CHAPTER-III

REVIEW OF LITERATURE

The purpose of the review is to endow with a background to and a justification for the research undertaken. It is an account of what has been published on the topic by accredited scholars and researchers and it discusses published information in a particular subject area and sometimes, within a certain time period. Bruce emphasized that so important is this chapter that its omission represents a void or absence of a major element in research. This chapter presents a brief review of the studies conducted in recent years by various scholars and experts relating to organizational culture, climate and employees' performance. An attempt has also been made to find out the gaps in the literature. After identifying gaps in the literature, specific research questions have been framed.

The literature review has been presented under the following main headings:

3.1 Organizational Climate and Culture and its Effect on Performance, Morale, Productivity and Commitment.

Organizational climate proves hard to be defined. The concept of organizational climate has been assessed by various authors, of which many of them published their own definition of organizational climate. Climate, is often defined as the recurring patterns of behavior, attitudes and feelings that characterize life in the organization.1

Organizational climate is defined as “A set of measurable properties of the work environment, perceived directly or indirectly by the people who live and work in this environment and assume to influence their motivation and behavior”2 Forehand and Gilmer (1964) defined Organizational Climate as a ‘set of characteristics that (a) describe the organization and distinguish it
from other organizations (b) are relatively enduring over time and (c) influence the behaviour of people in the organization.'

Gregopoulos (1963) defined Organizational Climate as a ‘normative structure of attitudes and behavioural standards which provided a basis for interpreting the situations and act as a source of pressure for directing activities.’

Dunnette, et al. explained the organizational climate as “a set of attributes specific to a particular organization that may be induced from the organization, deals with its members and its environment. For the individual member within an organization, climate takes the form of a set of attitude and expectancies which describe the organization in terms of both static characteristics and behaviour outcome and outcome-outcome contingencies.”

Schneider and Hall (1972) presented Organizational Climate as a set of global perceptions held by individuals about their organizational environment. The sets of perceptions are basically the result of interactions between personal and organizational characteristics. Schneider et al. used systems approach to explain the concept.

Organizational climate is a relative enduring characteristic of an organization which distinguishes it from other organizations: a) and embodies members collective perceptions about their organization with respect to such dimensions such as autonomy, trust, cohesiveness, support, recognition, innovation, and fairness; b) is produced by member interaction; c) serves as a basis for interpreting the situation; d) reflects the prevalent norms, values and attitudes of the organizational culture; and e) acts as a source of influence for shaping behavior.

Organizational climate can be viewed as that which is represented by the employees' perceptions of the objective characteristics of an
organization. For example, the number of managers employed by an organization is objective, but employees' feelings about those managers is subjective. Climate differs from the structure of an organization. Structure is the anatomy of the organization, the bare bones or the skeleton. Climate, on the other hand, is the way the employees view the personality of the organization. Muchinsky (1987) debates whether the components of climate are actual attributes of organization or merely the perceptions of the employees working in the organization. That most researchers concur that organizations differ by climate, implies that it could be seen as an organizational attribute. Yet such a view contradicts the idea expressed by Landy (1989) above, that climate is a representation of employees' perceptions.

Collective Climate is the perception of particular organizational practices. The "Collective Climate" concept has simultaneously established and unified the Organizational Climate from the organizational viewpoint. Conversely, Psychological Climate based on individuals' perception on organizational practices and procedures. Organizational and Psychological Climates have been differentiated substantially in terms of the various dimensions. Both taken together make Organizational Climate. Collectivism is a peoples' tendency to think of themselves as parts of different collectives and subordinate their behavior to norms, duties, and obligations imposed by these collectives. Organizational climate is important to organizational performance. Several authors claim a significant relationship between organizational climate and performance.

Organizational climate has an impact on stress, morale, quality of worklife, wellbeing, employee engagement, absenteeism/presenteeism, turnover, level of job satisfaction and performance. A healthy work organization is "characterized by intentional, systematic, and collaborative efforts to maximize employee well-being and productivity by providing well-
designed and meaningful jobs, a supportive social-organizational environment, and accessible and equitable opportunities for career and work–life enhancement". Healthy workplaces thus play a crucial role in people's happiness, providing them with material, social, psychological, and emotional resources that satisfy their primary and secondary needs.

Smith & Mike (1994) asserted that there is evidence to suggest that organizational climate can influence both job performance and employee satisfaction. Unlike the weather, which is unable to be controlled, some organizational climates can be promoted to facilitate the achievement of organizational goals. This makes organizational climate a worthwhile concept to study in industrial and organizational psychology, despite difficulties with its definition.

Kyrillidou (1996) concluded that co-worker climate for innovation reflects the extent to which co-workers support each other in determining new ways to accomplish tasks. Kyrillidou (1996) et al. reported that organizations must make diversity an imperative in order to survive. In making diversity imperative, organizations should foster a number of different climates to convey this message to employees and consumers.

3.1.1 Dimensions to Measure Organizational Climate:

Many authors have made a detailed study on various dimensions used to measure organizational climate. Some of the studies have been quoted here.

Hellriegal & Slocum (1974) discovered that there is nothing inherently good or bad about an organization' climate, rather it assumes value only when it is related to certain outcomes. This is similar to when a wet day is "bad" for a day at the beach, but "good" for the growing of crops.
Smith & Mike (1994) in their study opined that because climate is best described as employee perceptions of the organization, it follows that the measurement of climate will be a function of employee attitudes and values. There is no perfect barometer, and as such, organizational climate measures do not have this high degree of validity.

The study of Iqbal(2002) revealed that dimensions of organizational climate had greater influence on organizational commitment than organizational climate as a whole. Previous research identified that positive climate can contribute to strong employee motivation (Goleman, 200; Hay Group 2000), productivity (Litwin et al, 1973), empowerment, job satisfaction and commitment (Laschinger, 2001) and strong driver for bottom line performance. (Stringer, 2002)

Mylle (2002) in his work concluded that the dimensions of organizational climate can also be interpreted as two independent bipolar axes. i.e. 1) orientation towards the (realization of the goals of the) organization (ORG) versus 2) orientation towards human development concerns (HUM), on one side and 3) orientation towards stability (STA) versus 4) orientation towards flexibility (FLEX) at the other side. The latter two refer to the tendency to maintain a status quo rather than to adapt to the changes in the external situation; for example, the drastic downsizing of our Armed Services.

The review of Joyce and Slocum (1984) described the Organizational Climate as the aggregate perceptions of the characteristics of the organizations. He opined that the Organizational and Psychological Climates have been differentiated substantially in terms of the various dimensions. He also advocated the concept of “Collective Climate”.

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Smith & Mike (1994) concluded that the measurement of organizational climate is the means to uncover an organization's culture. Climate surveys measure employees' perceptions about the way they are being managed. James and Jones (1974) remarked that the concern in climate research has focused on measurement techniques rather than understanding the underlying constructs. Toulson and Smith, make a similar point in their discussion of the semantic ambiguity associated with many current constructs in industrial and organizational psychology. This diversity and contradiction has led Guion (1973) to conclude that the concept of organizational climate is "fuzzy". James and Jones suggest as a first step in reconceptualization that a distinction be made between climate being regarded as an organizational attribute (organizational climate), and as an individual attribute (psychological climate).

Smith & Mike (1994) believe that a variety of organizational climate measures have been developed to measure climate in most types of organizations. (Woodman and King, 1978). Litwin and Stringer's organizational Climate Questionnaire (LSOCQ) is used most frequently in business organizations. They define organizational climate as 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." Litwin and Stringer drew from the McClelland-Atkinson motivation theory, and based their dimensions of organizational climate and their effects, on the need for achievement, the need for power, and the need for affiliation. They proposed that climate is made up of the dimensions of structure, responsibility, rewards, risks, tolerance and conflict.

Toulson & Smith (1991) stated that the major implication from his research is that concepts like employee participation, proaction, and tone could improve organizational climate. The study of James & Jones, 1974
clearly state that it may well be the case that improved climate in one organization may not return the same benefits in another. Different instruments are perhaps needed not just from investigation to investigation, but from location to location within the same investigation.

The perceptual-organizational attribute approach to measurement views climate an organizational attribute, but, unlike the first approach, is measured purely by perceptual rather than by objective measures such as the size and structure of the organization. For instance Tagiuri and Litwin agree with Forehand and Gilmer's definition, except that the descriptive characteristics are measured by the experiences of its members. Campbell, Dunnette, Lawler, and Weick suggest that definitions of this sort view climate as a situational or organizational main effect.

3.1.2 Organizational Culture and its Influence upon Organizations:

Organizational culture and its effect upon organizations have always been the topic of interest for many management experts. The views of some Indian as well as foreign authors have been presented here.

According to Baldev R Sharma and C.S. Venkataratnam, the term organizational culture refers to a set of organizational characteristics which can be induced from the way an organization deals with its members. Fombrun (1984) believed that the culture of an organization can be defined as the emergent pattern of beliefs, behaviors, and interactions that uniquely characterize the organization as it operates within an industrial and a societal context. Kast and Rosenzweig (1985) declared culture as the set of important beliefs, values, and understandings that all members of the organization share in common. Smith & Mike (1994) concluded that since culture defines the way the organization conducts business, it strongly affects management practice. In fact organizations with strong cultures go to great lengths to socialize new members into the prevailing beliefs and values
that determine the way things are done in the organization, and this may be the major feature in employee orientation and induction practices in such organizations. Highly successful organizations tend to have strong cultures.\(^{46}\)

Barney (1986)\(^{47}\) pointed that an organization's culture dictates what people have to know and the ways that things are done. Core values, about how to treat employees, customers, suppliers, and others, are thought to lead to sustained superior financial performance in organizations with strong cultures. Maaja et al. (2002)\(^{48}\) studied that many business people have learned that some cultures are more collectivist than others and this difference may have a profound impact on individuals' behavior in organizational life.\(^ {49}\) But not many are aware of intracultural variation that could also influence organizations and the way they have been built up.

Vadi et al. (2002)\(^{50}\) suggested that various subgroups can be differentiated not only according to their ethnic/cultural background, but also gender and employment. Their members have rather different attitudes toward various domains of social relationships including organization by which they are employed.

Studies of the U.S workforce indicate widespread perceptions of racial and sexual discrimination in the workplace—perceptions that take a heavy toll on job performance. Thus in a 1995 study by the National Black MBA Association, 51% of its members said that discrimination was one of the several factors hurting their chances for success.\(^{51}\)

Organizational members' gender, nationality, and organizational position evoke their patterns of collectivistic attitudes and organizational culture. One of the explanations could be construed in the light of the Lawrence's\(^{52}\) (1997) proposition that not actual age but acquired meaning of the age when people evaluate themselves and others influences the organizational outcome. Thus, the manifestation of the collectivistic attitudes
and the organizational members' wish to support their organizational task and relationships may depend on the vision they hold about themselves among others rather than on their own age.

The study of Maaja et al. (2002) clearly revealed that the attitudes of employees toward family have diverse impact on the organizational culture. The general attitude toward organizational tasks confronts family loyalty and it means that familism overrules the organizational members' wish to support the organizational task. Indeed, this circumstance would create emotional dissonance for organizational members. Abraham (1998) argues that familism supports the relationship orientation and positive attitudes toward family may in some cases extend to or affirm the good relationships within the organization. This tendency is more influenced by organizational position of the respondent (the role of worker, which is given by the organization) than by their gender or nationality. At times familism and patriotism may intervene organizational life.

Dhingra and Pathak (1973) conducted a study which analyzed the differences that are found among Indian managers working in proprietary and partnership firms and the subsidiaries of the foreign companies. The study assumed that different kinds of organizations developed their own cultures.

3.1.3 Organizational Climate & Organizational Culture:

A distinction needs to be made between organizational climate and organizational culture, organizational culture consists of managerial and employee beliefs and values that define the ways in which the business of an organization is conducted.

In correspondence with the anthropological view that a society's prevailing culture dictates what people are to learn and how they are to
behave. An organization's culture dictates what people have to know and the ways that things are done. Core values, about how to treat employees, customers, suppliers, and others, are thought to lead to sustained superior financial performance in organizations with strong cultures.

Hammer (1988) came out with a revolutionary concept stating that more consistent with the emerging organizational climate and culture are the plans that accept the reality of employees as influential participants in the organization and that relate their compensation to performance either of the whole organization or of its major subdivisions.

3.1.4 Morale as a Variable of Employee Performance:

For the purpose of the study morale has been ascribed with attributes such as job satisfaction, conflicts in the organization, feeling enthusiastic for the organization and for work, sabotage, attitude of employees to get updated etc.

Morale is actually a psychological term, which is achieving a considerable importance on part of the management. Morale is a group phenomenon; it is an idea of the extent to which the individual perceives a probability of satisfying his own motives through co-operation with the group. Employee morale is created by and directly proportional to the degree of employee competence supported by leaders throughout the organization.

Fretwell (1998) indicated that employee morale within an organization has a direct impact on the satisfaction level of its customers and the company's ultimate success. Mamorai & Gankar (2008) believe very firmly that good employee morale and a fair and reasonable wage and salary are complementary to each other. Fair and just compensation will give employees a reasonable standard of living and ensure their loyalty and continued good work. According to a recent study of corporate culture
conducted by the research firm Booz Allen Hamilton, more than 30 percent of the managers, employees and executives surveyed believe that they work in unhealthy, passive-aggressive organizations.

Pritchard et al. (1988) concluded from his study that the positive motivational measures to boost up morale help in achieving specific, difficult but attainable goals. Fretwell (1998) noted that successful leaders also recognize that employee morale is the key to long term organizational viability. Highly competent employees enjoy their work and experience pride in their accomplishments and contributions to the organization as long as leaders consistently value them and their worth to the organization.

Job satisfaction refers to an individual’s general attitude towards his job. A person with high level of job satisfaction has high morale, thus ultimately holding a positive attitude towards his/her job. In short, Job satisfaction leads to enhanced morale.


Kontrollikeskmega (2001) noted that such factors as job characteristics, work demands and control are essential to the work of the staff. Martha et al (1998) observed that when diversity is properly managed, employees will experience a number of positive outcomes, thus leading to organizational commitment. Rabinowitz & Hall (1977) insisted on clarifying the conceptualization of the key constructs and improve their operationalization. This would lead to increased job satisfaction and organizational commitment.
The level of job satisfaction contributes to how effectively an individual performs his or her job. Other studies reported that job satisfaction influences the emotional and physical well being of an individual. Studies demonstrated that the organizational conditions play an important role in predicting job satisfaction and intention to leave. Other studies reported that role ambiguity is often seen as a source of stress and job dissatisfaction.

Black and Holden (1998) found a group of female counselors to be less satisfied than were their male counterparts regarding salary, promotion opportunities, and overall respect accorded to them as professionals. Kahn and Hansen, (1998) reported that female counselors have had significant more rewards from their work than did male counselors. This caused dissatisfaction to more counselors.

Humoud (2000) noted significant differences between male and female on their average job satisfaction. Females reported less satisfaction in their job satisfaction compared with males. Black & Holden (1998) found a group of female social worker to be less satisfied than were their male counterparts regarding salary, promotion opportunities, and overall respect accorded to them as professionals. Weaver (1980) reported that age differences were found to be affecting employee's job satisfaction more than those associated with other personal factors such as education and gender. There are many studies that reported a positive relationship between age and job satisfaction.

Heskett et al (1997) concluded from their study that the length of service correlates positively with employees' loyalty and satisfaction, indirectly leading to customer satisfaction. Shokry (1991) reported that more time spent working in the same job leads to more job satisfaction. Miner (1992) found job satisfaction to be associated with the existence of the role
ambiguity. Role ambiguity occurs when role related information is lacking or not clearly communicated. Pool (1997)\textsuperscript{85} reported that the more education one obtains, the better satisfied he or she is than individuals with lower qualify actions. The age-satisfaction profile is upward-sloping or U-shaped. While, some studies indicate that types of leadership and work motivation constitute the highest factors predicting job satisfaction of workers.

Hodson (1985)\textsuperscript{86} reviewed that employees with high education levels always express dissatisfaction with their jobs, while the findings of Al-Heleelah\textsuperscript{87} and Al-Saddi\textsuperscript{88} failed to confirm any correlation between education and job satisfaction. It could be concluded from the previous studies that there is no seemingly reciprocal relationship between educational level and job satisfaction. The study of Dr. Humoud(2000)\textsuperscript{89} highlighted the five areas representing satisfaction. These areas were social service, social status, achievement, variety, and ability utilization. While, compensation, office policies, and supervision-human relations were the areas in which social worker were least satisfied in this study. Commitment and satisfaction were best predicted by job task characteristics such as role ambiguity and skill variety.\textsuperscript{90} Kalliath & Beck(2001)\textsuperscript{91} believes that the most predictable variables in having a reasonable level of job satisfaction were office policies, and supervision-human relations.

Koeske & Rauktis(1994)\textsuperscript{92} found that workers who experience supportive supervision have more job satisfaction. Conflict is one of the important variables leading to low morale among employees, and thus leading to poor employees' performance.

Stephen & Timothy(2007)\textsuperscript{94} in their study revealed that inadequate or excessive levels of conflict can hinder the effectiveness of a group or an organization, resulting in reduced satisfaction of group members, increased absence and turnover rates, and, eventually, lower productivity. However,
they believed that when conflict is at an optimal level should be encouraged. Again, there should be the amount of turnover needed to rid the organization of misfits and poor performers.

**Q. Reade (2004)** pointed out that the negative consequences from conflict can be devastating. The most obvious are increased turnover, decreased employee satisfaction, inefficiencies between work units, sabotage, and labor grievances and strikes. One study estimated that managing conflict at work costs the average employer nearly 450 days of management time a year. And there are also emotional costs. Conflict also stimulates anger. And there is a clear link between anger and physical aggression. These emotions should be avoided, not cultivate.

The study of **K.D. Schmidt (1987)** revealed a shocking fact that the French like conflict. They frequently gain recognition and develop their reputations by thinking and acting against others. As a result, the French tend to take a long time in negotiating agreements and they aren’t overly concerned about whether their opponents like or dislike them.

**Stephen & Timothy (2007)** surprisingly gave an affirmative assertion that conflict is a means to bring about radical change. It’s an effective device by which management can drastically change the existing power structure, current interaction patterns, and entrenched attitudes. Conflict facilitates group cohesiveness.

The findings of **Cummins (1998)** exhibited the fact that on the surface, these organizations are very congenial places of business. People are polite, friendly and rarely disagree. But, below the surface is a sea of frustration and an inability to execute plans or create change because of confusion, resistance, sabotage and procrastination.
The important finding from the result of the study of Adnan Iqbal was that conflict as a dimension of organizational climate had negative effect on organizational commitment. This finding is compatible with previous results (Oliver and Brief, Fisher and Critelson, Zalma, Hartenian et al, Babakus et al, King & Sethi, ) which suggested that low role conflict would most likely result in low job stress and this in turn would have beneficial consequences for both employees and organizations. Research shows that low job stress would most likely result in better job satisfaction and organizational commitment.

3.1.5 Productivity as a Variable of Employees' Performance:

The attributes ascribed to measure productivity for the present study are accidents, wastage, training, quality of work etc.

It is conceivable for the organization to have more employees than the competitors yet the competitors may have more output. This is due to competitors' high productivity. Productivity surveys and case studies indicate that increased worker motivation and satisfaction can increase worker output. Progressive, innovative managers now achieve productivity gains with human resource management techniques that go beyond pay incentives.

Based on the research of renowned psychologist Dr. David McClelland, Hay Group has identified the six factors that are responsible for the quality of organization's 'climate' – the factors that really deliver team motivation, performance and productivity. When employees rate climate dimensions high, they say they are motivated by their workplace, it's an enjoyable and productive place to be, that they give their best and are confident they will be recognized for their contribution. But, more importantly, the employees should have an opportunity to provide the managers with a picture of how they'd like the climate to be. This can provide a powerful mandate for making changes.
The findings of Cascio (1998) revealed a negative affirmation that generally speaking, employee benefits do not enhance productivity. Their major impact is on attraction and retention and on improving the quality of life for employees and their dependents. It is good HR practice to treat people as individuals and not to rely on stereotyped group membership about women, ethnic groups, older workers, workers with disabilities. Finally, it just makes good sense to pay people equally, regardless of gender, if they are equally qualified and are doing the same work.

According to Allen and Meyer (2000), "of the several 'work attitude' variables studied by organizational psychologists, only job satisfaction has received more research attention than organizational commitment."

Ramirez (2000) came out with some statistics showing that Export orientation, the pace of technological change, the education of the work force, and economic cycles and growth prospects all appear to determine a firm's willingness to train its workers. Rudrabasavaraj (2000) declared that there are two problems associated with technology- one is that the technology for applying the principles may not be known. Alternatively, there are also some barriers to employing the technology. Some such barriers are the issues of resistance to social and institutional change: vested interests, conflicts of interest, tradition, threats to power or privilege, and so forth. Conflict management has to be applied here. Barbara (1998) believes that technical competency is essential as a basic requirement for hiring and ongoing training of employees at all levels throughout the company. True competency, however, is multidimensional and embodies knowledge and skills beyond the technical aspects of the job requirements.

Rasmussen (1997) found that the safety control structure often changes over time, which accounts for the observation that accidents in complex systems frequently involve a migration of the system toward a state where a
small deviation (in the physical system or in human behavior) can lead to a catastrophe. Chappell D W (1995)\textsuperscript{113} commends the theme that ‘Team Safety’, ultimately can attain high standards of management approach towards safety. The essence of good safety will rely on this ultimately. Komaki \textit{et al.} (1978)\textsuperscript{114}, conducted a quas-experiment in a wholesale bakery. The study concluded that performance could be enhanced by safe practices in organizations.

Chaplin (2006)\textsuperscript{115} reviewed the evidence that fatalities and serious potential incidents and accidents are linked to stressors and related factors. These factors can defeat management control and ultimately an organization’s resilience and this leads to serious accidents and incident. A managed identification and rectification by early intervention process can effectively predict and control these situations. Fretwell\textsuperscript{116} asserted that successful, competent leaders reflect and model core competencies on which the success by recognizing the importance of integrating core competencies in the day to day operations of the company through aggressive training and skill development of employees at all levels throughout the organization performance can be increased.

3.1.6 Commitment and Employees’ Performance:

The variables such as absenteeism, labour turnover, sense of belonging etc have been considered in order to measure commitment of employees and its influence on employees’ performance.

Iqbal (2002)\textsuperscript{117} in his article articulated that early researchers of organisational Commitment (Becker\textsuperscript{118}, 196; Kanter\textsuperscript{119}, 1968) identified that commitment is primarily a function of individual behavior and willingness of individuals to give their energy to the organisations through actions and choices over time. In other words, Becker\textsuperscript{120} (1960) described commitment as
the tendency to engage in consistent lines of activity, such as intent to stay in the organisation.

Early researchers of organisational Commitment (Becker\textsuperscript{121}, Kanter \textsuperscript{122},) identified that commitment is primarily a function of individual behavior and willingness of individuals to give their energy to the organisations through actions and choices over time. In other words, Becker\textsuperscript{123} described commitment as the tendency to engage in consistent lines of activity, such as intent to stay in the organisation.

Schneider(1970)\textsuperscript{124} demonstrated that when the goals of the organisations and the members of the organisation integrated or congruent, attitudinal commitment occurs. Therefore, attitudinal commitment represents a state in which an individual identifies with a particular organisation and its goals, and maintains membership in order to facilitate these goals (Mowday\textsuperscript{125} 1979). Hence organisational commitment has been identified as a useful measure of organisational effectiveness (Steers\textsuperscript{126}, 1977) and explaining the work-related behavior of employees in organisations. (Mowday\textsuperscript{127} 979).

Newstrom (2007)\textsuperscript{128} in his book asserted that commitment is usually stronger among longer-term employees, those who have experienced personal success in the organization, and those working within a committed employee group.

Stephen & Judge (2007)\textsuperscript{129} pointed out some the evidences from his study revealing that an important moderator of the satisfaction-turnover relationship is the employees' level of performance. Specifically, level of satisfaction is less important in predicting turnover for superior performers. The organization makes considerable efforts to keep these people. Just the opposite tends to apply to poor performers There may even be subtle pressures to encourage them to quit. We would expect, therefore, that job
satisfaction is more important in influencing poor performers to stay than superior performers.

Mowday and Reddy\textsuperscript{130} (1996) concluded from their study that one should be committed to the aims and objectives of the organization, and then only it is possible to work better. If there is contradictory stand by the individual about the aims and objectives of the institution, one would become an average and below average performer. Kontrollikeskmega (2001)\textsuperscript{131} from his study confirmed the results of an emotional commitment to the relationship between job satisfaction and the importance of the organization's success, and, suggested that organizations should therefore pay more attention to the existence of its members (including managers) satisfaction.

Rego (2003)\textsuperscript{132} highlighted in his study that in order to strive for better performance, organizations must be able to develop their employees' affective commitment. As Meyer and Herscovitch\textsuperscript{133} (2001) pointed out, “Whenever possible, it is desirable to foster affective commitment.” For theoretical and practical reasons, it is important to study their antecedents. The literature has suggested a wide range of antecedents (Allen & Meyer\textsuperscript{134}, 1996; Meyer\textsuperscript{135} et al., 2002), including demographic variables, locus of control, organizational support, transformational leadership, role ambiguity, role conflict, competence-related variables, and organizational justice. Job involvement, positive and negative affect and several facets of job satisfaction have also emerged as important correlates of affective commitment. However, variables such as happiness and emotions (Herrbach\textsuperscript{136}, 2006; Thoresen, Barsky, Warren & de Chermont\textsuperscript{137}, 2003) have been neglected as possible antecedents.

Affective commitment is possibly the most studied component of organizational commitment because affectively committed individuals tend
to perform their jobs better and to be more productive. Normatively and, mainly, instrumentally committed workers, tend to perform less well. Affective commitment leads to fewer intentions to quit the organization (Allen & Meyer, 1996; Vanderberghe & Tremblay, 2008), lower turnover (Allen & Meyer, 1996; Maertz, Griffeth, Campbell & Allen, 2007; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002), reduced absenteeism (Allen & Meyer, 1996; Eby, Freeman, Rush, & Lance, 1999; Somers, 1995), more customer-oriented behaviors (Chang & Lin, 2008), and improved in-role and extra-role performance (Allen & Meyer, 1996; Luchak & Gellatly, 2007; Meyer et al., 2002; Vandenberghe, Bentein & Stinglhamber, 2004).

Fisher (2002) observed that if individuals feel happy at work, it is likely that they develop positive attitudes toward the organization, including higher affective organizational commitment. Simon et al. (1950) found that individuals have multiple commitments within the workplace as well as to other institutions outside of work e.g. family, professional and social organizations, political parties, religious organizations (Morrow, 1983; Reichers, 1985). While the capacity for an individual to form commitments across targets may be boundless, there are limits on an individual's resources e.g. time, emotion, and attention. Wollan (2002) asserted that the concept of lifetime employment with a single organization is becoming a fleeting memory. Turnover is no longer seen as only a negative phenomenon and individuals leaving work groups are seen to aid both their own careers, and provide organizational benefits of increased innovation (Dalton & Todor, 1979; Staw, 1980), morale (Staw, 1980), increased performance (Staw, 1980), and a strategic opportunity for reengineering the organizational structure for more efficient practices. (Hom & Griffeth, 1995).

Krackhardt & Porter, (1986) observed a potential decrease in learning and productivity of coworkers in organizations that lose employees that
provide advice to colleagues on work practices and job knowledge, skills, and abilities. The loss of these key employees can often lead to the cluster effect of other coworkers following a valued employee out the door (Shah, 1998). Kyrillidou (1996) found that an employee with high organizational commitment feels positively about their organization. Therefore, as with job satisfaction, organizations which effectively manage diversity should have more committed employees.

Petersen et al. (2008) pointed out that according to reciprocity-based models of employee behavior (e.g., Mayes, 1964), employees who feel treated well by their organization return the favorable treatment to the organization. Organizational support theory (e.g., Rhoades & Eisenberger, 2002), for example, suggests that organizational commitment is a response to favorable perceptions of organizational support. Organizational commitment, in turn, motivates employees to behave in ways that they believe will benefit the organization.

Iqbal (2002) agreed with Schneider's (1970) findings that when the goals of the organizations and the members of the organisation integrated or congruent, attitudinal commitment occurs. Therefore, attitudinal commitment represents a state in which an individual identifies with a particular organisation and its goals, and maintains membership in order to facilitate these goals (Mowday, 1979). Hence organisational commitment has been identified as a useful measure of organisational effectiveness (Steers, 1977) and explaining the work-related behavior of employees in organisations. (Mowday, 1979).

Fuller et al. (2003) stated that "because commitment can be an exchange commodity, people are likely to become committed to an organization when they feel that the organization is committed to them". Satoris (2009) summarized research findings concerning the relationship between employee
job satisfaction and customer to feature on this forum in its current form. The desires of a few people to leave an organization can spread to others, exposing companies to loss of rare talent, damage to valuable client relationships, displacement of key knowledge and employee replacement costs. Employees with more friends at work, more ties with the communities in which they live and who's skill sets are well-matched to their jobs are substantial less likely to leave an organization. As for turnover contagion, analysis indicates that an employee is less likely to seek new employment if their co-workers also refrain from these activities.

**KontroUikeskmega (2001)**\textsuperscript{171} studied organization commitment and job characteristics of the relationship between emotionally committed employees. His analysis showed that there are more emotionally committed employees who feel a high level of control over the work and the work provides them with high psychological demands and overall job satisfaction is higher.

**Fretwell (1998)**\textsuperscript{172} observed from her study that a sense of uncertainty permeates today's labor market, with employees keeping a continuous eye on perceived better job opportunities. When today's leaders manage employees as impersonal objects that can be moved around the job setting like pawns on a chessboard or disposable commodities that easily can be replaced, employee loyalty and commitment is tossed out. This negative cycle is not only costly but also destructive to the company.

**Kontrolkeskmega (2001)**\textsuperscript{173} argues that the most controversial psychological tension and physical symptoms of disease will be highlighted at a high-voltage work, if employed, have high psychological demands, control over the work, however, is low.

**Bagozzi & Edwards (1998)**\textsuperscript{174} specify that different workplace targets are not facets or dimensions that underlie a global commitment. Research has
demonstrated that employees can be highly committed to some workplace targets and not others (e.g. Becker and Billings^175 1993). Commitments to different workplace targets need not be highly related .e.g. one could be committed to their job, but not the organization, although spillover between different targets is possible e.g. commitment to a supervisor can impact commitment to the organization. Weiner (1985)^176 summarized his findings that commitment rationales are in some ways analogous to attributions. Attributions are not the performance itself but are the individual's self explanation for why they performed the way they did. Similar to attributions, commitment rationales may not reflect the 'objective' antecedents of commitment, yet those rationales still determine the individual's reactions and responses.

Patrick and Rebecca^177 observed that the types and importance of rationales for workplace commitments have likely changed given the considerable changes in the nature of work and the employment relationship. Fuller et al. (2003)^178 concluded that because commitment can be an exchange commodity, people are likely to become committed to an organization when they feel that the organization is committed to them.

The study of Stephen & Timothy (2007)^179 revealed that an important moderator of the satisfaction-turnover relationship is the employees' level of performance. Specifically, level of satisfaction is less important in predicting turnover for superior performers. We would expect, therefore, that job satisfaction is more important in influencing poor performers to stay than superior performers.

Continuing with the report they asserted that while it certainly makes sense that dissatisfied employees are more likely to miss work, other factors have an impact on the relationship and reduce the correlation coefficient. For example, organizations that provide liberal sick leave benefits are
encouraging all their employees— including those who are highly satisfied — to take days off.

3.2 Measurement of Organizational Climate within organizations

The attributes studied by various authors to measure organizational climate are job itself, leadership styles in the organizations, organizational policies and practices, inter-personal relationships and so on. The below mentioned literature has been referred for the purpose of the present study:

3.2.1 Leadership as a Variable of Organizational Climate:

A myriad of studies have been conducted so far on the most sensitive variable- leadership. The views of some experts have been quoted here.

Fretwell (1998)\(^{180}\) asserted that leaders are critical in establishing the direction for the company through a well-defined and articulated vision, mission and goals. They are responsible for ensuring that this direction is communicated and implemented throughout the entire organization with efforts focused on soliciting employee commitment to a shared organizational vision. Kyrillidou (1996)\(^{181}\) declared that with respect to the leadership climate, it is worth noting that its long term phenomenon and major efforts are to be made in the area of organizational development to achieve improvement in most of the climate themes not just those pertaining to leadership.

Stephen & Timothy (2007)\(^{182}\) advocated managers to be interested in their employees' attitudes because attitudes give warnings of potential problems and because they influence behavior. Given that managers want to keep resignations and absences down— especially among their more productive employees— they will want to do the things that will generate positive job attitudes. Fretwell (1998)\(^{183}\) concluded that employee morale is created by
and directly proportional to the degree of employee competence supported by leaders throughout the organization.

Kamla-Raj (2006) observed that employees prefer working in environments that are stimulating, high in morale, caring and cooperative, with supportive co-workers and management that allow individuals to exercise responsibility and listen to ideas. The result is that the organizational climate of their institutions is favorable despite the difference in age.

Barbara (1998) believes that understanding the difference between employee generated and organizational driven issues is an important distinction for today's successful leader to achieve. Resources, Environment (culture), and Processes are largely organizational issues in nature and can be positively altered by quality leadership interventions with a strong emphasis on core competency integration throughout the organization. Locke (1974); Yukl (1989) declared in their work, that good leaders can help to create the conditions that enhance the motivational effects of group membership.

3.2.2 Organizational Policies & Practices as an Determinant of Organizational Climate:

There is no doubt about it that an organization's policies can be a great source of frustration for employees if the policies are unclear or unnecessary or if not everyone is required to follow them. Although employees will never feel a great sense of motivation or satisfaction due to policies of the organization, yet one can make an effort to decrease dissatisfaction in this area by making sure your policies are fair and apply equally to all. The views of various authors on this issue have been presented here.
Maaja et al. (2002) specified that independently of socio-demographic variables, the collectivistic attitudes were related to the way the organization members accept organizational goals and evaluate interpersonal relationships within the organization.

The study of Kyrillidou (1996) highlighted the fact that the Team psychological empowerment results when employees feel that their work contributes greatly to a team task. Thus, management of diversity should lead to greater perceptions of team psychological empowerment.

Raymond & Donna (1990) reported that another approach to improving the motivational climate of work groups involves composing groups so that the members are more likely to work well together. Perhaps the most systematic program for applying this insight was devised by Schutz (1966). His research lent support to the theory that a good motivational fit involves matching people whose interpersonal needs complemented each other (e.g., by ensuring that group members who need friendship and affection are balanced by group members disposed to offer such rewards; that those who are passive are matched with others inclined to be assertive; and so forth).

Raymond & Donna (1990) concluded that workers need to have the personal, social, and material resources that facilitate performing their work and attaining their goals. Smith & Mike (1994) believe that in every work setting there are dozens of organizing forces operating simultaneously on the behavior of employees (Landy, 1989). While industrial/organizational psychology is concerned specifically with the behavior of individuals in their jobs, the understanding, prediction, and control of occupational behavior can only be achieved through the context of the organization.

Barbara (1998) reported that Poor leadership-employee relationships negatively impact employee competence, causing declining spirals in
customer satisfaction and ultimately the success of the organization. The manager who excels in interpersonal skills and possesses a strong commitment to organizational stewardship will ensure that employees feel valued and are empowered to strive in their own competency development.

**Vadi et al (2002)** is of the opinion that if an organization wants that its members support the task, it ought to give them a certain degree of freedom, devise appropriate reward and power allocation systems. Indeed, the acceptance of organizational goal and commitment to organizational entity are important issues that shape their members’ attitudes toward the organization’s tasks. The feeling of a positive change inspires organizational members and every organization should consider these aspects to continue operating in (turbulent) environment. A study by **Locke et al. (1981,)** suggest that although formal goal setting followed feedback and was done participatively and at the group level, other studies have shown positive results when goals are assigned or set on an individual basis and when formal feedback follows, rather than precedes, goal setting.

**Katzell & Thompson (1990)** asserted that positive results have been reported for other types of programs that aim to improve motivation through goals. **Barbara (1998)** dictated that when strong and positive relationships between and among leaders and employees are continuously reinforced through a common focus on personal and occupational competence, employees feel embraced by the culture. This sets the stage for reciprocity through employees partnering with leaders and sharing ownership of and commitment to the company's vision, mission and goals. A positive long-term outlook for the company's successful performance is of utmost importance.

**Wright & Kehoe (2006)** asserted that while most of the research has focused on the organization as the target of commitment, one could conceive
of other targets both that might be impacted by HR practices and that might subsequently impact performance. For instance, commitment to goals, to the job, to the supervisor, or to the workgroup might play as significant a role as commitment to the organization. This suggests a broader view of the potential commitments that could be impacted by HR practices and that might be related to firm performance. Stephen & Judge (2007) concluded that satisfied and committed employees have lower rates of turnover, absenteeism, and withdrawal behaviors. They also perform better on the job.

Delery & Shaw (2001) noted that, while certain individual HRM practices are viewed as superior to others, a single superior HRM practice without other supporting practices in the system is inadequate as a driver of sustainable performance outcomes. Rather, the authors argue, individual ‘best practices’ must be part of a larger, universally superior HRM system to support sustainable success.

Toulson & Smith (1991) asserted that the theoretical positions adopted by industrial/organizational psychologists to generate testable hypotheses, should not only address measures of employee perceptions and attitudes, but also appropriate measures of industrial relations and personnel practices.

Patrick & Kehoe (2008) observed while experimenting in organizations that multiple commitments hinder the organizational commitment. Even when HR practices elicit the organizational commitment desired, the outcomes may not be observed if they conflict with other commitments. An individual can be highly committed to an organization, but a commitment to a family may supercede the commitment to the firm. Arthur (1992) in his study include performance-based compensation schemes which reward group and organization-level performance outcomes and provide opportunities for employees to participate in organizational decision-making.
development, reward, and retention plans encourage long-term employment relationships and often promote strong internal labor markets, regular team-focused assignments, and an emphasis on firm-specific knowledge. The outcomes were positive.

Patrick & Kehoe (2008)\textsuperscript{206} reported that the HR practices can seek to elicit task-related behavior (that necessary to perform the basic job), encourage employees to exhibit discretionary behavior (i.e. go outside the expected job behaviors to positively impact organizational effectiveness), or to discourage counterproductive behavior (actions that negatively impact the firm such as theft, sabotage, etc.). Practices such as incentive pay plans, performance bonuses, gain-sharing, and performance management systems primarily aim at managing employee behavior.

Cohn, B. (1988)\textsuperscript{207} found that the variety of incentives and rewards reflected in various organizational practices is enormous. Examples in addition to job enrichment include financial compensation, promotion, merit rating, benefit programs, considerate supervision, and recognition awards. Because there are individual differences in what people regard as desirable in their jobs, Lawler\textsuperscript{208} (1987) espoused the idea of having a package of rewards and benefits from which individuals could choose the combination most suitable for them. Such so-called “cafeteria” plans have been found to be workable and useful in industry.

Wright (2006)\textsuperscript{209} observed that the motivation and opportunity focused bundles of HR practices positively related to affective commitment and negatively related to turnover. However, skill-oriented practices were unrelated to affective commitment and positively related to turnover. Arthur et al. (2001)\textsuperscript{210} suggested that empowerment-enhancing practices are expected to have a positive impact on organizational commitment, and probably impact the affect, motivation, and continuance outcomes.
Patrick and Rebecca (2008) advocate the newer measurement of HR practices for both, 'high commitment' as well as 'high performance'. Katzell & Thompson (1990) pointed out a number of practices that can raise the level of motivation of people in work organizations. We have formed these into the following seven imperatives: (a) Ensure that workers' motives and values are appropriate for the jobs on which they are placed; (b) make jobs attractive to and consistent with workers' motives and values; (c) define work goals that are clear, challenging, attractive, and attainable; (d) provide workers with the personal and material resources that facilitate their effectiveness; (e) create supportive social environments; (f) reinforce performance; and (g) harmonize all of these elements into a consistent socio-technical system. Feder & Ferris, (1981) says that traditional financial compensation is often administered in a noncontingent way and an outdated technique to enhance performance.

3.3 Perception of Managers and Employees within the Organizations

As is clearly said, organization is how it is perceived by the employees and various parties. Positive perception helps the organization go a long way. It helps in successfully achieving the organizational goals. What experts have to say on this issue has been presented here.

Ekvall (1987) pointed out that organizational climate represents the individual member's perceptions of the conditions, factors, and events that occur in the organization.

Landy (1989) reported that organizational climate can be viewed as that which is represented by the employees' perceptions of the objective characteristics of an organization. Muchinsky (1987) debates whether the components of climate are actual attributes of organization or merely the perceptions of the employees working in the organization. That most researchers concur that organizations differ by climate, implies that it could
be seen as an organizational attribute. Yet such a view contradicts the idea expressed by Landy (1989) above, that climate is a representation of employees' perceptions.

Wright & Nishii (2006) developed a multilevel model of the impact of HR practices on performance and noted that individuals must perceive, interpret, and react to those practices, and that information processing will be largely influenced by their past experiences. For instance, individuals who have worked for employers that attempted to exploit them might interpret a new employer's gain-sharing or profit-sharing program as simply one more way to exploit the workforce. Rego (2003) et al. studied that perceptions of organizational virtuousness may impact affective commitment without the mediating role of happiness. Perceived organizational support reflects the beliefs that employees develop concerning the extent to which they consider that the organization values their contributions and cares about them (Eisenberger, Allen, Hutchison, & Sowa, 1986).

Gouldner (1960) noticed that perceived organizational support possibly leads to stronger affective commitment because, by virtue of the reciprocity norm employees who feel supported by their organization tend to repay their "debt" with affective commitment (Hanges, 2003; Rhoades & Eisenberg, 2002; Vandenberghe et al., 2004). Fretwell (1998) felt that there will always be a few employees who will not support any organization for which they work on the basis of their perception towards the organizations.

Rego (2003) pointed out that in order to build virtuous psychological climates and healthy organizations, managers should care about how employees perceive the organization and its managers, paying attention to a number of aspects: (a) a virtuous sense of purpose in the organizational actions and policies; (b) an optimistic perspective toward challenges,
difficulties and opportunities; (c) a respectful and trustful way of acting; (d) a high level of honesty and integrity at every organizational level; (e) interpersonal relationships characterized by caring and compassion; (f) the combination of high standards of performance with a culture of forgiveness and learning from mistakes.

Lilius et al., (2008)\(^{229}\) noted that the perceptions of organizational virtue and the correspondent perceptions of being valued and considered by the organization may encourage the incorporation of organizational membership into the employee’s self-identity. Rhoades & Eisenberger (2002)\(^{230}\) believe that when employees perceive the organization as virtuous, they form a stronger sense of community, feeling that they can satisfy their social, intimacy, and security needs, thus tending to reciprocate with positive attitudes toward the organization. The perceptions of organizational virtuousness may also improve intrinsic satisfaction, thus increasing affective commitment (Eby et al\(^{231}\), 1999; Kuvaas\(^{232}\), 2006.)

Martha (2001)\(^{233}\) insisted that in effect, every staff member must, in some measure, become a manager and a leader—and the organization must treat them as though they have a brain in their head i.e. both must perceive the organization from others’ point of view. Smith & Mike (1994)\(^{234}\) asserted that since climate deals with the perceptions that employees have about their employing organizations, it follows that the way personnel management is practiced can impact on climate.

Joyce and Slocum (1984)\(^{235}\) observed that collective Climate formed on the basis of perceptual consensus represents a mid-range concept that may prove to be useful to bridge the strategic organizational and individual levels of analysis. Collective Climate is the perception of particular organizational
practices. Organizations influence the perceptions with various factors but principally through structure, technology, and control systems.

Pugh et al., (2008) (2006)²³⁶ stressed that in addition to promoting good human relations and interactions, another factor of organizational climate – communication, should also be promoted with equal zest. This is because information withheld or unclear communication can stimulate conflict. Kyrillidou (1996) et al.²³⁷ declared that a substantial body of work discusses the place of organizational climate as a tactic through which organizations can communicate what is rewarded, supported, and expected. In short, climate can be used to convey what the organization values—what its goals and imperatives are.

3.4 Employees' performance and Causes Responsible for Employees' Performance

Ultimately what matters is the employees' performance in the organization making it possible or otherwise for the management to achieve their goals. Many experts have made a detailed study on this variable, and came out with various suggestions, some of which are quoted below.

Research on motivation over the past 40 years has shown that the climate in the workplace has a significant impact on employee behavior and organizational results. Workplace climates that energize workers to produce their very best can improve profit as much as 30 percent - by increasing revenues, lowering costs and improving customer loyalty. And these results have been proven time and time again!

More and more, researchers have acknowledged that most organizational behavior does not occur solely based on task-oriented or job-oriented features, nor is the nature of behaviors at work solely dependent on the social environment (Griffin²³⁸, 1981, 1983). Rather, the environment in
which people engage in is a mixture of cues based on the job, the organizational policies and practices, and those provided by the individuals in the environment. This empirical study uses a social psychological approach to demonstrate that social comparison (Festinger, 1954; Kulik & Ambrose, 1992; O’Reilly & Caldwell, 1979; Oldham, Kulik, Ambrose, et al., 1986; Oldham, Kulik, Stepina, et al., 1986; Shah, 1998; Worchel, Iuzzini, Griffin, & Ivaldi, 2000), social identification (Crisp & Hewstone, 2000; Hogg & Terry, 2001; Tajfel & Turner, 1979, 1986; Terry, Hogg, & Duck, 1999; Turner & Onorato, 1999; Wiesenfeld & Bartel, 2001; Wood, 1989), and social network relationships (Burt, 1987; Galaskiewicz & Burt, 1991; Krackhardt & Brass, 1994; Shah, 1998, 2000) affect the impact of an organizational exit on surviving coworkers. This study is the first step to develop a profile of the surviving employees that are at the highest risk for “cluster effects” such as future turnover, antisocial behaviors, and low performance. This data, in turn, can be utilized by human resource managers in their attempts to develop human resource management strategic initiatives and control with regard to turnover and some factors that influence productivity and performance via attitudes and behaviors. Additionally, this study serves as support for understanding knowledge transfer that may occur between coworkers as one coworker exits.

Plawin & Suied (1988) concluded that policies are set but not implemented rationally. Rational, and even self-evident, as these principles may seem, it is no secret that most organizations have far to go in implementing them. For example, it has been reported that less than one third of employees surveyed perceive that their compensation is based on their performance.

Arvey et al. (1989) asserted that leaders pay more attention to individual differences. Theories of and research on work motivation have
generally focused on environmental determinants of attitudes and performance; even theories of personal motives have emphasized person-environment fit. More attention to habitual or even biological dispositions of the individual that may to some degree determine his or her attitudes and energy levels in all work situations, influencing performance is warranted. 

Katzell & Guzzo (1983)\textsuperscript{263} reviewed that many interventions, such as training, had obvious implications for resource improvement.

Barbara (1998)\textsuperscript{264} suggested that if leaders assessed reduced employee competency, diagnosed some of the more prevalently observed symptoms of incompetence, analyzed their root causes, and proactively intervened in the identified barriers to competency, the outcomes would likely result in increased competence, morale and ultimately performance. Dyer & Reeves (1995)\textsuperscript{265} argued that employee performance is likely to be greatest when its two components, ability and motivation, are influenced in multiple, redundant ways.

Griffin \textit{et al.} (1987)\textsuperscript{266} concluded that job performance depends on factors in addition to improved motivation: Resources and methods for doing the job are also important, so changes in job design are not likely to improve performance unless the new procedures are at least as efficient as the old ones (Fein, 1971)\textsuperscript{267}. It is also worth noting that reactions to job characteristics depend on social cues as well as on their objective properties. Turban \textit{et al.} (1988)\textsuperscript{268} believed that in addition to creating groups with need complementarity, establishing groups whose members have similar attitudes and demographic characteristics has also been found to be favorable for work performance.

Guzzo \textit{et al.} (1985)\textsuperscript{269} suggested of programs for selecting and developing people who can function effectively as leaders, and, can be useful for improving the performance and attitudes of group members. Kraimer \textit{et al.}
(2001) showed their concern to the fact that the losses of an employee who engages in undesirable work attitudes and behaviors like sabotage, theft, and negative verbal comments or has unacceptable levels of performance may lead to a boost in workgroup performance and morale as these hindering employees leave the work environment.

3.5 Values and Consistency in Theory and Practice in Organizations

Indian organizations are known for their philanthropic attitude and for their values being practiced in the organizations. But there arise certain questions in the minds of the layman, such as- are values really been practiced in organizations? Is it practically feasible to practice values in organizations? Following virtues in organization is strength in true sense or a weakness... and so on. The views of various experts have been presented here.

Schneider’s ASA model proposes that individuals are attracted to organizations to which they perceive they are similar on values, beliefs, and other relevant characteristics. If this does not turn out to be true they terminate employment, thus starting the ASA cycle again.

Cameron et al. (2004) suggested that exposure to virtuousness produces positive emotions in individuals such as love, empathy, awe, zest, and enthusiasm, which are “sine qua non of managerial success and organizational excellence. Fredrickson (2003) firmly asserted that values are of crucial importance. Virtuous spirals may occur in the organization. For example, positive emotions may give rise to more effective interpersonal relationships (Staw & Barsade, 1993) and increase the number of high-quality connections (Dutton & Heaphy, 2003). These positive social bonds lead people to meet their social, intimacy, and security needs, thus experiencing higher psychological well-being (Baumeister &
Leary\textsuperscript{275}, 1995; Haller & Hadler\textsuperscript{276}, 2006; Weiss\textsuperscript{277}, 1991). Close and gratifying relationships with other people may nurture perceptions of meaningful work, thus promoting positive emotions (Kets de Vries\textsuperscript{278}, 2001; Pratt & Ashforth\textsuperscript{279}, 2003).

Kasser et al. (2000)\textsuperscript{280} believe that the feeling that one works in a virtuous organization with due consideration to values may render the job more intrinsically rewarding and, thus, lead to feelings of well-being. Cameron, (2003)\textsuperscript{281} suggested that in order to achieve healthy workplaces, both positive perceptions and authentic positive actions need to be promoted. Amplifying (e.g., more positive emotions and higher social capital) and buffering effects (higher resiliency and self-efficacy for dealing with negative events) may thus be created. Rego (2003) et al\textsuperscript{282} believe that organizations and leaders can promote a psychologically healthy workforce if they encourage (in a genuine and sustainable way) positive perceptions in their employees regarding the organizational virtuousness. This may help to stimulate a more committed workforce.

Haller & Hadler (2006)\textsuperscript{283} argue that people's subjective perception and evaluation is most significant for psychological well-being. Managers must act to influence employees' perceptions of organizational virtuousness.

Brown et al. (1998)\textsuperscript{284} opined that observing organizational virtuousness may enhance positive emotions because people feel psychologically and emotionally safer and consider work situations as controllable (Spector & Fox\textsuperscript{285}, 2002; Miles\textsuperscript{286}, Kaliyamoorthy \textsuperscript{287}). E.E. Lawler (1994)\textsuperscript{288} asserted that employees may feel recognized as valuable emotional and intellectual beings, and not just “human resources”. Feeling this recognition, they experience lower levels of stress and burnout, and express greater job satisfaction. Fredrickson (1998)\textsuperscript{289} suggested that the feeling of working in a virtuous organization may develop the employees' feelings of gratitude.
toward the organization and its members, and such feelings may increase their well-being.

Plawin et al. (1988) concluded that principles are set but not implemented rationally. Cameron et al. (2004) observed that organizational virtuousness may also enhance the ability of employees to absorb threat and trauma, bounce back from adversity, sustain hope and optimism, maintain resilience and “toughness” while facing negative events, thus being able to avoid/reduce negative emotions and/or preserve or recover positive ones. Gavin et al. (2004) summarized that when there is consistency in theory and practice of organizational values, employees may also feel that they are performing meaningful work (Kets de Vries, 2001), bringing their entire self (physical, mental, emotional, and spiritual) to the organization, assuming work more as a mission than as a “job”, which in turn makes them more affectively attached to their organizations and more committed to improving organizational performance. Panda and Gupta (2002) emphasized that the leaders should interact with members frequently on a one-to-one basis and understand and appreciate human issues. Organizational practices like MBWA (Management by Wandering Around) would help leaders assess organizational complexities and overcome employees’ redressal leading ultimately to job satisfaction. R. Foster reported that when values are being practiced in organization employees may feel psychologically empowered. Various authors having established that psychological empowerment is significantly and positively related to affective commitment (Liden, Wayne, & Sparrowe, 2000).

Kyrillidou (1996) et al. noted that when employees know that their ideas will be valued, regardless of whether or not they represent the majority opinion, they will feel that the organization fosters cooperation. Thus, a climate for deep diversity should aide in diversity management by enhancing perceptions of support for cooperation, and thus also, support for diversity.
Fisher et al. (2002)\textsuperscript{298} reported that it is possible that perceptions of organizational virtuousness are experienced as salient emotional events that promote positive feelings about the organization and give rise to positive attitudes toward the organization and strengthen affective organizational commitment.

Petersen et al. (2008)\textsuperscript{299} suggested the organizations to behave well with their employees. These behaviors include behaving according to the organization's core values and goals, adhering to policies and procedures, and following the regulations and directives that have been given by organizational authorities.

Thus, in this chapter, the views and opinions of different authors on various variables covered in the study have been presented. Many books, magazines, newspapers, sites etc have been studied for the purpose. The views on as major and minor issues have been presented as possible to make the study more reliable. These references serve as a base for the present study.

The areas that have been covered in the literature studied so far are:

1. Definition and characteristics of organizational climate including psychological climate.

2. Various dimensions to measure organizational climate.

3. The concepts of organizational culture, conflicting commitments and sub-culture.

4. Distinction between organizational climate and organizational culture.

5. Variables that boost up morale along with measures to raise morale.

6. Impact of morale on company's success.
7. Diversity and job satisfaction leading to employees' commitment or otherwise.

8. Type of leadership, educational level, HR practices and motivation leading to job satisfaction.

9. Impact of conflict on productivity.

10. Conflict leading to radical changes and organizational commitment.

11. Effect of HR practices on productivity.

12. Variables indicating the need to train employees.

13. Problems associated with training along with safety problems.


15. Problems associated with retention/turnover in organizations.

16. Commitment as a necessity for better employee performance.

17. Variables leading to affective organizational commitment and consequences of loss of key employees.

18. Leadership fostering commitment through effective communication and imbibing positive attitude in organizations.


20. Leadership styles for diversity as well as group management.


22. Variables indicating HR practices stimulating performance.

23. Effect multiple commitments on employees' performance.
24. Multilevel models of the HR practices on performance.

25. Perception of employees and employees’ commitment.


27. Reciprocity of perception between employers-employees and affective commitment.

28. Virtuousness fostering positive emotions leading to success.

A systematic Gender wise, management wise and income wise comparison of all the above mentioned variables has not been done so far. Apart from this, the unexplored dimensions that have been discovered have been studied here. The gaps so discovered have been listed below:

1. Diversity in terms of language, mannerism and method of work. The dimensions describing the organizational climate as a cause of increased morale, improved productivity and enhanced commitment in organizations are missing.

2. Consistency in theory and HR practices in organizations.

3. Impartial or otherwise implementation of HR practices.

4. Conflict leading to challenges in organizations.

5. Gender disparity in terms of nature of work, status and recognition.

6. Reaction of employees to introduction of new technology.

7. Variables leading to commitment.

8. An effort on the part of both, employers and employees to change their perception for overall betterment. The recommendations to improve the same are missing.
9. Care of organizations towards different groups simultaneously.

10. Major factors related to organizational climate that can cause adverse effect among employees' performance.

11. The organization's core values and goals, adherences to policies and procedures, and implementation of the regulations and directives have been found missing.

12. Main causes responsible for adverse organizational climate are missing.
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