

A Study on The Organizational Climate in ONGC Cauvery Asset, Karaikal

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ABSTRACT - Organizational climate is of great significance for utilization of human relations and resources at all levels. Organizational climate has a major influence on motivation, productivity, organizational commitment and job satisfaction. It is also a major motivating factor responsible for satisfaction and dissatisfaction of employees and affects the quantum of their turnover. The primary aim of the study is to analyze organizational climate of the ONGC Cauvery Asset of Karaikal. The study reveals that employees belong to lower level management perceive poor perception, employees belongs to middle and higher level management perceives the moderate and high level of perception about overall organizational climate.

Key Words: Organizational Climate, Employee perception about organizational climate

I. INTRODUCTION

Organizational climate is the core circle of the human environment in the boundaries of which the employees of an organization work. Climate affects each activity in an organization directly or indirectly and is affected by almost everything that occurs in the organization. The survival and growth of any organization is directly proportional to the favorable climate in it. Employees in the organization have to be well conversant with rites, rituals, policies etc. This can only bring a sense of belongings among employees and further help in the growth of the organization. Organizational climate is of great significance for utilization of human relations and resources at all levels. Organizational climate has a major influence on motivation, productivity, organizational commitment and job satisfaction. It is also a major motivating factor responsible for satisfaction and dissatisfaction of employees and affects the quantum of their turnover.

CONCEPT OF ORGANIZATIONAL CLIMATE

Research on organizational climate can be traced back to the 1930s. With the human relations movement pioneered by Hawthorne, researchers turned their attention from the "hard" physical environment to the "soft" psychological environment; thus the concept of organizational climate was born. The first researcher to initiate studies in this area was Kurt Lewin, the founder of group dynamics (1939). In his famous "leadership style" study, Lewin applied three different leadership styles, democracy, autocracy and laissez-faire, to create a different group atmosphere and was the first to propose the concept of organizational

climate. However, he failed to define climate. Later, Forehand (1964) outlined three features of organizational climate: firstly, it varies among different organizations; secondly, it is persistent; lastly, it can affect the behavior of organizational members. Since Litwin, et al (2001) proposed the empirical study of organizational climate, studies in this area have proliferated. Litwin defined organizational climate as "a group of measurable characteristics that members could perceive directly or indirectly in the work environment," and as a description of environmental factors, it could help researchers ascertain the effects of environment on employee motivation. In addition, organizational climate was the most common variable applied to descriptions of the organizational context. As a description of individuals' perception of organization, organizational climate was more similar to the real behavior than the real environment.

As a result of the interaction between the organization and environment, organizational climate was rich in content. Using different operational definitions, researchers tended to select different atmosphere dimensions in studies. Aguirre's classification of the organizational environment has been the most widely recognized (1968). He classified the organizational environment into four dimensions, namely ecology, background, social system and culture, and speculated that organizational climate is the sum totals of the environmental characteristics of a group which results from the interaction of the four dimensions. When investigating organizational climate, the researchers should select variables from the four dimensions: ecology refers to organizational material resources, including equipment, materials, instruments, construction and

finance; background environment covers all the background characteristics of an organization's members, including socio-economic status, education level, self-concept of members and so on; social system represents the interaction between formal and informal roles in organizations, including administrative organization, guidance programs, interaction between leaders and members, decision-making and participation models; culture relates to contained norms, belief systems, values, cognitive structures and so on (Tang & Chen, 2001). Thus, the concept of "organizational culture" that has been intensively and extensively developed in recent years is actually a micro-level of the concept of organizational climate and is the extension of its further investigation.

In short, organizational climate describes the members' perception of their work environment. Looking at existing studies, two basic modes are apparent: one is the macro mode, namely the investigation aimed at the organizational climate individual perceives in the entire work environment; the other is the micro mode, namely the investigation aimed at a certain dimension or a certain environment of the organization. In recent years, more and more researchers consider that the micro mode not only measures organizational climate accurately, but also is, more practical value to the organization (Ren, Huang & Zheng, 2001; Tang & Chen, 2001).

STATEMENT OF THE PROBLEM

In today's turbulent and dynamic environment, the ultimate development and survival of a company depends on the knowledge, skills and capabilities of its employees; on the other hand, both depend even more on directing those skills and knowledge towards reaching the company's goals. Only a satisfied and committed employee will be dedicated to his/her work, demonstrate creativity and aim towards meeting the needs and wishes of the company's customers. Thus, in today's times of fierce global competition, almost all companies seek to have a good organizational climate, the opportunity to increase employee commitment and job satisfaction and direct the employees towards achieving company's objectives and to achieve its competitive advantage and value.

The organizational climate is a significant tool for utilization of human resources and also it is a major motivating factor responsible for satisfaction and dissatisfaction of the employees. Every organization that strives for profit, progress and sustained development must adopt strategies aimed at enhancing the commitment level of its employees. Organizational climate is considered as a predictor of employees' commitment and job satisfaction. It is clear that behavior is a function both of person's characteristics and an important environmental feature in work settings. A good organizational climate, committed employees and job satisfaction are vital factors for Indian

industries in general and public sector undertaking in particular to achieve the organizational goals. The ONGC is being a giant public sector undertaking and how it has to maintain organizational climate for increasing employee commitment and job satisfaction to achieve the competitive advantage. Therefore, Oil and Natural Gas Corporation Limited has chosen for the study. The ONGC has basins in Frontier, Assam Arakan, Western Onshore, Western Offshore, B-173 Basin, KG Basin, and the Cauvery. The assets are in Assam, Ankhleshwar, Ahmedabad, Mehsana, Rajmundry, Mumbai High, Neelam and Heera Bassein and Satellite and Karaikal. The Cauvery Asset of the Oil and Natural Gas Corporation has made remarkable progress in all spheres of oil and gas production, Cauvery asset has its base office in Neravy, Karaikal a district in the Union Territory of Pondicherry. Cauvery Asset spreads over two States, namely, Tamil Nadu and Pondicherry. The Cauvery Asset's operational areas are spread over 27,800 sq.km of land and approximately 30000 sq. km offshore. In Tamil Nadu, exploration and production activities are spread over Nagapattinam, Ramnad, Thiruvavur, Thanjavur and Cuddalore districts. Further, the operational areas of Cauvery Asset are spread over 100 km north of Neravy to 400 km south of Neravy, having many production fields, 144 layers and 210 wells. Hence, the Cauvery Asset of Karaikal is purposively selected for the study to analyze the organizational climate.

II. METHODOLOGY

In the present study descriptive method is used to study the prevailing organizational climate in the study unit. The researcher used the descriptive research design in order to obtain a proper definition of the problem with the help of literature surveys. Descriptive research design is best suited for formulating of a problem for precise investigation. The study made use of primary data, which was collected through the questionnaires.

SAMPLE SIZE

There are 1227 employees are working in the ONGC Cauvery Asset Karaikal, of which 268 employees, 625 employees and 334 employees belong to the top level, middle level and lower level management. As per the sample size determination formula the required minimum sample size is 431 employees at 99 per cent confidence level, which constitute 35.13 per cent of the total population. Therefore, 35.13 per cent of the employees selected from each category on the basis of proportionate stratified random sampling method. Thus, the total sample of 431 employees consists of 94 top level management, 220 middle level management and 117 lower level management employees.

III. RESULT AND DISCUSSION

In order to measure the level of organizational climate seven variables are identified, namely, Organization Design, Communication, Leadership, Teamwork, Decision-making, Culture and Motivation. The level of organizational climate is measured through the mean score obtained by the respondents. A five point Likert type scale was used to analyze the perceived value of the organizational climate. The scale is ranges from strongly agree to strongly disagree, the 5 score for strongly agree, 4 agree, 3 for scores neutral, 2 disagree and 1 for strongly disagree, higher mean score indicates higher perception about the organizational climate. The mean score is calculated as:

Mean score = Total scores/Total No of Respondents, Subsequently, the mean score thus calculated was converted into percentage by the following formula: The mean score (%) = Mean score obtained/Maximum score X 100. Thus, the mean score and mean score percentage of the respondents and overall average were tabulated and interpreted in the succeeding pages.

OVERALL ORGANIZATIONAL CLIMATE

The overall mean score obtained by the respondents for overall organizational climate taken together of seven variables, namely Organization Design, Communication, Leadership, Teamwork, Decision-Making, Culture and Motivation is shown in table 1. The maximum score is 155.

TABLE 1 PERCEPTION ABOUT OVERALL ORGANIZATIONAL CLIMATE

S.No	Factor	Top Level Management (N=94)		Middle Level Management (N=220)		Lower Level Management (N=117)		Overall Average (N=431)	
		Mean Score	Mean Score (%)	Mean Score	Mean Score (%)	Mean Score	Mean Score (%)	Mean Score	Mean Score (%)
01	Organization Design	21.81	72.70	15.43	51.43	8.42	28.07	14.92	49.73
02	Communication	11.45	76.33	8.75	58.33	4.25	28.33	8.11	54.07
03	Leadership	15.36	76.80	12.43	62.15	4.80	24.00	11.00	55.00
04	Teamwork	19.88	79.52	13.90	55.60	7.36	29.44	13.43	53.72
05	Decision-Making	18.18	72.72	14.29	57.16	6.06	24.24	12.90	51.60
06	Culture	14.74	73.70	10.67	53.35	4.61	23.05	10.55	52.75
07	Motivation	12.11	60.55	8.12	40.60	4.05	20.25	7.88	39.40
	Overall Average	113.53	73.25	83.71	54.01	41.91	27.04	78.87	50.88

Source: Primary Data

Table 1 reveals that out of a maximum score of 155, the respondent has obtained a mean score of 50.88 per cent, the top level, middle level and lower level management has obtained 73.25 per cent, 54.01 per cent and 27.04 per cent respectively. Therefore, it can be inferred from the table that the top level management perceives high perception, the middle level management perceives moderate perception and lower level management perceive a poor perception about the overall organization climate of the study unit.

4.4 LEVEL OF PERCEPTION ABOUT ORGANIZATIONAL CLIMATE

The level of perception of the respondents is classified into Low, Medium and High, which is calculated with the following formula; Lower level = Mean - 1 Standard deviation and the Higher level = Mean + 1 Standard deviation. The level of perception of the respondents about the organizational climate is shown in the succeeding pages.

4.4.8 LEVEL OF PERCEPTION ABOUT OVERALL ORGANIZATIONAL CLIMATE

The level of perception of the respondents about the overall organizational climate is shown in table 2.

TABLE 2 LEVEL OF PERCEPTION ABOUT OVERALL ORGANIZATIONAL CLIMATE

Level of Management	Level of Perception			
	Low	Moderate	High	Total
Higher Level Management	09 (05.77)	17 (11.33)	68 (54.40)	94 (21.81)
Middle Level Management	55 (35.26)	118 (78.67)	47 (37.60)	220 (51.04)
Lower Level Management	92 (58.97)	15 (10.00)	10 (08.00)	117 (27.15)
Total	156 (100.00)	150 (100.00)	125 (100.00)	431 (100.00)

Source: Primary Data, Note: Figures in the parentheses are percentages

Table 2 reveals that out 431 respondents 156, 150 and 125 respondents reported low, moderate and high level of perception about overall organizational climate. Among the respondent who experienced a low level of perception, the majority of the respondents, 35 per cent and 6 per cent of the respondents belong to lower, middle and higher level management. Out of 150 and 125 respondents who experienced moderate and high level of perception, the majority of the respondents belong to middle and higher level management respectively. Therefore, it can be inferred from the table that employees belong to lower level management perceive poor perception, employees belong to middle and higher level management perceives the moderate and high level of perception about overall organizational climate in the ONGC Cauvery Asset, Karaikal.

RELATIONSHIP BETWEEN DESIGNATION AND LEVEL OF PERCEPTION

To find out whether there is any significant difference between the designation-wise distribution and level of perception, a null hypothesis is framed and tested with the help ‘t’ test. The result is shown in table 3.

Null hypothesis

There is no significant difference between designation of the respondents and their level of perception about organizational climate.

TABLE 3 RELATIONSHIP BETWEEN DESIGNATION AND LEVEL OF PERCEPTION

Category	Count	Mean	S.D	t-value	Result
Top Level and Middle Level Management	94	113.53	27.27	2.34	*significant
	220	83.71	19.81		
Top Level and Lower Level Management	94	113.53	27.27	6.58	**Significant
	117	41.91	11.20		
Middle Level and Lower Level Management	220	83.71	19.81	5.04	*Significant
	117	41.91	11.20		

*Significant at 5% level; ** Significant both at 5% level and 1% level.

Table 3 reveals that the result of t-test indicates that there is a significant difference between Top level and Middle level management, Top level and Lower level management and Middle and Lower level management about perception overall organizational climate of the study unit.

IV. CORRELATION MATRIX

To find out whether there is any significant association between organizational climate factors such as Organization Design, Communication, Leadership, Teamwork, Decision-Making, Culture and Motivation and overall organizational climate of the study unit a null hypothesis is framed and tested with correlation coefficient.

Null hypothesis

There is no significant association between organizational climate factors such as Organization Design, Communication, Leadership, Teamwork, Decision-Making, Culture and Motivation and Overall Organizational Climate.

The result is shown in table 4.

TABLE 4 CORRELATION MATRIX

Variables	Overall organizational Climate	Organization Design	Communication	Leadership	Teamwork	Decision-Making	Culture	Motivation
Overall organizational Climate	1.00							
Organization Design	-0.58	1.00						
Communication	-0.54	- 0.35	1.00					
Leadership	-0.11	- 0.74	0.88**	1.00				
Teamwork	- 0.10	- 0.72	0.86**	0.99**	1.00			

Decision-Making	0.71**	- 0.99	0.19	0.62**	0.62**	1.00		
Culture	0.16	- 0.89	0.73**	0.96**	0.97**	0.80**	1.00	
Motivation	0.99**	-0.59	- 0.55	- 0.09	- 0.09	0.71	0.16	1.00

**Significant at 15 and 5% level

Table 4 shows that the Organization Design, Communication, Leadership, and Teamwork are negatively correlated with overall organizational climate, the correlation between culture and overall organizational climate is positively correlated but not statistically significant. The decision making and motivation are positively and significantly correlated with overall organizational climate.

DEMOGRAPHIC VARIABLES AND LEVEL OF PERCEPTION

In order to find out whether there is any significant difference between demographic variables of the respondents and their level of perception with overall organizational climate, a null hypothesis is framed and tested with the help of the chi-square test. The result is given in table 5.

Null hypothesis

There is no significant difference between demographic variables of the respondents and their level of perception about organizational climate.

TABLE 5 - CHI-SQUARE TEST RESULT

Demographic variable	Chi-Square Test – Value	Df	Table value 5% level	Table value 1% level	H ₀ Accepted / Rejected	Significance
Sex and level of perception	3.31	2	5.991	9.210	Accepted	Not significant
Age and level of perception	56.1	4	9.488	13.277	Rejected	**Significant
Marital status and level of perception	58.9	2	5.991	9.210	Rejected	**Significant
No. of Dependent and level of perception	32.7	4	9.488	13.277	Rejected	**Significant
Educational qualifications and level of perception	6.25	6	12.592	16.812	Accepted	Not significant
Department of the respondents and level of perception	80.5	6	12.592	16.812	Rejected	**Significant
Work experience and level of perception	61.5	4	9.488	13.277	Rejected	**Significant
Income and level of perception	57.8	4	9.488	13.277	Rejected	**Significant

*Significant at 5% level ** Significant both at 5% level and the 1% level.

Table 5 reveals that there is a significant difference between Age and level of perception, Marital status and level of perception, Number of Dependent and level of perception, Department of the respondents and level of perception, Work experience and level of perception and Income and level of perception. However, there is no significant difference between Sex and level of perception and Educational qualifications and level of perception about organizational climate.

V. CONCLUSION

The study reveals that employees belong to lower level management perceive poor perception, employees belongs to middle and higher level management perceives the moderate and high level of perception about overall organizational climate. To conclude, organizational climate has profound impact on the working of the employees in the organization. Therefore, the need for understanding the importance of organizational climate

has become a major area of discussion as the success of the organization depends upon the performance of its employees and the employee's performance depends upon the level of job satisfaction that they have for which the climate of organization is responsible. Successful organizations realize the importance of pleasant work climate which motivates employees and enhance employee commitment and satisfaction.

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