

# A STUDY ON ORGANIZATIONAL CLIMATE AND JOB SATISFACTION OF EMPLOYEES IN IT / ITES SECTOR IN BANGALORE

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## ABSTRACT

This research paper highlights the concept of organizational climate and job satisfaction that are key to corporate success as it identifies the behavior and attitude of workers. Therefore, organizations must ensure to count on strategies of their organizational climate. The primary objective of this paper is to determine the relationship between organizational climate and job satisfaction among the employees working in IT/ITES industry in Bangalore. In the process of research, data was gathered with respect to existing organizational climate through the survey of employees' job satisfaction. The analysis provides useful information to practitioners, academicians and policy makers of IT organizations for further research in the area of IT/ITES industry.

## INTRODUCTION

Information Technology Industry is one of the fastest growing industries and has gained a great deal of significance in the worldwide market. The Information Technology industry in India is comprised of software industry and the ITES industry. Both of these industries have obtained a lot of revenue and profit to the Indian economy. Technology has demonstrated to be very advantageous for the citizens of the nation. With the improvement of technology across the world, it has turned out to be simple and proficient to be associated each time with others. Any jobs or tasks that take days of effort to be finished by the employees of any organization are being done in only a couple of hours today because of development of technology. With the development of Indian economy and the improvement of the technology, sufficient number of opportunities is accessible in the marketplace. Organizations have begun to compete with each other in order to sustain themselves in the industry for a long run.

An employee is the most significant resource for any organization. No organization can sustain in the industry without its loyal and committed employees. Engaging employees in taking basic and significant decisions is one approach to motivate them and conveying that they not just workers but a significant part of the organization. Each employee of an organization is considered as a strong asset that not just encourages

the organization to accomplish their objectives yet additionally to flourish in this competitive industry. This research paper emphasizes on organizational climate and job satisfaction of employees working in IT/ITES industry in Bangalore city.

### **Organizational climate**

Organizational Climate is an idea that revolves around the perception of employees about their working environment. This climate is legitimately impacted by Human resources management which thus influences the job satisfaction, behaviour and motivation of the entire employees working in an organization.<sup>1</sup>

Organizational climate could be considered as an identity of an organization. Organizational Climate was uncovered in the sentiments of individuals and the remarks they made about where they worked. The investigation of job satisfaction and organizational climate uncovered that organization step by step changed their recognition and appreciation about workers. Never again were they viewed as unimportant parts of an association. They were viewed as similarly as significant as the mission of the organization. This point of view brought about expanded consideration about how organizational climate and job satisfaction affected organizational effectiveness in IT/ITES industry.

### **Job satisfaction**

Job satisfaction is associated with the attitude of employees towards the job. Job satisfaction can be identified with by and large frame of mind of a person in an organization. The individual may make them feel about the job though the manager may have conflicting opinion about the employee. The job satisfaction and level of satisfaction may shift from individual to individual and hence it is fundamental to comprehend from the individual's perspective. The general satisfaction of employees must be seen from various points so as to determine the level of satisfaction.<sup>2</sup>

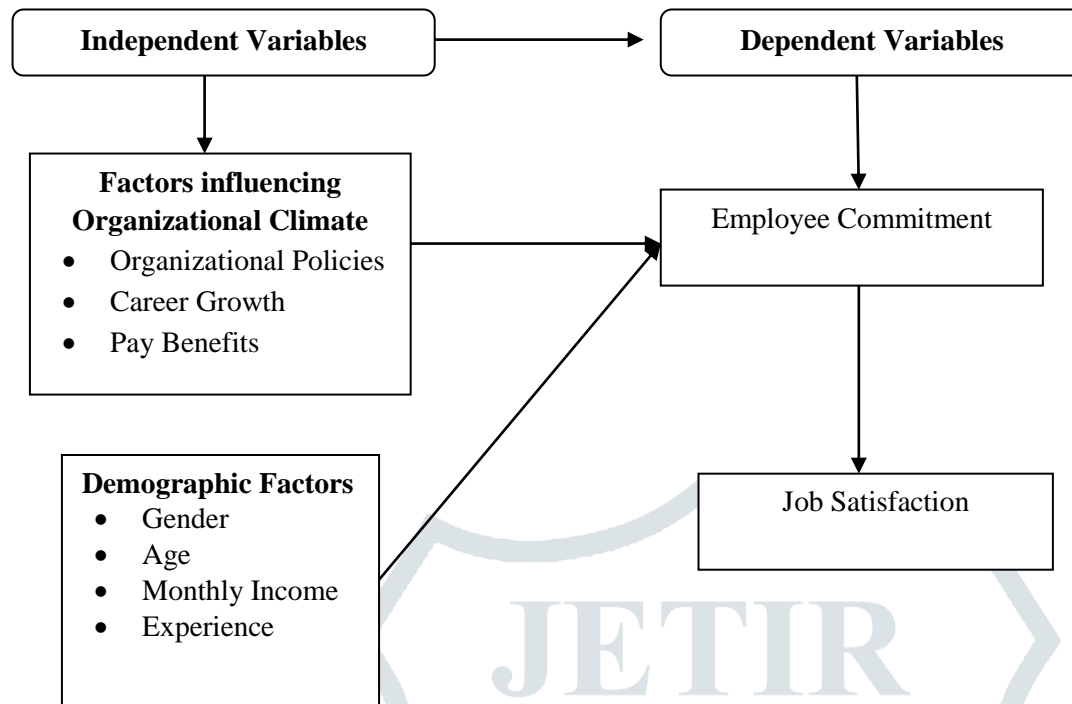
### **Bangalore and IT/ITES Industry**

Bangalore is known as Silicon Valley of India. It is the capital center point for IT sector and it is the leading exporter of IT for India. Top IT and ITES players like Tata Consultancy Services, Infosys, Wipro, Cognizant and numerous other organizations in this industry are working from Bangalore. In excess of 5000 IT/ITES organizations work in Bangalore alone. Almost 35 % of software organizations of India are situated in Bangalore. Software organizations that stand second and third largest in the industry are head-quartered in Bangalore. The well established IT companies are ruling the perch of Bangalore's relatively developed industry of Information Technology. The growth in outsourcing and investment in IT/ITES sector is enormous. Therefore, Bangalore has been chosen as the study area to analyze the relationship between organizational climate and job satisfaction among employees.

<sup>1</sup> Pritchard, R. D. & Karasick, B.W. (1973). The effects of organizational climate on managerial job performance and job satisfaction. *Organizational Behavior and Human Performance* 9(1), 126-146.

<sup>2</sup> Jyoti, J. (2013). Impact of organizational climate on job satisfaction, job commitment and intention to leave: An empirical model. *Journal of Business Theory and Practice*, 1(1), 66-82.

## CONCEPTUAL FRAMEWORK



## STATEMENT OF THE PROBLEM

Organizational climate impacts, all things considered, the performance of the employees since it majorly affects inspiration and job satisfaction of individual employees. Organizational climate decides the work environment where the employee feels fulfilled or disappointed. Since satisfaction decides or impacts the proficiency of the employees, we can say that organizational climate is straightforwardly identified with the effectiveness and performance of the employees. The organizational climate can influence the human behavior in the organization through an effect on their attitudes, performance and satisfaction. Organizational climate of various organizations in a similar industry may diverge, in view of the size and type of the organization. Consequently to assess the predominant organizational climate of various kinds of organizations in the IT/ITES Industry, the researcher wanted to embrace the present study titled as "A study on organizational climate and job satisfaction of employees in IT/ITES industry in Bangalore".

## OBJECTIVES OF THE RESEARCH

- To identify the factors influencing organizational climate in IT/ITES Industry
- To analyze job satisfaction of employees working in IT/ ITES units at Bangalore
- To examine the relationship among organisational climate and job satisfaction
- To Study about the impact of Organisational Climate on Job Satisfaction of the employees in IT/ITES Industry of Bangalore.
- To provide suggestions for making improvements in the organisational climate

## LIMITATIONS

- In-depth analysis of employees was impractical in light of the fact that only certain area was covered to maintain confidentiality.
- The study was restricted to IT/ITES organizations working in Bangalore city and other states or nations were not considered. Consequently the outcome cannot be generalized
- Non accessibility of some data and information required to know the precise job satisfaction of the employees in ITES organization

## RESEARCH METHODOLOGY

This study is carried out using appropriate measuring instrument. The data were primary in nature with sample of 181 collected from selected IT and ITES companies in Bangalore. Some of the tools used for the analysis are ANOVA, Chi-Square, and Regression. The outcome of the study is intended to be Job Satisfaction.

### Research Design

An exploratory-cum-descriptive research design was used in the study. Exploratory research was used to identify the antecedents of organizational climate and job satisfaction. Descriptive research design was used to assess the above mentioned variables and establish their relationship with one another.

**Population:** Population of the current study comprises of the employees working in selected IT/ ITES organization in Bangalore.

**Sampling Method:** Sampling method used in this research paper is simple random sampling where the employees of selected IT/ITES organization functioning in Bangalore were selected randomly.

**Sample Size:** For this study, data was collected from 181 employees working in 5 different IT/ ITES companies functioning in Bangalore city, with the help of structured questionnaire. The researcher has used simple random method as sampling design. The pertinent information for the study was collected from both primary and secondary sources.

### Data Sources

**Primary Data:** A self-structured questionnaire was administered to obtain data about organizational climate and job satisfaction among the employees of selected IT and ITES companies in Bangalore

**Secondary Data:** Secondary data was collected through reports, newspaper, articles, journals, conference proceedings, textbooks and Internet sources.

**Variables of the study:** It is imperative to gain understanding for the variables and its types in any research work. The following are the variables included in the proposed study.

**Dependent variable:** Employee commitment and Job satisfaction

**Independent Variables:** Organizational policies, Career growth and Pay and benefits

**Statistical Techniques Used:** The statistical techniques used for analysing the data as per the objectives of the study are Chi square, ANOVA and Regression

## 7.HYPOTHESIS STATEMENTS

**H<sub>01</sub>** – There is no relationship between Age of the respondents and Study variables.

**H<sub>02</sub>** – There is no association between demographic factors of respondents.

**H<sub>03</sub>** – There is no significant difference between Employee commitment and Job Satisfaction.

**H<sub>04</sub>** – There is no significant difference between Career Growth and Job Satisfaction.

## LITERATURE REVIEW

**Vijayalakshmi C et al (2017)**<sup>3</sup> clarified that the job satisfaction is one of the prominent subjects to contemplate as to the enlistment industry because of the workload and pressure with everyday screening, enrolling and choosing applicants. Organizational climate decides the way of life of any organization or association. So this paper includes an examination on effect of various components of organizational climate on Job satisfaction (JS). The target of the investigation is to discover the connection between Organizational Climate and Job Satisfaction. The investigation is embraced in a recruitment firm to discover the climate factors that impact JS. The investigation incorporates 80 samples gathered from the recruiters in the organization. Information was examined utilizing descriptive method, One way Anova and regression analysis. The outcomes demonstrate that dependent on the age and hierarchy of the employees the assessment of the climate and JS changes. They additionally demonstrated that employees have moderate degree of job satisfaction dependent on the climate. In light of the discoveries it is exceptionally prescribed for the enrollment firm to build the degree of JS by giving inspiration and prizes to expand the responsibility towards the association.

**Rizwan Qaiser Danish et al. (2015)**<sup>4</sup>, The Purpose of this experimental investigation is to watch the effect of organizational climate on job satisfaction and organizational duty in study of 179 teachers from various schools and colleges of Pakistan. Distinct measurements and relapse investigation are utilized to clarify varieties in job satisfaction and organizational climate. The outcomes propose that the organizational climate has significant effect on job satisfaction just as on organizational commitment.

<sup>3</sup> Vijayalakshmi C, Benita S Monica, M S Siranjeevi Sivakumar (2017) A Study On Impact Of Organizational Climate On Job Satisfaction In Recruitment Firm – Chennai, Vol-3 Issue-4 2017 IJARIE-ISSN(O)-2395-4396.

<sup>4</sup> Rizwan Qaiser Danish, Umar Draz, Hafiz Yasir Ali (2015) Impact of Organizational Climate on Job Satisfaction and Organizational Commitment in Education Sector of Pakistan, American Journal of Mobile Systems, Applications and Services.

**Jeevan Jyoti(2013)**<sup>5</sup>there has been a long-standing interest for the investigation of organizational climate among organizational analysts. Its significance is mostly because of its theorized relationship to other organizational marvels including job satisfaction, job execution, initiative conduct and the nature of work bunch communication. Research on the commitment of individuals the executives to organizational execution results, for example, efficiency and benefit has been identified with a climate of satisfaction in the work environment. Job satisfaction alongside organizational climate assumes a fundamental role in holding the employees by improving their dedication towards the association. The present paper estimates effect of Organizational climate on job satisfaction, job commitment and intention to leave with the assistance of regression analysis and an endeavour has been made to see the factor-wise impact of Organizational climate and job satisfaction on job responsibility and aim to leave.

**Sujatha and Mangale (2013)**<sup>6</sup> the study Employee Job Satisfaction in I.T. Industry, Pune for the Period of 2008 - 2012 found that Employee Engagement in the organization, Employee Empowerment and HR Practices indicated noteworthy associations with the job satisfaction. Employee Engagement has a positive connection with job satisfaction. Working condition and Organizational Climate is decidedly connected with job satisfaction.

### Research Gap

The above mentioned reviews of literature have explored and scrutinized various areas in relation to Organizational Climate, Employee Engagement, Job Commitment and Job Satisfaction. Organizational climate has been analyzed with employee commitment and employee motivation but there are very few studies that include organizational and job satisfaction in IT/ITES industry with reference to Bangalore as the study area. The study has also analyzed organizational climate across various demographic factors such as gender, age, experience and income.

### DATA ANALYSIS AND INTERPRETATION

The gathered data from the quantitative and qualitative research is presented, analysed, described and interpreted in a structured form as the next phase of the research process. Analysis involves estimating the values of unknown parameters of the population and testing of hypotheses for illustrating inferences.

### DEMOGRAPHIC PROFILE OF THE RESPONDENTS

From the table - 1, the demographic profile of the employees is inferred. From the collected sample 29.8% of the respondents are female and 70.2% are male. 27.6% of the employees are under age group of below 30 years, 59.1% of the employees are between the age group of 31 - 40 years and 13.3% of them belong to above 41 years. 19.9% of them are getting salary less than 30000, 66.3% of the employees are getting salary

<sup>5</sup> Jeevan Jyoti,( 2013), Impact of Organizational Climate on Job Satisfaction, Job Commitment and Intention to Leave: An Empirical Model, www.scholink.org/ojs/index.php/jbtp Journal of Business Theory and Practice.

<sup>6</sup> Sujata Bolake and Dr. V. S. Mangnale, Tilak Maharashtra Vidyapeeth,(2013) "Study on Employee Job Satisfaction in I.T. Industry, Pune" For the Period 2008 -2012 Pune, 2013

in the range of 31,000 - 50,000 and 13.8% of them are getting above 51000. 16.6% of the respondents have the experience of below 5 years, 49.7% of them have the experience of 6 - 10 years and 33.7% of them are having more than 10 years.

TABLE - 1

Factors	Frequency	Percentage
<b>Gender:</b>		
Male	127	70.2
Female	54	29.8
<b>Age:</b>		
Below 30 Years	50	27.6
31 – 40 Years	107	59.1
Above 41 Years	24	13.3
<b>Monthly Income:</b>		
Below 30,000	36	19.9
31,000 – Rs. 50,000	120	66.3
Above 51,000	25	13.8
<b>Experience:</b>		
Below 5 Years	30	16.6
6 – 10 Years	90	49.7
Above 10 Years	61	33.7
	<b>181</b>	<b>100</b>

TABLE - 2

## ONE WAY ANOVA BETWEEN AGE AND STUDY VARIABLES

$H_{01}$  – There is no relationship between Age of the respondents and Study variables.

Factors	F-value	Significant	Inference
<b>Organizational Policies</b>	1.353	0.261	Accepted
<b>Career Growth</b>	1.974	0.142	Accepted
<b>Pay And Benefits</b>	1.135	0.324	Accepted
<b>Employee Commitment</b>	1.331	0.267	Accepted
<b>Job Satisfaction</b>	3.108	0.044	Rejected

\*5% Significant Level

### Interpretation

There is no significant relationship between age factor and the study variables except Job Satisfaction. Since the significant value is lesser than 5% level, the null Hypothesis is rejected for age factor and job satisfaction. Therefore it implies that age of the employees has significant variation in Job Satisfaction.

**TABLE - 3**

### CHI-SQUARE TEST

**H<sub>02</sub>** – There is no association between demographic factors of respondents.

Factors	Value	Significant Value	Degree of Freedom	Inference
Age vs. Work Experience	195.923	0.000	4	Rejected
Age vs. Monthly Income	160.089	0.000	4	Rejected
Gender vs. Monthly Income	156.924	0.000	2	Rejected

Source: Primary Data

### Interpretation

From the table – 3; it is clear that there is significant relationship between Gender and Work Experience; there is an association between age and monthly income factors and also it proves that there is significant relationship between Gender and Monthly Income.

**TABLE – 4**

### REGRESSION ANALYSIS

**H<sub>03</sub>** –There is no significant difference between Employee commitment and Job Satisfaction.

**H<sub>04</sub>** –There is no significant difference between Career Growth and Job Satisfaction.

Variables	B	SE	Beta	P- Value
Career Growth	0.443	0.48	0.567	0.000
Employee Commitment	0.843	0.58	0.737	0.000

\*5% Significant Level



## INFERENCE:

Career Growth is an independent variable and job satisfaction is a dependent variable. From the above table it is found that the P Value is 0.000, Therefore it is found that Career Growth influence the job satisfaction, as the P value (0.000) is lesser than 0.05.

From the above table it is found that the P Value is 0.000. Therefore it is found that Employee Commitment influence the job satisfaction, as the P value (0.000) is lesser than 0.05.

## FINDINGS

- The result shows from the collected sample 29.8% of the respondents are female and 70.2% are male. 27.6% of the employees are under age group of below 30 years, 59.1% of the employees are between the age group of 31 - 40 years and 13.3% of them belong to above 41 years. 19.9% of them are getting salary less than 30000, 66.3% of the employees are getting salary in the range of 31,000 - 50,000 and 13.8% of them are getting above 51000. 16.6% of the respondents have the experience of below 5 years, 49.7% of them have the experience of 6 - 10 years and 33.7% of them are having more than 10 years.
- The researcher found that there is no significant relationship between age factor and the study variables like Organizational Policies, Career Growth, Pay and Benefits, Employee Commitment except Job Satisfaction. Since the significant value is lesser than 5% level, the null Hypothesis is rejected for age factor and job satisfaction. Therefore it implies that age of the employees has significant variation in Job Satisfaction.
- From the chi-Square test, it is clear that there is significant relationship between Gender and Work Experience; there is an association between age and monthly income factors and also it proves that there is significant relationship between Gender and Monthly Income.
- The researcher finds that in regression analysis Career Growth is an independent variable and job satisfaction is a dependent variable. From the above table it is found that the P Value is 0.000, Therefore it is found that Career Growth influence the job satisfaction, as the P value (0.000) is lesser than 0.05. From the above table it is found that the P Value is 0.000, Therefore it is found that Employee Commitment influence the job satisfaction, as the P value (0.000) is lesser than 0.05.

## SUGGESTIONS

- Competency can be created by giving organizational assistance to employees. By expanding employee reliability, responsibility can likewise be improved. This should be possible by focusing on employees' issues, giving ideal work and dynamic interest of management towards employee welfare.
- By dealing with employee complaints adequately, work environment can be improved. Management's availability to take care of employees' issues helps in handling grievances.

Employees' point of view that the colleagues function admirably together, will improve collaboration which thus, may bring about improved organizational climate.

## CONCLUSION

This paper aims to investigate the organizational climate and its impact on the employees' job satisfaction level with reference to IT/ITES industry in Bangalore. Data was gathered from the employees' observation alluding to organizational climate in their work environment through questionnaire survey. To improve the job satisfaction, Career growth was the most significant variables which can spur the employees to feel work match and job security can make a more elevated amount of job satisfaction. Moreover, an organization should set up effective management system with efficient policies that benefit the employees.

## FUTURE SCOPE

An endeavour has been made to look at organizational climate and job satisfaction of employees in the chosen IT and ITES units of Bangalore city. As the investigation estimates organizational climate which is a perceptual variable fluctuating in various organizational settings so comparative examination can be directed in different parts of the nation. It will help in understanding the distinction in view of respondents crosswise over various organizational settings. The investigation has considered just the predecessors of organizational climate and job satisfaction, different variables like motivation, organizational performance etc can likewise be contemplated in future by the researchers.

## REFERENCES

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