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# A STUDY ON ORGANIZATIONAL CLIMATE IN SMALL AND MEDIUM ENTERPRISES IN GWALIOR CITY

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### ABSTRACT

Organization climate is one of the most widely discussed issues in Human Resource Management. In present study the organizational climate of Small and Medium Enterprises of Gwalior City was investigated. In this research, 774 employees of Small and Medium Enterprises were examined. The obtained data were analyzed by using SPSS Version 21. Independent sample t-test has been used in this study to analyze the organizational climate level among male & female employees. The study revealed that there is no significant difference in views on the organizational climate of male and female employees.

KEY WORDS: Organizational Climate, Small and Medium Enterprises

#### **INTRODUCTION**

Organizational climate is one of the most important criteria for organizational effectiveness. Organizations become dynamic and development oriented if employees are dynamic and pro - active. The financial small & medium enterprises in India are witnessing important changes. It is bringing about severe changes be present in organizational climate of small & medium enterprises. Changes in organizational climate will affect the Employee efficiency of the employees in the organization. The organizational climate and culture are the influential tools that have great effect on the morale, performance and job satisfaction of the employees in any organization. The climate and cultural play an essential role in the organization as they are usually connected with the perceptions, ideas, values, beliefs, and most importantly the behaviour of its employees. The impact of organizational climate on Employee efficiency is very high among employees at all levels in the organization.

O'Toole (2002) suggested that there accent in injuries incident at the company location was strongly impacted by the positive employee perceptions on some key factors. Management's commitment to safety was the factor with the greatest positive perception by employees taking the survey. As a result of the survey, the subject for organizational climate development, company is

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developing plans for further altering their safety management system to include a process to more directly involve drivers in the safety process. This conclusion is also supported by both a series of employee's interviews over a 12-month period and the Employee Safety Perception survey.

Katz & Kahn, (2004) explained that the construct of climate has been studied extensively and has proven valuable in capturing perceptions of the work context. Climate has been described as an experientially based description of the work environment and, more specifically, employees' perceptions of the formal and informal policies, practices and procedures in their organization Schneider, (2008) In order to promote a real HRD climate in any organization, it is imperative to have the prevalence of general supportive climate not only by dint of the support and commitment of the top management, line management but immensely good supportive personnel policies and positive attitudes are equally important towards such development. Zhang (2010) investigated the characteristics of organizational climate and its effects on organizational variables. Investigation of 419 participants including both managers and employees indicated as follows: educational level, position and length of time working for the current organization had significant main effects on organizational climate; specialty, enterprise character and enterprise size also had significant climate: effects organizational main on organizational climate had significant main effects on human resources management effectiveness such as turnover intention, job satisfaction and work efficacy; organizational climate also had significant main effects on organization effectiveness like staff members' organization commitment and collective identity. Akinyemi (2012) describe to investigate the influence of affective commitment on discretionary work behaviour and intention to quit among employees in selected post-consolidation Nigerian commercial banks. These challenges are more acute in the 21st century Nigerian post-consolidation banking sector. It is, therefore, essential for managers to note that the ten factors identified above are those that inhibit AC and OCB and which trigger employees' intention to quit, leading eventually to actual turnover.

#### **OBJECTIVES OF THE STUDY**

**1.** To measure the level of organizational climate of Small and Medium Enterprises.

**2.** To undertake a comparative study between male and female employees regarding views on organization climate

#### **RESEARCH METHODOLOGY** Hypothesis :-

There is no significant difference between male and female employees view on organizational climate of small and medium enterprises.

**The Study:** - The study was empirical and descriptive in nature. Data collection for the study was done through survey method.

#### Sampling method and sample size

The sample of the study consisted of the employees working in the Small and Medium Enterprises in Gwalior City. A sample of 774 employees of Small and Medium Enterprises were taken into consideration. Non probability purposive sampling technique was used for the present study.

#### **Research instruments and methods**

For the present research data was collected through structured questionnaire and Five point Likert scale was used. Questionnaire of organizational climate was divided in to two sections. Part- A of the questionnaire consisted with questions related to personal profile of the respondents and Part-B consisted with questions related to organization climate.

#### Tools used for data analysis:-

Mean scores were calculated by allocating values of 1,2,3,4,5 respectively to the responses of the respondents "Strongly Disagree", "Disagree",

"Neutral", "Agree", "Strongly Agree".

Reliability test was applied to establish the reliability of the measuring instrument. Independent sample t-test was used to study the significant difference between the mean score and significance level of different gender.

#### DATA ANALYSIS AND RESULTS Table 1.1: Reliability Statistics of Organization Climate

Values	Cronbach's Alpha	N of Items		
Organization Climate	.838	22		

It is being considered that reliability should be more than 0.7 as it can be seen in table 5.1 that the reliability through Reliability Analysis is more than the standard value(Cronbhachs Alpha .838), hence the questionnaire were highly reliable by using number of item 22.

Gender									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2- tailed)	Mean Difference	Std. Error Difference	
Organizationa l Climate	Equal variances assumed	2.93	.09	-1.21	376	.23	-1.182	.97928	
	Equal variances not assumed			-1.19	311.58	.24	-1.182	.99841	

Table 1.2: Independent Samples Test between Organizational Climate and different Gender

Levene's test was applied to evaluate equality of variance in responses of male and female respondents. The value of F is 2.930 and corresponding p value is .088 which is more than .05 so equal variance can be assumed and corresponding value of t statistics is .1.206 which is insignificant at 5% level of significance as p value is .228 which is more than .05, this shows that there is no significant difference between views on organizational climate level of male and female employees.

#### **CONCLUSION AND SUGGESTION**

The study revealed that male and female employees have same level of views on organizational climate in small and medium enterprises. Analysis also revealed that the factors of organizational climate relationship with of employees, performance employees, organizations evaluation of employees according to their results, encouragement of new ideas of people, relationship with subordinate creative climate of the organization have same level of impact on male and female employees in small and medium enterprise. Authorities should arrange regular formal meetings with employees to consider their suggestions and also try to value it to improvement in organization climate.

#### **AREA FOR FURTHER RESEARCH**

A study on organizational climate of public and private sector among different demographic variables can be undertaken. The study on level of organizational climate adaptation of top level management of different organization can further be undertaken. Comparative analysis of organizational climate can be made between public and private sector.

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