Impact of Organisational Climate on Employee Performance: With Special Reference to Automobile Industry in Chandigarh

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Abstract

Organisational Climate plays a very important role in the growth and development of an organisation. It is very important that proper work environment is provided to the employees as it increases their moral, which thereby promotes their productivity. The organisational climate also promotes job involvement, which makes the employees more loyal to the organisation. The present paper attempts to study the impact of organisational climate on employee performance.

Keywords: *Organisational climate, Job involvement, Employee Performance*.

1. INTRODUCTION

1.1 ORGANISATIONAL CLIMATE

Organizational climate is the common opinion of employees who work and play a vital in the organization. It is the individual insights regarding the organizational techniques, policies and practices. It signifies the psychological environment of the organization comprising of individual opinions outlined upon micro events that happen to them as well as to others around, over a period of time. It is the set of considerable things in the work environment, observed straightforwardly or incidentally by the members, persuading their work and satisfaction.

The Organizational Climate enables the firm to recognize to the insufficiencies in connection with different organizational aspects, such as organizational structure, employee compensation system, interaction level, physical atmosphere, organizational culture, etc. It is the evident attribute of a firm and its sub-systems as simulated in the manner in which an organization deals with its acquaintances, team members and organizational difficulties. It is comparatively continuing excellence of the in-house atmosphere that is practiced by its employees which influences their functioning and can be described in terms of the values of a particular set of activities in the firm.

Although related types of organisation will segment certain usual features and norms, each organisation will have its specific and diverse and distinctive features. The normative environment of a particular organisation exposes the account of its internal and external tussles, its work procedures, physical layout, patterns of communication, the kind of people employed and the use of authority. Typical features of shared feelings and beliefs will be circulated on to the new group of members

1.2 VARIABLES OF ORGANISATIONAL CLIMATE

The variables that comprise the climate, are the certain characteristics that differentiate one working environment from another, as seen by participants of an organisation. These factors are assumed to be quantifiable and manipulative to some extent. The factors state the degree to which methods used to accomplish tasks to be spelled out by an organisation and granting of additional rewards such as promotions and increase in salary based on performance and merit, instead of other considerations like seniority, favoritism and so on. To some extent, reserving the important decisions to be taken by the management are also essential. Laying emphasis on the people in an organisation to do a good job and contribute to the performance objectives of the organisation and focusing on the degree to which an organisation tries to support the performance of individuals through appropriate training and development experience. There are instances where the degree to which people try to cover up their mistakes and pretend to be good rather than being open minded through free communication and cooperation which is also considered.

1.1.1 1.3 FACTORS INFLUENCING ORGANISATIONAL CLIMATE

1.1.2 Organisational climate is an indicator of the mindsets of organisational participants towards the organisation. Researchers have used the data concerning the individual perception of organisational belongings in categorizing organisational climate. Even in this context, there is a great amount of diversity. The perceptions of the degree of organisational restraints, rules, regulations, red tape, feeling of independence of being one's own boss, outlooks related to being assertive of adequate and appropriate rewards, degree of challenge and risk in the work situation.

2. LITERATURE REVIEW

Noah (2008) in his investigative study regarding the existing level of worker participation in management decision making in Nigerian work environment found that employees have high interest in participation in the process of decision making in their workplace. The study also observed that there was significant relationship between education and age of the employees and employee's involvement in decision-making.

Bruce Cooil et al. (2009) in their study proposed a methodological approach that is new to the service to explore how organisational climate is related to various business outcomes. Data was collected from a large, multinational retail grocery superstore based in continental western Europe. The study illustrates how multivariate partial least squares (MPLS) can be used to measure organisational climate. MPLS provide three interpretable factors of climate namely, overall organisational climate, Staff Efficiency Versus, Leaders Efficiency and Personal Empowerment Versus Management Facilitation. The important procedures of these three business outcomes are employee retention, customer satisfaction and sealed revenue.

Mylle and Psy (2011) in their study accessed the organizational climate of armed forces of Belgian and concluded that to manage and to lead a unit organizational climate play a very important role thus the commander of the unite must have a well defined mechanism to access the climate which will help him to formulate plans. They also suggested that the mechanism preferred must be easy to use and incorporate both theoretical as well as psychometric aspect the convenient use of the instrument or method enable the commander to utilize its potential.

Karanges et al. (2014) investigated whether social factors, namely perceived support and identification, play a mediating role in the relationship between internal communication and engagement. Findings stated that organizations and supervisors should focus internal communication efforts toward building greater perceptions of support and stronger identification among employees in order to foster optimal levels of engagement.

Seniwoliba (2013) studied the job satisfaction level of teachers in public senior high school in the Temale Metropolis of Ghana and it was found that extrinsic factors i.e. salary, incentives, working conditions, security (Medical allowance and future pension benefits) motivates the employees and helps in achieving job satisfaction effectively. Salary and working conditions play a larger role in job satisfaction and by enlarge organizations should focus on it always and take steps for improving it. Equal pay for equal rank has to be preached by organizations.

3. RESEARCH METHODOLOGY

3.1 OBJECTIVES
1. To study the impact of organisational climate on employees in the automobile companies in Chandigarh.
2. To study the job involvement among employees in the automobile companies in Chandigarh.
3. To give suggestions and conclusion to enhance job involvement and bring in positive organisatonal climate in in the automobile companies in Chandigarh.

3.2 METHODOLOGY

3.2.1 Research Design Used:
Descriptive Research can be described as a statement of activities as they are at existent with the researcher having no power over variable. Moreover, "descriptive research may be characterized as simply the attempt to determine, describe or identify what is, while analytical research attempts to establish why it is that way or how it came to be."

3.2.2 SAMPLING
- It was divided into following parts:

Sampling universe
- 50 employees are the sampling universe for the research.

Sampling technique
- Convenience sampling
- Sample was taken on convenience basis. The advantage of sampling are that it is much less costly, quicker and analysis will become easier.

3.2.3 Sample Size taken was 50 employees of the automobile companies in Chandigarh.

3.2.4 Data Collection Methods:
- Primary Data: Structured Questionnaire

3.2.5 Tools for data collection: Questionnaire method

3.3 Tools for analysis: For the purpose of analysis weighted arithmetic mean, percentage method along with charts has been used.

Simple percentage analysis: The percentage refers to the special kind of ratio. Percentage is used in making comparisons between two or more series data. Percentage can also be used to compare the relative teams, the distribution of two or more series data.

Weighted arithmetic mean: The weighted arithmetic mean is similar to an ordinary arithmetic mean (the most common type of average), except that instead of each of the data points contributing equally to the final average, some data points contribute more than others. The notion of weighted mean plays a role in descriptive statistics and also occurs in a more general form in several other areas of mathematics. If all the weights are equal, then the weighted mean is the same as the arithmetic mean.

3.4 LIMITATIONS OF THE STUDY

The study was thoughtful for knowing the organisational climate and job involvement level of the employees of the automobile companies in Chandigarh.

1. The study was restricted to in the automobile companies in Chandigarh.
2. Due to the busy schedule of the employees, responses were delayed and subsequently less time was spent in analyzing the results.
3. The sample selected for the study involves only the employees and there is no involvement of management representatives.
4. The size of the sample of present investigation is limited in its nature, which puts a limitation on the generalization of results of the present study.
5. Few of the employees were disinterested in filling questionnaire.

5. ANALYSIS AND DATA INTERPRETATION

5.1 INTRODUCTION
Data analysis also known as study of data or data analytics is a procedure of examining, cleansing, transforming and modeling data with aim of determining useful information, suggesting conclusions and supporting decision-making.

5.2 ORGANISATIONAL CLIMATE

1. In order to study the Organisational Climate the growth prospects and opportunities were studied.

Table 1: Growth Prospects And Opportunities

S.NO	OPINION	NO. OF RESPONDENTS	PERCENT(%)	WEIGHT (W)	WEIGHTED MEAN (WX)
1	Strongly Agree	16	32	5	80
2	Agree	26	52	4	104
3	Neutral	7	14	3	21
4	Disagree	1	2	2	1
5	Strongly Disagree	0	0	1	0
	TOTAL	50	100		206

$$\text{Weighted Average} = \sum(WX)/\sum X$$
$$= 206/50 = 4.12$$

Interpretation: The above data shows that 32% of the respondents strongly agreed, while the agreed percentage was 52%, 14% were neutral and 2% disagreed with the statement that the growth opportunities are favorable.

Table 1 shows the weighted mean 4.12 so it means that the employees very highly agree with the statement that the growth opportunities are favorable.

2. In order to study the Organisational Climate the grievances and complaints of the employees were studied.

Table 2: Grievances And Complaints of The Employees

S.NO	OPINION	NO. OF RESPONDENTS	PERCENT(%)	WEIGHT(W)	WEIGHTED MEAN (WX)
1	Strongly Agree	5	10	5	25
2	Agree	30	60	4	120
3	Neutral	6	12	3	18
4	Disagree	5	10	2	10
5	Strongly Disagree	4	8	1	4
	TOTAL	50	100		177

$$\text{Weighted Average} = \sum(WX)/\sum X$$
$$= 177/5 = 3.54$$

Interpretation: The above data shows that 10% of the respondents strongly agreed, while the agreed percentage was 60%, 12% were neutral, 10% disagreed and 8% strongly disagreed regarding

systematic management of complaints and grievances.

Table 2 shows the weighted mean as 3.54 which means the respondents agreed regarding systematic management of complaints and grievances.

3. In order to study the Organisational Climate, fair salaries, allowances and perks were studied.

Table 3: Fair Salaries, Allowances And Perks

S.NO	OPINION	NO. OF RESPOND ENTS	PERCEN T(%)	WEIG HT(W)	WEIGHTE D MEAN (WX)
1	Strongly Agree	9	18	5	45
2	Agree	24	48	4	96
3	Neutral	13	26	3	39
4	Disagree	3	6	2	6
5	Strongly Disagree	1	2	1	1
	TOTAL	50	100		187

Weighted Average = $\sum(WX)/\sum X$
= 187/50 = 3.74

Interpretation: The above data shows that 18% of the respondents strongly agreed, while the agreed percentage was 48%, 26% were neutral, 6% disagreed and 2% strongly disagreed with the above statement that salaries, allowances and perquisites are favorable in comparison with other companies.

Table 3 shows that the weighted mean is 3.74 which means that the respondents agreed with the statement that salaries, allowances and perquisites are favorable in comparison with other companies.

4. In order to study the Organisational Climate, employee's participation in different committees. Was studied.

Table 4: Employee's Participation In Different Committees

S.NO	OPINION	NO. OF RESPON DENTS	PERCE NT(%)	WEI GHT (W)	WEIGH TED MEAN (WX)
1	Strongly Agree	2	4	5	10
2	Agree	18	36	4	72
3	Neutral	23	46	3	69
4	Disagree	4	8	2	8
5	Strongly Disagree	3	6	1	3
	TOTAL	50	100		162

Weighted Average = $\sum(WX)/\sum X$
= 162/50 = 3.24

Interpretation: The above data shows that 4% of the respondents strongly agreed, while the agreed percentage was 36%, 46% were neutral, 8% disagreed and 6% strongly disagreed regarding their participation in different committees.

Table 4 shows weighted mean as 3.24 which means the respondents were neutral regarding their participation in different committees responsible for decision making regarding organisational affairs.

5. To find out whether the objective assessment of merit is essential for recruitment of people in the company.

Table 5: Assessment Of Merit Is Essential For Recruitment

S.NO	OPINION	NO. OF RESPONDE NTS	PERCEN T(%)	WEIGHT (W)	WEIGHTE D MEAN (WX)
1	Strongly Agree	7	14	5	35
2	Agree	37	74	4	148
3	Neutral	3	6	3	9
4	Disagree	3	6	2	6
5	Strongly Disagree	0	0	1	0
	TOTAL	50	100		198

Weighted Average = $\sum(WX)/\sum X$
= 198/50 = 3.96

Interpretation: The above data shows that 14% of the respondents strongly agreed, while the agreed percentage was 74%, 6% were neutral and 6% disagreed.

Table 5 shows weighted mean as 3.96 which means the respondents agreed with the above statement that objective assessment of merit is essential for recruitment of people.

6. To study whether the employees are suitably rewarded for their contribution towards the productivity and efficiency of the company.

Table 6: Employees Suitably Rewarded For Their Contribution

S.NO	OPINION	NO. OF RESPON DENTS	PERCE NT(%)	WEIG HT(W)	WEIG HTED MEAN (WX)
1	Strongly Agree	9	18	5	45
2	Agree	15	30	4	60
3	Neutral	19	38	3	57
4	Disagree	5	10	2	10
5	Strongly Disagree	2	4	1	2
	TOTAL	50	100		174

Weighted Average = $\sum(WX)/\sum X$
= 174/50 = 3.48

Interpretation: The above data shows that 18% of the respondents strongly agreed, while the agreed percentage was 30%, 38% were neutral, 10% disagreed and 4% strongly disagreed with the above statement that the employees are suitably rewarded for their contribution.

The above table shows weighted mean as 3.48 which means the respondents were neutral with the above statement that the employees are suitably rewarded for their contribution towards productivity and efficiency.

7. To study whether the retirement benefits for the employees are fair or not.

Table 7: Fairness Of Retirement Benefits

S.NO	OPINION	NO. OF RESPONDE NTS	PERCEN T(%)	WEIGHT (W)	WEIG HTED MEAN (WX)
1	Strongly Agree	1	2	5	5
2	Agree	14	28	4	56
3	Neutral	23	46	3	69
4	Disagree	11	22	2	22
5	Strongly Disagree	1	2	1	1
	TOTAL	50	100		153

$$\text{Weighted Average} = \sum(WX)/\sum X$$
$$= 158/50 = 3.06$$

Interpretation: The above data shows that 2% of the respondents had strongly agreed, while the agreed percentage was 28%, 46% were neutral, 22% had disagreed and 2% were strongly disagreed towards retirement benefits..

Table 7 shows weighted mean as 3.06 which means the respondents were neutral towards retirement benefits.

8. Attending various training courses and conferences is a regular affair of employees of this company.

Table 8: Attending Training Courses And Conferences Is A Regular Affair

S.NO	OPINION	NO. OF RESPONDE NTS	PERCEN T(%)	WEIGHT(W)	WEIGHTE D MEAN (WX)
1	Strongly Agree	0	0	5	0
2	Agree	18	36	4	72
3	Neutral	16	32	3	48
4	Disagree	14	28	2	28
5	Strongly Disagree	2	4	1	2
	TOTAL	50	100		150

$$\text{Weighted Average} = \sum(WX)/\sum X$$
$$= 150/50 = 3$$

Interpretation: The above data shows that 36% of the respondents agreed, 32% were neutral, 28% disagreed and 4% strongly disagreed with the above statement that they attend various training courses and conferences.

The above table shows the weighted mean as 3 which means the respondents were neutral with the statement that they attend various training courses and conferences.

6.1 FINDINGS

1. Majority of the Respondents fall in the age group of 20-30 years (80%)
2. Number of male employees are more than female employees.
3. Number of male employees are more than female employees.
4. Majority of the respondents are married.
5. All the Organisational Climate dimensions are positively viewed by the respondents with the mean scores ranging from 2.84 to 4.12 on a 5-point Likert type agreement scale. Mostly the responses have a mean about 3 which indicates the respondents' agreement with the existence of positive organisational climate in the automobile industry.
6. It is found that the workers in the automobile industry are given sufficient opportunity in the managerial decision-making and during conflicts, the stronger party does not force their point of view and principles and organisational ideas are considered.
7. Majority of the respondents agreed that there are favorable growth opportunities in the automobile industry.
8. Majority of the respondents agreed that the management systematically cares about the problems.
9. Majority of the respondents agreed that hard work is always appreciated.
10. Majority of the respondents are personally involved in their job.

6.3 CONCLUSION

From analysis it was observed that there is a scope for the improvement in the automobile industry in Chandigarh. The management should present better retirement benefits, which will help in maintaining the employees for longer. Employees should be divulged with better training in order to advance efficiency and achieve targets on time. Such measures should be taken into consideration through which employee's family welfare can be taken care of. From analysis it is concluded that overall the working conditions, management policies are quite good, flexible.

Employees are satisfied with their job and are actively involved in their respective job roles

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