



A STUDY ON INFLUENCE OF ORGANIZATIONAL CLIMATE ON THE PERFORMANCE OF EXECUTIVES WORKING IN LIC AT CHENNAI, TAMIL NADU, INDIA

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Abstract

We are living in the LPG era, due to the globalization the multinational companies are went to the global boundary to achieve their own targets and serving to the global customers. Regarding that the organizations management willing to use the quality oriented man power, because quality people can only produce quality products. So, they are training their executives to perform better to the betterment of their outcomes. This intangible resource includes the organizational trust. The trust on anything facilitates a person to acquire and exchange intellectual capitals. Organization with same resources, employees of same caliber and in the same territory may yield different results. It is the upbringing of employees in the organization that makes the difference. The overall atmosphere of the organization influences employees' commitment, satisfaction and consequently the effectiveness of the organization.

Keywords: Organizational Climate, Executive Performance, Human Resources Management.

Introduction

In India a sweeping trend toward liberalized, market friendly economic system from the centralized, controlled and regularized regime is going on. The amazing transformation in the economic system is being brought about by revolutionary development in science and technology, especially in respect of information technology, which has virtually made the present day world a global village India, with its untapped resources, especially human resources, is going to be one of the most important beneficiaries, provided adequate preparations are made through elaborate training programmers for manpower development.

The experiences of the developed countries have shown that human resource development programmers play a crucial role in determining corporate performance. Human resources therefore are considered to be the most valuable input. It is well recognized everywhere that human competency development is an essential prerequisite for any growth or development effort. Human resource development (HRD) in the organizational context is a process through which employees and groups of employees are assisted to realize their full potential in their present and future jobs, thereby creating climate conducive for the organization to achieve its objectives effectively. Organizational members perceptual responses obtained are descriptive rather than evaluative. The extensiveness of the items, scales and constructs are macro and not micro. Unit of analysis are not the individuals but the organization and /or subsystem. Perceptions have prospective behavioural consequences.

Moran, Volkwein (1992) incorporated the elements of definitions given by Forehand and Gilmer (1964) and Pritchard and Karasick (1976) and dimensions of climate described by DeCotiss and Kays (1980). Moran, Volkwein defined organizational climate as a comparatively long-lasting characteristic of an organization differentiating one organization from the others and



- i. Represents collective perceptions of members about their organization relating to various dimensions such as trust, autonomy, cohesiveness, support, recognition, innovation and fairness
- ii. It is formed by interactions of members
- iii. Acts as base for understanding the situation
- iv. Mirror of prevailing norms, values and attitudes of the organizations culture
- v. Cause of influence for determining behaviour.

Katz and Kahn (1978) stated: “Organizational climate is developed by organization and is reflection of both internal and external struggles, people who compose the organization, the work processes, means of communication and the use of authority within the organization”.

According to Garg & Rastogi, “Climate is on the whole the feeling that is conveyed by the physical layout, the interactions of participants and the way Members of the organization conduct themselves or with outsiders”.

Halpin and Croft (1966) presented the analogous as personality is to the individual what organizational climate is to the organization. Organizational climate have noticeable consequences on the behavior of the organizational members, subsequently on organization accomplishment. It signifies the entire social system of work group and has two important aspects: (a) work place itself and (b) the worker management relationships.

Review of Literature

K. Haritha, Dr. S. E. V. Subrahmanyam (2013) studied organizational climate at Penna Cement Industries limited and identified the variations in perception of organizational climate based on demographic characteristics of the respondents. The data was collected from 250 respondents belonging to different departments. The data was analysed with the help of statistical techniques of ANOVA and T test. The analysis of the data revealed that there is no difference in the perception of organizational climate across gender. However there was significant difference in perception of climate across respondents’ educational qualification and their level of income. The study suggested that organization should provide necessary facilities, favourable organizational climate and take actions that cater for the welfare of the workers to improve organizational commitment. Organizational climate moderates the relationship between certain climatic elements of organizations (i.e. emphasis on teamwork, innovation, quality of communication, managerial support, and the work itself), and employee affective attitudes such as job satisfaction.

A. Jeyapragash, P. Rani Chandirka (2013) viewed climate as the atmosphere that employees perceive and it is created in their organization by practices, procedures and rewards. These perceptions are developed on a day- to-day basis. Every organization is different and has a unique feeling and character beyond its structural characteristics. Each organization deals with its members in a district way through its policies on allocation of resources, communication pattern, reward and penalty, leadership and decision-making, style etc. Thus an organization climate is an intentional creation.

Ghulam Mustafa, Dr. Muhammad Ramzan, Afaq Rasool (2013) studied the overall climate prevailing in the banking sector of Pakistan and the perception of employees regarding organizational climate. The study aimed at knowing the perception of bank employees regarding organizational climate and whether they were satisfied or dissatisfied with the climate. The other objective of study



was to find out the perceptual difference of employees regarding organizational climate on the basis of gender, educational qualification, work experience and department. Data was collected from 60 respondents of three different banks of Pakistan. Questionnaire consisted of seven components which represented overall organizational climate. These components were Environment, Teamwork, Management Effectiveness, Involvement, Reward and recognition, Competency and Commitment. The data was analysed and it was concluded that there existed average organizational climate in banks of Pakistan and lot of area needed to be improved. The result indicated that there is lack of facilities, favouritism system, and centralized decision making process were the big hurdle in the way of strong organization system. The result also showed that there was no perceptual difference of employees on the basis of gender, experience, qualification and department. Although there were areas such as workplace environment, rules and policies, bureaucracy, job commitment, remuneration which were causing barrier in better organizational climate.

Objectives

- To assess the impact of organizational climate on the performance of executives working in the LIC at Chennai, Tamil Nadu, India.
- To suggest feasible solutions to enhance the performance of executives working in the LIC at cuddalore.

Research Methodology

This research paper focused on the key functional area of HRM that is organizational climate. The main aim of the paper is to assess the impact of organizational climate on the performance of executives working in the LIC. Basically this paper consists of primary and secondary data. The researcher used the Correlation analysis by SPSS for getting the results. The researcher used simple random sampling for the data collection and the sample size is 100.

Analysis and Interpretation

Table 1: the Inter–Relationship between perceptions towards Job Related Variables

Correlations				
	Job Involvement	Job Empowering	Job Engagement	Job Satisfaction
Job Involvement	1			
Job Empowering	.683**	1		
Job Engagement	.642**	.581**	1	
Job Satisfaction	.676**	.527**	.587**	1

** . Correlation is significant at the 0.01 level (2-tailed).

The Table 1 presents the inter correlations among the perception towards Job Related Variables. The result indicates the relationship between the perceptions towards Job Related Variables.

H1: There is no interrelationship between the perceptions towards Job Related Variables.



In order to examine the stated hypothesis, Pearson correlation is executed. From the P-value is found that there is relationship between the perceptions towards Job Related Variables. So, the stated hypothesis (H16) is rejected. Further the r-value indicates the strength of relationship between perceptions towards Job Related Variables. Here, the Job Empowering is found to have high-level relationship with Job Involvement(0.683). Job Satisfaction is found to have high level relationship with Job Involvement(0.676) and Job Engagement (0.587). Job Engagement has high level relationship with the Job Involvement (0.642) and Job Empowering (0.581).

Table 2: Show the Inter-Relationship between perceptions towards Job Satisfaction

Correlations									
	Pay	Promotion	Supervision	Fringe	Contingent	Operating	Coworker	Nature of Work	Communication
Pay	1								
Promotion	.680**	1							
Supervision	.671**	.641**	1						
Fringe	.633**	.697**	.626**	1					
Contingent	.666**	.686**	.647**	.676**	1				
Operating	.606**	.715**	.667**	.635**	.607**	1			
Coworker	.659**	.675**	.701**	.644**	.618**	.672**	1		
Nature of Work	.666**	.659**	.709**	.647**	.651**	.678**	.640**	1	
Communication	.635**	.727**	.645**	.715**	.663**	.667**	.662**	.691**	1

** . Correlation is significant at the 0.01 level (2-tailed).

The Table 2 presents the inter correlations among the perception towards Job Satisfaction. The result indicates the relationship between the perceptions towards Job Satisfaction.

H2: There is no interrelationship between the perceptions towards Job Satisfaction.

In order to examine the stated hypothesis, Pearson correlation is executed. From the P-value is found that there is relationship between the perceptions towards Job Satisfaction. So, the stated hypothesis (H15) is rejected. Further the r-value indicates the strength of relationship between perceptions towards Job Satisfaction. Here, the Communication is found to have high-level relationship with Promotion (0.727), Fringe (0.715) and Nature of Work(0.691). Operating is found to have high level relationship with Promotion (0.715) and Supervision (0.667). Nature of Work has high level relationship with the Supervision (0.709) and Operating (0.678). Coworkers have high level relationship with Supervision (0.701) and Operating (0.672).

Findings

The Table 1 presents the inter correlations among the perception towards Job Related Variables. The result indicates the relationship between the perceptions towards Job Related Variables.

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H2: There is no interrelationship between the perceptions towards Job Satisfaction.

In order to examine the stated hypothesis, Pearson correlation is executed. From the P-value is found that there is relationship between the perceptions towards Job Satisfaction. So, the stated hypothesis (H15) is rejected. Further the r-value indicates the strength of relationship between perceptions towards Job Satisfaction. Here, the Communication is found to have high-level relationship with Promotion (0.727), Fringe (0.715) and Nature of Work (0.691). Operating is found to have high level relationship with Promotion (0.715) and Supervision (0.667). Nature of Work as high level relationship with the Supervision (0.709) and Operating (0.678). Coworkers have high level relationship with Supervision (0.701) and Operating (0.672).

Suggestions

The organizations have to encourage the executives to perform well. The organizations have to train their executives to perform well. The organizations have to intimate their executives to work on their key performance area. The success of the organization is depends upon executives involvement so to induce their involvement they have to delight them.

Conclusion

organizational climate determines the employees' perception and perspectives of an organization. It is referred as the set of measurable attributes of a work environment as perceived by employees. The study aimed at determining the organization climate and its impact on the executives performance. Dimensions of organizational climate help organization to understand executives better to infuse positive changes. The study consisted of primary data obtained from 100 employees. It was found that three dimensions i.e. structure, risk and conflict was satisfactory perceived while other three dimensions namely warmth and support, responsibility and reward was perceived to be good while one dimension expected approval required the improvement.

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