



IMPACT OF ORGANIZATIONAL CLIMATE IN THE SELECT CEMENT COMPANIES IN ARIYALUR DISTRICT: AN EMPIRICAL STUDY

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Abstract

Organizations in the 21st century are facing more challenges than ever before. Organizational climate in particular is constantly challenged by changes impacting organizations today. Organizational climate is becoming more important because organizations need to ensure that those individuals who add value to the bottom line should stay in the organization and continue pouring their efforts into their work to benefit the organization. Organizational climate allowing a high degree of autonomy and nurtures relationships among peers, supervisors and subordinates results in more satisfied workers. Organizations that are able to create environments that employees perceive as benign and in which they are able to achieve their full potential are seen as a key source of competitive advantage. In this context, the researcher has made an attempt to study the impact of organizational climate in the cement companies in Ariyalur district. By adopting stratified random sampling, 509 respondents i.e. 10 per cent of the population were selected. The primary data were collected from 509 employees with the help of questionnaire. The result showed that no significant relationship is found among the acceptance levels of the respondents belonging to different genders, age groups, educational status groups, cadres, length of service, company they belong to and ownership of the companies towards impact of organizational climate in the select cement companies. Female respondents, respondents in the age group above 55 years, respondents having degree qualification, respondents drawing monthly salary in the range of upto Rs.15000, executives, respondents with the length of service upto 10 years, employees of the UltraTech Cements and employees of private sector cement companies have higher acceptance level towards impact of organizational climate. Lack of fair reward system, lack of employees' participation, inadequate training programmes, unaware of future plans of the company, work stress, poor commitment and low morale, absence of information sharing, absence of role clarity, and lack of team work and support are the problems distressing the organizational climate of the select cement companies. To ensure a positive outcome, attention to the factors identified in the suggested framework is important for pleasant organizational climate in the select cement companies.

Keywords: Organizational Climate, Factors of Organizational Climate, Organizational Development, Etc.

Introduction

Organizations in the 21st century are facing more challenges than ever before. Organizational climate in particular is constantly challenged by changes impacting organizations today. To survive and outdo their competitors, organizations are constantly seeking to improve their performance. Organizational climate is becoming more important because organizations need to ensure that those individuals who add value to the bottom line should stay in the organization and continue pouring their efforts into their work to benefit the organization. High-performing organizations have climates with particular measurable characteristics, which are shown to directly affect the variance in key business performance measures. Organizational climate allowing a high degree of autonomy and nurtures relationships among peers, supervisors and subordinates results in more satisfied workers. Organizations that are able to create environments that employees perceive as benign and in which they are able to achieve their full potential are seen as a key source of competitive advantage.

Importance of Organizational Climate

Organizational climate has a major influence in human performance through its impact on individual motivation and job satisfaction. It does this by enacting certain kinds of expectancies about what consequences will follow from different actions. Individuals in the organization have certain expectations, and fulfillment of these expectations depends upon their perceptions as to how the organizational climate suits to the satisfaction of their needs. The organizational climate provides a type of work environment in which individual feels satisfied or dissatisfied. Organizational climate can be said that it is directly related to his performance in the organization. Organizational climate provides a useful platform for understanding such characteristics of organizations as stability, creativity, innovation, communication and effectiveness. It encompasses the organizational atmosphere and how employees feel, what employees believe, and what employees perceive to be real within the organizational boundaries. In order to bring about change in the behaviour pattern of people in the organization, a change in the organizational climate is imperative. If the change in the organizational climate is incongruent with the perceptual system of the individual in the organization, there may be resistance on the part of the people in the organization first, and if the changed climate continues in the organization, in order to maintain homeostatic condition, people will start changing according to the changed climate.



Organizational climate is needed by any organization that wants to be dynamic and growth oriented in a fast changing environment. Organizations can become dynamic only through the efforts and competencies of their human resources. Employee capabilities must be continuously acquired, sharpened and used. When employees use their initiative, take risks, experiment, innovate and make this happen, the organization may be said to have an enabling culture. No organization is immune to the need for processes that help to acquire and increase its capabilities for stability and renewal. Organizational climate encourages employee commitment, his performance, and his responsibilities. One of the factors influencing organizational productivity and employee performance is organizational climate, because it ultimately influences employee motivation to change behaviours.

Statement of the Problem

Today organizations are facing major challenges in terms of intense competition, workforce diversity, cross-cultural interactions, employee retention, innovation and productivity, changing consumer preferences and dynamic government policies. The need of the hour is creating teams and fostering high level of competencies among them while maintaining high spirit of achievement. Every human organization has its own pattern of inter-personal and task oriented relationship. The organizational climate can be described in terms of the amount and quality of team work and co-operation within the organization; the degree of commitment among the members of the organization. The effectiveness of communication; the extent to which planning and creativity are encouraged; the way in which conflict or difference of opinion is resolved; the extent to which the employees participate in decision making; and the extent to which the organization relies upon mutual confidence and trust between managers and subordinates rather than relaying on authority obedience relationship.

Organizational climate has long been considered an important determinant of an enterprise's potential to perform as a business entity and excel as a human organization predominantly because of its demonstrable influence on organizational effectiveness as well as its relationship to individual motivation and behaviour. Market share, sales turnover and profitability are lagging indicators of organizational performance. On the contrary, organizational climate is a leading indicator of organizational performance. Functional organizational climate leads to enhancement of personal role and organizational effectiveness. On the other hand, dysfunctional organizational climate jeopardizes personal role and organizational effectiveness. It leads to poor morale of employees, lack of complete integration between employees and management, demoralization and lack of job security. It is therefore essential to see the problem in its totality and a planned approach is needed to study the organizational climate. To attract and retain employees, companies need to exploit those points of convergence and continuously work with employees to redesign the work, eliminate job stress, increase job autonomy, provide learning and training opportunities, and to handle such problems, congenial organizational climate is required. For bringing out pleasant organizational climate in the select cement companies, examining the perception of the employees and evolving suitable parameters have become imperative. Besides, it has been empirically proved in many Indian and Western organizations that employee-centered climate and achievement-oriented climate ultimately improve performance. In this context, the researcher has made an attempt to study the impact of organizational climate in the cement companies in Ariyalur district.

Objectives of the Study

The study has the following objectives:

1. To study the need and importance of organizational climate.
2. To ascertain the level of acceptance of the employees towards impact of organizational climate in the select cement companies in Ariyalur district.
3. To suggest measures for the pleasant organizational climate in the select cement companies based on the findings of the study.

Testing of Hypothesis

In order to examine the perception of the employees towards organizational climate in the select cement companies, the following null hypotheses have been formulated and tested: The different demographic profiles of the respondents will not influence their acceptance levels towards impact of organizational climate in the select cement companies.

Sampling Design

This study is confined to the employees of the 6 cement companies namely, Ramco Cements, Dalmia Cement (Bharat) Limited, Chettinad Cements, UltraTech Cements, India Cements and TANCEM. The employees working in these organizations are only considered: and they were about 5901 as on 31.03.2015. The employees are categorized into executives, supervisory staff and

workmen. By adopting stratified random sampling, 509 respondents i.e. 10 per cent of the population from each stratum were selected by using Tippet's random number table. The following table shows the sampling distribution of the present study.



Table 1, Sampling Distribution

Company	Executives	Supervisory Staff	Workmen	Total
Ramco Cements	6(57)	15(149)	91(907)	112(1113)
Dalmia Cements	4(38)	10(100)	61(615)	75(753)
Chettinad Cements	2(22)	11(111)	49(487)	62(620)
UltraTech Cements	4(42)	13(134)	73(728)	90(904)
India Cements	4(38)	10(95)	82(825)	96(958)
TANCEM	3(34)	7(72)	64(637)	74(743)
Total	23(231)	66(661)	420(4199)	509(5091)

Source: Compiled from the records of the select cement companies
Figures in parenthesis refer to population

Tools for Data Collection

This study is empirical in nature based on survey method. The first-hand information for this study has been collected from the human resource department of the select cement companies. The study is mainly based on primary data. As an essential part of the study, the primary data were collected from 509 employees with the help of questionnaire. Taking into consideration the objectives of the study, a questionnaire was prepared after a perusal of available literature. The questionnaire was constructed based on Likert scaling technique. In the light of pre-testing, necessary changes were incorporated in the questionnaire. The secondary data were collected mainly from journals, magazines, government reports, books and unpublished dissertations.

Framework of Analysis

In order to examine the impact of organizational climate in the select cement companies, analysis of variance, student t test, co-efficient of variation, multiple regression analysis and percentage analysis are employed. To arrive at possible solutions, comprehensive, descriptive and percentage analyses have also been employed in this study.

Findings

- 3.34% of the respondents join cement companies on compassion and repatriate basis. About 13.36% of the respondents join cement companies because of job security. 19.84% of the respondents are influenced by fear about self-employment. Nearness to home, promotional opportunities, attractive salary and family survival are the other factors motivating the respondents to join cement companies at 33.79%, 36.94%, 41.06% and 78% respectively.
- No significant relationship is found among the acceptance levels of the respondents belonging to different genders, age groups, educational status groups, cadres, length of service, company they belong to and ownership of the companies towards impact of organizational climate in the select cement companies. There is a significant relationship among the acceptance levels of the respondents of different salary groups towards impact of organizational climate.
- in the range of upto Rs.15000, executives, respondents with the length of service upto 10 years, Female respondents, respondents in the age group above 55 years, respondents having degree qualification, respondents drawing monthly salary employees of the UltraTech Cements and employees of private sector cement companies have higher acceptance level towards impact of organizational climate.
- There exists consistency in the acceptance level of male respondents, respondents belonging to 36-45 years, respondents who have degree qualification, respondents drawing salary Rs.15001-25000, executives, respondents having above 20 years of experience, employees of Ramco Cements and employees of private sector cement companies towards impact of organizational climate.
- There has been a low correlation (0.109) between the impact of organizational climate and the selected personal variables. R square indicates that 1.20 per cent of variation in the impact of organizational climate is explained by all personal variables taken together in the select cement companies. The F value indicates that multiple correlation coefficients are not significant. Gender, age, education, monthly salary, cadre, length of service and type of ownership have no significant effect on the respondents' acceptance towards impact of organizational climate in the select cement companies.
- Out of 509 respondents, majority of the respondents indicate that they strongly agree (33.20%) with the impact of organizational climate, followed closely by agree (32.81%) and neither agree nor disagree (14.54%). 7.66% and 11.79% of the respondents disagree and strongly disagree respectively with the impact of organizational climate. The mean acceptance score reveals that respondents have a higher acceptance level (4.69) towards the role of organizational climate in improving job satisfaction of employees, followed by its role in increasing productivity



(4.44), and enabling organizational stability (3.81). Conversely, the respondents have a lower acceptance level towards the role of organizational climate in reducing wastages and damages (2.89), followed by its role in improving HRD climate (3.02).

7. Lack of fair reward system, lack of employees' participation, inadequate training programmes, unaware of future plans of the company, and work stress are the problems of the employees ranging from 37.92 per cent to 51.67 per cent with regard to organizational climate in the select cement companies. Employees ranging from 57.37 per cent to 66.99 per cent state poor commitment and low morale, absence of information sharing, absence of role clarity, lack of team work and support, and inconsistent promotion as the problems in the organizational climate of the select cement companies.

Suggestions

1. The select cement companies have to look into the qualification, experience, performance, etc. and plan for employee career. The select cement companies shall comply with the constitutional and legal obligations in respect of non-discrimination, equality of opportunity in training, career prospects, facilities, etc. They should provide employees with opportunities for personal development and growth to enhance commitment of employees and high state of employee morale.
2. There shall be chances of open forums for the employees in the select cement companies to have better exchange of their views and discuss their problems to improve the peasant organizational climate. 'Quality Circles' shall be formed in the select cement companies for meeting the employees at frequent intervals. The employees shall meet at short intervals in their work place to discuss their job related matters which will help them to make major changes in their jobs and may also help to find remedies in the crisis they confront in their day to day work life. It will improve the pleasant organizational climate in the select cement companies.
3. The select cement companies shall provide all employees with an induction and ensure they are aware of their role within their immediate work team, program area and the broader organization. Besides, the cement companies can give clear information about the objectives, scope, responsibilities of the role, feed back about the performance, etc. which would make the employee to contribute effectively.
4. The select cement companies shall provide necessary platforms for the information sharing of employees to build the effective teamwork. Communication has to be enhanced within the employees at all levels. While orientation programmes and job assignments are critical, it is essential in organization to be communicated on time. The downward communication is certainly to be improved in conveying expectations, performance standards, goals and opportunities to the employees of the select cement companies.
5. The present conflict resolution system of the select cement companies requires to be activated to show results early. Hence, conflict resolution mechanism is to be geared up to resolve the conflicts properly. "Grievance redressal cells" should be established in each functional area with representatives of employees and management to consider the grievances of the employees and solve the problems immediately to the extent possible. Besides, a formal grievance mechanism, task forces, inquiry committees and similar other consultative bodies have to be instituted to address employees' grievances and resolve their conflicts in the select cement companies.

Conclusion

Better organizational climate promotes human dignity and growth, collaborative work, compatibility of people, organizational goals, etc. As a result, employees become satisfied, motivated, involved and committed individuals with respect to their lives at work. In the present study, majority of the respondents agree on the prevailing moderate organizational climate in the select cement companies. Lack of fair reward system, lack of employees' participation, inadequate training programmes, unaware of future plans of the company, work stress, poor commitment and low morale, absence of information sharing, absence of role clarity, and lack of team work and support are the problems distressing the organizational climate of the select cement companies. To ensure a positive outcome, attention to the factors identified in the suggested framework is important for pleasant organizational climate in the select cement companies.

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