Chapter III
The Problem

What makes an organization successful is not merely the achievement of its goals, but how easily and profitably it is dealt. The results are weighed in terms of the amount, resources and efforts put into that exercise. Organizations operating in the same environment, with similar technology, with more or less the same number of employees may still differ in their effectiveness. The difference largely is a result of human performance. Human aspect is more important for the effectiveness of organization than other factors, viz., technology and raw material, as technology and raw material can be changed or altered according to the needs of the organization. But it is most difficult to fulfill the needs of the organizational members because aspirations and needs of the members are different from individual to individual. There are two aspects that influence the motivation of people: the individual factors and the organizational factors. Individual differences can be overcome by following scientific method in recruitment and by giving proper training. Organizational factors can be fulfilled by providing better environment and giving consideration to individual by sharing information related to organizational functions. Thus, climate and communication are influencing the effectiveness of organizations.

Contextual or environmental factors also influence organizational behaviour, because an organization draws its
resources, including human, from its environment. For instance, workers of organizations located in rural areas have different expectations as compared to their urban counterparts, people working in public sector have more job security than the private sector workers. Small size industries have more family like atmosphere, and due to that there prevail more centralization, less standardization and less formalization. These things are just the reverse in large organizations. Due to the above said differences between small and large, public and private sector, and rural and urban organizations, it is expected that there will be variations in their organizational climate, communication pattern, organizational effectiveness as well as productivity.

Although studies were done on these factors and their relationships, no systematic attempt has been made integrating the relationship of these factors. Hence, the present study has adopted the following conceptual framework showing the linkages between the variables: Size, public/private, rural/urban, climate, communication, effectiveness and productivity.
a. INDIVIDUAL LEVEL ANALYSIS

Fig. 1. THE CONCEPTUAL FRAMEWORK

ORGANIZATIONAL EFFECTIVENESS

ORGANIZATIONAL CLIMATE

COMMUNICATION PATTERN
b. ORGANIZATIONAL LEVEL ANALYSIS

- Productivity
- Organizational Effectiveness
- Organizational Climate
- Communication Pattern
- Size (Public/Private, Rural/Urban)
Based on the foregoing conceptual model the following objectives are set forth for the present study.

Objectives

1. To know the differences between small and large organizations with respect to their climate, communication and effectiveness.

2. To find out the differences between public and private sector organizations with regard to their climate, communication and effectiveness.

3. To identify the differences between the organizations located in rural and urban areas with respect to their climate, communication and effectiveness.

4. To examine the influence of climate and communication pattern on effectiveness.

5. To gauge the influence of climate and communication on effectiveness in different categories of organizations, viz., small/large, public/private and rural/urban.

6. To know the effect of size, public/private, rural/urban environment, climate, communication pattern and effectiveness on productivity.

Area of study and sampling

It was decided to conduct the study in the textile industry of Coimbatore District because Coimbatore is known
for textile production and popularly called the Manchester of South India. In addition, the textile organizations exhibit homogeneity in the production process which will enable to make comparison between the organizations. There are 180 textile organizations in Coimbatore District. Since productivity being one of the important outcome variable it was decided to conduct the study only in member organizations of SITRA (SOUTH INDIA TEXTILE RESEARCH ASSOCIATION) for whom the productivity index was readily available. There are 78 textile organizations under the roof of SITRA located in Coimbatore District. It was considered to conduct the study among the supervisors (Padaki, 1982 also conducted a study in textile industry of Ahmedabad considering the supervisors), the rationale being that the supervisors are in the middle category caught between workers and managers. Both groups differ in their attitude, values, priorities and in the demands they make on supervisors. Sasser and Leonard (1980) observed that "a supervisor not only commands, directs, controls and inspects but also takes responsibilities for, leads, sheperds, administers, guides, consults and cares for". The work is varied, complex, and extremely difficult to master, yet mastery of the employees to see and deal with them every day (Rue and Byars, 1986). Eventhough a supervisor is not directly producing, it is his duty to make the workers to work hard to complete the day's assignment, with good quality, fixed for every worker.
Only the organizations employing more than 400 workers are considered because in small organizations there is only few supervisors and they may be inadequate to represent all sections of the organization. Under SITRA, there are fifty organizations with 400 and more employees. A list of these fifty organizations were prepared in an ascending order according to the size of the organization since size is one of the structural variables influencing other variables considered in the study. Every alternative organization from the list was selected adapting systematic sampling method. All the supervisors working in the 25 selected organizations were interviewed. In all there were 252 supervisors. Thus data were collected from 25 organizations interviewing 252 supervisors.

Instruments used in the study

For measuring the variables, climate, communication and effectiveness, standardized instruments were used. Detailed descriptions of the instruments are given in the third chapter.

Tools of the study and data collection

In the present investigation, structured interview schedule was used as the tool for data collection. The schedule covered information on personal profile and instruments to measure climate, communication pattern and effectiveness. The interview schedule was translated into
Tamil. The Tamil version of the interview schedule was used to collect data.

Collection of data was carried out between September 1993 and April 1994 by personal interview at the organizations.

Operational definitions

Operational definitions of the variables as used in the present study are as follows.

Size: Number of employees employed in the organization at the time of data collection.

Small size organizations: Organizations employing more than 400 and less than 512 workers.

Large size organizations: Organizations employing more than 512 and less than 1100 workers.

Public sector organizations: Organizations controlled by National Textile Corporation of India.

Private Sector organizations: Organizations controlled by private persons or companies.

Rural organizations: Organizations located in rural areas.

Urban organizations: Organizations located in urban areas.
Organizational climate (O.C): Organizational climate is defined as a set of measurable properties (structure, responsibility, reward, risk, warmth, support, standard, conflict and identity) of the work environment; perceived directly or indirectly by the people who live and work in this environment and assume to influence motivation and behaviour.

Dimensions of Organizational Climate

Structure (Stru): The feeling that employees have about the constraints in the group, how many rules, regulations, procedures there are; is there an emphasis on "red tape" and going through channels, or is there loose and informal atmosphere.

Responsibility (Resp): The feeling of being your own boss; not having to double-check all your decisions; when you have a job to do, knowing that it is your job.

Reward (Rew): The feeling of being rewarded for a job well done; emphasizing positive rewards rather than punishments; the perceived fairness of the pay and promotion policies.

Risk: The sense of riskiness and challenge in the job and in the organization; is there an emphasis on taking calculated risks, or is playing it safe the best way to operate.
Warmth (Warm): The feeling of general good fellowship that prevails in the work group atmosphere; the emphasis on being well-liked; the prevalence of friendly and informal social groups.

Support (Supp): The perceived helpfulness of the managers and other employees in the group; emphasis on mutual support from above and below.

Standards (Std): The perceived importance of implicit and explicit goals and performance standards; the emphasis on doing a good job; the challenge represented in personal and group goals.

Conflict (Conf): The feeling that managers and other workers want to hear different opinions; the emphasis placed on getting problems out in the open, rather than smoothing them over or ignoring them.

Identity (Iden): The feeling that you belong to a company and you are a valuable member of a working team; the importance placed on this kind of spirit.

Communication: Sharing of information among the members in the organization is smooth and information passing is accurate and easy to understand.

Accuracy (Acc): It refers to the extent to which communication within an organization is accurate to meet the tasks.
Openness (Opp): It refers to the extent to which the members can communicate with others openly.

Job satisfaction (J.S): It measures an employee's satisfaction with the company, the job, the superiors, the salary, the growth opportunities and the work group.

Organizational commitment (Comm): It refers to an employee's emotional attachment to his organization as a whole.

Job involvement (J.I): It is the individual's willingness to invest himself in pursuit of job activities perceived to be meaningful (Agarwal, 1983). It can also be defined as a psychological identification with one's job.

Job performance (J.P): It refers to the amount of effort a person feels he puts in his job, in terms of time and ability and in actually doing his job.

Group processes (G.P): It measures the processes and functioning of the group. These are interpersonal processes which characterize the group and combine into an index of effective group processes which are internally consistent. The processes appear to focus on the following points:

1) Confidence and trust among members  2) strong shared motivation towards goal attainment  3) effective group decision-making  4) effective open communication within the group  5) mutual help and coordinated effort  6)
flexibility, adaptability and creativity  7) job competence with an emphasis upon group mutual skill upgrading.

Organizational performance (O.P): There are various dimensions of organizational performance. The following dimensions have been selected: the growth rate of sales or revenue, employee morale, job satisfaction and commitment to organizational objectives, public image and goodwill, financial strength, liquidity and ability to raise financial resources and the long run level of profitability.

Organizational Adaptability (O.A): It measures to what extent employees of the organization are able to anticipate problems for the organization, adjust to new technology and face the emergency situations brought by accidents, equipments and labour problems or any other situation which can disrupt proper functioning of the organization.

Productivity Index (P.I): A measure of productivity calculated by expressing the standard HOK (operative hours to produce 100 kilograms of yarn) of 24.0 as a percentage of the mill's actual total Hok adjusted to 40s count. The productivity index is calculated by controlling size, modernization of machine and raw materials.
Pretest

Pretest was conducted to see the feasibility of the interview schedule to be used in textile industry. After pretesting, certain items of the instruments were slightly restructured to suit the textile organizations and the respondents from whom the data were to be collected.

Analysis of data

Mean scores were used to see the difference between categories of organizations, viz., small and large, public and private, and rural and urban with respect to climate, communication pattern and effectiveness at organizational level. Similar type of analysis was done by Padaki, 1982 and Jones and James, 1979 and Drexler, 1977. Regression analysis was computed to see the influence of climate and communication on effectiveness in sample organizations, small/large, public/private, and rural/urban organizations considering individual as a unit of analysis (Padaki, 1982; Lawler et al., 1974). Regression analysis was also worked out to find out the effect of causative factors on outcome variable, productivity considering organization as a unit of analysis (Pritchard and Karasick, 1973; Howe, 1977; Joyce and Slocum Jr., 1984). Principal component analysis were worked out to identify the principal components for climate. Similar analysis was made by Padaki (1982).