

## A STUDY ON ORGANIZATIONAL CLIMATE AND PERFORMANCE OF EMPLOYEES IN INFORMATION TECHNOLOGY (IT) SECTOR

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### ABSTRACT

Organizational climate consists of various components related to rules and regulations, objectives, innovation and welfare measures of employees in the organizations. The results reveal that significant disparity exists in the organizational climate in the Information Technology sector among profiles of employees excluding their gender and education. Organizational climate has significant, positive and moderate relation with performance of employees in the IT sector. Thus, in order to improve organizational climate, IT companies should always concentrate on welfare measures for employees and they must always adopt new and innovative ideas immediately and they should permit their employees to participate in making important decisions.

**Keywords:** Employees, Information Technology Sector, Organizational Climate, Performance

### Introduction

Organizational climate is a clear picture of organizations in terms of insights and sensitivity of employees. Organization climate is largely dynamic as compared to culture because views of individual employees are always and continuously changing based on situations, events and activities occurring in the organizations (Jinyun 2014). It is also described as the impression and perception of employees working in the organizations and its inner atmosphere (Hannes and Jie 2016). Organizational climate is can also be explained as all the pertinent features of working atmosphere and usual practices and methods adopted in the organizations and it is the opinion of employees on their work circumstances as an outcome of their work and personal experiences in the organizations (Agus 2019).

Organizational climate consists of various components related to rules and regulations, objectives, innovation and welfare measures of employees in the organizations (Rozman and Strukelj 2021). Autonomy and power, work pressure, cooperation, trust, support, rewards and recognition and working atmosphere play an important role in enhancing climate in organizations (Khan and Sharma, 2020). Organizational climate is always connected with atmosphere and condition in the workplace, culture and wellbeing of employees and adoption of new and modern technologies (Shaheen 2022).

Organizational climate is one among the most significant aspects relating to the working environment that relates directly with behaviour of employees in all kinds of organizations and it is also an integral part of culture, values and goals of the organizations (Schneider 2012). Organizational climate significantly influences performance, competitiveness, reputation of organizations and performance, satisfaction, effectiveness, engagement and commitment of employees in their work and organizations especially in IT companies. Thus, it is necessary to study the organizational climate and performance of employees in the IT sector.

### Literature Review

Mathew (2011) found that standards for performance, job responsibility, rewards, effective communication, solving conflicts, structure, finding problems and solving them, level of motivation and support to employees were components of organizational climate and it had positive impact on performance and satisfaction of employees in their jobs.

Singh (2012) concluded that responsibility and authority, well defined policies, good working atmosphere, support and involvement in making decisions were main features of organizational climate and it had negative and significant impact on stress of employees relating to their jobs.

Sharmila (2013) revealed that the majority of employees opined that components of organizational climate were good in information and technology companies and they were having significant and positive effect on development of organization, behaviour and performance among employees in IT companies.

Subramani (2014) indicated that condition of workplace, leadership, satisfaction, practices and structure of organization, performance and reward, policies, participatory management, clarity in job role, social status and mutual trust were elements of organizational climate and it positively related with performance of employees.

Viswanathan (2015) showed that responsibility and power, policies and practices, good working atmosphere, effective communication, support and involvement in making decisions were features of organization climate and it was positively related with work productivity in IT and ITES sectors.

Gaunya (2016) stated that correct style of administration, support of supervisors and feedback about performance of employees were major components of organizational climate and it had positive influence on satisfaction of employees pertaining to their jobs.

Vijayalakshmi (2017) found that organizational climate was good and it had a positive impact on satisfaction of employees in their job activities and significant disparity existed in organizational climate among gender, age and working experience and salary of employees.

Berberoglu (2018) concluded that organizational climate in public hospitals had positive and significant relation with performance of organization and organizational commitment and it had positively predicted performance of organization and commitment of employees towards organizations.

Reetu (2019) revealed that organizational climate has a significant effect on effectiveness of relation and it mediates organizational commitment of employees. Significant disparity existed among the profile of employees and climate in their organizations.

Naaz (2020) showed that the organizational climate was positive and moderate in both government and private teacher educational institutions and it had a positive impact on teaching and learning performance among faculty and students.

Obeng et al (2021) indicated that organizational climate had positive and direct effect on performance of employees in their jobs and it positively mediated through work passion in a harmonious manner and coaching and exchanges among leaders and members in the organizations.

Pereira et al (2022) stated that condition of workplace, leadership, satisfaction, practices and structure of organization, performance and reward, policies, participatory management, clarity in job role, social status and confidence were elements of organizational climate and it had a positive impact on productivity of private companies.

### **Objectives of the study**

1. To study organizational climate in the IT sector.
2. To examine disparity in organizational climate in the IT sector among the profile of employees.
3. To study relationships among organizational climate and performance of employees in the IT sector.

### **Methodology**

Chennai is chosen for conducting this study and employees of the IT sector are selected by employing a random sampling method and data and information are gathered from 250 employees through questionnaire method. In order to study objectives, descriptive statistics, t and ANOVA tests and correlation analysis are used.

### **Results**

#### **Profile of employees in information technology sector**

The profile of employees of the IT sector is disclosed in Table-1. The results elucidate that 56.40% of employees are in male category, while, 43.60% of them are in female category, 37.60% of them are in 31 – 35 years of age, while, 17.20% of them are in 36 – 40 years, 46.40% of them are holding B.E., while, 22.40% of them are holding B.Tech., 36.80% of them are possessing 5 – 8 Years of working experience, while, 14.80% of them are possessing more than 12 years of working experience and 34.00% of them are in income of Rs.40,001 – Rs.50,000 per month, while, 15.60% of them are in income of above Rs.50,000 per month.

<b>Profile</b>	<b>Number(n=250)</b>	<b>%</b>
<b>Gender</b>		
Male	141	56.40
Female	109	43.60
<b>Age</b>		
21 – 25 Years	45	18.00
26– 30 Years	68	27.20
31 – 35 Years	94	37.60
36 – 40 Years	43	17.20
<b>Education</b>		
B.E.	116	46.40
B.Tech.	56	22.40
M.C.A.	78	31.20
<b>Working Experience</b>		
Less than 4 Years	50	20.00
5 – 8 Years	92	36.80
9 – 12 Years	71	28.40
More than 12 Years	37	14.80
<b>Monthly Salary</b>		
Below Rs.30,000	49	19.60
Rs.30,001 – Rs.40,000	77	30.80

Rs.40,001 – Rs.50,000	85	34.00
Above Rs.50,000	39	15.60

Table 1 Profile of Employees

**Organizational Climate In Information Technology Sector**

Organizational Climate	M	SD
My company is giving full independence to employees in carrying out their job	3.98	0.90
My company is providing sufficient training to employees for doing job efficiently	3.86	0.86
My company is always concentrating on welfare measures for employees	3.37	1.06
My company is encouraging employees to share information among employees	3.74	0.88
My company is facilitating employees to learn new skills and techniques	3.80	0.84
My company is strictly following rules and regulation related to job activities of employees	3.94	0.88
My company is always adopting new and innovative ideas immediately	3.30	0.99
My company is permitting employees to participate in making important decision	3.40	0.96
My company is giving reward for the best work of employees	3.69	0.99
My company is carrying out feedback practices periodically	3.84	1.06

Table 2 Organizational Climate in Information Technology Sector

The employees in IT sector have agreed that their company is giving full independence to employees in carrying out their job, providing sufficient training to employees for doing job efficiently, encouraging employees to

share information among themselves, facilitating employees to learn new skills and techniques, strictly following rules and regulation related to job activities of employees, giving reward for the best work of employees and carrying out feedback practices periodically, while, they are neutral with their company is always concentrating on welfare measures for employees, always adopting new and innovative ideas immediately and permitting employees to participate in making important decision.

**Organizational Climate In It Sector And Profile Of Employees**

The difference among organizational climate in the IT sector and profile of employees is disclosed below.

**Organizational Climate and Gender**

The difference among organizational climate and gender of employees is disclosed in Table-3.

Gender	N	M	SD	t-value	Sig.
Male	141	37.12	3.94	0.386	.700
Female	109	37.31	3.65		

Table 3 Organizational Climate and Gender

From the above table, it is clear that the organizational climate in IT companies is better for female because their mean value (M=37.31) for it is higher as compared to male employees. No significant disparity exists in organizational climate among gender of employees as t-value of 0.386 is not significant statistically.

**Organizational Climate and Age**

The difference among organizational climate and age of employees is disclosed in Table-4.

Age	N	M	SD	F-value	Sig.
21 – 25 Years	45	38.47	4.01	4.832	.003
26– 30 Years	68	37.68	3.32		
31 – 35 Years	94	36.15	3.94		
36 – 40 Years	43	37.56	3.29		

Table 4 Organizational Climate and Age

From the above table, it is observed that the organizational climate in IT companies is better for employees in 21 – 25 years of age because their mean value (M=38.47) for it is higher as compared to their other ages. Significant disparity exists in organizational climate among age of employees as F-value of 4.832 is significant in 1% level.

**Organizational Climate and Education**

The difference among organizational climate and education of employees is disclosed in Table-5.

Education	N	M	SD	F-value	Sig.
B.E.	116	37.13	3.94	1.609	.202
B.Tech.	56	37.65	3.48		
M.C.A.	78	36.67	4.03		

Table 5 Organizational Climate and Education

From the above table, it is apparent that the organizational climate in IT companies is better for employees holding B.Tech. because their mean value (M=37.65) for it is higher as compared to their other educational

levels. No significant disparity exists in the organizational climate among the education of employees as the F-value of 1.609 is not significant statistically.

**Organizational Climate and Working Experience**

The difference among organizational climate and working experience of employees is disclosed in Table-6.

Working Experience	N	M	SD	F-value	Sig.
Less than 4 Years	50	37.50	3.85	5.613	.000
5 – 8 Years	92	39.44	3.96		
9 – 12 Years	71	36.72	3.44		
More than 12 Years	37	35.30	3.84		

Table 6 Organizational Climate and Working Experience

From the above table, it is evident that the organizational climate in IT companies is better for employees possessing 5 – 8 years of working experience because their mean value (M= 39.44) for it is higher as compared to their other working experiences. Significant disparity exists in organizational climate among employees' working experience of employees as F-value of 5.613 is significant in 1% level.

**Organizational Climate and Monthly Salary**

The difference among organizational climate and monthly salary of employees is disclosed in Table-7.

Monthly Salary	N	M	SD	F-value	Sig.
Below Rs.30,000	49	38.71	3.61	6.681	.000
Rs.30,001 – Rs.40,000	77	37.88	3.66		
Rs.40,001 – Rs.50,000	85	36.18	3.52		
Above Rs.50,000	39	36.33	3.93		

Table 7 Organizational Climate and Monthly Salary

From the above table, it is obvious that the organizational climate in IT companies is better for employees having income of below Rs.30,000 per month because their mean value (M= 38.71) for it is higher as compared to their other incomes per month. Significant disparity exists in organizational climate among income of employees as F-value of 6.681 is significant in 1% level.

**Relation among organizational climate and performance of employees in information technology sector**

The correlation analysis is used to study relations among organizational climate and performance of employees in the IT sector and the result is disclosed in Table-8.

Particulars	Correlation Coefficient
Organizational Climate and Performance of Employees	0.57**

Table 8 Organizational Climate and Performance of Employees

\*\* Significant in 1% level

The correlation coefficient among organizational climate and performance of employees in the IT sector is 0.57

and it explicates that they are having positive, significant and moderate relation with each other.

### Conclusion

The above results reveal that the employees in IT sector have agreed that their company is giving full independence to employees in carrying out their job, providing sufficient training to employees for doing job efficiently, encouraging employees to share information among employees, facilitating employees to learn new skills and techniques, strictly following rules and regulation related to job activities of employees, giving reward for the best work of employees and carrying out feedback practices periodically. Significant disparity exists in organizational climate in IT sector among profile of employees excluding their gender and education. Organizational climate is having positive significant and moderate relation with performance of employees in the IT sector. Thus, in order to improve organizational climate, IT companies should always concentrate on welfare measures for employees and they must always adopt new and innovative ideas immediately and they should permit their employees to participate in making important decisions.

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