

# A Study on Organizational Climate in an Information Technology Industry

Sharmila<sup>1</sup> and A.Gokulakrishnan<sup>2</sup>

<sup>1</sup>Assistant Professor, Department of HRM, Bhaktavatsalam Memorial College for Women, Chennai - 600 080, Tamil Nadu, India

<sup>2</sup>Assistant Professor, Department of Management Studies, Sakthi Mariamman Engineering College, Chennai - 602 105, Tamil Nadu, India

E-mail: mails2krishh@gmail.com

(Received on 15 June 2013 and accepted on 10 August 2013)

**Abstract** - Organizational climate is comprised of mixture of norms, values, expectations, policies and procedures that influence work motivation, commitment and ultimately, individual and work unit performance. The objective of the study to identify the extend of awareness about better organizational climate, and to identify the attitude of employees towards the prevailing organizational climate. Considering the nature, extent and time consistent sample size of 300 have been chosen for this study. The present study aims at identifying the organization climate and perception of the employees views on their organization climate. From this study it is apparent that the employees are aware about their organization climate which is evident from the response of the respondents. The majority of the respondents have the positive attitude towards the prevailing organizational climate. The most respondents perceive that the organization climate is favorable for them.

**Keywords:** Organizational Climate, Information Technology Industry

## I. INTRODUCTION

The Organizational climate varies from organization to organization and from time to time in the case of same organization. Organization climate may have positive and negative effect on employee behavior and in return organizational performance. Recognizing the effect of organizational climate on organizational performance, increasing interest is shown in understanding and application of organization climate.

In fact number of studies have try measure organizational climate in the perceptual sense of climate. The organization provides rewards and punishment of varying nature or different kind of behavior, this influence individual behavior evaluation. The performance of employees has influence on behavior of a person, amenities provided to the employees, the interpersonal relations Organizational climate is about the perceptions of the climate and about absolute measures. Climate, as a metaphor is helpful - e.g. temperature is a measurable element of geographic climate, but it is not the absolute temperature that matters as much as human perception of it (is it cold, hot, or comfortable?). It is only after knowing what temperature means in terms of human comfort, that measurement of temperature becomes useful. Complicating perception is the probability that what may be too cool for one person may be too warm for another and just right for someone else.

Similarly for organizations, the 'climate' may be regarded in absolute terms and measured by instruments, but is 'felt' differently by individuals. The absolute climate may suit one person and not another. "What it's like to work here" or "How I feel when I work here".

Climate is worthwhile to understand and measure because there are organizational and human benefits a 'good' climate, and powerful disadvantages of many kinds of bad climate etc.

## II. OBJECTIVES OF THE STUDY

1. To identify the extent of awareness about better organizational climate;
2. To identify the attitude of employees towards the prevailing organizational climate;
3. To identify the factors that affects the organizational climate;
4. To analyze the influence of determinants of organization in organizational climate;
5. To identify the influence of organizational climate in organizational development.

## III. NEED FOR THE STUDY

Organizational climate serves as the guidelines for dealing with people, and has a major influence on motivation and productivity of individuals as well as total work group. It govern employee behavior by prescribing what types of behavior will be rewarded and what will be punished. Thus, an organization can influence and motivate people to behave in desired manners that suit to organizations. The organizational factors shape and improve employees' perception towards organization and their jobs.

An organizational climate that gives its members a clear vision of the organization's mission also percents consistent image to its markets, customers and client over time, the image can give an organization a competition advantage by building commitment to its products and services. The organizational climate factors shape and improve employee's perception towards organization and their jobs.

An atmosphere of cooperation opens access among group members and creative individual motivation to exchange knowledge within the group members resulting in more productivity. So it is necessary that the management of corporations should strive to create a congenial organizational climate in the organizations to improve the economic condition of the country.

## IV. SCOPE OF THE STUDY

Organizational climate has a major influence on human performance through its impact on individual motivation and job satisfaction. It does this by creating certain kinds

of expectations about what consequences will follow from different actions. Individuals in the organization have certain expectations depends upon their perception as to how the organizational climate suits to the satisfaction of their needs.

Organizational climate that energizes workers to produce their best can improve profit as much as 30 percent by increasing revenues, lowering costs and improving customer loyalty. And these positive effects of organizational climate have been proven time and time again.

Higher productivity is expected from people with skills and attitudes that are associated with independence of thought and action and the ability to be productive in free and innovative climate. Performance is expected to be more predictable for employees who work in consistent climate than those who work in an inconsistent organizational climate.

The perception of the extent of organizational constraints, rules, regulations, individual responsibility feelings of autonomy of being one's own boss; rewards, feeling related to being confident of adequate and appropriate rewards; risk and risk-taking perceptions of the degree of challenge and risk in the work situation; warmth and support feelings of general good fellowship and helpfulness prevailing in the work setting, and tolerance and conflict-degree that the climate can tolerate differing opinions.

## V. RESEARCH METHODOLOGY

Fundamental to the success of any formal research project is a sound research design. A good research design has the characteristics of problem definition, specific methods of data collection and analysis, time required for research project and estimate of expenses to be incurred. The function of a research design is to ensure that the required data are collected accurately and economically. A research design is purely and simply the framework or plan for the analysis of data.

### *A. Research Design*

Every research project conducted scientifically specifies a frame work for controlling of data. This frame work is called research design. The Research design used in the study is descriptive research design.

**B.Sample Size**

Sample size is fraction or a part of total number of elements or units in defined population. Considering the nature, extent and time consistent sample size chosen for these 300 employees.

**C.Limitations of the Study**

1. The time was the major constrain so the number of respondent was strictly restricted to 300. The sample selected for the study is very small compared to the total population of the organizations.
2. The study is limited only to top four IT companies. These companies are selected based on National Association of Software Service Companies (NASSCOM), January 1, 2011.
3. And the study is conducted only with reference to Chennai IT companies.
4. The questionnaires are mostly circulated among the fresher and middle level employees in the companies.

**VI. DATA ANALYSIS**

TABLE I RELATIONSHIP BETWEEN THE AGES OF THE EMPLOYEES AND THEIR RELATIONSHIP WITH THE SUPERIORS

AGE OF THE EMPLOYEES	Healthy	Cordial	Unhealthy	Total
20-30	45 (49.58)	108 (99.16)	22 (26.25)	175
31-40	16 (4.45)	25 (28.9)	10 (7.65)	51
41-50	17 (10.76)	12 (21.53)	9 (5.3)	38
51-60	3 (7.36)	22 (14.73)	1 (3.9)	26
61-70	4 (2.83)	3 (5.66)	3 (1.5)	10
TOTAL	85	170	45	300

**Alternate Hypothesis (H<sub>1</sub>)** - There is significant relationship between ages of the employees with the relationship with their superiors.

**Null Hypothesis (H<sub>0</sub>)** - There is no evidence of significant relationship between ages of the employees with the relationship with their superiors.

**Degree Of Freedom**

$$\begin{aligned} \text{Degree of freedom} &= (r-1) (c- 1) \\ &= (3-1) (5-1) \\ &= 8 \text{ df} \end{aligned}$$

For 8 degree of freedom from table F of Chi- Square distribution.

Table value of Chi- Square = 26.296 at 5% level of

$$\chi^2 = \sum_{i=1}^k \frac{(O_i - E_i)^2}{E_i}$$

Calculated value Chi-Square = 25.06

The table value = 26.296 > Calculated value Chi-Square = 25.06

The computed value of Chi-Square is less than the table value of Chi-Square at 5% level of significance.

Hence it is to be taken that null hypothesis is accepted and it is said that there is no evidence of significant relationship between ages of the employees with the relationship with their superiors.

TABLE II RELATIONSHIP BETWEEN THE MARITAL STATUS OF THE EMPLOYEES WITH COMFORT ABILITY OF EMPLOYEES IN PROVIDING 24/7 TECHNICAL SUPPORT TO THE ORGANIZATION

GENDER	YES	NO	TOTAL
Male	43 (56)	97 (84)	140
Female	77 (64)	83 (96)	160
TOTAL	120	180	300

**Alternate Hypothesis (H<sub>1</sub>)** - There is significant difference between the marital status of the employees with comfort ability of employees in providing 24/7 technical support to the organization as and when required in the organization.

**Null Hypothesis (H<sub>0</sub>)** - There is no significant difference between the marital status of the employees with comfort ability of employees in providing 24/7 technical support to the organization as and when required in the organization.

**Degree Of Freedom**

$$\begin{aligned} \text{Degree of freedom} &= (r-1) (c- 1) \\ &= (2-1) (2-1) \\ &= 1 \text{ df} \end{aligned}$$

For 1 degree of freedom from table F of Chi- Square distribution

Table value of Chi- Square = 3.84 at 5% level of significance

$$\chi^2 = \sum_{i=1}^k \frac{(O_i - E_i)^2}{E_i}$$

Calculated value Chi- Square = 9.428

The table value = 3.83 < Calculated value Chi- Square = 9.428

The computed value of Chi- Square is greater than the table value of Chi- Square at 5% level of significance.

Hence it is to be taken that null hypothesis is rejected and it is said that there is significant difference between the marital status of the employees with comfort ability of employees in providing 24/7 technical support to the organization as and when required in the organization.

TABLE III GENDER OF THE EMPLOYEES WITH THE EMPLOYEES COMPLETION OF WORK ON TIME

GENDER	YES	NO	TOTAL
Male	45	120	165
Female	126	9	135
TOTAL	171	129	300

**Null hypothesis**

**Ho:** There is no significance difference between the genders of the respondents

**Ho<sub>a</sub>:** There is no significance difference in the completion of work on time.

**Alternative hypothesis**

**H<sub>1</sub>:** There is a significance difference between the genders of the respondents.

**H<sub>1a</sub>:** There is a significance difference in the completion of work on time.

ANOVAS TWO-WAY TABLE

Source of variation	Sum of squares (SS)	Degree of freedom (d.f)	Mean square (MS)	F-ratio
Between rows	SR <sup>2</sup> = 225	r-1=1	225	F1= 0.024
Between columns	SC <sup>2</sup> = 441	c-1=1	441	F2= 0.047
Total	SE <sup>2</sup> =9216	1	9216	

F1 calculated value= 0.024 F1 table value=161.4

F2 calculated value=0.046 F2 table value=161.4

F1 calculated value < Table value So, Ho is accepted

F2 calculated value < Table value So, Ho is accepted

**Interpretation:**

- There is no significance difference in the educational level of the respondents.
- There is no significance difference in taking corrective action by the superior.

TABLE IV FACILITIES PROVIDED IN THE ORGANIZATION AND THE OPINIONS OF THE EMPLOYEES ON IT.

Facilities/ Opinion	Highly satisfied	Satisfied	Neither agree Nor disagree	Disagree	Highly disagree	Total
Rest room	88	126	56	21	9	300
Drinking water	169	81	35	10	5	300
Safety aids	45	143	87	19	6	300
Medical facilities	46	153	57	28	16	300
Canteen	9	80	162	39	10	300

**Null hypothesis**

**Ho:** There is no significance difference between the opinions of employees regarding the facilities provided in the organization.

**Alternative hypothesis**

**H<sub>1</sub>:** There is a significance difference in the opinions of employees regarding the facilities provided in the organization.

ANOVA ONE WAY TABLE

Source of variation	Sum of squares (SS)	Degree of freedom (d.f)	Mean square (MS)	F-ratio
Between samples or categories	St <sup>2</sup> = 31220	k-1=4	7805	F.R=1.45
Within sample or categories	SE <sup>2</sup> =107330	N-k=20	5366.5	
Residual or Error	ST <sup>2</sup> =138550	N-1=24		

F- Ratio calculated value = 1.45 Table value= 2.6

F- Ratio calculated value < table value. So, Ho is accepted.

**Interpretation**

There is no significance difference between the opinions of employees regarding the facilities provided in the organization.

**VII. SUGGESTIONS**

1. The employee’s involvement in an organization stands for involving employees in various decisions making and other process in the organization in order to increase the individual as well as organizational effectiveness. The employee involvement can be achieved through providing authority and power to make work related decisions, transparency of information, increasing the knowledge of the employees and providing reward for desirable behavior. The organization should also provide some extend of job freedom to the employees.
2. Performance appraisal gives the superior an opportunity to indicate the employees’ goals and plans as well as highlighted needs and requirement for their growth and development. The superior can evaluate the employee’s performance always and advice the employees to take steps for higher achievement. Performance appraisal offers competitive advantage to a firm by improving performance, helping make correct decision, minimizing job dissatisfaction and employee turnover .Performance

evaluation seeks to determine the relative worth of each job so that salary differentials can be established.

3. And the organization as a whole can provide the employees an opportunity for their carrier growth and development. The relationship between superior and subordinate can be improved through realization that each one is dependent on the other for better performance and success. By facilitating the employees to do introspection, self evaluation and clear goal setting can modify their behavior. Better interpersonal relationship leads to tem building and the coworkers in the organization can help one another in every case so that they can easily achieve their organizational objective.
4. The pay given to the employees working in the organization should satisfy all their needs so that they can work with more involvement and commitment in the organization for a longer period of time. The pay given to the employees should in par in the industry.
5. Employer should recognize the employees’ hard work then and there and the rewards should be given to the employees as soon as possible after the performance has taken place. The Superiors should look for any employee doing something right, right now and recognize it. The employees can be given a chance of choosing their own rewards from the rewards catalogues in the organization. Even a word of mouth appreciation for him would encourage the employee to maintain the same level of

performance or do even better. Thus the company should recognize the employee's work which motivates the employees towards the work.

5. The organization can encourage the leaders to develop some of the positive self leadership capabilities in other employees so that they can improve the job attitude of the employees working in the organization. The Superiors can also give the employees short term specific suggestions always to improve the performance in order to accomplish their objectives.
6. Punishments are used to force the workers to obey the rules and regulations. More fear about punishment will leads to unhealthy work environment. The employees by remaining disciplined convey their willing acceptance to the rules and regulations of the organization. The management has to prescribe proper code of conduct for the employees. The employees must know what they can and cannot do failure on the part of the employer to determine a proper code of conduct would lead to indiscipline.
7. Now day's organizations are undergoing lot of technological changes. Hence the employees at all levels must be trained. The work in the new technologies. From the organization point of view they have to motivate the employees and give them a space to learn and try new techniques in their organization.
8. The superior has to ensure that there are cordial relations among his group members and they work in an atmosphere of proper cooperation and coordination. If there is any misunderstanding among his subordinate the superior must do his best to set it right. So that healthy relationship can be maintained between superior, peers and subordinates.
9. The flow of communication in an organization should be a two way process then only both the superiors and the subordinates can maintain an excellent flow of communication in an organization. . Managers can carry out their management functions only by interacting and communicating with others. Interpersonal, inter group and intra group communications are essential for information to flow, ideas to generate and feelings to be exchanged. Communication fosters motivation by clarifying to employees what is to be done, how well they

are doing and what can be done to improve performance if it is below standard. For organizations to function successfully effective communication is a basic requisite.

10. All the employees working in the organization should be provided proper healthy hygienic canteen facilities because food is the basic need for the employees.
11. The organization can provide the employees with flexible time option such as work from home, by providing laptops so that they are comfortable to provide 24/7 technical support as and when required in their organization which leads to increase their job satisfaction as well as create a better organizational climate.

### VIII. CONCLUSION

An organization can be considered as effective only when it exerts a positive influence on, the working atmosphere and the employee's relationship. It must be capable of responding to the stimuli from the outside environment.

The organizational climate is an assert of relatively ensuring properties of the work environment that are perceived by the employees serves us facilitators stimulators, evaluators and perception shapers which in turn improve the employee behavior and performance.

The present study is aim at identifying the organization climate and perception of the employees views on their organization climate. From this study it is apparent that the employees are aware about their organization climate which is evident from the response of the respondents. The majority of the respondents have the positive attitude towards the prevailing organizational climate. The most respondents perceive that the organization climate is favorable for them. The overall assessment of the organization climate state that the most of respondents have a positive perception of the various dimensions of the organization. The most the employees perceived the organizational climate has positive influence on the organizational development.

If a company wants to become more creative, rather than just encouraging people or teaching tools, then perhaps the best way is to develop the organizational climate. "Rather than telling the plants to grow, this is about tending to the soil in which they can become what they are capable of becoming".

**REFERENCES**

- [1] J.Jayashankar, Organizational Psychology, 5<sup>th</sup> Edition, February 2007.
- [2] L.M.Prasad, Organizational Behavior, Himalaya Publications, January, 2005.
- [3] C.P.Gupta, Human Resource Management, April,2004
- [4] D.D.Sharma, Marketing Research, 4<sup>th</sup> Edition.
- [5] Personnel Management, C.B.Mammaoria, Himalaya publications 2001.
- [6] Bhaskar Chatrgee, Human Resource Management, 5<sup>th</sup> Edition.
- [7] Bisnejeet Pattanyak, Human Resource Management, February, 2009.
- [8] Kothari. C.R -Research Methodology Methods and Techniques, 2nd edition New age International Pvt Limited Publishers.
- [9] A Study On How Personality And Organizational Climate Variables Moderate The Effectiveness Of The Organisational Development - Baumgartel, Howard J.; Reynolds, RukhsanaZ.Jul -1984.
- [10] Organizational Climate A Study Of Employees Perception, T.AfsarBashia., Ph.D, September 1989, University of Madras.
- [11] A Study On Organizational Climate In Ashok Leyland Limited - A.Mangai, M.Phil -May 2008, University of Madras.
- [12] A Study On Organizational Climate In Modern Breads, Vinodhini Nanda, M.Phil , April 2009, University of Madras.
- [13] [www.google.com](http://www.google.com)
- [14] [www.ask.com](http://www.ask.com)
- [15] [www.scribd.com](http://www.scribd.com)
- [16] [www.hrsites.com](http://www.hrsites.com)