

Differential Climate in The Organization - An Empirical Study Across Management Levels



Human Resource Management

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ABSTRACT

Today organizations are very keen of performing excellently in the market because of changing environment and cut throat competition. Many organizations believe that people are responsible for success. The productivity and performance of people in the organization is explicitly or implicitly dependent on the organizational climate. Almost all organizations are interested in knowing their organizational climate and its areas of correction. The present investigation is an attempt to understand the perceptions of 183 respondent employees in large batteries manufacturing organization in A.P. It was hypothesized that the employees in different levels of management have different perceptions about the dimensions of organizational climate. The study was conducted on 78 management and 105 non-management staff employees (50% of total population).

INTRODUCTION

In most of the cases there is a chance for the existence of a 'gap' between what an employee wants and what the management thinks an employee wants. This is due to the dynamic nature of human life. To bridge the gap the organizations should have a keen sensitivity to what their people really want. To understand the wants of the employees, the management should have an awareness of the perceptions of the employees on the system and performance characteristics of the organization.

The present study makes an attempt to examine the organizational climate in manufacturing organization utilizing the dimensions which are more comprehensive. It is expected that the study will be of interest to management students, researchers, teachers in appreciating and improving the current knowledge and practices.

ORGANIZATIONAL CLIMATE

Terms such as environment and atmosphere are used as synonyms to organizational climate (OC). In the literature, organizational climate has been defined by different writers. While there are some definitions, there seems to be a greater degree of commonality.

Forehand and Gilmer (1964) defined OC as "A set of characteristics that (a) describe the organization and distinguish it from other organizations, (b) are relatively enduring over time and (c) influence the behavior of people in the organization." Payne (1971) defines OC as, "A moral concept, reflecting the content and strength of the prevalent values, norms, attitude, behavior and feelings of the members of a social system, which can be operationally measured through the perception of system members or observational and other objective means."

ORGANIZATIONAL CLIMATE-REVIEW

Earlier studies have come up with the perception of how good the climate is, what factors are important and which factors are weak. Rao and Abraham (1986) studied 41 different organizations and found that the general climate appears to be at an average level. Prasanna Sai Venkateswaran (1997) questioned 132 (20%) executives on a random basis on 30 variables and found that climate was favorable for HRD.

Avinash Kumar Srivastav (2005) found that climate is differently perceived across functions within the same organization. He found that there is no difference in the perception of climate between lower and middle and between lower and higher age groups. Uthayasuriyan (1989) found significant differences among artisans, supervisors and executives in respect of 6 dimensions of OC. The organizational climate of SBI in Andhra Pradesh was examined by Chalam and Srinivas (2005). They found that the women employees were satisfied with the existing HRD climate in the bank. The cadre - wise, age - wise and experience - wise analysis has also validated the finding.

The review reveals that individual and comparative studies were conducted in different organizations in manufacturing

and service sectors. Comparative studies were made between private and cooperative and public sector, and also between private and MNC organizations. Thus sector wise research works are good in number. The differences in perceptions of employees by functional levels and groups were examined but by less number of researchers. Methodologically, different researchers have used different dimensions and different climate concepts like organizational climate, HRD climate, motivational climate etc.

OBJECTIVES AND HYPOTHESIS

The study mainly focuses on the following objectives:

1. To know the type of organization climate found in the select organization.
2. To identify the possible differences in the perceptions of organizational climate among the two levels (Management and Non-Management Staff) of management.

Hypotheses

Since levels of management have influence on perceptions of OC, it is proposed to test the following hypotheses.

H-1: Employees in different levels of management have different perceptions about the dimensions of organizational climate.

METHODOLOGY

Descriptive research design was employed to find the weak and strong dimensions of organizational climate in the select organization.

The data for the study includes both primary and secondary sources. Stratified random sampling method is used. In the first phase, the subjects were stratified into two groups: management and non-management. Management staff includes positions like Sr. Manager, Manager, Asst. Manager, Sr. Engineer/ Sr. Officer and Engineer/Officer whereas Non-Management staff include Jr. Officer, Supervisor, Assistant I & II and Technician. Semi-skilled and unskilled operatives are excluded from this study because these members are partly or in no way related to administration. The study was conducted on 78 management and 105 non-management staff employees (50% of total population).

Questionnaire

The questionnaire consists of 66 statements grouped under the 19 dimensions. The questionnaire consists of two categories; (i) questions on organizational climate and (ii) demographic factors of the respondents.

Data Analysis

A comparative analysis of differences between management and non-management staff is done. Mean and Standard Deviation are used to represent the responses. Hypothesis testing is done using correlations, t- test for large samples, F-test and Kruskal Wallis one way ANOVA.

RESULTS

Profile of the respondents

The sample is dominated by male of 25-35 age groups, more than 5 years experienced. Most of the non-management staff belongs to lower tires of income categories whereas the management staff belongs to middle and higher income categories.

Perceptions across levels

(i) Test for differences in means

Table 1 shows the perceptions of management and non-management staff. The z-values are not significant at 0.05 level for all the dimensions excepting 'Discipline', 'Recognition and Appreciation' and 'Conflict Resolution'. Non-management staff showed larger agreement than management staff in respect of the three dimensions and the difference is significant at 0.05 levels. Therefore, the proposed hypothesis is not proved.

Table 1 Perceptions of Respondents on OC Dimensions-across Levels (N=183)

S.No	OC Dimensions	Management Staff (N=78)		Non-Management Staff(N=105)		Z-value
		Mean	S.D	Mean	S.D.	
1	Job Characteristics	4.06	0.61	4.20	0.50	1.66
2	Relations	3.94	0.69	3.98	0.57	0.38
3	Welfare and Security	4.11	0.59	4.09	0.58	0.23
4	Training and Advancement	4.01	0.80	4.10	0.62	0.85
5	Grievance Handling	3.60	0.79	3.75	0.83	1.29
6	Autonomy and Pressure for Performance	3.89	0.80	3.91	0.73	0.12
7	Standardization	3.77	0.82	3.91	0.78	1.13
8	Discipline	3.68	0.71	3.89	0.62	2.11*
9	Performance and Reward	3.83	0.80	3.80	0.71	0.27
10	Recognition and Appreciation	3.82	0.59	4.03	0.62	2.31*
11	Power and Centralization	3.68	0.57	3.80	0.59	1.33
12	Participative Management	3.63	0.82	3.76	0.95	0.96
13	People Orientation	3.78	0.71	3.89	0.73	1.01
14	Conflict Resolution	3.46	0.74	3.71	0.79	2.18*
15	Managerial Structure and Policies	3.82	0.65	3.95	0.59	1.41
16	Knowledge Orientation	3.81	0.79	3.89	0.90	0.62
17	Innovation Orientation	3.91	0.55	4.00	0.63	1.06
18	Risk Taking	3.67	0.80	3.80	0.82	1.10
19	Social values	3.86	0.70	3.98	0.72	1.11
20	Over-all Climate	3.84	0.49	3.94	0.45	1.39

* Significant at 0.05 level.

(ii) Correlation analysis

Table 2 shows the correlation coefficients of the level variable and dimensions of organizational climate. Correlation coefficients are significant at 0.05 levels only in case of three dimensions out of 19. The three dimensions are, 'discipline', 'conflict resolution' and 'recognition and appreciation'. Therefore, it can be said that the level has marginal influence on perceptions of employees on organizational climate.

Table 2 Correlation between OC and Level (N= 183)

S.No	OC Dimensions	Correlation
1	Job Characteristics	0.13
2	Relations	0.03
3	Welfare and Security	-0.02
4	Training and Advancement	0.07
5	Grievance Handling	0.09
6	Autonomy and Pressure for Performance	0.01
7	Standardization	0.08
8	Discipline	0.16*
9	Performance and Reward	-0.02
10	Recognition and Appreciation	0.17*
11	Power and Centralization	0.10
12	Participative Management	0.07
13	People Orientation	0.07
14	Conflict Resolution	0.16*
15	Managerial Structure and Policies	0.11
16	Knowledge Orientation	0.05
17	Innovation Orientation	0.08
18	Risk Taking	0.08
19	Social values	0.08
20	Over-all Climate	0.10

* Significant at 0.05 level.

(iii) Overview of Perceptions of Respondents

To obtain an over view of the respondents, the mean, median and quartile values found separately for management and non-management staff are presented in Table 3 and 4 respectively.

Table 3 Perceptions of Management Staff on OC Dimensions (N= 78)

S.No	OC Dimensions	Mean	Median	Q1	Q3	S.D	Correlation
1	Job Characteristics	4.06	4.17	3.83	4.50	0.61	0.13
2	Relations	3.94	4.00	3.69	4.31	0.69	0.03
3	Welfare and Security	4.11	4.17	3.67	4.50	0.60	-0.02
4	Training and Advancement	4.01	4.00	3.92	4.67	0.81	0.07

5	Grievance Handling	3.60	4.00	3.00	4.00	0.79	0.09
6	Autonomy and Pressure for Performance	3.89	4.00	3.00	4.50	0.80	0.01
7	Standardization	3.77	4.00	3.00	4.50	0.82	0.08
8	Discipline	3.68	3.75	3.25	4.00	0.71	0.16*
9	Performance and Reward	3.83	4.00	3.45	4.33	0.81	-0.02
10	Recognition and Appreciation	3.82	3.67	3.33	4.33	0.59	0.17*
11	Power and Centralization	3.68	3.80	3.20	4.00	0.57	0.10
12	Participative Management	3.63	3.67	3.25	4.00	0.82	0.07
13	People Orientation	3.78	4.00	3.50	4.00	0.72	0.07
14	Conflict Resolution	3.46	3.50	3.00	4.00	0.74	0.16*
15	Managerial Structure and Policies	3.82	4.00	3.60	4.20	0.66	0.11
16	Knowledge Orientation	3.81	4.00	3.38	4.00	0.80	0.05
17	Innovation Orientation	3.91	4.00	3.33	4.33	0.56	0.08
18	Risk Taking	3.67	4.00	3.00	4.00	0.80	0.08
19	Social values	3.86	4.00	3.50	4.25	0.70	0.08
20	Over-all Climate	3.84	3.98	3.49	4.20	0.49	0.10

Table 4 Perceptions of Non-Management Staff on OC Dimensions (N= 105)

S.No	OC Dimensions	Mean	Median	Q1	Q3	S.D
1	Job Characteristics	4.20	4.33	3.92	4.50	0.50
2	Relations	3.98	4.00	3.63	4.38	0.57
3	Welfare and Security	4.09	4.00	3.83	4.50	0.58
4	Training and Advancement	4.10	4.00	3.84	4.67	0.62
5	Grievance Handling	3.75	4.00	3.00	4.25	0.84
6	Autonomy and Pressure for Performance	3.90	4.00	3.00	4.50	0.74
7	Standardization	3.90	4.00	3.50	4.50	0.78
8	Discipline	3.89	4.00	3.50	4.50	0.62
9	Performance and Reward	3.80	4.00	3.33	4.17	0.72
10	Recognition and Appreciation	4.03	4.00	3.67	4.50	0.62

11	Power and Centralization	3.80	3.80	3.50	4.20	0.60
12	Participative Management	3.76	4.00	3.33	4.33	0.96
13	People Orientation	3.89	4.00	3.50	4.25	0.73
14	Conflict Resolution	3.71	4.00	3.00	4.00	0.80
15	Managerial Structure and Policies	3.95	4.00	3.60	4.40	0.59
16	Knowledge Orientation	3.89	4.00	3.75	4.50	0.91
17	Innovation Orientation	4.00	4.00	3.50	4.50	0.64
18	Risk Taking	3.80	4.00	3.00	4.25	0.82
19	Social values	3.98	4.00	3.50	4.50	0.73
20	Over-all Climate	3.94	3.92	3.62	4.21	0.45

The category -wise perceptions are recorded for management and non-management staff categories and all respondents. The perceptions of respondents show that all the dimensions of OC did not receive the same amount of attention. The dimension 'Training and Advancement' (TA) was perceived by management staff as the most - looked - after - factor, followed by 'Knowledge Orientation' (KO) and 'People Orientation' (PO). At the other extreme, the dimensions 'Discipline' (DP) and 'Managerial Structure and Policies' (MSP) were perceived as the least - looked - after - factors. The non-management staff perceived 'Performance and Reward' (PR), 'Job Characteristics' (JOC), 'Discipline' (DP) and 'Welfare and Security' (WS) as the least looked-after factors. The commonly perceived least looked after factor is discipline.

- o The two less cared for dimensions according to managers are 'Discipline' and 'Managerial Structure and Policies'.
- o The four dimensions 'Performance and Reward', 'Job Characteristics', 'Discipline' and 'Welfare and Security' are less cared for according to non-managers.

The hypothesis that 'employees in different levels of management have different perceptions about the dimensions of organizational climate' is not proved by z-test, Kruskal-Wallis one-way ANOVA test and Correlation analysis.

CONCLUSIONS

From the above findings, the following conclusions can be drawn.

The perceptions on organizational climate are positive. The climatic dimension to be taken care of is 'discipline'. The approach to discipline is strict but the actual situation is not too tight as expected. Hence proper disciplinary systems are needed. Conflict resolution mechanism is moderate in the organization.

The other ones to be taken care of are: 'Performance and Reward', 'Job Characteristics' and 'Welfare and Security'. Maintaining and improving reward systems to provide recognition and creating a feeling of pride in their performance are necessary. There is stress at work place for the employees. Therefore, proper stress coping strategies are essential. While innovation is sought and encouraged among employees, the administrative machinery is not yet ready for this. Improvements are essential in these areas.

SUGGESTIONS

The climate that emerges within an organization becomes the major determinant of employee behavior. Since the climate perception influences the motivation levels, satisfaction, performance and productivity of employees, it is an important aspect which organizations cannot afford to ignore. It is therefore very

important for organizations to focus on improving the climate prevalent in their organizations.

1. The perceptions on organizational climate are positive. Therefore, management has to continue to maintain and further improve its good practices.
2. There are certain deficiencies. Therefore, it may be said that for an ideal climate the personnel policies or practices may be so modified as to live up to the expectations of the employees.
3. Disciplinary systems need improvements. Conflict resolution mechanism is to be geared up to resolve the conflicts properly. The present grievance handling system requires to be activated to show results early.
4. Maintaining and improving reward systems, proper stress coping strategies, strengthening participative management, wide publicity to innovations and other systems to provide recognition and creating a feeling of pride in their performance are necessary.

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