AN EMPIRICAL EVALUATION ON ORGANIZATIONAL CLIMATE OF SALEM STEEL PLANT

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Abstract

Organizational climate is a general expression of what the organization is. It is the summary perception which people have about the organization. It conveys the impressions people have of the organizational internal environment within which they work. Steel Authority of India Limited is the leading steel-making company in India. The company is a fully integrated iron and steel maker producing both basic and special steels for domestic construction, engineering, power, railway, automotive and defense industries and for sale in export markets. They are also among the five Maharatnas of the country's central public sector enterprises. The company manufactures and sells a broad range of steel products including hot and cold rolled sheets and coils galvanized sheets, electrical sheets, structural railway products, plates, bars, rods, stainless steel and other alloy steels. They produce iron and steel at five integrated plants and three special steel plants located principally in the eastern and central regions of India and situated close to domestic sources of raw materials including the company's iron ore limestone and dolomite mines. The present study aimed to know the organizational climate of Salem Steel Plant.

Key words: Organizational climate, human resource management, organizational development, employee development, etc.

1. Introduction

Climate of an organization is somewhat like the personality of a person. Just as every individual has a personality that makes him unique and different from other persons. Each organization has an organizational climate that clearly distinguishes it from other organizations. Basically, the organizational climate reflects a person's perception of the organization to which he belongs. It is a set of unique characteristics and features that are perceived by the employees about their organizations which serves as a major force in influencing their behaviour. Thus, organizational climate in a broad sense can be understood as the social setting of the organization. A good organizational climate is a basic need to increase the production of steels and commitment of employees is determined by better climate. The concept of organizational climate was officially introduced by the human relations in 1940s. At present, it has turn into a very helpful metaphor for thinking about and explaining the social system. Organizational climate is also referred to as the situational determinants and environmental determinants which influence the human behaviour. Organizational climate is a comparatively enduring quality of the internal environment that is practiced by its members, influences their behaviour and can be explained in terms of the worth of a meticulous set of characteristics of the organization. It may be achievable to have as many climates as there are people in the organization when considered communally, the actions of the individuals

become more significant for screening the whole impact upon the climate and determining the constancy of the work environment. The climate should be viewed from a whole system perspective. Even as there may be differences in climates within departments these will be incorporated to a certain extent to indicate overall organizational climate. Organizational climate is a relatively enduring quality of the internal environment that is experienced by its members, influences their behaviour and can be described in terms of the value of a particular set of characteristics of the organization. It may be possible to have as many climates as there are people in the organization when considered collectively, the actions of the individuals become more meaningful for viewing the total impact upon the climate and determining the stability of the work environment. The climate should be viewed from a total system perspective. While there may be differences in climates within departments these will be integrated to a certain extent to denote overall organizational climate. The present study aimed to know the organizational climate of Salem Steel Plant.

2. Review of literature

Vijayakumar (2007) affirmed that impact of organizational climate perceptions on individual and organizational performance is well recognized. He examined the forces within the organizational context that help to shape favorable climate perceptions among its employees. Relationship between these variables are tested using structural equation model, treating management style as independent, work related beliefs and values as intervening, and organizational climate perceptions as dependent variables.

Hafer and Greshman (2008) recognized it as individuals' perceptions of the extent of implementation and attaining the organization's current expectations through the internal atmosphere of the organization of the culture, structure and processes working to facilitate the achievement of the desired behavior.

Kala (2008) chose 120 workers in Dalmia Magnesite, Salem and made a research on absenteeism and recommended that the company must provide standard welfare measurers to workers and grant leave to them to celebrate religious ceremonies. It was concluded that the benefits to the workforce led to the proposal of intervention strategies which intended at reducing labour absenteeism.

3. Research methodology

This study used both primary data and secondary data. For collecting primary data, field survey technique was undertaken. The researcher has selected 410 employees in Salem Steel Plant. Primary data were collected using questionnaire. The respondents were selected on the basis of simple random sampling technique.

4. Results and discussions

The following analysis shows the relationship between level of organizational climate perceived by the employees in Salem Steel Plant and eleven independent variables that were studied. It was found that among these eleven independent variables, four variables were closely associated with the level of organizational climate perceived in Salem Steel Plant. In order to measure the interdependence of independent factors and their contribution to the perception towards organizational climate in Salem Steel Plant, the results of the investigation were put into multiple regression analysis, and detailed results are shown in the following table.

TABLE 1

Organizational Climate (Multiple Regression Analysis)

Variables	B	Std. Error	T	P
(Constant)	141.461	15.971	8.858	.000
Gender	7.078	6.717	1.054	.293
Age	4.087	1.368	2.987	.003
Education	-1.564	1.491	-1.049	.295
Occupation	-8.947	3.712	-2.410	.016
Monthly income	2.014	1.188	1.696	.091
Family size	4.347	2.854	1.523	.129
Family type	-2.666	3.783	-.705	.481
Marital status	-8.608	4.082	-2.109	.036
Level of satisfaction	-2.377	2.664	-.892	.373
Level of absenteeism	-9.691	2.413	-4.017	.000
Level of stress	3.092	2.569	1.204	.229

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.350	.123	.098	34.286

ANOVA

	Sum of Squares	DF	Mean Square	F	Sig.
Regression	65444.698	11	5949.518	5.061	.000[b]
Residual	467853.790	398	1175.512		
Total	533298.488	409			

The multiple linear regression components are found statistically a fine fit for further process. The analysis pinpoints the four independent variables contribute on the organizational climate in Salem Steel Plant and statistically significant at 1 per cent and 5 per cent level. The table indicates that the co-efficient of employees' age, occupation, marriage of employees and absenteeism were significant at 1 per cent and 5 per cent level. It also observed that the independent variables such as gender, age, income of employees, size of family and stress level of employees are positively associated with the organizational climate. These variables contribute to the level of perception of employees towards organizational climate are statistically significant and implying that their

influence is stronger than the other variables. The rate of increasing the level of organizational climate perceived by the employees shows better results of the independent variables such as employees' age with 2.987, with 1.054 units change in gender, with 1.696 units change in marital status of employees, with 1.523 units change in family size and with 1.204 units change in stress level of employees. It is concluded that the level of organizational climate perceived by the employees is positively associated with the factors like gender, age, income of employees, size of family and stress level of employees. On the other hand, the factors such as education, occupation, family type, marital status, satisfaction and absenteeism are negatively associated with the level of organizational climate.

5. Conclusion

Organizational climate includes of mixture of values, expectations, norms, policies and procedures that influence commitment, work motivation and eventually, individual and work unit performance. Positive climate supports, while negative climate inhibits discretionary effort. The better organizational climate may be ensured through managerial policy measures and performance can be improved by allowing controlled climate rather than closed climate. organizational climate have direct influence on performance of organization because it is the effect of mixture of attitude and behaviour and perception of employees towards the job and organization, this is the set of a variety of dimensions of climate which develop positive attitude and perception which may be encouraged or discouraged by the administration.

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