

# A Critical Evaluation of Organisational Climate Practices Among Indian Enterprises

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**Abstract:** Indian enterprises are primarily individual owned and subsequently state owned organizations. These organizations over the years have created an organizational culture and climate that is the back bone of the same. This climate in turn reflects the job performance of the employee. It was seen that those who could adjust and work along were able to perform well and those who could not had to leave the organization. There are many private organizations in India where the attrition rate is very low which clearly indicate the organizational climate. In this context, this paper looks into the existing practices in organizations in India and dwells into the earlier practices and a critical evaluation is arrived at. The study was conducted among 400 employees in both public and private sector and the results are provided in this article.

**Key words:** Organisational climate, public sector, private sector, growth, India

## I. INTRODUCTION

In the initial years of Indian independence, it was clear that British government never wanted industries being developed in India. Post independence, the government came out with Industrial policy 1948 and this along with the planning activities being started by 1951, the development of industries started in India. Jasvir quotes that in the twentieth century when science and technology have gained unquestionable supremacy, the level of the industrial development of a country has become the yardstick to be applied to judge its actual development. The history of organized industry in India may be traced to 1854 when the real beginning of the cotton mill industry was made in Bombay. The foundations of jute industry were laid near Calcutta in 1855, Coal-mining also progressed about this time. There were the only major industries which had developed substantially before the First World War. During and after World war I and II, a somewhat more liberal policy was adopted by the authorities, such as, a discriminating protection policy, which gave impetus to industrial development. Several industries developed and a number of new industries came up but their production was neither adequate nor diversified in character.

The pattern of the industrial growth was determined by the state of economy in which the British left us. The British had

used India as a source of cheap raw material and a lucrative market for finished products and they had not made any effort to develop the infrastructure. After getting independence, India immediately felt the need of capital goods and it was decided to promote the rapid growth of capital goods industries. A significant feature of the industrial development has been the phenomenal growth of the public sector. This sector comprises public utility services like the railways, road transport, post and telegraph, power and irrigation projects, departmental undertakings of the Central and State Governments including the defence production establishments, and a number of other industrial undertakings which are wholly supported by the Central Government. The public sector now contributes about one-fifth of the share of industrial sector in the national income and the surpluses earned by it form an important source of non-tax revenue of the Government. It also offers job opportunities to a large number of people. The legacy left by British government is still at large with respect to the language- English. This has made India a destination by many multinational companies over the years. The Tatas, Birlas, Mahindras have set up companies across the country and arrived at their own organizational climate which in turn has given directions to other companies.

### A. Existing Practices:

Baldev R.Sharma (1989) made an analysis on the dimensions of organizational climate. As organizational climate is indeed a property of the individual, one should expect to find a significant and high relationship between climate and at least some of the individual background factors. It was concluded that where as climate perception are both evaluative and descriptive in nature and climate and job satisfaction are divergent concepts.

Giri and Anuva Choudhury (2004) discovered that the employees of National Aluminium Company Limited (NALCO) in general have a positive orientation towards their work which appeared to be largely dependent upon a proper organizational climate prevailing in the organization. It was one of the most significant success mantras of NALCO with

focus on the core competencies of managing human resources, customer satisfaction and profit making.

Kavitha Singh (2006) focused on some of the emerging issues in organizational culture such as innovation, empowerment, total quality management, team based management, the learning organization and information technology which need immediate focus and attention. The study pointed out that the cultural transformation was due to Information Technology (IT) invasion, by paying attention to three points: firstly, leaders and change agents understood that the benefits of IT invasion had the potential to increase the operational efficiency and organization's performance. Secondly, the cultural change would be effective only if seniors committed themselves to the time and find resources and energy necessary to change the ideological underpinnings of organization's culture. Thirdly, ideologies that lead to successful performance in different contexts and mechanisms of change that are successful in organizations with different ideologies were needed.

Peter (2009) analysed work practices and outcomes among 13,729 employees from 1,279 business units representing approximately 1,000 organisations and labeled seven higher-order factors as purpose, property, participation, people, peace, progress and passion. The study concluded that the continuous use of the tool and further expansion of the associated database will enable a more rapid development of understanding of the link between management practices and organizational outcomes.

Ravindra Jain *et al.*, (2007) compared the motivational climate prevailing in various segments of the institutes offering computer application courses in Madhya Pradesh. They suggested that the faculty members must allow the system to work by required degree of autonomy and control on employees could be exercised through the effective implementation of a well-designed performance appraisal system.

Avvai Kothai (2010) mentioned the causes of absenteeism as low morale, poor working conditions, poor physical fitness, boredom of the job, stress, workload, personal problems, lack of job satisfaction etc. The remedial measures discussed were informing employee about leave rules, periodic checking, offering good working conditions, providing rest rooms, office counseling, carry over sick leave, providing incentives and being sympathetic. It was concluded that every organization should take efforts to identify the causes for absenteeism so that remedial measures could be taken at the right time to reduce them.

Chandra Bose and Madasamy (2009) suggested the measures for improving job satisfaction of the workers in fire units in Virudhunagar District opening an education centre for workers in each units to make them understand the value of education, creating a sense of disciplined way of living in the

minds of the workers and providing adequate incentives in the form of money or free education to their children. It was concluded that good management has the potential for creating high morale, high productivity and a sense of purpose and meaning for the organization among its employees. Interested and innovative managers who care for the job satisfaction of workers will create a stimulating work environment.

Kerry Webb (2007) examined the impact of leader behaviors on motivation levels of two hundred and twenty-three vice presidents and chief officers from 104 member colleges and universities in the Council for Christian colleges and Universities. They found that workers are motivated towards extra efforts when leaders are models of self-confidence, high energy, personal conviction, power and assertiveness. The drawn by them was that leaders sharing the four qualities such as attributed charisma, intellectual stimulation, individual consideration and contingent reward, leaders can evaluate the motivation level and increase the production by members of the staff.

Kala (2008) chose 120 workers in Dalmia Magnesite Ltd., Salem and made a study on absenteeism and suggested that the company must provide standard welfare measures to workers and grant leave to them to celebrate religious ceremonies. It was concluded that the benefit to the workforce led to the proposal of intervention strategies which aimed at reducing labour absenteeism.

Pavan Kumar and Vijay N.Giri (2007) discovered from 380 respondents at junior, middle and senior management levels in different organizations across the country that where the employees had a high level of job satisfaction, they were more committed towards their organization and when the employees had a high level of job satisfaction along with a better organizational climate, their commitment towards organization also improved. It was concluded that improving organizational climate would enhance their commitment towards their organization and increase the job satisfaction of employees.

#### B. Comparative Analysis:

This study was conducted among 400 employees in both Public and Private sector employees in the state of Kerala. Public and private sectors provide funds to the society and boost its economic status. The opinion of the employees with regard to organizational climate in the public and private sector also varies. So, a comparative study of the public sector and the private sector public and private sector employees has been made.

- Private sector public and private sector employees' coefficient of variation is highest (29.93%) in the opinion towards the impact of job enrichment factor on organizational climate and they are less homogeneous

and the co-efficient of variation is lower (13.26%) in job rotation and they are more homogeneous.

- With regard to compensatory factors public sector public and private sector employees' co-efficient of variation is highest (32.69%) in case of incentives factor and they are less homogeneous. But the private sector public and private sector employees' co-efficient of variation is lowest (14.25%) in case of rewards factor and they are more consistent with regard to their opinion of compensatory factors.
- Public sector public and private sector employees' co-efficient of variation is highest (26.14%) and they are less homogeneous with regard to creative thinking of human relations factors. Whereas private sector public and private sector employees' co-efficient of variation is lowest (11.5%) in case of managing problems and it is inferred that they are more homogeneous.
- In employee-management relations factors private sector public and private sector employees' co-efficient of variation is highest (33.30%) in attrition factor and they are less consistent in the opinion of employee-management relations factors influencing organizational climate. But private sector public and private sector employees' co-efficient of variation is lowest (11.61%) in trade unions and they are more homogeneous.
- The co-efficient of variation is higher in the opinion of the public sector public and private sector employees regarding the impact of all personnel factors, compensatory factors, human relations factors and employee-management relations factors on organizational climate except in job enrichment factor and performance in personnel factors; motivation, managing mistakes, peer' characters and subordinates' character in human relations factors and participative management, job security, superior-subordinate relationship and attrition in employee-management relations factors. It is known that public sector public and private sector employees are less homogeneous.
- For personnel factors, the all socio-economic variables except age, designation, previous experience and professional qualification influence on organizational climate in both the public and private sectors. In public sector public and private sectors, all socio-economic variables except age, designation and previous experience influence the personnel factors on organizational climate. In private sector public and private sectors, all socio-economic variables except age and marital status influence the personnel factors on organizational climate.
- All socio-economic variables influence the compensatory factors in organizational climate in both the public and private sectors. With regard to public sector public and private sectors and private sector public and private sectors, all socio-economic variables

except previous experience influence the compensatory factors on organizational climate.

- All socio-economic variables influence the human relations factors on organizational climate in both the public and private sectors and public sector public and private sectors. With regard to private sector public and private sectors, all socio-economic variables except marital status and educational qualification influence the human relations factors on organizational climate.
- With regard to employee-management relations factors, all socio-economic variables except previous experience influence on organizational climate in both the public and private sectors and public sector public and private sectors. In private sector public and private sectors, all socio-economic variables except marital status and educational qualification influence the employee-management relations factors on organizational climate.

## II. CONCLUSION

From the existing practices as found through the secondary data, it can be surmised that workplace culture is two fold: Organisational and individual. In the organizational context, it can be seen that the set pattern of culture either makes or mars an organizations and individuals trying to change the same ended up being victims of the same. It can be seen that an analysis of data collected from employees of 16 different organisations belonging to consulting, manufacturing, services and IT/ITES sectors indicate that significant differences exist in the cultures of organisations in the different sectors. The development of public and private sector manufacturing business depends upon the employees who are considered as the backbone of any public and private sectors. The more contended employees are the happier and more efficient will they be in delivering service. When the employees are satisfied in their job, it is reflected quality and excellence of their work. Then the public and private sectors will scale greater heights of success, especially the manufacturing industries.

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