

An Exploratory Study on the Perception of the Employees towards Organizational Effectiveness

Dr. Madhura Bedarkar* and Deepika Pandita

Assistant Professor, SIBM Pune, Symbiosis International University, India
madhurabedarkar@sibmpune.edu.in, deepikapandita@sibmpune.edu.in

Abstract

Employee perception towards their own job and the organization plays a pivotal role in determining the level of organizational effectiveness. Thus, it is essential to understand the construct of employee perception towards organizations with respect to its various dimensions and factors affecting the same. The present study aims to discuss the concept of employee perception towards organization, based on a systematic literature review. An exploratory study was undertaken to understand factors affecting employee perception towards management, their job and co-workers in an auto-component manufacturing company, based in Chakan at Pune. Data was collected through in-depth interviews and focus group discussions. Our study also proposes a few recommendations to help organizations understand the concept of employee perception, factors affecting it and its impact on overall organizational effectiveness on the one hand and to improve employee perception towards organization, on the other.

Keywords: Employee Perception, Human Resource, Organizational Effectiveness

1. Introduction

Human resources is a term used to describe the individuals, who make up the workforce of an organisation. Human resources is also the title of the function within an organisation charged with the overall responsibility for implementing strategies and policies relating to the management of individuals (i.e. the human resources).

Human resources is a relatively modern management term, coined as late as the 1960s. The origin of the function arose in organisations that introduced 'welfare management' practices and also in those that adopted the principles of 'scientific management'. From these terms emerged a largely administrative management activity, coordinating a range of worker related processes and becoming known, in time, as the 'personnel function'.

Human resources progressively became the more usual name for this function, in the first instance in the United States as well as multinational or international corporations, reflecting the adoption of a more quantitative as well as strategic approach to workforce

management, demanded by corporate management to gain a competitive advantage, utilizing limited skilled and highly skilled workers.

In simple terms, an organisation's human resource management strategy should maximize return on investment in its human capital and minimize financial risk. HR managers, as strategic partners, seek to achieve this by aligning the supply of skilled and qualified individuals and the capabilities of the current workforce, with the organisation's ongoing and future business plans and requirements to maximize return on investment and secure future survival and success.

In ensuring that such objectives are achieved, it is essential to assess employee pulse or level of motivation periodically. One of the ways of ensuring employees' motivation at higher level is to regularly assess their perception towards organisation and their job. Organizations, now a days, indulge in the practice of conducting in-house and/or third-party surveys to assess employee perception towards their job and organization regularly. These surveys act as diagnostic tools and

* Author for correspondence

provide required feedback to the management. Thus, the data gathered through such survey exercises could help organization in understanding the present perception of employees and formulate people strategies accordingly.

The present study discusses one such effort undertaken to dig deeper into the findings of one such employee perception survey at an auto-component manufacturing company. As per Figure 1 following are the dimensions across which our study assessed employee perception:

1.1 Appreciation

It means that the management appreciates good work and extra effort put in by the employees. It also indicates that employee participation across a wide of activities is encouraged. There is a work environment of safety and health. Organization acknowledges that practicing work-life balance ensures greater employee performance. Organization supports employees' personal and professional development.

1.2 Equity

Equity means that the fruits of economic success are shared equitably through compensation and benefit programs. Employees receive due recognition. Decisions regarding promotions and hikes are made on the basis of merit and performance, and the workplace is free from discrimination. There exists a well-laid down grievance redressal process.

1.3 Delight

Delight means employees are delighted and feel proud of being a part of the organization, its products and services and their individual and team contributions. They share a healthy relationship with their colleagues.

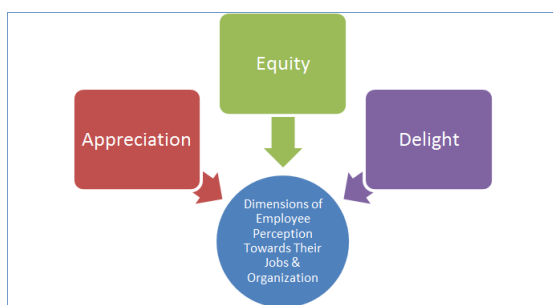


Figure 1. Dimensions of employee perception towards their jobs and organization.

2. Literature Review

There is very little literature on employee perception and organizational effectiveness. Not many studies are to be seen in the field of gauging perception of the employees towards its organization. There are a lot of studies pertaining to organization effectiveness considering various other variables like organization citizenship, customer satisfaction, and fairness.

Organizational effectiveness is a construct that is grounded in the values and preferences of evaluators. Therefore, no single and correct definition of organizational effectiveness exists. Several models or definitions of effectiveness have emerged in the literature, including the ideal type or bureaucratic model (effectiveness means matching the ideal characteristics of a bureaucratic organization), the goal model (effectiveness means accomplishing goals), the natural systems model (effectiveness means obtaining needed resources), the strategic constituencies model (effectiveness means satisfying important stakeholders), the internal processes model (effectiveness means high quality internal processes), the paradox model (effectiveness means the presence of simultaneous opposites), and the abundance model (effectiveness means producing flourishing and virtuousness). The criteria for evaluating effectiveness in each of these models differ, but each has a legitimate claim to being a useful approach to assessing and producing valuable outcomes¹.

A study by Tsui et al.,⁴ identified four approaches to the employee-organization relationship, as defined from the employer's perspective. An empirical study of employees from ten companies found support for the basic hypothesis that employee responses differ under the four types of relationship. In general, employees performed better on core tasks, demonstrated more citizenship behavior, and expressed a higher level of affective commitment to an employer when they worked in an overinvestment (by the employer) or mutual investment relationship.

3. The Organization

The organization has been functional since more than two decades. It provides complete system solutions to Original Equipment Manufacturers (OEMs) and related Aftermarket in India and also has been the major exporter.

The Company has domestic sales of US \$ 200 million,

exports of US \$ 75 million and a customer base of virtually all major OEMs in the automotive commercial vehicle segment and off - highway markets, employing more than 1500 people.

The Employee Perception Survey:

The organization has multiple platforms to gather feedback from employees on several aspects of the organization. In addition to this, it also conducts a third-party annual survey for assessing employee perception with reference to:

- The relationship between employees and management,
- The relationship between employee and his/her job.
- The relationship between employee and his/her colleagues.

Moreover, these three different levels of relationships are tri-dimensional, i.e, these relationships are assessed with respect to appreciation, equity and delight.

4. Rationale

- To understand the role of employee perception and its implications to organizational effectiveness
- To understand the relationship between employee and management, employee and his/her job and employee and his/ her peers.
- To obtain feedback from employees on the organization, with respect to certain dimensions, vis-à-vis appreciation, equity and delight.

5. Research Methodology

Since the objective of the study was to validate and further understand the findings of the employee perception survey, it was decided to have open ended, in-depth interviews and focus group discussions.

Accordingly, twelve Focus Group Discussions (FGDs) were conducted. As shown in Table 1, for every FGD, there was a selection criterion, which was considered while selecting participants for FGDs.

Twelve separate FGDs were conducted for different groups of employees. For selecting participants for the first FGD, eight female employees working at the shop floor were selected. In the second FGD, the researchers selected eight employees, irrespective of hierarchy, who have worked with the organization for more than 10 years.

For conducting FGD 3, seven employees of head office were selected. The fourth FGD was conducted with employees from plant, belonging to the staff category.

For conducting FGD 5 and 6, a mix group of eight employees from both, Plant and head office was selected. All these employees function represent middle level of the hierarchy.

The researchers had two FGDs with team leaders. Team leaders are operating engineers, who lead a particular line of production. In each of these FGDs with team leaders, around eight team leaders were selected.

It was essential to have FGD with the employees of Accounts Department. The reason being, in case

Table 1. Sample design for focus group discussion

Sr. No.	Groups	Selection Criteria	No. of Participants
1	Female Employees	Female Employees working at the shop floor	08
2	Employees with more than 10 years of experience in the organization	Years of experience > 10 years	08
3	Employees from Head Office	Employees from HO	07
4	Staff from plant	Employees of plant representing lower level of hierarchy	08
5	A mix of employees from plant & Ho	Employees from plant & HO representing middle level of hierarchy	08
6	A mix of employees from plant & Ho	Employees from plant & HO representing middle level of management	06
7	Team Leaders (no. of FGDs = 2)	Team Leaders	08
8	Employees from Finance Dept.(2)	Employees from Accounts Department	12
9	OEs with 6 months to 2 Yrs. Experience (no. of FGDs = 2)	Operating Engineers with 6 months to 2 Yrs. Experience	11
10	OEs with 2 - 4 of Yrs. experience	Operating Engineers with 2 - 4 of Yrs. experience	12

of this department, employee perception towards the organization was very negative. For this FGD, twelve participants were selected. FGDs were also conducted with operating engineers. Two FGDs were conducted with operating engineers, having 6 months to 1 year of experience in organization. For operating engineers with 2 to 4 years of experience, a separate FGD was conducted.

6. Proposed Framework

7. Findings and Observations based on FGDs

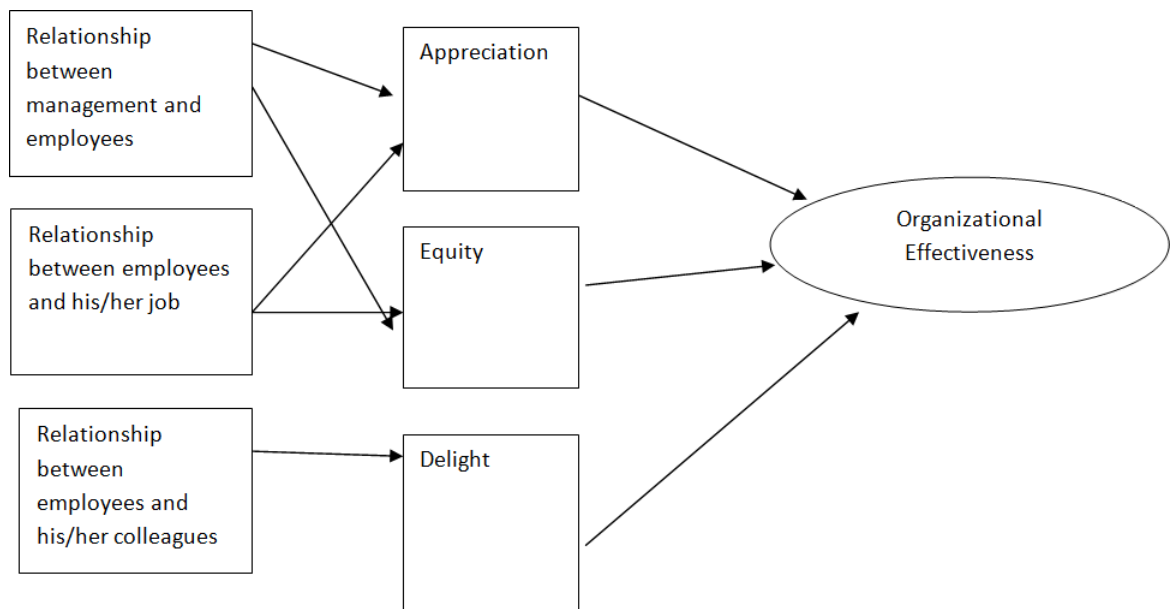


Figure 2. Proposed model.

about setting, revising and assessing of Key Result Areas.

- Communication relating to targets set, appraisal, changes in policies, client's requirement is not transparent.
- HR policy is another area where employees are kept isolated.
- To cop up with rapid organizational growth, relevant training needs are not conducted.
- Besides the creamy layer, salaries are perceived to be lower, as compared to not only competitors but also other subsidiaries of the group.

8. Conclusion

Employee perception plays an important role in

Followings are the overall findings and observations derived by the researchers through FGDs and also by having informal discussions with employees:

- Employees belonging to lower level of hierarchy do not understand the literal meaning of certain statements in the employee perception survey questionnaire.
- Employees, in general, are not aware of the objectives, process and findings of the employee perception survey. Thus, the survey is filled in a very casual manner.
- The reasons for a negative employee perception are various. For example, appraisals are not conducted on a regular basis.
- There is a gap of understanding amongst employees

determining organizational effectiveness. Organizations should create multiple platforms to collect feedback from employees on various aspects. HR department should play a key role in feeding the gathered information to management in constructive manner and further action plan can be chalked out. This should culminate into a well-defined and laid down feedback mechanism. Mo importantly, collecting feedback and then feeding it back to the decision makers should not fall into the trap of becoming a routine activity.

This paper presents an action research approach to assessing and improving employee perception and improve organizational performance and effectiveness.

9. Recommendations of the Study

Following are the recommendations and policy implications as per study.

- Awareness needs to be created amongst employees about the objectives and process of the employee perception survey. For which, workshops on the survey can be organised, wherein employees' clarity on different statements can be assessed and they can be explained about the exact meaning of these statements.
- Creating employees' awareness relating to the process of Key Result Areas setting, evaluation and normalization or performance management system in general is essential. This will help in changing their perception towards management's role in promotion, delivering promises, favouritism, management's action and words matching, remuneration.
- Communication relating to targets set, KRA setting and evaluation, changes in policies, client's requirement needs to be made. This will also result in improving employees' perception towards transparency in the company.
- HR policies should to be revised and employees need to have access to such policies. Whenever certain changes are made to the existing policy, employees need to be informed.

- To cope up with rapid organisational growth, relevant training needs to be provided. This may help in reducing work pressure in certain employee groups.
- Concrete measures need to be introduced and followed to ensure respectful treatment to employees belonging to lower levels of hierarchy.
- Preparing and revising job descriptions for all employees will help the employees in understanding the scope of their role.

References

1. Koys, D. J. (2001). The effects of employee satisfaction, organizational citizenship behavior, and turnover on organizational effectiveness: A unit-level, longitudinal study. *Personnel psychology*, 54(1), 101-114.
2. Cameron, K. (2010). *Organizational effectiveness*. John Wiley & Sons, Ltd.
3. Schneider, B., Parkington, J.J., & Buxton, V.M. (1980). Employee and customer perceptions of service in banks. *Administrative Science Quarterly*, 252-267.
4. Tsui, A.S., Pearce, J.L., Porter, L.W., & Tripoli, A.M. (1997). Alternative approaches to the employee-organization relationship: does investment in employees pay off?. *Academy of Management journal*, 40(5), 1089-1121.
5. Shore, L.M., & Wayne, S.J. (1993). Commitment and employee behavior: comparison of affective commitment and continuance commitment with perceived organizational support. *Journal of applied psychology*, 78(5), 774.