

# Measuring the influence of designation of the employees on organizational climate of the IT & ITES organizations in National Capital Region, India: A designation based study

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## Abstract:

India is considered to be the world's largest sourcing destination as per the report published by NASSCOM (June, 2018). Also, India has proved to be efficient in providing IT services at 3-4 times cheaper than US which had created a competitive advantage for India. This research study focuses on ascertaining influence of designation on organizational climate of IT & ITES organization to gain the equation of their relativity. It is done through surveying 304 employees working in IT and ITES companies in National Capital Region. Likert's seven point scale is used in the questionnaire centralizing on 17 key dimensions of organizational climate and conclusions are drawn by implementing Kruskal-Wallis test as it is non- parametric version of hypothesis testing while using IBM Statistic software (SPSS).

**Keywords:** designation, IT&ITES, organizational climate, Indian study

## 1. Introduction

IT and ITES sector in India is booming rapidly. The discussion of this sector in parliament house, seeking this sector as a source of ready employment, drafting provisions relating to Artificial Intelligence technology in The Union Budget 2018-2019, creation of SEZs reforms, opening of software technology parks of India (STPI) have contributed in making India a technological friendly country. The researchers curiosity have also increased towards this sector and lots of researches have been performed that attempt to measure one or the other aspect of these organizations. The Government of India has extended tax holidays to the IT sector for software technology parks of India (STPI) along with availability of finance to access latest innovations.

Information technology in India is an industry consisting of two major components: IT services and business process outsourcing (BPO)<sup>1</sup>. The list of major information technology hubs in

India includes Bangalore, Hyderabad, Pune, Chennai, Mumbai, National Capital region (NCR) and others. Out of this list, the area covered in this research paper is of NCR, obtaining opinions from 304 employees in total.

### **1.1 Organizational Climate:**

Organisational climate is the key factor to explain the innovativeness of the employees. If climate is healthy, employees will be more innovative as compared to other organization's stressful climate<sup>2</sup>. It is many a times assumed to be similar as organizational culture. But there are differences between these two terminologies. Organizational climate is comparatively easier to alter as it is based on perceptions of the people holding in that organization. Modification in the aptitude of human being is difficult but it is possible. The aim of such researches is to provide guidelines to the authorities to decode the functionality in such organizations. Organizational 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<sup>3</sup>.

### **1.2 Designation based studies:**

For human beings, social recognition places a very significant influence on the moral of the employees. The employer status in the market and specifically job title provided to an employee by his employer impact a lot on his social standing. Providing designations in the organization is a way to organize work and people in the organization so that retrieval of the data becomes an easier task. By the job title, one can associate the work to be performed and could know exactly what employer expects from him. Designation based studies are studied by taking different designation as independent variables depending upon industry or organization taken for research. In this study, IT and ITES organizations are taken into account. The designations so encompass were IT consultant, Software Professional, Software Engineer, Analyst, Testing Engineer and Senior Consultant.

## **2. Literature Review**

There is huge difference between two organizations. The difference is not only related to material things but also in the attitude and perceptions of the people working in those organizations. All organization are working in the highly competitive belt and therefore always in race to gain competitive advantage over others. This achievement is possible when employees of such organization align their objective in the direction of overall organizational objectives. It depends largely on fulfillment of personal objectives too. One of such personal objective is to obtain social

recognition. The best way for the organization to fulfill this need is to provide title for the position he is handling in the organization. It also serve as a career development tool and gives motivation to grow further in the organization.

*Litwin & Stringer (1968)* explained organization climate as a set of measurable properties or work environment, perceived directly or indirectly by the people who live and work in this environment and assumed to influence their motivation and behavior<sup>4</sup>. *Reichers & Schneider 1990* define Organizational climate as shared perceptions or prevailing organizational norms for conducting workplace activities<sup>5</sup>. According to *Campbell et al. (1970)* Organizational climate is defined as a set of attributes specific to a particular organization that may be induced from the way that organization deals with its members and its environment<sup>6</sup>. *Forehand and Gilmer (1964)* explained Organizational climate as a set of characteristics that describe an organization and that (a) distinguish the organization from other organizations (b) are relatively enduring overtime and (c) influence the behavior of people in the organization<sup>7</sup>.

Individuals work in the organization not only with their rationality, other's perception also influences them simultaneously. With the designation so provided to them, they get social recognition and their status too gets affected. In the words of *Schneider, 1973* what is important to the individual is how he perceives his work environment and not how others might choose to describe it<sup>8</sup>.

Designation based studies are at its infancy stage as no concrete literature review is available for this. Therefore, this paper could be a seminal in nature.

### 3. Organizational Climate Dimensions

Organizational climate is complex to measure as it involves certain psychological factors which are not easily visible but concealed in subconscious mind. Certain authors have provided different scales of its measurement. Namely, Organizational Climate Questionnaire (*Litwin & Stringer,1968*)<sup>9</sup>, Agency Climate Questionnaire (*Schneider & Bartlett, 1968*)<sup>10</sup>, Executive Climate Questionnaire (*Tagiuri, 1968*)<sup>11</sup>, Organizational Climate Description Questionnaire (*Margulies, 1969*)<sup>12</sup>. These questionnaires are centralized on various dimensions so that organizational climate could be studied in a better way.

For this research study 17 dimensions presented by *Patterson et.al. (2005)*<sup>13</sup>, is shortlisted because of its diverse adaptability, validity and reliability. These are autonomy, integration, involvement, supervisory support, training, welfare, formalization, tradition, innovation and flexibility, outward focus, clarity of organizational goals, performance feedback, pressure to produce, quality, efficiency, effort and reflexivity.

## 4. Research Methodology

### 4.1 Research purpose and objective

The research study aims at following objectives:

- a) To study the overall effect of designation/ job title on organizational climate of the employees working in IT & ITES companies in NCR
- b) To explore the importance of organization climate in IT & ITES while analyzing which dimension of organizational climate is influenced more by which category of the designation.

### 4.2 Sample size, Location, Sampling technique & Sample composition

The data was collected from employees working in IT and ITES companies across NCR working at entry level, middle level and top level positions in their organization. Approached sample size was 800 and out of this number, total responses received were 304. Voluntary participation was there and there was no monetary or any other type of remuneration provided to them. Random & Snowball sampling technique is used for this research. Table 1 showcases key particulars about participant's designation.

### 4.3 Data Collection & Survey Instrument

Primary Data is collected through questionnaire filling from 304 employees working in IT & ITES organization across NCR. The questions were multiple response questions which focused on 17 dimensions of organizational climate and total 51 questions were asked from the respondents. The secondary data was collected through Journals, articles, organizations website, other concerned online material.

### 4.4 Research Method/Technique

For this research study, Descriptive Research Design is opted so that designation influence could be studied in relation to the variables of organizational climate.

### 4.5 Statistic Application

For this research study, non-parametric testing is applied on the sample so collected as data was not normally distributed. Specifically, Kruskal-wallis test is applied which is a non-parametric alternative

for one- way ANOVA because the data contains one random sample and further divided it into six groups i.e. Consultant, Software Professional, Software Engineer, Analyst, Testing Engineer and Senior Consultant. Among these, Consultant, Software Professional and Software Engineer are entry level jobs, Analyst and Testing Engineer is middle level job and Senior Consultant is senior level job. Now, for the statistical conclusion, comparing means of the above mentioned six groups is required which is to be done by Kruskal-wallis test.

#### 4.6 Hypothesis

**H<sub>0</sub> 1:** There is no significant influence of designation on Organizational climate of IT & ITES companies in India

**H<sub>0</sub> 2:** There is no significant affect of designation on autonomy, integration, involvement, supervisory support, training, welfare, formalization, tradition, innovation and flexibility, outward focus, clarity of organizational goals, performance feedback, pressure to produce, quality, efficiency, effort and reflexivity of the employees working in IT & ITES companies in India.

#### 4.7 Preliminary Testing and results

Before going for Kruskal-wallis test, following tests are required for better understanding.

**Test for Validity:** Nominal and ordinal data was proved to be valid as none of the value was missing and it consists of a valid percent and frequency. Scale data was also proved to be valid as N=304 and minimum and maximum values turned out to be 1 and 6 respectively. Refer to *Table 2*

**Test for Reliability:** the value of Cronbach's Alpha comes out to be 0.912 which indicates higher level of consistency with 17 numbers of items. (*Table 3*)

**Test for Data Normalcy:** the next thing is to check whether data is normally distributed or not. As the values of mean & median are quite close, it indicates normal distribution. But by dividing value of skewness with std.error of skewness and Kurtosis with std.error of kurtosis, the values comes as 0.243 and - 4.254, as these values are not between +2 and -2 range, hence data is not normally distributed. Refer to *Table 4*.

#### 4.8 Hypothesis Testing and Results

##### Hypothesis 1

**H<sub>0</sub> 1:** There is no significant influence of designation on Organizational climate of IT & ITES companies in NCR

**H<sub>1</sub> 1:** There is significant influence of designation on Organizational climate of IT & ITES companies in NCR

In *Table 5*, the significance value of kruskal-wallis test comes out to be 0.637 which is larger than .05 which compel us to retain the null hypothesis i.e. There is no significant influence of designation on Organizational climate of IT & ITES companies in NCR.

##### Hypothesis 2

**H<sub>0</sub> 2:** There is no significant affect of designation on autonomy, integration, involvement, supervisory support, training, welfare, formalization, tradition, innovation and flexibility, outward focus, clarity of organizational goals, performance feedback, pressure to produce, quality, efficiency, effort and reflexivity.

**H<sub>1</sub> 2:** There is significant affect of designation on autonomy, integration, involvement, supervisory support, training, welfare, formalization, tradition, innovation and flexibility, outward focus, clarity of organizational goals, performance feedback, pressure to produce, quality, efficiency, effort and reflexivity.

The above mentioned hypothesis is studied by breaking it into following sub- hypothesis.

**H<sub>0</sub> 2(1):** There is no significant affect of designation on autonomy

**H<sub>1</sub> 2(1):** There is significant affect of designation on autonomy

Table 5 gives glance on the basic statistic values which state the difference between mean values of six categories of designation with respect to autonomy by the usage of Kruskal-Wallis test. It showcases 0.522 as the value of significance presented by Kruskal-wallis test which emphasize that null hypothesis could be retain.

**H<sub>0</sub> 2(2):** There is no significant affect of designation on integration

**H<sub>1</sub> 2(2):** There is significant affect of designation on integration

On reviewing table 5, it indicates towards significance value of 0.283. As this value is greater than 0.05, hence null hypothesis could not be rejected.

**H<sub>0</sub> 2(3):** There is no significant affect of designation on involvement

**H<sub>1</sub> 2(3):** There is significant affect of designation on involvement

In table 5, 0.764 is the significance value of Kruskal-wallis test which is again higher than 0.05. Hence, null hypothesis is failed to reject.

**H<sub>0</sub> 2(4):** There is no significant affect of designation on supervisory support

**H<sub>1</sub> 2(4):** There is significant affect of designation on supervisory support

According to table 5, 0.468 significance value from the test is computed which is higher than 0.05 and hence, state the fact that null hypothesis could not be rejected.

**H<sub>0</sub> 2(5):** There is no significant affect of designation on training

**H<sub>1</sub> 2(5):** There is significant affect of designation on training

In table 5, 0.220 comes out to be a significance value of Kruskal-wallis test which compels us to non-rejection of null hypothesis.

**H<sub>0</sub> 2(6):** There is no significant affect of designation on welfare

**H<sub>1</sub> 2(6):** There is significant affect of designation on welfare

From table 5, this could be inferred that 0.205 is the value of significance which is higher than 0.05. Therefore, we fail to reject null hypothesis.

**H<sub>0</sub> 2(7):** There is no significant affect of designation on formalization

**H<sub>1</sub> 2(7):** There is significant affect of designation on formalization

Table 5 give 0.285 as the value of significance. This depicts retention of null hypothesis.

**H<sub>0</sub> 2(8):** There is no significant affect of designation on tradition

**H<sub>1</sub> 2(8):** There is significant affect of designation on tradition

Table 5 shows significance value to be 0.951 as it is larger than 0.05, therefore, null hypothesis could not be rejected.

**H<sub>0</sub> 2(9):** There is no significant affect of designation on innovation & flexibility

**H<sub>1</sub> 2(9):** There is significant affect of designation on innovation & flexibility

Also, table 5 shows the significance value computed by Kruskal-Wallis test as 0.866. As this value is more than 0.05, therefore null hypothesis could be retained.

**H<sub>0</sub> 2(10):** There is no significant affect of designation on outward focus

**H<sub>1</sub> 2(10):** There is significant affect of designation on outward focus

The significance value calculated as 0.577 conclude at retention of null hypothesis.

**H<sub>0</sub> 2(11):** There is no significant affect of designation on clarity of organizational goals

**H<sub>1</sub> 2(11):** There is significant affect of designation on clarity of organizational goals

From the test of significance value comes out to be 0.671 which is higher than 0.05. It states that we fail to reject null hypothesis.

**H<sub>0</sub> 2(12):** There is no significant affect of designation on performance feedback

**H<sub>1</sub> 2(12):** There is significant affect of designation on performance feedback

By reviewing table 5, The value for test for significance by Kruskal-Wallis gives value as 0.498. As this value is greater than 0.05, therefore, null hypothesis could not be rejected.

**H<sub>0</sub> 2(13):** There is no significant affect of designation on pressure to produce

**H<sub>1</sub> 2(13):** There is significant affect of designation on pressure to produce

On reviewing table 5, it indicates towards the significance value of 0.926. As this value is greater than .05, hence null hypothesis could not be rejected.

**H<sub>0</sub> 2(14):** There is no significant affect of designation on quality

**H<sub>1</sub> 2(14):** There is significant affect of designation on quality

From table 5, this could be inferred that 0.555 is the value of significance value which is higher than 0.05. Therefore, we fail to reject null hypothesis.

**H<sub>0</sub> 2(15):** There is no significant affect of designation on efficiency

**H<sub>1</sub> 2(15):** There is significant affect of designation on efficiency

Table 5 gives 0.611 as the value significance which is higher than 0.05. Hence, null hypothesis could not be rejected.

**H<sub>0</sub> 2(16):** There is no significant affect of designation on effort

**H<sub>1</sub> 2(16):** There is significant affect of designation on effort

In table 5, 0.889 is the significance value of Kruskal-Wallis test which compels us to fail to reject null hypothesis.

**H<sub>0</sub> 2(17):** There is no significant affect of designation on reflexivity

**H<sub>1</sub> 2(17):** There is significant affect of designation on reflexivity

On reviewing table 5, it indicates towards significance value of 0.245. As this value is greater than 0.05, hence null hypothesis could not be rejected.

## 5. Summarized result and conclusion

Such designation based study was first of its kind in India, and there is no literature available on this particular dimension till date. Although, with the presented population set and sample dimensions, there was no significant influence was measured on the organization climate while stressing upon designation whether they are at entry level, middle level or senior level. Also, when all six categories of designation were measured with 17 dimensions of the organizational climate, still no significant influence was witnessed.

## 6. Limitation of the study

The study was more of descriptive type as there was no effective literature available on the exact sample criterion. Moreover, few participants filled up the questionnaire in hurry without giving diligence to the details, mainly because of huge number of statements. For representation purpose, sample size was efficient but for generalization, still more could be adjusted.

## 6. Future Scope

The validity and reliability of the research is already tested and proved to be affirmative. Hence, the finding could help other researcher in finding the future trend of the analyzed sample quotient. This could be utilized as the stepping stone for the time based studies and other independent variable could be studied with ease.

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### Tables and Figures

1. Table 1: *Distribution of respondents as per designation*

	Frequency	Percent	Valid Percent	Cumulative Percent
consultant	67	22.0	22.0	22.0
software professional	30	9.9	9.9	31.9
software engineer	53	17.4	17.4	49.3
Valid analyst	74	24.3	24.3	73.7
testing engineer	22	7.2	7.2	80.9
senior consultant	58	19.1	19.1	100.0
Total	304	100.0	100.0	

2. Table 2: Test for Validity

	N	Minimum	Maximum	Mean	Std. Deviation
Designation of the employees	304	1	6	3.42	1.750
Valid N (listwise)	304				

3. Table 3: Test for Reliability

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.912	.915	51

4. Table 4: Test for Data Normalcy

N	Valid	304
	Missing	0
Mean		3.42
Median		4.00
Skewness		.034
Std. Error of Skewness		.140
Kurtosis		-1.187
Std. Error of Kurtosis		.279

5. Table 5:

**Hypothesis Test Summary**

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Total Organizational climate score is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.637	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

6. Table 6:

**Hypothesis Test Summary**

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of autonomy is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.522	Retain the null hypothesis.
2	The distribution of integration is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.283	Retain the null hypothesis.
3	The distribution of involvement is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.764	Retain the null hypothesis.
4	The distribution of supervisor is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.468	Retain the null hypothesis.
5	The distribution of training is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.220	Retain the null hypothesis.
6	The distribution of welfare is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.205	Retain the null hypothesis.
7	The distribution of formalization is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.285	Retain the null hypothesis.
8	The distribution of tradition is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.951	Retain the null hypothesis.
9	The distribution of innovation is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.866	Retain the null hypothesis.
10	The distribution of outward focus is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.577	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

**Hypothesis Test Summary**

	Null Hypothesis	Test	Sig.	Decision
11	The distribution of clarity of organizational objective is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.671	Retain the null hypothesis.
12	The distribution of efficiency is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.498	Retain the null hypothesis.
13	The distribution of effort is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.926	Retain the null hypothesis.
14	The distribution of performance feedback is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.555	Retain the null hypothesis.
15	The distribution of pressure to produce is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.611	Retain the null hypothesis.
16	The distribution of quality is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.889	Retain the null hypothesis.
17	The distribution of reflexivity is the same across categories of Designation of the employees.	Independent-Samples Kruskal-Wallis Test	.245	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.