

Organization Development Practices of Heavy Engineering Industries in India

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Abstract

Organization development is a long range effort to improve organization's problem solving and renewal processes, particularly through more effective and collaborative management of organization culture-with specific emphasis on the culture of formal workteams-with the assistance of a change agent or catalyst and the use of the theory and technology of applied behavioural science including action research . The purpose of this research is to assess the factors influencing the organization development. In the recent years, organization development has been gaining momentum in management theory. The field of organization development is continuously developing over the years and organizations are reaping huge benefits by strategically and systematically focusing on organizational development factors.

The study has selected seven factors such as Emotional Intelligence, Job satisfaction, Motivation, Leadership, Communication, Decision making and Team building to examine the impact of these factors on the development of organization. The study also gives suggestions to improve the organization in the present globalized environment. It is observed from the analysis, that 99 respondents (38.7 percent) have reported low score and 96 respondents (37.5 percent) for high score for emotional intelligence variable. 127 respondents (49.6 percent) have reported high score for job satisfaction. Similarly, Motivation (44.1 percent), Leadership (48 percent), communication (45.7 percent), Decision Making (40.6 percent) and Team Building (48 percent) have secured high score values.

Keywords: *Emotional Intelligence, Job satisfaction, Motivation, Leadership, Communication, Decision making and Team building.*

1. Introduction:

An organization is a group of people intentionally organized to accomplish an overall, common goal or set of goals. Business organizations can range in size from two to tens of thousands of employees. There are several important aspects to consider about the goals of the business organization. These features are explicit (deliberate and recognized) or implicit (operating unrecognized, "behind the scenes"). Ideally, these features are carefully considered and established, usually during the strategic planning process. Later, we consider dimensions and concepts that are common to organizations. Organization development is a long range effort to improve organization's problem solving and renewal processes, particularly through more effective and collaborative management of organization culture-with specific emphasis on the culture of formal work teams-with the assistance of a change agent or catalyst and the use of the theory and technology of applied behavioral science including action research.

2. Review of Literature:

A number of studies have been conducted in India and abroad to study the development of organizational practices and theories. These studies have been reviewed critically with a view to understand the objectives, research methodology, research findings, etc. and to identify the gap that exists in the literature in this area. Organizational Development encompasses a diversity of concepts and methods for changing organizations. Although

several definitions of organizational development have been presented by different philosophers like Beckhard (1969), Bennis (1966), French (1969), Burke (1982), Michael Beer (1980), French and Bell (1990), Schein (1992), Luthans (1998), Robibins (2003), Ogundele (2005), Armstrong (2006) et al., the rapid and enormous growth of new approaches and techniques has blurred the boundaries of the field and made it increasingly difficult to describe.

3. Research Methodology:

The purpose of this research is to assess the factors influencing the organization development. In the recent years, organization development has been gaining momentum in management theory. The field of organization development is continuously developing over the years and organizations are reaping huge benefits by strategically and systematically focusing on organizational development factors. The study has selected seven factors such as Emotional Intelligence, Job satisfaction, Motivation, Leadership, Communication, Decision making and Team building to examine the impact of these factors on the development of organization. The study also gives suggestions to improve the organization in the present globalized environment.

3.1 Objectives of the Study

To study the concept of organization development practices at Bharat Heavy Electricals Limited (BHEL), Ranipet, Tamil Nadu

To assess the impact of personal factors (emotional intelligence and motivation) on organization development in the organization.

To evaluate the influence of organizational factors (job satisfaction, team building, decision making, leadership and communication) on organization development in BHEL, Ranipet

3.2: Sampling and Sample Design

To avoid interplant variation, the sample was chosen from only one organization, viz., Bharat Heavy Electricals Limited (BHEL), Ranipet, Tamil Nadu. The desired sample, 256 was obtained with multi stage sampling technique.

4. Data Analysis and Results Discussion:

4.1. Score Analysis

The researcher has calculated the score values of each respondent and consolidated them as overall score of each variable (Emotional Intelligence, Job Satisfaction, Motivation, etc). The score values are classified into three categories such as low, average and high based on the quartile

values. The following table illustrates the score values of each parameters of the study.

4.2. Score values of Parameters

Variable	Low	Average	High
Emotional intelligence	99 (38.7)	61 (23.8)	96 (37.5)
Job Satisfaction	69 (27.0)	60 (23.4)	127 (49.6)
Motivation	70 (27.3)	73 (28.5)	113 (44.1)
Leadership	69 (27.0)	64 (25.0)	123 (48.0)
Communication	66 (25.8)	73 (28.5)	117 (45.7)
Decision making	68 (26.6)	84 (32.8)	104 (40.6)
Team building	69 (27.0)	64 (25.0)	123 (48.0)

The above table gives score values of the variables taken for the study. It is observed from the table that 99 respondents (38.7 percent) have reported low score and 96 respondents (37.5 percent) for high score for emotional intelligence variable. 127 respondents (49.6 percent) have reported high score for job satisfaction. Similarly, Motivation (44.1 percent), Leadership (48 percent), communication (45.7 percent), Decision Making (40.6 percent) and Team Building (48 percent) have secured high score values.

4.3 Correlation Matrix

Correlation coefficient measures the degree of linear relationship between two variables, usually labeled X and Y. The computation of the correlation coefficient is most easily accomplished with the aid of statistical packages. The correlation coefficient may take on any value between plus and minus one. The sign of the correlation coefficient (+, -) defines the direction of the relationship, either positive or negative. A positive correlation coefficient means that as the value of one variable increases, the value of the other variable increases; as one decreases the other decreases. A negative correlation coefficient indicates that as one variable increases, the other decreases, and vice-versa. Taking the absolute value of the correlation coefficient measures the strength of the relationship. A correlation coefficient of $r=.50$ indicates a stronger degree of linear relationship than one of $r=.40$. Likewise a correlation coefficient of $r=-.50$ shows a greater degree of relationship than one of $r=.40$. Thus a correlation coefficient of zero ($r=0.0$) indicates the absence of a linear relationship

and correlation coefficients of $r=+1.0$ and $r=-1.0$ indicate a perfect linear relationship.

4.4. Chi-Square Test

The researcher has applied Chi-Square statistic to know whether there is any association between job satisfaction and emotional intelligence. The result of the same is produced below.

Chi-Square Test

Job Satisfaction	Emotional Intelligence			Tot	Chi-Sq	P value
	Low	Average	High			
Low	46	20	3	69	91.39	0.002**
Average	33	17	10	60		
High	20	24	83	127		
Total	99	61	96	256		

The above table provides score values for job satisfaction and emotional intelligence. It is observed from the table that 83 respondents have reported high scores for both variables. The calculated chi-square value (91.398) is greater than the table value (2.56) at 5 per cent level of significance. The p value is less than 0.05 therefore the researcher rejects the hypothesis that there is no association between the emotional intelligence and job satisfaction. It is concluded from the study that emotional intelligence and job satisfaction are associated with each other.

Chi-Square Test

Job Satisfaction	Motivation			Tot	Chi-Square value	P value
	Low	Average	High			
Low	21	30	18	69	36.436	0.003**
Average	25	19	16	60		
High	24	24	79	127		
Total	70	73	113	256		

The above table gives the cross tabulation for the variables job satisfaction and motivation. The calculated chi-square value (36.436) is greater than table value (2.56). As a result, the researcher rejects the hypothesis that there is no association between job satisfaction and motivation. Further, it is found from the study that job satisfaction and motivation are associated with each other.

Chi-Square Test

Job Satisfaction	Leadership			Tot	Chi-value	P value
	Low	Average	High			
Low	46	19	4	69	148.3	0.002*
Average	21	25	14	60		
High	2	20	105	127		
Total	69	64	123	256		

Chi-Square test has been used to test whether there is an association between job satisfaction and leadership. The researcher hypothesized that these two variables are not dependent. The chi-square value (148.318) is greater than the table value at 5 percent of significance. Therefore, the researcher concludes that job satisfaction and leadership are associated with each other.

Chi-Square Test

Job Satisfaction	Communication			Tot	Chi-Square value	P value
	Low	Average	High			
Low	43	23	03	69	127.743	0.002**
Average	15	29	16	60		
High	08	21	98	127		
Total	66	73	117	256		

From the above table, it is observed that the chi-square value is greater than table value. And the p value is less than 0.05; therefore the researcher rejects the hypothesis that there is no significant association between job satisfaction and communication. It is found from the study there is an association between job satisfaction and communication.

Chi-Square Test

Job Satisfaction	Decision Making			Tot	Chi-Square value	P value
	Low	Average	High			
Low	29	25	15	69	24.559	0.001**
Average	19	20	21	60		
High	20	39	68	127		
Total	68	84	104	256		

The above table shows the cross tabulation between the variables job satisfaction and decision making. The calculated chi-square value (24.559) is greater than table value (2.56). As a result, the researcher rejects the hypothesis that there is no association between job satisfaction and decision making. So, it is found from the study that job satisfaction and decision making are associated with each other.

Chi-Square Test

Job Satisfaction	Team Building			Tot	Chi-Square value	P value
	Low	Average	High			
Low	51	13	05	69	139.834	0.004**
Average	13	26	21	60		
High	05	26	97	127		
Total	69	64	123	256		

The above table shows the cross tabulation between the variables job satisfaction and team building. The

calculated Chi-Square value (139.834) is greater than table value (2.56). As a result, the researcher rejects the hypothesis that there is no association between job satisfaction and team building. So, it is found from the study that job satisfaction and team building are associated with each other.

4.5. Regression Analysis

Regression analysis studies the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps to understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. Regression analysis is widely used for estimation purposes, where its use has substantial overlap with the field of machine learning. In restricted circumstances, regression analysis can be used to infer causal relationships between the independent and dependent variables. However this can lead to illusions or false relationships, so caution is advisable. In this study, the researcher has applied regression analysis to estimate the relationship between organization development and its influencing factors.

Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.931	0.867	0.863	0.30862

The above table shows the model summary of regression analysis. The r value represents the correlation between dependent and independent variables. The r value which is calculated for the study is 0.931, shows a perfect positive correlation between the dependent and independent variables. R square is simply the square of R, but it has special significance.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig
	B	Std. Error			
Constant	0.325	0.077		4.204	0.000*
Emotional Intelligence	0.117	0.028	0.122	4.145	0.002*
Job Satisfaction	0.315	0.039	0.320	8.047	0.000*
Motivation	0.061	0.026	0.061	2.390	0.018**
Leadership	0.319	0.039	0.322	8.111	0.000*
Communication	0.062	0.037	0.061	1.687	0.093NS
Decision Making	0.143	0.026	0.138	5.451	0.000*
Team Building	0.162	0.035	0.164	4.647	0.000*

*significant at 1 per cent; **significant at 5 per cent level; NS= Not Significant

Dependent Variable: Overall Organization Development

The r square value is the proportion of variance in one variable accounted by the other variable. The r square value indicates that 86.7 percent of variance in the overall organization development is accounted by the independent factors (emotional intelligence, job satisfaction, motivation, leadership, communication, decision making and team building) The coefficients of regression analysis are shown in the above table. The B value represents constants and coefficients for the regression equation and Beta values show the strength of association between the two variables. From the table, it is found that out of seven variables which influence organization development, six variables namely emotional intelligence, job satisfaction, motivation, leadership, communication, decision making and team building have significant influence in the organization development. Communication has also significance at 10 per cent level not 5 per cent level assumed for the study. Therefore, it is treated as insignificant and communication should be developed for the organization development.

Hypothesis 1

There is no association between educational level and emotional intelligence.

H0: There is no association between educational status and emotional intelligence

H1: There is an association between educational status and emotional intelligence

In order to test the hypothesis, the data regarding the same has been collected and chi-square test is used to validate the hypothesis. The results as follows

5. Chi-Square Test

	Value	Asymp.sig (2 tailed)
Pearson Chi-Square	17.031	0.002
Likelihood Ratio	16.273	0.003
Linear-by-Linear	14.079	0.000
No of valid cases	256	

The above table gives cross tabulation for emotional intelligence with respect to educational status. It is observed from the table that majority of the respondents have secured medium score values and only few respondents have secured high score values. The calculated chi-square value (17.031) is greater than the table value and the p value is less than 0.05. Therefore, the researcher rejects the null hypothesis that there is no association between educational status and emotional intelligence. It is concluded from the study that there is an association

between emotional intelligence and educational status.

Hypothesis 2

There is no significant association between experience and job satisfaction.

H0: There is no association between experience and job satisfaction

H1: There is an association between experience and job satisfaction

In order to test the hypothesis, the data pertaining to the same has been considered and the results are shown below.

Chi-Square Test

	Value	Asymp.sig (2 tailed)
Pearson Chi-Square	8.129	0.084
Likelihood Ratio	9.617	0.047
Linear-by-Linear	1.965	0.161
No of valid cases	256	

The above table gives chi-square value for the two variables namely experience and job satisfaction. Since the p value is greater than 0.05, the researcher accepts the null hypothesis and concludes that there is no association between experience and job satisfaction. It is clear from the test that job satisfaction is not based on only experience and many factors influence job satisfaction.

Hypothesis 3

There is no association between educational status and motivation

H0: There is no association between educational status and motivation

H1: There is an association between educational status and motivation

Chi-Square Test

	Value	Asymp.sig (2 tailed)
Pearson Chi-Square	17.774	0.023
Likelihood ratio	14.019	0.081
Linear-by-Linear Association	3.891	0.049
No of cases	256	

The calculated chi-square value is greater than the table value and therefore the researcher rejects the null hypothesis. As a result, the researcher accepts the alternative hypothesis that there is association between educational level of the employees and motivation.

Hypothesis 4

There is no association between experience and communication

H0: There is no association between experience and communication

H1: There is an association between experience and communication

Chi-Square Test

	Value	Asymp.sig (2 tailed)
Pearson Chi-Square	2.56	0.671
Likelihood ratio	2.929	0.570
Linear-by-Linear Association	0.55	0.457
No of cases	256	

The researcher has used Chi-Square Test to see whether there is any association between experience and communication. The calculated Chi-Square value is less than table value at 5 per cent level of significance. As a result, the researcher has accepted the null hypothesis that there is no association between experience and communication. Communication is essential for the organization development and it should reach all categories of employees in the organization irrespective of their job status.

Hypothesis 5

There is no association between educational status and leadership

H0: There is no association between educational status and leadership

H1: There is an association between educational status and leadership

Chi-Square Test

	Value	Asymp.sig (2 tailed)
Pearson Chi-Square	14.617	0.006
Likelihood ratio	14.502	0.006
Linear-by-Linear Association	12.768	0.000
No of cases	256	

The calculated chi-square value (14.617) is greater than the table value (2.56) at 5 per cent level of significance and the p value is less than 0.05. The researcher, therefore, rejects the null hypothesis and accepts the alternative hypothesis that there is an association between educational level and leadership.

Hypothesis 6

There is no association between experience and team building

H0: There is no association between experience and team building

H1: There is an association between experience and team building

Chi-Square Test

	Value	Asymp.sig (2 tailed)
Pearson Chi-Square	3.697	0.449
Likelihood ratio	3.889	0.421
Linear-by-Linear Association	0.684	0.408
No of cases	256	

The above table furnishes the chi-square test results of two variables (Experience and Team Building). Since the p value is greater than 0.05, the researcher accepts the null hypothesis that there is no association between experience and team building.

6. Findings of the study:

Hypotheses Testing

Six hypotheses have been framed for the study and Chi-Square Statistic was used to substantiate them. The result of the hypotheses testing and the resulting inferences are summarized below;

Hypothesis 1: There is no association between educational status and emotional intelligence.

The chi-square test proves that there is an association between emotional intelligence and educational status.

Hypothesis 2: There is no significant association between experience and job satisfaction.

Chi-Square test supports the hypothesis that there is no association between experience and job satisfaction.

Hypothesis 3: There is no association between educational status and motivation

Chi-Square test rejects the hypothesis that there is no association between educational level of the employees and motivation.

Hypothesis 4: There is no association between experience and communication

Chi-Square test supports the hypothesis that there is no association between experience and communication.

Hypothesis 5: There is no association between educational status and leadership

Chi-Square test result rejects the hypothesis that there is no association between educational level and leadership.

Hypothesis 6: There is no association between experience and team building

Chi-Square test accepts the hypothesis that there is no association between experience and team building

7. Suggestions

The following suggestions are offered in the light of the findings of the study:

The overall development of the organization should be improved by paying special attention to the dimensions of Communication, Emotional

Intelligence, Leadership and Job Satisfaction. The executives should be fully involved in formulating and implementing important policies and strategies. In order to strengthen and maintain the positive relationship between the organization development and job satisfaction, the management should take steps to make the executives be aware and appreciative of the present policies of the organization. A significant improvement in the overall performance of the executives could be brought about by motivating them properly through personal contact, training programs and meetings. The gap between the subordinates and superiors should be narrowed. This could be achieved by motivating the subordinates in the proper way and by modifying the managerial and personnel policies to meet their expectations.

In general, managerial and personnel policies and practices should be modified in relation to satisfy the expectations of all the executives. In particular, the recruitment policy should be free of favouritism and personal bias. There should be sufficient scope for promotion and career advancement besides instituting satisfactory procedures for handling grievances.

8. Conclusion

The growth of any organization depends on its employees, processes, planning, strategies, management vision and the nature of the business environment etc. A single intervention in organization development cannot contribute meaningfully to organizational success. In the long term, each of the variables discussed above contributes its share. The exact measure of the each variable's contribution can be attained only by experience. Public sector undertakings are lacking in this area mainly because of frequent transfers of the key employees between the branches and the sister organizations. However in the interests of the organizations, organizational development has to be ensured through controls and targets at all times. Organizational development can be better implemented in such public sector organizations only through fixing of proper authority and responsibility. The key success factor in public sector undertakings has been the fixing and monitoring of the production targets and financial performance targets of the organizations. However mostly the value of human capital has not been effectively measured to represent the value of the firm in case of public sector undertakings. As we have seen from the results of the study, effective organizational development can greatly improve the value as well as effectiveness of human capital. The focus on personal and organizational factors help the organization to perform better and thereby the

financial performance will improve. Thus it is important to focus on the benefits of organizational development while going in for evaluation of any organization. This can help in improving the effectiveness of organizational development practices among the firms leading to increased productivity and profitability of organizations.

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