CHAPTER - I

INTRODUCTION

Today in the business world, to sustain the organizations is a prime concern. The strength of an organization lies in its human resources and it acts as a backbone of every organization. It is the most significant treasure of any organization and it is the inception of accomplishing competitive advantage. Human Resources Services are responsible for group for the evaluation system of an individual performance of every employee in an organization. The strength of an organization relies upon the strength of an employees’, effective management. Human resources can take the organization towards higher levels of performance. It’s an articulation instrument of employees through attitude, collective perspective and behaviour (Bowen & Ostroff 2004). Increasing effectiveness of human resources practices in the organization is one of the competitive strategies (Schuler & Jackson 2014) of every organization.

Human Resources Management is comprehensive and a proper systematic approach is needed to manage the people working in the organization (Jahanian et al., 2012). It plays the central role in the exchange of relationship between organization management and its employees. Scott defined about HRM as the part of the organization and has a fraternal relationship between employer and employee, employee to employee and an individual can develop this idea with their effective melding of human resource management. It should improve the three levels of employee groups such as low level, middle level and top level employees (Krausert 2014).
Productive resources cannot be required without HRM practices. It is associated with increased productivity of HR system that motivates the employees in the organization (Takeuchi et al., 2007). It brings out the employee characteristics and job characteristics in the organization (Jensen et al., 2007). Employees’ attitude acts as a mediator between HR System and individual’s outcomes (Boxall et. al., 2011). HR practices bring out an individual outcomes that links with organizational outcomes (Ployhart & Moliterro 2011) and act as the key factor in individual performance and its improvement as well as the identity of the organization (Rana & Goel 2012).

HRM system articulates the leadership and knowledge acquisition in team work (Chang 2013) It also influences employees' performance to create their innovation (Laursen & Foss 2003) and organizations encourage their ideas and suggestions of employees by encouraging, enabling, rewarding and creative performance behaviour (Montag et al., 2012). It also reduces the voluntary turnover of employees (Yalabik & Kim 2008). HRM policies and practices must enhance organizational performance, including those related to staffing & compensation (Brewster & Mayrsofer 2013) and it fits to local cultures, labour markets and economic conditions.

Sustainable Human resources practice retains the high quality of employees (App, et al., 2012) HR practices are associated with enhanced performance, reduced costs, and increased employee productivity (Corley 2001). It's also linked to other factors of integral part to good job performance, including employee turnover, improved productivity and increased customer service (Liao and Chuang 2004). HRM is a known field under the concept of management, it is expected that several theories, models and tools have developed to promote its manifestation. In an increasingly competitive and turbulent market, organizations depend on their employees for success.
ORGANIZATIONAL CLIMATE

Organizational climate emphasizes that there is a link between Human Resources Management and employee outcomes (Cafferkey & Dundon 2015) and it is the most significant instrument for understanding the employee performance in an organization (Glisson & James 2002). The psychological aspect of working in the environment (Ashforth 1985) is considered as different individuals perceive the same workplace in different ways (Klein et al., 2001).

It is broadly visualized as a set of global notions held by an individual’s objective organizational situation (Schneider 1975, Churchill, Ford & Walker 1976) that creates the employees’ creativity and production for the success of the organizations. It influences the internal environment as well as the external dimensions of employees’ satisfaction level (Castro & Martins 2010). Organizational climate brings out the relationship of leadership and participates vigorously on production outcomes (Daly 2002) and emphasis positive effects on organizational productivity (Voorde, Veldhoven & Paauwe 2010).

Early studies on organizational climate were conducted at (Litwin & Stringer 1968) classical conception of behaviour as a function of a work group, individual, occupation, department or job climate, but it is the psychological environment shared by the organizational members (Glick 1985) and depicts the working environment (Kossuth & Cilliers 2002) bringing information as well as facilitating effective relationships with co-workers in the organization. Organizational climate is approximately abiding kind of the internal environment of an organization that is experienced by its members, induces their behaviour and can be described in terms of the values of a particular set of
characteristics of the organizations (Tagiuri, Litwin & Barnes 1968). Employees who work in an organization are measured by the set of climatic factors based on the influenced motivation and behaviour (Litwin & Stringer 1968). An organizational climatic factor significantly influences employees to work with motivational aspects. Intrinsic and Extrinsic reward enhanced more productivity by the employees (Tyagi 1985). Organizational climate correlates with a goal and reward orientation for the profit maximization (Voorde, Veldhoven & Paauwe 2010 et al., 2010) and associates with team work and production (Louis, et al., 2007) of every organization.

In an organizational climatic factors leadership act as the paramount role in every organization. As a result, they are continuously shaping the organizational level and life cycle. They afford meaning to policies and strategies of an organization in which they execute the organizational goals and strategies (Wimbush & Shepard 1994). Organizational leadership is the most important pact with the design of working condition (Kivivpold & Ahonen 2013). They judge the work family policies after program implementation (Liou & Chen 2010).

A good environment makes an employee to innovate many things related to the industry or an organization. Education, working time, performance, promotion and communications of the employees (Zhang 2010) explore their new ideas with the performance of productivity (Rahimic 2013). Good organizational climate might have less intention to leave the organization (Liou & Chen 2010).
DEFINITIONS - ORGANIZATIONAL CLIMATE

Forehand and Gilmer (1964) “The set of characteristics that describe an organization and that (a) distinguish the organization from other organizations (b) are relatively enduring over time and (c) influence the behaviour of people in the organization”.

Taiguri and Litwin (1968) “Organizational climate is a relatively enduring quality of the internal environment of an organization that a) is experienced by its members, b) influence their behaviour and c) can be described in terms of the values of a particular set of characteristics (or attributes) of the organization”.

Litwin and Stringer (1968) defined organizational climate as “A set of measurable properties of the work environment, perceived directly or indirectly by the people who live and work in this environment and assumed to influence their motivation and behaviour”.

Evans (1968) defined “A multidimensional perception of the essential attributes or character of an organizational system”.

Taylor and Bowers (1970) defined “Organizational climate as the perceived traits of organizational stimuli which become group property through interpersonal interaction and which modify overall behaviour within organization”.

Hellriegel and Slocum (1974) refer to “A set of attributes which can be perceived about a particular organization and its subsystems, and that may be induced from the way that organization and its subsystems deal with their members and environment”.

Silver (1983) conquered the concept of personality when he described climate as “The atmosphere, tone or ambiance of an organization-the sense that a place has a quality uniquely its own”.
Reichers and Scheider (1990) defined as the “shared perceptions of the way, things are around here”.

Peterson M W, Chaffee E & White T (1991) defined “Current common patterns of important dimensions of organizational life or its members’ perception and attitudes toward those dimensions”.

Moran Volkwein (1992) “A relatively characteristics of an organization which distinguishes it from other organizations and (a) embodies members’ collective perceptions about their organization with respect to such dimension as autonomy, trust, cohesiveness, support, recognition, innovation and fairness; (b) produced by member interaction; (c) serves a basis for interpreting the situation; (d) reflects the prevalent norms and attitudes of the organization’s culture; and acts as a source of influence for shaping behaviour”.

DIMENSIONS - ORGANIZATIONAL CLIMATE

Climate studies continue to address the requisite to clarify the dimensions of organizational climate. There are some exist critics who claim that organizational climate is too diverse to define because it can be viewed as psychological, subjective and multi-dimensional states of employees (Payne & Paugh 1976). Following table 1.1 derives the different dimensions of organizational climate domain.
TABLE 1.1
DIMENSIONS – ORGANIZATIONAL CLIMATE

<table>
<thead>
<tr>
<th>AUTHORS</th>
<th>DIMENSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likert (1967)</td>
<td>Leadership, Motivation, Communication, Decision, Goals and Controls.</td>
</tr>
<tr>
<td>Kopelman et al., (1990)</td>
<td>Goal emphasis, Means emphasis, Reward orientation, Task support.</td>
</tr>
<tr>
<td>Peterson &amp; Spencer (1990)</td>
<td>Distinctiveness, Content, Continuity, Strength, Clarity, Consensus.</td>
</tr>
<tr>
<td>Furnham (1991)</td>
<td>Clarity, Respect, Communication, Reward system, Career development, Planning and decision making, Innovation, Relationships, Teamwork and support, Quality of service, Conflict Management, Commitment and morale, Learning and training, Direction.</td>
</tr>
<tr>
<td>Schneider, Brief and Guzzo (1996)</td>
<td>The nature of interpersonal relationships, the nature of hierarchy, the designation, and the focus of support and rewards</td>
</tr>
<tr>
<td>Source</td>
<td>Dimensions</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Stringer (2002)</td>
<td>Flexibility, Responsibility, Standards, Rewards, Clarity and Team Spirit</td>
</tr>
</tbody>
</table>

Compiled by the Researcher

From the aforesaid organizational climate dimensions scrutiny it appears that there is a commonality among these dimensions that can be used to measure organizational climate across various work environments.

**EMPLOYEE COMMITMENT**

Researchers (Dobel 1990, Perry & Weighs 1990) have noted that more empirical studies of employee commitment are needed to understand its motivational base in public sectors. It was identified that commitment is primarily a function of individual behaviour and willingness of individuals to give their energy to the organization through actions and choices over times (Becker 1960).
Employee commitment has been measured in several different ways. The commonality in describing employee commitment among the research draws a distinct relationship in bonding of the employee to the organization. Employee commitment to an organization is typically referred in the literature as employee commitment has been fraught difficulties particularly in regard to the validity of constructs (Ashman 2007) and saliency of employee commitment to an organization has been highlighted in the organizational literature (Allen & Meyer 1990, Mowday, et al., 1979) Researchers studied and explored commitment in corporate employees (Agarwala 2003), manufacturing employees (Allen & Meyer 1990), bank employees (Mowday, et al., 1974) and many other areas.

Employee commitment has been a distinguished topic of research scholars in management, organizational behaviour and industrial psychology (Karim & Noor 1970, Meyer & Allen 1997, and Mowday, 1974) are determined as the grasping bond of psychological attachment (Klein, et al., 2009) with focus at individual level that bind an employee with an organization (Buchanan 1974). Employee commitment is comprehensively described as the strength of an employee’s involvement (Randall 1988) and act as a key determinant of organizational effectiveness, efficiency and productivity (Meyer et al., 1993 & Meyer and Smith 1993). Employee commitment is viewed as the fiscal terms (Becker 1960) and described it as the process of employee makes “side – bet” within the organizations.

Employee commitment is an important, influential variable of an organization. It emphasize on psychological state that reflects a high sense of belonging, acceptance, identity, loyalty, support, passion and pride, feelings towards the organization (Sverke & Goldberg 1994). Individuals who add value to their bottom line want to commit in the organization (Brown and
Leigh 1996). An individual flourishes the commitment to an organization with superfluous interest that are connected to a persistent line of activity. They choose a career in an organization to settle down in that organization and they can’t always depict the economic man (Becker 1960).

There’s an equitable clout of an employee realization and job involvement in an organization (Mowday et al., 1982). Job involvement is a significant factor of employee commitment and brings out worker productivity (Mazayed et al., 2014). Likewise, committed employees offer their best knowledge, skills, experience, abilities and efforts for their organization's well-being (Porter 1974, Mowday 1979, Riketta 2002, Yucel & Bekta 2012) Family supportive supervisor and the family working environment are additive to make the employees committed to the organization (Allen 2001) It can also be used to judge the work family policies after program implementation.

Working long tenure in the same organization, the employees might have less intention to leave the organization. High level of managers are committed their work in the same organization in long tenure due to expectation of higher salary (Baba and Knoop 1987) Working experience in the same organization causes employee commitment (Yucel & Bektas 2012).

Top level management encourages the trust of an employees’ in an organization that induces their job involvement and commitment (Mahajan, Bishop & Scott 2012). Employee commitment and involvement depends on the organization trust (Blau 1964). Job security and quality of work life promote job opportunities (Meybodi 2012). Autonomy enables the experience employees to work with more creativity and productivity (M. Brimeyer, Perucci, Wadsworth, 2010). Social, extrinsic and intrinsic rewards are conspicuous for employee commitment (Newman & Sheikh 2012). HR
practices and organizational characteristics maximize the employees committed in the organizations (Guest 1992).

**DIMENSIONS - EMPLOYEE COMMITMENT**

An essential yet difficult research question derived as the dimensions on which the commitment of the units could be measured. In order to get reliable and pertinent factor that determine employee commitment, commonly used factor were identified from the enormous studies conducted on the study area. Following table 1.2 shows the various dimensions of employee commitment.

**TABLE 1.2**

**DIMENSIONS – EMPLOYEE COMMITMENT**

<table>
<thead>
<tr>
<th>AUTHORS</th>
<th>DIMENSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Becker (1960)</td>
<td>Side-Bet theory.</td>
</tr>
<tr>
<td>Kanter (1968)</td>
<td>Continuance, Cohesion and Control</td>
</tr>
<tr>
<td>Mowday, Steers and Porter (1979)</td>
<td>Attitudinal commitment.</td>
</tr>
</tbody>
</table>
From the above table it is clear that there is a lot of dimensions about employee commitment in the domain area. Every researcher has their own perception about employee commitment and drawn their dimensions for fruitful result to the organization.

**ORGANIZATIONAL CLIMATE AND EMPLOYEE COMMITMENT**

The relationship between organizational climate and employee commitment are based on social exchange theory (Cropanzano, & Mitchell 2005), obligations are generated through a series of interactions between two parties who are in a state of reciprocal interdependence (Robinson, Perryman & Hayday 2004). It is a two way relationship between organization and employee.

Positive organizational climate induces commitment of the employees in the organization and dissatisfaction about the working climate, it leads to turnover intentions (Kahn 1990). There’s a good organizational climate enhanced in the high level of employees’ commitment (Liou & Cheng 2010). Positive organizational climate significantly influenced the employee more committed in the particular organization (Noordin et al., 2010).
Due to the employee commitment there is less intention to leave the organization. Creating good working environment propels the employee to produce the productivity and be committed in their workplace (*Katz and Kahn 2004*) and there is positive relationship between organizational climate and commitment (*Helferd 1995*). An active relationship with the organizations such as individuals are willing to give something of themselves in order to contribute to the organization's well-being (*Mowday, 1979*) and for the organizational effectiveness employees are depicted to work without turnover intentions (*Bluedern 1982*). Caring climate leads to the employee commitment (*Fu & Deshpande 2012*).

Goal clarity and superior - subordinate communication are the main predictors of the individual to commit in the organization (*Pourkiani, Farokhian & Gheisari 2014*) Effective leadership, performance feedback and employee welfare are the intrinsic factors of the organizational climate to commit in the organization (*Zhang 2010*).

Organizational climate (*Guion 1973*) and employee commitment has been observed as an eminent construct in organizational research for many decades. Research has directly associated with organizational climate and employee commitment (*Brown and Leigh 1996*) which has significance for employers. Lack of commitment by employees has been shown to be behind behavioural issues linked to employer high cost and poor performance (*Sherwin D*). However the perceptions of individuals from auto component manufacturing industry have been absent from the discussion.
STATEMENT OF THE PROBLEM

Human Resources Management is generally developed in order to enhance employee performance through an employee’s employee commitment and motivation. Employee commitment is linked with motivation and is expected to influence employee performance (Hartog, Boslie and Paawe 2004). Employee commitment is one way to measure the element of organizational climate. Organizational climate has embolden employee commitment to an organization, its performance and their responsibilities (Murray, Scott and Pace 2004).


Interpersonal relationship is an unambiguous factor for the collective psychological atmosphere among the team and even in the expansive organization (Kossuth & Cilliers 2002). Working environment is the valuable knowledge of the employee in the organization. Smooth and friendly environment, gushes the employees to retain in the same organization (Langkamer & Ervin 2008) Improving leadership behaviour in the organization is the strategic way of the members in the organization to succeed.

Organizational climate is the strong conducive instrument of employee commitment (Danish, Draz, & Ali 2015). Friendliness, work environment, managers’ intervention, innovation (Ghasemi, & Keshavarzi 2014), leadership, (Gobler, & Glober 2015), innovation and flexibility, supervisory support, quality and employee welfare (Bellou & Andronikidis 2009) depict
the employee performance and performance feedback in the organization make the employees’ committed to the organization.

Chughtai & Zafar (2006) exhibits commitment that is negatively related to turnover, absenteeism and counterproductive of the work place. Zhang (2010) says in his study to investigate the relationship between organizational climate and employee commitment in the organization, and in which organizational climatic factor influences the employee’s commitment.

In the auto component industry the organizational climate and employee commitment are not touched upon at national and international level. The relationship between organizational climate and employee commitment are the two important aspects relationship that has to be proved through empirical evidences. The model proposed by the researcher is to estimate the impact of organizational climate on commitment. In the auto component manufacturing industry which comes under the manufacturing sector affected by economic conditions in India and recession level in world level. These arguments compel the researcher to study the auto component industry with respect to organizational climate and employee commitment.

On the other hand, organizational climate and employee commitment differs from country to country and from industry to industry. Therefore, this study was to assess the relationship between Organizational climate and employee commitment in Auto component manufacturing industry in and around Chennai.
NEED AND IMPORTANCE OF THE STUDY

Human Resources Management is very important to judge the trend of the organization in a rapidly changing business environment. (Farndale, Paauwe & Boselie 2010) Organizations must meet the challenges of increasingly varied and intense employee behaviour and require continuous adaptation of the way the organization acts. In this context, to obtain goods and services that constantly adapt to the market demand will require a flexible mode of action that can effectively use the resources available to the organization.

Organizational climate is the main key factor of the employees in the organizations; it contrives the innovation and creative ideas of the employees in the working area. Good organizational climate will be motivating the organization productivity of the employee. Ekvall (1996) found there’s a positive relationship with the innovation and organizational climate. One of the strategic ways to reach the commitment of the organization, there should be smooth organizational climate.

In today’s challenging stress environment we should create stress free atmosphere by means of good organizational climate in the manufacturing industry. It obviously creates an employee commitment in the industry. Creating an organizational climate in an ethical way at the top management faces the ongoing challenges (Weeks, et al., 2006). An organization attributes an important role in reinforcing the employee commitment in their workforces. (Abbott, White & Charles 2005). The present research depicts the organizational climate that induces the commitment in the auto component manufacturing industry.
With its focus on employee perceptions and patterns of behaviour, climate can potentially impact organizational outcomes such as morale effectiveness, job satisfaction and thus retention of employees (Herzberg, Mausner & Snyderman 1959; Thomas Moran & Volkwein 1988;). Empirically, climate is an eminent construct because it has been posited as an intermediate variable that links employee commitment and perceptions of organizational outcomes (Rota et.al., 2012). Employee commitment has been proposed to differentiate based upon the personal characteristics of employees such as age, education, gender, tenure (Mathieu & Zajac 1990) and organizational structure (Volkwein & Zhou 2003).

The importance of studies about manufacturing industries for the improvement of organizational climate, providing insight regarding to the extent how organizational climate related to employee commitment in this particular sectors. As manufacturing industry face greater challenges including heightened competition to commit the employees in the stable place, depends greatly on employee satisfaction. A reasonable prediction is that the organizational climate level correlates with an employee commitment. As a result, exploring the organization variable that may influence employee commitment is an important element for organization development and success in the auto component manufacturing sectors.
OBJECTIVES OF THE STUDY

1. To study the dimensions (factors) influencing organizational climate in an auto component manufacturing industry.

2. To analyse the existing commitment level of employees in the study domain.

3. To find the relationship between organizational climate and employees’ commitment in auto component industry.

4. To find the influence of personal and organizational variables on the employees perception towards organizational climate and their commitment level.

HYPOTHESIS OF THE STUDY

1. There is no relationship between organizational climate and employees’ commitment.

2. There is no significant influence of personal variables of employees on their organizational climate perception and their commitment level.

These hypothesis leads to the following proposed model
3. There is no significant influence of organizational variables of employees on their organizational climate perception and their commitment level.

SCOPE AND LIMITATIONS OF THE STUDY

The study focuses on the employees at all levels working in the auto component manufacturing industry in and around Chennai city only. The study provides a general overview of the organizational climate in the auto component manufacturing industry. The study considers the impact of organizational climate with respect to employee commitment. The study is based on employees’ perception and these perceptions are subject to changes in the days to come.

Hence, the employees reflect their current views on the impact of organizational climate based on their commitment in their industry. The questionnaire survey is conducted among employees of auto component manufacturing industry only. The questionnaire is circulated among all levels of employees as the results of top level, middle level and low level employees.

RESEARCH GAP

The research gaps are conspicuously identified to set research propositions and research design. The exploratory literature reviews indicated that organizational climate is not a unique phenomenon with respect to employee commitment and its nature of autonomy, goal clarity, innovation, and supervisory support, working environment, rewards, performance feedback, welfare, involvement, leadership and interpersonal relation. It is identified that a wide lacuna is present in analyzing the organizational climate among the employees in the auto component industry who balance their personal and
organizational life. Another important research gap is that how far the specific factors of organizational climate are interrelated to employee commitment.

**RESEARCH METHODOLOGY**

The study is conducted using both analytical and descriptive type of methodology. The study primarily depends on primary and secondary data.

**STUDY AREA**

Among the Top 10 Auto component manufacturing industries 5 companies have been chosen for the study in and around Chennai. As these places are becoming the hub for various kinds of industries, particularly, manufacturing industries, Private and Public Manufacturing industries are found more in these districts. It is conducive for the researcher to collect the required data from the Companies for the research under study.

**SOURCES OF DATA**

The research is carried out through Primary and Secondary Data.

**PRIMARY DATA**

Primary data were collected directly from the employees working in the Auto-Component Manufacturing industries in and around Chennai.

**SECONDARY DATA**

Secondary data were collected from various published and unpublished sources like Journals, Magazines, Books, Research Articles, Annual Reports, Periodicals, Dailies, Websites, Company publications, Manuals, Booklets and Research papers.
PARTICIPANTS

The participants of the current study comprise employees working with Auto Component Manufacturing Companies in and around Chennai District. The researcher has taken much care in selecting the Manufacturing Companies for the study. As the topic is related to Organizational climate among the Top 10 Auto-component Manufacturing industries in Chennai, 5 Manufacturing industries which are having a climate in their organizations were targeted. The study was not confined to specific departments, but covered a sample across the organization to include a range of departments.

SAMPLING SIZE AND DESIGN

The auto industry is a prominent sector of every global economy of every major country in the world. Auto component manufacturing industry acts as an integral part of the Indian economy for the upcoming years. Today, automobile and auto component industries account for more than 40% of Indian Revenue. These industries mark annual turnover of over USD 39 billion in Financial Year (FY) 2015-16. These industries show an increased Compound Annual Growth Rate (CAGR) of 4.96% to USD 26.5 billion during FY 08-16. Over 80% of auto components manufactured in Tamil Nadu accounted to a turnover of over USD 1.3 billion.

In order, to cover a wide number of respondents and also to know the prevailing organizational climate and commitment of employees in the auto component manufacturing industry and the researcher selected Top 10 companies.
The top 10 companies are mentioned below

1. Ashok Leyland
2. Rane
3. TVS Motors
4. Tube products of India
5. India Pistons
6. Motherson Sumi
7. Bosch
8. JKM Dareim
9. Wheels India
10. Delphi TVS

Among these top 10 companies the researcher conveniently selected 5 companies.

The primary data are collected through survey method. The survey is conducted using well formulated Questionnaire. Multi Stage Random Sampling is applied for generating data. Samples for the purpose of the study are selected systematically. The questionnaire was directly circulated to employees who are working in Auto component manufacturing industries in Chennai. Totally 900 Questionnaires were distributed and 624 were collected
out of which 525 completed questionnaires were found usable. The sample size of this study is 525. The complete details regarding questionnaire distribution are given below.

**TABLE 1.3**

**DISTRIBUTION AND COLLECTION OF QUESTIONNAIRE**

<table>
<thead>
<tr>
<th>NAME OF THE INDUSTRY</th>
<th>CIRCULATED</th>
<th>RECEIVED</th>
<th>REJECTED</th>
<th>USED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashok Leyland</td>
<td>190</td>
<td>130</td>
<td>24</td>
<td>106</td>
</tr>
<tr>
<td>Rane</td>
<td>180</td>
<td>108</td>
<td>9</td>
<td>99</td>
</tr>
<tr>
<td>Sundram Fasteners</td>
<td>180</td>
<td>135</td>
<td>28</td>
<td>107</td>
</tr>
<tr>
<td>Tube products of India</td>
<td>170</td>
<td>127</td>
<td>17</td>
<td>110</td>
</tr>
<tr>
<td>India Pistons</td>
<td>160</td>
<td>124</td>
<td>21</td>
<td>103</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>900</strong></td>
<td><strong>624</strong></td>
<td><strong>99</strong></td>
<td><strong>525</strong></td>
</tr>
</tbody>
</table>

Compiled by the Researcher
From the above table it is found that the response rate is 69.3% and the valid response rate is 58.3%.

After collecting the sample size the researcher finally test the validity and reliability of the data.

**SAMPLE SELECTION**

The multistage random sampling method is applied to collect the primary data. This sampling method is justified as follows: The whole auto component manufacturing industry is downsized into five auto component industry in the first stage of sampling. The second stage is preceded with employees working in the auto component manufacturing industry. After these two stages, the random sampling method is applied to obtain the responses from the employees. Hence, the multistage sampling method is justified to collect the samples from the auto component manufacturing industries.

99 of them responses are rejected for the following reasons:

1. Some employees didn’t fill their income level and personal data.
2. Some respondents didn’t give their opinion on commitment scales.

**QUESTIONNAIRE DESIGN**

The primary data are collected through questionnaire survey (entire questionnaire is shown in appendix II). The first part of the Questionnaire was designed to identify the demographic factors of employees. Part I consisted of eight items. The demographic variables are Gender, Age, Education, Marital status, No of Children, Designation, Total experience in this organization, Income (in Rupees) with optional questions.
The Second part includes statements relating to Organizational climate variables, includes yes/no questions to arrive at general details along with some optional questions.

The Third part includes the statements of organizational climatic variables of Autonomy, Goal clarity, Innovation, Supervisory support, Working Environment, Reward, Performance Feedback, Welfare, Involvement, Leadership and Interpersonal Relationship in the auto component manufacturing industry with Likert’s 5 point scale.

The fourth part of the questionnaire is related to employee commitment survey. To analyze the existence of employee commitment level in the auto component manufacturing industry. All relevant statements are included to derive responses.

The questionnaire used comprises both optional type and Statements in Likert’s 5 point scale. The responses of these sections are obtained from the employees of Auto Component Manufacturing Industry in the 5 point scale, which ranges as follows:

5 - Strongly agree 4 - Agree 3 - Neutral 2 - Disagree 1 - Strongly Disagree

PILOT STUDY

A pilot study was conducted to validate the questionnaire and to confirm the feasibility of the study. The filled up Questionnaires were collected from 60 respondents and Cronbach’s Alpha Criterion was applied to test the reliability. The value determined is 0.914 proving the reliability of the instrument. The quality of the questionnaire was ascertained and the test showed high reliability.
The variables considered in the analysis are satisfying the normal probability distribution. Based on the pilot study, the questionnaire was modified suitably to elicit response from the sample group.

DATA ANALYSIS

The Primary data collected are analyzed using the SPSS (Statistical Package for Social Sciences) computer packages.

The Statistical tools used for obtaining results are as follows:

- Simple percentage Analysis is applied to desirable the personal and organizational variables of the employees.
- T – Test is applied to exactly measure the perception of employees on organizational climate and their commitment level.
- Exploratory Factor Analysis and Confirmatory Factor Analysis are subsequently used to validate the factors of organizational climate and commitment.
- Cluster Analysis is useful to classify the respondents based on their perceptual difference towards organizational climate and commitment.
- Non-parametric chi-square analysis of association is useful to finding the nature of relationship between organizational climate, perception of employees and their personal and organizational details.
- Linear Multiple Regression Analysis is found suitable to measure the exact impact of organizational climate on employees commitment.
- One-Way Analysis of variance is also applied to measure the influence of independent variables on the dependent factors climate and commitment.
- Structural Equation Model is used to prove the proposed model of the researcher.
CHAPTERISATION

The **First Chapter** deals with the concept of Human Resources, Human Resource Management, Organizational Climate and Employee Commitment, Statement of the Problem, Objectives of the Study, Methodology, Scope and Limitations of the Study.

The **Second Chapter** sketches the review of related literature relevant to the present Study.

The **Third Chapter** narrates the history of the auto component manufacturing industry and theoretical aspects of organizational climate and employee commitment.

The **Fourth Chapter** outlines the factors influencing Organizational climate & analyse the existing commitment in auto component manufacturing industries.

The **Fifth Chapter** analyses the relationship between organizational climate and employees' commitment and the influence of personal and organizational variables on the employees’ perception towards organizational climate and their commitment level.

The **Sixth Chapter** summaries the Findings, Suggestions and Conclusion-Scope for further Study - Summarizes all the results obtained through statistical analysis to arrive at conclusions and to offer suggestions.
CONCLUSION

This introduction chapter laid the ground work for this study. It provided an overview of this study by presenting the objectives and the four hypotheses. The chapter justified the principles for the study. It also included a brief description of the research methodology. This chapter provided insight into the research problem and the methodology that was adopted in the study and justification of the methodology. Based on these foundations the thesis may proceed a detailed description of the study.