

Organizational Climate - A Study carried out in an Electronic Manufacturing Industry in Mysuru

Yashwanth Yadav^{c1}, K.V.A.Balaji², N.Narendra³

¹PG student, M.Tech (Master Of Engineering Management) S.J.C.E. Mysuru, Karnataka, India

²Professor Department Of Mechanical Engineering S.J.C.E. Mysuru, Karnataka, India

³Managing Director VITPL, Mysuru, Karnataka, India

Abstract - Organizational Climate (OC) determines the employees' perceptions as well as perspectives of an organization. This study addresses the some dimensions of OC that help the organization understand employees better to instill positive changes. Organizational climate surveys aim in determining the perceived and prevailing climate and its impact on the production. Climate surveys give employees a voice to assist in making desired transitions as smooth as possible. It also serves as a basis for quality improvements. By identifying areas of inefficiency and acting on performance barriers identified by employees of all levels, an organization gains a fresh and different insight into the perspectives of people working for it. Survey analysis identifies areas of employee satisfaction and dissatisfaction to facilitate management in the creation of greater workplace harmony and, therefore, increased productivity. Additionally, climate surveys can set benchmarks for future surveys.

Key Words: Quality and Productivity Improvement , Time Series Analysis , Changes in Organization, Climate Survey , Work Life Balance , Employee Satisfaction.

1.INTRODUCTION

Organisational climate defines the perceptions employees have about the environment of an organization. This contributes to the organizations' overall health and self renewing capabilities which in turn increase the enabling capabilities of individuals, teams and the entire organization (Organizational Behavior By Stephen.P.Robbins).

Organisational climate is the process of quantifying the culture of an organization. It is a set of properties of the work environment, perceived directly or indirectly by the employees that is assumed to be a major force in

influencing employee behavior.(Organizational Behavior By Stephen.P.Robbins).

ForeHand and Garile [2] feel that 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. Based on these characteristics, Campbell Teal [3] defines organizational climate as a set of attributes specific to a particular organization that may be induced from the way that organization deals with its members and its environment. For the individual members within the organization, climate takes from the set of attitudes and expectancies which describes the organizational terms of both static characteristics and behavioral outcomes and outcome-outcome contingencies.

Researches on Organizational Climate have used data relating to individual perception of organizational properties in identifying organizational climate. Even in this contest, there is a great amount of diversity. [4] For example: Litwin and Stringer [4] have included six factors which effect organisational climate. These are

1. Organization Structure - perceptions of the extent of organisational constraints, rules, regulations, and red-tape.
2. Individual Responsibility - feeling of autonomy of being one's own boss
3. Reward - feeling related to being confident of adequate and appropriate rewards.
4. Risk and Risk Taking - perception of the degree of challenge and risk in the work situation.
5. Warmth and Support - feelings of general good fellowship and helpfulness prevailing in work settings and
6. Tolerance and Conflict - degree of confidence that the climate can tolerate differing opinions.

A broader and somewhat more systematic study of climate dimensions described by Schneider and Ballet [5] include six items that determine Organisational Climate. These are managerial support, managerial structure and concern for few employees, inter-agency conflict, agent dependence, and the basis of information provided by managers. These are:

1. Practices relating providing a sense of direction or purpose to their jobs setting of objectives, planning and feedback
2. Opportunities for exercising individual initiative.
3. Working with a superior who is highly competitive and competent
4. Working with co-operative and pleasant people and
5. Being with a profit minded and sales oriented superior.

2. LITERATURE REVIEW1

The earliest reference of organisational climate is found in the article of Lewin, Lippitt and White (1939). The 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 organisational climate. [2]. The article mainly emphasized on the relationship between leadership styles and the so called 'social climate'. Climate was again mentioned in the article by R.M.Guion, (1939) [6]. This article discussed the development of leadership attitude and its implication through the measurement of behavioral scales. In this article, Fleishman discussed 'Leadership Climate' as a construct but he did not explain the concept of climate very elaborately.

Climate was first very comprehensively defined by Argyris (1958) [7]. In his attempt to diagnose the group dynamics in a bank, Argyris introduced the concept of organisational climate. In his paper Argyris defined climate in terms of formal organisational polices, employee needs, values and personalities. This paper also triggered off the popular ambiguity between culture and climate that persisted till late 70's in the realm of the organisational studies. The famous book 'The Human side of Enterprise' (1960) opened a new horizon of management science.[8]. It introduced many pioneering concepts of organisational and industrial psychology. McGregor, in this book, elaborated the concept of managerial climate. He argued that the climate is primarily determined by the

managerial assumptions and the relationship between the managers and their subordinates. There were of course drawbacks in the conceptual framework. First, McGregor did not present any technique of measurement of organisational climate. Second, it is culture, not climate which are measured by the sets of assumptions. Climate is more dependent on perceptions rather than assumptions. Apart from these principal research works there were also other studies and the collection of all the research work ultimately provided the initial framework of organisational climate. In their research work Forehand and Gilmer (1964)[9] defined organisational climate as a 'set of characteristics that: a) Describes the organization and distinguishes it from other organizations b) Are relatively enduring over time c) Influence the behavior of people in the organization. Georgopoulos (1965) defined organisational climate as a normative structure of attitudes and behavioral standards which provided a basis for interpreting the situations and acts as a source of pressure for directing activities [10].

In their extensive research work Litwin and Stringer (1966) introduced a very comprehensive framework of organisational climate. They provided six dimensions of organisational climate that include: i) structure ii) responsibility iii) reward iv) risk v) warmth and vi) support. In another book by Litwin and stringer (1968) emphasis was given on the concept of climate and its influence on the McClelland's need factors' of motivation namely Power, Achievement and Affiliation., Attempts were also made to establish the operational definition of climate through the assessment of member's perceptions. During this time the actual concept of organisational climate began to take shape[11].

In a study by Schneider and Bartlett (1968), attempts were made to develop a measure of climate. The authors conducted extensive empirical study on the employees in the life insurance companies by developing two sets of separate dimensions, one Managerial level and another for the field agents of the companies. During this time the studies of organisational climate had established the fact that it can be conceptualized and measured through the shared perceptions of the organisational members and almost all the contemporary studies embraced the concept. Another study title 'managerial behavior, performance and effectiveness' (1970) [12] made an extensive survey of the existing literature and presented four compact dimensions of organisational

climate such as managerial supportiveness, managerial structure, concern for new employees, conflict independent and general satisfaction.

Litwin and Stringer (1968) [12] conducted the first comprehensive study on organization climate that was based on theory developed by McClelland et al. (1953) and focused on how climate affects human motives of achievement, power and affiliation. They developed the Litwin and Stringer Organisational Climate Questionnaire (LSOCQ), a theoretically based scale for measuring climate with the nine dimensions aimed at satisfying three management needs, namely accurately describing the situation, relating the dimensions to specific motivations and motivated behavior, and enable management to measure changes in the situation.

In order to influence climate, numerous factors, such as physical structure and settings, procedures and practices, and leadership style, need to be considered. Litwin and Stringer’s (1968) model suggests that the concept of organisational climate needs to be integrated with other theories of organisational behavior such as motivation. The integration of these organisational behavior theories with organisational climate shows the relationship and importance of factors like leadership style, management practices, decision-making processes, technology, formal organisational structures and social structures on the formation of climate. [12]

For the purpose of this research study, in the light of various theories and models on organizational climate given by various theorist and management practitioners and after a detailed discussion with experts, five antecedents of organizational climate was identified as important and more prevalent among the manufacturing organizations.

On the basis of thorough literature review & broad discussions with practitioners, seven dimensions of organizational climate have been identified with the help of Organizational Climate Questionnaire (OCQ) by Litwin and Stringer (1968)

- Structure
- Responsibility
- Risk
- Reward
- Warmth and Support
- Conflict
- Expected Approval

3. METHODOLOGY

3.1 SAMPLE

This study was carried out among the supervisory staff, shop floor employees and administrative staff. The electronic manufacturing enterprise where this study was carried out had a total of seven hundred employees among whom 150 of them willingly participated in this study. The sample selection was totally random without any bias.

3.2 QUESTIONNAIRE

In this study the standard questionnaire developed and standardized by Litwin and Stringer was used to collect the data from the respondents. The research instrument had 46 questions trying to measure seven dimensions. Perception of the employees regarding these dimensions was collected on a five point Likert Scale as “Strongly disagree” to “Strongly agree” and the rating give as 1 to 5 respectively.

3.3 DATA COLLECTION

Data collection is an important aspect of any type of research study. Hence, in this study the primary data was obtained from 150 employees as shown in Table below:

Table -1

Profile of Samples	
Category of Employees	Number of Respondents
Shop Floor Workers	80
Administrative Staff	40
Supervisors	30
Total	150

Data was also obtained by direct interview with employees. Here all the 150 employees have completed the questionnaire and given full information in the questionnaire. To obtain the correct responses the questionnaire was translated to the local language and validated before administering.

3.4 STATISTICAL ANALYSIS

The objective of this study was to find the factors that influenced the organisational climate in this electronic manufacturing industry. Thus, the data was subjected to a Factor Analysis to obtain the driving factors for this organization that resulted in 13 factors.

4.0 CRONBACH'S ALPHA

To test the reliability of the data collected, Cronbach's Alpha test is used and its value is found to be 0.800 which shows that the data has satisfactory reliability and validity. SPSS produces many different tables. The Reliability Statistics table provides the actual value for Cronbach's alpha, as shown below.

Table -2:

Cronbach's Alpha	
Cronbach's Alpha	No. of Items
.800	46

In the rotated component matrix is from the Table 3 is explained that the factor loadings are rotated and spread across all the dimensions, so that factor loadings distributed under the common underlying dimensions so finally 13 factors is emerged out

.Using Varimax Rotation method the components are rotated and the components are extracted using Principal Component Analysis method. Interpretation of factors is facilitated by identifying the statements that have large loadings in the same factor.

The factor can be interpreted in terms of the statement that loads high on it. The factors that influence the employee retention in the organization were found to have 46 individual statements. Out of seven dimensions, 13 individual variables influences the employee retention more, they are, hence based on factor loadings statements as considered

Table -3 Factor Loading from Rotated Matrix for Items in the Research Instrument

S.L.NO.	Questionnaire	Factor loading
1	Coming up with excellent ideas of making improvements and solving problems	0.964
2	Supervision in this organization is mainly a matter of setting	0.963

	guidelines for your subordinates; you let them take responsibility for the job	
3	This organization is characterized by a relaxed easy-going working climate	0.963
4	Our philosophy would emphasize that people should solve their problems by themselves	0.963
5	Making a risky decision which turns out to be a wrong decision	0.963
6	In this organization people are rewarded in proportion to the excellence of their job performance	0.963
7	Our productivity sometimes suffers from lack of organization and planning	0.951
8	Red-tape is kept to a minimum in this organization	0.949
9	You won't get ahead in this organization unless you stick your neck out and take a chance now and then	0.948
10	We have a promotion system here that helps the best man to rise to the top	0.931
11	There is not enough reward and recognition given in this organization for doing good work	0.931
12	Achieving the goals of your component by taking advantage of others in section	0.931
13	Showing routine and imaginative thinking	0.928
14	In this organization cooperation and getting along well is very important	0.921
15	There is a great deal of criticism in this	0.921

	organization	
16	Around here management resents your checking everything with them; if you think you got the right approach you just go ahead	0.875
17	Avoiding responsibility	0.873
18	Mistakes in this organization just aren't tolerated	0.856
19	Excessive rules, administrative details and red tape make it difficult for new and original ideas to receive consideration	0.848
20	In this organization it is sometimes unclear who has the formal authority to make a decision	0.840
21	Failing to follow through on a commitment	0.840
22	You wouldn't get much sympathy from higher-ups in this organization if you make a mistake	0.824
23	In this organization the rewards and encouragement you get usually outweigh the threats and criticisms	0.791
24	Decision making in this organization is too cautious for maximum effectiveness	0.778
25	We have to take some pretty big risks occasionally to keep ahead of the competition in the business we're in	0.778
26	The philosophy of our management emphasizes the human factor, how people feel, etc.,	0.768
27	There is a good deal of disagreement, even some fighting, among various	0.753

	people in this organization	
28	A very friendly atmosphere prevails among the people in this organization	0.731
29	Encouraging others to come up with new ideas or recommendations for changes	0.715
30	A very friendly atmosphere prevails in this organization	0.715
31	Our management isn't so concerned about formal organization and authority but concentrates instead on getting the right people together to do the job	0.684
32	The philosophy of our management is that in the long run we get ahead fastest by playing it slow, safe and sure	0.684
33	A person doesn't get the credit he deserves for his accomplishments in this organization	0.668
34	In some of the projects I've been on, I haven't been sure exactly who my boss was	0.659
35	You get quite a lot of support and encouragement for trying something new in this organization	0.654
36	The jobs in this organization are clearly defined and logically structured	0.618
37	Having an inquisitive mind and constantly questioning the hows and whys of things	0.606
38	The attitude of our management is that conflict between competing units and	0.545

	individuals can be healthy	
39	We don't rely too heavily on individual judgment in this organization; almost everything is double checked	0.525
40	Keeping costs down to a minimum and striving to reduce all expenses	0.501

From factor loading

1).From table 3 as considered that loading factor >0.9 is excellent and organizational climate variables are outstanding.

2).Where loading factor lies in between >0.8<0.9 is moderate so some quite improvement need .

3).Loading factor which is <0.8 is considered as weak lot of actions should take to maintain organization climate good.

5. CONCLUSION

The organisational climate refers to the set of measurable attributes of a work environment as perceived by those working in it. OC is the key to business success because it impacts attitudes and behavior of employees. Therefore, organizations have to have mechanisms for periodic measurement of organisational climate and take appropriate measures to maintain a desirable climate at all times. Numerous studies have indicated that the organisational climate can make the difference between a good performance and a poor performance.

Organisational climate determines how an individual perceives their work, their performance, productivity and satisfaction. Thus there is ample evidence that Organizational climate and organisational productivity have a bearing on each other. Many times even though the organization offers great benefits both economically, and socially, people just dissociate themselves from poor relationship with their leaders. Studies show that people tend to engage more with the company, which is why one of the main areas evaluated in a study of organisational climate.

It is found that three dimensions namely Warmth & Support(formal authority, for trying something new, playing it slow, safe and sure, ideas or

recommendations for changes, friendly atmosphere, friendly atmosphere prevails, Mistakes, make a mistake) Responsibility(Supervision, Decision making, responsibility relaxed easy-going working climate, inquisitive mind, commitment, getting the right people together.) and Reward(rewarded in proportion, best man to rise, rewards and encouragement, reward and recognition, Achieving the goals, credit he deserves.) have been perceived to be good in the organization where the study was carried out. Three dimensions namely Structure(Red-tape , lack of organization and planning, imaginative thinking, Keeping costs down, emphasizes the human factor, clearly defined and logically structured.) Risk(people should solve their problems, risky decision, take some pretty big risks occasionally, take a chance, rules, administrative details and red tape,) and Conflict(the right approach, competing units and individuals can be healthy.) have been perceived to be satisfactory. The dimension Expected Approval is only one that need improvement.

REFERENCES

- [1] 1.Patterson, M. G.,Warr, P. B., & West, M. A. (2004). Organizational climate and company performance: the role of employee affect and employee level. *Journal of Occupational and Organizational Psychology*, 77, 193–216.
- [2] 2. G.Forehand and B.Gilmer, (1964), "Environmental Variation in Studies of Organizational Behavior", *Journal of Applied Psychology*, 60, pp.459-465.
- [3] 3. J.P.Campbell, M.D.Dunnette, E.E. Lawler, and K.E. Weick, Jr. (1970), *Managerial Behaviour Performance and Effectiveness*, New York: 'McGraw-Hill'.
- [4] 4. Litwin, G.H. & Stringer, R.A. (1968), *Motivation and Organizational climate*, Cambridge, MA:Harvard Business School, Division of Research.
- [5] 5.B.Schneider and C.J. Bartlett, (1968), "Individual Differences and Organizational Climate I: The Research Plan and Questionnaire Development", *Personnel Psychology*, 21, pp.323-333.
- [6] 6.R.M.Guion, (1939), "A Note on Organizational Climate", *Organizational Behaviors and Human Performance*, 9, pp.120-125.
- [7] 7.Chris Argyris *Administrative Science Quarterly*Vol. 2, No. 4 (Mar., 1958), pp. 501-520.
- [8] 8.McGregor,Douglas.Humansideofenterprise.NewYork,M cGraw-Hill,1960.
- [9] 9.G.ForehandandB.Gilmer,(1964),"EnvironmentalVariati oninStudiesof Organizational Behavior",*JournalofAppliedPsychology*,60,pp.459-465.
- [10] 10.Gregopoulos, B. (1965), "Normative structure variables and organizational behaviour",*HumanRelations*,Vol.18,pp.115-170.
- [11] 11.Litwin, G. H. & Stringer, R. A. (1968), *Motivation and organizational climate*, Cambridge, MA: Harvard Business School, Division of Research.

- [12] 12.B.Schneider and C.J.Bartlett, (1970), "Individual Differences and Organizational Climate, II: Measurement of Organizational Climate by the Multitrait-Multirater Matrix", *Personnel Psychology*, 23, pp.493-512.
- [13] 13.Campbell, J. P., Dunnette, M. D., Lawler, E. E., & Weick, K. E. (1970). *Managerial behavior, performance, and effectiveness*. New York: McGraw Hill.
- [14] 14.James, L. A., & James, L. R. (1989). Integrating work environment perceptions: explorations into the measurement of meaning. *Journal of Applied Psychology*, 74, 739-751.
- [15] 15.Glick, W. H. (1985). Conceptualizing and measuring organizational and psychological climate: pitfalls in multilevel research. *Academy of Management Review*, 10, 601-616.
- [16] 16.Litwin, g. and stringer, r (1968) – motivation and organizational climate – boston : Harvard university press.
- [17] 17.James, L. R., & McIntyre, M. D. (1996). Perceptions of organizational climate. In K. R. Murphy (Ed.), *Individual differences and behavior in organizations* (pp. 416-450). San Francisco, CA: Jossey-Bass.
- [18] 18.James, L. R., & Sells, S. B. (1981). Psychological climate: theoretical perspectives and empirical research. In D. Magnusson (Ed.), *Toward a psychology of situations: An interactional perspective* (pp. 275-292). Hillsdale, NJ: Erlbaum
- [19] 19.James, L. R., & Jones, A. P. (1974). Organizational climate: a review of theory and research. *Psychological Bulletin*, 81, 1096-1112.
- [20] 20.Glick, W. H. (1985). Conceptualizing and measuring organizational and psychological climate: pitfalls in multilevel research. *Academy of Management Review*, 10, 601-616.
- [21] 21.Payne, R., & Mansfield, R. (1978). Correlates of individuals' perceptions of organization climates. *Journal of Occupational Psychology*, 51, 209-218.
- [22] 22.Gavin, J. R., & Howe, J. G. (1975). Psychological climate: some theoretical and empirical considerations. *Behavioral Science*, 20, 228-240.
- [23] 23.Drexler, J. (1977). Organizational climate: its homogeneity within organizations. *Journal of Applied Psychology*, 62, 38-42.
- [24] 24.Lawler, E. E., Hall, D. T., & Oldham, G. R. (1974). Organizational climate: relationship to organizational structure, process and performance. *Organizational Behavior and Performance*, 11, 139-155.
- [25] 25.Schneider, B., Parkington, J. J., & Buxton, V. M. (1980). Employee and customer perceptions of service in banks. *Administrative Science Quarterly*, 25, 252-267.

BIOGRAPHIES



Yashwanth Yadav c
PG student, M.Tech (Master Of Engineering Management) S.J.C.E. Mysuru, Karnataka, India
Ph: +91-8088788871

Email: yashwanthc1993@gmail.com



K.V.A. Balaji
Professor Department Of Mechanical Engineering S.J.C.E. Mysuru, Karnataka, India
Ph: +91-9449011552

E-mail: -kva_balaji@yahoo.co.in



N. Narendra
Managing Director
VITPL, Mysuru, Karnataka, India
Ph: +91-9845377670
E-Mail: -narendra@vinyasit.net