

CHAPTER - II

REVIEW OF LITERATURE

Organizational Climate has become a well-established subject of research, especially in the Western countries in recent past. Over a period of time, the trend is catching up in Indian context also. The objective view of the climate is related to the organization.

A lot of research work is done on organizational climate in Western countries. The concept of organizational climate in India is still in infancy stage, even though a number of studies have been carried out in Indian organizations. The concept of organizational climate refers to the internal environment of an organization, which influences the organizational behaviour. Organizational climate is a summary perception which people have about an organization, which, in turn, influences productivity and performance.

Herbert L.Lyon (1974) studied 'an exploratory investigation of organizational climate and job satisfaction in a hospital'. The organizational climate of hospital is investigated and its impact on job satisfaction is analysed for nurses and administrators. Different climate dimensions are found to influence individual job satisfaction facets for nurses and administrators and the impact of organizational

climate on satisfaction varies with climate dimensions and the type of satisfaction, that is, few dimensions of the organizational climate such as scope of advancement, grievance handling, monetary benefits, training and education, recognition and appreciation, safety and security, welfare facilities, etc., influence individual job satisfaction for nurses and administrators. It is found in general that organizational climate for both occupational groups studied has the most significant impact on self-actualization (personal growth, sense of accomplishment, advancement opportunity and challenging work) a lesser impact on autonomy (setting goals and using training and experience) and importance within and outside of the hospital.

The studies were also related to the hospital and the climate conditions within the hospitals. Organizational climate and patient satisfaction was studied by Timmappayya (1971). He conducted his study in a number of public and private, rural and urban, specialized and general, hospitals in terms of ward social system, inter-role perception, catering service and communication pattern. The hospitals were divided into good and bad ones in terms of their climates and it was found that the good hospitals were having downward upward communication system, good catering service, human-oriented treatment and personal care, leading to a greater patient satisfaction.

Rao and Mehta (1973) carried out a study of organizational climate of Indian schools. They concluded that school systems have very complex climates within a variety of organizational set-ups, which pose serious problem of management.

Sheth (1977) maintains that at present, less is known about the motivational and attitudinal dimensions of the social life of the Indian industrial workers. He concludes that organizational changes are based more on hunches and theoretical models developed in other countries than on sound empirical evidences from the Indian context.

In the words of Litwin and Stringer (1968), "Organizational Climate refers to a set of measurable properties of the work environment, perceived directly or indirectly, by the people who live and work in this environment and assumed to influence their motivation and behaviour".

A study was conducted in two Banks, one a nationalized Bank and the other, a private sector Bank, by K.B.Akhilesh and S.Pandey (1986) in Bangalore. They found that the organizational climate of the nationalized Bank and that of the private sector Bank was different. Further, the climate in the nationalized Bank was inclined to affiliation, i.e. impersonal-orientation, and that the climate in the private-sector Bank was slightly task-oriented.

Davis (1968) found that well structured rules and procedures and their implementation may result in increase in production, but the organizational climate will not be favourable. He concluded that neglect of human resource of an organization may have an adverse effect in future.

A follow-up study was undertaken by C.S.Venkaramanam (1988) relating to the supervisory management relations in 1986 by taking into account nine organizational climate dimensions. He compared the organizational climate of 1982 (when the earlier study was conducted) with that of 1986. The climate was participative and favourable in 1982. He found that the organizational climate had changed adversely in 1986 because of the harsh business climate, which had made the management to take a harsh look at their policies and practices, which inevitably impinged upon the superiors with adverse effects. There was a squeeze on career opportunities, near freeze in earning and virtual ban on training. Similar discernible changes were observed in respect of other dimensions of the organizational climate. Employees develop a grouse against the management when their expectations are not fulfilled. The resultant dissatisfaction with any or all aspects of organizational climate thus becomes a source of grievance and eventually, grievance redressal turns out to be the most critical determinant of the supervisory management relations, particularly in terms of

turbulence and uncertainty. Hence, when business climate suffers, management response to overcome the problems may inevitably change in management policies and practices will have their effect on organizational climate.

The study by Frederickson (1966) indicates that individuals who consistently perceived the climate as either rules-oriented and closely supervised or innovative and loosely supervised had more predictable performance records than those individuals working in inconsistent climates. Inconsistent climate perceptions were associated with lower organizational performance. It was also found that "the amount of administrative work in the simulated job (in-basket exercises) is more predictable in a climate that encourages innovation than in one that encourages standard procedures and that in an innovative climate - greater productivity can be expected of people with skills and attitudes that are associated with independence of thought and action and the ability to be productive in free unstructured situations".

Litwin and Stringer (1966), in their study, suggest that the performance and job satisfaction are related to climate factors. But in most studies, one or the other was examined; so it is difficult to infer whether climates relate more harshly to attitudes or to performance.

Pritchard and Karasick (1973) studied 76 managers from two different industrial organizations. They found climate dimensions to be moderately to strongly related to such job satisfaction facets as security, working conditions and advancement opportunities.

Baldev R.Sharma (1987) studied the organizational climate in 51 Indian industries. The study also covered supervisory : Management relations and labour management relations. Of the nine dimensions of organizational climate studied; safety, security and monetary benefits received greater attention. The most neglected of these dimensions are participative management, training and education. It is also found that supervisory : management relations for the country as a whole are reported to quite good. The overall supervisory : management relations rating is more or less identical to the labour management relations rating.

Johan E.Sheridan studied contextual model of leadership influence in hospital unit, using Kerr and Jermer's (1978) taxonomy of substitute and neutralizer variables to contextual model indicates that the staff nurses' education, group cohesion and work technology substitute for the head nurse's leadership behaviour by having direct and indirect effect on job performance. The hospital administrative climate appeared to neutralize leadership influence. The nurse's job performance also was significantly influenced by an

administrative climate that established performance objectives for individual nurses and provided rewards based on the nurse's accomplishments.

In 1972, Jean Pierre conducted a study of organizational climate of lower level executives and found that the organizational climate is the single most important factor affecting the efforts of the trained managers to apply new knowledge in the organization. This is particularly so for the lower level executives who do not have status and power.

Another study of organizational climate, job satisfaction and job-anxiety, conducted by Sagar Sharma and Devendra Sharma (1989) concluded that favourable perception of the organizational climate was associated with greater job satisfaction.

Baldev R.Sharma and V.S.Ventakaraman (1987) conducted a study and found tht the management can effect changes in the perception of employees through appropriate interventions as clearly suggested by the perception of monetary benefits in 1982-86. A follow-up study suggested that there are a number of areas for future improvement of the organizational climate. They also brought to light a significant fact that the determinants of the supervisor : management relations cannot be assumed to remain constant for all times

to come even in the same organization. With the passage of time and changes, personal needs of employees keep changing.

JOB SATISFACTION:

As a major theoretical and research construct, Job Satisfaction has been researched in more than 3,000 studies. A recent review by Wanous and Lawler found that a number of different conceptual definitions of job satisfaction have been advanced. Some studies have concentrated on overall job satisfaction. Others have dealt with a particular fact of an employee's job.

A.K.Shah (1988) indicated in his study that job satisfaction is a small portion of life satisfaction. Life satisfaction is moderately related to satisfaction over time and health. All these department variables are significantly related to biographical variables. He also indicates that there is no performance of shift work between satisfied and dissatisfied workers.

Mukharjee (1968) made a thorough statistical study of the relationship of various factors in job satisfaction of textile mill workers in Nagpur. The very first group of factors having highest relationship among themselves which contributed to job satisfaction involved satisfaction with

salary administration and other management practices and satisfaction with supervision and work. Satisfaction with social, technical aspects of supervision, intrinsic self-actualizing work aspects and recognition through advancement constitute the next highly related group of factors contributing to job satisfaction.

Patchen (1962), in his study, found that there are three attributes of supervision important to job satisfaction, which are: (a) encouragement of efficiency, (b) going to buffer subordinates, and (c) power to reward.

Andrew Dubriner (1981), during his study, found that job satisfaction is an integral component of an organizational climate. It is a positive emotional state that occurs when a person's job seems to fulfil important job values, provided these values are compatible with one's needs.

By viewpoint of Sushila Singhal and Chitra Srivastava (1982), "Job satisfaction is the 'zest' displayed by an employee contingent on his adjustment in personal, social and work life".

The relationship between occupational level and job satisfaction has been of a substantial interest for a long time. According to Hoppock (1935), there was a clear,

positive relationship between the job level and job satisfaction.

According to Morse's study (1953), those who had higher job satisfaction scores tended to describe their jobs as being more varied and giving them some chance for decisions about their work.

Herzberg (1966) proposed that job satisfaction stemmed from an entirely different set of causes than job dissatisfaction. He argued that, "'satisfiers' which were such work-related dimensions as recognition, autonomy and responsibility and work itself could affect only satisfaction and not dissatisfaction, whereas the positive effect occurred for 'dissatisfiers' such as pay, working conditions and human relations behaviours of supervisors or co-workers".

Loke (1976) presented a summary of dimensions of job that consistently had been found to contribute significantly to employee's job satisfaction.

According to Irish and Barret (1972), there is a 'spillover' interpretation of the relationship between job and life satisfaction.

Organ (1977) showed that when a similar downward trend in job satisfaction was corrected for employee's age, job satisfaction stayed relatively constant.

Salanck and Pfeffer (1977) questioned comparison theories of job satisfaction and suggested that perhaps people decide how satisfied they are with their job not by processing all kinds of information about it but by observing others on similar jobs and making inferences about others satisfaction.

Some studies, [Bass and Bass (1976), Campbell, Converse and Rodgers (1976), Staines (1977), Wilensky (1960)] have suggested that work and non-work are in mutual relation and that satisfaction with work can influence an individual's satisfaction with life in general and vice-versa.

SUMMARY:

The result of the various past studies on organizational climate and job satisfaction are quite different. Some conclusions may emerge from the past studies.

- (1) The organizational climate and job satisfaction are related to each other. Favourable organizational climate influences the higher job satisfaction of the employees.
- (2) Organizational climate and job satisfaction cannot be related to each other. Unfavourable organizational climate leads to frustration among the employees, so there is no relationship between organizational climate and job satisfaction.

The organizational climate influences on the job satisfaction. Favourable organizational climate is an important factor to be considered as the basis of increasing productivity of the organization. The organizational climate is flexible and may be changed from time to time. If it is unfavourable, then changes should be taken and the frustration among the employees about organization should be minimized.

Job satisfaction is also flexible. The expectations of the employees or human beings are different. Certain changes may be necessary to increase the job satisfaction of the human beings.

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