



## A Study on The Relationship Between Organizational Climate and Employee Satisfaction in ONGC (Public Sector) in Karaikal

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### ABSTRACT

Organizations in the 21st century are facing more challenges than ever before. These challenges are not unique to any specific organization or industry, but affect all organizations, regardless of their structure or size. 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. Few authors think that organizational climate is becoming more important than ever before because organizations need to ensure that those individuals who add value to the bottom line will want to stay in the organization and will want to continue pouring their effort into their work to the benefit of the organization. Researchers have been interested in understanding how employees' perceptions of the work environment influence their level of job satisfaction since Mayo's (1933) studies at Western Electric. These studies found that environmental factors influence worker productivity and morale. Bisconti and Solomon (cited in Peek, 2003) report that an organizational climate that allows 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 (Brown & Leigh, 1996). Organizational climate can therefore be regarded as a key variable in successful organizations. In an organization Organizational climate (OC) and job satisfaction (JS) are different but correlated constructs, and both emerge to manipulate or influence employees' indulgent of the work environment and their level of job satisfaction. The main objective of this study was to explore the relationship between organizational climate and job satisfaction to determine whether employees' perceptions of the work environment influence their level of job satisfaction. In the present scenario many industrial units are facing lot of problems and more challenges than ever before. These challenges are not only unique to any specific organization or industry, but affect all organizations at different level. Organizational climate in particular is constantly challenged by changes impacting organizations today.

**KEYWORDS :** Organization Climate, Job Satisfaction and Employee Satisfaction.

### Organizational Climate and Job Satisfaction

There are numerous studies investigating the relationship between organizational climate and job satisfaction, with many researchers finding evidence to support the relationship between the two constructs. In a review of studies investigating organizational climate and job satisfaction, Peek (2003) found that organizational climates that exhibit characteristics such as having a high degree of autonomy, providing opportunities for employees, nurturing relationships among employees, showing interest in and concern for their employees, recognizing employees' accomplishments and holding employees in high regard result in more satisfied workers. Similarly, Brief (1998) found that salary, benefits and advancement opportunities were components of organizational climate that had a direct influence on job satisfaction. Organizational climate is focused on organizational/institutional attributes as perceived by organizational members, while job satisfaction addresses perceptions and attitudes that people have towards and exhibit about their work.

### Research Objective

The aim of this study was to investigate the relationship between organizational climate and job satisfaction in ONGC, Karaikal.

### Research Design

The research approach can be described as a descriptive, cross-sectional field survey, the data as primary data and data analysis as exploratory and correlational. Questionnaires were completed electronically and handled anonymously. The medium used was the intranet, which makes it possible for surveys to be conducted effectively and efficiently. The primary reason for utilizing this approach was time and cost savings as well as the geographical location of employees. The target population can be described as all professional, management, technical, support and administrative personnel (i.e. white-collar workers) ( $n=727$ ) in ONGC organization,

### Measuring Instrument

The organizational climate questionnaire consisted of 70 items used to measure 12 dimensions of organizational climate. The questionnaire utilised a Likert-type scale in which the individual was presented with five alternative responses for each statement, ranging from strongly disagree (1) to strongly agree (5). All items were positively scored and the final score for each dimension was obtained by acquiring a mean score for each dimension.

### Organizational Climate and Job Satisfaction

The organizational climate questionnaire was used to measure the climate of the organization. The descriptive statistics, with specific reference to mean, standard deviation, skewness and kurtosis, are presented in table and were computed for the various dimensions assessed by the questionnaire. The mean scores were used to summarise the climate in the organization. For the purposes of this study, the recommended cut-off score of 3.2 (on a scale of 1–5, strongly disagree to strongly agree) was used to differentiate between potential positive and negative perceptions (Odendaal, 1997), with scores above 3.2 indicating a positive perception and scores below 3.2 indicating a negative perception of that dimension. Research by the HSRC indicates that an average of 3.2 is a good guideline to distinguish between positive and potential negative perceptions. It is clear that the climate facet means in the organization can be defined as positive, with a mean score of 3.56 across facets. The results indicated that the employees were mostly satisfied with the various aspects of the organization measured by the 11 climate dimensions and the job satisfaction dimension, because all except two dimensions yielded means over the 3.2 cut-off point. The results of the training and development (3.11) and remuneration and reward (2.77) dimensions indicated that employees perceived training and development opportunities in the organization negatively and also considered remuneration and reward practices to be negative (all below the 3.2 cut-off point). Hence, these dimensions could be considered as future areas of development for the organization. The job satisfaction of the organizational members was also measured. This was achieved by employing the global approach, whereby certain questions were asked to elicit affective responses about the employees' jobs. The results indicated that the respondents were satisfied with their jobs (3.36), found their work interesting and challenging and perceived their future in the organization positively. The results reported in that organizational climate dimensions that were grouped together as personal factors or factors with a direct influence on the individual as well as organizational climate dimensions that were grouped together as being external to or influencing the individual indirectly were positively and statistically related (at the 0.01 level) to a general feeling of job satisfaction. In terms of the practical significance guidelines, these variables yielded effect sizes ranging from medium to large.

### Conclusion

The main purpose of the study was to investigate the relationship be-

tween organizational climate and job satisfaction. The results of this study reported a strong positive relationship between the two variables ( $r = 0.813$ ). The findings of this study thus support hypothesis 2, which postulated a positive relationship between organizational climate scores and job satisfaction scores. These results were consistent with those of previous studies investigating the climate/satisfaction relationship (Field & Abelson, 1982; Fisher *et al*, 2007; Peek, 2003; Schneider & Snyder, 1975).

### Implications for Practitioners and Future Research

This study provided support for the view that line managers and human resource practitioners should be aware that different groups have different needs that can influence their job satisfaction levels and different perceptions of the climate within the organization and that this impacts on their behaviour. One could speculate that organizations that understand their employees and are aware of what they need create an environment in which employees can thrive and be creative and productive – all characteristics of successful organizations. The final recommendation relating to the conclusions of this research is that further studies be conducted to explore the relationship between organizational climate dimensions that are perceived as being internal to or having a direct influence on the employee and organizational dimensions that are perceived as being external to or having an indirect influence on employee satisfaction levels.

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