CHAPTER-VII

Findings and Suggestions
Today's global economic environment, characterized by a series of changes, namely liberalization, deregularisation, globalization and a powerful technological revolution, nations is becoming borderless and the world a global electronic village. Corporate sector have to rise to the occasion and gear them to meet the challenges of the changing world scenario. The situation is far from encouraging for India as revealed by the Global Competitiveness Report (1999) of the Geneva-based world Economic Forum which shows that India is ranked 52nd among 59 countries. To meet the needs of the situation today, changes are needed not only in contextual factors such as structure, processes, strategies or technologies but also in job environment, behavioral and climatic dimensions such as motivation, attitudes, communication, decision-making, behavior, norms, values, morals and beliefs of people. Since all these factors are interdependent, change in one requires a corresponding change in all other factors to make the efforts successful.

The climate and culture of an organization are the natural forces which leave an imprint on the organization. Both have a strong impact on the organization, particularly during transformational change. The concept of organizational climate offers more definable and measurable vehicle for implementing change. Organizational climate is very important factor to be
considered in studying and analyzing organization because it has a profound influence on the outlook, well-being and attitudes of organizational members and, thus, on their total performance. In every organization there exist certain elements that exert profound influence on the existing climate. In some organizations certain dimensions like motivation, structure, roles, rewards, and communication, decision-making process, responsibility, values and beliefs etc., plays a vital role, whereas in others the level of technology may be the major influential factor in climate.

Organizations' must make effective use of their resources in order to succeed in today's global market. To get the most out of their human resources, organizations empower employees to allow them to work to their highest potential. In doing so, firms are attempting to make employees aware that there is a link between their efforts and subsequent performance. In other words, employers are making employees responsible for their behavior and then rewarding employees who show signs of the most appropriate behavior. Organizational values are beliefs held by organizational members regarding the means and ends that organizations ought to identify in running the enterprise. The most basic level of commonality that provides a common identity and shared sense of purpose are reflected in the company's vision. When employees share organizational values, they feel
more loyal, committed, identify more strongly with the organization, and are more likely to stay. Value-added communication establishes the tenor/energy to the organization. Communication should be timely, informative and widely shared with all stakeholders. Rewards and recognition – both extrinsic rewards and intrinsic acknowledgement for quality performance and behavioral integrity is absolutely necessary for maintaining communication.

Interpersonal relationships were studied with respect to the extent of friendliness, informal relationships, team work, conflict, and fair dealing of the staff within the organization. In public sector organizations relationships were found to be more informal and relaxed to a great extent. Conflicts were usually reported to be resolved directly. To strengthen the relationships among the employees’ informal meets and social events were organized on a regular basis. Public organization under study had a separate training and personnel department which takes care of the developmental needs of the staff, including publishing in-house magazine and recognizing staff achievements.

In the first chapter introduction outlines the conceptual frame work of organizational climate review of literature, need for the study, objectives, methodology and limitations of the study were covered. The present study entitled “Influence of
Organizational Climate on Communication, Decision-Making and Conflict Handling is a moderate attempt to find the impact of organizational climate on communication, decision-making and conflict-handling in public and private sector on a comparative basis, for this purpose two organizations namely TCM (publics sector organization) and SSP (private sector organization) were chosen as the sample units from which the respondents were selected for this purpose. The present study aims to achieve the following objectives:

1. Review the theoretical aspects of organizational climate.
2. Identify and analyze the factors that constitute organizational climate in selected organizations.
3. Review briefly the concepts of communication process, decision-making and conflict-Handling procedure in selected organizations.
4. Examine whether there exists any association between organizational climate on communication, decision-making and conflict handling aspects.
5. Compare organizational climate of public sector enterprise and private sector enterprise, and
6. Suggest some measures for improving the effective functioning of public and private sector in improving the
organizational climate and its effects on other functional areas.

In the second chapter a brief introduction and history of textile industry was discussed. The profiles of the selected units with organizational structure and management, process details and product profile of both the organizations were covered in this unit. The methodology followed for this study is explorative. For this purpose a sample of 250 respondents consisting of 125 public sector employees (employees of TCM) and 125 private sector employees (employees of SSP) were selected at random and administered a structured questionnaire to elicit the information from them on various aspects of the study the information is analyzed with the help of multi column tables and statistical tools like averages, percentages and $x^2$ test of goodness of fit is applied the results of the study are:

In the third chapter various important dimensions of organizational climate, such as motivation, role perception, organizational structural frame work, responsibility, reward process, value systems were briefly studied and analyzed by applying some statistical tools like percentages, averages and chi-square test to test the significance of these dimensions, because organizational climate has a potentially rich, but largely unrealized role in the development of an organization as well as to
raise the motivation of employees. Efficiency of the management and the affirmative qualities of the manager also effect the employees' motivation.

Findings

- It is perceived that the problems are arising from significant culture and different climate affecting the management and motivational level among the employees of the organizations.
- In private organization (SSP), relationship is not very coordinal as trust in relationship was reported to be low, but in public sector organization (TCM) people were informal in their personal relationship with colleagues but formal in official dealings.
- In both the organizations provision of adequate resources for performance leads to strengthening the organizational climate.
- In public sector organization rewards were given on the basis of merit and result produced by employees.
- In private organization the financial health of the organizations dictated that monetary rewards are based on seniority but seniors had started publicly acknowledging the high performers.
➢ In both the organizations a considerable number of employees have an indifferent opinion about the values and their adherence, which require attention to make employees aware of values in both the organizations.

➢ It is found that there is no significant difference between the two organizations with regard to the perceived belief, traditions, and practices are relevant to achieve community welfare objectives in addition to primacy of profit and growth. Since, the calculated value, 13.25 is more than the table value, 9.488 (at 0.05 level of significance for 4.00 degrees of freedom), the perceived inference is that the value system is also relevant to achieve social objective in both the organizations.

➢ It is found that there is no significant difference among the two organizations with regard to employees follows the informal rules regarding communication processes, dress, work habits, work hours and codes of interpersonal behavior. Since, the calculated value, 42.84 is more than the table value, 9.488 (at 0.05 level of significant for 4.00 degrees of freedom).
Suggestions

➢ If the employee who feels that work place is congenial, is more productive. Work is more enjoyable, when the area is pleasant, the people get along freely and when there is team work. In such setting, tardiness and absenteeism will be less, while productivity goes up.

➢ A good work environment can improve morale of employees and encourage them to cooperate to get the job done.

➢ If the human resources practices, policies, organizational structure and organizational strategies are good and reliable, the employees will feel more attached to the organization.

➢ The efficiency of any organization totally depends on the working efficiency, dedication and honesty of the team members. If there is team sprit among the employees in the organization, the mission, vision, goals and objectives of the organization can be achieved.

➢ If the management wants to raise motivation among its employees. It must conduct several mentoring programs, workshops, seminars in the organization, so that employees can discuss their problems relating to organizational climate and culture.
In any organization, if the traditions, ambiance, ethnicity and custom of the organization are good, the employees will be more enthusiastic to give the best output.

When employees are clear about their role, their role performance gets enhanced, resulting in stronger climate.

Motivation by the leaders will increase the clarity of company goals and encourage employees to adopt a commitment to the goals. All the employees in the organization must take responsibility for their work which requires that management empower them and provide recognition of their success. By encouraging team work at every level, organizations can ensure that they accelerate productivity. There is a direct correlation between organizational climate and financial results, including sales, revenue growth, efficiency and profitability.

The fourth chapter analyses the impact of organizational climate on communication process was studied and compared the relationship between these two variables by correlation coefficient. As the communication is an important component of desired behaviors', measured by the organizations' communication patterns. Proper communication eliminates delays, misunderstanding, confusion, distortion and bottlenecks and improves coordination and control. It improves productivity by
developing and maintaining good human relations in the organization.

**Findings**

- According to table 4.1 it is concluded that organizational climate and communication status, the coefficient of correlation (r) is calculated as 0.83 in public sector organization (TCM) and 0.74 in private sector organization (SSP), there is a strong, marked positive relation between organizational climate and communication in both organization. Relatively, a very high positive correlation is observed in case of TCM, a public sector organization.

- One third of the respondent’s percept that they did not find climate encouraging for open and honest communication in both the organization and relatively, the respondents are more in public sector undertaking.

- A major portion of the employees in both the organization have positive perception that they are allowed to give formal reposting and the superiors consider the facts rather than ideas and feelings of the subordinates in feedback communication.

- The respondents of TCM (a public sector organization) have a positive perception on the statements relating to the
aspects of cohesive tendency, definition of authorities and responsibilities, formal procedures, support of equipment and working conditions, superior’s importance, openess etc., the same trend is observed in the responses made by the private sector organization (SSP) employees, but the SSP employees have a strong perception when compared to public sector organization (TCM) employees.

➢ In both the organization employees have a negative perception on the statements relating to the aspects of coordination and division of work, freedom to employees in using their skills?

➢ The employees of both the organization have a perception that the superiors are gaining too much importance in the administration and management of the concern.

**Suggestions**

➢ Lack of acceptable behaviors’ such as blaming others; focusing on problems rather than solution; allowing rumors, gossip and criticisms to prevail and corrupt the corporate climate.

➢ Constructive feedback offered on a regular basis helps reinforce the seriousness of purpose in building a result and value-driven organization.
In modern organization the managers should take into account the formal and informal communication system for improving the interpersonal relationships.

It is assumed that management at each level must support the organizations value of quality communication.

Proper communication eliminates delays, misunderstanding, confusion, distortion and bottlenecks, and improves coordination and control. It improves productivity by developing and maintaining good human relations in the organization. In organizations today, the grapevine supplements the formal channels of communication. The organization climate influences the level of effectiveness in communication.

In the fifth chapter an attempt has been made to analyze the impact of climate on decision-making by correlation coefficient, as the organizational decision making process involves proper and efficient implementation of strategic plans and methods to achieve desired business objective and it is an important process for organizational effectiveness.
Findings

➢ The analysis reveals that organizational climate and decision making ability would be positively correlated. These two factors have yielded a positive r value of 0.94 in public sector organization (TCM) and 0.87 in private sector organization (SSP). It can be interpreted that there is a very strong, marked positive relationship between the organization climate and decision-making process in both the organizations. Relatively, a very high positive correlation is observed in case of TCM, A public sector organization.

➢ It is found that the respondents of public sector organization have a positive perception on standard methods to take programmed decisions, and choosing the best course of action while making open and honest suggestions, job related decisions by the superiors, encouraging new ideas, and making clear decisions, and participate in decision-making.

➢ The opinion expressed by the employees of both the organization has a negative perception about statements related to the aspects of appropriate reward process, encouraging the employees in using their creative ideas on their jobs.
The employees of both the organizations have a perception that the organizations' have a perception that the majority of the major decisions are taken by the top management and only few and routine decisions are taken by the supervisors'.

**Suggestions**

- Every employee has to allow making decisions and it is the sole criteria for evaluation of employees' administrative performance.
- The higher the decision-making ability among employees the better is the climate of the organization.
- The strategies for decision-making ability by employees of an organization, which creates a sound organizational climate to meet the challenges of dynamic, complex and competitive environment.

Every organization and management should have a strong belief in participative decision-making; it will promote decentralization in organization. The management philosophy plays an important role in shaping the climate of the organization.

In the *sixth chapter* it is analyzed the impact of climate on conflict handling procedure in selected organizations by correlation coefficient, as conflicts arise out of human thoughts and feelings, emotions and attitudes, values, and perceptions and
reflect some basic traits of a personality. The managers must understand the nature of conflict that is beneficial to the organization and conflict that is not. The management of conflict is an essential pre-requisite to sound human relations.

**Findings**

- It can be analyzed that there is relationship between organizational climate and conflict handling, the coefficient of correlation (r) is calculated as 0.76 in public sector organization (TCM) and 0.45 in private sector organization (SSP). On this basis it can be interpreted that there is a strong marked positive relation between organizational climate and conflict handling in public sector organization (TCM). A moderate relationship is observed in private sector organization (SSP).

- It is found that the respondents of TCM (a public sector organization) have a positive perception on the statements relating to the aspects of maintaining peace and cooperation, authentic interpersonal relationships, openness, trust, risk-taking and feeling of integrity, solving a problem together etc.,

- In both the organizations the employees have a negative perception on the statements relating to aspects of designing
of training programmes, role ambiguity, role incompatibility, competitive pressures, shrinking and allocation of resources.

**Suggestions**

- The management should take necessary steps to decrease the incidence rate of violence by well designed training programmes.
- Conflicts' make an impact on the individual and the organization which are of, not mutually exclusive. The way in which individuals perceive a conflict may have an important effect on the climate of the organization.
- The structural conflict in the organization which develops from organizationally imposed roles and to barriers developed by management in their attempt to differentiate and coordinate activities. Personal behavior factors include individual idiosyncrasies and differing personal value systems.
- It is assumed that a wide variety of organizational conflicts will occur quite naturally and, many of them will promote creative tensions which lead to system improvement.
The way in which individuals perceive a conflict may have an important impact on its effect on the organization. Organization climate is the perception which people have about various facts like, organization's formal rules and procedures, its formal codes of behavior, rituals, tasks, pay systems, beliefs, experiences, and values etc.,.

Organizational climate is the summary perception which people have about their organization. The conduciveness of the organizational climate depends on various factors such as organizational context, organizational structure, company customs and values, physical environment, communication, reward system, employee encouragement, performance evaluation system, training and development programmes, supervision, etc. Organizational climate is comprised of mixture of norms, values, expectations, policies and procedures that influence work motivation, commitment and ultimately, individual and work unit performance. A good organizational climate help management better understand how employees think and feel as contributing members of their organizations. The overall analysis reveals that the impact on organization climate on communication, decision-making and conflict among the employees of TCM and SSP. These findings are in accordance with the views and feelings of people in general where there is a comparison in the performance
between the public and private sector. In totality the organizational climate is said to be very good and healthy in public sector (TCM) than in private sector organization (SSP).