Human Relations Factors in Organisational Climate-A Comparative Study of Public and Private Organisations in Kerala

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ABSTRACT

Organizational climate is the relatively enduring quality of the internal environment of an organization which is experienced by its members, which influences their behavior and can be described in terms of the values of a particular set of characteristics or attitudes of the organization. There are many factors that influence the organizational climate of an organization. One such important factor is human relations. The study is confined to the human relations factors in organizational climate prevailing in the public sector and the private sector in Kerala State. A comparative study of the public sector and the private sector employees has been made. The co-efficient of variation is higher in the opinion of the public and private sector employees regarding the impact of human relations factors on organizational climate except in motivation, managing mistakes, peer' characters and subordinates' character in human relations factors.

Keywords: Organisational climate, public sector, private sector, human relations, Kerala.

1. INTRODUCTION

The success of any organization is feasible if a favorable climate is created at the top and when it is extended to each level of the organization. In order to build up a sound organizational climate, managers must understand the people in the organization. Importance must be given to what motivates job performance in general, to building an overall climate conducive to motivation, to a keen insight into the individual in particular and to tailoring a personal approach to leadership and job design to which the man will respond with commitment. Public and private sectors are the backbone of an economy. They provide funds to the society and boost up its economic status. Both public sector and private sector public and private sector employees serve in this way, even though the working environment may vary. The opinion of the employees

with regard to organizational climate also varies. So, the comparative study has been made about the opinion of the public sector and the private sector public and private sector employees. Human Relations factors come from the core of the science of personnel management. They mainly deal with the aspect of understanding the behavior and needs of the people and their management. Care was taken to choose organizations based on their turn over and similar public and private sector using the *judgment sampling method* with greater elements of convenience. Using the judgment sampling, a sample of 400 employees across different positions from 43 companies selected (20 public companies and 23 private limited companies from the south, central and north regions of Kerala). It was used a well structured questionnaire after the proper purification and cross validations. The same was done through a pilot study of 50 samples from the same geographical locations and concerned manufacturing companies.

Baldev R. Sharma (1989) made an analysis on the dimensions of organizational climate. As organizational climate is indeed a property of the individual, one should expect to find a significant and high relationship between climate and at least some of the individual background factors. It was concluded that where as climate perceptions are both evaluative and descriptive in nature and climate and job satisfaction are divergent concepts.

Richard and Nick (2004) examined the effects of organizational learning initiatives on employee motivation by interviewing 18 employees in a UK Petrochemical company. It was concluded that intrinsic motivation theory has provided a considerable literature that has identified the fragility of human experience in terms of feelings of autonomy and competence.

K.N Ramanujam (2007) made a study about motivation and said that the management must encourage and stimulate the poor performers to achieve the organizational objectives. It was mentioned that the important steps to motivate personnel are induction and information, wage, incentives and bonus, optimum working environment, delegation of responsibility, opportunity of promotion and introduction of non monetary benefits. Morale is an attitude of satisfaction with a desire to continue and willing to strive for the goals of a particular group of an organization. The study concluded that motivation and morale fall together like the east and west sides of the elevator. But sometimes it is possible to find high morale related to low productivity and low morale associated with high productivity.

Ganapathy (2007) suggested that if Central and State Governments make necessary arrangements to safeguard the interest of the employees who are working in the private sector, most of the employees would prefer to work in India and this would help to increase the productivity and would lead to the development of Indian economy and national income and this in turn would make India a developed country as early as possible.

Kalaiselvi (2007) pointed out that the organizations' long term performance depended more on the unsung commitment of the employees. The immediate recognition of impressive performance would reinforce the spirit of good performers and the rewards would bring out better level of performance from the employees.

A study conducted by Ali Dastmalchian et al (2015) found four organizational climate dimensions viz., collaboration, competition, control and family–orientation. These dimensions are seen to offer a path for future research on organizational climate and human resource management in cross cultural context, and how employee's perceptions of the HR policies, practices and procedures may influence the efficacy of the HR function.

Simon L Albrecht etal (2015) offer organizations clear guidelines for how HR practices (*i.e.* selection, socialization, performance management, training) can be used to facilitate and improve employee engagement and result in positive outcomes that will help organizations achieve a competitive advantage.

Based on the above secondary data analyses, human relations factors were identified which require in depth analysis.

2. ANALYTICAL FRAMEWORK

Human Relations factors include recognition and appreciation, grievance handling, managing problems, communication, creative thinking, responsibility, leadership, motivation, opportunity for growth, managing mistakes, risky situations, peers' character and subordinates' character. The co–efficient of variation in the opinion of the public sector and the private sector employees is given in Table 12.1. The co–efficient of variation is higher in the opinion of the public sector employees regarding the impact of all human relations factors except motivation, managing mistakes, peers' character and subordinates' character on organizational climate. The co–efficient of variation for motivation factor for the public sectors are 16.50% where as for the private sectors are 18.38%. For managing mistakes factor, the public sectors co–efficient of variation are 20.37% but for the private sectors co–efficient of variation of 23.59%. Peers' character factor's co–efficient of variation for the public sectors are 16.72% where as the private sector is 19.32%. The co–efficient of variation for subordinates' character for the public sectors are 17.57%, where as the private sectors are 17.49%. It is known that the public sector employees are less homogeneous in their opinion.

Table 12.1
Co–efficient of Variation of Human Relations Factors among the Public Sector and the Private Sector employees

Human Relations Factors	*Public Sector*			*Private Sector*		
	Mean	*Std. Deviation*	*C.V.*	*Mean*	*Std. Deviation*	*C.V.*
Recognition and appreciation	3.473	0.680	17.46	3.74	0.652	16.46
Grievance handling	3.203	0.684	21.52	3.190	0.575	18.73
Managing problems	3.692	0.880	24.32	4.070	0.487	11.91
Communication	3.523	0.741	20.37	3.690	0.670	18.81
Creative thinking	3.238	0.870	26.33	3.800	0.941	24.72
Responsibility	3.842	0.733	19.62	4.140	0.747	18.69
Leadership	3.588	0.538	17.54	3.580	0.526	15.58
Motivation	3.427	0.539	16.50	3.340	0.632	18.38
Opportunity for growth	3.846	0.622	17.74	4.240	0.648	15.85
Managing mistakes	3.515	0.726	20.77	3.640	0.842	23.59
Risky situations	3.538	0.620	18.71	3.810	0.643	17.50
Peers' character	3.792	0.529	16.72	4.002	0.745	19.32
Subordinates' character	3.796	0.622	17.57	3.910	0.624	17.49

(Source: Primary data)

2.1. Human Relations Factors for all Public and Private Sector Employees

The results of multiple linear regression for human relations factors for all employees are shown in Table 12.2

H0: Socio–economic variables do not influence the human relations factors on organizational climate.

The results of Table 1.2 reveal that all the co–efficient of multiple determination is 0.126; therefore, about 12.6 per cent variation in human relations factors on organizational climate is explained by socio–economic variables. At the $\alpha = 0.05$ level of significance, as $\rho < 0.001$ there is enough evidence to prove that the all socio–economic variables age (0.001), gender (0.036), designation (0.250), previous experience (0.001), experience (0.286), marital status (0.121), educational qualification (0.155), professional qualification (0.086) and monthly income (0.477) influence the human relations factors on organizational climate.

Table 12.2
Estimated Results of Multiple Linear Regression for Human Relations Factors

Variables		*Regression Coefficients*	*t–values*	*Significance*
Constant		45.430	20.170	0.000
Age	X_1	–1.185	–3.220	0.001*
Gender	X_2	1.254	2.105	0.036*
Designation	X_3	0.209	1.153	0.250*
Previous experience	X_4	–0.662	–3.381	0.001*
Experience	X_5	0.394	1.068	0.286*
Marital status	X_6	–1.020	–1.555	0.121*
Educational qualification	X_7	0.363	1.424	0.155*
Professional qualification	X_8	0.636	1.722	0.086*
Monthly income	X_9	0.164	0.711	0.477*
R square		0.126		
Adjusted R square		0.103		
Standard error of estimates		4.578		
F Value		5.604		
Significance		0.000		
Number of observations		400		

Source: Primary data

*indicates significant at 5 per cent level

2.2. Human Relations Factors for Public Sector Employees

The results of multiple linear regression for human relations factors in the public sector public and private sector employees are shown in Table 12.3

H0 : Socio–economic variables do not influence the human relations factors on organizational climate in the public sector public and private sectors.

The results of Table 12.3 reveal that all the co–efficient of multiple determination is 0.119; therefore, about 11.9 per cent variation in human relations factors on organizational climate in the public sector is explained by socio–economic variables. At the $\alpha = 0.05$ level of significance, as $\rho < 0.001$ there is enough evidence to prove that all socio–economic variables such as age (0.056), gender (0.064), designation (0.119), previous experience (0.001), experience (0.355), marital status (0.670), educational qualification (0.381), professional qualification (0.330) and monthly income (0.320) influence the human relations factors on organizational climate in the public sector public and private sectors.

Table 12.3
Estimated Results of Multiple Linear Regression for Human Relations Factors of the Public Sector Employees

Variables		*Regression Coefficients*	*t–values*	*Significance*
Constant		41.437	13.618	0.000
Age	X_1	–0.844	–1.096	0.056*
Gender	X_2	1.227	1.698	0.064*
Designation	X_3	0.356	1.578	0.119*
Previous experience	X_4	–0.727	–3.192	0.001*
Experience	X_5	0.356	0.954	0.355*
Marital status	X_6	0.443	0.515	0.670*
Educational qualification	X_7	0.285	0.898	0.381*
Professional qualification	X_8	0.376	0.996	0.330*
Monthly income	X_9	0.243	0.906	0.320*
R square		0.119		
Adjusted R square		0.067		
Standard error of estimates		5.534		
F Value		4.404		
Significance		0.002		
Number of observations		275		

Source: Primary data

*indicates significant at 5 per cent level

2.3. Human Relations Factors for the Private Sector Employees

The results of multiple linear regression for human relations factors of the private sector employees are shown in Table 12.4.

H0: Socio–economic variables do not influence the human relations factors on organizational climate in the private sector public and private sectors.

The results of Table 12.4 reveal that all the co–efficient of multiple determination is 0.319; therefore, about 31.9 per cent variation in human relations factors on organizational climate is explained by socio–economic variables. At the $\alpha = 0.05$ level of significance, as $\rho < 0.001$ there is enough evidence to prove that all socio–economic variables such as age (0.208), gender (0.257), designation (0.860), previous experience (0.570), experience (0.077) professional qualification (0.055) and monthly income (0.220) except marital status (0.000) and educational qualification (0.000) influence the human relations factors on organizational climate in the private sector .

Table 12.4
Estimated Results of Multiple Linear Regression for Human Relations Factors of the Private Sector Employees

Variables		*Regression Coefficients*	*t–values*	*Significance*
Constant		35.606	6.475	0.000
Age	X_1	–1.444	–1.241	0.208*
Gender	X_2	1.294	1.216	0.257*
Designation	X_3	0.052	0.151	0.860*
Previous experience	X_4	–0.221	–0.541	0.570*
Experience	X_5	1.684	1.851	0.077*
Marital status	X_6	–5.669	–3.995	0.000
Educational qualification	X_7	2.880	4.591	0.000
Professional qualification	X_8	1.968	1.871	0.055*
Monthly income	X_9	0.575	1.262	0.220*
R square		0.319		
Adjusted R square		0.250		
Standard error of estimates		4.006		
F Value		5.485		
Significance		0.000		
Number of observations		125		

Source: Primary data

*indicates significant at 5 per cent level

3. CONCLUSION

Public and private sectors provide funds to the society and boots its economic status. The opinion of the employees with regard to organizational climate in the public and private sector also varies. So, a comparative study of the public sector and the private sector employees has been made. The co–efficient of variation is higher in the opinion of the public and private sector employees regarding the impact of human relations factors on organizational climate except in motivation, managing mistakes, peer' characters and subordinates' character in human relations factors. It is known that public and private sector employees are less homogeneous. The co–efficient of variation is higher in the opinion of the public and private sector employees regarding the impact of all factors except employee–management relations factors on organizational climate.

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