

## The impact of employees perception of organizational climate in manufacturing industries at Kandanchavadi, Chennai

<sup>1</sup>Dr. M Muthukumar, <sup>2</sup> K Guru

<sup>1</sup> Assistant Professor & Head, Department of Commerce (DDE), Madurai Kamaraj University, Madurai, Tamil Nadu, India

<sup>2</sup> Assistant Professor, Department of Management Studies, Valliammai Engineering College, Chennai, Tamil Nadu, India

### Abstract

Climate is helpful in the fulfillment 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 manufacturing companies. Proportionate random sampling was adopted. Structured questionnaire were used to collect the data. From the study it is concluded that the organizational climate of employees in manufacturing industry depends upon the major factors such as organizational culture, work environment, safety and negotiation. Overall, the findings of the study indicate that there is a need to improve the current situation to better level in all the companies with respect to all the components of the organizational climate.

**Keywords:** organizational climate, human resources management effectiveness, organization effectiveness, employee perception

### Introduction

Organizational climate (forehand and glimmer, 1964) <sup>[2]</sup> is a conceptually integrated synthesis of organizational characteristics. It describes the personality of an organization and influences the motivation and behaviour of the members of the organization. Organizational climate is the result of interaction among an organization's structure, system, culture, leader behaviour and employee's psychological needs (pareek, 1989). It depends on the perception of the individuals in the organization about organizational working and the problems there in (Hellriegel and slocum, 1974) <sup>[3]</sup>.

To describe its characteristics we can speak in the words of Moran and volwein (1992) that organizational climate is a relatively enduring characteristics of an organization which distinguishes it from other organizations. 1. Organizational climate embodies members' collective perceptions about their organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovations, and fairness. 2. It reflects the prevalent norms, values and attitude of the organizational culture

An organizational climate in a particular organization is constantly challenged by the increasing number of changes impacting on organizations today (Nair, 2006) <sup>[4]</sup>. These changes are related to restructures mergers and acquisitions, technological trends, political and international trends, increased competition as well as the local and international economy. If these changes are not managed appropriately by the organization, which could lead to decreased motivation and employee satisfaction, increased turnover and absenteeism and hence a decline in organizational performance (gray, 2007)

According to moran and valkwein (1992) organizational

climate can be viewed from four different perspectives, namely the structural, perceptual, interactive and cultural perspectives. The structural perspective suggests that organizational climate is a manifestation of the structures of the organization. The perceptual perspective views organizational climate as a psychological process where employees respond to their working conditions in a way that is a meaningful to them. According to the interactive perspective employees interact to share ideas and formulate similar meanings and opinions. Finally, the cultural perspective suggests that climate is created by a group of individuals who interact and share a common frame of reference. This shifts the focus from the perception of the individual to the perceptions of the group.

### Patterson's Dimensions of Organizational Climate

The Organizational Climate Measure (OCM) is a global multi-dimensional measure of organizational climate, designed to be theoretically grounded, consistent, specifying the appropriate frame of reference and making the questionnaire applicable to all levels of an organization (Patterson, 2005) <sup>[6]</sup>. The competing values model developed by Quinn and Rohrbaugh (1983) is based on a series of organizational climate studies conducted over the past few decades and provides a comprehensive frame work of dimensions

The organizational climate measure (OCM) developed by Patterson *et al.*, (2005) <sup>[6]</sup> has four broadly conceptualized Quadrants/domains namely the human relations, the internal processes, the open system, the rational goal. Each of these domains contains certain climate scales and calls attention to the opposing values in organizations as well as the desired outcomes.

**Table 1:** A total of 17 dimensions are included in the OCM, which is discussed in this chapter.

Quadrant	scales	Quadrant	scales
Human relations	Autonomy Integration Participation Supervisory support Training welfare	Rational Goal	Clarity of organizational goals Efficiency Effort Performance feedback Pressure to produce Quality
Open Systems	Innovations and Flexibility Outward focus Reflexivity	Internal Process	Formulation Tradition

*Adopted from: Patterson et al. (2005) [6]. Validating the organizational climate measure: Links to managerial practices, productivity and innovation, Journal of organizational behaviour.*

**Objectives of the Study**

1. To describe the demographic details of the employees.
2. To measure the level of employees’ perception on the organizational climate.
3. To describe the relationship between demographic details and organizational behaviour.

**Working Definitions of the organizational Climate**

A set of measurable properties of the internal work environment such as Autonomy, Integration, Participation, Supervisory support, Training, welfare, Innovations and Flexibility, Outward focus, Reflexivity, clarity of organizational goals, efficiency, Effort, Performance Feedback, Pressure to produce, Formalization, Tradition and quality: based on the collective perceptions of employees and as result of interaction between employees in the manufacturing industries as suggested by Hsu (2004).

**Manufacturing Industries**

Manufacturing industry refers to any industry at kandanchavadi (Chennai) whose business is to transform raw material into finished and Semi-finished goods using machines, tools and labour. Manufacturing sectors include production of food, chemicals, textiles, automobiles, machines and equipment.

**Methodology**

The study was carried out in manufacturing industries at kandanchavadi industrial area of Chennai, Tamilnadu. The industrial area has about 12 large industries, 30 small industries and more than 50 tiny and ancillary industries with dominance of automobile and component industries. Based on the objectives and the research problem the researcher used Descriptive design for this research. Here we used Multi stage sampling design in this research to collect data from 245 employees from 11 industries (collectively from all segment of companies). Questionnaire was used for collecting primary data. The research variables are General and demographic Details. Organizational Climate by Patterson *et al.* (2005) [6].

**Main Findings of the Study**

**Demographic details**

More than half (54.8 %) of the employees are from the age group of 20 to 30 years. Most (82.3%) of the employees were male. Two third (60.6%) of the employees were married. Less

than two fifth (38.5%) of the employees were qualified with post graduation. Little more than one fifth (22.8%) of the employees were qualified with under graduation. Majority (71.8%) of the employees had less than ten years of working experience.

All the 17 dimensions of the Organizational Climate scores were computed and compared for its mean values of difference using ANOVA. The ANOVA table reveals that the organizational Climate Score significantly differ (P<0.05) by the age, education and experience.

- Majority (78.3%) of the employees has responded that time and money could be saved if their organization takes outmost care.
- Most (81.9%) of the employees have agreed that the productivity improves when the job is better planned and well organized.
- Three fifth (60.1%) of the employees have said the people in their organizations don’t put more effort as expected.
- Majority (72.9%) of the employees affirmed that their organizations are quick to adopt changes.
- More than half (54.6%) of the employees have the perspective that some departments show very less respect to others.
- Nearly two third (61.5%) of the employees have perceived that their organization doesn’t have inward focus.
- Majority (76.5%) of the employees acknowledge that, their supervisors show an understanding of the people who work for them.
- More than half (56%) of the employees have acknowledged that there is minimum amount of training given to do their jobs.
- Performance feedback and pressure to produce significantly differ (p<0.05) by the educational qualification of the employees.

**Recommendations**

- There is a greater expectation from every employee that their roles are not interfered and given autonomy to make their work related decisions. Hence, Workers participation in management for decisions and delegation develops an ownership and actively engages the employees and improves the Organizational climate.
- Every employee does not work to satisfy his/her full potential as everyone is observed by their co- workers we need the performance management systems which are more accurate and recognizes people who perform rather than just carry out regular divisions of high performer, moderate and low performer.
- Every organization should establish a climate that the organization is a great place to work, learn and grow

through good work climate, trainings and with the opportunities for internal progression. This will be showcased when the organization gives ample opportunities for learning and growth.

### Conclusion

Having the foundations of various studies, this research has meant to study the perception of employees on organizational Climate, which is considered to have greater impact in the way employees form an attitude toward their organizations. The results show how the climate is looked up by the employees on their relationship with co employees, management and their work. Hence the organizations should work hard to consider needs of the employees and their participation in enhancing the Organizational Climate.

### References

1. Argyris C. Integrating the individual and the organization (Reprint ed.). New Brunswick, NJ: Transaction, 1990.
2. Forehand GA, Von B Glimer H. Environmental variations in studies of organizational Behaviour, Psychological Bulletin, 1964; 62:361-382.
3. Hellriegel D, Solcum JW jr. Organizational climate: Measures, Research and contingencies, Academy of management journal. 1974; 17(2):255-280.
4. Nair N. Climate studies and associated best practices to improve climate issues in the workplace. Paper presented at women in engineering programs and advocates network, pennsylvania, 2006.
5. Pareek U. Motivational analysis of organizations- climate (MAO-C), in Pfeiffer, J.W (ed.). The annual: Developing human resources, University associates, San Diego: California, 1989, pp.161-180.
6. Patterson MG, West MA, Shackleton VJ, Dawson JF, Lawthom R, Maitlis S, *et al.* Validating the Organizational Climate Measures: Links to managerial practices, productivity and innovation. Journal of organizational Behaviour. 2005; 26:379-408.
7. Rose K, Ahrens A. The changing nature of work/life benefits: Owens Corning's experience. Benefits Quarterly. 1996; 12(4):8-11.
8. Spector PE. Job Satisfaction: Applications, Assessment, Cause and Consequences. Sage, 1997.