

# A Demographic Study on Organizational Climate: Indian vs. Multinational IT Companies

**Ms. Jaya Ahuja**

Ph.D Scholar, Jamia Millia  
Islamia University, Delhi

**Dr. Vani Narula**

Associate Professor,  
Jamia Millia  
Islamia University, Delhi

## Abstract

Organizational Climate is not a new phenomenon. It is an individual construct and related to perception. It has shown its importance as described by various studies made on culture and climate. IT companies have contributed highly to the growth of the economy. IT sector has generated jobs; the sector would see a growth of 10 million direct employments and 20 million indirect employments by 2020 (Nasscom Report). India has seen a boom in the IT sector from 1990's. The present study tries to compare the perception of employees on organizational climate in Indian and Multinational IT firms. These are defined as Indian IT firms with the company headquarters being India and Multinational IT firms which are headquartered in any other country. The objective of the study is to identify the perception of employees at different demographic levels like managerial positions, marital status, age groups. There are varying results in the perception of organizational climate among the employees with different positions, age groups and marital status.

**Keywords:** Organizational Climate, managerial positions, Indian IT Firms, Multinational IT firms, age groups, marital status

## Introduction

### Concept & Definition of Organizational Climate

Organizational climate is an individual construct that reflects an orientation based on personal values (James, James & Ashe, 1990) Organizational Climate is about the perception of the individual members about the climate of the organizations. Some researchers have used the analogy “shared perception” about the climate of the organization. The climate of the organizations may differ but it is framed by the perceptions held by the individuals. Perceptions might be different for different individuals which might result in different perceptions about the climate of the same organization. It may produce different results for different individuals working under the same conditions. However, more number of individuals in the study having common perceptions would depict the true organizational climate.

Climate can be measured in absolute terms. It is quantifiable. Organizational climate is considered to be an important area of study as organizational climate has shown an impact on job satisfaction, performance, productivity, motivation and overall behaviour of the

employees in the organization. Organizational climate plays a vital role as it has a profound influence on the outlook and well being of the individuals. It provides managers with insights into the “people side” of the business. An

organization influences the behaviour, attitude, creativity of the employee which in turn becomes a major rationale for creating an organizational climate or culture.

**Table 1.1 Definitions of Organizational Climate**

<b>Contributor</b>	<b>Definition</b>
<b>Litwin and Stringer (1968)</b>	“Organisational climate as a set of measurable properties of the work environment that is directly or indirectly perceived by the people who live and work in a particular environment and is assumed to influence their motivation and behaviour”.
<b>Friedlander and Margulies (1969)</b>	“Organisational climate as a dynamic phenomenon that may release, channel, facilitate or constrain the organisation’s technical or human resources. This dynamic phenomenon can be defined as being primarily social and interpersonal, which has an effect on the employee’s sense of involvement with the technical task at hand”.
<b>Schneider and Hall (1972)</b>	“Organisational climate exists in individuals’ perceptions of their organisational environment. These perceptions are formed by the individual using inputs of objective events in and characteristics of the organisation, as well as characteristics of the individual”.
<b>Pritchard and Karasick (1973)</b>	“Organisational climate as a relatively enduring quality of an organisation’s internal environment, distinguishable from other organisations, which results from the behaviour and policies of members of the organisation, especially top management, which is perceived by the members, serves as a basis for interpreting situations and acts as a source of pressure for directing activity”.
<b>Hellriegel and Slocum’s (1974)</b>	“Organisational climate is representative of the combination of concepts of various authors. According to this definition, organisational climate refers to a set of attributes that is perceived about a particular organisation and/or its subsystems, and that may be induced from the way in which the organisation and/or its subsystems deals with its members and environment”.

<b>Schneider and Snyder (1975)</b>	<b>“Organisational climate as the summary or global perception that people have about an organisation. According to them, individuals perceive the organisation in various ways, depending on their specific situation and the information available to them”.</b>
<b>Ash (1983)</b>	“Every organisation has a unique climate which constitutes more than just the collection of individuals’ perceptions”.
<b>Schein (1990) and Reichers and Schneider (1990)</b>	“Organisational climate is a surface manifestation of culture, and it is only through delving deeper and exploring other concepts that one will be able to understand and explain variations in organisational climates”.
<b>Moran and Volkwein (1992)</b>	“Organisational climate is the relatively enduring characteristic of an organisation which distinguishes it from other organisations; and  (a) embodies members collective perceptions about their organisations with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation and fairness; (b) is produced by member interaction; (c) serves as a basis for interpreting the situation; (d) reflects the prevalent norms, values and attitudes of the organisation’s culture; and (e) acts as a source of influence for shaping behaviour”.
<b>West, Smith, Lu Feng and Lawthom (1998)</b>	“Shared perceptions of the fundamental elements of individuals’ particular organisation are regarded as the organizational climate”.
<b>Wallace, Hunt and Richards (1999)</b>	“Collective perceptions of organizational members and define climate as the summary perception of how an organisation deals with its members and environment”.
<b>Boeyens and Hutchinson (cited in Sempane, Rieger &amp; Roodt, 2002)</b>	“Organisational Climate as the employees’ description of organisational variables such as size, structure, policies and leadership styles”.
<b>Coetsee (cited in Gerber, 2003)</b>	“Organisational climate is representative of organisational members’ collective perceptions and/or feelings (attitudes) about the organisation”.

<b>Gerber (2003)</b>	“Organisational climate as the surface manifestation of organisational culture that consists of the conscious behaviour, such as the feelings or perceptions and attitudes, that is shared by individuals in an organisation at a particular time regarding the fundamental elements of the organisation and that can positively or negatively influence the behaviour of organisational members in terms of organisational effectiveness”.
<b>McMurray (2003)</b>	“Organisational climate is a descriptive construct that reflects consensual agreement among members regarding the key elements of the organisation in terms of its systems, practices and leadership style”.
<b>Garg and Rastogi (2006)</b>	“Feeling” that is the result of the physical layout of the organisation, the way in which participants interact with one another and how they conduct themselves with other organisational members or outsiders”.
<b>Haakonsson, Burton, Obel and Lauridsen (2008)</b>	“Organisational climate refers to affective events that influences employees’ emotions and consequent information-processing behaviours”.
<b>Moran and Volkwein (1992) and Gerber (2003)</b>	“Organisational climate is defined as the shared perceptions, feelings and attitudes organisational members have about the fundamental elements of the organisation which reflect the established norms, values and attitudes of the organisation’s culture and influence individuals’ behaviour either positively or negatively”.
<b>James and Jones (1974)</b>	“Organisational climate will guide the way the concept is examined and measured”.
<b>McMurray (2003)</b>	“Organisational climate can be seen as a descriptive concept that reflects the common view and agreement of all members regarding the various elements of the organisation such as structure, systems and practices”.
<b>Brown and Brooks (2002)</b>	“Climate as the “feeling in the air” and the “atmosphere that employees perceive is created in their organisations due to practices, procedures and rewards.”



<b>Neher (1996)</b>	<b>“Organisational climate is similar to the moods of individuals, which are subject to change at any given time”.</b>
<b>Bowen &amp; Ostroff (2004)</b>	“Organizational climate is a shared perception of what the organization is like in terms of practices, policies, procedures, routines, and rewards - what is important and what behaviours are expected and rewarded - and is based on shared perceptions among employees within formal organizational units”.
<b>French, Katz and Rosenweig (1985)</b>	“Organizational climate is relatively an enduring quality of the internal environment of an organization which is experienced by its members, influences their behaviour, can be described in terms of the values of a particular set of characteristics (or attributes) of the organization”.
<b>Isaksen &amp; Ekvall, (2007)</b>	“Climate is often defined as the recurring patterns of behaviour, attitudes and feelings that characterize the life in the organization”.
<b>Reichers &amp; Schneider (1990).</b>	“Organizational climate is defined as shared perceptions or prevailing organizational norms for conducting workplace activities”.
<b>(Jain Mathew, 2008; James&amp;Jones, 1974; Kozlowski&amp;Hults, 1987)</b>	“It has been conceptualized as a cognitively based set of perceptual descriptions that define the psychological climate”.
<b>Campbell (1970)</b>	“Organizational climate can be defined as a set of attributes specific to a particular organization that may be induced from the way that organization deals with its members and its environment”.
<b>Pareek (2006)</b>	“Organizational Climate can be defined as the perceived attributes of an organization and its subsystems, as reflected in the way an organization deals with its members, groups and issues”.
<b>Srivastava (2005)</b>	“Organizational climate depends on the perception of the organizational members about various dimensions of the organization”.

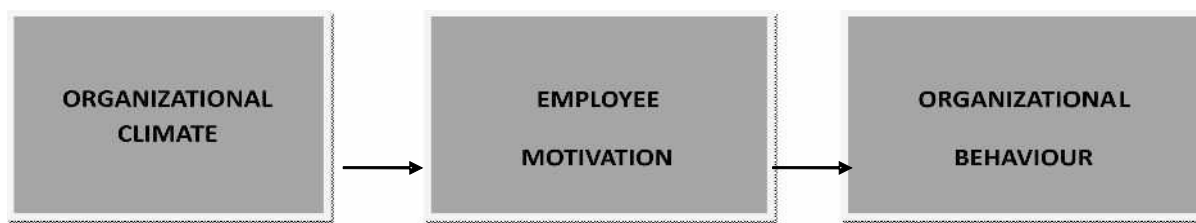
All above definitions clearly indicate that Organizational Climate is shared perception of what the members of the organization feel in terms of values, beliefs, norms of the organizational culture and leadership styles. Every organization has a unique climate which provides the employees of the organization with similar expectations and influences their behavior, cognitions and emotions (Kilburn, 2008).

For the present research, organization climate has been defined as the perceived attributes of an organization and its sub-systems as reflected in the way an organization deals with its members, groups and issues (Litwin and Stringer, 1968).

### 1.2 The Early Stages of Organizational Climate: 1939 to Mid 1960's

Researchers were trying to explore the concept of Organizational Climate conceptually as well as empirically.

**Fig 1.1**



**Source: Koffka, Principles of Gestalt Psychology, 1935**

Organizational climate is a term that was probably first used by Cornell in 1955. He used the term to denote a "delicate blending of interpretations or perceptions by person in organization of their jobs or roles in relationship to others and their interpretation of the roles of others in the Organization". He interpreted organization as a formal structure. Argyris (1957) used the term 'personality or organizational climate while some others referred the term as 'a general flow of behavior and feeling' and felt the organizational climate to be the interaction between environmental and personal variables of members of a group or groups which operate in an organization.

Burns and Stalker (1961) described the mechanical versus organic climates. Likert (1967) proposed four types of climates as Exploitive, Benevolent, Consultative and Participative. Organizational climate as a concept gained momentum with the work of Litwin and Stringer, 1968 proposing that "Organizational Climate is a set of measurable properties of the work environment perceived directly or indirectly by individuals and also has an influence on motivation and behaviour of the individuals". They conducted the first widespread study on organizational

This point highlights climate as a "Construct", culture and climate, its historical development, present understanding and the future developments.

The study of Organizational climate emerged from psychology for understanding the situational analysis of organizational behaviour. In Industrial psychology the prime objective was individual behaviour and the focus of psychological behaviour in business. Skinner, 1938 analyzed that the individual behaviour was controlled by situational forces like reinforcement both positive and negative.

Koffka (1935) suggested that the behaviour of an individual can be well analyzed by the behavioural environment perceived.

climate based on the theory developed by McClelland, 1953. A Litwin and Stringer Organizational Climate Questionnaire (LSOCQ) was developed with nine dimensions and monitored the effects of these climates on productivity.

### Lewin, Lippit and White (1939): Social Climate

Organizational Climate dates back to early 1900's with the work of Lewin et al., 1939 who suggest that climate is a characterisation of environmental stimuli and is an important indicator of motivation and behaviour. McClelland et al (1953) focused on how climate affects the human motive for achievement, power and affiliation which is termed as need for achievement, need for power and need for affiliation.

The important construct considered for the study was Effect of Leadership on Organizational Climate. Lewin observed Hitler's leadership style and tried to find out the impact of autocratic leadership style on behaviour. Lewin et al, considered three different leadership styles.

a. Autocratic

- b. Democratic
- c. Laissez-Faire

He refers to the term “Social Climate” and refers to atmosphere which is synonym with climate. The study was based on identifying the behaviour of 10 year old boys in different situations like autocratic, democratic and laissez faire. The major finding of the study revolved around the climate of interest, the group nature of climate and the influence of leadership style on climate. Many researchers later considered this study as a base study and further investigated different findings.

Lewin (1951) explained the relationship between individuals and their social environments.

$$B=f(P,E)$$

B= Behaviour

P= Person

E= Environment

#### Likert (1961)

Likert stated that Leadership is an important factor in determining employee motivation and organizational effectiveness. Likert identified the leadership practices that resulted in increased effectiveness. Likert concluded that managers need to move beyond controlling employees through the exercise of authority. Likert studied the group behaviour and stated that the values of the group, the behaviour, the influence will have a positive or negative impact on the growth and behaviour of the employees. The superior exerts a major influence in establishing the tone and atmosphere of the work group by his leadership principles and practices. It is also emphasized that leadership alone does not exert group behaviour but also the atmosphere also provides the interaction, decision-making capabilities and problem-solving capabilities. He also provides a construct to measure the atmosphere which is used for the term climate and also accentuates the need for continuous climate measurement.

#### The Dimensions of Climate

Litwin and Stringer (1966) conceptualized organizational climate by presenting six dimensions reported by organizational member perceptions. Their studies were thoroughly designed and the dimensions proposed by them are widely used by climate researchers..

- a. Clarity : Employees' sense of being well organised and of having a role clarity. Structure is high when people feel that everyone's role is well defined. Structure is low where there is lack of role clarity.

- b. Standards: The degree of satisfaction employees feel when doing a good job. High score indicates that people are always looking for improving their performance and on the other hand lower score indicates the lower performance standards.
- c. Responsibility: A feeling of “being your own boss”. Low scores tend to show that there is lack of creativity and risk taking.
- d. Recognition: Reinforcement plays an important role. A blend of reward and criticism indicates high score. Lower score depicts that good work is inconsistently rewarded.
- e. Support : Feeling of support, trust prevail in the organization. When the score is low it means that the employees feel aloof and isolated.
- f. Commitment Employees' sense of pride in belonging to the organisation and employee commitment indicates strong sense of loyalty. Low commitment scores mean employees feel lethargic towards the organisation and its goals.

#### Source: Litwin and Stringer (1968); Cannon (2004)

Trice and Beyer (1993) in their book on “Organizational Culture” have a section on what culture is not and they first emphasize on the aspect that “Culture is not Climate”. During the evolution of the culture perspective, the difference between culture and climate was quite clear. Schwartz and Davis (1981) perhaps put it most simply when they said that whatever culture is, it is not climate (“one way to understand culture is to understand what it is not”). The reasons for the same are i. Climate researchers use survey instruments however; there are some exceptions in culture research where survey instruments have been used. ii. Climate is perceived individually. Many researchers feel that climate is transient. Schein (1992) dismisses climate as solely based on physical environment of the organization for members. Schein (1992) calls climate as “artifacts”. There are some researchers who provided social insights into the social and behavioural life of organizations, not a denial on the research based on the organizational climate. Pettigrew's (1979) study is one such example. His study documents the ways of myths, rituals, dress norms; this shows the importance the climate researchers have attached to the superior subordinate relationship (McGregor 1960), the role

of reward systems in directing employee's competencies (Litwin & stringer, 1968).

### Objectives of the Study

The present study aims at

- To study and compare the organizational climate in MNC and Indian software companies in Delhi NCR region.
- To study the perception of organizational climate at different age groups, managerial positions and marital status in software sector.

### Methodology & Analysis

The study aimed at employees working in software companies in Delhi NCR region. For the data collection 6 companies were selected out of which 3 companies should be Indian based that the country of origin should be India and 3 companies should be multinational companies which can be headquartered in any other country. Delhi NCR region has become one of the major IT hubs in India. The companies were selected based on geographical sampling. Geographical clusters were formed. Geographical areas selected were Delhi, Gurgaon and Noida.

There were some necessary conditions imposed by the researcher to narrow down the company list and make it more specific.

**Condition 1:** A minimum of 50 women employee's software professionals should be working or hired by the company in

any preceding year.

**Condition 2:** Companies existing for minimum 10 years will be taken for the study. As these companies have an old and strong culture of the organization which will help in better study of organizational climate.

After selecting the companies the women employees were selected for the study using stratified random sampling. The stratas were built based on the managerial positions, age groups and marital status. Managerial positions were Senior, middle and Junior and the age groups were Upper, middle and lower. The questionnaires were distributed keeping in mind the data has to be collected from all the groups. Judgment of the researcher was also used in selecting and rejecting a response. A total of 390 questionnaires were distributed and the response rate was about 70%. Thus, with the unconditional assistance from the associates, data was collected comfortably from the respondents working in the selected software companies.

A questionnaire on Organizational Climate developed by Patterson et al., 2005 was used for the study. The Organizational Climate Measure (OCM) consists of 17 scales, divided in to four quadrants: human relations, internal process, open systems, and rational goal. It is a 4 point Liker scale (1) Definitely False (2) Mostly False (3) Mostly True (4) Definitely True. The questionnaires were tested and were found to be reliable as the cronbach alpha is greater than 60%.

**Objective 1: To study and compare the organizational climate in MNC and Indian software companies in Delhi NCR region.**

**Table 1.2 : Perception of Organizational Climate of Employees of Multinational and Indian software Companies**

Variables	MNC		Indian Companies		“t”value	p value
	Mean	S.D	Mean	S.D		
Organizational Climate Measure						
Organizational Climate	3.17	.153	3.23	.144	2.364	p<.05 (S)
Dimensions of Organizational Climate	Mean	S.D	Mean	S.D	“t”value	p value



<b>Autonomy</b>	3.18	.305	3.04	.450	2.832	p<.05 (S)
<b>Integration</b>	3.02	.464	3.23	.320	3.505	p<.05 (S)
<b>Involvement</b>	3.06	.261	3.06	.261	.100	p>.05 (NS)
<b>Supervisory Support</b>	3.01	.297	3.09	.324	1.577	p>.05 (NS)
<b>Training</b>	3.10	.279	3.06	.381	1.037	p>.05 (NS)
<b>Welfare</b>	3.04	.314	3.20	.312	3.358	p<.05 (S)
<b>Formalization</b>	3.21	.340	3.17	.367	.787	p>.05 (NS)
<b>Tradition</b>	3.09	.307	3.096	.288	.060	p>.05 (NS)
<b>Innovation &amp; Flexibility</b>	3.09	.237	3.08	.257	.206	p<.05 (S)
<b>Outward Focus</b>	3.13	.291	3.27	.334	2.774	p<.05 (S)
<b>Reflexivity</b>	3.11	.401	3.27	.373	3.182	p<.05 (S)
<b>Clarity of Organizational Goals</b>	3.24	.383	3.31	.373	1.374	p>.05 (NS)
<b>Efficiency</b>	3.30	.424	3.40	.374	1.631	p>.05 (NS)
<b>Effort</b>	3.30	.439	3.41	.383	1.762	p<.05 (S)
<b>Performance Feedback</b>	3.32	.421	3.42	.377	1.542	p>.05 (NS)
<b>Pressure to Produce</b>	3.27	.536	3.44	.342	2.216	p<.05 (S)
<b>Quality</b>	3.32	.464	3.36	.403	.642	p>.05 (NS)

## Hypotheses

H1a: There is a significant difference between the perception of Organizational Climate among the employees of MNCs and Indian companies.

The above table (Table no 1.1) shows that the mean difference of perception of Organizational Climate among the employees of MNCs and Indian companies is significant, ( $t = 2.364$   $p < 0.05$ ). Hence, the null hypothesis (1) namely, there is no significant difference between employees of MNCs and Indian Companies is rejected.

There is a difference between organizational climate of multinational companies and Indian IT companies. Multinational companies and Indian companies differ significantly with respect to following dimensions of Organizational Climate i.e. Autonomy ( $t = 2.832$ ,  $p < .05$ ), integration ( $t = 3.505$ ,  $p < .05$ ), welfare ( $t = 3.358$ ,  $p < .05$ ), innovation & flexibility ( $t = 0.206$ ,  $p < .05$ ), outward focus ( $t = 2.774$ ,  $p < .05$ ), reflexivity ( $t = 3.182$ ,  $p < .05$ ), effort ( $t = 1.762$ ,  $p < .05$ ), pressure to produce ( $t = 2.216$ ,  $p < .05$ ). However, they also differ but the results are statistically insignificant with respect to following dimensions of

Organizational Climate i.e. Involvement ( $t=.100$ ,  $p>.05$ ), Supervisory support ( $t=1.577$ ,  $p>.05$ ), Training ( $t=1.037$ ,  $p>.05$ ), Formalization ( $t=.787$ ,  $p>.05$ ), Tradition ( $t=.060$ ,  $p>.05$ ), Clarity of organizational goals ( $t=1.374$ ,  $p>.05$ ), Efficiency ( $t=1.631$ ,  $p>.05$ ), Performance feedback ( $t=1.542$ ,  $p>.05$ ), Quality ( $t=.642$ ,  $p>.05$ ).

The result indicates that mean score of perception of Organizational Climate among the employees of MNCs are not similar with the perception of Organizational Climate among the employees of Indian companies. The organizational climate is a set of characteristics as perceived by the members in an organization. The perception of organizational climate is better in Indian companies as compared to MNC's. The analysis of different dimensions show that there is significant difference of mean score of autonomy, integration, welfare, innovation & flexibility, outward focus, reflexivity, effort, pressure to produce.

The mean value for autonomy is higher in multinational companies. Autonomy here indicates the way jobs are designed to give employees a wide scope to enact work (Cherns, 1976; Klein, 1991). It is better done in Multinational companies comparatively. On the other hand the next dimension integration has a higher mean value in Indian companies as compared to multinationals. Integration here reflects the extent of inter departmental trust and cooperation (Lawrence & Lorsch, 1967; Nauta & Sanders, 2000).

The next dimension Welfare has a higher mean value for Indian IT companies which demonstrates the the extent to which organizational values and cares for its employees (Robinson & Rousseau, 1994; Guest, 1998). The mean value for Innovation & Flexibility is same for both multinationals and Indian IT companies. This may be because of the reason that both the company's focus on appreciating new ideas, motivating creativity and change management. In today's scenario there is a major need for innovation & flexibility to compete. The next dimension reflexivity which indicates reviewing the organizational objectives and strategies in order to adapt to the new environment (West, 1996, 2000) is higher in Indian companies as compared to MNC's.

Effort i.e. how hard people work to achieve the organizational goals (McCoal, Hinsz & McCoal, 1987) has similar mean values in MNC's and Indian companies. The employee's understand that higher the effort higher the reward. The next dimension pressure to produce which exhibits the pressure to complete the task and meet the objectives (Taira, 1996) has not much of a difference in the mean values. This shows that both Indian and MNC's create a pressure to meet the deadlines and complete the targets. This may be due to the reason that both the organizations

exert similar amount of pressure on their professional teams to improve their performance

Software professionals in Indian and MNC's have more or less the same structure, flexibility. However, there are some dimensions like involvement, supervisory support, training, formalization, tradition, clarity of organizational goals, efficiency, performance feedback, quality for which the results are not statistically significant. The mean value for quality is similar which indicates that both the company's focus on quality procedures but the results are statistically insignificant. Similarly, the mean values for involvement, supervisory support, training, formalization, tradition, and

efficiency and performance feedback are more or less the same with very small difference but the results are insignificant. Overall, the mean scores of Indian

companies and MNC's do not have much of a difference. This shows that it does not make a difference if the organization is a multinational or Indian based. For both the companies the dimensions of organizational climate which is based on employee perception i.e. pressure to produce, quality, innovation and flexibility etc play an important role and have become a part of the organization's culture.

**Objective 2:** To study the organizational climate at different age groups, managerial positions and marital status in software sector.

### Hypotheses

H2a: There is a significant difference in perception of organizational climate at lower age group, middle age group and upper age groups.

The mean value for organizational climate at a Upper age is 3.18, Standard deviation is .127 and  $n=67$ . This indicates that the employees agree that the parameters are mostly true and some feel that they are definitely true for their organization. Autonomy, Training, Quality, Innovation and Flexibility is focused and the organization has a positive and good climate for creativity, flexibility, training and imparting new skills and clarity of organizational goals is provided to the employees.

The mean value for organizational climate at middle age is 3.16 and standard deviation is .152,  $n=84$ . This indicates that the employees agree that the parameters are mostly true for their organization.

Table 1.3 Descriptives										
Organizational Climate										
Age Group		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	Between-Component Variance
						Lower Bound	Upper Bound			
Upper Age		67	3.1873	.12701	.01552	3.1563	3.2183	2.91	3.51	
Middle Age		84	3.1696	.15245	.01663	3.1365	3.2027	2.85	3.54	
Lower Age		78	3.2251	.14889	.01686	3.1916	3.2587	2.87	3.56	
Total		229	3.1937	.14554	.00962	3.1747	3.2126	2.85	3.56	
Model	Fixed Effects			.14422	.00953	3.1749	3.2125			
	Random Effects				.01684	3.1212	3.2661			.00057

The mean value for organizational climate at lower age group is 3.19 and standard deviation is .148, n=78. This indicates that the employees agree that the parameters are mostly true for their organization.

Levene's test indicated that the homogeneity of variance has not been violated,  $F(2, 226) = 2.937, p > .05$ . The results show that organizational climate at different age groups is significantly different,  $F(2, 45.6) = 3.99, p < .05$ .

**Table 1.4 Levene's Statistics**

<b>Test of Homogeneity of Variances</b>			
<b>Organizational Climate</b>			
<b>Levene Statistic</b>	<b>df1</b>	<b>df2</b>	<b>Sig.</b>
<b>2.937</b>	<b>2</b>	<b>226</b>	<b>.055</b>

The third table from the ANOVA output (ANOVA) is the key table as it shows whether the overall F ratio for the ANOVA is significant. The F ratio here is (3.095) and is significant ( $p < .05$ ). The 2 and 226 are the two degrees of freedom values (df) for the between groups “effect” and the within-groups “error,” respectively. The 3.095 is the obtained F

ratio, and the  $p < .05$  is the probability of obtaining that F ratio by chance alone. F tables also usually include the mean squares, which indicates the amount of variance (sums of squares) for that “effect” divided by the degrees of freedom for that “effect”

<b>Table 1.5 ANOVA</b>					
<b>Organizational Climate</b>					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.129	2	.064	3.095	.047
Within Groups	4.701	226	.021		
Total	4.830	228			

At this point – we have rejected the null hypothesis that all three groups' means are equal, since  $p < \alpha$ . We conclude that at least one of the group means is significantly different from the others (or that at least two of the group means are significantly different from each other).

The MULTIPLE COMPARISONS table is showing the results for the Games-Howell follow-up tests as the variances are unequal. Since the assumption of homogeneity of variance was not violated in Levene's statistic we need to review the Tukey's Post- Hoc test.

<b>Table 1.6 Multiple Comparisons</b>						
<b>Organizational Climate</b>						
<b>Tukey HSD</b>						
(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound



Upper Age	Middle Age	.01772	.02362	.734	-.0380	.0735
	Lower Age	-.03785	.02402	.258	-.0945	.0188
Middle Age	Upper Age	-.01772	.02362	.734	-.0735	.0380
	Lower Age	-.05557*	.02268	.040	-.1091	-.0021
Lower Age	Upper Age	.03785	.02402	.258	-.0188	.0945
	Middle Age	.05557*	.02268	.040	.0021	.1091
*. The mean difference is significant at the 0.05 level.						

Upper Age is compared with middle age and lower age groups. The mean difference between the middle age group (M= 3.16) is .01772 and the lower age group mean difference (M= 3.22) is .03785 with p value being statistically insignificant ( $p > .05$ ). Similarly, the middle age group is compared with upper age and lower age groups where lower age group mean difference (M= 3.22) is .05557 where p value is statistically significant ( $p < .05$ ). This states that there is a statistically significant difference between lower age group and middle age group for organizational climate. So, we reject the null hypotheses.

#### Calculating the Effect Size using Omega Squared

Effect size helps us estimate how large any difference we find may be.

Since, we found the significant pairwise differences we need to calculate the effect size by using the formula:

$$\omega^2 = \frac{SS_{\text{treatment}} - df_{\text{treatment}} * MS_{\text{error}}}{SS_{\text{total}} + MS_{\text{error}}}$$

$$= \frac{0.129 - (2)0.021}{4.830 + .021}$$

$$= .020$$

2% of the total variance is accounted for the difference in organizational climate. Hence, we can conclude that there is a small difference in the three groups

#### Calculating the Effect Size using Eta-Squared

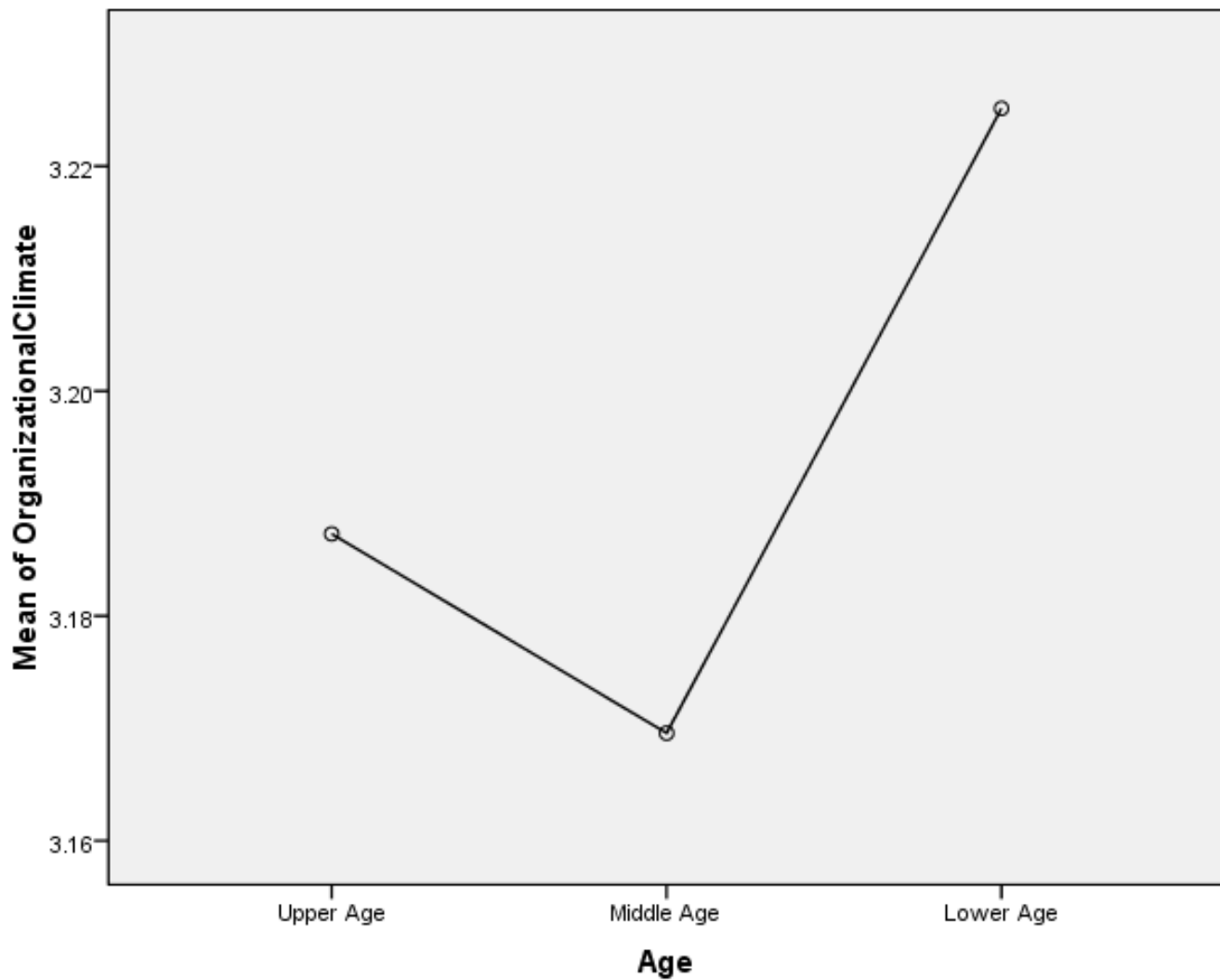
$$\eta^2 = \frac{SS_{\text{Between}}}{SS_{\text{Total}}}$$

$$\eta^2 = \frac{0.129}{4.830}$$

$$= .027$$

$$\eta^2 = .027$$

2.7 % of the total variance is accounted for the difference in organizational climate. Hence, we can conclude that there is a small difference in the three groups.

**Mean Plot**

There is a difference in the perceptions of organizational climate at lower age group, middle age group and upper age group. The lower age group employees perceive a more positive organizational climate in their organization.. There is a good supervisory support, training provided to the employees.

On the other hand, the lower age groups also strongly feel that the organization has certain set rules and procedures which need to be followed. New ideas are accepted, innovation and flexibility is present. People are enthusiastic about their work as management has room for creativity, new ideas and different ways of solving a problem. The lower age group is new after completing their education and software industry is dynamic. Technology keeps on changing, the lower age groups are those employees with updated knowledge and skills and hence they mostly agree that the organization provides them learning, autonomy,

quality etc.

Also, the lower group, middle group and upper groups mostly agree and feel that performance feedback is provided to the employees and the organization follows a transparent system in evaluating the performance of the employees. It means the targets are set and very well communicated to the employees.

All the age groups agree that there is a pressure to produce and maintain the quality. They are under pressure to meet the targets. It has to be due to cut throat competition. Quality is a benchmark.

The middle age group has a lower mean score as compared to upper a lower age group as middle age group women employees have multiple tasks and are mostly those employees who are married and have dual responsibilities. Most of the employees have work experience in the same

company and might feel that their ideas are not appreciated by the organization.

An important criterion of the organization is efficiency, effort, quality and pressure to produce. It becomes very difficult for people at a middle age to follow the expectations set by the management as a benchmark is followed wherein it also happens that employees with single marital status or relocated has fewer responsibilities at home and is able to put more efforts at work. Performance benchmark is set and it becomes difficult for other age groups to achieve.

However, there is not much of a difference in the mean scores of lower, middle and upper age groups but they may differ on certain parameters like effort, efficiency, pressure to produce, quality, welfare. The perception about welfare may differ in terms of interest as there is a question on "The Company pays little attention to the interest of the employees" may differ in respect to individual interests which might be different.

The interesting finding is that upper age groups are more positive in perception related to organizational climate as compared to middle age groups. This might be due to upper age groups are at upper middle or senior level positions. They differ in terms of autonomy, involvement they feel that they have a say in decision making. There is a difference in opinion in terms of seniority as well. They have the autonomy to make their decisions; flexibility is high, clarity of organizational goals etc.

As the ANOVA results indicate that there is a very less difference between lower, middle and upper age groups where mean value is above 3 which indicate that the employees mostly or definitely find the statements to be true.

### Managerial Positions

H3a: There is a statistically significant difference in perception of organizational climate at senior level middle and junior level positions.

The mean value for organizational climate at a Senior Level is 3.25, Standard deviation is .155 and n=20. This indicates that the employees agree that the parameters are mostly true and some feel that they are definitely true for their organization. Autonomy, Training, Quality, Innovation and Flexibility is focused and the organization has a positive and good climate for creativity, flexibility, training and imparting new skills and clarity of organizational goals is provided to the employees. The mean value for organizational climate at middle level is 3.19 and standard deviation is .151, n=169. This indicates that the employees agree that the parameters are mostly true for their organization. The mean value for organizational climate at junior level is 3.15 and standard deviation is .145, n=40. This indicates that the employees agree that the parameters are mostly true for their organization.

<b>Table 1.7 Descriptives</b>								
<b>Organizational Climate</b>								
<b>Managerial Positions</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error</b>	<b>95% Confidence Interval for Mean</b>		<b>Minimum</b>	<b>Maximum</b>
					<b>Lower Bound</b>	<b>Upper Bound</b>		
<b>Senior</b>	<b>20</b>	<b>3.2512</b>	<b>.15544</b>	<b>.03476</b>	<b>3.1785</b>	<b>3.3240</b>	<b>2.93</b>	<b>3.46</b>
<b>Middle</b>	<b>169</b>	<b>3.1961</b>	<b>.15116</b>	<b>.01163</b>	<b>3.1732</b>	<b>3.2191</b>	<b>2.85</b>	<b>3.56</b>
<b>Junior</b>	<b>40</b>	<b>3.1546</b>	<b>.10167</b>	<b>.01608</b>	<b>3.1221</b>	<b>3.1871</b>	<b>2.91</b>	<b>3.34</b>
<b>Total</b>	<b>229</b>	<b>3.1937</b>	<b>.14554</b>	<b>.00962</b>	<b>3.1747</b>	<b>3.2126</b>	<b>2.85</b>	<b>3.56</b>

Levene's test indicated that the homogeneity of variance had been violated,  $F(2, 226) = 5.79$ ,  $p < .05$ , so Welch's  $F$  is reported. The results show that organizational climate at different managerial positions is significantly different,  $F(2, 45.6) = 3.99$ ,  $p < .05$ .

The third table from the ANOVA output (ANOVA) is the key table as it shows whether the overall  $F$  ratio for the ANOVA is significant. The  $F$  ratio here is (3.086) and is significant

( $p < .05$ ). The 2 and 226 are the two degrees of freedom values (df) for the between groups "effect" and the within-groups "error," respectively. The 3.086 is the obtained  $F$  ratio, and the  $p < .05$  is the probability of obtaining that  $F$  ratio by chance alone.  $F$  tables also usually include the mean squares, which indicates the amount of variance (sums of squares) for that "effect" divided by the degrees of freedom for that "effect."

Table 1.8 ANOVA					
Organizational Climate					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.128	2	.064	3.086	.048
Within Groups	4.701	226	.021		
Total	4.830	228			

At this point – we have rejected the null hypothesis that all three groups' means are equal, since  $p < \alpha$ . We conclude that at least one of the group means is significantly different from the others (or that at least two of the group means are significantly different from each other).

Because the variances were unequal Games-Howell procedure was followed. It is clear from the table that each group of level is compared to all of the remaining levels.

First, the senior level was compared with the middle level and the junior level.

The MULTIPLE COMPARISONS table is showing the results for the Games-Howell follow-up tests as the variances are unequal. Since the assumption of homogeneity of variance was violated in Levene's statistic we need to review the Games-Howell test.

Table 1.9 Multiple Comparisons						
Organizational Climate						
Games-Howell						
(I)	(J)	Mean	Std.	Sig.	95% Confidence Interval	
SMJ	SMJ	Difference (I - J)	Error		Lower Bound	Upper Bound
Senior	Middle	.05509	.03665	.308	-.0366	.1468
	Junior	.09665 <sup>*</sup>	.03830	.045	.0018	.1915
Middle	Senior	-.05509	.03665	.308	-.1468	.0366
	Junior	.04156	.01984	.097	-.0058	.0889
Junior	Senior	-.09665 <sup>*</sup>	.03830	.045	-.1915	-.0018
	Middle	-.04156	.01984	.097	-.0889	.0058
*. The mean difference is significant at the 0.05 level.						



Senior level group is compared with the middle level and the junior level group. The mean difference between the senior level group ( $M = 3.25$ ) and the junior level group ( $M = 3.154$ ) and the mean difference is .0967 with p value being statistically significant ( $p < .05$ ). Similarly, the middle level is compared with senior level and junior level, there is a mean difference between middle level and junior level as well as middle level and senior level but the results are statistically insignificant as  $p > .05$ .

Calculating the Effect Size using Omega Squared

Effect size helps us estimate how large any difference we find may be.

Since, we found the significant pairwise differences we need to calculate the effect size by using the formula:

$$\omega^2 = \frac{SS_{\text{treatment}} - df_{\text{treatment}} * MS_{\text{error}}}{SS_{\text{total}} + MS_{\text{error}}}$$

$$= \frac{0.128 - (2)0.021}{4.830 + .021}$$

$$= 0.017$$

2% of the total variance is accounted for the difference in organizational climate. Hence, we can conclude that there is a small difference in the three groups

**Calculating the Effect Size using Eta-Squared**

$$\eta^2 = \frac{SS_{\text{Between}}}{SS_{\text{Total}}}$$

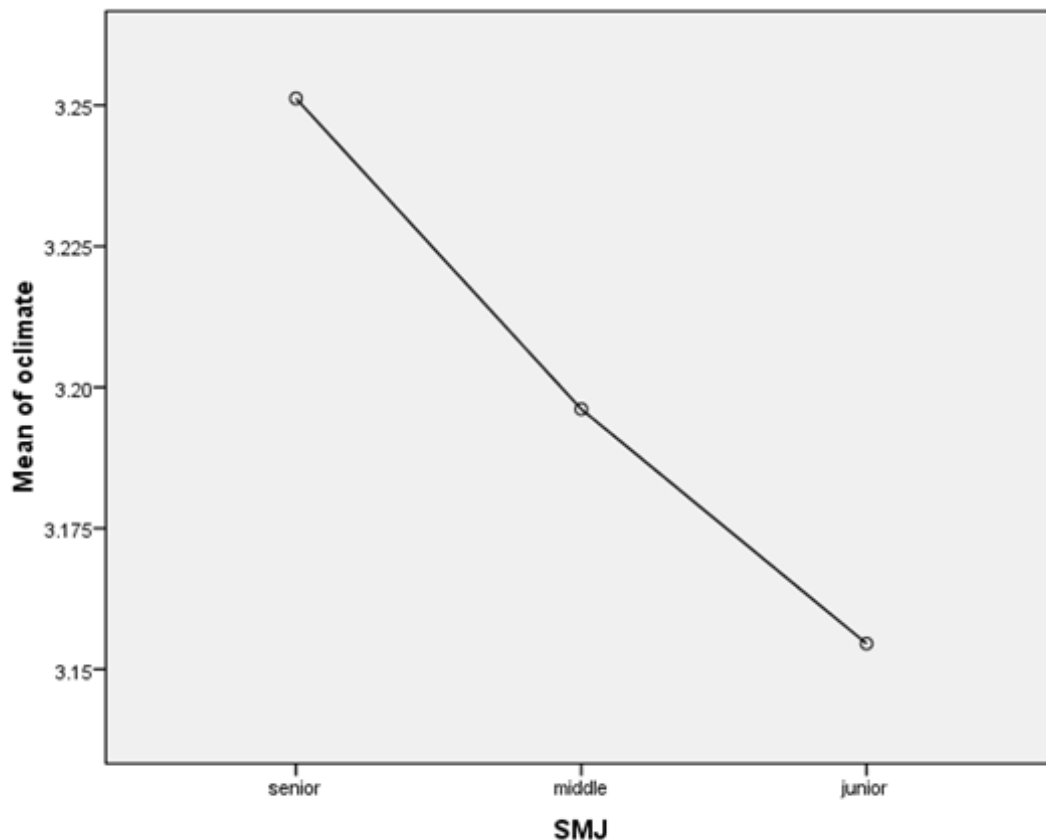
$$\eta^2 = \frac{0.128}{4.830}$$

$$= .02$$

$$\eta^2 = .02$$

2% of the total variance is accounted for the difference in organizational climate. Hence, we can conclude that there is a small difference in the three groups

**Mean Plot**



## Mean Plot

**Table 1.10 : Comparison of Organizational Climate among different Marital Status**

Variables	Single		Married			p value
	Mean	S.D	Mean	S.D		
Organizational Climate Measure						
Organizational Climate	3.21	.153	3.12	.315	2.401	p<.05 (S)
Dimensions of Organizational Climate	Mean	S.D	Mean	S.D	"t" value	p value
Autonomy	3.23	.34	2.90	.39	7.371	p<.05 (S)
Integration	3.19	.247	3.23	.327	1.152	p>.05 (NS)
Involvement	3.03	.269	3.04	.332	.310	p>.05 (NS)
Supervisory Support	3.09	.279	3.00	.323	2.556	p<.05 (S)
Training	3.15	.309	3.02	.332	2.729	p<.05 (S)
Welfare	3.20	.320	2.98	.316	4.84	p<.05 (S)
Formalization	3.20	.399	3.17	.273	.660	p>.05 (NS)
Tradition	3.10	.307	3.06	.299	1.029	p>.05 (NS)
Innovation & Flexibility	3.08	.241	3.12	.252	1.068	p>.05 (NS)
Outward Focus	3.15	.268	3.25	.391	2.106	p<.05 (S)
Reflexivity	3.13	.333	3.24	.460	2.029	p<.05 (S)
Clarity of Organizational Goals	3.21	.414	3.33	.387	2.045	p<.05 (S)

<b>Efficiency</b>	3.36	.397	3.33	.425	.388	p>.05 (NS)
<b>Effort</b>	3.57	.385	3.38	.481	.391	p>.05 (NS)
<b>Performance</b>	3.36	.396	3.35	.398	.156	p>.05 (NS)
<b>Feedback</b>						
<b>Pressure to Produce</b>	3.38	.384	3.34	.555	.566	p>.05 (NS)
<b>Quality</b>	3.33	.448	3.20	.467	2.11	p<.05 (S)

H4o: There is no significant difference between the perceptions of Organizational Climate with different marital status.

H4a: There is a significant difference between the perceptions of Organizational Climate with different marital status.

The above table (Table no 2) shows that the mean difference of perception of Organizational Climate among the employees of different marital status, ( $t= 2.401$   $p< 0.05$ ). Hence, the null hypothesis (1) namely, there is no significant difference between the perceptions of Organizational Climate with different marital status is rejected. There is a significant difference between the perceptions of Organizational Climate with different marital status.

The perception of single and married female employees significantly differs with respect to following dimensions of Organizational Climate i.e. Autonomy ( $t= 7.371$ ,  $p<.05$ ), supervisory support ( $t= 2.556$ ,  $p<.05$ ), training ( $t=2.729$ ,  $p<.05$ ), welfare ( $t=4.84$ ,  $p<.05$ ), outward focus ( $t=2.106$ ,  $p<.05$ ), reflexivity ( $t=2.029$ ,  $p<.05$ ), clarity of organizational goals ( $t=2.045$ ,  $p<.05$ ), quality ( $t=2.11$ ,  $p<.05$ ). However, they also differ with respect to following dimensions of Organizational Climate i.e. integration ( $t=1.152$ ,  $p>.05$ ), involvement ( $t=.310$ ,  $p>.05$ ), formalization ( $t=.660$ ,  $p>.05$ ), tradition ( $t=1.029$ ,  $p>.05$ ), innovation and flexibility ( $t=1.068$ ,  $p>.05$ ), efficiency ( $t=.388$ ,  $p>.05$ ), effort ( $t=.391$ ,  $p>.05$ ), performance feedback ( $t=.156$ ,  $p>.05$ ), pressure to produce ( $t=.566$ ,  $p>.05$ ) but the results are not statistically significant.

The result indicates that mean score of perception of Organizational Climate among the employees with marital status as single of are not similar with the perception of Organizational Climate among the employees with marital status as married. The organizational climate is a set of characteristics as perceived by the members in an organization. The perception of organizational climate of employees with single marital status is better than married

employees. The analysis of different dimensions show that there is significant difference of mean score of autonomy, supervisory support, training, welfare, outward focus, reflexivity, clarity of organizational goals and quality.

The mean value for autonomy is greater in single marital status as compared to the married employees. This indicates that the employees with single marital status strongly believe that management let people make their own decisions, decision making can be done at both levels, there is no tight control or supervision employees are given freedom of work. There is not much difference in the mean values of supervisory support. Both set of employees (single and married) agree that supervisory support is provided to the employees, supervisor understands people problems, trust in the employees, guidance and understanding. The mean value for training is similar in terms that the employees single and married feel that the organizational provides a training platform if there is any change in the technology or the old technology is replaced with the new technology. Employees are highly motivated to develop their skills.

The mean value for welfare for single employees lies between mostly true and definitely true and for married employees between mostly false and mostly true. Single employees feel that the organization pays attention to the interest of the employees. The company looks after their employees and is fair in action towards employees. While on the other hand married employees also are on higher side of mostly true but sometimes they feel that the organization may not be fair or looks after the interest of the employees as it is difficult for married females to work for extra hours or to meet the deadlines.

Both the set of employees agree that the organization an outward focus. Customer needs are considered top priority. The data is collected from the organizations with a good brand image and turnover the employees here feel that organization continually looks for new opportunities in the

market. Similarly the mean value for reflexivity is also the same; employees mostly agree that people work in teams to improve the performance. Regular discussions take place to check the effectiveness of work. The perception of both the categories for clarity of organizational goals is same. Employees feel that the organization has a vision and is

communicated to all the employees. People are aware of the long term goals of the company. Employees report that the organization is always looking towards quality improvement. Quality is considered to be an important aspect.

**Table 1.11 Hypotheses Testing Results**

<b>Sr. no</b>	<b>Alternate Hypotheses</b>	<b>Result of Rejection of Hypotheses</b>
<b>1</b>	<b>There is a significant difference between the perception of Organizational Climate among the employees of MNCs and Indian companies.</b>	<b>Null Hypotheses is rejected as <math>p &lt; .05</math></b>
<b>2.</b>	<b>There is a statistically significant difference in perception of organizational climate at lower age group, middle age group and upper age groups.</b>	<b>Null Hypotheses is rejected as <math>p &lt; .05</math></b>
<b>3.</b>	<b>There is a statistically significant difference in perception of organizational climate at junior, middle and senior managerial positions.</b>	<b>Null Hypotheses is rejected as <math>p &lt; .05</math></b>
<b>4.</b>	<b>There is statistically significant difference in the perception of organizational climate with different marital status.</b>	<b>Null Hypotheses is rejected as <math>p &lt; .05</math></b>



## References

- Ahuja M & Thatcher J. (2005), "Moving Beyond Intentions and Towards the Theory of Trying: Effects of Work Environment and Gender on Post-adoption Information Technology Use", *MIS Quarterly*, 29: 427-59.
- Allen, T. D. (2001). Family-supportive work environments: The role of organizational perceptions. *Journal of Vocational Behavior*, 58, 414-435.
- Anderson, S. E., Coffey, B. S., & Byerly, R. T. (2002). Formal organizational initiatives and informal workplace practices: Links to work-family conflict and jobrelated outcomes. *Journal of Management*, 28(6), 787-810.
- Athreye, S., 2005. The Indian software industry and its evolving service capability. *Industrial and Corporate Change* 14 (3), 393-418.
- Anderson, N., & West, M. A. (1998). Measuring climate for work group innovation: development and validation of the team climate inventory. *Journal of Organizational Behavior*, 19, 235-258.
- Ashkanasy, N. M., Wilderom, C. P. M., & Peterson, M. F. (2000). *Handbook of organizational culture and climate*. London: Sage.
- Biswas S and Varma A (2007), "Psychological Climate and Individual Performance in India: Test of a Mediated Model", *Employee Relations*, Vol. 29, No. 6, pp. 664-676.
- Brown S P and Leigh T W (1996), "A New Look at Psychological Climate and Its Relationship to Job Involvement, Effort, and Performance", *Journal of Applied Psychology*, Vol. 81, pp. 358-368.
- Burke M J, Borucki C C and Kaufman J D (2002), "Contemporary Perspectives on the Study of Psychological Climate: A Commentary", *European Journal of Work and Organizational Psychology*, Vol. 11, pp. 325-340.
- Drexler, J. (1977). Organizational climate: its homogeneity within organizations. *Journal of Applied Psychology*, 62, 38-42.
- Garner B R and Hunter B D (2012), "Examining the Temporal Relationship Between Psychological Climate, Work Attitude, and Staff Turnover", *Journal of Substance Abuse Treatment*, Vol. 44, pp. 193-200.
- Hellriegel D and Slocum J W (1974), "Organizational Climate: Measures, Research, and Contingencies", *Academy of Management Journal*, Vol. 17, pp. 255-280.
- James, L. R., & Jones, A. P. (1974). Organizational climate: A review of theory and research. *Psychological Bulletin*, 81, 1096-1112.
- Kozlowski, S. W. J., & Doherty, M. (1989). Integration of climate and leadership: Examination of a neglected issue. *Journal of Applied Psychology*, 74, 546-553.
- Lawler, E. E., Hall, D. T., & Oldham, G. R. (1974). Organizational climate: relationship to organizational structure, process and performance. *Organizational Behavior and Performance*, 11, 139-155.
- Lewin, K., Lippitt, R. and White, R. K. (1939), Patterns of Aggressive Behavior in Experimentally Created Social Climates, *Journal of Social Psychology*, 10: 271-299.
- Litwin, G. H. and Stringer, R. A. (1968), *Motivation and Organizational Climate*, Harvard University Press, Boston.
- McGregor, D. (1960). *The human side of enterprise*. New York: McGraw-Hill.
- McKay, P. F., Avery, D. R., & Morris, M. A. (2009). A tale of two climates: Diversity climate from subordinates' and managers' perspectives and their role in store unit sales performance. *Persorml Psychobgy*, 62, 767-791
- Moran, E. T. and Volkwein, J. F. (1992), The Cultural Approach to the Formation of Organizational Climate, *Human Relations*, 45(1): 19-47.
- Patterson, M., Warr, P. and West, M. (2004), Organizational Climate and Company Productivity: The Role of Employee Affect and Employee Level, *Journal of Occupational and Organizational Psychology*, 77: 193-216.
- Patterson, M., West, M. A., Lawthom, R., & Nickell, S. (1997). *Impact of people management practices on business performance*. London: Institute of Personnel and Development.
- Pareek, U. (1989). *Motivational Analysis of Organizations – Climate (MAO-C)*. The 1989 Annual: Developing Human Resources, 161-180.
- Pettigrew, A. M. (1990). Organizational climate and culture: Two constructs in search of a role. In B. Schneider (Ed.), *Organizational climate and culture* (pp. 413-433). San Francisco: Jossey-Bass.
- Schein, E. (1990). *Organizational culture and leadership*. San Francisco: Jossey-Bass. Thorton, C. G. III. (1969). The dimensions of organizational climate of office situations. *Experimental Publication System*, 2. 057A.