
Organisation Climate , Job Satisfaction and Managerial Effectiveness -A comparative study in Indian Pharmaceutical Organizations

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Abstract

Liberalisation and Globalisation are the changing face of major economies across the world. The wider implications of WTO and Patent regimes across the globe have necessitated significant changes. Competitiveness and excellence are the modern mantras that govern the philosophy of corporate world. Also, Organization change and development are the new faces of organizations. All these complexities have made the job of today's executives more challenging than ever. Thus the 'survival of the fittest' is significantly applicable in today's environment.

In this professional and stressful work environment, executives have to search for motivation that can provide them excellence & job satisfaction. Executives are supposed to innovate and perform under all situations. Further They are supposed to be consistent, process oriented and act like life-line for the organisations .

For a developing country like India, Pharma Sector is one of the very important sector that is facing the heat of this widespread change. At one end patents restrictions are mounting on Indian Pharma Organisations for new product launches. On the other end cost of health facilities and stiff competition from global players is increasing.

Thus studying managerial effectiveness and job satisfaction in Indian organizations of pharma sector carries lot of significance. In these chosen dimensions, very few research studies are available in this sector. The two Indian organizations selected under study are one of the top most organizations of this sector. One of them is largest Indian turn multinational(Ranbaxy Labs Ltd.) and other is responsible for maximum mergers and acquisitions of the pharma organizations in India (Nicholas Piramals Ltd.).

In this paper the authors have studied how the various factors of organization climate effects the managerial effectiveness and job satisfaction in major players of Indian pharma industry.The study includes comparative analysis on impact of organisation climate of Ranbaxy Labs Ltd and Nicholas Piramals. The result indicates the favourable organization climate in Ranbaxy as compared to Nicholas piramals that leads to increased managerial effectiveness and job satisfaction.

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Introduction

Present era is the era of specialists where intellectual capital and effective human resources are designated as the most important assets of an organization. Thus the Managers of an organization carry great importance and need to be multifunctional, responsive & effective. Every success of organization is viewed as success of its managers.

There is also a great need for the presence of job satisfaction, a congenial & healthy organizational climate & other constructive behavioural aspects amongst work force.

Organisation climate is of great significance for utilization of human relations & resources at all levels. Organisation climate has a major influence on motivation, productivity & job satisfaction. It is also a major motivating factor responsible for satisfaction & dissatisfaction of employees & affects the quantum of their turnover.

Attainment of various objectives further depends upon the effectiveness of managers. So, organizational climate certainly affect the performance & effectiveness of a manager & his/her satisfaction with the job. All these three variables are as follows:

Organisational Climate

Organisational climate is the core circle of

human environment in the boundries of which the employees of an organization works. Climate affects each activity in an organization directly or indirectly & is affected by almost everything that occurs in the organization. In a more recent way the organisational climate conceptualizes as employees shared perceptions of organizational events, practices, and procedures. These perceptions are assumed to be primarily descriptive rather than affective or evaluative.

Likert(1961) proposed six dimentions of organizational climate that includes leadership, motivation, communication, decisions, goals and control.

Litwin and Stringer(1968) proposed seven dimentions such as conformity, responsibility, standards, rewards, organizational clarity, warmth, support and leadership.

Further a review of various studies and discussions with managers suggested twelve dimentions of organizational climate such as orientation, interpersonal relationships, supervision, problem management, management of mistakes, conflict management, communication, decision-making, trust, management of rewards, risk taking, innovations and change.

Pareek,(2002) based on his research findings defined six motives that characterizes dominant organizational climate as mentioned in table below:

S.No.	Motives	Characteristic Organisation
1.	Achievement	Industrial and business organizations.
2.	Expert power(corresponding to the influence motive)	University departments, scientific organizations.
3.	Control	Bureaucracy (as in government Departments)
4.	Dependency	Traditional or one-man Organizations
5.	Extension	Community service organizations
6.	Affiliation	Clubs

A large number of other studies have confirmed the relationship of organizational climate and its various parameters with other factors such as Dastmalchian, Ali(1986), Chandola, Lata(1988), Brown, Andrew

(1992),Chen, Hsinyi,(1995), Desai(1993), Robbins Stephen P(1993 OB).

Further changing environment and survival of

the fittest is compelling most of the organizations to change their climate with the pace of time.

Job Satisfaction

The relationship between individuals and work always carries great significance because a major part of life of them is spent in work alone. Work is a social reality and social expectation which not only provides status to individuals but also bind them to the society. Job satisfaction is the satisfaction derived from being engaged in work or in any pursuit of a higher order, it is essentially related to human needs and their fulfillment through work. Job satisfaction includes a feeling of satisfaction or dissatisfaction with the various segments of one's job life.

Bullock (1952) defined job satisfaction as an attitude which results from balancing and summation of many specific likes and dislikes experienced in connections with the job.

Locke (1969) defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience.

Sinha and Aggarwal in 1971 have defined job satisfaction as a persistent affective state which has arisen in the individual as a function of the perceived characteristics of his job in relation to his frame of reference.

Some of the other studies of research in Job Satisfaction includes observation from Basu C.K.(1966),Ciorciari,Fazio,T.,(1994), Jyoti,Vibha(1979), Lahiri & Srivastava(1967), Mathieu,John E.,Hoffmann (1993) explaining relationship of job satisfaction to physiological needs, status needs, need for belongingness, employee's interest, work environment, inter relations & employees personality.

Studies in Organisational Climate & Job Satisfaction

Lafolletele and Sims(1975) investigated whether organizational climate was redundant so far as job satisfaction was concerned.

Kishore & Others(1981) find out the difference in the perception of middle management

executives and first line supervisors in respect of organizational climate and job satisfaction. The finding indicate that job satisfaction inventory has high internal consistency.

Partap & Srivastava(1985) are of the view that there are few studies on the measurement of relationship between job satisfaction and organizational climate with reference to different sectors in Indian context. They observed various intrinsic and extrinsic factors of organizational climate which affect job satisfaction.

For perfect job satisfaction there should exist a one to one relationship between the perception of how well the job-life fulfils the various needs and expectations of the individual and the extent to which these needs are actually fulfilled. Job satisfaction also has its relevance with regard to boosting up of morale of the employees. People want to stay long in those organizations where job satisfaction exists.

In short, job satisfaction brings with it a variety of positive consequences, both for the individual & the organization. It contributes a lot to the desire of maintaining membership by the individual in organization goals & objectives.

Managerial Effectiveness

The job of today's executives needs to be effective. 'To effect' and 'to execute' are, all near-synonyms. Whether it is business or a hospital, in a government agency or in a labour union, the job of executive is, first of all, expected to get the right things done. In other words he is expected to be effective. Managing human resources is very much essential in present times as people are gaining lot of importance in organizations. Every knowledge worker in modern organization is an executive if, by virtue of his position or knowledge, he is responsible for a contribution that materially affects the capacity of the organization to perform and obtain results. Further intelligence, imagination and knowledge are essential resources, but only effectiveness can convert them in to results.

Taguiri(1970) opines that organizational variations have an important effect on measurement of managerial effectiveness.

Srinivasan(1976) stated that the most important element in managerial effectiveness is the man himself, his leadership qualities and his commitment to effectiveness.

Mumford(1987) reviewed a few studies on managerial effectiveness and concluded that generalizations and short-cuts do not provide a successful route towards management development.

Other significant research in Managerial effectiveness includes the work from Drucker Peter, F.(1967), Gupta (1986), Chakarborty(1991) , Rama J. Joshi (1995), where they try to explain various characteristics, behaviours & other parameters that yield to managerial effectiveness.

Studies in Organisational Climate & Managerial Effectiveness

Bijlani(1974) notes that inspite of all clarity of objectives & all good intentions nothing concrete can be achieved if the right climate does not exist.

Jahangiri(1983) has discussed managerial effectiveness in relation to personality, occupational goal value, leadership style & organizational climate in educational institutions.

Mamuthy(1990) opines that an organization survives & forms its image because of the culture that it develops. Suitable culture help its employees to perform effectively in the organizations.

Biswas(1993) aimed at comparing regional rural banks & district co-operatives banks on 26 dimensions of organizational climate & 8 dimensions of Organisational effectiveness.

The concept of managerial effectiveness is very important & differs from situation to situation & even from job to job. So, understanding of various factors that enable a person to be effective and successful in his/her work are very important to be understood. As managers of any enterprise perform several functional activities, the task assessment of measuring the managerial effectiveness is challenging one.

2. Objectives and Research Methodology:

Objectives : This study comprises organizational climate, job satisfaction, managerial effectiveness as three important variables in the context of pharmaceutical industry in India. The main objective of this study includes :

- (a) To study the organization climate, job satisfaction & managerial effectiveness in the organizations under study.
- (b) To analyse relationship between organizational climate & job satisfaction & organizational climate & managerial effectiveness.
- (c) To make comparative analysis of these three parameters in the organizations under study in order to rank them.
- (d) To inter relate age, experience & salary with organizational climate, job satisfaction & managerial effectiveness in the organisations, in context of organization climate, job satisfaction & managerial effectiveness .
- (e) To make suggestions for improvements.

Research Methodology

(a) Scope of study

Pharma industry is showing tremendous growth & carries great significance because of the emergence of post WTO challenges. The two organizations under study are one of the topmost organizations of this industry .One of them is Indian turned multinational and other one is Indian organization with many mergers and acquisitions and possess different climate & set ups. This study is aimed to find out the root cause of problems related to managers with organizational climate, job satisfaction & managerial effectiveness. The person working in the capacity of managers at all levels across India have been taken up for study purpose.

(b) Sample for the study

The study is based on the collection of responses from executives from all over India from each organization . Responses from 28 Executives from Ranbaxy & similar number from Nicholas Piramals have been considered for study.

(c) Questionnaires : for measuring organizational climate, job satisfaction & managerial effectiveness , data are collected through three questionnaire-cum – scales which are reliable & well tested by various researchers.

1. Organisational Climate Questionnaire: By B.S. Bhatia & others, it contains 15 factors of organizational climate viz., structure, responsibility, reward, initiative & risk, warmth, support, standards, conflicts, identity, leadership, delegation, human relations, communication, grievance handling & decision making having 45 statements 3 each for every factor. All executives are divided into three categories on the basis of the score obtained & mean & standard deviation that is highly satisfied, moderately & then less satisfied.

2. Job Satisfaction Questionnaire: By B.L. Dubey & others , it contains 20 statements regarding different factors that can affect the satisfaction of person such as promotion, salary, confidence in management, favouritism, general supervision, working conditions, qualifications & experience, job security, team spirit etc.

All executives are divided into three categories on the basis of the score obtained & mean & standard deviation that is highly satisfied, moderately & then less satisfied.

3. Managerial Effectiveness Questionnaire: This has been developed by Uday Pareek(IIM). It covers 4 factors with 10 statements each for one factor. This scale has 4 important aspects that are action orientation, self-disclosure, receptivity to feedback & perceptiveness.

All executives are divided into four categories on the basis of the score obtained & mean & standard deviation that is Highly effective, moderately effective, hopefully effective & less effective.

(d) Procedure for data collection: Study is based on primary data & is collected personally by collecting & filling of questionnaires & adopting interview methods.

(e) Statistical Tools : The various necessary statistical tools such as Spearman's rank correlation & regression

analysis etc. are used for data analysis.

3. Organisations under study

The Introduction of two organizations under study are as follows:

Ranbaxy Labs Ltd.

The Indian pharmaceutical industry is at the center stage in the global healthcare arena and Ranbaxy endeavors to be at the forefront in delivering the India centric advantages to the advanced and developing countries of the world.

From a small domestic company at inception, Ranbaxy has grown formidably to be a Billion dollar institution that was envisioned by Late Dr Parvinder Singh, Chairman and Managing Director, Ranbaxy in early 90's.

Ranbaxy aims to provide quality generics at affordable prices to the patients worldwide with a view to help bring down the healthcare costs & also intent to be a leading player in the global generic space in the years to come with strong focus on becoming Research based International Pharmaceutical Company. Ranbaxy have invested heavily in R&D about \$100 million which is one-fifth or one seventh the cost advantage to the rest of the world .

Ranbaxy's treasure hunt is all set to strike gold with new drugs in the pipeline. The Company is planning to gain ground presently. Currently it is having over 40 products with USFDA and a number of them have come through.

Nicholas Piramal India Limited

The company was formed when the Piramal Group acquired Nicholas Laboratories, a small formulations company in 1988 from Sara Lee. It has followed a multi-pronged strategy to integrate and maximize synergies with the planned acquisitions and develop and consolidate its major strength in marketing to therapeutic niches.

Managed by a team of highly proficient industry professionals, Nicholas key strengths come from its strong brand building, selling and distribution,

manufacturing and alliance/partnership management skills. The alliance management skills, especially, are quite unique in the Indian context as only few Indian Pharmaceutical have exhibited such a strong and consistent record in successfully and ethically managing JVs/Alliances and alliances as Nicholas has.

Nicholas has one of the widest product portfolios in India, spanning nine key therapeutic areas, including the Cardio-vascular, Neuro-psychiatry, Oncology, Diabetes Management, Respiratory, Anti-infectives, Gastro-intestinals, Dermatology and NSAIDS. Nicholas is the flagship company of the Rs. 2500 crore (US \$ 550 million) Piramal Enterprises (PEL), one of India's largest diversified business houses.

Its policy of respecting IPR and managing partnerships, in keeping with both the letter and the spirit of written agreements, has been widely respected and commended by its partners.

4. Analysis & Interpretations

On the basis of grand total, the mean & standard deviation have been calculated for all the three parameters that is organizational climate, job satisfaction and managerial effectiveness. All scores obtained are equated at scale of 100. The result obtained are as follows:

Organisation Climate

- Highly Satisfied Executives – Score more than 67.9
- Moderately Satisfied Executives – Score between 56.3 to 67.9
- Less Satisfied Executives – Score less than 56.3

Job Satisfaction

- Highly Satisfied Executives – Score more than 77.0
- Moderately Satisfied Executives – Score between 59.8 to 77.0
- Less Satisfied Executives – Score less than 59.8

Managerial Effectiveness

- Highly Effective Executives – Score more than 69.5

- Moderately Effective Executives – Score between 62.1 to 69.5
- Hopefully Effective Executives – Score between 54.7 to 62.1
- Less Effective Executives – Score less than 54.7

Organisational Climate, Job Satisfaction & Managerial Effectiveness in Ranbaxy Labs Ltd.

Table-1 Organisation (Ranbaxy Labs Ltd.)

S.No.	OC-TOTAL	JS-TOTAL	ME-TOTAL
1	70	59	60
2	70	79	78
3	67	65	67
4	68	66	58
5	65	67	65
6	66	71	54
7	71	81	76
8	64	53	54
9	72	75	74
10	72	79	75
11	68	71	54
12	72	74	75
13	67	78	55
14	73	89	84
15	70	69	53
16	71	73	73
17	67	68	56
18	66	72	54
19	66	61	67
20	67	68	70
21	60	62	53
22	57	64	57
23	60	74	70
24	60	58	77
25	55	69	68
26	58	60	56
27	56	55	56
28	60	57	58
Total N	28	28	28
Mean	65.64	68.46	64.17
Std. Deviation	5.36	8.61	9.60

As per table 1 executives from 1 to 28 belong to Ranbaxy. A single score has been obtained for each executive & each variable.

In case of organizational Climate 11 executives belong to category - 1 that is highly satisfied that shows that OC is totally favourable to them. 15 executives belong to moderately satisfied executives that is second category & only 2 executives fall in category 3 that is less satisfied for whom the climate is unfavourable. As per score, since majority that is 92.8 percent executives feel that climate is favourable, we can perceive that organization structure in Ranbaxy is considered as suitable, to most of the executives amongst the Indian Pharma companies. They are satisfied with the system of giving rewards & appreciation of work, initiative, warmth, support given by others, relationship with others, delegation of authority etc.

Next column is the score on job satisfaction scale. 5 Executives relate to category of highly satisfied, 18 executives relate to category of moderately satisfied & 5 of them relate to less satisfied category. On the whole result of job satisfaction in Ranbaxy are significant. It shows that executives generally are reasonably satisfied with their salaries, promotions etc. when compared to most of Indian organisations. They find their job suitable and have reasonable welfare & advancement facilities.

The third column reveals score obtained from managerial effectiveness scale. 10 Executives possess the first category of highly effective, 4 executives second category of moderately effective executives, & executives hopefully effective executives and 6 executives comes under fourth category of less effective executives. The overall scoring of executives in Ranbaxy are quite satisfactory & reveals that amongst Indian organizations, organization climate of Ranbaxy is favourable to most of executives. They feel satisfied with their jobs & shows effectiveness as a whole. Their personalities are reasonably adaptive & open. They welcome change if it is posed for the betterment of organization.

Organisational Climate, Job Satisfaction & managerial effectiveness in Nicholas Piramals Ltd.

Table-2 Organisation (Nicholas Piramal Ltd.)

S.No.	OC-TOTAL	JS-TOTAL	ME-TOTAL
1	60	59	54
2	72	79	68
3	71	66	63
4	53	59	54
5	71	67	61
6	54	75	54
7	59	81	70
8	56	58	54
9	55	75	65
10	56	79	67
11	59	71	54
12	55	74	67
13	60	78	54
14	55	89	71
15	59	69	58
16	55	73	62
17	52	72	62
18	61	74	54
19	53	58	54
20	52	68	62
21	54	57	59
22	54	59	62
23	51	74	59
24	70	58	64
25	66	72	60
26	62	58	54
27	61	55	53
28	57	57	62
Total N	28	28	28
Mean	58.6	68.35	60.03
Std Devia tion	6.20	8.64	5.25

As per table 2, executives from 1 to 28 belong to Nicholas. A single score has been obtained for each executive & each variable.

In case of organizational Climate 4 executives belong to category 1 that is highly satisfied, 10 Executives belong to Moderately satisfied executives that is second category & 14 executives fall in category

3 that is less satisfied for whom the climate is unfavourable. These result reveals that very few executives consider totally favourable climate & most of them around 50 percent feel unfavourable climate & are less satisfied. It is perceived that because of mergers and acquisitions that took place in Nicholas, most of these executives belong to different cultures are not able to adjust with climate of the organization and want change in systems like Grievance handling , Communication & decision making. They are otherwise satisfied with the system of giving rewards & appreciation of work, support given by others, relationship with others, delegation of authority etc.

Next column is the score on Job Satisfaction scale. 5 Executives relate to category of highly satisfied , 13 executives relate to category of moderately satisfied & 10 of them relates to less satisfied category. On the whole result of job satisfaction in Nicholas indicates that executives are less satisfied with their salaries, promotions, job suitability etc. and want changes & improvement.

The third column reveals score obtained from managerial effectiveness scale. 2 Executives deserve the first category of highly effective, 6 Executives belongs to second category of moderately effective executives & 10 Executives belongs to hopefully

effective executives. 10 executives comes under fourth category of less effective executive. The overall scoring of executives in Nicholas are below satisfaction as 36 percent of the managers are in the class of less effective executives. Although 28 percent executives are from highly and moderately effective executives category still it is perceived that confusion mounts in communication, grievance handling & decision making among executives at different levels of management. The data reveals that organization climate of Nicholas is not very favourable to most of executives and they are struggling to adjust with the environment. They feel slightly satisfied with their jobs & want changes in systems.

**Contribution of Sub-Factors of Organisational Climate:
(A firm wise comparison)**

Environment of an organization can be studied with the help of Fifteen Sub-factors of organizational climate. A study of these factors can help in finding the contribution of each factor in organization climate of organizations under study. The factor which gets a score of nearly 4 or more than 4 is significant factor & if gets a score of 2 or less than 2 ,it means the factor is contributing negatively towards organizational climate.

Table -3 Organisational Climate (Sub- Factors)

S. No.	OC-Sub Factors	Ranbaxy Mean 28 executives	Nicholas Mean 28 Executives
1.	Structure	3.54	2.83
2.	Responsibility	3.46	3.02
3.	Reward	3.33	2.86
4.	Initiative&Risk	3.76	3.00
5.	Warmth	3.77	3.91
6.	Support	3.51	3.23
7.	Standard	3.48	3.11
8.	Conflict	3.01	3.30
9.	Identity	3.30	2.91
10.	Leadership	3.17	2.86
11.	Delegation	3.35	2.82
12.	Human Relation	3.32	3.21
13.	Communication	2.67	2.17
14.	Grievance Handling	2.71	2.29
15.	Decision Making	2.80	2.50

Ranbaxy : The mean score of organizational climate is high in Ranbaxy. Moreover majority of factors like Structure, Responsibility, Reward, Delegation, Leadership, Initiative & risk, Warmth, Support, Standard, Identity, Delegation and Human Relation with score over 3 or near to 4 contributes significantly towards favorable Organisational climate in organization. No factor obtained score less than or near 2. Thus no factor contributes negatively towards organizational climate.

Nicholas : The mean score of organisational climate is lower in Nicholas. Only 5 factor Responsibility, Initiative & Risk, Warmth, Support, Standard, and Human Relation Contributes significantly towards climate as score obtained is more than 3 or near to 4. No factor in Nicholas is below 2 or near 2 thus none of the factors contributes negatively towards climate. But most of the scores of other factors are low thus perceived unfavorable climate. Some of the factors with score less than 3 like Communication, Grievance handling, Decision making, Delegation and Structure indicates major flaws in these areas & needs significant improvement.

Comparison: Comparison of sub-factors indicates

that climate in Ranbaxy is perceived more favorable as compared to climate in Nicholas. It is perceived that because of more mergers and acquisitions confusion and uncertainty exists in the present environment in Nicholas. This is further indicated with lower scores obtained of factors like Communication, Grievance handling, Decision making, Structure and Delegation in Nicholas. Most of these factors need suggestive improvements as compared to Ranbaxy. Higher scores obtained in Nicholas of factors like Warmth and Conflict when compare to Ranbaxy gives perception that there are pressure group formation, more difference of opinions and more relations less professional approach existing in Nicholas thus causing the less favorable climate.

**Contribution of Sub-Factors of Managerial Effectiveness:
(A firm wise comparison)**

On the basis of 4 individual factors (action orientation, self-disclosure, receptivity & perceptiveness) an executive scoring more than 40 points or near to it is highly effective while scoring less than 20 or near to it is less effective manager.

**Table - 4 Managerial Effectiveness
(Sub-factors)**

S. No.	Managerial Effectiveness Mean Sub-Factors	Ranbaxy Labs Ltd.	Nicholas Piramals Ltd.
1.	ME-1 Action Orientation	37.03	33.78
2.	ME-2 Self-Disclosure	29.75	27.82
3.	ME-3 Receptivity	31.50	29.32
4.	ME-4 Perceptiveness	30.07	29.14

Ranbaxy: The higher score of action orientation here indicates that if an executive likes initiative, risk and change in responsibilities, there are more chances of his being effective. The mean score of other three factors are reasonable but not negative.

Nicholas: Here also score of action orientation indicates same that if an executive likes change in responsibilities or duties & undertaking new activities, there are more chances of his being effective. The mean score of other three factors are average but not negative. Lower score of self-disclosure, perceptiveness and receptivity as compared to Ranbaxy indicates that these factors contributes less towards managerial effectiveness.

Comparison: The lower scores of various sub factors of managerial effectiveness in Nicholas as compare to that of Ranbaxy indicates their less contribution towards managerial effectiveness. Except perceptiveness, in all other factors Ranbaxy scores supercede Nicholas with significant margins.

Study Of Interrelationships

Corelation Matrix obtained by Spearman's Rank Corelation method states that organisational climate & job satisfaction are positively associated but is not very strong as value of correlation coefficient is 0.197 .This indicates that if a person is satisfied from his job, salary, promotion & other job satisfaction related parameters ,the climate of organization can be perceived favourable by him.

The relation of organization climate & managerial effectiveness is also positive that is $r = 0.307$ and is significant as compare to relationship between organizational climate and job satisfaction. It demonstrates that favorable organizational climate motivate executives to work with zeal & show effectiveness & vice versa also.

The relationship between job satisfaction and managerial effectiveness is also positive and is significant $r = 0.432$. It indicates that if a person is satisfied with his job, he will show effectiveness in his work and will become effective & efficient.

Table - 5 Study of Interrelationships

	Organisational Climate	Job Satisfaction	Managerial Effectiveness
Organisational Climate	1	0.197	0.307
Job Satisfaction	0.197	1	0.432
Managerial Effectiveness	0.307	0.432	1

All the three variables show positive relationship among themselves and are mutually dependent on each other. The strongest relationship is in the case of managerial effectiveness and job satisfaction, then between orgaisational climate and managerial effectiveness and lastly between organization climate and job satisfaction. For testing the significance of relationships, t-test has been used. The value of t in case of organizational climate and job satisfaction variables

$$t = 0.197 \sqrt{(56-2) / (1-0.197)(1-0.197)}$$

$$= 1.80$$

In the case of organisational climate and managerial effectiveness, the value of t is

$$t = 0.307 \sqrt{(56-2) / (1-0.307)(1-0.307)} = 3.25$$

These values when compared with table value of t at 5 % level of significance indicates that table value of t is less than these calculated values. This indicates that the relationship between organizational climate and job satisfaction and

organizational climate and managerial effectiveness is significant.

Therefore on the basis of rank correlation, the relationships are observed to be positive between organizational climate and job satisfaction and organizational climate and managerial effectiveness. On the basis of t-test they are found to be significant.

Effect of organizational climate on job satisfaction and managerial effectiveness

Regression analysis for organisational climate and job satisfaction:

The regression analysis for dependent variable job satisfaction in relation to organizational climate indicates the result in table in annexure as follows:

$$R^2 = .042 \quad F = 2.354$$

R square (coefficient of determination) tells the goodness of fit although the value is not highly significant but still it tells the positive degree of association between dependent variable job satisfaction and independent variable organizational climate.

Calculated value of F also depicts the significance of R square and value of t further indicates that regression is significant.

Regression analysis for organisational climate and managerial effectiveness :

The regression analysis for dependent variable managerial effectiveness in relation to organizational climate indicates the result in table in annexure as follows:

$$R^2 = .152 \quad F = 9.670$$

R square (coefficient of determination) tells the goodness of fit and it tells that positive relationship and degree of association between dependent variable managerial effectiveness and independent variables organizational climate.

Calculated value of F is also higher than the table value thus depicts the significance of R square. Also significant value of t further means that

regression as a whole is significant between these selected variables.

Result indicates that although there can be other factors to affect job satisfaction and managerial effectiveness but organizational climate effects job satisfaction and managerial effectiveness to a certain extent.

Personal Profile & Three variables

In Ranbaxy, age, experience & salary are positively related to organisational climate, job satisfaction & managerial effectiveness however experience & salary with organizational climate results are significant. With the increase in experience & salary person perceives organization climate more favourable in Ranbaxy.

In job satisfaction all age, experience and salary are significant, thus in Ranbaxy with the increase in age, experience and salary more job satisfaction is perceived.

In managerial effectiveness, age and salary, are significant thus indicating that with the increase in age & salary managerial effectiveness also increased.

In Nicholas, Age Experience & Salary are negatively related to organisational climate, but positively related to job satisfaction & managerial effectiveness. The value of correlational coefficient between organisational climate and age is 0.223, but shows negative relationship. It is predicted that in Nicholas with the increase in age perceived climate becomes less favorable. Next, value of experience & salary also shows negative relationship thus indicating that with more experience and less salary executives perceive climate less favorable.

In job satisfaction all age, experience & salary are more significant and positive thus in Nicholas with the increase in age, experience & salary more job satisfaction is perceived by executives. In managerial effectiveness only salary results are more significant because of higher value. Thus indicates that with the increase in salary managers start working efficiently and effectively. Also less score indicates that increase in age and experience does not affect managerial effectiveness much in case of Nicholas.

Section-5 Conclusions & Recommendation

Conclusions

Results & data analysis indicates that organisational climate & job satisfaction of Ranbaxy is more favourable with all positive sub factors & higher scores as compared to Nicholas. Further Analysis states that there is strong focus on Structure, Responsibility, Rewards, Leadership, Standards, Initiative and Risk in Ranbaxy (because of highest scores obtained on these factors) as compared to Nicholas. Further higher scores obtained in Nicholas of factors like Warmth and Conflict indicates pressure group formation, more difference of opinions and more relations less professional approach.

Again in Managerial effectiveness, Managers of Ranbaxy are more efficient as compared to Nicholas because of low score obtained by Nicholas executives in perceptiveness, self disclosure & Receptivity. Further analysis indicates that higher scores obtained by Ranbaxy managers in parameters like Action-orientation & Receptivity make them more risk loving, initiative friendly, truthful & self aware about their

strengths & weaknesses as compared to Nicholas managers. This results in more effectiveness in them.

Recommendation

Most of the organizations in today's world are maintaining their growth and progress through mergers and acquisitions. Nicholas is also maintaining through the same path of growth. To ensure success and making managers more effective & competitive in today's environment Nicholas should take care of individually all fifteen sub factors of organizational climate. Instead of hire and fire and punishment to enhance managerial competencies more emphasis should be given on communication, openness and training & development of people. The levels of organizational climate, job satisfaction & managerial effectiveness should be checked through surveys with the help of experts so that by removing anomalies based on the feedback of these surveys, efficiency can be enhanced and more development oriented policies can be framed. Further HR department should work on attitudes & other related parameters in the organization to improve individually various sub factors of organizational climate thus should enhance managerial competencies in Nicholas.

Section - 6 Tables & References

Annexures

Table - 6

Regression Organisational Climate & Job Satisfaction Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of
1	.204 a	.042	.024	8.44553

a. Predictors : (Constant), OC

ANOVA b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	167.899	1	167.899	2.354	.131 a
Residual	3851.654	54	71.327		
Total	4019.554	55			

a. Predictors : (Constant), OC

b. Dependent Variable : JS

COEFFICIENTSa

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)			Beta		
OC	52.287	10.569		4.947	.000
	1.259	0.169	.204	1.534	.131

a. Dependent Variable :

Table - 7
Regression Organisational Climate & Managerial Effectiveness
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error The Estimate
1	.390 a	.152	.136	7.39021

a. Predictors : (Constant), OC

ANOVA b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	528.134	1	528.134	9.670	.003 a
Residual	2949.223	54	54.615		
Total	3477.357	55			

a. Predictors : (Constant), OC

b. Dependent Variable : ME

COEFFICIENTSa

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)			Beta		
OC	33.511	9.249		3.623	.001
	.460	.148	.390	3.110	.003

a. Dependent Variable :

**Table-8 Values of Corelation Coefficients in Ranbaxy Labs Ltd.
Paired Samples Correlations**

		N	Correlation	Sig.
Pair 1	OC & Age	28	.374	.050
Pair 2	OC & Exp	28	.424	.025
Pair 3	OC & Sal	28	.451	.016
Pair 4	JS & Age	28	.580	.001
Pair 5	JS & Exp	28	.607	.001
Pair 6	JS & Sal	28	.787	.000
Pair 7	ME & Age	28	.340	.077
Pair 8	ME & Exp	28	.252	.195

**Table-9 Values of Corelation Coefficients in Nicholas
Paired Samples Correlations**

		N	Correlation	Sig.
Pair 1	OC & Age	28	-.223	.254
Pair 2	OC & Exp	28	-.219	.264
Pair 3	OC & Salary	28	-.138	.485
Pair 4	JS & Age	28	.597	.001
Pair 5	JS & Exp	28	.596	.001
Pair 6	JS & Salary	28	.784	.000
Pair 7	ME & Age	28	.185	.346
Pair 8	ME & Exp	28	.179	.362
Pair 9	ME & Salary	28	.474	.011
Pair 9	ME & Sal	28	.481	.010

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