analysis of variance is used to find the influence of demographic variables on employee behaviour
- 3) Factor analysis and cluster analysis are applied to obtain the factors of HRD climate and classification of employees

Level of satisfaction of various determinants of Organizational climate

In this study the various determinants like recruitment and selection, training and development, career advancement, wages and allowances, promotion, welfare and social security, working condition, level of workers participation, collective bargaining, standard of safety, performance

appraisal, style of leadership, work load, communication facilities, recognition of merit, authority and responsibilities, human relations, grievances handling as such in the questionnaire have been considered.

The respondents are requested to express their opinion in 5-point scale ranging from 1-stronglydisagree, 2- disagree and 3-neutral, 4-agree and

5-strongly agree. So a one-sample t-test is applied and following results are obtained.

The mean values of wages, allowances and promotion transfer policies are in significant and remaining values are highly significant. So it is inferred that the employees in organization are agreed with wages, allowances and promotion transfer

The employees are satisfied with recruitment and selection, training and development, career advancement, wages and allowances, promotion, welfare and social security, working condition, level of workers participation, collective bargaining, standard of safety, performance appraisal, style of leadership, work load, communication facilities, recognition of merit, authority and responsibilities, human relations, grievances handling.

Pre-dominant factors of Organizational climate

Factor analysis is a multivariate tool generally used to reduce enormous number of variables into major factors. In this study factor analysis has been applied on eighteen variables to determinants of Organizational climate and the results are displayed in the table.

Rotated Component Matrix for Pre-dominant factors of Organizational climate

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 4 iterations.

Factor one consists of the following variables,

Career Advancement Avenue (.885)
 Recruitment and selection process (.838)
 Performance appraisal process (.828)
 Human relation (.793)
 Welfare social security (.759)
 Grievances Handling Procedure (.753)
 Recognition of merit (.746)
 Wages and allowances (.729)
 Training and development (.728)
 Promotion transfer policy (.581)

So this factor is named as organizational culture.

Factor two has been formed through these variables,

Level of workers participation (.842)
 Style of leadership (.828)
 Work load (.787)
 Authority and responsibilities (.747)
 Working condition (.729)
 Communication facilities (.517)

So this factor is identified as work environment.

Factor three comprises the variables

Standard of safety (.876)
 Collective Bargaining Process (.699)
 Therefore it is suitably called as Safety and negotiation so it is concluded that the Organizational climate of employees in organization depends upon the major factors organizational culture, work environment, Safety and negotiation. The

employees expect a conducive climate to offer refined culture, with pleasant work atmosphere. They demand safety and negotiable settlements to their problems.

Findings

The employees in IT industry are agreed with wages, allowances and promotion transfer. The employees are satisfied with recruitment and selection, training and development, career advancement, wages and allowances, promotion, welfare and social security, working condition, level of workers participation, collective bargaining, standard of safety, performance appraisal, style of leadership, work load, communication facilities, recognition of merit, authority and responsibilities, human relations, grievances handling. It is concluded that the Organizational climate of employees in IT industry depends upon the major factors organizational culture, work environment, Safety and negotiation. The employees expect a conducive climate to offer refined culture, with pleasant work atmosphere. They demand safety and negotiable settlements to their problems. It is inferred that the employees are satisfied with recognition and facilities and they are highly satisfied with work place, recognition, and encouragement, sharing of opinions, organizational objectives, interpersonal relationship opportunities and team spirit in the organization. It is concluded that the main objectives of organizational climate of IT industry are encouraging developments and facilities and relationships.

It is found that 61 percent of the employees are highly satisfied with organizational culture, work environment, safety and negotiation and strongly agree with encouraging development, facilities and relationship in the organization. Remaining 39 percent are poorly satisfied with organizational culture, work environment and safe negotiation and just agree with encouraging development and facilities and relationship. So it is concluded that on the whole the employees possess good organizational climate.

Conclusion

The organizational climate in IT companies It is found that the demographic variables like education, age, salary and experience for all level executives in the IT sector organizations are satisfactory and especially the experience of the employees force the executives to practice HRD to avoid unnecessary impediments to developmental activities. The top-level executives are very much enthusiastic in implementing the HRD elements, management policy in favour of HRD, performance appraisal and organizational development for the smooth conduct of organization

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