Chapter II

Review of Literature
The objective of effective utilization of human resources in work organizations has received increased attention in recent years from both organizational researchers and practicing managers. The concern for an improvement in the quality of working life and for making work more meaningful has led to the programme of human resource development in organizations.

Practically every aspect of the activities in an organization is influenced by the effort given to it by its members. In the absence of human effort and direction an organization becomes unproductive. Its functioning depends very heavily upon the competence, motivation and overall effectiveness of human behaviour.

The effectiveness of human behaviour mainly depends upon individual skill and the motivation they received in the work environment. The problem of individual skill may be overcome by scientific practices in selection, placement and training. However, the problem of motivation has to be dealt with by providing appropriate climate and communication among other factors. Sehaiah (1981) observed that the behaviour of an individual is completely based on the composition of "Need-Want-Instinct". Persons with a high degree of negative instincts behave in a barbaric and cruel fashion to satisfy their desires and vice-versa. However, when the environment is not suitable, i.e. if the organization can not satisfy an individual, he tries to
identify informal sources to fulfill the same. This widens the gap between formal and informal behaviours of an individual, resulting in ineffectiveness of the organization.

Mali (1978) discusses in length twelve causes for the decline of productivity in firms.

1. Inability to measure, evaluate and manage the productivity of white-collar employees. This causes a shocking waste of resources.

2. Rewards and benefits given without requiring the equivalent in productivity and accountability. This causes spiraling inflation.

3. Diffused authority and inefficiency in complex organizations, thereby causing delays and time lag.

4. Organizational expansion that lowers productivity growth. This results in soaring costs.

5. Low motivation among a rising number of affluence workers with new attitudes.

6. Late deliveries caused by schedules that have been disrupted by scarce materials.

7. Unresolved human conflicts and difficulties in team work, resulting in the firm's ineffectiveness.

8. Increased legislative intrusions or antiquated laws, resulting constrained management options and prerogatives.
9. Specialization in work processes resulting in monotony and boredom.

10. Rapid technological changes and high costs, resulting in a decline in new opportunities and innovations.

11. Increasing demand of leisure time causing disruption of time commitment.

12. Practitioners inability to keep pace with latest information and knowledge.

Barnard (1938a) defines effectiveness as the condition of an organization in which specific, derived ends are attained. He makes an important distinction between effectiveness and efficiency; when unsought consequences are not trivial, effective action is inefficient.

Georgopoulos and Tannenbaum (1957) define "Organizational effectiveness as the extent to which an organization, given certain resources and means, achieves its goals without placing undue strain on its members".

Etzioni (1964) defines effectiveness as "the ability of an organization to achieve its goals".

According to Katz and Kahn (1966) it is "the maximization of return to organization by economic and technical means (efficiency) and by political means."
Yuchtman and Seashore (1967) define it as "organizations ability to acquire scarce and valued resources".

"Organizational effectiveness as ability of an organization to mobilize its centre of power for action, production and adaptation" (Mott, 1972).

The effective organization is one in which "the greater percentage of participants perceive themselves as free to use organization and its subsystems as instruments for their needs" (Cummings, 1977).

Organizational effectiveness can be defined as an organization's ability to attain the goals and sustaining the performance without giving undue strain to members and managing the members to have better organizational commitment and other attitudinal aspects.

In her studies on organizational climate Padaki (1982, 1983a, 1984) observes that there appears to be causal relationship between climate variables, both micro and macro, and an index of organizational effectiveness derived from standardized productivity measurements.

Friedlander and Margulies (1969) define climate as "perceived organizational properties intervening between organizational characteristics and behaviour".
Payne (1971) has described climate as a "molar concept reflecting the content and strength of the prevalent values, norms, attitudes, behaviours and feelings of the members of the social system which can be operationally measured through the perceptions of system members of observational and other objective means".

Climate itself is a multi-dimensional concept (Campbell et al., 1970) and incorporates dimensions about interpersonal processes and relationships, and about how the task of the organizations are achieved.

Glick (1985) defines climate as "a generic term for a broad class of organizational rather psychological variables that describe the context for individual actions".

Schneider and Reichers (1983) speak of "practices, procedures and events" as the conditions in the organization that the individuals observe and interpret in climate terms. Campbell, Dunnette, Lawler and Weick (1970) claim that climate "derives from the way the organization deals with its members and its environment".

Pritchard and Karasick (1973) say that climate is "the result of the behaviour and policies of members of the organization, especially top management".

According to Prakasam (1980), organizations are successful to the extent they are able to get their people working together in achieving the common goals. Such
concerted effort depends heavily on the employees' favourable perception about the organizational atmosphere.

In his study Coulter (1979) argues that the extent to which an organization achieves its goals probably depends upon the behaviour, and attitude of its members, its internal process, and its interaction with its environment, but these agents of cause should not be confused with their effects: the organization's effects. Waterman et al. (1980) has highlighted that a distinguishing characteristic of any highly successful organization is a strong and well developed culture.

Likert's (1967) description of the intervening variables in the theory of management system is similar to a climate description. The intervening variables reflect the internal state and health of the organization, e.g., the loyalties, attitudes, motivation, performance, goals and perception of all members and their collective capacity for effective interaction, communication and decision making. The structural variables are considered as causal variables and the end results such as productivity, costs and profit etc., as dependent variables. Rajappa (1978) has highlighted the importance of working environment in the analysis of work motivation. Results of his study reveal that organizations with achievement oriented climate were highly productive organizations. Sharma (1983a) has also emphasised the importance of organizational climate in employee work motivation.
Price (1968) proposes that organizations which have a high degree of communication are more likely to have a high degree of effectiveness than organizations which have low degree of communication.

"Communication is the bridge over which all technical knowledge and human relationships must travel" (Davis and Scott, 1969). As such, communication plays a major role in rendering satisfaction to the members and shaping their attitudes.

Conditions at work can be arranged so that employees can satisfy their own needs best by working effectively towards organizational goals; employees will in fact tend to work hard toward the achievement of these goals (McGregor, 1960).

For Hackman and Lawler III (1971), to establish conditions for internal work motivation, a job must, among other things, provide feedback about performance effectiveness.

According to Vroom (1964), productivity depends upon two major variables—employee's job performance and resources utilized. In most organizations performance of employees is relatively more important than equipment and raw materials. Even in automated operations, productivity in strategic and coordinated systems largely depends upon human performance. Performance of a worker on a task or job is a direct function of his motivation.
Maslow proposes that employee's needs emerge in a hierarchical fashion and it is important for the organization to satisfy their needs failing which the employees may exhibit noncommitment which may result in loss of productivity and effectiveness of organization. (see Cummings and Elsalmi, 1968).

Bose (1958) argues that pleasant working conditions and satisfactory social relations contribute substantially to motivation and can outweigh wages as a reward for good work.

The well known two-factor theory of Herzberg, (Herzberg, Mausner and Snyderman, 1959 and Herzberg, 1966) can be used to derive general propositions regarding conditions on the job which will be motivating and satisfying to employees. In particular, the theory suggests that a job should enhance employee motivation to the extent that it provides opportunities for a) achievement b) recognition c) responsibility d) advancement and e) growth in competence. These principles have given rise to a series of generally successful job enlargement experiments in American Telephone and Telegraph Company.

Rastogi (1987) argues that motives and conditions for human productivity are not a matter of simplistic methods and techniques. They are intrinsically related to the man's search for meaning' and purpose' in life. Incentives for productivity and effective performance, in terms of money, status, autonomy, recognition and rewards are valid upto a
Point. They are limited in their scope and applicability, insofar as the desires of man are endless and the satisfied desires/needs, cease to be motivators. Until a man's work experience provides him with a sense of meaning and purpose, he cannot display creativity and commitment, enthusiasm and competence in their effort.

Pestonjee (1984) observes that such factors as design and structure along with task values are known to be linked with productivity. The immediate environment of the organization, task differentiation, business policies, governmental policies, geographical characteristics and client characteristics can all cost significant effects on organizational performance.

Organizational theorists seem to agree that organizational effectiveness is multidimensional (Campbell et al., 1974; Steers, 1977b) and there is also reason to believe that the determinants of organizational effectiveness vary (Steers, 1977a; Stevens, Beyer and Trice, 1978). Although general organizational theory holds that the structural features of an organization should fit the demands of environment and technology (Burns, 1967), they alone will not ensure organizational effectiveness. Even where the structural prerequisites have been met, there remains a crucial requirement, that the members of the organization behave in a manner supportive of organizational goals.
Zaleznick et al., (1958) find that productivity and satisfaction are unrelated to pay and job status but related to group membership. Seashore (1954) reported that group cohesiveness was associated with high productivity when group members had high confidence in management. Fleishman (1953) has studied the relationship of supervisory behaviour with the productivity and morale of subordinates. Supervisors who show consideration to subordinates create certain climate in their department and high consideration results in high productivity and morale.

Ganguli (1964) has argued that the factors that determine performance of the worker in an industrial job can be classified under three heads: i) personal factors; ii) work factors; and iii) environmental (physical and social) factors. Personal factors refer to a) skill of the worker, and b) the degree of motivation that determines the extent to which he will apply his skill to the job. Work factors refer to a) tools and equipment, b) method of work, and c) material used. Examples of environmental factors are a) physical—lighting, ventilation, etc.; b) social-psychological nature of leadership (supervisory and managerial), social climate in the shop, nature of group formation amongst members, etc.; and c) nature of organizational controls, communication patterns, etc. Ganguli concludes that the overall organizational climate existing in all the sections of the factory studied can be termed as bureaucratic-autocratic. However, it was found that management policy in the high
producing shop was somewhat more bureaucratic and in the low producing shops somewhat more autocratic.

Organizational climate consists of various descriptive characters which perpetuate themselves over time and distinguish between types of organizations (Forehand and Gilmer 1964). Owing to a great deal of attention focused on this concept, its usefulness has been realized not only in changing and developing the organizations, but also in the context on consumer psychology dealing with problem of retaining consumers for long period of time (Schneider, 1973).

Campbell, Dunnette, Lawler and Weick (1970) in their extensive review on managerial behaviour, performance and effectiveness point out that organizational climate can also be viewed as an intervening variable which influences the resulting processes between managerial behaviour and organizational effectiveness.

Broadly speaking organizational climate is the psychological feel of a workplace or an organizational unit and the organizational norms that seem to correspond to this feel. As a molar construct, organizational climate may be a snapshot of institutionalized values and practices. Its determinants, state, and consequences may provide interesting clues for the process of institutionalization. When, however, organizational climate, is studied at the molecular level, that is, where the unit of analysis is an individual
rather than an organizational unit, it may be difficult to
distinguish it from job attitudes (Hellriegel and
Slocum, 1974). Both types of studies have been made in India
(e.g., Ansari, 1980 versus Habibullah and Sinha, 1980).

Ansari (1980), in a study of organizational climate in
terms of perceived leadership style, support to personnel and
bureaucratization, finds that interorganizational differences
in climate exceed interdepartmental differences. He argues
that climate can, therefore, be viewed as a molar or
aggregated organizational construct.

Organizational climate scores obtained through the
Litwin and Stringer (1968) questionnaire reveals that
managers who perceive their organizations as providing
identity, support warmth and reward display higher
affiliation need and approval seeking behaviour.

In a wider theoretical and empirical perspective, it is
seen that organizational climate has been studied by several
researchers, using the existing instrument or developing a
scale pertinent to a research situation. Similarly, focus of
the studies also varies from one situation to another. Such
studies range from descriptive analysis of organizational
climate, various subprocesses and other organizational
referents, such as satisfaction (Rao & Parvathi, 1986;
Pratap & Srivastava, 1985), upward influences and power
sharing (Ansari & Rehana, 1986), supervisory management
relations (Sharma & Ratnam, 1987) and leadership styles
Besides assessing relevance of the concept in profit motivated manufacturing organizations, attempts have also been made to extend the above mentioned concept to non-profit, service and educational systems. For instance, Rao (1979) attempts an analysis of organizational climate of medical colleges and relates these dimensions to various institutional subprocesses. Agrawal and Chattopadhyay (1980) have developed and tested organizational climate of health care systems and noted several positive and significant relationships between organizational climate dimensions and various job satisfaction and need fulfilment measures. In a slightly different framework that discriminate organizational health from organization climate, Sayeed (1980) relates organizational health dimensions with a set of tangible measures of the performance of bank organisations besides assessing the relationships between parallel measures of organizational climate and perceived goals of the banking organization.

Some researchers (Frederiksen, 1966; Friedlander & Greenberg, 1971; Hand, Richards and Slocum, 1973; Marrow et al., 1967) have found that employee-centered climate with open communication, mutual support and decentralized decision making generally lead to increased employee performance, reduced turnover, lower manufacturing costs and reduced training time.
Abbey and Dickson (1983) observe that various climate dimensions are related to the initiation, adoption and implementation of major innovations in the semiconductor industry. Companies that were fully engaged in the innovation process at all three stages score higher on several of the climate dimensions measured. More specifically, the research and development components of the more innovative firms, operated in a climate in reward system, are perceived as recognizing and providing equitable compensation for excellent performance and in which employees are encouraged to take risks and experiment with new ideas and proposals.

According to Sells (1963) and Bass (1967) the employee behaviour is a function of the simultaneous variation of both personal and organizational factors. Neither individual factors (personality, values, needs, etc.) nor situational factors (organizational structure, climate, supervisor practices, etc.) will separately account for the substantial proportion of the variance of criteria such as performance or satisfaction.

Friedlander and Margulies (1969) have found that climate has a significant relationship to satisfaction with interpersonal relationships and opportunities for advancement.

Likert's interaction influence model, for example assigns central importance to organizational characteristics
as they are perceived by the employees. In other words, the causal variables (structure, climate, objectives, supervisory practices, etc.,) interact with personality to produce perception, and it is only through these perceptions that the relationship between causal and end result variables may be understood (Likert, 1961).

According to Hackman et al., (1971) the nature of the relationships between job characteristics and employee reactions to their work (including satisfaction, performance, and absenteeism) will depend upon the need status of the employees. If employees are desirous of higher order need satisfactions, there should be a positive relationship between the four core dimensions (variety, autonomy, task identity, and feedback) and motivation, satisfaction, performance, and attendance.

Sinha (1983) has visualized organizational climate and leadership style to be mutually interactive variables, which are affected by the organizational structure and process and in turn affect job attitudes, which in turn may affect productivity.

Campbell et al., (1970) view that, for an individual member an organization climate takes the form of a set of attitudes and expectations which describe the organization in terms of both static characteristics (such as degree of autonomy) and behaviour outcome contingencies.
Hall and Lawler (1969) have concluded that high producing organizational units tend to be viewed as dominant rather than submissive; hard, rather than soft; and competitive, rather than co-operative. In contrast, Friedlander and Greenberg (1971) showed that effective organizational behaviour was associated with a supportive climate.

A review of climate studies indicates that some researchers have considered climate as a set of independent variables and as a cause of work related attitudes, motivation and behaviour (Frederiksen et al., 1972; Pritchard and Karasick, 1973; Argyris, 1957b). On the other hand, some researchers have considered it as a dependent variable and focused their attention on understanding the causes of climate perceptions. The studies reported by Dieterly and Schneider (1974), Lawler et al., (1974), Payne and Mansfield (1973), Payne et al., (1971) have attempted to identify the organization-environment causes of climate. In the work of Likert (1961; 1967), McGregor (1960), Hall and Schneider (1973), to name a few, climate is treated as an intervening/intermediate variable the existence of which is thought to serve as a cognitive medium between organizational conditions and individual reactions and behaviour.

An individual's needs, satisfactions, and goals influence his perception of organizational climate, and this interaction in turn affects his behaviour. Pace and Stern (1958) state that for an improved understanding of the
individual's attitudes and behaviour the concept of climate is helpful.

Climate itself is a multidimensional concept and incorporate dimensions about interpersonal processes and relationships, and about how the tasks of the organization are achieved. The structure of the organization will have the greater influence on perception of the climate relating to administrative procedure, and the smallest influence on the climate relating to interpersonal relations (Campbell et al., 1970).

Payne and Mansfield (1973) show that hierarchial status influences an individual's perceptions of climate, particularly for aspects relating to interpersonal relations and organizational tasks. Structural and contextual variables are regularly related to the average perception of climate in an organization. Payne and Mansfield have found that organizational size does have a strong effect on perceived organizational climate. Payne and Pheysey (1971) suggest that the more positive climate in a small bureaucracy may have been partly due to the hidden subsidy of financial, technical, and ideational resources from its large, highly respected parent company.

The relationship of organizational properties to individual behaviour often emphasizes the role of perception of organizational properties as an intervening variable (Forehand and Gilmer, 1964).
To be successful, an organization should have committed and well satisfied employees. Commitment is not only a predictor of employee retention (Porter et al., 1974), but may also be a predictor of employee effort and performance (Mowday, Porter, and Dubin, 1974; Mowday, Steers and Porter, 1979).

Organizational climate, which is relatively durable and in which work is performed, is stated to be one of the influential factors on commitment (Forehand and Gilmer, 1964).

Many other researchers also highlight the role of organizational culture, job technology, supervisory styles, and other variables for inducing commitment and motivation (Sharma, 1974; Prahbu et al., 1975; Singh, 1974; Singh et al., 1977; Sharma and Dayal, 1975). Impact of opportunity to participate in management on commitment has also been pointed out (Blake, 1940; Barkin, 1950).

Friedlander and Newton (1969), using perception-based data from an electronic firm, have studied the impact of organizational climate components on individual's job values and their job satisfaction. They have found organizational climate to be a significant determinant of individual job satisfaction (e.g. interpersonal relations, task involvement, self-actualization and advancement). The later varied with the variation of organizational climate.
Studies of Friedlander and Margulies (1969) Kaczka and Kirk (1968), Schneider (1972, 1973), Cawsey (1973), Pritchard and Karasik (1973), and Hall and Lawler (1969) clearly indicate that organizational climate is related to job satisfaction in terms of interpersonal relations, group cohesiveness, task involvement and the like.

In their rigorously designed experimental study, utilizing the organizational climate construct, Litwin and Stringer (1968) have found job satisfaction to be the highest in "affiliation"-induced culture, relatively high in the "achievement" induced system and low in "power"-induced climate.

Communication within organizations helps organizational members to understand organizational tasks and the means for accomplishing them, the socialization of members in the norms, values, and practices of the organization, etc. Through social information processing communication also facilitates the formation of job attitudes and these affects morale and motivation (Salancik & Preffer, 1978). Thus, communication is an important integrative and attitude shaping variable.

Chaudhury's (1978) study has suggested that institution building communications (regarding organization's missions, procedures and practices) may be neglected in some Indian organizations, and this may have a detrimental effect on the long-term effectiveness of these organizations. This
may be a serious problem at lower levels, where, as Chaudhury noted, institutional communication is less at higher levels of the organization.

Prasad (1978) has investigated the barriers to upward communication in an organization. His sample consists of 190 managers, a high percentage of them being supervisors. Prasad has identified several organizational or system level and personal barriers to upward communication. The general policy of the organization is identified as one systematic factor that favours certain types of upward communication (e.g., of favourable work performance, work related problems and new ideas) but restricts other types of communication (e.g., of unfavourable work performance, criticisms of management policies decisions, and personal and family problems). Other systematic barriers of upward communication are the emphasis on rules, regulations, channels, and formality of communication; dominance of superiors at meetings and conferences; and discouragement of an open door policy. Personal factors include attitudes of superiors, lack of awareness of subordinate about the utility of various messages, and the apprehensions of subordinates about what information liked or disliked by superiors. Such systematic and personal factors can obviously jeopardize organizational effectiveness by impairing the management's capacity to respond to lower level problems. The problem may be acute in complex organizations with extensive hierarchy and functional and role specializations.
communication should significantly improve the effectiveness of such organizations. Orpen's study (1978) lends support to the importance of not only formal but informal, extramural communications for promoting goal clarity, and, therefore, more integrated functioning.

Georgopoulos and Mann's (1962) study of 12 hospitals indicates that "communication has a influence on organizational effectiveness". Their indirect approach focuses on coordination. They first define coordination: "Those organizational process through which functionally interdependent parts and activities in the system are articulated with one another so as to ensure the system will operate effectively....". Then they distinguish effectiveness and coordination: "Organizational effectiveness says something about the articulation of diverse organizational parts and functions....". Coordination is an intervening variable between specific process which promote "articulation" and "effectiveness". The greater the number of these processes, the greater the coordination is likely to be; the greater the coordination, the greater the effectiveness is likely to be.

The variables that increase coordination are as follows: clarity of norms, conformity to norms, sharedness of expectations, complementarity of expectations, cooperation, conflict, working together to solve problems, promptness with which problems of working together are settled, top executives' awareness of problems faced by
members, top executives' success in solving conflicts, openness of communication channels, adequate explanation of work decisions, and adequate communication from top executives to the professional staff. Seven of these thirteen variables appear to be the result of a high degree of communication. Organization with high degree of communication are likely to be characterized by high degree of clarity of their norms, sharedness of their expectation, complementarity of their expectations, top executive's awareness of problems faced by the members, openness of the channels of communication, adequate explanation of work decision, and satisfactory communication from top executives to the professional staff. Five of the remaining six variables may also be partially the result of a high degree of communication. The five variables are conformity of norms, cooperation, conflict, promptness with which problems of working together are settled, and top executives' success in solving conflicts. Dayal (1974) has highlighted the importance of better communication for effectiveness of educational institutions.

The government agency is subject to external decision making with respect to determination of its budget, personnel policies, and purchasing procedures; in a business firm, none of the issues is decided by groups outside of the firms. Consequently, business firms generally have a higher degree of autonomy than government agency. The relationship between autonomy and effectiveness is illustrated (not verified or
A typological difference of considerable importance, especially in the context of developing society, is based on ownership differences. In India, comparative studies of public (government) owned versus privately owned enterprises, and the organizational implications of ownership differences, have been fairly common (Dwivedi, 1983a, 1983b, FORE, 1984, Joseph and Kesavan, 1977; Kumar, 1981, 1982; Padaki, 1983b, Satyanand, 1984; Sharma, 1983a, 1983b).

In a study of 83 supervisors by Joseph and Kesavan (1977), 45 from public sector and 38 from private sector, the subordinates were asked to rate their supervisors on Stogdill's LBDQ instrument. Public sector supervisors were low on persuasiveness, structure, production emphasis, and integration.

In a study of 21 public sector undertakings and 26 private sector organizations involving 3629 supervisors, Sharma (1983a) has noted that management—supervisory staff relations were significantly poorer in the public sector, and so were such perceived organizational climate dimensions as objectivity and rationality, recognition and appreciation, scope for advancement, grievance handling, training and education and participative management.
In a comparative study of six previously sick textile mills taken over by the government and five private sector mills, Padaki (1983b) has observed that the public sector mills are lower on macro (that is organizational level) dimensions of organizational climate.

Jaggi (1978), in a study of 120 managers, has observed that private sector managements tend to be more participative than public sector management, although Maheshwari's study (1978) of 12 public and private sector corporations indicates no significant difference between the two types on either participative or the entrepreneurial orientations of the management.

In Ganguly's study (1977) of 15 organizations, the sharpest differences in management style were between family managed and public enterprises. These studies have suggested that leadership and organizational climate tend to be poorer in public sector.

In an expanded version of Sharma's study reported earlier, in which there were 23 public sector organizations, 26 private sector organizations, and a total of 3,754 respondents, Sharma (1983b) has reported that though the public sector is poor in terms of supervisor - management relations as well as organizational climate dimensions, both sectors are similar in stressing the satisfaction of "hygiene" needs of employees (i.e., needs for security, and money) more than the "motivator" needs (such as advancement,
training, and participation). Using multiple regression, Sharma has noted that the factors predicting supervisory-management relations in both sectors are essentially the same, viz., grievance handling, recognition, scope for advancement, monetary benefits, and safety and security. In other words, essentially the same mix of hygiene and motivator factors contribute to decent management-staff relations in both the sectors.

In a study of two plants, a relatively small private sector paper coating employing 180 persons, and a large public sector fertilizer plant, Dwivedi (1983a) has attempted to compare the two on Likert's management style dimensions (Likert 1961). The public sector plant outscores the private sector plant on five out of eight dimensions of style. In another study of a public sector plant and two private sector plants involving the measurement of key managerial orientations (Blake and Mouton, 1964), leadership effectiveness using the LEADQ instrument (Hersey and Blanchard, 1977), and trust using Dwivedi's T-DIS scale, Dwivedi (1983b) has noted that in the public sector plant the high relationship - low task orientation style appears to be the dominant style while the high relationship - high task orientation style is dominant in the private sector plants.

Parikh's (1979) social identity culture resembles Burns and Stalker's (1961) mechanistic organizational culture and Durkheim's (1933) mechanical solidarity, while her work identity culture resembles Burns and Stalker's organic
organizational culture and Durkheim's organic solidarity. Parikh (1979) has reported that professionally managed organization is closer to a culture of work identity, the family managed organization seems to be moving slowly toward a work identity culture, and the public sector organization is closer to a culture of social identity.

Verma (1977) has examined work values, leadership styles, organizational climates, performance and satisfaction, etc., in a nationalized, a recently nationalized and two private sector banks. Verma has observed that the private sector banks are more efficient, though they do not differ from the public sector banks on leadership.

There may be important, though sometimes overstated, differences between public and private sector organizations. In particular, it has been stated with some justification that some public sector enterprises tend to have lower autonomy, more masters, more objectives, more public accountability, and more political interference than private sector organizations (Brown, 1984; Singh and Pant, 1982).

Satyanand's study (1984) of boards of directors, which includes 178 directors of public and private sectors companies, has indicated that there is at least one major sectorial difference: chief executives of public sector units are more likely to have a technical background than those of private sector units. Thus, technical matters, such as
collaboration agreements, acquisition and management of technology, and, in general, production emphasis may be stronger in public sector.

FORE's study (1984) of managerial perceptions of indicator of organizational effectiveness has indicated several interesting differences between a group of 162 public sector and another group of 195 private sector managers. On an average, the public sector managers rank profitability far lower than the private sector managers. The managers also rank effective management processes. The public sector managers rank good industrial relations significantly higher but coping with environmental factor as far lower in importance than private sector managers.

Comparative studies of public and private sector profitability have been unfavourable to the public sector (Khandwalla, 1981b, Sri Ram, Sharma and Nair, 1976). On other hand, public enterprises seem to have registered rapid growth rates (Maheshwari, 1978) and, though their productivity may be lower than those of private sector organizations, they seem to be improving their productivity at a far higher rate than private sector companies (Dholakia, 1978).

Low enterprise autonomy has often been cited as differentiating feature of public versus private enterprises (Brown 1984; Murthy, 1982). Kumar (1981) studied 7 public sector, 9 domestic private sector, and 7 multinational
companies from three industries (engineering, electric equipment and cables, and chemicals, pharmaceuticals, and fertilizer). Significant sectoral differences in terms of autonomy of the organization are seen in only one of seven decision making areas. However, when only public sector versus domestic private enterprises are considered, autonomy in clientele selection, in distribution channels selection, in recruitment, compensation, promotion of senior executives, and in capital investment decisions appear to be significantly lower in the public sector.

Agarwal (1980), in a study of 500 companies in seven industries, found that for the period, 1963 - 1972 firm size was correlated with profitability. Das (1981) in a study of fan industry, has reported only small cost advantage in favour of the larger companies in the industry their labour and material costs were lower, but their overheads were higher than those of small firms. Jaggi (1978) has noted that larger Indian organizations tended to practice a more participative style than smaller organizations. Thus increase in organizational size beyond a small scale may enhance organizational viability, profitability, and dispersion of activities; it may bureaucratize the organization but make decisionmaking less authoritarian; it may inhibit the organization's innovativeness; and it may exacerbate problems of coordinations and staff alienation.
There is a small body of research studies conducted in textile organizations on such aspects of organizational behaviour as job satisfaction, work motivation, structure and process. For example, Mukherjee (1968) examines the importance of ranking of various job factors among textile workers. He has found that pay, opportunities for advancement, and job security are the three most important factors. At the bottom of the list are fringe benefits and working hours.

Prakasam (1977) has studied managers' motive patterns, the emerging organizational climate and the motive arousals of supervisory personnel in high and low productivity mills. The findings of the study reveals that managers of high productivity mills have higher need for achievement. Managers of low productivity mills on the other hand, have high need for power. The organizational climate of the high productivity mills is characterized by emphasis on standards, reward and team spirit. In the low productivity mills, the climate is more of conformity which corroborated the power orientation. Similarly, more achievement oriented work behaviour is found in the supervisory personnel of the high productivity mills and power oriented behaviour in the low productivity mills.

The organization's reputation among technicians, role conflict, role ambiguity and role accuracy in high turnover and low turnover mills have been studied by Dave (1976b), and Srivastava and Dave (1978). In two related studies, the
findings show that discrepancy in role perceptions is the primary cause of dissatisfaction with the job (Shrivastava and Parmar, 1977), and participation in the decision-making process enhances one's job satisfaction (Malavia, 1977).

In other study, identification of supervisory and clerical personnel with work and the organization have been studied by Shrivastava and Dolke (1978). Personal and organizational antecedents of identification are reported.

Padaki and Gandhi (1981b) examine the impact of organizational climate on identification with work and the organization with a sample of 72 technicians of three textile mills. The Litwin and Stringers scale measuring 9 aspects of climate was used to measure organizational climate. The factor analysis of the organizational climate scale resulted in four independent factors of climate. These factors of organizational climate are considered as independent variables and work identification and organizational identification as dependent variables for a subsequent multiple regression analysis, which shows that work identification is predicted by the responsibility and risk factors of organizational climate.

The foregoing reviews lend support to the view that the organizational climate and communication pattern are important variables influencing effectiveness of the organization and productivity. In addition, structural
variables - size and public/private - and contextual variable - rural/urban are also considered to be important variables influencing the climate, communication, effectiveness and productivity relationships. The research problem for the present study has been formulated taking the above said variables and their relationships into consideration.