

An Impact of Organizational Climate & Psychological Wellbeing on Employee Effectiveness: A study with reference to select IT companies in India.

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Abstract

Purpose:

According to Pareek (1989), organizational climate is an outcome of interaction among firm's components such as structure, systems, culture, leader behaviour, and employees' psychological needs. Conducive organizational climate paves way for psychological wellbeing. And this in turn leads to effectiveness of employee's performance. Existing of a conducive climate motivates the employee in making decisions and the consequent impact of these decisions leads to the effectiveness of the organization (El-Ghamry, 1995). Thus, the organization seeks to achieve its objectives through the employees. Effectiveness of an individual is the result of series of factors, i.e. personal attributes (Shao and Webber, 2006), competencies (Raelin and Cooledge, 1995), work environment and work culture (Miron et al., 2004), forces within and outside the organization (Page et al., 2003) and organizational psychological climate (Williamson et al., 1997). The nurtured model of these factors directly influences managerial effectiveness leading to creating of a conducive working environment which in turn paves way for enhancing the performance at organizational level. In sum, organizational climate has been underlined as a major determinant of employee performance, job behaviors, and firm effectiveness (Abdel-Razek, 2011) and is therefore worthy of deeper consideration in relation to specific national contexts.

The aim of this study is to analyze the impact of the organization climate and psychological wellbeing on productivity.

Method:

The scope of the study is pertained to Indian software engineers who are working in global teams in IT industry. The sample of the study constitutes individuals employed in Indian Software Industry. Questionnaires were administered the respondents to measure impact of the organization climate, psychological wellbeing on employees productivity or organisational performance as perceived by them. For the survey four major IT hubs viz. NCR, Hyderabad, Bangalore and Chennai were selected. For Each IT hub 8 companies were selected making 32 companies in total. A tool of 600 questionnaires were sent to these 32 companies out of which 278 responses were received. For the study only 233 completely filled questionnaires were

considered and the rest discarded due to incomplete data. The data collected were then sorted and was set for further analysis by using SPSS 20.0. Multiple regression analysis is done to analyse the data.

Result:

The results indicate that there exist a significant relation between the organization climate and psychological wellbeing on productivity.

Conclusion:

There is a direct impact of prevailing organizational climate and employee's psychological wellbeing on the Performance of an employee. The conducive environment makes the employee creative. Employees play a crucial role in enhancing the productivity and effectiveness of the organization. It was observed that sheer existence of potential among the employee alone does not lead to performance but climate and psychological well-being plays an imperative role in facilitating the employee to perform.so the organization should provide a conducive organizational climate and also look after the psychological well-being

Keywords: Psychological wellbeing Organizational climate and employee effectiveness