

**A Relationship between Organizational Climate and attrition and coping mechanism in IT companies – A Study with Reference to Chennai city**

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**Introduction:**

Any organization which could be a Private ltd company or a public limited company will have its own organizational culture or the climate which is being followed within the organization, this climate reflects the productivity of the employees. Recruitment team should play a key role in identifying the right candidates who would fit the organization and could jell along with the current team and perform better, anybody who is being recruited and is not aligned with the organization culture may not continue with the organization. There are many private organization in India which reflects high attrition rate due to this scenario, Organization climate plays a vital role in Attrition. In this current fast growing technology based role it is very important for any organization to create its own culture and climate which would suit them. Managers or leaders should take the responsibility to transform the positive culture to their subordinates, which in turn helps in increased productivity and optimum utilization of resources. An organization which recurs to picture same kind of behavior, attitude and feeling is called as the climate of the organization and it is the perception of employees which would by default create the work attitude formation (Litwin& Stringer, 1968; Pritchard &Karasick, 1973).

According to Pareek (1989) organizational climate is the way the interaction happens within the subunits and that is being interlinked with the culture, leader's behavior and employee's psychological needs. Further, Denison (1996) asserts also depicts the same by saying that the climate of any oranoization depends on the way the employees perceive and characterize the environment.To make it more precise we could say that; organizational climate can be defined as the "personality" of an organization that distinguishes one organization from other (Forehand and von Haller Glimer, 1964).

In this modern world and the speed at which the technology is growing management of forced to look into enhancing effectiveness from different angle, one of the ignored element is Organizational climate. Practitioners and academic professionals are fascinated by the way the performance of an organization is impacted due to the climate of an organization (Clark, 2002; Koene et al., 2002; Patterson, 2005).

As per Herzberg et al.'s (1959) hygiene factor theory any organization which has poor communication between leaders and subordinates may significantly contribute to employee dissatisfaction and reduction in business performance. According to Brown climate is associated with a variety of important outcomes (attrition, employee satisfaction, customer satisfaction and financial performance at the individual, group and organizational levels (Brown and Leigh, 1996). On the other hand, organizational culture is the very important which helps in transforming the positivity across different levels and which in turn results in the Business performance.

**Literature Review:**

Nic Beech, Oliver Crane, (1999) empirically studied the factors responsible for effective team work to boost the organizational performance of any organization. A simultaneous development is also achieved as a residual effect of Team Working. The crucial analysis of this

study identified the 3 predominant factors transparency, ability check and optimistic org climate.

Caplan et al. (1975), clearly states that communication within the team is very important and that too when it comes to important decision making, lack of effective communication and consultation in a decision making process will lead to unjustified restrictions on behavior, enable a political environment and lack of taking ownership is identified. When there is a lack of participation in the work environment then it leads to negative psychological moods and behavior of an employee which includes escapist drinking and heavy smoking.

Organizational climate serves as a measure of individual perceptions or feelings about an organization. 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, and provision of good working conditions and creation of suitable career ladder for academics (Nicholson and Miljus, 1992).

According to **Get Les McKeon's** employee retention is a systematic effort by an employers to create a positive environment across levels that will enable current employees to be employed with the same organization which avoids attrition and this is obtained by having policies and practices in place that address their needs. Also the decision to leave the organization is not an easy decision for any individual as the employee needs to spend significant energy in finding a new job, adjusting to new situations, giving up known routines and interpersonal connection and is so stressful (Boswell, Boudreau and Tichy, 2005).

**Savneet Kaur (2013)** says that there is no universal attrition management solution. Every organization has its own motivational technique that has to be followed keeping in mind the type of employees and the set goals for the organization. Attrition should be closely monitored as a huge cost is attached to it. **Caramollah Daneshfard & Kokab Elsadat Ekvaniyan (2012)** studied and gave result as that employee job satisfaction is directly and significantly related to employee organizational commitment. ISSN: 2348 9510 **International Journal Of Core Engineering & Management (IJCEM) Volume 2, Issue 1, April 2015 240**

### **Gaps in the Literature.**

After reviewing national and international literature on Organizational climate and Attrition coping mechanism it is found that the researcher clearly identified a predominant gap regarding nature of relationship between organizational climate and coping mechanism. The studies argued organization climate is not unique phenomenon but a conglomeration of series of factors. Similarly there are several reputed coping mechanism responsible for reducing Attrition. Therefore in this juncture it is very important to measure the relationship between the factors of Organizational climate and coping mechanism of Attrition.

### **Methodology:**

This study is based on both primary and secondary data. The primary data is collected through a structured questionnaire based on the literature reviews the researcher selected the sample through convenience sampling method. This method helps the researcher to get the responses from the top 10 IT companies in Chennai city. The researcher is able to obtain 500 responses to prove the proposed theory. The subsequent application of Factor Analysis and Linear Multiple regression analysis derived the empirical evidences for the measurement of relationship between organizational climate and Attrition Coping Mechanism within IT companies.

### **Study Area:**

The study area covers the IT/ITES companies in and around Chennai. Chennai is known for the characteristic feature of OT hub. It is able to catch hold of talented group of employees to accomplish the task prevailing in the IT companies. The reputed IT & ITES companies in the

world have the branches in Chennai with cross cultural work environment of the employees. This multifarious nature of IT companies perfectly justifies the research purpose.

### **Questionnaire Design:**

The researcher thoroughly investigated more than 100 National and International journal and predominantly identified the gaps in the literature. In order to fill this lacunae the researched framed the objective as well as the Questionnaire. The questionnaire consists of 3 types of Questions namely **bipolar type, optional type and Statement in Likerts's 5 point scale.**

### **Pilot Study:**

In order to treat the reliability of the research instrument the researcher use a pilot study by collecting 100 responses from top 5 IT/ITES companies pertaining to attrition. The reliability id mainly framed on statements and **Likerts's 5 point scale** and obtained the **cronbach alpha coefficient** for all the **five point scale** put together. It is found that overall **cronbach alpha coefficient** is found to be **0.875** which is above the required bench mark of 0.75. This shows the research instrument is highly reliable and the researcher proceeded further for the main study data collection.

### **Validity:**

After conforming the reliability of research instrument the researcher verified the validity of research through content based validity and discriminant validity. The content based validity is done through interaction with experts in the IT field and obtain practical scenario prevailing in the sector. During these interaction the researcher eliminated and incorporated few statement related to Attrition. After obtaining the response for the Pilot Study the researcher used Discriminant Validity through Factor Analysis Technique. In this technique the researcher is able to realize cross loading of the variables which are not suitable for the groupings. Such variables are eliminated from the research & perfectly grouped variables are considered for the research. After verifying the research instrument based on content Validity & Discriminant Validity the researcher ventured on the Main Study.

### **Sample Selection:**

The researcher used Convenience Sampling method to collect the responses from unknown populations, but at the same time, the researcher targeted top level executives, middle level executives and operational level employees to justify the Sampling Techniques. The researcher conveniently selected top 10 reputed IT companies to obtain the responses.

### **Data Analysis:**

After obtaining considerable number of responses from the employees of IT companies these responses are subject to hire order Statistical treatment. The researcher used both Univariant and Multi variant Statistical techniques to verify the objectives as well as to test the Hypothesis.

1. Simple % Analysis is used to describe the primary data obtained from the respondent.
2. T-Test is found suitable to exactly ascertain the opinion of the employee about the organization.
3. Factor Analysis by Principle Component Method is applied to derive the predominant factors influencing Attrition.
4. Character Analysis is brought to bear on the problem of distinguishing the perceptual difference among the employees.
5. Non Parameter Chisquare Analysis of associates is applied to know the distribution of cluster over all the independent variables.
6. Linear Multiple Regression Analysis is applied on set of independent and dependent variables respectively.

- 7. One way Analysis of variance is suitably used to relate the independent variables on multiple dependent factors.
- 8. The Structural Equation model is appropriately used to relate the relationship among dependent factors as well as independent variables.

**Analysis and Discussion:**

**Influence of Factors of Organisational Culture on Reasons Responsible For Employees Shifting To Other Organisations**

In this section the researcher considered Influence of the twelve independent factors of organizational culture on five dependent factors of reasons responsible for employees shifting to other organizations through multiple regression analysis in the following section.

**1. Influence Of Factor Of Organisational Culture On Compensation**

The influence of twelve factors of organizational culture independent factors on the dependent factor compensation is measured in the following model summary table

**Table 1**  
**Model Summary**

| Model        | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|--------------|-------------------|----------|-------------------|----------------------------|
| dimension0 1 | .773 <sup>a</sup> | .598     | .583              | .64561740                  |

Predictors: (Constant), Supportive culture, Tactical culture, Knowledge sharing culture, Self-disciplined culture, Involvement culture, Transparent culture, Prudential culture, Co-operative culture, Goal oriented culture, Dynamic culture, Democratic culture, Autonomous culture

From the above table, it is found that R-value = 0.773, R-Square.598, adjusted R-square is 0.583 are statistically significant and the independent variables are 59.8% variance over compensation as a reason responsible for employees shifting to other organisations. This leads to the further verification of regression fit of unique dependent and multiple independent variables.

Table 1.1  
ANOVA

| Model |            | Sum of Squares | df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 207.365        | 12  | 17.280      | 41.457 | .000 <sup>a</sup> |
|       | Residual   | 139.635        | 335 | .417        |        |                   |
|       | Total      | 347.000        | 347 |             |        |                   |

a. Predictors: (Constant), Supportive culture, Tactical culture, Knowledge sharing culture, Self-disciplined culture, Involvement culture, Transparent culture, Prudential culture, Co-operative culture, Goal oriented culture, Dynamic culture, Democratic culture, Autonomous culture

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**Model Summary**

| Model        | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|--------------|-------------------|----------|-------------------|----------------------------|
| dimension0 1 | .773 <sup>a</sup> | .598     | .583              | .64561740                  |

b. Dependent Variable: Compensation

From the above table it is found that the F-value 41.457, P-value = 0.000 are statistically significant at 5 percent level. This implies the regression fit is significant and the independent variables appropriately explain the dependent factor compensation as a reason responsible for employees shifting to other organisations in IT companies. The individual influence of all the twelve independent variables are presented in the following co-efficient table

**Table 1.2**

**Coefficients<sup>a</sup>**

| Model              |                           | Unstandardized Coefficients |            | Standardized Coefficients | t       | Sig.  |
|--------------------|---------------------------|-----------------------------|------------|---------------------------|---------|-------|
|                    |                           | B                           | Std. Error | Beta                      |         |       |
| 1                  | (Constant)                | 5.076E-16                   | .035       |                           | .000    | 1.000 |
|                    | Autonomous culture        | .075                        | .035       | .075                      | 2.168   | .031  |
|                    | Democratic culture        | -.103                       | .035       | -.103                     | -2.968  | .003  |
|                    | Dynamic culture           | -.048                       | .035       | -.048                     | -1.381  | .168  |
|                    | Goal oriented culture     | .071                        | .035       | .071                      | 2.043   | .042  |
|                    | Co-operative culture      | -.374                       | .035       | -.374                     | -10.780 | .000  |
|                    | Prudential culture        | -.086                       | .035       | -.086                     | -2.471  | .014  |
|                    | Transparent culture       | .015                        | .035       | .015                      | .444    | .658  |
|                    | Involvement culture       | .179                        | .035       | .179                      | 5.156   | .000  |
|                    | Self-disciplined culture  | -.227                       | .035       | -.227                     | -6.544  | .000  |
|                    | Knowledge sharing culture | -.123                       | .035       | -.123                     | -3.549  | .000  |
|                    | Tactical culture          | -.571                       | .035       | -.571                     | -16.465 | .000  |
| Supportive culture | -.052                     | .035                        | -.052      | -1.513                    | .131    |       |

a. Dependent Variable: Compensation

From the above table it is found autonomous culture (t=-2.168, p=0.031), democratic culture (t=-2.968, p=0.003), goal oriented culture (t=2.043, p=0.042), co-operative culture (t=-10.780, p=0.000), prudential culture (t=-2.471, p=0.014), involvement culture (t=5.156, p=0.000), self-disciplined culture (t=-6.544, p=0.000), knowledge sharing culture (t=-3.549, p=0.000),

tactical culture (t=-16.465, p=0.000) are statistically significant to explain the factor compensation.

**2. Influence Of Factor Of Organisational Culture On Policies And Procedures**

The influence of twelve factors of organisational culture independent factors on the dependent factor policies and procedures is measured in the following model summary

**Table 1.3**

**Model Summary**

| Model      | R | R Square          | Adjusted R Square | Std. Error of the Estimate |
|------------|---|-------------------|-------------------|----------------------------|
| dimension0 | 1 | .541 <sup>a</sup> | .292              | .85617435                  |

a. Predictors: (Constant), Supportive culture, Tactical culture, Knowledge sharing culture, Self-disciplined culture, Involvement culture, Transparent culture, Prudential culture, Co-operative culture, Goal oriented culture, Dynamic culture, Democratic culture, Autonomous culture

From the above table, it is found that R-value = 0.541, R-Square.292, adjusted R-square is 0.267 are statistically significant and the independent variables are 29.2% variance over policies and procedures as a reason responsible for employees shifting to other organisations in IT companies. This leads to the further verification of regression fit of unique dependent and multiple independent variables.

**Table 1.4**

**ANOVA<sup>b</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 101.433        | 12  | 8.453       | 11.531 | .000 <sup>a</sup> |
|       | Residual   | 245.567        | 335 | .733        |        |                   |
|       | Total      | 347.000        | 347 |             |        |                   |

a. Predictors: (Constant), Supportive culture, Tactical culture, Knowledge sharing culture, Self-disciplined culture, Involvement culture, Transparent culture, Prudential culture, Co-operative culture, Goal oriented culture, Dynamic culture, Democratic culture, Autonomous culture

b. Dependent Variable: Policies and procedures

From the above table it is found that the F-value 11.531, P-value = 0.000 are statistically significant at 5 percent level. This implies the regression fit is significant and the independent variables appropriately explain the dependent factor policies and procedures. The individual influence of all the twelve independent variables are presented in the following co-efficient table

**Table 1.5**  
**Coefficients<sup>a</sup>**

| Model |                           | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|-------|---------------------------|-----------------------------|------------|---------------------------|--------|-------|
|       |                           | B                           | Std. Error | Beta                      |        |       |
| 1     | (Constant)                | -1.225E-16                  | .046       |                           | .000   | 1.000 |
|       | Autonomous culture        | -.177                       | .046       | -.177                     | -3.860 | .000  |
|       | Democratic culture        | .047                        | .046       | .047                      | 1.014  | .311  |
|       | Dynamic culture           | -.033                       | .046       | -.033                     | -.717  | .474  |
|       | Goal oriented culture     | -.067                       | .046       | -.067                     | -1.450 | .148  |
|       | Co-operative culture      | .078                        | .046       | .078                      | 1.699  | .090  |
|       | Prudential culture        | -.043                       | .046       | -.043                     | -.945  | .345  |
|       | Transparent culture       | -.071                       | .046       | -.071                     | -1.541 | .124  |
|       | Involvement culture       | -.202                       | .046       | -.202                     | -4.399 | .000  |
|       | Self-disciplined culture  | .376                        | .046       | .376                      | 8.181  | .000  |
|       | Knowledge sharing culture | .133                        | .046       | .133                      | 2.884  | .004  |
|       | Tactical culture          | -.159                       | .046       | -.159                     | -3.451 | .001  |
|       | Supportive culture        | .123                        | .046       | .123                      | 2.677  | .008  |

a. Dependent Variable: Policies and procedures

From the above table it is found autonomous culture (t=-3.860, p=0.000), involvement culture (t=-4.399, p=0.000), self-disciplined culture (t=8.181, p=0.000), knowledge sharing culture (t=2.884, p=0.004), tactical culture (t=-3.451, p=0.001) are statistically significant to explain the factor policies and procedures. Therefore it concluded that the the autonomous culture, involvement culture, self-disciplined culture, knowledge sharing culture and tactical culture are correlated with the policies and procedures that influence the successful coping mechanism in IT companies.

**Findings and Conclusions:**

The influence of six factors of coping mechanisms independent factors on the dependent factor of reasons responsible for employees shifting to other organizations in IT companies is measured.

Conducive atmosphere, optimistic management, personal balancing are statistically significant to explain the factor compensation. The policies and procedures formed by the IT companies for the employee’s benefits are based in favor of the coping mechanisms

Coping mechanisms such as management supports, effective work environment results to career attraction among the IT employees. Successful coping mechanisms results to better learning opportunities among the IT companies. Employee’s motivation, better facilities from

the management and smooth working environments develops efficient colleagues among the IT employees

Emotional appraisal, regulation of emotion results to compensation. Good observers and employees with sensitive feelings correlate with the policies and procedures formed by the IT companies. Similarly IT companies providing a happy and an understanding environment suitable to the employees working in the IT companies attracts to career attraction.

Employees with flexible behavior having the capability to balance themselves in any different situations in IT companies are provided the opportunity to learn that in turn develops their career. Employees capable to understand their colleague's feelings and emotions of peoples around them and focus on achieving their company goals increase their emotional intelligences by developing efficient colleagues in their work place

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