CHAPTER –I

1.0. INTRODUCTION:

This chapter deals with general introduction of organisational climate. It covers evolution of organisational climate, Good climate Vs Bad climate, the conceptual development, distinction between culture and climate, dimensions of organisational climate, factors in organisational climate, factors affecting organisational climate, impact of organisational climate, balancing organisational climate, some issues of organisational climate, quality of work life, a view of cement industries in India, profile of the company and conclusion.

1.1. GENERAL INTRODUCTION ABOUT ORGANISATIONAL CLIMATE:

Organisational Climate is about the perceptions of the climate and about absolute measures. Climate, as a metaphor is helpful – e.g. temperature is a measurable element of geographic climate, but is not the absolute temperature that matters as much as human perception of it (is it cold, hot, or comfortable?). It is only after knowing what temperature means in terms of human comfort, that measurement of temperature becomes useful. Complicating perception is the probability that what may be too cool for one person may be too warm for another and just right for someone else. Similarly for organisations, the ‘climate’ may be regarded in absolute terms and measured by instruments, but is ‘felt’ differently by individuals. The absolute climate may suit one person and not another. “What it’s like to work here” or ‘How I feel when
I work here”. A concept that management can ill afford to ignore is “Organisational Climate”. All organisational theoreticians and researchers unanimously agree that a Social Climate is extremely important for the ultimate achievement of organisational goals. Organisational Climate though abstract in concept, is normally associated with job performance and job satisfaction and morale of the employee’s climate. It is a commonly experienced phenomenon and after referred to by many expressions as atmosphere, surrounding milieu, environmental and culture etc. Organisations like fingerprints and snowflakes are always unique. Each of its own traditions, methods of action and culture, that in there totality comprises its climate for people (Keith Davis 1975). Organisational Climate is very important factor to be considered in studying and analyzing organisation because it has profound influence on the outlook, well being and attitudes of organisational members and thus, on their total performance. It affects the behaviour of the people in their ways as, defining the stimuli that confronts the individual, placing constraints upon the individual’s freedom of choice and providing source of reward and punishment (Dalton Mc Farland 1979). Organisational Climate furthermore provides a useful platform for understanding such characteristics of organisations as stability, creativity and innovation, communication and effectiveness (Straw Silverzaweing and Robert F. Allen 1976). Organisational Climate has been the central theme for organisational researchers for the past four decades as it is a protein construct with important explanatory powers. The power of the construct lies in its
capacity in explaining the phenomenon occurring at the individual and organisational levels (Falcione et al. 1987). Researchers are convinced of the need to unite these macro and micro levels in order to understand the dynamics of the organisations (Astley and Van Derven 1982; Jelinek et al. 1983).

1.2. EVOLUTION OF ORGANISATIONAL CLIMATE:

Classical organisation theory dominated management thinking during the first half of the twentieth century. It’s organisations can be traced back to the ideas of Adam Smith who is the Wealth of Nations showed, as early as 1776, how division of labour could improve productivity of pin makers a hundred fold or more. However it was only in the early 1900’s that men like Fredrick, W. Taylor, Henry Fayol and Max Weber developed the full philosophy of the classical theory. The classical approach to organisation design was based on (a) Full decision of labour (b) Rigid hierarchy and (c) Standardization of labour to reach its objectives. The idea was to lower costs by using unskilled repetitive labour that could be trained easily to do a small part of a job (Taylor, 1911). The said approach did result in substantial increase in economic productivity. As it turned out, however, these gains often involved considerable human cost. Because of excessive division of labour and over dependence on rules, procedure and hierarchy, the workers became isolated from his fellow workers and felt alienated. The result was higher turnover, absenteeism and decline in quality of products. It took the academicians and practitioners of management sometime to
recognize the nature and severity of the problem. Roethlisberger and Dickson, offered a behavioural interpretation of management based on their findings from the famous Hawthorne studies. They stressed the importance of individual differences, informal group interactions and participation in decision-making. A little later, Mc Gregor Doogles (1960) warned that, “Practically all the means of need satisfaction which workers today obtain from their jobs”. In other words, the popular personnel device of the time such as vacations and insurance benefits, were satisfaction to be derived off the job. A few years later, Argris, C. (1964) concluded that poor organisational design established a basic incongruence between formal organisation and the worker’s drive for self-actualization. Argyris maintained that organisation tent to ignore the potential of people and fail to encourage self-development in areas that are meaningful to people. By not encouraging responsibility and innovation, organisations fall to develop and utilize the full potential of the whole man. Organisation has become modern and a complex entity. It consists of many individuals who are working in different functions and roles where they are engaged in the pursuit of some overall goals or a set of goals. Every organisation is operated in terms of a set of policies and norms, which are sometimes clearly laid down while at other times are in the form of traditions and conventions. To plan, co-ordinate and control its various activities, an organisation requires managers who, in their day-to-day interactions, reflect a variety of leadership styles and skills in dealing with their subordinates (Astin, A.W., Holland). The sum total of these and many other such activities creates an internal
environment within each organisation, which accounts for its uniqueness and identify members of an organisation who work within and are continuously influenced by this internal environment which is also called organisational culture or organisational climate (Badin, Irwin.J. 1974). Each organisation deals with its members in a variety of ways in the course of their employment to obtain their co-operation in achieving organisational objectives. The management of an organisation must satisfy various needs of the employees, through action such as allocation of resources, rewards and punishment, pattern of communication, mode of decision making, style of leadership, and so on. An organisation influences the feelings, attitudes and behaviors of its members. In the course of time, such actions by the management acquire an enduring quality and result in creating unique organisational culture (or) climate. As viewed by Baumgartel (1971), organisational climate is a product of leadership practice, communication practice and enduring systematic characteristics of the working relationship among persons, and division of any particular organisation. Like an individual organisation too has its own unique identity or “Personality”, which according to Insel and Moos (1974), exerts directional influence on behaviour.

1.3. GOOD CLIMATE VS BAD CLIMATE:

Climate is worthwhile to understand and measure because there are organisational and human benefits a ‘good’ climate, and powerful disadvantages of many kinds of ‘bad’ climate.
Table 1.1: Good Climate Vs Bad Climate

<table>
<thead>
<tr>
<th>‘Bad’ Climate</th>
<th>‘Bad’ Behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>linked to:</td>
<td>such as:</td>
</tr>
<tr>
<td>1. Turnover</td>
<td>1. Sabotage</td>
</tr>
<tr>
<td>2. Stress</td>
<td>2. Absenteeism</td>
</tr>
<tr>
<td>3. Sickness</td>
<td>3. Go-Slow</td>
</tr>
<tr>
<td>4. Poor performance</td>
<td>4. Bullying</td>
</tr>
<tr>
<td>5. Error Rate</td>
<td></td>
</tr>
<tr>
<td>6. Wastage</td>
<td></td>
</tr>
<tr>
<td>7. Accidents</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>‘Good’ Climate</th>
<th>‘Good’ desirable behaviours</th>
</tr>
</thead>
<tbody>
<tr>
<td>linked to desirable outcomes</td>
<td>such as:</td>
</tr>
<tr>
<td>such as:</td>
<td></td>
</tr>
<tr>
<td>1. Job Satisfaction</td>
<td>1. Risk-taking (Strategic)</td>
</tr>
<tr>
<td>2. Confidence in Management</td>
<td>2. Departure from the status-quo</td>
</tr>
<tr>
<td>3. Affective Commitment</td>
<td>3. Open Communication</td>
</tr>
<tr>
<td>4. Intention to Quit</td>
<td>4. Trust</td>
</tr>
<tr>
<td>5. Emotional Exhaustion</td>
<td>5. Operational freedom</td>
</tr>
<tr>
<td>7. Performance</td>
<td></td>
</tr>
</tbody>
</table>

Organisational climate is an individual’s description of the social setting or context of which a person is a part. It is a content-free concept denoting in a sense generic perception of the context in which an individual behaves and responds. Glick (1965) has explained organisational climate as a generic term for a broad class of organisational, rather than psychological variables that describe the context for individuals’ actions. A basic formulation in terms of a simple
equation was given by Lewin (1951) to explain the relationship between individuals and their social environments.

\[ B = f(P, E) \]

In which \( B \) = Behaviour, \( P \) = Person and \( E \) = Environment.

In line with the proposition of Lewinian Field Theory a number of studies have shown that organisational climate (social environment) influences the attitudes and behaviour of individuals in the organisations (Kaczka, E. and Kirk, R. 1968; Litwin and Stringer 1968; Prichard and Karasick 1973; Padaki 1985; Somasundaram 1995, etc). Most organisations have a structure (division of work into units and establishment of linkages among units) and systems (specific ways of managing the major functions of the organisation, such as finance, production, marketing, personnel, information and the relationship with the external environment). It also has norms (accepted patterns of Behaviour), values, and traditions; and these three elements constitute the organisational culture. The main actors in the organisation are its top leaders; they and the other employees have their own individual needs in addition to those of the organisation. All of these organisational components – structure, systems, culture, leader behaviour, and psychological needs of employees, interact with one another and create what can be called organisational climate.

Organisational Climate can only be discussed in terms how it is perceived or felt by organisational members. Consequently, a climate may be perceived as hostile or supportive, as conducive to achievement
or stifling, and so on. Hellriegel and Slocum (1974) defined Organisational Climate as "a set of attributes which can be perceived about particular organisation and / or its subsystems, and that may be induced from the way that organisation and / or its subsystems deal with their members and environment". While most authors have used organisational climate as a descriptive concept, some have used it for classifying organisations into categories. For example, Burns and Stalker (1961) describe organic versus mechanical climates, whereas Likert (1967) proposes four types of climates: Exploitive, Benevolent, Consultative, and Participative. Such frameworks generally use described categories. Only one framework, proposed by Litwin and Stringer (1968), emphasizes the effect of organisational climate on the motivation of its members. In a rigorous study Litwin and Stringer simulated three different climates (each fostering, respectively, achievement, affiliation, and power motives) and monitored the effects of these climates on productivity.

1.4. THE CONCEPTUAL DEVELOPMENT:

The conceptual development of organisational climate shaped in influencing employee motivation whereby reflected in organisational behaviour is as follows.

Source: Koffka, Principles of Gestalt psychology, 1935.
Five decades ago Koffka (1935) has suggested that individual behaviour could be more meaningful understood if it was related to the behavioural environment as perceived and reacted to by the subject. The above trend to some extent been reversed from the mid-sixties with the use of the concept of climate. As argued by Payne and Paugh (1976), the traditional concerns of studying organisational behaviour from the point of view of individuals are gradually getting transformed into more general interests in the study of organisation, as the environment setting that influences both individual and group behaviour. Discovering how the organisation is a psychological meaningful environment for its members has led to the concept of organisational climate. Under the heading Organisational Climate are subsumed indications of the subjective reactions of organisational participants to their work life. The “mood” of the organisation members has traditionally been more of a concern to organisational psychologists than to organisational sociologists. However, sociology of organisations cannot ignore this phenomenon, since the degree to which people experience joy and, as deprivation constitutes in itself a significant human “output” of the organisation. Furthermore, the positive (or) negative reactions of people to their organisational environment, however subjective the same might be, can be taken to have quite substantial repercussions for organisational performance (Baumgartel.H., Jean Pierre, J. 1972). During last two decades, there have been intensive and diverse to conceptualize measure and utilize, the organisational climate. Schneider and Reichersm (1983) are of the view that the climate construct provides a useful alternative to motivational
explanations of behaviour at work and adds a needed emphasis on the importance of group phenomenon in organisational research. Likewise Payne and Mansfield (1973) view organisational climate as a conceptual linkage between specific situational attributes or exerts and individual perceptions, attitudes and behaviour. The concept of organisational climate, therefore, encompasses both organisational and individual characteristic and attributes. Most measures of organisational climate are based on perception of members of the organisation. Payne and Pough (1976) have noted that there have been few studies, which have examined the argument validity of climate measures by comparing objective and subjective measures. They attribute this to the concepts of infancy as well as the high cost of collecting observational data from several organisations. There are, however some studies of educational institutions (or) see for example, Astin and Holland (1961) in which sizeable correlations were found between perceptual and objective climate measures.

This “Knowledge” about organisational climate is bound to vary from person to person, as each of them perceives the same organisation from his own position, experience and pint of view. Perception then is that psychological process that seeks to bring order and meaning out of a complete situation. The picture that a person had formed in his mind about the organisation he works in is a measure of organisational climate. This mental picture, in turn, influences a person’s motivation and behaviour within the organisation (Beckar, Charles.E. 1975). The
fact that perceived organisational climate might not correspond exactly to
objective reality, which does not in any way diminish its importance. It is
by now well established that the objective environment influences human
behaviour not so much as by the subjective environment. In other words,
human conduct is influenced more directly by subjective perception of
reality than by reality itself. Under the circumstances, the concept of
organisational climate is neither entirely subjective, but a half way house
between the two. The importance of the concept lies in the fact that we
can explain human motivation and behaviour with the help of this vital
“intervening” variable (Brown et al. 1969). Every organisation operates in
terms of policies, procedures and programmes dealing with wage fixation,
reward system, welfare schemes, recruitment and promotion, decision
making, grievance redressal and individual responsibility. These
structural policies and procedures together with the leadership style and
communication practices create an internal environment within each
organisation. Members of the organisation, which works within that
interval environment, are continuously influenced by it and in course of
time develop a perception, positive or negative, about such environment.
This perception of the member’s about the structural characteristics of
the organisation, which determine the internal environment, is called
organisational climate. Organisational Climate and job satisfaction
relationship is not easily understood. Therefore, if a climate researcher
has a strong interest in understanding or predicting human behaviour
within organisations, it is probably desirable to employ perceptual
measures (Hellriegal and Slocum 1974). Individuals differ from one
another in terms of their cognitive construction competencies, encoding abilities, self-regulatory systems, beliefs, need values, and self-concepts. Because of these differences, as argued by James et al (1978) and James and Sells (1981) individuals are predisposed to differ in what they perceive as ambiguous, challenging, fair, friendly, supportive, and so forth. Perceptions of climate associated with the same or similar environment are therefore, likely to differ from each individuals. Because of this tendency, aggregation of climate scores of a cross-sectional sample is likely to mask important variation (James, L.R. and Sells 1981). A composition theory relating psychological climate scores to organisational climate scores can be established if the perceptions of psychological climate are shared among the individuals whose scores are to be aggregated (Roberts, Hulin and Rousseau 1978). The concept of motivational climate” has evolved out of an attempt to apply the theories of motivation to behaviour in organisations. In simple terms, motivational climate can be defined as the general culture of the organisation characterized by the dominant psychological needs. For example, an organisation may have a “power-dependency motivational climate”. In such an organisation, the main concern of the people may be to get controlling positions through getting favours with people in power and then to distribute such gifts to others. Such a climate is operative in many Indian universities. Litwin and Stringer (1968) found that their researchers gave considerable support to the theory that there is a relationship between climates and the arousal or reduction of motivating forces.
1.5. DISTINCTION BETWEEN CULTURE AND CLIMATE:

Trice and Beyer (1993) define culture in terms of what it is not. It is not climate, which is measured with researcher-based data, whereas culture is measured by intense data collection of an emic (contrastive) nature. Reflecting the concerns of both Schneider (1990) and Glick (1988). He states many different variables have been subsumed under the climate concept by various researchers that it overlaps with most constructs in organisational behaviour as well as with structure, technology, formalisation and effectiveness. Denison (1996) took what he considered to be a more controversial view in arguing that it is not clear that culture and climate are examining distinct organisational phenomena. The table 1.2 gives an outline of differences between Organisational Culture and Climate:

Table 1.2: Contrasting: Organisational Culture and Organisational Climate

<table>
<thead>
<tr>
<th>Research Perspective</th>
<th>Cultural Literature</th>
<th>Climate Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Epistemological</td>
<td>Contextualised and idiographic</td>
<td>Comparative and homothetic</td>
</tr>
<tr>
<td>View point</td>
<td>Emic (native view)</td>
<td>Etic (Researcher’s view)</td>
</tr>
<tr>
<td>Methodological</td>
<td>Qualitative observation</td>
<td>Quantitative observation</td>
</tr>
<tr>
<td>Temporal Orientation</td>
<td>Historical evolution</td>
<td>A historical snapshot</td>
</tr>
<tr>
<td>Level of Analysis</td>
<td>Underlying values and assumptions</td>
<td>Surface level manifestations</td>
</tr>
<tr>
<td>Discipline</td>
<td>Sociology</td>
<td>Psychology</td>
</tr>
</tbody>
</table>

Source: Denison, 1996.
Culture researchers were more concerned with the evolution of social systems over time...whereas climate researchers were generally less concerned with evolution but more concerned with the impact that organisational systems have on groups and individuals...Culture researchers argued for the importance of deep underlying assumptions...Climate researchers in contrast, typically placed greater emphasis on organisational members perceptions of observable practices and procedures that are closer to the surface of organisational life...and categorization of these practices and perceptions into analytic dimensions defined by the researcher (Denison 1996). Denison concludes that although the two concepts on the surface look very different, at a deeper level the clear distinctions begin to disappear. With the psychological climate, the climate and the culture definitions and measures are confounded or overlapping. Poole (1985) states that climate seems to be a feature of, rather than a substitute for culture. That is, a comprehensive view of culture includes the organisational climate. It is obvious that measures and dimensions of organisational climate and organisational culture can be confused. Changing the culture of an organisation takes the full commitment of every leader within the organisation. You cannot just tell people, "From now on it’s going to be done this way." On the other hand, climate is a feeling by the employees on how they perceive that something should be done at the minute. These feelings can normally be changed within perhaps a few hours, days or weeks. The workers get these feelings from their both leaders and peers, formally and
informally. Feelings are transmitted to them by how their leaders act and model, and what they praise and ignore.

1.6. DIMENSIONS OF ORGANISATIONAL CLIMATE:

People in organisations encounter thousands of events, practices and procedures; they perceive these events in related sets. Thus, as proposed by Schneider and Reichers (1983), work settings have numerous climates and these climates are for service, safety as a climate for achievement. To speak of climate per se without attracting a referent is meaning less. As climate is a multi-dimensional construct, we should view organisational climate not as “It” but a set of “Its”, each with a particular referent (Garett, Henry.E. 1866). What are the dimensions of organisational climate? It is indeed surprising that two decades of considerable research effort there is yet no agreement about a common set of dimensions of organisational climate. As shown, it is so great that it is impossible to consider any one set as typical. All is categorized into three broad groups as follows (Goyal, R.P. 1973):

1. Leadership function
2. Structural properties
3. Employee satisfaction

1.6.1. Leadership Function:

Formal actions of the executives that are intended to motivate employees, including formal systems of reward, punishment, incentive pay plans, communication programmes, the quality of
leadership offered by the top management and the resulting supervision exercised by the middle and lower levels of the managerial hierarchy, etc.,

1.6.2. Structural Properties:

Characteristics of the total organisation or sub-organisational units in terms of size, span of management, degree of decentralization, line-staff structure, number of levels in the organisational hierarchy and shape of organisation etc.

1.6.3. Employee Satisfaction:

Attitudes, feelings of fellow employee, job experience, organisation, etc. are fairly exhaustive. Very few researchers have used all categories in studying organisational climate. Among those who have done so, has studied each and every element included under the three heads. In practice, therefore, different writers have employed different combinations and permutations with the result that everyone has ended up studying organisational climate somewhat differently from others. In the absence of an agreed upon list of dimensions of organisational climate, researchers in this field have acted in a pretty much ad hoc manner. Perhaps this is also due to the absence of an agreed organisational theory, that tells which dimensions of organisational climate influence organisational behaviour.
Different authors have proposed different dimensions of organisational climate. Some of these are mentioned: Likert (1967), Leadership, motivation, communication, decisions, goal and control. Litwin and Stringer (1968), Conformity, responsibility, standard rewards, organisational clarity, warmth and support, leadership. Prakasam (1979), Conformity, sharing in decision-making, supervision (task orientation, people orientation, bureaucrating orientation), responsibility, reward (financial, non-financial) promotion, team spirit, and standard. Sharma (1988) has highlighted various dimension as supervisory-management relations, scope for advancement, grievance handling, monetary benefits, participative management, objectivity and rationality, recognition and appreciation, safety and security, training and education, welfare facilities. Schneider and Bartlett (1968) had proposed four organisational climate dimensions, (i) Individual autonomy – based on the factors of individual responsibility, agent independence, rules orientation and opportunities for exercising individual initiative. (ii) The degree of structure imposed upon the position - based on the factors of structure, managerial structure and the closeness of supervision. (iii) Reward Orientation – based upon the factors of reward, general satisfaction, promotional-achievement orientation, and being profit minded and sales oriented and (iv) Consideration, warmth and support – based upon the factors of managerial support, nurturing of subordinates and warmth and support.
Zammuto and Krackover (1991) mapped the seven dimensions of climate into the competing values framework and in that way created four different climate types which they labeled: 1) The Group Climate 2) The Developmental Climate 3) The Rational Goal Climate and 4) The Internal Process Climate. He also measured climate using the following dimensions:

**Trust:** An organisation has a high level of trust when the individuals are open, sharing and truthful, where individuals place their confidence. An organisation has a low level of trust when the individuals are closed, guarded, uncaring, untruthful, and creates an atmosphere of anxiety and insecurity.

**Conflict:** An organisation has a high level of conflict when there is a high opposition of forces, goals and beliefs, which are experienced in friction and disagreement among the individuals. An organisation has a low level of conflict when there is harmony in goals, beliefs, which yields a spirit of cooperation among the individuals.

**Morale:** An organisation has a high level of employee morale when the individuals are confident and enthusiastic about the organisation—an Esprit de Corps. An organisation has a low level of employee morale when the individuals lack confidence and enthusiasm about the organisation and individuals lack a sense of purpose and confidence about the future.

**Rewards:** An organisation is equitable in its rewards when individuals accept rewards as fair and just without bias or favorism. An organisation
is inequitable in its rewards when individuals see favorism, bias, and non-work related criteria as the basis for rewards.

**Resistance to change:** An organisation has a high resistance to change when individuals believe the inertia is high and presume desire that “we will do things tomorrow as we did them today.” An organisation has a low resistance to change when individuals embrace change as the normal circumstance and relish that “tomorrow will be different.”

**Leader credibility:** The leader credibility is high when individuals have belief in its leadership; there is a sense of respect, inspiration and acceptance of decisions and actions. The leader credibility is low when the individuals lack respect and do not accept the legitimacy of authority.

**Scapegoating:** An organisation has a high level of scapegoating when individuals believe that the responsibility for actions will be shifted to others - top management, staff, employees, or outsiders. An organisation has a low level of scapegoating when individuals believe that the responsible individuals assume the responsibility for the failure of actions.

Goran Ekvall (1991), professor emeritus of organisational psychology at the University of Lund, Sweden spent many years looking at the organisational climatic factors (or dimensions), which affects organisational creativity. He identified 10 dimensions Challenge (How challenged, emotionally involved, and committed are employees to the work), Freedom (How free is the staff to decide how to do their job?), Idea
time (Do employees have time to think things through before having to act?), Dynamism (the eventfulness of life in the organisation, Idea support are there resources to give new ideas a try?), Trust and openness (Do people feel safe speaking their minds and offering different points of view?), Playfulness and humor (How relaxed is the workplace-is it okay to have fun?), Conflicts (To what degree do people engage in interpersonal conflict or ‘warfare?’), Debates (To what degree do people engage in lively debates about the issues'), Risk-taking (Is it okay to fail?). The dimensions can be grouped into three areas of Resources, Motivation, and Exploration as Resources: Idea Time; Idea Support; Challenge and Involvement Personal, Motivation: Trust and Openness: Playfulness and Humor; Absence of Interpersonal Conflicts, Exploration: Risk-taking; Debates About the Issues; Freedom.

A critical review on organisational climate shows that the following twelve dimensions are used in studying organisational climate:

**Orientation:** The domain orientation of an organisation is the main concern of its members, and the dimension is an important determinant of climate. If the dominant orientation or concern is to adhere to established rules, the climate will be characterized by control, on the other hand, if the orientation is to excel, the climate will be characterized by achievement.

**Interpersonal Relationship:** An organisation’s interpersonal-relations process is reflected in the way in which informal groups are formed, and these processes affect climate. For example, if groups are formed for the
purpose of protecting their own interest, cliques may develop and a climate of control may result; similarly, if people tend to develop informal relationships with their supervisors, a climate of dependency may result.

**Supervision:** Supervisory practices contribute significantly to climate. If supervisors focus on helping their subordinates to improve personal skills and chances of advancement, a climate characterized by the extension motive may result, if supervisors are more concerned with maintaining good relations with their subordinates, a climate characterized by the affiliation motive may result.

**Problem Management:** Problems can be seen as challenges or as irritants. They can be solved by the supervisor or jointly by the supervisor and the subordinates concerned, or they can be referred to a higher level. These different perspectives and ways of handling problems contribute to the creation of an organisation’s climate.

**Management of Mistakes:** Supervisor’s attitudes toward subordinate’s mistakes develop the organisational orientation, which is generally one of annoyance or concern or tolerance an organisation approach to maintain influence on the climate.

**Conflict Management:** Conflicts may be seen as embracing announces to be covered up or as problem to be solved. The process of dealing with conflicts has as significant effect on climate as that of handling problems or mistakes.
**Communication:** Communication, another important determinant of climate, is concerned with the flow of information: its direction (top-down, bottom-up, horizontal), its dispersement (selectively or to everyone concerned), its mode (formal or informal), and its type (instructions or feedback on the state of affairs).

**Decision Making:** An organisation’s approach to decision-making can be focused on maintaining good relations or on achieving results. In addition, the issue of who makes decisions is important: people high in the hierarchy, experts, or those involved in the matters about which decisions are made. These elements of decision-making are relevant to the establishment of a particular climate.

**Trust:** The degree of trust or its absence among various members and groups in the organisation affects climate. The issue of who is trusted by management and to what degree is also relevant.

**Management of Rewards:** Rewards reinforce specific behaviours; they are by arousing and sustaining specific motives. Consequently, what is rewarded in an organisation influences the motivational climate.

**Risk Taking:** How people respond to risks and whose help is sought in situations involving risk are important determinants of climate.

**Innovation and Change:** Who initiates change, how change and innovations are perceived, and how change is implemented in all critical establishing climates.
The way in which these twelve dimensions of climate operate in an organisation indicates the underlying motive of top management, and the principal motive that is likely to be generated and sustained within the organisation’s population. The authors have approached the issue of identifying and specifying the dimensions of organisational climate in four different ways as follows:

I. A prior dimensions
II. Factorial and sample specific dimensions
III. Theory specific dimensions
IV. Research or interest specific dimensions

(I) Prior Dimensions:

Many authors have identified the dimensions of organisational climate on a prior basis or observation. For example Litwin and Stringer (1968) identified nine theoretical dimensions of organisational climate. In their organisational climate questionnaire there were 50 items, which were classified into these nine dimensions. The name of these sub-scales and their definitions are: Structure (eight items): The feeling that employee have about the degree of ‘structure’ in their organisation, like how many rules and procedures are there, is there red-tapism, whether jobs are clearly defined and logically structured etc., Responsibility (seven items): The perception about degree of autonomy at work, reliance on individual’s judgment, problem-solving ability, accepting responsibility for mistakes etc., Reward (six items):
Perceived fairness of the reward and promotion systems, stress on positive rewards than punishments etc., *Risk* (five items): Emphasis on taking calculated risks, willingness to take a chance on a good idea etc., *Warmth* (five items): A friendly atmosphere among the people, a relaxed easy-going working climate, warm management-worker relationships. *Support* (five items): Perceived support from authorities, colleagues etc., *Standards* (six items): Perceived high standards for performance in the organisation, pressure to improve performance etc., *Conflict* (four items): A climate in which conflict is brought up not ignored, openness regarding speaking out different options etc., *Identify* (four items): People feel proud of belonging to the organisation, and there is personal loyalty to the organisation.

Campell et al (1970) stated that the nine dimensions of organisational climate proposed by Litwin and Stringer (1968) could be reduced to the following four dimensions such as task, structure, people, and technology. Hellriegal and Slocum (1974) felt that there is an overemphasis on people and structure and under-emphasis on task and technology in the various conceptualizations of organisational climate. Several other authors have argued that the four dimensions may not be sufficient to cover all the aspect of organisational climate. Prichard and Karasick (1973) stated that even six, seven dimensions might not adequately describe climate.
(II) **Factorial or Sample Specific Dimensions:**

Many researchers have attempted to determine the factorial structure of the Litwin and Stringer’s (1968) theoretical dimensions. For example Muchinsky (1976), based on the factor analysis of Litwin and Stringer's (1968) organisational climate questionnaire identified the following six factors of organisational climate: *Interpersonal Milieu:* This factor refers to the interpersonal environment that is perceived to exist in the organisation. *Standards:* The feeling that exact standards of performance and pressures of performing well exists in the company. *General affective tone towards management / organisation:* The way in which people perceive the management or organisation. *Organisational Structure and Procedure:* Perceptions about the way the things get done in the organisations such as red tape, clarity of procedure etc., *Responsibility:* The way the members feel about, who has the ultimate responsibility for getting the job including the frequency of double-checking, personal initiative etc., *Organisational Identification:* The feelings of people about being part of the organisation such as pride in the company, personal loyalty etc.

However, subsequent attempts to determine the factorial structure of organisational climate resulted in varying results. Most researches finally came to conclusions that, unlike many other psychometric instruments, are likely to vary from sample to
sample. Field and Abelson (1982) stated that the four dimensions identified by Campell et al (1970) namely Autonomy, Control, Structure and Rewards are other dimensions, which are organisation specific. All these studies have lead to perhaps the sample specific or factorial approach to the study of organisational climate. The influence of interactionist approach in climate research seems to be a significant one. This is indicated by the fact that many of the later definitions and conceptualizations of climate are rooted in the interactionist perspective. For example Glick (1985) and Schneider and Reiches (1983) defined climate as summary or molar perception, which can be attributed to the fact that the interactionist perspective on climate could overcome some of the limitations of the objective and subjective models of climate.

(III) Theory Specific Dimensions:

Researchers have conceptualized organisational climate based on major theories in organisational behaviour. The conceptualization of organisational climate with other theoretical perspective was also carried out. For example, Pareek (1989) in his conceptualization of organisational climate based on the theories of human motivation, identified the following five motivational climates underlying the eight structural dimensions of organisational climate namely orientation, interpersonal relationship, supervision, problem management, management of mistake, conflict management,
communication and decision-making. The five motivational climates are: 1) Achievement Climate 2) Export Climate 3) Extension Climate 4) Control Climate and 4) Dependency Climate.

Researchers D'Souza, (1985) have also attempted to classify the dimensions of climate based on Blake and Mounton’s (1969) managerial grid as follows: Routine Climate shows characteristics of random, aimless, apathetic and impersonal work activities. Distrust, fear, insecurity, hostility and threat generally mark peer relationship. Members in authority position view this with suspicion, jealousy and fear. This type of climate exists in organisations, which show low concern for tasks as well as people. Task directed Climate is represented by high concern for task and relatively low concern for people. The main feature of this type of climate is getting the work done at any cost / highly systematic and regulated work activities, fear of mistakes and disapproval, tendency to evaluate people based only on task performance etc., are the other features of this climate. Supportive Climate indicates a high concern for people and relatively low concern for the task. Organisations with supportive climate emphasis on exchange of warmth, sympathy and concern within the members. In such organisations members are over concerned about not hurting the feeling of others, and they minimize or avoid interpersonal conflicts. Task requirements and evaluation activities in this climate focus largely on the satisfaction of the members. Practical
Climate gives more stress on co-operation and sociability of members. This means they maintain relationships at levels, that allows people to negotiate with each other, make trade offs around who will do what and make compromises that leave most people feeling fairly good while doing fairly good job. In this type of climate the focus on both task and people is medium. Purposive Climate is a climate where members try to achieve both the task and satisfaction of people. It is directed by activity, a sense of common purpose, good interpersonal relationships, open communication and constructive conflict. The needs of organisation in this climate are often integrated with the needs of individuals. People in purposive climate also support each other and learn from each other without fear of being seen as incompetent.

(IV) Research of Interest Specific Dimensions:

Apart from the prior dimensions identified by some researches, several others have also identified certain dimensions of organisational climate, which are relevant to specific research and consulting programs. For example, B.R. Sharma (1989) has identified nine dimensions of organisational climate namely scope for advancement, grievance handling, monetary benefits, participative management, objectivity and rationality, recognition and appreciation, job security and safety, training and development and welfare facilities. Similarly T.V. Rao and E. Abraham (1994)
heave used sixteen dimensions in their definition of executive organisational climate.

1.7. FACTORS IN ORGANISATIONAL CLIMATE:

Litwin, G.H. and Stringer, R. (1966) have included six factors, which affect Organisational Climate. There are (i) Organisational structure – perception of the extent of organisational constraints, rules, regulations, red tape (ii) Individual responsibility feelings of autonomy of beings own boss (iii) Rewards – feeling related to being confident of adequate and appropriate rewards (iv) Risk and Risk taking – perception of the degree of challenge and risk in the work situation (v) Warmth and support – feeling of general good fellowship and helpfulness prevailing in the work settings and (vi) Tolerance and Conflict – Degree of confidence that the climate can tolerate differing opinions. Schneider and Bartlett (1968), includes six items that should be included in determining Organisational Climate. There are managerial support, managerial structure, concern for new employees, inter agency conflict, agent dependence and general satisfaction. Taguiri, R. (1968) has identified five factors in Organisational Climate on the basis of information provided by managers. There are (i) practices relating to providing a sense of direction to their jobs – setting of objectives, planning and feedback (ii) Opportunities for exercising individual initiative (iii) work with a superior who is highly competitive and competent (iv) Working with co-operative and pleasant people and (v) being with a profit minded and sales oriented company. Basically, Organisational Climate reflects a person’s
perception of the organisation to which he belongs. It is a set of characteristics and factors that are perceived by the employees about their organisation, which serve as a major face in influencing their behaviour. These factors may include job descriptions, organisational structural format, performance and evaluation standards, leadership style, challenges and innovations, Organisational values and culture and so on. Richard M. Hodgetts (1991) has classified organisational climate into two major categories. He has given an analogy with an iceberg where there is a part of the iceberg that can be seen from the surface and another part that is under water and is not visible. The visible part that can be observed called as overt factors. The secondary invisible parts that are not visible are called covert factors. Both of these categories are shown below in the form of an iceberg.

Table 1.3: Overt and Covert factors of Organisational Climate

<table>
<thead>
<tr>
<th>Overt factors</th>
<th>Covert factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hierarchy</td>
<td>Attitudes</td>
</tr>
<tr>
<td>Financial resources</td>
<td>Feeling</td>
</tr>
<tr>
<td>Goals of organisation</td>
<td>Values</td>
</tr>
<tr>
<td>Skills and abilities of personnel</td>
<td>Norms</td>
</tr>
<tr>
<td>Technological state</td>
<td>Interaction</td>
</tr>
<tr>
<td>Performance standards</td>
<td>Supportiveness</td>
</tr>
<tr>
<td>Efficiency measurement</td>
<td>Satisfaction</td>
</tr>
</tbody>
</table>

1.8. FACTORS AFFECTING ORGANISATIONAL CLIMATE:

Lawrence James.R and Allan Jones (1974) have tried to identify the factors influencing Climate and they grouped these factors under five heads:

**Organisational Context:** The first and foremost influential factor that affects the climate is the management philosophy. If the company is wedded to such a policy that it effectively utilizes its resources both human as well as non-human, then it can be concluded that the climate is good.

**Organisational Structure:** Structure of the organisation represents another variable that affects climate. It needs no relationships and delineates authority and functional responsibility.

**Process:** In every organisation certain processes are vital so that it runs. Communication, decision-making, motivation and leadership are some of the very important processes through which the management carries out its objectives.

**Physical Environment:** The external conditions of environment, the size and location of the building in which an employee works, the size of the city, weather or the place all affect the organisational climate.

**System values and norms:** Every organisation has discernible and fairly evident formal value system where certain kinds of behaviours are rewarded and encouraged, and certain kinds of behaviour forces an individual to formal sanctions. The formal value system is communicated to employees through rules, regulations and policies.
1.9. IMPACT OF ORGANISATIONAL CLIMATE:

Organisational Climate has a major influence in human performance through its impact on individual motivation and job satisfaction. It does this by enacting certain kinds of expectancies about what consequences will follow from different actions. Individual in the organisation have certain expectations and fulfillment of these expectations depends upon their perceptions as to how the organisational climate suits to the satisfaction of their needs. These organisational climates provide a type of work environment in which individual feels satisfied or dissatisfied. Since satisfaction of individual goes a long way in determining his efficiency. Organisational Climate can also be said that it is directly related with his performance in the organisation. There are four mechanisms by which organisational climate affects performance, satisfaction and attitudes of people in the organisation. Khan et al. (1951) have identified five factors, which affect individual performance in organisation. There are rules orientations, the nurturance of subordinates, supervision universalism and promotion achievement orientation.

1.10. BALANCING THE ORGANISATIONAL CLIMATE:

Balancing the stable organisational climate has become a great task for all management. Chris Watkin and Ben Hubbard (2003), has given steps to be followed in balancing organisational climate:
Table - 1.4

<table>
<thead>
<tr>
<th>Step</th>
<th>Maximum Orderliness</th>
<th>Balanced</th>
<th>Maximum Flexibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose</strong></td>
<td>Mission, strategy &amp; structure clearly expressed, but overly rigid and not sympathetic to employee needs.</td>
<td>Mission, strategy &amp; structure clearly expressed, but address individual needs; employees involved in their development.</td>
<td>Mission, strategy &amp; structure not clearly established; direction is left to the individual.</td>
</tr>
<tr>
<td><strong>Values</strong></td>
<td>Organisational policies established in terms of permitted actions &amp; strictly enforced, but do not consider individual needs.</td>
<td>Policies established in terms of value structures, and implemented in a flexible manner.</td>
<td>Policies not formulated: Individual behaviour is directed.</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td>Procedures clearly documented and rigorously enforced, but does not allow for individual initiative.</td>
<td>Procedures prepared and adapted by those who need them in structured manner.</td>
<td>Procedures not documented; individually tasks carried out in many different ways.</td>
</tr>
<tr>
<td><strong>Assessment</strong></td>
<td>Performance parameters fixed and quantified, do not allow for subjective criteria</td>
<td>Combination of self-assessment and supervisor assessment; both objective &amp; subjective criteria used; criteria subject to prior agreement from those involved.</td>
<td>Performance assessed ad hoc and only subjectively.</td>
</tr>
</tbody>
</table>

1.11. CLIMATE FORMATION:

Source: Adapted from Ashforth, 1985.

Fig - 1.2
1.12. SOME ISSUES OF ORGANISATIONAL CLIMATE:

The concept of organisational climate was originally developed in order to improve our understanding of individual attitudes and behaviour by operationalising Environment in Lewin’s formula \( B = f (P \times E) \). However, it quickly became a tool for understanding the organisation itself. As Stern (1970) points out, it is more meaningful to analyze personality press relationship across organisations individuals. But this has led to a good deal of controversy over whether climate is a property of the organisation or of the individuals on whose perceptions are based on all measures of organisational climate. As an outcome of this controversy, the term climate has come to be used with two different meanings. When members of an organisation are asked to give their perception of organisational climate, there are bound to be variations in their perceptions about the same reality. If such a study is confined to a single organisation and the climate scores are analyzed using “individual” as the unit of analysis, it is called a study of the psychological climate. If, on the other hand, it is a multi organisational study and the climate scores from each organisation are summed, averaged and analyzed using “organisation” as a unit of analysis it is called a study of organisational climate. Although basic data are the same in both cases, but in one case the phenomenon is considered a property of the individual while in the other it is treated as a property of the organisation. Woodman and King (1978) are of the view that phenomenological organisational climate is external to the individual, yet cognitively it is internal to the extent that it is affected by individual perception. Being reality-based, organisational
climate is capable of being shared in the sense that its observers or participants may agree in their perceptions of organisational climate, although this consensus may be constrained by individual differences in perceptions, to the extent that respondents agree in their perceptions, the climate construct is considered different from job satisfaction. Long ago, Tagiuri (1968) highlighted the need to resolve the following problems in the area of climate research: a) Need to distinguish between the objective and subjective environment; b) Need to distinguish between the person and the situation; c) Need to determine as to which aspects of the environment should be specified; and d) Need to identify the structures and dynamics of the environment.

A little later, Johannesson (1971) equated perceived Organisational Climate with job satisfaction. He maintained that researchers using perceptual measures of organisational climate seemed destined to replicate the satisfaction literature and that such measure were likely to produce little more than an “alternative form” measurement of job satisfaction. Perhaps the most devastating criticism of research efforts in this area is made by, Guion (1973). He perceived organisational climate as an attribute of the individual and not that of the organisation. In this sense, Guion saw organisational climate as no different from a construct like job satisfaction or a more general term job attitude. Studying the relationship between perceived organisational climate and job satisfaction is, therefore, tautological as it is like studying the relationship between one measure of job satisfaction and another. The issue regarding possible
overlap and redundancy between job satisfaction and organisational climate is attributed to factors such as: (a) researchers culling climate items from satisfaction scales; (b) identical or similar methods of measurement; and (c) the influence of affective predispositions on perceptual climate measures, which are supposed to elicit descriptive responses. Job satisfaction is an integral component of Organisational Climate and an important element in management – employee relationship. Job satisfaction is a positive emotional state that occurs when a persons’ job seems to fulfill important job values, provided these values are compatible with one’s needs (Andrew Dubrin, 1981). Job satisfaction is very difficult to define because it is an intangible, unseen, unobserved variable and a complex assemblage of cognitions (Beliefs or Knowledge) and emotional feelings (Sentiments or Evaluations) and such behavioural tendencies (Hamner and Organ, 1978). Job satisfaction is the persistent feeling towards discriminable aspects of the job situation (P.C. Smith et al., 1960, Locke, E.A. (1969) admits that job satisfaction and job dissatisfaction are seen as function of perceived relationship between what one wants form one job and what one perceives it as entailing.

However, as Hellriegel and Slocum (1974) point out, the intent of organisational climate scales is to clearly evoke perceptual rather than attitudinal or other types of responses; that is, they stimulate, or intent to stimulate, the subject to orient himself with specific facts and to express his opinion as to how he perceives those facts, not whether he
likes them or not. Thus, climate instruments are meant to describe work environments, whereas satisfaction instruments serve to evaluate them. The need to distinguish subjective data from objective reality of the organisation has been emphasized rather forcefully by Starbuck (1976). He recommends that the formulators of a concept like climate should adhere to the principle that measures based solely on subjective data provide information about the subject not about his environment. If one were presented with a study of Harry Brown’s relation to his “Environment” in which the only data about Harry’s environment were Harry’s self-reports, one would expect to find concepts like cognitive balance (or congruence or consonance) appearing prominently in the analysis, and one would not, in the absence of corroborating evidence, accept Harry’s description of his environment as being objectively realistic. Even if Harry were multiplied into all the inhabitants of a town, one would expect the analyst to make statements of the form “The inhabitants of Brownville perceive their environment as offering equal opportunity to all, “ rather than, the Brownville environment offers equal opportunity to all”.

Payne and Pough (1976) conclude that organisational climate have been, studied through both objective and subjective measures. Objective measurement of an organisation implies a direct assessment of organisational properties without any conceptual transformations. Here, a member is only an informant about, say, an organisation chart or performance records. Subjective measurement, on the other hand,
implies an indirect assessment of organisational properties by instruments, which measure group perceptions. Here, a member responds to instruments with statement such as: a) the jobs in this organisation are clearly defined and logically structured, b) the employees here are constantly being for rule violation.

According to Hallriegal and Slocum (1974), while objective measures of Organisational Climate have the obvious virtues of accuracy and reliability, they have the following limitations: 1) The objective properties on an organisation are often too many and too specific to be readily interpretable, 2) Studies that examine in isolation specific properties of an organisation leave unanswered the question of how these properties are related to one another and to organisational functioning; and 3) Objective properties are assumed to indirectly affect organisational participants as the behaviour of an individual is influenced by his perception of organisational reality.

1.13. QUALITY OF WORK LIFE:

Historically, cultural values about work have shifted greatly over the years. In ancient timework was performed only by slaves. The Renaissance and Reformation brought great changes in prevailing attitude towards work. Work acquired a moral dignity of its own. Work serves many purposes. The economic function of work for producing goods and services is its most obvious value. In return for production the worker is paid wages that enable the purchase of good, shelter, plus
other needs and luxuries of life. But work serves other values as well. As part of social needs people are supplied at the work place, where they meet, and converse and share experiences. One’s job connotes a certain social status both for the worker and his or her family. Work also contributes to an employees self esteem by reflecting a contribution to the work group, department and company. If a person is competent and meets his own personal and the boss’s expectations, this contributes to a sense of personal worth. Quality of work life (QWL) is a relatively new concept. It refers to the favourableness or unfavourableness of a job environment for people (Davis and Newstrom, 1985). It is generic phase that covers persons’ feelings about every dimension of work including economic rewards and benefits, security, working conditions, organisational and interpersonal relationships and its intrinsic meaning in a person’s life. The basic purpose of QWL is to develop work environments that are excellent for people as well as for production. It aims at “healthier, more satisfied and more productive employees and more efficient, adaptive and profitable organisation” (Suttle 1977). Since people and environment have changed, increased attention needs to be given to improving the QWL. QWL is important for job performance, job satisfaction, labour turnover, labour management relations and such other factors that play an important part in determining the overall well being of any industrial organisation. Quality of Work Life is an indicator of how free the society is from exploitation, injustice, inequality, oppression and restrictions on the continuing growth of man leading to his development to the fullest stature (De.N.R.
Determination of human needs according to one’s priority and production of appropriate and effective motivators at a given point of time act as leverage in human behaviour and the quality of work life and in real life situation (Patnaik 1993). The field of organisational behaviour has turned its attention to the emotional dimensions of the work place in a direct way. This is perhaps due in part to the influence of emotions. As a social domain, the work place has been a subject of inquiry within these disciplines, including the emotional facets of work settings. Interest in Quality of Work Life issues and employee participating in organisational governance also seem to have set the stage for more direct examination of the subjectivity of human beings including their emotions (Domagalski, T.K. 1999).

1.13.1. Evolution of Quality of Work Life:

Walton attributes the evolution of QWL to various phases in history. Legislation enacted in early 20th century to protect employees from job-injury and to eliminate hazardous working conditions, followed by the unionization movement in the 1930s and 1940s were the initial steps. Emphasis was given to ‘job security’, due process at the work place and economic gains for the worker. The 1950s and the 1960s saw the development of different theories by psychologists proposing a ‘positive relationship between morale and productivity’, and the possibility that improved human relations would lead to the enhancement of both. Attempts to reform and to acquire equal employment opportunities and job
enrichment schemes also were introduced. Finally, in the 1970s the idea of QWL was conceived which according to Walton, is broader than these earlier developments and is something that must include ‘the values that were at the heart of these earlier reform movements’ and ‘human needs and aspirations’ (Walton, 1973). The theories of motivation and leadership provided a sound base for the concept of QWL. Maslow depicted the complexity of human nature by describing various levels of human needs and satisfaction. As soon as the lower-order needs are satisfied, people seek satisfaction for the higher-order needs (Maslow, A.H, 1954). Herzberg went a step further, and distinguished ‘hygiene factor’ ‘maintenance factors’, which maintain a reasonable level of motivation and the motivational factors, which can improve employee performance (Herzberg, Frederick, 1968). The research continues and many questions remained unanswered. It is the question of how can one convert the work life as a spontaneous way of life. Quality of Work Life is fundamentally a philosophy or an approach that can permeate many different activities in the workplace. The traditional approach of scientific management used unskilled and illiterate workers who could be trained easily to do a small, repetitive part of each job. Job specialization and simplifications were popular, where workers were carefully matched to jobs, rest periods and physical movements closely specified, time for various tasks closely mentioned. The excessive division of labour and over dependence on rules, procedures, and
hierarchy, tight controls and increased supervision made the condition dehumanized and caused alienation of workers from their jobs. At the beginning of the 20th century, industrial workers became more educated and highly independent. They began to reach for their higher order needs, something more than merely earning their bread. Workers want more autonomy, independent work, self-designed workload, an environment, which encourage them to improve their skills. The workers do not want them to be a mere cog in the wheel to be used rather wants and consider them to be complements to the work environment. Redesigning organisation to have the environment desired by people and seek to improve the quality of work life, which would reduce absenteeism, labour turnover, and enhance job satisfaction (Mahabatra 1992).

The term QWL consists of a wide range of components: OD, Industrial democracy, work place participation, co-determination of work, flextime, and Q.C. humanization of work, suggestion schemes, and job redesign and socio-technical system. QWL was seen as being synonymous with such concepts as autonomous work groups, job enrichment or the design of new plants as integrated social and technical systems (Nadler and Lawler, 1983).

The modern interest in the quality of work life was stimulated through efforts to change the scope of people’s job in attempting to motivate them (Tyagi 1997). The jobs should seek to employ higher skills of workers, improve their skills, and contribute to general
social advancement as well as programs that offer employees, the opportunity to purchase equity in their firms or programs that provide protection against arbitrary action for their firms or programs that provide protection against arbitrary action for their supervisors (Robins, S. 1997). Following are such efforts seeking to improve the quality of life of people at work; Job enrichment, Humanization of Work and Socio-technical Systems. Beinum describes a general approach and an organisational approach to QWL. The general approach include all those factors affecting the physical, social, economic, psychological and cultural well-being of the workers, while the organisational approach refers to the “design and operation of organisations in accordance with the values of democratic society” (Beinum, 1984). Flexi time means that an employee has flexible starting and stopping hours (Bernardin, H.S. and Russel, J. 1993). Regardless of starting and stopping time, employees will work their full number of hours each day. Employees always work within the restraints of the organisations business hours, and if a job requires teamwork, all employees on a team must flex their work together (Tyagi, A. 1997). Flexi time has been shown to be effective in relieving work family conflicts among private sector employees (Greehaus, J.H. and Beutell, N.J. 1985). Flextime has been related to less tiredness, less absenteeism and less sick leave (Peterson, D. 1980). Studies conducted on he practicing industries revealed that up to 50 percent of absenteeism
has reduced. It has also led to increased Organisational Climate, Productivity and Quality of Work (Holcomb, B. 1991).

1.13.2. Concept of Quality of Work Life:

Therefore the underling notion is that the basic purpose should be to develop jobs that are excellent for people as well as for production. Quality of Work Life is a large step forward from the traditional job design of scientific management, which focused mostly on specialization and efficiency for the performance of narrow tasks. As it evolved, it used full division of labor, rigid hierarchy, and standardization of labor to reach its objective of efficiency. Since classical design didn’t give much attention to quality of work life, many difficulties developed. There were excessive division of labour and over dependence on rules, procedures, and hierarchy. The result was higher turnover and absenteeism, quality declined, workers became alienated, and conflict arose. Managements were only tightening, controlling, rigidly, resulting only in further dehumanizing the work. The concept of quality of work has been expanded. To the initial criteria, addition of elements like job satisfaction, social support, control, interpersonal relationship and other such variables have been made. The criterion is to assess how much any one of the above variables influences quality of work life. The severity of the need to increase the quality of work life is only beginning to become apparent signs is clear.
1.13.3. Quality of Work Life and Quality of Life:

There cannot be any disjunction between life as a whole, and the different domains of life, say work life, social life, personal life, political and spiritual life. Any development programmes should be based on improvement of quality of life. Life without work has no meaning. Quality of Life refers to the life of an individual outside or away from his work. It is his life in family, society and the environment he lives in (De, N. R. 1975). Work life experience cannot be viewed as segregated from the total life experiences because work is a means of seeking fulfillment in life. Life gains quality when day-to-day experience in different domains of life is meaningfully integrated with the totality of life experience. Normally, quality in one domain of life ought to be an indicator that there is quality in life in general (Verma, Jyothi. 1993).

Quality of Work Life in micro organisations can drive its substance and broaden its horizon by drawing upon the insights of the quality of life moments (Jain, S. 1991). Quality of Life work alone without emphasis on quality of life in general has no meaning. Quality of work life has to become an integral part of quality of life and is thus part and parcel of it (Lal, M. 1993). Thus emerging QL we have the concept of QWL. Some social scientists like (Kurienov 1980) however, have likened quality of life and QWL as two sides of a coin and argue that both are co-determinants of each other.
1.13.4. Success of Quality of Work programmes:

Managerial Attitudes
1. Assess managerial assumptions about employees
2. Theory X or Y
3. Determine current managerial leadership styles
4. Evaluate organisational attitude toward a job change programmes
5. Evaluate superior-subordinate relationships
6. Determine managerial awareness of quality-of-work programme
7. Determine cause of any negative attitudes that appear

Programme Evaluation
1. Make a management commitment to a programme of quality-of-work evaluation
2. Establish measurable criteria
3. Monitor programme progress through a pilot study
4. Allow pilot programme in run 3-6 months
5. Expand programme to other employees and work functions of selective basis

Union Consideration
1. Assess present state of union-management relationship
2. Involve union in programme planning
3. Share with employees gains received from programmes cost savings
4. Make contract changes before implementing programme

Source: Overcoming the Barriers, After Bohlander, 1976.
1.13.5. Criteria for Quality of Work Life:

It has been pointed out by Ted Mills that one of the problems with the term is that “quality of work life” is not a single, specific notion. Rather, it subsumes a whole pass of terms and notions, all of which he feels really belong under the umbrella “quality of Work life”:

1. Industrial Effectiveness
2. Human Resource Development
3. Organisational Effectiveness
4. Works Restructure
5. Job Enrichment
6. Organisational Restructure
7. Socio-Technical Systems
8. Work Humanization
9. Group Work Concept
10. Labour-Management Cooperation
11. Working Together; Work Involvement; and Worker Participation
12. Cooperative Work Structures

Each of these, in varying degree of inadequacy, identifies a part of the larger whole that “quality of work life” seeks to identify. Quality of work life actually is the sum of all these various attempts to label a general new direction of work, working and work organisations in
the late twentieth century. The International Labour Office lists the following areas as concerns of QWL:

1. Hours of work and arrangements of working time
2. Work organisation and job content
3. Impact of new technologies on working conditions
4. Working conditions of women, young workers, older workers and other special categories
5. Work-related welfare services and facilities
6. Shop floor participation in the improvement of working conditions

1.13.6. Importance of Quality of Work Life:

Quality work life is essentially the concept of favorable situation of a work environment. It is imperative in any type of organisations to ensure high productivity and involvement of employees in generation of goods and services of better quality. The global economy presents the organisation with new challenges to be faced by the employees’. To make it more imperative employees involvement and commitment are required in achieving organisational goals. Such involvements and commitments could be secured only through improved quality of work life. Furthermore working life is regarded as a larger ecological complex of human resource. So ultimately the quality of working life of employees should be made better and pave the way for satisfied working conditions and make them involved in the
growth of the organisation. Quality of work life of employees when better will lead in productivity, industrial harmony, good relationship and so on. Now days the managements have understood the importance of quality of employees and treat employees as resource for the organisation. Many of the QWL programmes have been developed to cope with the changing values of the ‘new generation’ employees, and to minimize and eliminate problems such as absenteeism, labour turnover, job dissatisfaction and low productivity. The organisations have to examine and analyse the organisational climate and workers preferences before recommending any form of QWL project. The organisation is expected to play a specific role in quality of work life programme. QWL involves continual commitment from all levels. The quality of work life views work as a process of interaction and joint problem solving by working people-managers, supervisors and workers.

1.13.7. Benefits of QWL:

Table 1.5.

<table>
<thead>
<tr>
<th>Worker</th>
<th>Management</th>
<th>Society / Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Job Satisfaction increases company involvement</td>
<td>Reduction of absenteeism</td>
<td>Healthy, constructive and developed human beings.</td>
</tr>
<tr>
<td>2 Work control cover and responsibility for the job.</td>
<td>Reduction of turnover rate Improved product quality.</td>
<td>Improvement in social relation.</td>
</tr>
<tr>
<td>3 Have better work environment</td>
<td>Reduction of adversarial relationship with union</td>
<td>Availability of quality products.</td>
</tr>
</tbody>
</table>

table contd.,,
<table>
<thead>
<tr>
<th></th>
<th>Worker</th>
<th>Management</th>
<th>Society / Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Improved popularity of unions with work force.</td>
<td>Improvement in collective bargaining process</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Increase in union membership</td>
<td>Higher productivity, increased operating effectiveness</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>By making the company more successful and providing better work</td>
<td>Grievance reduction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Increase of worker influence in areas wherein normally he does not have much to say.</td>
<td>Cost effectiveness</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Training for workers sharing information, Team building, staff</td>
<td>Successful organisational change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>flexibility.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Larger economies pay-off to workers skill building.</td>
<td>Larger economic pay off to firm.</td>
<td></td>
</tr>
</tbody>
</table>

Source – Bhattacharya, J.B. (1993)

1.14. A VIEW OF CEMENT INDUSTRY IN INDIA:

The Indian Cement industry is the second largest cement producer in the world, with an installed capacity of 144 million tonnes. The industry has undergone rapid technological up-gradation and vibrant growth during the last two decades, and some of the plants can be compared in every respect with the best operating plants in the world. The industry is highly energy intensive and the energy bill in some of the plants is as high as 60% of cement manufacturing cost. Although the newer plants are equipped with the latest state-of-the-art equipment, there exists substantial scope for reduction in energy consumption in many of the older plants adopting various energy conservation measures. The Indian cement industry is a mixture of mini and large capacity cement plants, ranging in unit capacity per kiln as low as 10 tpd to as
high as 7500 tpd. Majority of the production of cement in the country (94%) is by large plants, which are defined as plants having capacity of more than 600 tpd. At present there are 124 large rotary kiln plants in the country. The Ordinary Portland Cement (OPC) enjoys the major share (56%) of the total cement production in India followed by Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). A positive trend towards the increased use of blended cement can be seen with the share of blended cement increasing to 43%. There is regional imbalance in cement production in India due to the limitations posed by raw material and fuel sources. Most of the cements plants in India are located in proximity to the raw material sources, exploiting the natural resources to the full extent. The southern region is the most cement rich region while other regions have almost same cement production capacity. The Indian cement industry is about 90 years old and its main sources of energy are thermal and electrical energy. The thermal energy is generally obtained from coal, and the electrical energy is obtained either from grid or captive power plants of the individual manufacturing units.

1.14.1. Salient features of Indian cement industry:

Indian cement industry is the second largest in the world with an installed capacity of 135 MTPA. It accounts for nearly 6% of the world production. There are 124 large plants and around 365 mini plants. The industry presents a mixed picture with many new plants that employ state-of-the-art dry process technology and a few old wet process plants having wet process kilns. Production
from large plants (with capacity above 1 MTPA) account for 85% of the total production. The Indian cement industry exported around 6 mt of cement during FY2006, accounting for around 4% of the total production. There has been a significant year on year variation in the export trend, implying that Companies rely on cement exports to balance out the domestic demand supply situation. Because of increased overseas demand, cement exports increased from 4.07 mt in FY2005 to 6.01 mt during FY2006. However, increased domestic demand resulted in clinker exports declining from 5.99 mt to 3.18 mt.

Table 1.6: Cement production in the World

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>597.65</td>
<td>573.0</td>
</tr>
<tr>
<td>India</td>
<td>135.00</td>
<td>99.11</td>
</tr>
<tr>
<td>Japan</td>
<td>85.95</td>
<td>83.47</td>
</tr>
<tr>
<td>USA</td>
<td>84.70</td>
<td>85.00</td>
</tr>
<tr>
<td>Korea</td>
<td>52.20</td>
<td>49.50</td>
</tr>
<tr>
<td>Other countries</td>
<td>742.34</td>
<td>711.22</td>
</tr>
</tbody>
</table>

1.14.2. Declining Role of Public Sector:

Historically, cement has been one of the most important areas of operations for the Indian private sector. Unlike much of heavy industry and utilities, cement was not deemed to be the exclusive preserve of the State sector in the post-independence development strategy. Cement was also the industry of choice of many
corporates diversifying away from the troubled traditional areas of jute and textiles. Over the years, the share of the public sector in cement production has declined. While the private sector (large companies) accounts for around 95% of the total installed capacity, the share of public sector companies has declined from a level of 11% in FY1996 to around 4.4% in FY2006. The share in production of the public sector companies is even lower at 1.2% in FY2006 as compared to 6.5% in FY1996. Among cement public sector undertakings (PSUs), Cement Corporation of India (CCI), a central PSU, is the leading player. It has 10 cement plants with a total installed capacity of 3.85 mtpa at end-FY2006. Other PSU companies manufacturing cement include State entities such as UP State Cement Corporation (3 units with total capacity of 2.16 mtpa); and Tamil Nadu Cement (2 plants with a total capacity of 0.9 mtpa). Given the extent of losses being incurred by most of these plants, restructuring and revival through privatization appears imminent. In India, the share of blended cement in the total production had increased from 47% in 1978-79 to 76% in 1982-83. After this, the Indian cement industry witnessed a higher production of the higher grade OPC, and the production of blended cement gradually declined to 27% in 1992-93. However, this was followed by an upward trend, and the share of blended cement reached approximately 56% in 2004-05. The major consumption states for cement in India include Maharashtra (16.8 mt in
FY2006), UP (14.2 mt), Andhra Pradesh (11.5 mt), and Tamil Nadu (11.1 mt).

1.15. PROFILE OF THE ORGANISATION:

The State Geology Branch undertook a rapid survey in the year 1970 in Ariyalur region to locate sedimentary limestone deposits required as raw material for their cellular concrete plant at Ennore. The geological investigations revealed the availability of considerable deposits of cement grade limestone in Ariyalur region. The samples collected were tested in the laboratories and the test results gave encouraging results. The State Geology Branch, therefore, undertook a detailed geological investigation from March 1971 to May 1972 to estimate the limestone deposits occurring in Ariyalur – Sendurai regions. In the report submitted by them, they have indicated the 46 million tones of cement grade limestone are available in these areas. However, Oil and Natural Gas Corporation have indicated a very large in this region for limestone occurrences. By preliminary investigation it was observed that the areas still to be prospected are very promising for cement grade limestone. Based on the chemical analysis of borehole data in the report, it was observed that the indicated reserve of 46 million support setting up of a Portland Cement Plant near Ariyalur with a rated capacity of 5 lakhs tones per annum. An application was submitted to the Ministry of Industrial Development to issues a letter of intent for setting up a Cement Plant with a capacity of 5 lakhs tones per annum near Ariyalur. Tamilnadu Cements Corporation Ltd., (TANCEM) was incorporated as a wholly owned subsidiary of the
Tamilnadu Industrial Development Corporation Ltd., (TIDCO) under the Companies Act 1956. The Corporation on its incorporation took over the Cement Factory at Alangulam Cement Works (Formerly Ramnad District – now Virudhunagar District) with all its Assets and Liabilities from TIDCO. It also took over the project relating to establishment of Cement Factory at Ariyalur (formerly Perambalur District - now Ariyalur District) with all the rights and liabilities from TIDCO. The unit has high degree of professionalism in the manufacture of OPC 33,43&53 grade. Blended cement of Portland Pozzolona cement and Portland slag cement is also produced on need basis. High Portland cement is manufactured from the best limestone available in Ariyalur area. Orders of Cement will be executed within 24 hours on receipt of firm order within Tamilnadu at a Fair price. The Quality is with ISI specifications. The factory is connected with B.G Railway Line to handle immediate bulk supply of cement. Wide range of stocklist and sales officers in each region. Chairman cum Managing Director an I.A.S official deputed by Tamilnadu Government heads the corporation. The total employee strength of the organisation is six hundred and sixteen (616), which comprises of Officers-144, Staff-288 and Workers-184.
### Table 1.7
**1.15.1. Physical and Financial Performance of TANCEM**

<table>
<thead>
<tr>
<th>Year</th>
<th>Clinker Production (MTS)</th>
<th>Cement Production (MTS)</th>
<th>Cement Despatched (MTS)</th>
<th>Capacity Utilisation (%)</th>
<th>Net Profit (+)/Loss (-) (Rs. In Lakhs)</th>
<th>Cash Profit (+)/Loss (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979-80</td>
<td>88988</td>
<td>115629</td>
<td>11552</td>
<td>35</td>
<td>-646.22</td>
<td>-94.72</td>
</tr>
<tr>
<td>1980-81</td>
<td>298785</td>
<td>246733</td>
<td>241949</td>
<td>49</td>
<td>-282.84</td>
<td>5.27</td>
</tr>
<tr>
<td>1981-82</td>
<td>262882</td>
<td>284350</td>
<td>287474</td>
<td>57</td>
<td>-242.95</td>
<td>0.41</td>
</tr>
<tr>
<td>1982-83</td>
<td>215840</td>
<td>247300</td>
<td>247836</td>
<td>49</td>
<td>-303.26</td>
<td>-68.10</td>
</tr>
<tr>
<td>1983-84</td>
<td>260165</td>
<td>301666</td>
<td>299376</td>
<td>60</td>
<td>-295.02</td>
<td>56.77</td>
</tr>
<tr>
<td>1984-85</td>
<td>269300</td>
<td>284346</td>
<td>280567</td>
<td>57</td>
<td>-207.67</td>
<td>83.50</td>
</tr>
<tr>
<td>1985-86</td>
<td>229706</td>
<td>281507</td>
<td>280577</td>
<td>56</td>
<td>-149.50</td>
<td>95.78</td>
</tr>
<tr>
<td>1986-87</td>
<td>312130</td>
<td>352102</td>
<td>352096</td>
<td>70</td>
<td>691.72</td>
<td>616.97</td>
</tr>
<tr>
<td>1987-88</td>
<td>157488</td>
<td>406954</td>
<td>410099</td>
<td>81</td>
<td>546.44</td>
<td>752.21</td>
</tr>
<tr>
<td>1988-89</td>
<td>346369</td>
<td>345275</td>
<td>343159</td>
<td>69</td>
<td>162.59</td>
<td>378.16</td>
</tr>
<tr>
<td>1989-90</td>
<td>310147</td>
<td>348455</td>
<td>354762</td>
<td>70</td>
<td>-223.02</td>
<td>-8.15</td>
</tr>
<tr>
<td>1990-91</td>
<td>227794</td>
<td>243870</td>
<td>243891</td>
<td>49</td>
<td>190.16</td>
<td>402.02</td>
</tr>
<tr>
<td>1991-92</td>
<td>323423</td>
<td>333250</td>
<td>327430</td>
<td>67</td>
<td>430.95</td>
<td>642.28</td>
</tr>
<tr>
<td>1992-93</td>
<td>394310</td>
<td>413396</td>
<td>416851</td>
<td>83</td>
<td>919.64</td>
<td>1130.09</td>
</tr>
<tr>
<td>1993-94</td>
<td>410334</td>
<td>432269</td>
<td>428963</td>
<td>87</td>
<td>1142.71</td>
<td>1244.27</td>
</tr>
<tr>
<td>1994-95</td>
<td>358965</td>
<td>376649</td>
<td>376661</td>
<td>76</td>
<td>429.51</td>
<td>520.14</td>
</tr>
</tbody>
</table>

*table contd....*
<table>
<thead>
<tr>
<th>Year</th>
<th>Clinker Production</th>
<th>Cement Production</th>
<th>Cement Despatched</th>
<th>Capacity Utilisation</th>
<th>Net Profit (+)</th>
<th>Cash Profit (+)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(MTS)</td>
<td>(MTS)</td>
<td>(MTS)</td>
<td>%</td>
<td>(Rs. In Lakhs)</td>
<td>(Rs. In Lakhs)</td>
</tr>
<tr>
<td>1995-96</td>
<td>404718</td>
<td>429460</td>
<td>429651</td>
<td>86</td>
<td>1204.94</td>
<td>1310.08</td>
</tr>
<tr>
<td>1996-97</td>
<td>417155</td>
<td>462596</td>
<td>464205</td>
<td>93</td>
<td>1810.12</td>
<td>1927.11</td>
</tr>
<tr>
<td>1997-98</td>
<td>481561</td>
<td>537730</td>
<td>538215</td>
<td>108</td>
<td>1839.62</td>
<td>1974.73</td>
</tr>
<tr>
<td>1998-99</td>
<td>451563</td>
<td>487106</td>
<td>482258</td>
<td>97</td>
<td>274.55</td>
<td>377.69</td>
</tr>
<tr>
<td>1999-2000</td>
<td>386294</td>
<td>445913</td>
<td>452526</td>
<td>90</td>
<td>-</td>
<td>-1022.49</td>
</tr>
<tr>
<td>2000-2001</td>
<td>391046</td>
<td>459545</td>
<td>452291</td>
<td>92</td>
<td>1191.52</td>
<td>-741.98</td>
</tr>
<tr>
<td>2001-2002</td>
<td>325645</td>
<td>413875</td>
<td>421678</td>
<td>84</td>
<td>-949.29</td>
<td>298.42</td>
</tr>
<tr>
<td>2002-2003</td>
<td>460500</td>
<td>541523</td>
<td>540922</td>
<td>108</td>
<td>90.80</td>
<td>1162.84</td>
</tr>
<tr>
<td>2003-2004</td>
<td>454624</td>
<td>592039</td>
<td>593004</td>
<td>118</td>
<td>954.84</td>
<td>522.19</td>
</tr>
<tr>
<td>2004-2005</td>
<td>441361</td>
<td>570250</td>
<td>570126</td>
<td>114</td>
<td>334.19</td>
<td>593.01</td>
</tr>
<tr>
<td>2005-2006</td>
<td>443582</td>
<td>526820</td>
<td>523291</td>
<td>105</td>
<td>430.34</td>
<td>549.87</td>
</tr>
<tr>
<td>2006-2007</td>
<td>409802</td>
<td>533105</td>
<td>533052</td>
<td>107</td>
<td>393.15</td>
<td>1477.91</td>
</tr>
</tbody>
</table>

Source: Tamilnadu Cements Corporation Limited
Fig - 1.4 : Production of TANCEM year wise in MTS

Source: Tamilnadu Cements Corporation Limited
1.16. CONCLUSION:

Many executives realize that the richest assets and the most difficult problems of a company are its people. People provide business with its greater strengths and, at the same time require management to do its best creative thinking. In an organisation, every department or work group may have a unique climate. The atmosphere of one, for example is tense because of the presence of an authoritarian boss and a lot of neurotic employees. In another place, the pervading atmosphere is cheerful and friendly because the boss is an emotionally mature leader and the employees are relaxed and co-operative. The organisational climate in industry is so important that every one should be aware of its influence. Although intangible, organisational climate is a real phenomenon. In every organisation there exists elements that exert the profound influence on the existing climate. In some organisation certain factors like structure or process plays a major role, whereas in others the level of technology may be a major influential factor in climate. Climate can influence motivation, performance, job satisfaction and quality of work life. It does this by creating certain kinds of expectancies about what consequences will follow from different actions. Employees expect certain rewards and satisfactions, on the basis of their perception of the organisations climate. These expectations tend to lead to organisational climate. A sound climate is a long-run proposition. Managers need to take an assets approach to climate, meaning that they take the long run
view of climate as an organisational assets. Many think that organisational climate is an indirect determinant of behaviour in an interactive sense. The individual’s perceptions of what are “out there” acts as a moderating or intervening variable between organisational stimuli and resultant behaviour.