

Organisational climate's impact on employee's performance

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1. Introduction

Organizational climate' is the quality of working environment. Individuals when valued and respected by the organization, contribute positively to business outcome. A healthy organizational climate is created by factors influencing employee's perceptions, which include leadership quality, the decisions making process and recognition of employee's efforts. Every organization is uniquely different in its structural characteristics. Thereby each organization deals with its member, influenced through policies as on allocations of resources, communication pattern, reward & penalty and leadership & decision making procedure. The feelings, attitudes and behaviour of its members as influenced by the adopted organisational policy, results in the creation of an unique organizational climate.

According to Hellreigel and Slocum (1974), organisational climate is a set of perceived attributes of the organisation (or its sub systems), induced from the way the organisation and its members deal with each other and with their environment. Furthermore, Schneider and Hall (1972) have defined organisational climate as a set of global perceptions held by organisational members about their organisational environment.

According to Pareek (1989), organisational climate is created by the perception of organisational members about the outcome of interactions among five components of the organisation. These interaction components are (a) structure, (b) system, (c) culture, (d) leader behaviour, and (e) employees' psychological needs.

From the fire service perspective, Jensen (2000) notes an organization's climate, in general, refers to the overall work conditions, whether psychological, sociological, technological, political, or economic. He further states that organizational climate is by definition subjective.

Shadur.et.al., (1999), reported that organizations creating an atmosphere in which employees are involved in decision making create a positive innovative work environment.

Schein, (2000) as well as Glisson & James, (2002) concur with the emotional aspect noting that organizational climate is a reflection of each employee's perception of and emotional responses to their work environment. Organizational climate can be defined as a feeling by the employees of how they perceive that something is being done or how it should be done or how it

should be done

Hoegl et al., (2003) stated that the innovative organizational climate, when members encounter certain project dilemmas, they may participate aggressively in their work terms and interact with each other to find out appropriate solutions

Cooper (2003) describes organizational climate as "people's perception of their working environment with regard to caring and friendliness." In other words, the interaction of workers and management should create a healthy organizational environment. It means that organizational climate is subjective to the perception of their working environment with regard to caring and friendliness." In other words, the interaction of workers and management should create a healthy organizational environment. It means that organizational climate is subjective to the perceptions of staff and students.

Janz & Prasarnphanich (2003) stated that when cooperative climate exists in companies, members of a group are more inclined to working together to share and develop tacit knowledge and try to promote each other's performance and learning. In other words, firms can enhance individuals' willingness to interact with others by nurturing a cooperative climate. When employees perceive a higher degree of cooperative atmosphere inside the organization, they will be more likely to build up the interactive relationship with other members.

2. Objective of the Study

1. Evaluate the perception of the respondents towards working conditions prevailing in the organisation.
2. Evaluate the perception of the respondents towards performance management in the organisation.

3. Scope of the Study

The study is intended to brief the human side of the employees to know the level of climate prevailing in the organization. It attempts to evaluate their individual perception and its influence on their performance. This study includes all workers of the organization- Sakthi Auto Component Pallagoundampalyam, Erode District in Tamilnadu, India. It attempts

4. Research Design

Descriptive method is used to study the prevailing organizational climate. It is a fact-finding investigation with adequate

interpretation. It has focus on particular aspects or dimensions of the problem studied. It is designed to gather descriptive information, intended to formulate more sophisticated studies. Census

sampling method is used. Study population consists of 158 respondents, categorised as workers of the organization.

5. Analysis and Findings

Table 1. Working Condition (Percentage of Respondents)

Items measuring Working condition	Not at all true		Rarely true		Some-times true		mostly true		Always true		Total	
	Percentage	Score Value	Percentage	Score Value	Percentage	Score Value	Percentage	Score Value	Percentage	Score Value	Score value	Percentage
Psychological climate is conducive	2.3	13	5.9	34	22	126	21.7	124	48.1	275	572	72.4
Top mgt considers HR is important	1.6	9	3.5	20	23	132	43.2	248	28.7	165	574	72.6
Seniors take active interest on juniors	2	10	14.5	72	31.5	156	34.7	172	17.2	85	495	62.6
Mangers believe that employee's behaviour can be changed at any stage	2.7	14	8.6	44	35.3	180	29.8	152	23.5	120	510	64.5
People are helpful	3	16	7.2	38	25.1	132	42.7	224	21.9	115	525	66.4
Employees are informal	3	15	8.7	44	33.7	171	33.1	168	21.7	110	508	64.3
People don't have fixed mental impression	1.3	7	8.4	46	28.6	156	32.3	176	29.4	160	545	68.9
People trust each other	3.7	19	7.4	38	28.7	147	36.7	188	23.4	120	512	64.8
People are not afraid	2.7	15	9.3	52	11.3	63	37.3	208	39.4	220	558	70.6
Team spirit is high	1.3	7	7.7	42	30.9	168	31.6	172	28.5	155	544	68.8
Average Percentage											67.5	

Table.1 shows that the higher percent of the respondents are satisfied with the top management who believes that human resources are extremely important resources and they have to be treated more humanly. The psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge & skills. Employees are not afraid to express or discuss their feelings with their superior with a percentage of 72.6, 72.4 and 70.6 respectively, with their score value of 574, 572 and 558 respectively.

Further, the respondents say that they are satisfied with the people in this organization and do not have any fixed mental impressions about each other. Team spirit in this organization is high and people in this organization are helpful to each other with percentage of 68.9, 68.8 and 66.4 respectively with a score of 545, 544 and 525 respectively.

Further, the respondents are satisfied with the people's trust in each other in this organization, managers in this organization believe that employee behaviour can be changed and people can be developed at any stage of their life, employees in this or-

ganization are very informal and do not hesitate to discuss their problems with their supervisors and senior / executives in the organization and they show active interest in their juniors and help them learn their job 64.8, 64.5, 64.3 and 62.6 with score value of 512, 510, 508 and 495 respectively.

Thus the perceptions of the respondents towards working condition prevailed in the organisation are satisfied, since 67.5 percentage of respondent are satisfied with the working condition prevailing in the organisation.

Table 2. Performance Management (Percentage of Respondents)

Items measuring Performance Management	Not at all true		Rarely true		Sometimes true		mostly true		Always true		Total	
	Percentage	Score Value	Percentage	Score Value	Percentage	Score Value	Percentage	Score Value	Percentage	Score Value	Score Value	Percentage
Seniors appreciate	2.1	11	9.1	48	23.9	126	47	248	18	95	528	66.8
Promotion is based on merit	4	19	15.1	72	27.7	132	34.4	164	18.9	90	477	60.3
Mechanism is there to reward	1.8	10	6.1	34	27.1	146	28.1	156	36	200	556	70.3
Performance appraisal report is based on objectives	3.5	19	8.4	46	11.5	63	41	224	35.6	195	547	69.2
Weaknesses are communicated	2	11	7.1	38	30.1	162	31.2	168	29.7	160	539	68.2
Discuss about problems freely	3.5	17	10.7	52	34.4	168	36.1	176	15.4	75	488	61.7
Repairs and settlement help employees build confidence	2.1	12	6.7	38	17.9	102	33	188	40.4	230	570	72.1
Employer advice employee for mistakes	2.7	14	6.5	34	31	162	39.8	208	20.1	105	523	66.2
Top mgt take effort to identify the potential of employees	1.9	11	6.4	38	12.1	72	31.6	188	48	285	594	75.1
Average Percentage											67.8	

Table.2 shows that majority of percent of the respondents are satisfied with the top management of this organization for their effort to identify and utilize the potential of the employees, Care given and settlement of queries help employee to have confidence in their working environment, there are mechanisms in this organization to reward for good work done or for any contribution made by employees with a percentage of 75.1, 7.1 and 70.3 respectively with a score value of 594, 570 and 556 respectively.

Further, the respondents are satisfied with the performance appraisal reports in the organization that are based on objective assessment & adequate information and not on favouritism, weaknesses of employees are communicated to them in non threatening way, when an employee does a good work his supervising officers take special care to appreciate it and when any employee makes mistake his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him with percentage of 69.2, 68.2 and 66.8 and 66.2 respectively with a score value of 547, 539, 528 and 523 respectively.

Further the respondents say that when problems arise, people discuss these problems openly and try to solve them rather than keeping on accusing each other behind and promotion decisions are based on the suitability of the promote in rather than

favouritism with percentage of 61.7 and 60.3 respectively with a score value of 488 and 477 respectively.

Thus, the respondents are satisfied with the performance management in the organisation; since 67.8 percentages of respondents are satisfied with the performance management prevailing in the organisation.

Table 3. Mean Value For Working Condition

Items	Mean	Sd
The psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge and skills	3.310	1.321
The top management believes that human resources are an extremely important resources and that they have to be treated more humanly	3.400	1.125
Senior / executives in the organization take active interest in their juniors and help them learn their job	3.180	1.107
Managers in this organization believes that employee behaviour can be changed and people can be developed at any stage of their life	3.160	1.208
People in this organization are helpful to each other	3.310	1.186

Employees in this organization are very informal and do not hesitate to discuss their problems with their supervisors	3.320	1.169
People in this organization do not have any fixed mental impressions about each other	3.300	1.194
People trust each other in this organization	3.300	1.086
Employees are not afraid to express or discuss their feelings with their subordinates.	3.190	1.208
Team spirit of high order in this organization	3.240	1.125
Total	3.271	1.1729

The top management believes that human resources are extremely important resources and they need to be treated more humanly with a mean value of 3.400 (Table 3). The respondents also opine that employees in this organization are very informal and do not hesitate to discuss their problems with their supervisors with a mean value of 3.320. Further, the respondents opine that the psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge and skills and People in this organization are helpful to each other with a mean value of 3.310. People in this organization do not have any fixed mental impressions about each other and people trust each other in this organization with a mean value of 3.300. The respondents also opine that team spirit of high order in this organization with a mean value of 3.240. Employees are not afraid to express or discuss their feelings with their subordinates with a mean value of 3.190. The respondents opine that its moderately true that Senior / executives in the organization take active interest in their juniors and help them learn their job with a mean value of 3.180. The managers in this organization believe that employee behaviour can be changed and people can be developed at any stage of their life with a mean value of 3.160. The overall mean for working condition is satisfactory to the employees of SACL with a mean score of 3.271.

Association between Age of the respondents and Working Condition (Table 4)

Null hypothesis: There is no significant difference between the respondents of different age groups and working condition.

Alternate hypothesis: There is a significant difference between the respondents of different age groups and working condition.

Table 4. Association between Age of the respondents and Working Condition

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2.430	3	.810	3.976	.002
Within Groups	17.320	85	.204		
Total	19.751	88			

Since, F value (3, 85) = 3.976, $p < .005$, the null hypothesis is rejected. Hence there is a significant difference between respondents of different age groups and working condition.

Table 5. Mean Value for Performance Management

Items	Mean	Sd
When an employee does a good work his supervising officers take special care to appreciate it.	3.680	1.11
Promotion decisions are based on the suitability of the promote rather than on favouritism	3.310	1.035
There are mechanisms in this organization to reward any good work done or any contribution made by employees.	3.270	1.188
Performance appraisal reports in our organization are based on objective assessment and adequate information and not on favouritism	3.510	1.265
Weaknesses of employees are communicated them in an non threatening way	3.130	1.173
When problems arise people discuss these problems openly and try to solve them rather than keep accusing each other behind the back	3.380	0.978
Repairs given and settlement queries made help employee to have confidence in their working environment	3.270	1.207
When any employee makes mistake his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him.	3.560	1.333
The top management of this organization makes effort to identify and utilize the potential of the employees.	3.500	1.094
Total	3.401	1.1537

When an employee does a good work his supervising of-ficers take special care to appreciate it with a mean value of 3.680 (Table 5), Further, it is moderately true that when any employee makes mistake his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him with a mean value of 3.560. The respondents opine that Performance appraisal reports in our organization are based on objective assessment and adequate information and not

on favouritism with a mean value of 3.510. The top management of this organization makes effort to identify and utilize the potential of the employees with a mean value of 3.500. When problems arise people discuss these problems openly and try to solve them rather than keep accusing each other behind the back with a mean value of 3.380. Promotion decisions are based on the suitability of the promotion rather than on favouritism with a mean value of 3.310. The respondents opine that there are mechanisms in this organization to reward any good work done or any contribution made by employees and reparation given and settlement queries made help employee to have confidence in their working environment with a mean value of 3.270. In addition, weaknesses of employees are communicated them in a non threatening way with a mean value of 3.130. The overall mean for Performance Management / Appraisal available in the company is satisfactory to the employees of SACL with a mean score of 3.401.

Association between Age of the respondents and Performance Management (Table 6)

Null hypothesis: There is no significant difference between the respondents of different age groups and performance management.

Alternate hypothesis: There is a significant difference between the respondents of different age groups and performance management.

Table 6. Association between Age of the respondents and Performance Management

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.574	3	.525	3.060	.000
Within Groups	14.742	86	.171		
Total	16.316	89			

Since, F value (3, 86) = 3.060, $p < .001$, the null hypothesis is rejected. Hence there is a significant difference between the respondents of different age groups and performance management.

6. Findings

Almost half of the respondents are belonging to the age group of 20-30; more or less one third of respondents are belonging to male members and 60.8 percent of the respondents are married. Nearly about half of the respondents are working in production departments and majority of the respondents fall within the year experience 6-10 years with a percentage of 36.7. One third of them are drawing monthly salary between Rs. 9001-11000. Regarding the working condition, higher percent of the respondents are satisfied with the top management who believes that human resources are extremely important regarding their educational qualification. Half of the respondents have SSLC and one fourth of them are having Technical degree as their educational qualification. Resources and they have to be treated

more humanly, the psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge and skills and employees are not afraid to express or discuss their feelings with their superior with a percentage of 72.6, 72.4 and 70.6 respectively. Further, they are satisfied with the people in this organization who do not have any fixed mental impressions about each other; team spirit of high order in this organization and people in this organization are helpful to each other with percentage of 68.9, 68.8 and 66.4 respectively. Thus, the perceptions of the respondents 67.5% towards working condition prevailing in the organisation are satisfied. There is a significant difference between different age groups a respondents and working condition. Regarding performance management the majority of percent of the respondents are satisfied with the top management of this organization for their effort to identify and utilize the potential of the employees, Care given and settlement of queries help employee to have confidence in their working environment, there are mechanisms in this organization to reward any good work done or any contribution made by employees with a percentage of 75.1, 7.1 and 70.3 respectively. Further, the respondents are satisfied with the performance appraisal reports in the organization are based on objective assessment and adequate information and not on favouritism, weaknesses of employees are communicated to them in a non threatening way, when an employee does a good work his supervising officers take special care to appreciate it and when any employee makes mistake his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him with percentage of 69.2, 68.2 and 66.8 and 66.2 respectively. Thus the respondents are satisfied with the performance management in the organisation; since 67.8 percentages of respondents are satisfied with the performance management prevailed in the organisation. Association between Age of the respondents and Performance management, there is a significant difference between the respondents of different age groups and performance management. The correlation between the experience and organizational climate factors, experience of the respondents is positively correlated to the factors of organizational climate. Working condition and performance management are highly correlated to working condition.

7. Suggestions

The job rotation is one of the skill development programmes for the workers which has not been perceived positively by the workers. Therefore the management may consider to implement periodical job rotation to the workers to develop their multiple skill required to them do the job effectively.

The strength and weakness of the workers in their allotted job have been periodically observed and assessed by the management. The workers feel that whenever the management identifies the weakness in the particular job it has been communicated to

the worker in a threatening way. Instead of it, the management may help the workers to strengthen the weakness through some skill development programme.

The senior workers or supervisor are not delegating the authority and responsibility to the juniors. If the practice of delegation of responsibility to the juniors is followed in the organisation, they will develop their managerial skill. The management may consider this aspect at least in future course of time.

The senior officers in the organisation are not helping the workers in such a way that the career development opportunities available to the workers by guiding them to attend some courses or attain higher qualification for career advancement in the organisation duly. Therefore senior officers should help the workers to develop their educational qualifications to secure promotions in the organisation.

The overall perception of the workers towards welfare measures provided by the organisation is not to their satisfaction. Therefore, the management may consider extended medical facilities to the dependents and introduce welfare measures to the family of the workers by providing for education loan, transport facilities and house loan.

8. Conclusion

Perception changes from person to person. Employee's perception towards the organization is the main factors that has to be identified by the organization. Management may be able to change the procedures or approaches to improve the employee's position and organizational climate through the participation of workers. Relationship of the employees with management may be enhanced by reducing the negative perception among the employees. This improvement may attribute to prosperity of the company through profit and that of the employees through enhanced quality of work life. A suitable working climate musters sincerity of the workers. This employees' positive perception towards the organizational climate is necessary irrespective of the organisations. The organizational climate should be conducive both to the employer and the employees.

9. Reference

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