IMPACT OF ORGANIZATIONAL CLIMATE ON EMPLOYEE PERFORMANCE IN CEMENT MANUFACTURING INDUSTRY

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ABSTRACT

Organizational atmosphere is examined as a factor in employee performance in this study. It is a comprehensive research into how to best prepare a firm to compete and succeed in a stable business climate. Organizational climate refers to the views of employees on their company's business environment or internal working environment. Having a positive work environment is essential to the success of any firm. In order for employees to do their best work, a happy work environment is essential. To ensure the long-term viability of a business, it is critical that its workforce performs at a higher level than ever before. We use correlation and regression analysis to look at the relationship between workplace atmosphere and employee performance. In total, 513 people were approached for this study. A total of 169 of the 513 people who took part in the survey were found to be suitable for further examination. This led to the selection of 169 participants for the study. The trial will take place at the TCI MAX cement plant in Jammu and Kashmir. Accordingly, the study's findings and recommendations demonstrated that different components of organizational climate, including ethical climate, general organizational and performance appraisal climate, have an impact on employee productivity and motivation.

Keywords: Organizational, climate, Employee, Performance, Cement, Motivation.

1.1 Introduction

According to a study published in the Journal of Applied Organizational Psychology in 2002, researchers have been studying the influence of the environment on the performance of individuals and organizations for decades. Early advances in our understanding of organizational climate was aided by a surge in interest from psychologists in the late 1960s and early 1970s. In the 1980s and into the 1990s, as interest waned in climate's twin construct of organizational culture, a plethora of methods for defining and measuring climate became accessible. There has been a renaissance of climate interest since the late 1990s, as multilevel theory and measurement became more sophisticated and understood. Specifically, there has been an emphasis on targeted climates (e.g., safety climate or service climate) that continues to this day. Climate measurement, the most prevalent climate kinds documented in the scientific literature, and significant climate results for organizations are all part of this bibliography's scope.

1.2 Statement of the problem

Several According to research, a happy work environment has various benefits. Employee trust in the organization, for example, is influenced by the climate of the organization.

There have been certain difficulties in executing and energizing the group's concern for this aim until now. In addition to identifying organizational climate elements that impact performance, the researcher made recommendations for how the industrial sector can be more effective.

1.3 Scope of the Study

In every industry, employee performance is influenced by the climate of the workplace. According to these studies, organizational atmosphere has a significant impact on employee performance. Managers and non-managers at a public sector cement plant in the Indian state of Jammu and Kashmir were surveyed about their views on various aspects of the workplace climate. Employees in industrial organizations are the driving force behind increased output.

1.4 Significance of the Study

In every industry, employee performance is influenced by the climate of the workplace. According to these studies, organizational atmosphere has a significant impact on employee performance. Managers and non-managers at a public sector cement plant in the Indian state of Jammu and Kashmir were surveyed about their views on various aspects of the workplace climate. Employees in

industrial organizations are the driving force behind increased output.

1.5 Review of literature

There has been a vast variety of studies on organizational climate, both in print and online. There are two types of climate in an organization: one that is perceptual, and the other that is descriptive. Several organizational elements, such as the system, structure, and practices, are reflected in the descriptive idea, according to McMurray (2003). The "environment that employees perceive is generated in their organizations based on procedures, practices, and rewards," according to Brown and Brooks (2002, p.330), displays the perceptions notion in organizational climate, which is modified by individual perceptions. Although the collective impression of employees can be considered as the company climate, it can change at any time (Dormeyer, 2003; Al-Shammari, 1992).

When it comes to a company's climate, major events and characteristics matter since they have a big impact on how people behave within the organization. People's reactions to an organization's atmosphere are closely intertwined. People in the workplace's conduct, fulfillment, and inspiration are influenced by the overall psychological milieu of a company after a period of time (Lawler, 1992).

An association's organizational climate is what sets it apart from other organizations. It includes things like: (1) the collective perceptions of members about their organizations, such as self-sufficiency, trust, cohesiveness, innovation, acknowledgement, fairness, and support; (2) collaboration among members; (3) a reason for interpreting circumstances; and (4) a reflection of the culture of the organization. It also includes: (1) the collective perceptions of members about their organizations, such as: (Forehard & Gilmer, 1964; Pritchard & Karasick, 1973).

Major events and characteristics of a company's climate have a significant impact on how its employees interact with each other. A company's culture and employee morale are interwoven. After some time, the overall psychological climate of a firm has an effect on employee behavior, fulfillment, and inspiration (Lawler, 1992).

It was Douglas McGregor and Kurt Lewin, who first used the term "climate" to describe both a company's social environment and its organizational climate, that coined the term, according to Ahmed (1998). Employees' attitudes and views of the organization's policies, techniques, and reward schemes influence the organization's overall environment. There are several methods to describe an organization's climate. As stated by Litwin and Stringer (1968), the most frequently acknowledged characteristic of organizational climate is an arrangement of quantifiable variables in the work environment intended to influence behavior and performance by the general population living and working in a certain circumstance.

Study after study has examined the hypothesized link between climate and productivity. According to the findings, companies fared better when their employees had more positive views on issues like fundamental management, data exchange, and management support (Kangis & Williams, 2000). There is a clear correlation between organizational atmosphere and performance based on past empirical studies in many industries.

It was discovered by Ozge (2016) in a review of studies on organizational environment and worker performance that organizations with clear role clarity dimensions result in higher employee satisfaction. It was determined by Peek (2003b) that an organization's environment is characterized as having a high level of self-governance and offering employees options, as well as preserving connections among employees and exhibiting a genuine interest in their well-being.

Organizational climate, as defined in the study of Podsakoff and colleagues (1996), includes factors such as role clarity and employee performance that are linked to one another. According to Nair (2006), organization members believe that all employees should know exactly what they should be doing and how they should be performing their duties. Conflicting organizational goals and objectives, as well as a lack of clarity in the structure and functions of the organization, can result in poor management communication and interdepartmental cooperation when

responsibilities are not clearly defined (Jones & James, 1979).

A supervisor's capacity to listen and provide advise, as well as his or her ability to communicate effectively and clearly, are all examples of communication in the workplace. It can also refer to the act of eliciting in another person an understanding of a shared or common meaning. It's imperative that a manager's ability to listen, give information, and clear up misunderstandings is on full display when there are issues with communication in the workplace. Organizational systems elements such as the reward system and teamwork are linked to employee performance, according to Campbell et al. (1970).

According to Jianwei (2010), an employee's ability to perform at their best at work is directly tied to the climate of the workplace when it comes to career growth. According to the relationships between employees and companies, such as employee well-being, priority for people of colour, and so on, good communication between employees and senior management generates a healthy organizational climate that promotes employee job satisfaction.

When employees know what the company's long-term objectives are, they contribute to a more favorable work environment. People who work for a company are continually learning about its structure and preparing to respond to new conditions in accordance with the company's strategic plans (Campbell et al., 1970). The ability of an organization to achieve and surpass its goals and objectives is strongly influenced by the executive level of leadership. If the organization has clearly defined aims and objectives, it will eventually become a sought-after employer and well-known in the market.

It is becoming increasingly rare to find studies addressing the link between corporate atmosphere and employee performance, particularly within India. These findings are most likely a result of studies focusing on company culture and employee happiness. Organizational climate in Jammu and Kashmir will be studied based on the results of a survey conducted by the researchers.

1.6 Methodology

Objectives of the study

The study was based on the following goals:
To examine the link between organizational climate and employee performance in the cement manufacturing business in Jammu and Kashmir.
To examine the influence of the workplace climate on employee productivity.

1.7 Hypothesis of the study

There is no correlation between the employee's performance and the corporate atmosphere.
There is no major impact on employee performance from the corporate atmosphere.

1.8 Sampling Technique and Sample Size

This is how it's done. Systematic sampling was used to select participants in a multi-stage random sampling procedure. 513 participants were approached to participate in this survey, totaling 513 people. A total of 169 of the 513 people who took part in the survey were found to be suitable for further examination. As a consequence, 169 persons were chosen to participate in this research. The trial will take place at the TCI MAX cement plant in Jammu and Kashmir.

1.9 Procedure

There is a TCI MAX cement manufacturing plant in Jammu and Kashmir, India, from which primary data was obtained. The people who took part in the survey were all members of the company's high management. Employees in the sample were handed the questionnaires, and they were instructed verbally to fill them out. In a few of days, the responders had finished the questionnaire. From their workplace, the filled surveys were brought to the next step of processing.

Table 1: Case Processing summary – Reliability statistics

Cases	N	%	Cronbach's Alpha	No. of items
Valid	169	100.0	0.833	159
Excluded	0	0.0		
Total	169	100.0		

To determine whether or not an observed score's fluctuation is truly representative of its underlying genuine value, we look at its reliability. The reliability number is between 0 and 1. It is preferable in social science to use scales having a reliability greater than 0.7. The study's level of dependability, 0.833, falls within the acceptable range of 0 to 1. The true score is derived from the variability of the sample taken for the study.

Table 2: Correlation Coefficients factors of Organisational Climate.

		General organizational climate	Performance appraisal climate	Ethical climate
General organizational climate	Pearson Correlation	1	.815**	.270**
	Sig. (2-tailed)		.000	.000
	N	169	169	169
Performance appraisal climate	Pearson Correlation	.815**	1	.268**
	Sig. (2-tailed)	.000		.000
	N	169	169	169
Ethical climate	Pearson Correlation	.270**	-.268**	1
	Sig. (2-tailed)	.000	.000	
	N	169	169	169
**. Correlation is significant at the 0.01 level (2-tailed).				

Efforts are being done to determine if there is any connection between the climate in the workplace as a whole, performance evaluation climate, and ethical climate. Table 2 lists the mills owned by private cement companies. At a 1% level of significance, the correlation between general organizational climate and performance appraisal climate is clear (.815). Ethical climate variables are favorably connected with the general organizational climate in terms of R values (.270). This correlation is significant at the 1% level of significance in terms of R value (.815), while this correlation is significant at the 1% level of significance for performance appraisal climate variables (.268). Ethical climate has a correlation coefficient of (.270) and a correlation coefficient of (.268) with general organizational climate and performance evaluation environment, respectively. As a result, the null hypothesis is rejected, suggesting that in private sector cement companies, climatic aspects in the workplace are important.

Table 3: Variables entered / removed

Model	Variables Entered	Variables Removed	Method
1	Ethical climate, General organizational climate, Performance appraisal climate[a]	.	Enter
a. All requested variables entered.			
b. Dependent Variable: Employee performance			

For the purpose of examining the relationship between work performance and factors like ethical climate, general organizational climate, and performance appraisal climate, regression analysis is used to gather data. Table 3 displays the findings. For the purpose of determining whether or not job performance is affected by the independent variables ethical climate, general organizational climate and performance appraisal climate, a table is provided that outlines the independent variables. According to the table, every single independent variable is being analyzed. Using the entry approach, regression analysis is calculated.

Table 4: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.391[a]	.153	.145	3.296	.153	20.011	3	332	.001
a. Predictors: (Constant), Ethical climate, General organizational climate, Performance appraisal climate									

Table no.4 model summary summarizes the findings of the investigation. 15.3% of the independent variables influence job performance at the 5% level of significance, according to the model summary table.

Table 5: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	652.018	3	217.339	20.011	.001[a]
	Residual	3605.837	332	10.861		
	Total	4257.854	335			
a. Predictors: (Constant), Ethical climate, General organizational climate, Performance appraisal climate						
b. Dependent Variable: Employee performance						

Cement manufacturing enterprises under the private sector's ANOVA table show that a regression model for the impact of a variable on job performance is fit at a 5% significant level.

Table 6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29.912	3.378		8.854	.000
	General organization climate	-.523	.080	-.569	-6.506	.000
	Performance appraisal climate	.485	.063	.667	7.635	.000
	Ethical climate	.092	.059	.083	1.575	.116
a. Dependent Variable: Employee performance						

Shows the details of coefficient. It is observed from the coefficient table 6 that job performance =29.912, -.523 general organizational climate, .485 performance appraisal climate + .092 ethical climate.

It is noticed from the table 6 that dependent variables job performance is positively influenced by performance appraisal climate (.485) and ethical climate (.092). However, job performance is negatively influenced by general organizational climate (-.523).

Conclusion

Organizational environment has been found to have an impact on a number of different areas of employee performance. Organizational atmosphere and employee performance will improve if the company's management ensures that these programs are properly executed. Increasing the intrinsic motivation of employees is an important aspect of improving the climate in the workplace. In order to improve and preserve the relationship between work environment climate and employee performance, it is recommended that managers create effective policies. Top management should assist and communicate with employees in order to foster positive working relationships. Using this study as a jumping-off point, you may learn more about the impact of elements such as general organizational climate, performance evaluation climate, and ethical environment on employee performance.

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