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# A STUDY ON ORGANISATIONAL CLIMATE OF A SELECTED MULTINATIONAL COMPANY

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## ABSTRACT

*To examine the opinion of employees about the influence of motivation and work environment in the organizational climate. The study is carried out through primary and secondary data. The convenient sampling method is applied to collect the primary data from a selected organization.*

**Keywords:** organizational climate, Motivational, Employee and Work Environment.

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## 1. INTRODUCTION

Organisations in the 21<sup>st</sup> century are facing more challenges than ever before. These challenges relate to restructures, mergers and acquisitions, technological trends, political and international trends, increased competition at the local and international level. These challenges are not unique to any specific organisation or industry, but affect all organisations, regardless of their nature, structure or size. One of the challenges is the organisational climate itself.

Organisational climate has a long history in industrial, organisational psychology and organisational behavior. Organisational climate is an internal environment of an organisation within which its employees do their work.

In a fiercely competitive global setting, achieving organisational effectiveness and managing to get the most from employees are prerequisites for organisational survival, let alone prosperity and success in the long run. For this reason, one of the organisational behaviour concepts that have attracted increasing attention - both theoretical and empirical - is organisational climate.

The climate in organisations plays an integral role in how amenable (or hostile) organisations are to change, be it internal or external, and how easily the organisation can

adapt to these changes or development. Organisational climate can be seen as a descriptive concept that reflects the common view and agreement of all members regarding the various elements of the organisation such as structure, systems and practices. One could thus say that, organisational climate essentially refers to the experience of employees in the organisation and the fulcrum of the concept of organisational climate is employees' perceptions.

## 2. REVIEW OF LITERATURE

According to Newman (1975), Joyce and Slocum (1984), the structure of the organisation can influence employees' perceptions of their climate. Steven P. Brown and Thomas W. Leigh (1996) stated that perceptions of motivating and involving psychological climate were related to job involvement, which in turn was related to effort. Effort was also related to work performance.

The relation between the dimensions of organisational climate, perceptions of support for innovation and performance is moderated by organisational slack and a strong connection exists between the different dimensions of organisational climate and perceptions of support for innovation (Antonia Ruiz-Moreno Víctor J. García-Morales, Francisco Javier Llorens-Montes, 2008). There is a positive and strong relationship between diversity management and organisational climate dimensions: policies and procedures, discrimination, gender issues, equality in conditions of employment, discrimination and employment equity (Tjale, Tsedile Ethel, 2005).

## 3. OBJECTIVE OF THE STUDY

To examine the opinion of employees about the influence of motivation and work environment in the organizational climate

## 4. RESEARCH METHODOLOGY

### 4.1. Sources of data

The study is carried out through primary and secondary data.

### 4.2. Sample Selection

The convenient sampling method is applied to collect the primary data from a selected organization.

## 5. DATA ANALYSIS

### 5.1. Factor Analysis - Motivation

The motivating factor consist of thirteen variables in Likert's 5 point scale which ranges from strongly agree to strongly disagree. The application of factor analysis over these thirteen variables derived the following results:

**Table 1** KMO and Bartlett's Test relating to Motivation

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		.587
Bartlett's Test of sphericity	Approx. Chi-Square	630.093
	d .f.	78
	Sig.	.000

From the above table it is found that KMO value 0.587 and Bartlett's test of Sphericity with approximate Chi-Square value 630.093 are statistically significant at 5% level. It denotes

the sample is adequate to represent the motivating factors of organisational climate. The thirteen variables obtain considerable variance to represent the motivational organisational climate.

The following communality table indicates the range of variance exhibiting by thirteen variables of motivation:

**Table 2** Communalities - Motivation

Motivation	Initial	Extraction
MF1	1.000	.618
MF2	1.000	.322
MF3	1.000	.613
MF4	1.000	.610
MF5	1.000	.624
MF6	1.000	.560
MF7	1.000	.717
MF8	1.000	.580
MF9	1.000	.610
MF10	1.000	.209
MF11	1.000	.523
MF12	1.000	.720
MF13	1.000	.613

From the above table it is found that the variance ranges from 0.209 to 0.720. It denotes the variance of the variable ranges from 20.9% to 72%. This variance designates the formation of significant factors. The following total variance table indicates the individual and cumulative variance of the derived factors

**Table 3** Total Variance Explained - Motivation

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.157	16.589	16.589	1.844	14.183	14.183
2	1.612	12.396	28.985	1.669	12.838	27.021
3	1.342	10.324	39.309	1.522	11.707	38.729
4	1.119	8.609	47.918	1.158	8.907	47.635
5	1.089	8.381	56.299	1.126	8.664	56.299
6	.984	7.570	63.869			
7	.957	7.364	71.232			
8	.818	6.290	77.523			
9	.719	5.530	83.052			
10	.662	5.092	88.145			
11	.580	4.465	92.610			
12	.488	3.757	96.367			
13	.472	3.633	100.000			

From the above table it is found that the thirteen factors are reduced into five predominant factors with individual variance 14.183, 12.838, 11.707, 8.907, 8.664 and cumulative variance is 56.299. These variances are significant to individually considering derived factors.

## 6. FINDINGS AND CONCLUSION

- The five predominant factors such as conducive work environment, optimistic recognition, organizational relationship, and effective supervision and core values are indispensable to motivate the employees.
- Optimistic employees (44.4%) have strong agreement of motivating factors of monetary and non-monetary rewards. Improvements seekers (37.6%) stated that core

values and effective supervisor are less motivating factors and saturated employees have agreement with recognition as motivating factor.

- Technological augmentation, collective efforts, transparent decision, supportive spirit and challenging work are creating good work environment. Technological work environment and transparent decision motivates the employees for supportive organizational climate.
- Technical adapters ( 42.8%) stated that team work and team spirit, technology used, involvement in decision making are favourable work environment for increasing their performance whereas transcendental participants (38.6%) require supportive and challenging work environment for creating productive organisational climate.

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