



DETERMINANTS OF PERCEPTION ON ORGANIZATIONAL CLIMATE

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Abstract

The working community for an organization is the major strength as their contribution of innovative ideas and potential working style helps in the achievement of the targets which in turn contributes to the economic development. The environment prevailing in the work spot should be pleasant to make employees with a comfortable zone to work. The internal environment which can be termed as Organisational climate is one of the key element for organizational effectiveness. The present study has been carried out to find the relationship and impact of selected socio economic and organizational variables on perception on organizational climate. Sample of 250 employees working in knitting company were selected for the study. Statistical tools such as Simple correlation, Multiple Regression and Step-wise regression have been employed. The variables namely readiness for tolerance of office burden, area of residence, reason for choosing company have positive relationship with perception on organizational climate. Satisfaction with leave, readiness for tolerance of office burden and area of residence has greater impact upon organizational climate. Employer should concentrate on these factors to improve organizational climate.

Key Words: *Organisational Climate, Working Community, Economic Development .*

Introduction

Indian economy is one of the fastest growing economies in the world. Since its independence in the year 1947, a number of economic policies have been taken which have lead to the gradual economic development. On a broader scale, Indian economic reform has been a blend of both social democratic and liberalization policies. After independence, for a period of around one and a half decades, India followed the social democratic economic policies. From the year 1991, to keep pace with the changing trends in the market, a new liberalization policy was formulated. The chief architect of this policy was Manmohan Singh, the then Finance Minister of India. Due to the economic liberalization policies in the 1990s and the 2000s, the country steadily climbed up the economic ladder and by the year 2008, it became the second fastest growing economy in the globe. According to economists and researchers, there has been a direct link between the economic growth of India and social development. In fact, the favorable socio- economic scenario of the country has contributed a lot towards its development. Major sectors are Automobile Industry, Steel Industry, Real Estate Industry, Tourism Industry, Energy Sector, Textile Industry, Airlines Industry, Medical Industry, Biotechnology Industry, Electronics and Hardware and the power industry.

The worldwide trade of textiles and clothing has boosted up the GDP of India to a great extent as this sector has brought in a huge amount of revenue to the country. India covers 61 per cent of the international textile market. India claims to be the second largest manufacturer as well as provider of cotton yarn and textiles in the world. India is known to be the third largest manufacturer of cotton across the globe. The textiles sector in India contributes about 14 per cent to industrial production, four per cent to gross domestic product (GDP), and 27 per cent to the country's foreign exchange inflows. Knitting export from Tirupur alone hold 19 % share in total Knitting export from India. (<http://business.mapsofindia.com>).

Workers' skill levels, productivity and motivation, the industry's ability to attract and retain the right quantity and quality of workers, domestic labour laws and regulations and workers' living conditions and costs in urban areas, are all critical in the context of a continuously changing economic environment. The satisfaction with organizational climate is important because of its effect on productivity and success of the company. The organizations create positive organizational climate to retain employees by enhancing their morale and job satisfaction (Murray 1999). The organizational climate of an organization is like an individual's personality, that everyone has unique personality traits (Emery, 1999). It distinguishes one organization from other on the basis of perceptions of the employees about the policies and practices, cohesiveness of coworkers, recognition of task performed, supportiveness of management and regard for personal concerns, innovative style of performance and fairness in rewards, norms and attitudes that influence the behavior of employees at work. (Zulfqar Ahmad, Zafar Ahmad, Ishfaq Ahmed & Muhammad Musarrat Nawaz 2010).

The earliest reference of Organizational Climate is found in the article of Lewin, Lippitt and White (1939). This article is focused on the experimentally created social climates on a number of groups of teenage boys. But astonishingly the authors failed to provide any conceptual framework or the technique of measurement of Organizational Climate. The article mainly emphasized on the relationship between leadership styles and so-called 'Social Climate'. Fleishman (1939) discussed

'Leadership Climate' by the development of leadership attitude and its implication through the measurement of behavioral scales but fails to explain the concept of climate. Argyris (1958) introduced the concept of Organizational Climate. He defined climate in terms of formal organizational policies, employee needs, values, and personalities. James and Jones (1974) reviewed all the previous relevant researches, definitions, conceptual frameworks, and measurement approaches and differentiated them into three principal categories. According to them, all the major theoretical concerns and relevant researches related to Organizational Climate can be grouped under three approaches:

- Multiple Measurement-Organizational Attribute Approach (MMOAA)
- Perceptual Measurement-Organizational Attribute Approach (PMOAA)
- Perceptual Measurement-Individual Attribute Approach (PMIAA)

Each of these approaches carries a number of research works under its belt. The concept of organizational Climate was established separately under each of these approaches. (Kaushik Kundu 2007)

Climate consists of a set of characteristics that describe an organization, distinguish it from other organizations, are relatively enduring over time and influence the behavior of people in it. The individual worker's perception of his work environment rather than a consensus view is considered, as different individuals may perceive the same workplace in different ways (Klien K. J., 2001). Organizational climate is defined as shared perceptions or prevailing organizational norms for conducting workplace activities (Reichers & schneider, 1990). It has been conceptualized as a cognitively based set of perceptual descriptions that define the psychological climate (Jones, 1984), and therefore it is possible to measure individual-level perceptions of the organizational climate. (Kozlowski & Hults, 1987). So the focus is on employees' perceptions of salient features of the organizational context. Kozlowski (1988) recommended that research consider the interaction between individual characteristics and perceived situational features of the environment. Perceptions relevant to a specific climate domain such as the innovation climate have motivational implications on congruent behavioral outcomes (Schneider, 1983). (Haritha.K, S.E.V.Subrahmanyam 2014).

Organizational climate is comprised of mixture of norms, values, expectations, policies that influence work motivation, commitment and individual and work unit or departmental performance. Luthans considers, organizational climate as a component of organizational culture and defines it as "an overall feeling" that is conveyed by the physical layout. The way participants interact, and the way members of the organization conduct themselves with consumers or other outsiders. As Davis puts it, "we cannot see climate or touch it, but it is there like the air in room, it surrounds and affects everything that happens in an organization. In turn, climate is affected by almost everything that occurs in organization. It is a systems concept. (George Rodrigues, Purushothama Gowda 2011).

Venkateswara Rao.T, S.N. Chattopadhyay (1974) are of the opinion that, there exist no relationship between productivity and perception on organizational climate. The personnel factors such as age, educational qualification, previous experience and training are not associated with the perception on organizational climate. Thomas Moran.E, J.Fredericks Volkwein (1988) states that, perceptual level about organizational climate differs among different classes of employees. Administrators have significantly and consistently more positive perception of organizational climate than faculty members. Almerinda Forte (2004) is of opinion that, there exists a significant difference between women and men employees. Age is associated with the organizational ethical climate and there exist a significant relation between managerial level employees and organizational climate. Swaha Battacharya, Monimala Mukherjee (2013) have identified that there exists a positive relationship between organizational climate and work motivation among private sector employees.

Rakesh kumar (2014) states that, there exist a positive relationship between organizational climate and job satisfaction. Zahra Ahmadzadesh, Mehrdad Hefzollasam, Soharad Ghaleghir, Robab Yadollahzadesh, Sedighe Heydarinezhad (2014) have identified that, there exist a positive relation between organizational climate and its factors with staff organizational citizenship behavior. Goal and communication are good predictors of organizational citizenship behavior. Tahmoures Hasangholipoor Yasvari and Roja Kimiagary (2014) states that, significant and positive relationship exist between the organizational climate and productivity and the quality of working life dimensions of employees working in Telecommunication company. The results of various studies reveal that, the studies which are related with organizational climate is very low and more over no one has made an attempt to find out the factors that determine the perception on organizational climate which are specially associated with Knitting Industries in Tamil Nadu. To fill this research gap the present study has made an attempt in this sphere. Present study has been carried out to find the impact of socio economic and organizational variables with perception on organizational climate of employees working in Knitting company.

Objectives

To measure the extent of level of perception about organizational climate among employees working in knitting company, to find out the determinants of perception on organizational climate and to suggest measure for sustaining or to increase the level of organizational climate in the work spot.

Sampling

In total 375 employees are working in knitting unit operating in Tirupur. Of them 300 employees were contacted and the data required for the study have been collected through well structured questionnaire. Out of the 300 questionnaire issued, only 261 questionnaires have been collected from the working group. Of the 261 questionnaire, the eleven questionnaires are found not suitable for analysis due to lack of information. Hence the study used the data of 250 employees of that said organization.

Frame Work Of Analysis

To find out the nature and strength of relationship between select variables and perception on organizational climate, Correlation analysis has been administered. Multiple Regression is employed to find out the total impact of independent variable on dependent variable. Step-wise regression has been employed to know the order of importance of variables that influence the organizational climate.

Significance Of Study

The present study helps employer for decision making and to focus on the factors that affects the perception on organizational climate to improve the employee's level of perception. It is also useful to employees are able to gain better working condition.

Table : 1 : Socio Economic and Occupational Profile

<i>Factors</i>	<i>No. of emp (N = 250)</i>	<i>Factors</i>	<i>No. of emp (N = 250)</i>
Age (years) Below 35 Above 35	173 (69.20) 77 (30.80)	Area of residence Rural Urban	161 (64.40) 89 (35.60)
Total family income Below Rs.25,000 Rs.25,001 – Rs.30,000 Rs.30,001 – Rs.35,000 Above Rs.35,000	133 (53.20) 88 (35.20) 25 (10.00) 04 (01.60)	Spending habit of leisure time By reading By watching TV For Sports	72 (28.80) 152 (60.80) 26 (10.40)
Salary Below Rs.10,000 Rs.10,001 – Rs.15,000 Rs.15,001 – Rs.20,000 Above Rs.20,000	96 (38.40) 130 (52.00) 20 (08.00) 04 (01.60)	Possibility for prosperity With hope Without hope	137 (54.80) 113 (45.20)
Feel proud on positive news Felt Not felt	162 (64.80) 88 (35.20)	Nativity Tamilnadu Other state	220 (88.00) 30 (12.00)
Time taken to reach work spot Less than 1 hour 1 – 2 hours More than 2 hours	140 (56.00) 92 (36.80) 18 (07.20)	Readiness for tolerance of office burden Ready to tolerate Not ready to tolerate	116 (46.40) 134 (53.60)
Loneliness at work spot Felt Not felt	53 (21.20) 197 (78.80)	Satisfaction with leave / holiday provision Satisfied Not satisfied	176 (70.40) 74 (29.60)
Extent of reading habit : Dailies Regular Occasional Not at all	70 (28.00) 102 (40.80) 78 (31.20)	Reason for choosing company Nearby residence Company fame Higher pay than others	125 (50.00) 91 (36.40) 34 (01.60)
Extent of considering the comments of others To maximum extent	52 (20.80)	Satisfaction with family income Highly satisfied Satisfied to some extent	49 (19.60)

To some extent	110 (44.00)	Not at all	140 (56.00)
Not at all	88 (35.20)		61 (24.40)
Membership in social club		Years of experience	
Members	40 (16.00)	Upto 5	175 (70.00)
Non members	210 (84.00)	Above 5	75 (30.00)

No of emp = Number of employees

Findings

It could be inferred from Table : 1 that, of the 250 employees majority of 69.20 % are in young age group of below 35 years, around 64.40 % resides in rural area, 88.40 % of them have their total family income of upto Rs.30,000, 60.80 % of the total employees spend their leisure time by way of watching TV, around 52.00 % of employees are with a salary range of Rs.10,001 – Rs.15,000, 54.80 % of sample employees are hopeful about their future, majority 64.80 % feel proud on publication of positive news about organization, 88.00% of them are native of Tamilnadu, 56.00% of the sample employees take less than 1 hour time to reach work spot.

Of the total sample employees, majority 53.60 % are not ready to tolerate office burden, 78.80 % have not felt lonely at work spot, 70.40 % are satisfied with leave / holiday provisions of the organization, majority 68.80 % have occasional reading habit of dailies, around 50.00% of the sample employees have chosen the present work spot as it is nearby their residence, around 44.00 % of them consider the comments of others to some extent, 56.00 % of them are satisfied to some extent with their total family income, majority 84.00 % are non members in social clubs and 70.00 % of employees have more than 5 years of experience.

The socio economic and organizational variables which are associated with perception on organizational climate are selected to test the nature and relationship and magnitude of variation on the perception on organizational climate.

Relationship Between Selected Variables and Perception on Organizational Climate

Table : 2 exhibits that, the result of Correlation analysis, Multiple regression and step wise regression analysis. The result of correlation reveals that, out of sixteen variables selected eight variables are associated with perception on organizational climate. Among those variable there exist a negative relationship between total family income, time taken to reach office, extent of satisfaction with leave / holiday provision, feeling proud for any positive news published about organization in media, loneliness at work spot and perception on organizational climate. Area of residence, reason for choosing present company and readiness for tolerance of office burden are positively related with perception on organizational climate.

Table : 2 : Nature and strength and magnitude of relationship between employees selected socio - economic and organizational attributes and perception on organizational climate

Variables	r ²	R ²	Step-wise Regression
Satisfaction with leave / holiday provision	- 5.71 ^{***}	5.382 ^{***}	0.239
Readiness for Tolerance of office burden	+3.31 ^{***}	2.856 ^{**}	0.246
Area of residence	+1.10 [*]	2.583 ^{**}	0.253
Age	9.409	2.293	
Nativity	8.28	2.579	
Total family income	-1.41 [*]	1.644 ^{**}	
Satisfaction with total family income	3.969	1.212	
Reading habit : dailies	0.504	1.427	
Spending habit of leisure time	2.50	1.657	
Time taken to reach office	- 2.496 ^{**}	2.250 ^{**}	
Reason for choosing present company	+6.70 [*]	2.068 ^{***}	
Loneliness at work spot	-4.480 [*]	3.496 ^{**}	
Feeling proud on positive news	-1.664 ^{**}	2.551 ^{**}	
Extent of Considering the comments of others	3.331	0.252	
Possibility for prosperity	5.776	0.312	
Membership in social club	0.489	0.271	

* Significant at 10% level

** Significant at 5% level

*** Significant at 1% level

Constant : 48.60 Std. error estimate : 8.14 R² : 0.184 — R² : 0.237^{**}

** Significant at one percent level



$$POC = a + b_1Age + b_2Naty + b_3AOR + b_4TFI + b_5STFI + b_6RHD + b_7SHLT + b_8TTRW + b_9RCPC + b_{10}PP + b_{11}SWLHP + b_{12}RTO + b_{13}CCOO + b_{14}MSC + b_{15}FPPPN + b_{16}LWS + e$$

The result of Regression analysis reveals that, area of residence, total family income, time taken to reach work spot, reason for choosing company, satisfaction with leave / holiday provision, readiness for tolerance of office burden, feeling lonely at

POC = Perception on Organizational Climate

a = Intercept term

Age = Age

Naty = Nativity

AOR = Area of Residence

TFI = Total Family Income

STFI = Satisfaction with Total Family Income

RHD = Reading Habit : Dailies

SHLT = Spending Habit of Leisure Time

e = error term

TTRW = Time Taken to Reach Work spot

RCPC = Reason for Choosing Present Company

PP = Possibility for Prosperity

SWLHP = Satisfaction with Leave / Holiday Provision

RTO = Readiness for Tolerance of Office burden

CCOO = Considering the Comments of Others

MSC = Membership in Social Club

FPPPN = Feel Proud on Publication of Positive News

LWS = Loneliness at Work Spot

work spot and feeling proud on publication of positive news has its significant impact upon perception on organizational climate.

The regression Co-efficient indicates that a unit of change in the area of residence, total family income, Time taken by employees to reach work spot, reason for choosing company, level of satisfaction with leave / holiday provision, extent on feeling lonely at work spot, Level of feeling proud for positive news published about organization and readiness for tolerance of office burden of employees shall increase the perception on organizational climate by 2.583, 1.644, 2.250, 2.068, 5.382, 5.382, 2.551 and 2.856 respectively. The value of R^2 is found to be significant at one per cent. This shows that the Regression equation framed is a good fit. The value of R^2 indicates that around 23.70 per cent of variation in the perception about organizational climate is due to selected variables. The step wise regression is employed to find out the order of importance. The result reveals that, satisfaction with leave / holiday provision, readiness for tolerance of office burden and area of residence of employees plays a vital role upon perception on organizational climate.

Suggestion to Employer

Every employee enters the work spot with a carrier goal which should be satisfied by the employer in order to motivate employees. An opportunity must be given to employees to equip their skills in the recent development in the technological side of the knitting industries at a regular intervals. Employers may develop a policy for flexible working schedule for those who are in need of it. A well time bound promotion chance should be given to every employee's who satisfy the normal standard. Employees may be provided with additional allowances to become a member in social clubs so that one can get the chance to know the different aspects of real life.

Suggestion to employees

Employees should be encouraged to accept the additional responsibilities as and when the need arises. To some extent the employees should understand the employer's situation so that his expectations may be achieved. Employees should change their mind set about the organizational climate. Employees should read more about the current scenario of the industrial relations in the Indian industries. Employees may sacrifice or give up some of his expectation related to organizational facilities.

Conclusion

A sound climate is a long-run proposition. A favorable sound work environment of the organization is created through a long run process and it cannot be achieved over night. The construction of work environment moderates the relationship between climate elements and employees affective attitude. Every employee's desire or carrier opportunities are to be satisfied by the employer in order to motivate them to work hard. An opportunity must be given to the employees for updating the technological improvement in their field of work. Every employee's expectation while entering the work spot is with regard to the working condition prevailing and it should be pleasant to make their work spot as a heaven.

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