

Influence of Organizational Climate on the Performance of Cement Industry

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***Abstract:** The aim of the paper is how organisational climate can influence the performance of the cement industry. Organisational Climate has deep impact on the job satisfaction of the employees in the organisation. A congenial work conditions in the organisation creates a good mood to the employees to increase the productivity. A sound Human resource system in the organisation leads to employee's satisfaction about their quality of work and work life balance. This paper highlights how organisational climate can increase the organizational performance. Data were collected from 468 employees of supervisors (212) and labours (256) category with the help of a structured questionnaire. A structural model was created and hypotheses were tested. The research reveals that both organizational climate and job satisfaction have a positive impact on job involvement and employee commitment. Work Environment, Communication and Leadership are important variables of organisational climate and these variables help to enhance job satisfaction and organisational performance.*

***Keywords:** Work Environment, Communication, Remuneration & rewards, Training & Development, Leadership, Overall organisational climate, Job satisfaction, Job involvement, Employee commitment, Organisational Performance*

INTRODUCTION

The Indian cement industry is the 2nd largest market after China accounting for about 8% of the total global production. It had clocked a 5.6 per cent growth in 2012–13 and projects a growth of 8 per cent during 2013–14 to 2015–16, which would be supported by the rural sector and tier II and tier III cities and an expected increase in 407 million tonnes (MT) by 2020. Organisational Climate is a set of properties of the work environment, perceived directly or indirectly by the employees, that is assumed to be a major force in influencing employee behavior. It is an important factor to be

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studied to know about the attitude and behaviour of the employees, their job performance, way of increasing productivity and profitability thus, organisation's total performance.

Organizational Climate (OC) is a fundamental construct in work and organizational settings, as it provides an appropriate context for studying organizational behavior, allowing the exploration of individual and group behaviors (Asif, 2011). Organizational climate includes management or leadership styles, participation in decision making, provision of challenging jobs to employees, reduction of boredom and frustration, provision of benefits, personnel policies, provision of good working conditions and creation of suitable career ladder for academics (Nicholson and Miljus, 1992). The most common way of assessing OC is through self-reports covering of several sub dimensions that make up the construct (Ekvall, 1996). Alavi and Jahandari (2005) have introduced seven dimensions of organizational climate for a university which consists of morale, personality, leadership, formal organization, informal organization, the open organizational climate, and the closed organizational climate. Suliman and Obaidli (2011) introduced four dimensions of organizational climate that consists of decision making, performance reward, organizational justice, and chances to innovate.

Organisational Climate

Organisational climate focuses on organisational attributes as perceived by organisational members, while job satisfaction deals with perceptions and attitudes that people have towards and present in their work. Litwin and Stringer (1968) created different climates, and discovered that these contributed to different levels of employee satisfaction. It was observed that job satisfaction increases when prestige of the work increases (Peretomode, 1991). According to Greenberg & Baron (2000), Job satisfaction can be defined as the general attitude towards the job. Brief (1998) found that salary, benefits and advancement opportunities were components of organisational climate that had a direct influence on job satisfaction. Organisational climate is measured using the following variables. Work Environment, Communication, Remuneration & rewards, Training & Development, Leadership.

Work Environment

Watkins and Hubbard (2003) argued that organizational climate does make a difference to organizations' performance because 'it indicates how energizing the work environment is for employees. The modern work environment is vastly different from the work environment in the previous decades and facing lot of challenges. These challenges include increased competition, high degrees of technological innovation, changes in the nature and structure of organisations and the challenges facing employees such as redefining the employment contract, getting to grips with new business processes, flexible work patterns and work life balance (Kangis & Williams, 2000; Nair, 2006).

Communication

Jo and Shim (2005) found a strong relationship between management's interpersonal communication and employees forming trusting attitudes. They found that supportive communication creates trust in management, and managers' efforts to enhance interpersonal relationships contribute significantly to organizational trust. Cameron and McCollum (1993) also found that employees preferred interpersonal communication with management over mediated communication. Internal communication has been recognized as a strategic focus for business communication, second only to leadership concerns (Barnfield, 2003). Stein (2006) found a high correlation between communication and the community-building process. There is a symbiotic relationship between communication and organizational culture: communication influences culture and culture influences communication. Varying education levels among employees affect expectations about and satisfaction with communication quality as well as the need for information (Gray & Laidlaw, 2002). Booyens (1998) stated that two-way communication is to be practiced in organizations to allow dissemination of policies and informed to all the employees within their organization and secure their co-operation.

Remuneration & Rewards

It indicates employees' feelings of being rewarded for a job well done. Reward is the feeling of being rewarded for a job well done; emphasizing the perceived fairness of the pay and promotion policies. Bergum and Lehr's (1984) investigated the influence of monetary incentives and its removal on performance; showed that the subjects in the experimental group who received individual incentives performed better than those in the control group.

According to Lawler (1985) the following factors influence the performance with regards to work. Firstly, it depends on the amount received and the amount the individual feels he or she should receive. Secondly, comparison to what others collect influences peoples performance, and thirdly, and employee's satisfaction with both intrinsic and extrinsic rewards received affects overall job performance. Fourthly; people differ widely in the rewards they desire and in the value they attach to each. And the fifth, that many extrinsic rewards satisfy only because they lead to other rewards. Daniel and Caryl (1981) explored the ability of the investment model to predict job satisfaction and job commitment. The result showed that job satisfaction was best predicted by the reward and cost value of the job.

Training & Development

Employee's continuous training and development has a significant role in the development of individual and organizational performance. Employees can be given opportunities to update their knowledge through training, induction, orientation procedures as well as providing in-service education and on-the-job training. Gagne

(1985) studied the variables like timing, format, and location of training as well as modifications to the training rationale, content, or educational approach. Dunn and Griggs (1988) considered the following (1) the trainer's ability to engage learners with the subject matter, and (2) contextual attributes such as the structure and formality of the educational environment.

Leadership

Job satisfaction is influenced by both employees' personality profile and the manager's leadership style and implicitly, by the team leader's personality (Yun *et al.* 2007). Gerber *et al.*, (2003) studied the effect of supervision and leadership in an organization employees are performing their jobs perfectly and also employees aware of their strengths and weaknesses when a close supervision on them. Where supervision is not in place, employees tend to feel lost in their workplace. Due to lack of direction, they become dissatisfied especially where the supervisor lacks assertiveness, unwilling to make decisions and if supervisors lack planning skills.

Job Satisfaction

Desired work environment creates job satisfaction to the employees (Afolabi, 2005). Organizational work pressure, having a work schedule that meets one's needs, feeling physically safe at work, receiving feedback and organizational quality environment indirectly affect intention to leave through employee job satisfaction and commitment (Karsh, Bookse and Sainfort, 2005). Shadur, Kienzle and Rodwell (1999) tested whether Organizational climate factors affected employee attitudes such as job satisfaction and commitment. Job satisfaction along with organizational climate plays a vital role in retaining the employees by enhancing their commitment towards the organization (Kumar and Giri, 2007), as it is an antecedent of commitment (Lok *et al.* 2001).

Job Involvement

Job involvement has major impact on productivity and efficiency of employee and work has vital role in increasing job involvement of individual if it plays significant role in the life of employee (Probst & Tahira, 2000). Employees with significantly high job involvement considered and recognized by their job and job play an important role in their routine lives (Sonnentag & Krueger, 2006) i.e. job is more important for their lives from anything else. Job involvement in full time employees is higher than the part time or contractual employees (Martin & Hafer, 1995) and job as most important and significant part in life (Dubin, 1966). From individual point of view, Job involvement may be believed as significant to individual's own growth and satisfaction within the work environment as well as motivation and attitude directed to goal (Hackman & Lawler, 1971; Kahn, 1990).

Employee Commitment

“Employee commitment is the loyalty and support of workforce to the goals of organization” (Begin, 1997, p. 20). Job involvement and commitment both have significant impact on organizational and individual performance. If individual is involved in his job, he will probably be satisfied with job and committed to the organization (Knoop & Robert, 1995). Organizational commitment and job involvement are experientially different concept and showed diverse features of attachment related to work (Ulrika & Willmar, 2006). Greenberg and Baron (2000) described employee commitment as an extent to which an employee identifies and is involved with his organization or is unwilling to leave it.

Organisational Performance

Schein (1992) argues that leadership today is essentially the creation of the management, and at times the cause for the destruction and reconstruction of culture. The link between organizational climate and performance has a relatively long tradition in the field of organizational studies (Wilderom *et. al.*, 2000)

3. RESEARCH METHODOLOGY

For the present study, researcher tries to find out the influence of organisational climate on organisational performance with the effect of job satisfaction, job involvement and employee commitment. The present study is descriptive and diagnostic in nature. A pre structured questionnaire was used to collect the data from supervisor and labour respondents. From selected cement industry at Tamilnadu, 600 employees (300 supervisor and 300 labours) are selected randomly for the study. The likert five point scales was used in the questionnaire. A pilot study was conducted to enrich the quality of the questionnaire. Questionnaires were given to the respondents and 558 filled questionnaires were received. After excluding 90 inappropriate questionnaires, 468 (supervisors - 212 and labours - 256) were used for the analysis; this yielded an effective response rate of 78%. The collected data were processed with the help of appropriate statistical tools. The study was conducted between the periods of November 2013 to March 2014.

Research Hypothesis

- H1: Each Organisational climate variables work environment (H1a), Communication (H1b), Remuneration and rewards (H1c), training and Development (H1d) and leadership (H1e) has a significant influence on over all Organisational climate (OOC).
- H2: Each Organisational climate variables work environment (H2a), Communication (H2b), Remuneration and rewards (H2c), training and Development (H2d) and leadership (H2e) has a significant influence on Job satisfaction.

- H3: Work environment / Remuneration & rewards has a significant influence on employee commitment.
- H4: Training and Development has a significant influence on job involvement/ employee commitment
- H5: Over all Organisational climate has a significant influence on Job satisfaction.
- H6: Over all Organisational climate has a significant influence on job involvement.
- H7: Over all Organisational climate has a significant influence on employee commitment (EC).
- H8: Job satisfaction has a significant influence on job involvement.
- H9: Job satisfaction has a significant influence on employee commitment.
- H10: Job involvement has a significant influence on employee commitment.
- H11: Job involvement has a significant influence on Organisational performance (OP).
- H12: Employee commitment has a significant influence on Organisational performance.

4. RESULTS AND DISCUSSION

Table 4.1
Association between Profile of the Respondents and their view on Organisational Climate

S. No.	Profile Variables	'F' Statistics				
		Work Environment	Communication	Remuneration & rewards	Training & Development	Leadership
1.	Age	2.4542*	2.2088	2.8608*	2.7033*	2.1171
2.	Level of Education	2.8667*	2.6881*	2.5969*	2.6162*	2.8684*
3.	Gender	3.1144	3.0884	3.4508	3.6561	3.0962
4.	Marital Status	2.2162	2.4181	2.5886	2.3848	2.1173
5.	Family Size	3.1779*	2.0884	2.1179	2.0245	1.9691
6.	Occupation	2.6568*	2.4542*	2.0969	2.4088*	2.2667
7.	Income per month	2.4508*	2.8841*	2.3896*	2.7089*	2.5881*

Source: Primary Data

* Significant at 5% level

Regarding the level of perception on Work Environment, the significantly associating profile variables are age, level of education, family size, occupational background and income per month on the variables of organizational climate since their respective 'F' statistics are significant at five percent level. The significantly associating profile variables regarding their perception on communication are level of education, occupational background and income per month whereas the significantly associating profile variables regarding the perception on remuneration

and rewards are age, level of education and income per month. Regarding the perception on training and development the significantly associating profile variables are age, level of education, occupational background, income per month whereas in the perception on leadership, the significantly associating profile variables are level of education and income per month since its 'F' statistics are significant at five percent level.

Reliability and Validity of the Variables in Organisational Climate

The variables included in the OC are varying from 3 to 10. The Score of the variables have been included for confirmatory factor analysis in order to examine the reliability and validity (Anderson and Gerbing, 1988). The internal consistency is tested by Cronbach alpha.

Table 2
Reliability and Validity of Organisational Climate Variables

S. No	Organisational climate variables	Type of employee	Range of standardised factor loading	Range of 't' statistics	Cronbach alpha	CR	AVE
1	Work Environment(5)	Supervisor	0.8145-0.8030	3.812*-3.182*	0.894	0.7865	59.18
		Labour	0.8254-0.7860	3.670*-2.348*	0.883	0.7143	55.60
2.	Communication (6)	Supervisor	0.8448-0.8024	3.531*-3.120*	0.817	0.8086	53.50
		Labour	0.8942-0.7790	3.559*-3.783*	0.826	0.7190	58.22
3.	Remuneration & rewards(4)	Supervisor	0.9021-0.7904	3.170*-2.827*	0.856	0.8408	60.12
		Labour	0.8590-0.8110	3.779*-3.093*	0.860	0.7988	62.90
4.	Training & Development(5)	Supervisor	0.8275-0.7530	3.490*-2.994*	0.922	0.7985	56.20
		Labour	0.8640-0.8023	3.190*-2.607*	0.910	0.8012	59.50
5.	Leadership(4)	Supervisor	0.8489-0.7187	3.641*-3.530*	0.887	0.7923	62.70
		Labour	0.8890-0.8168	3.223*-2.906*	0.769	0.8136	55.38
6.	Organisational climate(3)	Supervisor	0.8238-0.8012	3.470*-3.219*	0.792	0.8480	57.67
		Labour	0.8790-0.8540	3.420*-3.225*	0.763	0.8041	57.40
7	Job Satisfaction(6)	Supervisor	0.8144-0.6917	3.452*-2.739*	0.7334	0.7104	52.04
		Labour	0.7886 -0.6424	3.088*-2.412*	0.7214	0.7096	50.09
8	Job involvement(5)	Supervisor	0.8594-0.6227	3.868*-2.792*	0.7671	0.7417	54.03
		Labour	0.8091-0.6589	3.188*-2.582*	0.7504	0.7391	53.91
9	Employee Commitment(4)	Supervisor	0.9143 -0.6331	4.088*-2.391*	0.7917	0.8739	55.05
		Labour	0.9024-0.6886	3.996*-2.664*	0.7708	0.7516	54.41
10	Organisation Performance(3)	Supervisor	0.8545-0.6966	3.734*-2.818*	0.7317	0.8109	51.96
		Labour	0.8731-0.6418	3.909*-2.403*	0.7491	0.8226	54.17

Source: Primary *Significant at five per cent level

Note: Parentheses values indicates the number of items in each variable.

The Table 2 shows the standardised factor loading of the variables of supervisor and labour in each organisational climate (OC) variables and its statistical significance, composite reliability, Cronbach alpha and average variance extracted. The instrument comprises 45 items shows high internal consistency and high discriminatory power of its items, all with values above .50. The items do not show

differential functioning for supervisor and labour. The standardised factor loading of the variables in OC are greater than 0.60 which reveals its content validity (Byrne, 2001). The significance of 't' statistics of the standardised factor loading of the variables in each OC reveals its convergent validity (Arunkumar, 2012). It is also supported by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively (Carmines and Zeller, 1988). The internal consistency of the variables in each OC was proved since the Cronbach alpha is greater than its standard minimum of 0.70 (Nunnally, 1978). All these results indicate the reliability and validity of variables included in the Organisational climate.

Existence of Organisational Climate in Cement Industry

The level of existence of OC in cement industry is measured by employee's view on it. It is computed by the mean score of the variables in each OC variables among the supervisors and labours. The standard deviation and per cent of variation in the level of existence of OC among the employees are also computed. The levels of consistency on the existence of OC among the employees are given in Table 3.

Table 3
Level of Existence of OC Variables among the Employees

S.No	Organisational climate variables	Type of employee	Mean	Standard deviation	Coefficient of Variation
1	Work Environment(5)	Supervisor	3.8013	0.8531	23.865
		Labour	3.5672	0.7824	16.693
2.	Communication(6)	Supervisor	3.7017	0.8843	16.682
		Labour	3.5583	0.7573	22.039
3.	Remuneration & rewards(4)	Supervisor	3.8819	0.9147	24.858
		Labour	3.1207	0.8919	19.769
4.	Training & Development(5)	Supervisor	3.9762	0.8526	26.785
		Labour	3.1692	0.8185	20.092
5.	Leadership(4)	Supervisor	3.7890	0.6492	17.948
		Labour	3.4850	0.6449	19.239
6.	Organisational climate(3)	Supervisor	3.6902	0.9327	25.065
		Labour	3.3055	0.6796	21.245
7	Job Satisfaction(6)	Supervisor	3.0997	0.9142	24.022
		Labour	3.1443	0.8919	17.038
8	Job involvement(5)	Supervisor	3.0918	0.7526	22.345
		Labour	3.9034	0.8185	24.201
9	Employee Commitment(4)	Supervisor	3.8442	0.6492	18.492
		Labour	3.8569	0.8531	25.318
10	Organisation Performance(3)	Supervisor	3.7334	0.7824	20.493
		Labour	3.7186	0.8843	21.490

The highly implemented OC variables as per the view of supervisors are Remuneration & rewards and Training & Development of OC variables since their mean scores are 3.8819 and 3.9762 respectively. The higher consistency in the view on

the level of existence of OC variables are seen in the case of Remuneration & rewards and Training & Development since its coefficient of variation is 24.858 and 26.785 per cent respectively. The highly implemented OC variables for labour are Job involvement and Employee Commitment since their mean scores are 3.9034 and 3.8569 respectively and their corresponding coefficient of variations are 24.201 and 25.318 respectively. The lower consistency on the level of existence of OC variables in supervisor are seen in the case of leadership and communication of OC variables since its coefficient of variation are 16.682 and 17.948 per cent respectively. Similarly for Labour, the lower consistencies on the level of existence of OC variables are seen in the case of work environment and job satisfaction since its coefficient of variation are 16.693 and 17.038 per cent respectively.

Table 4.3
Model Fit Indices

<i>Fit Indices</i>	<i>Results Supervisor</i>	<i>Results Labour</i>	<i>Suggested values</i>
Chi-square	21.669 (0.061) df: 13	63.877 (0.031) df: 14	P-value >0.05
Chi-square/degree of freedom (x ² /d.f.)	1.667	4.563	≤ 5.00 (Hair <i>et al.</i> , 1998)
Comparative Fit index (CFI)	0.963	0.987	>0.90 (Hu and Bentler, 1999)
Goodness of Fit Index (GFI)	0.991	0.957	>0.90 (Hair <i>et al.</i> 2006)
Adjusted Goodness of Fit Index (AGFI)	0.962	0.933	> 0.90 (Daire <i>et al.</i> , 2008)
Normated Fit Index (NFI)	0.922	0.969	≥ 0.90 (Hu and Bentler, 1999)
Incremental Fit Index (IFI)	0.967	0.995	Approaches 1
Tucker Lewis Index (TLI)	0.9979	0.938	≥ 0.90 (Hair <i>et al.</i> , 1998)
Root mean square error of approximation (RMSEA)	0.038	0.012	< 0.08 (Hair <i>et al.</i> , 2006)
Parsimony goodness-of-fit index (PGFI)	0.289	0.244	Within 0.5 (Mulaik <i>et al.</i> , 1989)

Source: Primary Data

Table 4.3 shows the estimates of the model fit indices from AMOS structural modeling.

Model Fit Indices Result (Supervisor)

The GFI of this study was 0.991 more than the recommended value of 0.90; the other measures fitted satisfactorily; AGFI=0.963, CFI=0.963, TLI=0.9979, IFI=0.967 and NFI=0.922 with x²/DF < 5 at 1.667 and RMSEA=0.038 (Bagozzi and Yi, 1988) indicate a good absolute fit of the model.

Model Fit Indices Result (Labour)

For labour, the model fit indices values are AGFI=0.933, CFI=0.987, TLI=0.938, IFI=0.995 and NFI=0.963 with $\chi^2/DF < 5$ at 4.563 and RMSEA=0.012 indicate a good absolute fit of the model. Goodness of fit indices supports both model and these emphasized indices indicates the acceptability of the above two structural models.

Figure 1: Influence of Organizational Climate on the Performance of Cement Industry

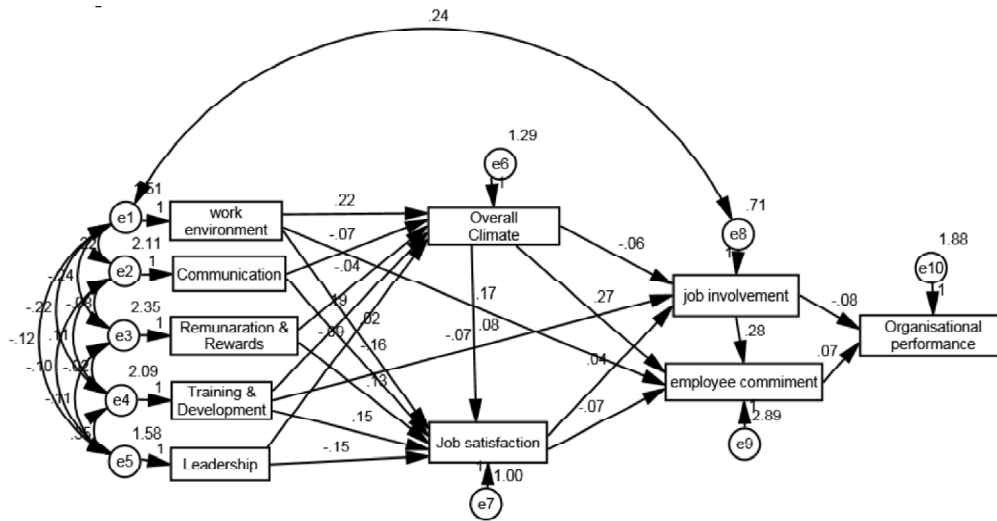


Figure 2: Influence of Organizational Climate on the Performance of Labour in Cement Industry

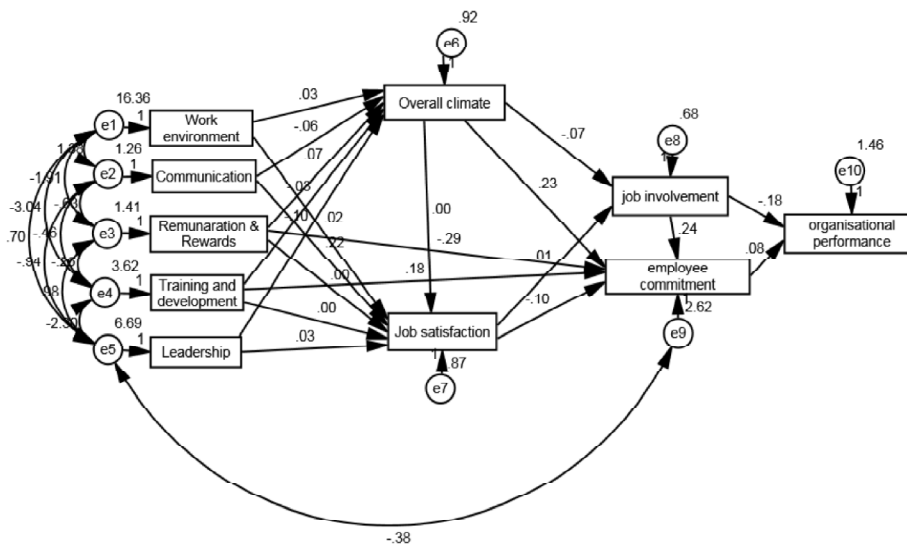


Table 4.4
Model Fit Assessment -Standard Estimation of the Model

	Type	S.E.	C.R.	P	Hypothesis
OC ←—Work Environment	Supervisor	0.044	5.054	.001	H1a: Accepted
	Labour	0.008	2.333	.021	H1a: Accepted
OC ←—Communication	Supervisor	0.037	-2.015	.044	H1b: Accepted
	Labour	0.014	4.50	.001	H1b: Accepted
OC ←—Remuneration & rewards	Supervisor	0.035	-4.114	.001	H1c: Accepted
	Labour	0.021	3.476	.001	H1c: Accepted
OC ←—Training & Development	Supervisor	0.037	5.167	.001	H1d: Accepted
	Labour	0.044	2.357	.020	H1d: Accepted
OC ←—Leadership	Supervisor	0.043	-2.053	.040	H1e: Accepted
	Labour	0.030	-3.334	.001	H1e: Accepted
Job satisfaction←—Work Environment	Supervisor	0.040	3.025	.001	H2a: Accepted
	Labour	0.018	.845	.398	H2a: Rejected
Job satisfaction←—Communication	Supervisor	0.032	-4.841	.001	H2b: Accepted
	Labour	0.068	3.226	.001	H2b: Accepted
Job satisfaction←—Remuneration & rewards	Supervisor	0.031	4.154	.001	H2c: Accepted
	Labour	0.064	.050	.960	H2c: Rejected
Job satisfaction←—Training & Development	Supervisor	0.034	4.524	.001	H2d: Accepted
	Labour	0.043	-.045	.964	H2d: Rejected
Job satisfaction←—Leadership	Supervisor	0.038	-3.904	.001	H2e: Accepted
	Labour	0.014	2.428	.016	H2e: Accepted
EC ←—Work Environment	Supervisor	0.067	2.473	.013	H3: Accepted
EC ←— Remuneration & rewards	Labour	0.054	3.369	.001	H3: Accepted
Job involvement←—Training & Development	Supervisor	0.028	-2.440	.015	H4: Accepted
EC←—Training & Development	Labour	0.054	3.369	.001	H4: Accepted
Job satisfaction←— OC	Supervisor	0.041	2.073	.039	H5: Accepted
	Labour	0.061	.028	.977	H5: Rejected
Job involvement←— OC	Supervisor	0.023	-2.695	.008	H6: Accepted
	Labour	0.023	-3.043	.001	H6: Accepted
EC ←— OC	Supervisor	0.068	4.017	.001	H7: Accepted
	Labour	0.105	2.229	.026	H7: Accepted
Job involvement←—Job satisfaction	Supervisor	0.036	2.222	.032	H8: Accepted
	Labour	0.004	3.25	.001	H8: Accepted
EC ←—Job satisfaction	Supervisor	0.073	-.936	.349	H9: Rejected
	Labour	0.029	-3.620	.001	H9: Accepted
EC ←—Job involvement	Supervisor	0.095	2.988	.003	H10: Accepted
	Labour	0.122	2.004	.045	H10: Accepted
OP ←—Job involvement	Supervisor	0.076	-.628	.530	H11: Rejected
	Labour	0.052	-3.403	.001	H11: Accepted
OP←—EC	Supervisor	0.037	2.334	.020	H12: Accepted
	Labour	0.027	2.962	.007	H12: Accepted

5. HYPOTHESES TESTING AND DISCUSSION

Figure 1 and 2 depicts the full model. Out of the 20 paths hypothesized model, two and four paths were not significant at $p < 0.05$ for supervisor and labour respectively. In both the cases, organisational climate (OC) variables have significant influence on over all OC. Therefore, H1a to H1e are not rejected at 0.5 level of significance at $p < 0.05$. In the case of organisational climate variables for supervisor, Work Environment (H2a), Communication (H2b), Remuneration & rewards (H2c), Training & Development (H2d) and Leadership (H2e) have a significant influence on job satisfaction. Therefore, H2a to H2e are not rejected at 0.5 level of significance at $p < 0.05$. But in the case of Labour, Work Environment (H2a), Remuneration & rewards (H2c), Training & Development (H2d) and Leadership (H2e) are not significant at $p < 0.05$ level. This shows that labours are not happy with the work environment which are having minimum mean score (poor ergonomics; 2.862 and monotonous work; 3.071), Remuneration & rewards (I receive overtime allowance; 2.977 and I receive appropriate benefits; 2.845), Training & Development (I receive high quality training; 3.215 and I receive the training to do the job well; 3.319) are not significant at $p < 0.05$ level.

There is not any strong empirical evidence among the relationship of the variables such as commitment, involvement, communication, training and leadership. In line with the finding of Vazirani (2006), about some of these variables, this study also found a significant relationship between these constructs. Through better organisational climate, job involvement and high commitment (suitable work environment, better communication, satisfy employee needs and good leadership) the performance of the organisation will improve. Organisational communication has a significant role on job satisfaction and commitment of employees. This finding reflects the view of Ibarra and Andrews, 1993 and Brunetto, 2002 Irfan, S. M., Tajammal, H., & Muhammad, M. (2006). (Absence of good information and communication channels will give rise to chaos in the Organization and greater will be role ambiguity, which in turn will reduce job satisfaction)

In both the cases, H3 and H4 were satisfied and significant at $p < 0.05$ level. In the case of supervisor, overall organisational climate have significant influence on Job satisfaction at $p < 0.05$ level. But in the case of labour, overall organisational climate is not significant influence on Job satisfaction at $p < 0.05$ level .i.e. H5 is rejected. Organisational climate, Commitment and Job involvement can influence Job satisfaction. The finding of this research is similar with Gallup (2008) and Koscec (2003). If people are having good opinion about their job and satisfaction with pay and other benefits then their involvement towards the job increases.

In both the cases, H5, H6 H7, H10 and H12 were satisfied and significant at $p < 0.05$ level. In the case of supervisor, Job satisfaction variable is not significantly influence on the employee commitment at $p < 0.05$ level. But, for labour H9 were satisfied and significant at $p < 0.05$ level. In the case of supervisor, Job involvement variable is not significantly influence on the organisatioal performance at $p < 0.05$ level.

6. CONCLUSION

Organizational climate has an impact on job satisfaction, job involvement and employee commitment for better organisational performance. Both organizational climate and job satisfaction have a positive impact on job involvement and employee commitment. Expectation of labours towards the work environment, Remuneration & rewards and Training & Development is high and they dissatisfied in the cement industries. This study suggested that higher the organizational climate and job satisfaction, the employees have high involvement and high commitment towards the job. This study shows that Work Environment, Communication and Leadership are important variables of organisational climate and these variables help to enhance job satisfaction and organisational performance. It is important for organisation to focus on organisational climate variables, job satisfaction, involvement and commitment to increase organisational performance.

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