An Analysis of Significant Factors of Organizational Climate of Transport Undertakings in Himachal Pradesh

Gaurav Sharma
gauravsharmamav999@gmail.com
Himachal Pradesh University, Shimla

Prof. O. P. Verma
gaurav171985@gmail.com
Himachal Pradesh University, Shimla

ABSTRACT

Organizational climate plays a vital role in influencing motivation and performance of employees. It is important that a positive work climate has been created in the organization. Creation of a favorable work environment by the management is possible only if it understands the changing scenario of the global business world, growing awareness among employees on different issues concerning employment, intensify of competition among the producers and marketers. The present study aims at identifying those significant factors that contribute for motivation and performance of employees working in both public and private sector transport undertakings of Himachal Pradesh. The present study aims to evaluate the significant factors that have contributed in motivation and performance of employees of transport undertakings in Himachal Pradesh from the period 2012-2017. Both primary data has been used to study the objectives. It is collected from the sample of 600 employees of both transport undertakings through judgment and quota sampling. The questionnaire was prepared for the collection of data. To meet the objective of the study, a five point Likert scale has been developed for certain identifying variables. These statements on five-point scale are as i.e., (1) strongly disagree (2) Disagree (3) undecided (4) agree (5) strongly agree. On the basis of responses from employees of transport undertakings factor analysis has been done to extract the factors from observed variables which affects the motivation and performance of employees.

Keywords: *Organizational Climate, Statistical Analysis, KMO and Bartlett's Test.*

1. INTRODUCTION

Organizational climate plays a vital role in deciding the effectiveness in performance. Today, practitioners and researchers continue to discover new ways in which organizational climate influences such diverse areas as innovation, stress reduction, trust, strategic thinking, team cohesion, turnover reduction, conflict management and goal attainment etc. Organizational climate has its major impact on the performance of the workforce which is determined by the level of its satisfaction and motivation. It can be used as a management tool to provide managers with many insights into how their employees feel for their organization.[1] Creation of a positive work atmosphere in an organization is a long-term proposition. Creation of a favourable work environment by the management is possible only if it understands the changing scenario of global business world, growing awareness among employees on different issues concerning employment, intensify of competition among the producers and marketers due to preference of customers for quality in products and services offered, possible influence on effecting continuous changes in the composition of workforce and the increased avenues which are opened to the workforce to move towards the new destinations where handsome packages are offered to attract the best talents and retain them for a long period [2]. Organizational climate seems to play an important role in determining how people behave in an organization. Different climates attract and motivate different kinds of employees by defining the right or wrongs and dos and don'ts for each organizational member. If employees' feel that certain kinds of behavior will be rewarded they will be motivated to engage in those conducts. Similarly, if there is a feeling that other behaviors' are punished those conducts will be avoided.

2. REVIEW OF LITERATURE

F.W. Guldenmund (2000) concluded that safety climate is important to every organization and research is undertaken to develop new safety climate measurement for employees of the organizations. A.H. Pruyan (2001) reveals that employees' communication perceives prestige and better coordination. An attractive communication climate can contribute to the long-term success of a company. Charles Gillison (2002) examined the difference between organizational culture and organizational climate. Climate is defined as the property of individual whereas culture is defined as the property of work unit. M.A.O. Aluko (2003) studied cultural variables which influence organizational performance. It is found that there is a positive relationship between culture variables and

organizational performance if there are good communication and the better inter-personal relationship among employees. D.M. Dejoy (2004) concluded that three organizational factors namely environmental conditions, safety-related policies, and general organizational climate has a major influence on safety climate in retail organizations. Safety-related policies are directly correlated with safety climate. Howell and Shamir (2005) reveal the impact of charismatic leadership process on organizational climate. Here leaders and followers play active role in making mutual-relationship and building organizational outcomes for a sound organizational climate. L.C. Hang (2008) reveals the relationship between organizational climate and employee's intention to leave in Malaysian companies. It is found that positive organizational climate reduces the chances of employee's intention to leave the organization, friendly and supportive environment also reduces the labor turnover. Gong and Hung (2009) examines the relationship between transform leadership and employees' creativity. Transform leadership is positively related to employees creativity which will likely to benefit the whole organization. Leaders must develop creative individuals by giving them autonomy and freedom at work place. Singh and Mishra (2011) reveal about occupational stress encounter by IT professionals in India. There is a need for staring orientation programs for them. They also need flexible time and some leisure hours in order to cope up the stress. Reena Rani and Ponam Rani (2014) revels about organizational climate in elementary schools in Rohtak District of Haryana. The study found that job satisfaction among teachers can only build if the cordial condition of working, the dignity of work will be provided by administrators and principals.

3. NEED AND SCOPE OF STUDY

Organizational climate plays a vital role in deciding the effectiveness in performance. Today, practitioners and researchers continue to discover new ways in which organizational climate influences such diverse areas as innovation, stress reduction, trust, strategic thinking, team cohesion, turnover reduction, conflict mediation and goal attainment etc. Organizational climate has its major impact on the performance of the workforce which is determined by the level of its satisfaction and motivation. It can be used as a management tool to provide managers with many insights into how their employees feel for their organization.

The present study aims to evaluate the significant factors that have contributed in motivation and performance of employees of transport undertakings in Himachal Pradesh from the period 2012-2017.The study emphasis on those significant factors that have an influence on the organizational climate of transport undertakings.

4. OBJECTIVES OF STUDY
- To identify the significant factors which affect the motivation and performance of employees of undertakings.
- To analyze the significant factors that contribute towards motivation and performance of employees.

5. RESEARCH METHODOLOGY

The present study is descriptive as well as exploratory in nature. Both primary and secondary data have been used to study the objectives. Primary data has been collected from the sample of 600 employees of both transport undertakings through judgment and quota sampling. The questionnaire was prepared for the collection of data. To meet the objective of the study, a five-point Likert scale has been developed for certain identifying variables. These statements on the five-point scale are as i.e., (1) strongly disagree (2) Disagree (3) undecided (4) agree (5) strongly agree. On the basis of responses from employees of transport undertakings factor analysis has been done to extract the factors from observed variables which affects the motivation and performance of employees.

6. RESULTS AND DISCUSSIONS

Table 1 explains, the descriptive Statistics for factors contributing towards motivation and performance in both transport undertakings. The table shows the value of the mean, standard deviation, Skewness and kurtosis for twenty-nine variables. Further, the table depicts that the mean value is highest i.e., 2.84, 2.83 and 2.83 respectively for hard work is rewarded in the organization, satisfaction with a number of casual/ medical leaves compared to other variables. Therefore it can be said that these variables are most important variables which are supportive for the better motivation and performance in both public and private transport undertakings in Himachal Pradesh.

Table 1: Analysis of Factors Contributing towards Motivation and Performance Both Public and Private Sector Undertakings

S. No	Statement	N	Min.	Max.	Mean	Std. Deviation	Skewness	Kurtosis
1	Hard work is rewarded in organization.	600	1	5	2.84	0.974	0.427	-1.201
2	Satisfaction with number of casual/medical leaves.	600	1	5	2.83	1.159	0.278	-1.215
3	Good job done has better chances of promotion.	600	1	5	2.83	1.113	0.358	-1.181
4	Innovation is encouraged by monetary support.	600	1	5	2.82	1.085	0.355	-1.129

5	Rewards and recognition encourage to do a good job.	600	1	5	2.80	1.126	0.280	-1.143
6	Sufficient amount of monetary rewards such as TA/DA.	600	1	5	2.80	1.080	0.430	-1.043
7	Satisfaction on health/accident insurance.	600	1	5	2.79	1.085	0.330	-1.163
8	Satisfaction on overtime allowance.	600	1	5	2.73	1.035	0.683	-0.989
9	Educational allowance for children.	600	1	5	2.70	0.969	0.568	-0.962
10	Medical reimbursement facility.	600	1	5	2.69	0.979	0.922	-0.830
11	Leave in cashment facility.	600	1	5	2.69	1.095	0.604	0.920
12	Better amenities in organization.	600	1	5	2.64	1.072	0.320	-1.196
13	Employees are respected in the corporation.	600	1	5	2.61	1.046	0.675	-0.723
14	Problem and suggestion are taken seriously.	600	1	5	2.60	1.018	0.513	-1.064
15	Appreciation on good job.	600	1	5	2.58	0.956	0.689	-0.582
16	Recognition is based only on good work done.	600	1	5	2.58	0.950	0.686	-0.603
17	Feeling of happiness on recognition.	600	1	5	2.50	0.975	0.648	-0.610
18	Respect is given to elder employees.	600	1	5	2.52	0.866	0.922	-0.562
19	Priority to employees' safety.	600	1	5	2.52	0.896	0.748	-0.323
20	Excessive work is avoided.	600	1	5	2.47	0.938	0.808	-0.224
21	Performance appraisal is adopted.	600	1	5	2.47	0.929	0.774	-0.286
22	Hard work is recognised.	600	1	5	2.41	1.032	0.567	-0.846
23	Quick action is taken on compliant.	600	1	5	2.40	0.820	1.198	0.438
24	Superiors play role as friend guide and counsellor.	600	1	5	2.39	0.786	1.213	0.540
25	Progress of friendliness and warmth among employees.	600	1	5	2.38	0.970	0.816	-0.040
26	Equal opportunities to employees.	600	1	5	2.27	0.943	1.160	0.811
27	New ideas make job interesting.	600	1	5	2.12	1.068	1.079	0.381
28	Corporation is right place to grow.	600	1	5	2.11	1.058	1.065	0.349
29	Proud to be an employee of corporation.	600	1	5	2.10	0.898	1.375	1.882

Further, the calculated values of standard deviation expose high variation in the factors affecting motivation and performance in both public and private transport undertakings in Himachal Pradesh. In the case of skewness, most values are concentrated on the right side of the mean with extreme value to the right, so it can be said that distribution is negatively skewed. In case of kurtosis the calculated values are less than zero which reveals platykurtic distribution for the responses given by respondents. Further, the mean scores for all variables have been found more than two which reveals a moderate effect of variables on motivation and performance.

Kaiser- Meyer - Olkin Measure of Sampling Adequacy and Bartlett.s Test of Sphercity

Table 2 depicts the result of a Kaiser-Meyer-Olikin measure of sampling adequacy and Bartlett's Test of Sphericity. The Kaiser-Meyer- Olikin (KMO) measures the sapling adequacy which should be greater than 0.5 for a satisfactory factor analysis to proceed. This measure assesses the overall significance of the correlation matrix with the Bartlett test. When taken overall, the result is significant at 1 percent level which is14724.2. The Kaiser – Meyer- Olkin (KMO) measures the sampling adequacy which should be greater than 0.5 for a satisfactory factor analysis to proceed.

Table 2: **KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.916
Bartlett's Test of Approx. Chi Square	14724.230
Sphericity df	406
Sig.	0.000

Table 2 shows that the Kaiser-Meyer-Olkin measure is 0.916 which implies that the sample is adequate and factor analysis is appropriate for the data. The Bartlett's test is another indication of the strength of the relationship among the variables. This tests the null hypothesis that the correlation matrix is an identity matrix in which each variable correlates perfectly itself but has no correlation with other variables. Further, the table shows that Bartlett's test of Sphercity is significant i.e., its associated probability is less than 0.05. In fact, it is actually 0.000 i.e., the significance level is small enough to reject the null hypothesis. This means that correlation matrix is not an identify matrix. All the measure tested above indicates that the reduced set of variables is appropriate for factor analysis.

Total Variance

Table 3 explains the total variance. Further, the table shows all the factors extractable from the analysis along with their eigenvalues, the percent of variance attributable to each factor and the previous factors.

Table 3: Total Variance Explained

	Initial Eigenvalues Extraction sum of squared Rotation sum of Loading saquared loadings								
	Total	% of Variance	Cumulative%	Total	% of Variance	Cumulative%	Total	% of Variance	Cumulative%
1	12.148	41.891	41.891	12.148	41.891	41.891	6.901	23.796	23.796
2	3.414	11.771	53.662	3.414	11.771	53.662	4.482	15.457	39.253
3	1.929	6.652	60.313	1.929	6.652	60.313	3.458	11.925	51.178
4	1.614	5.566	65.880	1.614	5.566	65.880	2.873	9.906	61.084
5	1.451	5.005	70.884	1.451	5.005	70.884	2.842	9.800	70.884
6	.961	3.314	74.199						
7	.928	3.199	77.397						
8	.665	2.293	79.690						
9	.634	2.187	81.877						
10	.587	2.022	83.899						
11	.501	1.728	85.627						
12	.444	1.533	87.160						
13	.415	1.429	88.589						
14	.395	1.361	89.950						
15	.339	1.169	91.119						
16	.330	1.138	92.257						
17	.307	1.060	93.316						
18	.239	.825	94.141						
19	.223	.769	94.910						
20	.207	.714	95.623						
21	.190	.654	96.277						
22	.177	.612	96.889						
23	.161	.554	97.443						
24	.152	.523	97.966						

25	.143	.493	98.459					
26	.136	.469	98.928					
27	.119	.411	99.339					
28	.103	.356	99.694					
29	.089	.306	100.00					

Extraction Method: Principal Component Analysis.

The table reveals that the first factor accounts for 41.891% of the variance, the second factor 11.771 % of the variance, the third factor 6.652% of the variance, the fourth factor 5.566% of the variance, the fifth factor 5.005% of the variance. All the remaining factors are not significant.

Component Matrix

Table 4 shows the component matrix results.

Table 4: Component Matrix

Component					
	1	**2**	**3**	**4**	**5**
Hard work is rewarded in organization.	0.539	-0.099	0.072	0.224	0.422
Satisfaction with number of casual/medical leaves.	0.767	-0.452	-0.109	0.083	0.048
Good job done has better chances of promotion.	0.371	-0.012	-0.221	-0.144	0.551
Innovation is encouraged by monetary support.	0.762	-0.444	-0.058	0.137	0.198
Rewards and recognition encourage to do a good job.	0.724	-0.309	-0.060	0.118	0.006
Sufficient amount of monetary rewards such as TA/DA.	0.701	-0.520	-0.118	0.126	0.055
Satisfaction on health/accident insurance.	0.750	-0.489	-0.087	0.131	0.122
Satisfaction on overtime allowance.	0.749	-0.476	-0.117	0.197	0.041
Educational allowance for children.	0.541	0.439	-0.295	0.158	-0.127
Medical reimbursement facility.	0.763	-0.315	-0.086	0.038	-0.275
Leave incashment facility.	0.760	-0.100	-0.211	-0.064	-0.312
Better amenities in organization	0.757	0.235	-0.299	0.087	-0.198
Employees are respected in the corporation.	0.692	0.298	-0.218	0.153	-0.241
Problem and suggestion are taken seriously.	0.545	0.424	-0.299	0.350	-0.015
Appreciation on good job.	0.727	0.181	-0.378	-0.024	-0.096
Recognition is based on good work done.	0.618	0.314	-0.204	-0.525	0.018
Feeling of happiness on recognition.	0.687	0.047	-0.072	-0.533	-0.032
Respect is given to elder employees.	0.605	0.461	-0.032	-0.119	0.257
Priority to employees' safety.	0.628	0.378	0.093	-0.260	0.328
Excessive work is avoided.	0.640	0.438	0.105	0.033	0.220
Performance appraisal is adopted.	0.462	0.434	0.196	0.114	0.296
Hard work is recognised.	0.406	0.455	0.257	0.188	0.048
Quick action is taken on compliant.	0.423	0.112	0.633	0.265	-0.222
Superiors play role as friend guide, counsellor.	0.591	0.233	0.448	0.306	0.128
Progress of friendliness and warmth among employees.	0.756	0.000	0.213	-0.200	-0.193
Equal opportunities to employees.	0.520	0.392	0.190	0.231	-0.375
New ideas make job interesting.	0.624	-0.386	0.473	-0.130	0.051
Corporation is right place to grow.	0.682	-0.294	0.402	-0.273	-0.089
Proud to be an employee of corporation.	0.627	0.051	0.259	-0.455	-0.215

Extraction Method: Principal Component Analysis

a. Five Component Extracted

The above table reveals the loadings of twenty-nine variables on the five factors extracted. The higher the absolute value of loading, the more the factor contributes to the variable.

Rotated Component Matrix

Table 5 exhibit the results of the rotated component matrix. Further, the table reports that five factors are extracted through factor analysis i.e., incentives, recognition, inter-personal relation, development, and reputation. The rotation matrix reduces the number of factors on which the variables under investigation have high loadings.

Table 5: Rotated Component Matrix

Variables	Component				
	1	2	3	4	5
1	.904	.122	.013	-.023	.019
2	.902	.162	.010	-.074	.021
3	.887	.089	-.031	-.028	.035
4	.884	.142	.051	-.029	.191
5	.883	.168	-.011	.038	.052
6	.797	.261	.033	-.035	.035
7	.772	.294	.020	.160	-.235
8	.673	-.091	.431	.355	.088
9	.641	.028	.347	.515	-.005
10	.623	.475	-.088	.244	-.224
11	.518	.368	.267	.463	-.068
12	.499	.197	.224	-.143	.416
13	.186	.775	.025	-.226	.044
14	.146	.769	-.033	-.027	-.030
15	.429	.748	-.055	.087	-.093
16	.344	.745	.038	.044	-.143
17	.438	.686	-.180	.134	.012
18	.143	.638	.131	.235	.400
19	.193	.627	.307	.146	.341
20	.133	.611	.417	.075	-.287
21	.193	.519	.185	.381	.484
22	.011	.501	.454	.025	.127
23	.068	.493	.382	.039	.382
24	.226	.195	.762	.083	-.193
25	.298	.397	.663	-.020	.174
26	.356	.277	.209	.684	-.054
27	.422	.378	-.106	.642	.139
28	.205	.566	-.186	.596	.215
29	.295	.180	-.179	.056	.596

Extraction Method: Principal component analysis.
Rotation Method: Varimax with Kaiser Normalisation.
Rotation Converged with Kaiser Normalisation.

Rotation Method

Further, the table reports the loading of different statements on identified five factors. Following variables are loaded on factor-1 i.e., incentives are as follow : hard work is rewarded, satisfaction with number of casual/medical leaves, good job done has better chances of promotion, innovation is encouraged by monetary support, rewards and recognition encourage to do job well, sufficient amount of monetary rewards such as TA/DA, satisfaction on health/accident insurance, satisfaction on overtime allowance, educational allowance for children, medical reimbursement facility, leave encashment facility The variable which are loaded on factor -2 i.e., recognition are as follows : employees are respected in the corporation, problems and suggestions are taken seriously, appreciation for a good job, recognition is based on good work, feeling of happiness on recognition, respect is given to elder employees, priority to employee safety, excessive work is avoided, performance appraisal is adopted, hard work is recognised by management, quick action is taken on complaint. The variables loaded on factor-3: inter- personal relations are as follows: superiors play a role as friend, guide & counselor, the progress of friendliness and warmth among employees. The variables loaded on factor-4 i.e., development is as follow: equal opportunities are given to employees, new ideas make the job interesting and the corporation is the right place to grow. The variables loaded on factor-5 i.e., reputation, are as follow: proud to be an employee of the corporation.

Reliability Statistic

The result of reliability statistic has been presented in table 6. The reliability of the construct is determined by computing the Cronbach's alpha. Cronbach's coefficient alpha value of 0.6 is considered acceptable for the exploratory purposes, 0.7 is considered adequate and .08 good for the confirmatory purpose.

Table 6: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of items
0.949	0.948	29

Further, table reveals that the Cronbach's alpha value based on standardized items obtained is 0.948 which shows the high reliability of the scale. The overall reliability and validity of the scale as depicted by Cronbach alpha is well above 0.7, therefore it is valid to use this scale.

7. CONCLUSION

The descriptive statistical analysis shows that there are five factors which have a direct effect on motivation and performance of employees. These are incentives, recognition, inter-personal relation, development and reputation. Further, the calculated values of standard deviation reveal the high variation in the factors affecting the motivation and performance and it leads to the conclusion that there is a relation between factors extracted and motivation and performance of employees.

The results of a Kaiser-Meyer-Olkin measure support that factor analysis is appropriate for the data and Bartlett's test of sphericity is significant, i.e., its associated probability is 0.000, which means that correlation matrix is not an identity matrix. Total variance reveals that first factor accounts for 41.891% of the variance, the second factor 11.771% of the variance, the third factor 6.652%, the fourth factor 5.566% and the fifth factor 5.005% while all the remaining factors are not significant. Further, component matrix depicts loading of twenty-nine variables on the five factors extracted.

Incentives play a very important role in influencing motivation and performance of employees as twelve statement are related to it and also recognition is important which involve eleven statements.

8. SUGGESTIONS

Organizations should focus on incentives for their employees of transport undertakings in order to enhance their productivity. They should be recognised on performing a good work and development opportunities should be provided from time to time.

9. REFERENCES

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