# CHAPTER - II
# REVIEW OF LITERATURE

Review of past researches and studies give an insight into the current trends. In this chapter the researcher has made an attempt to review the work done by past researchers in the field of Organizational Health, Job Satisfaction, Organizational Effectiveness and Organizational Commitment.

People are the most important asset of any organization and one must recognize that the health, safety and welfare and that of others affected by the organization's activities is paramount. Individual and organizational health, are interdependent – clearly organizations require "healthy" employees to ensure that the organization's goals are realized. Similarly, employees require 'healthy' organizations to ensure that the 'quality of their working life' (e.g work conditions) and physical and psychological health is protected and optimized. Working in a healthy environment with healthy people is a major part of developing and sustaining a healthy business.

A healthy organization not merely concerns itself with the financial performance, but develops meaningful objectives and measures around the non-financial indicators, that focus upon:

- The relationship with employees, their safety, reward, security of employment.
- Equal opportunity for growth and promotion.
- Meeting the present and future needs of the consumers with high standards of value, quality and service.
- Establishing policies associated with risk management to ensure compliance with statutory and legal obligations.
- Meeting present environment demands

Only by meeting high levels of performance in these areas will an organization be able to achieve and sustain its financial targets and meet the required standards of Organizational Health.

## Organizational Health: Engaging the Whole Person



(Source: Catalyst Advancement, LLC; www.catadv.net)

A healthy organization is made up of healthy people and is genuinely interested in their employees' overall well being, not just the one it sees from 9 to 5. It is keenly aware of the needs that its employees have to take good care of themselves, their families, and their relationships outside of work.

It is important for all organizations to value each of their employees as a whole person by providing and structuring programs to take into account the employee's complete well being. It is critical that employees maintain a good balance between family, friends, and work. It takes active involvement and commitment from both the employer and its employees to make this happen.

# STUDIES ON ORGANIZATIONAL HEALTH

## MILES' DIMENSIONS OF ORGANIZATIONAL HEALTH

Miles conducted a study on 'Planned Change and Organizational Health'. According to him, "A reasonably clear conception of Organizational Health would seem to be an important prerequisite to a wide range of activities involving organizations: research of any meaningful sort; attempts to improve the organization as a place to live, work, and learn; and – not the least—the day-to-day operation of any particular organization".

Miles described a healthy organization as one that not only survives in its environment, but continues to cope adequately over the long haul, and continuously develops and extends its surviving and coping abilities

### *Dimensions of Organizational Health*

### TASK NEEDS

**Goal Focus** – Goals are reasonably clear to the system members as well as accepted by them. The goals must also be realistic and appropriate-consistent with the demands of the environment.

**Communication Adequacy** – Communication is relatively distortion free; it produces a good and prompts sensing of internal strains. Members have the information that they need to function efficiently.

**Optimal Power Equalization** – The distribution of influence is relatively equitable. Subordinates can exert influence upward, and they perceive their superiors can do likewise.

### MAINTENANCE NEEDS

**Resource Utilization** – Personnel is used effectively. The organization is neither overloaded nor idling. There is a good fit between individual needs and organizational demands.

**Cohesiveness** – Members are attracted to the organization and wish to remain. They are influenced by the organization and exert their own influence on the organization in a collaborative fashion.

**Morale** – The organization displays a general sense of well-being and group satisfaction.


## GROWTH AND DEVELOPMENT NEEDS

**Innovativeness** – The organization invents new procedures, moves toward new goals, and becomes more differentiated over time.

**Autonomy** – The organization has the ability to bring about corrective changes in itself to grow and develop.

**Problem-Solving Adequacy** – Problems are solved with minimal energy and problem-solving mechanisms are not weakened, but maintained or strengthened.


Hasan (2003) conducted a study on Organizational Health in the IT and Hotel Sectors of Bangalore on 58 managerial cadre employees. It was found that there was high presence of the disease of 'Workaholism' and low presence of the disease 'Organizational Paranoia', 'Alienation', 'Pampering', 'Insufficient Value for customers'. The study also revealed that 'Customer Exploitation', 'Servility', 'Bureaucracy', 'Decision Paralysis', 'Sub-Optimizing' and 'Self-Centered Leadership' were also experienced at 'low' level. Further, 'Long Sightedness', 'Risk Avoidance', 'Negligence of Financial Matters', 'Money-Mania', 'Insensitivity to Problems', 'Stagnation', 'Aggressive Approach to Environment' and 'Insufficient Interaction with the Environment' were also perceived at 'low' level. The respondents also felt that there was 'low' presence of element of 'joy'.


Krishnan (2003) conducted a study on Organizational Health in the IT and Hotel Sectors, in the city of Chennai. Sample consisted of 63 managerial cadre employees. The findings revealed that the presence of disease 'Workaholism', 'Servility', 'Bureaucracy', 'Short Sightedness', 'Risk Avoidance', 'Negligence of Financial Matters', 'Insufficient Interaction with the Environment' was experienced at 'high' level. Whereas, presence of

'Customer Exploitation', 'Money Mania', 'Insensitivity to Problems', 'Stagnation', 'Tunnel Vision' was perceived at 'low' level in both the sectors. The study also revealed that the presence of 'Organizational Paranoia', 'Alienation', 'Pampering', 'Insufficient Value for Customers', 'Decision Paralysis', 'Self-Centered Leadership', 'Long Sightedness' and 'Aggressive Approach to Environment' was 'high' in the Hotel sector as compared to IT sector. It was also found that the presence of the element of 'joy' was at 'low' level in IT sector whereas in the Hotel sector it was at 'high' level.

Lencioni (The Table Group Inc., 2001) , the author of The Five Temptations of a CEO, Obsessions of an Extraordinary Executive, the Five Dysfunctions of a Team has in his book on Obsessions of an Extraordinary Executive propounded four disciplines of a healthy organization:-

### Discipline 1 : Build and Maintain a Cohesive Leadership Team
Cohesive teams build trust, eliminate politics, and increase efficiency by :-
♦ Knowing one another's unique strengths and weaknesses
♦ Openly engaging in constructive ideological conflict
♦ Holding one another accountable for behaviours and actions
♦ Committing to group decisions

### Discipline 2 : Create Organizational Clarity
Healthy organizations minimize the potential for confusion by clarifying: -
♦ Why the organization exists
♦ Which behavioural values are fundamental
♦ What specific business it is in
♦ Who its competitors are
♦ How it is unique
♦ What it plans to achieve
♦ Who is responsible for what

### Discipline 3 : Over-Communicate Organizational Clarity
Healthy organizations align their employees around organizational clarity by communicating key messages through: -

- **Repetition:** Don't be afraid to repeat the same message, again and again.

- **Simplicity:** The more complicated the message the more potential for confusion and inconsistency.

- **Multiple mediums:** People react to information in many ways, use a variety of mediums.

- **Cascading messages:** Leaders communicate key messages to direct reports; the cycle repeats itself until the message is heard by all.

**Discipline 4 : Reinforce Organizational Clarity Through Human Systems**

Organizations sustain their health by ensuring consistency in :-

- Hiring
- Managing performance
- Rewards and recognition
- Employee dismissal

Corbett (2000), President, National Quality Institute, Canada and his team surveyed organizations in Canada and the topic of their study was 'Organizational Health'. The study showed that many organizations did not attach much importance to the health of their organization and did not find the concept very significant. Based on his findings and conclusions, Corbett propounded two tracks for the organizations to follow, one being the strategic drivers that provide leaders with the macro reason for investing in a healthy workplace and the other being the focused operational cost / benefit reason for moving forward with such an approach.

The research also led to the publishing of a document called "A Four Step Guide to Building the Business Case for a Healthy Workplace". The guide provides a step-by-step process for developing a business case to influence strategic decisions. The four steps being:

1. Identify the Advantages that Impact Your Organization's Health
2. Identify Opportunities to Improve the Bottom Line
3. Develop a Healthy Workplace Plan
4. Calculate a Predicted Return on Investment

A research conducted by Entec Corporation in 2000 showed the following findings:

♦ Decreasing employee satisfaction;

♦ Social and work disruption caused by individuals who under-perform or who are often absent, increasing the stress on everybody;

♦ Increased conflict;

♦ Lowered innovation and collaboration and motivation;

♦ Decreasing meeting of deadlines;

♦ And most serious of all, a reduced quality of customer service.

Based on the findings of this research, the institute formulated the definitions of a healthy organization and the diseases present in them.

They say that every human being or human system such as an organization has three states on a continuum. At one end there is Distress or Disease in the middle is Normality and at the other extreme is Health.

**A state of Distress or Disease** is that sum of personal and work environmental conditions and stress that result in the individuals in an organization performing individually and collectively below expectations and potential as well as below the industry average.

**The state of Normality** is that condition where the individual performance and the organizational performance is at expected levels and comparable to the industry average.

**Health** then, is that state in individuals and their organizations that allows them to perform at levels far above what might possibly be expected, even by themselves – certainly higher than any of their competitors. This is where the organization becomes best in class, regenerative, agile and resilient.

Johnson (1999), the editor of ISHN and his team conducted a research on creating a healthy workplace for today's stressed-out employees. The survey found that almost half of those workers surveyed (45 percent) say they are not committed to their employers. One out of every two – 50 percent - say they do not have confidence in their senior managers. The team conducted a

survey of 7,500 workers in 1999 and ranked seven factors that will make employees committed to their employers:

♦ Trust in senior leaders

♦ The chance to use skills

♦ Job security

♦ Financial compensation

♦ Quality of the company's products

♦ Absence of stress

♦ Honesty and integrity of business conduct.

It has been found that the best safety and health programs meet the needs of employees and managers by delivering:

♦ A structured framework for communication & relationships

♦ Strong management commitment

♦ Strong training programs

♦ Positive, humanistic communication

♦ Listening and feedback skills

♦ Workers involved in decision-making

♦ Teamwork & problem-solving skills

♦ Standardized measurement & analysis systems.

Weaver (Psychology for business; 1997) has conducted a research on the topic 'Emotionally Healthy Workplace'. From the research it was found that 57% claimed that their companies have suffered productivity losses due to emotional or personal problems of employees. The researcher has formulated four essential Vitamin C's:

1. Commitment,

2. Challenge,

3. Control,

4. Caring.

Keyes, Hysom and Lupo (1996) from the Department of Sociology of Emory University, Atlanta; write in The Healthy Organization· Leadership Legitimacy, Employee Well-being, and the Bottom Line that there is a pervasive

relationship between indicators of employee well-being with an array of business-unit outcomes. Their studies show that employees who are more satisfied with life and work are more cooperative, punctual, take fewer sick days and remain employed for longer periods than dissatisfied employees. The report goes on to say that employees who report higher emotional well-being receive higher performance ratings. Companies in which employees reported greater workplace satisfaction, personal development through work and friendships at work report higher levels of customer satisfaction and loyalty, profitability, term such organizations as healthy organizations.

In 1995, Bell leadership, North California; conducted a study on 'Organizational Health Survey'. In this study, they studied CEOs, Presidents and other company leaders and their ability to determine the health of their organizations in the following areas:

♦ External and internal environmental mastery

♦ Strategic plans

♦ Products and services

♦ Feedback systems

♦ Organizational structure and culture

♦ Change and time management

This survey revealed the degree to which their companies were healthy in each of the Critical Factors of Organizational Health. It was found that if leadership is out of touch, misreads or ignores these factors, every decision can be wrong, and the company's health diagnosis could be fatal. The Organizational Health Survey was used to help refocus and reorganize large firms, as well as firms with 15 to 20 employees.

In 1995, the University of Ulster, U.K.; conducted a research on organizational health. From the research, it has been found that healthy organizations possess the following characteristics: -

♦ It is performing very well in a financial sense;

♦ It is making products / providing a service that customers want,

♦ It has a well formulated and implemented strategy;

- It is very flexible, adaptable and has the capacity to respond quickly;
- It has a highly committed and well motivated workforce;
- It is well managed;
- There is a good fit between the organization and the people who are members of it.

According to Harari (1995), writing on the collective intelligence and expertise of an organization's work force, five organizational processes create a healthy organization and enhance productivity:

1. Disseminate information generously, "like fertilizer", throughout the entire organization.
2. Challenge and expand routine ways of thinking and acting.
3. Create "permeability" in the organization by encouraging communication and information flow across formal hierarchies and functions.
4. Cultivate a culture of curiosity
5. Enable a process of continuous, collective learning.

Hart, as part of University of Melbourne study, surveyed a number of measures affecting Organizational Health. The results of this study provided a number of useful insights into work demands. Work demands reflect how the workers perceive the impact of their work on their own well-being. Organizational health research shows that perceived excessive work demands are a cause of workplace stress. The key is to identify contributing causes, which lead to work demands being excessive and aim to reduce the impact of any negative factors. It is therefore very important for managers to understand how leadership, decision-making, staff interaction, feedback and other factors such as work demands affect the levels of morale and stress among employees in the organizations. When somebody describes the personal effect of workload, their perceptions arise out of three major areas:

- How the individual relates as a person including their personal coping strategies and energy levels
- The extent and nature of the work itself
- The effects of organization factors such as leadership.

## Individual Factors:

The individual factors include personality characteristics. Personality probably cannot be changed. It explains the diversity of people that make up the team in the organization. Personal energy levels associated with individual morale explain the individual's enthusiasm or pride at work. Higher personal morale means individual will have a higher tolerance for work demands than persons with lower morale. Individual morale itself is partly influenced by organizational factors such as support for professional growth and supportive leadership. It is also influenced by personal characteristics such as personality and probably individual levels of physical energy.

Personal coping strategies include problem focused coping and emotion focused coping. Problem focused strategies for handling work demands include applying time management strategies, personal organization techniques and project management skills. On the other hand emotion focused coping includes seeking emotional support, getting away from work, taking it out on others.

## Work Factors:

The activities that make up a workday in the organization will have a varied effect on the perception of workload. The total time spent on difficult or repetitive tasks, the value, the individual and organization places on the work, and how well the work aligns with the individual's defined role in the organization all contribute to the perception of the job. People management strategies such as performance recognition, professional development and task analysis can be used to redesign jobs, clarify roles and develop individuals. If these strategies are used effectively, they can produce savings, which in turn can be converted into improved work options for employees.

## Organizational Factors:

Organizational impact on work demands should be considered carefully because they offer the best opportunity for leadership teams and organizational staff to reduce work demands. The research showed that in organizations where, workforce saw the leadership as supportive of their needs, workloads were perceived as less demanding.

Professional interaction also contributes to work demands. Professional interaction is one of those organizational factors, which has an overall positive effect on the climate in the organization. Professional interaction is about, the worker feeling accepted by other workers, having the opportunity for cooperative work with others and sharing working methods. Professional interaction contributes positively to organizational morale. It also contributes to an effective discipline policy, coordinated plan of action and improved orientation to the workforce. It also increases work demands.

Ami, an institute of training in Luxembourg, had conducted a research on 'Healthy People in Healthy Organization.' Their findings state that the workplace influences health and disease in various ways. Work can cause ill-health if employees have to work within health-damaging working conditions, the available skills are inadequate, or the mutual support from colleagues is lacking. At the same time work can be a resource for personal development and enhancement of personal skills.

The workplace contributes to a wide range of work factors which improve employees healthy. These include:

♦ Management principles and methods which recognize that employees are a necessary success factor for the organization instead of a mere cost factor

♦ a culture and corresponding leadership principles which include participation of the employees and encourage motivation and responsibility of all employees

♦ work organization principles which provide the employees with an appropriate balance between job demands, control over their own work, level of skills and social support

♦ a personnel policy which actively incorporates health promotion issues.

Williams, the President of Dalar International Consultancy, North Carolina; conducted a study named 'Returning to Health and Balance'. Her findings show that change is a constant, not a destination. Sustainable and renewable success is dependent on building the capacity of individuals and organizations to navigate with change. Change cannot be managed. Individuals and

organizations in optimum health can navigate change for the benefit of the organization and the benefit of the individuals within the organization. Navigating change requires a healthy and balanced foundation for the organization to work from as an "operating system". Attending to organizational health affects organizational success, effectiveness, efficiencies, productivity, commitment of employees, and results.

Healthy and balanced organizations work with change. In working with change, they work with the flow of nature. Organizations that are not healthy and balanced, work against change.

Joel & Levey, Chairpersons of The Centre for Corporate Culture and Organizational Health, USA; conducted a research on the vital and profound relationship between 'Organizational culture, business results, and the health and productivity of employees' This study covered more than 55,000 employees regarding the relationship between employee attitudes and business health. The study concluded that the following four attitudes, when considered together, showed a strong correlation with better business health:

- Employees feel they are given the opportunity to do what they do best every day.
- They believe their opinion counts.
- They sense that their fellow employees are committed to quality.
- They made a direct connection between their work and the company mission.

These findings are supported by a study of 10,300 employees conducted by the same institute in the U.S., Europe, Russia, and Japan that identified the five qualities most desired by employees contributing to their organization's health:

- The ability to balance work and personal life (which ranked either the most or second most important attribute.)
- Work that is truly enjoyable.
- Security for the future.
- Good pay or salary.
- Enjoyable coworkers.

The Institute for Health and Productivity Management, USA; conducted a research on the vital links between 'Corporate Culture and Organization Health and their effect on productivity, and retention / loyalty, customer loyalty, and bottom-line business results'.

The twofold purpose of this research was:

♦ To provide a thorough and robust analysis of the interplay of corporate culture, bottom-line business performance, and employee health, loyalty, and productivity.

♦ To offer insights and recommendations to leaders for increasing their business effectiveness by promoting the health and vitality of their organizational cultures, and to suggest guidelines for future research.

The research was conducted on employees from Southwest Airlines, Harman Management / Kentucky Fried Chicken, TD Industries, HP Labs, and Bell Labs.

Their findings support the assertion that healthier organizational cultures are more likely to:

♦ Reduce workforce turnover and stress;

♦ Improve employee health, productivity, performance, and retention

♦ Lead to significant improvements in business results.

The investigation of research evidence revealed a range of positive effects associated with the wisdom of investing in the health and well being of people in the workplace. This proved a sound strategy for improving and sustaining business results in today's fast changing and fiercely competitive economy. The major conclusions drawn from this research are

♦ There is a clear and compelling relationship between the culture and people practices of organizations and the productivity and health of their people.

♦ Investing in people is a wise strategy for achieving and maintaining high levels of bottom-line business success.

♦ Continued research is needed to deepen our understanding of the intricate interdependencies between organizational culture.

The research undertaken by Public Service Commission, Canada; describes the items most frequently cited as elements of health, reports opinions on the state of health in some federal government departments, and gives examples of actions that public servants are taking to improve Organizational Health in their departments. They conducted interviews with 65 middle managers and human resource specialists in 20 federal departments and also examined recent literature on the subject and consulted academics and other specialists in human resource management. The purpose of the research was.-

◆ To find out what people consider to organizational health

◆ What state of health they think their organization is in

◆ What they are doing to improve it

◆ What ways exist to measure and report on it.

The research showed that there were eight elements of Organizational Health which are:-

◆ Leadership

◆ Vision

◆ Employee Commitment

◆ Rewards and Recognition

◆ Communication

◆ Competence and Skills Development

◆ Teamwork

◆ Ability to Adapt

The OLA identifies Six levels of Organizational Health each designated by a power level, these power levels are determined by the extent to which the Six Key Areas of organizational health are present in the organization. The six key areas of organizational health are the way the organizations:-

◆ Display Authenticity

◆ Value People

◆ Develop People

◆ Build Community

◆ Provide Leadership

◆ Share Leadership

**Power Levels:-**

First, there is **inertia** or the inability to move or change. (Org1 – Org2) This lack of growth will keep the organization from moving toward greater health and performance. The organization still functions, but it operates only on the energy of the past. It lacks the organizational health to move positively towards the future.

Second, there is gradual or **incremental** change. (Org3 – Org4) This kind of growth requires a steady, measured energy. The ability for an organization to better what it has done in the past; to make improvements over time. This organization can and will improve, but it will begin to rest on a plateau of "good enough" dulled by its own achievement and success with an ever growing contentment to be just a little better than the rest.

Third, there is exponential or **quantum change.** (Org5 – Org6) This kind of change requires something very different from what has been done in the past. It requires a totally new way of thinking about organizations and leadership. It requires a true paradigm change, a mind-shift that sees all in the organization as potential leaders and refuses to measure itself against anything less than its own incredible potential.

An organization cannot simply move from inertia to incremental change to quantum growth. Moving from one of these levels to the next requires a major shift in thinking and behaving. If this does not happen, the organization will continue to merely perpetuate itself without the power, or energy to move to the next level.

From studies conducted in The Mental Health Association of Ireland suggests the following tips to employers to improve employee satisfaction and efficiency and make the organization a healthy one:

♦ Give priority to employee welfare and safety with clear policies on harassment and bullying.

♦ Develop clear set of organizational values which all staff shares.

♦ Develop clear, achievable and consistent goals for the organization.

♦ Clearly define each staff member's role and responsibilities.

♦ Give a high priority to training, supervision and staff support.

♦ Minimize red tape, paper work and petty roles.

74

- Maximize communication and consultation, particularly at a time of change.
- Ensure staff participation in decision-making.
- Make training clearly job-related.
- Ensure regular appraisal on performance
- Provide good working condition, such as adequate space, minimum noise levels and controlled heating, natural light and ventilation. Offer healthy dietary options in the cafeteria.
- Alternate rewarding and unrewarding work.

Fischler, as part of The Institute for Forensic Psychology; conducted a research on 'Psychological Health in the Workplace'. He found that one of the most important issues fostering and maintaining psychological and organizational health is a sense of control. People who feel that they have control over significant parts of their lives tend to feel less stress and are happier. They tend to be more resilient and affected less by negative life events than those who feel that they have little control. An organization can foster a sense of control in its employees in many ways.

A Company or organization is psychologically healthy, if it:
- Addresses issues of employee well-being in its mission statement;
- Gives employees a real voice in decision making and problem solving;
- Helps employees balance work and personal or family commitments;
- Provides training programs that teach job skills, allow for career advancement and prepare employees for leadership roles;
- Supports diversity; or
- Attends to life issues that affect job performance, such as grief, stress, burn-out sexual or racial harassment, interpersonal conflict or workplace violence.

**Intangible Assets and Organizational Health:** According to Lee, every organization reaches its goals by utilizing its assets. And if it is responsibly managed, it keeps a running account of those assets, typically representing them in monetary values.

This form of representation is universal and, indeed, necessary. But it can also be a subtle form of hypnosis that leads to the erroneous—and potentially dangerous—assumptions that all assets are monetary and that money is the "first cause" in the chain of events propelling an organization to its goal.

In reality, money is not the first cause. Other, intangible assets are more fundamental still. Among these are imagination and goodwill.

It is not unusual for a new organization, especially a nonprofit organization, to start out with large amounts of imagination and goodwill, but little or no money. Still, if the organization is resourceful it can leverage these intangible assets into a financial base.

A good example is the American Composers Forum, the country's largest service organization for classical composers. The Forum was started in the 1970s with great imagination on the part of its founders and equally great goodwill on the part of many professional musicians—who performed gratis on its early concerts simply because they enjoyed the comradeship.

These intangible assets were utilized to very tangible ends. The organization established a track record of performances, which it then leveraged to secure the financial backing of foundations, corporations, and individuals.

The kind of goodwill that the Forum had was, of course, the "cheerful readiness" kind (not the "excess of cost over book value" kind). Had the Forum been short on "cheerful readiness," its founders' dream probably would not have materialized.

This hints at an interesting, but rarely acknowledged, relationship: An organization's financial condition at one point in time is a function of its imagination and goodwill at an earlier point in time.

Because of this relationship, it is sometimes the case that an organization's current financial picture will look quite good, while its current accounts of imagination and goodwill—accounts that will shape its future—are declining

undetected. This can happen when an organization uses an incomplete monitoring system to track its resources.

To evaluate itself and steer itself into the future, an organization studies its past behaviour. And since it can only study behaviour that it remembers, it sets up a record-keeping system to document its actions.

Every system is a set of categories The categories direct attention to particular things and relationships. The most prevalent system, of course, is the financial accounting system—a framework where various monetary actions and relationships are easily entered and retrieved.

Items that don't fit into one of the categories often slip through the cracks. When an organization's monitoring system contains only financial categories, the organization is likely to lose sight of important non-financial assets.

Imagination and general goodwill are just these kinds of assets. Usually there is no formal system to monitor them. They are only informally noted in the memories of people directly involved. That makes them difficult to track. Were the entire personnel of an organization to change, the history of its financial assets would remain in its ledgers for everyone to see. Not so with intangibles. Every time an involved person leaves an organization, it loses some of its informal accounting of these assets

Intangible relationships are subtle and elusive. On the other hand, financial relationships are not. They're easy to record, photocopy, and pass around for everybody to look at and comment on. Thus, as organizations grow larger and more complex, they tend to spend more and more time pouring over the easily-accessible records of their financial health and less and less time looking after the unseen intangible assets that generate that health.

To remain viable over the long haul, organizations need more than financial solvency; they need "intangible" solvency. It behooves them to pinpoint the people who supply imagination and goodwill and to foster symbiotic relationships with those people.

When relationships of mutual advantage deteriorate, intangible assets dry up and organizational health declines. Organizations are then forced to expand scarce resources to rebuild the intangibles they squandered. Sometimes they never recover.

**Alienation at Work** – feelings of powerlessness, meaninglessness, isolation, and self-estrangement – continues to be an important research issue in sociology and organizational theory because it takes a heavy toll on workers' lives and organizational productivity. The Smithers Institute has collected qualitative data on the work lives of a number of blue collar occupations, including construction workers, autoworkers, mail handlers, nurse's aides, emergency service workers, and store workers. Building on Blauner's social psychological theory of alienation, the Smithers Institute is in the process of completing a book on alienation and blue collar workers in the twenty-first century. In the new globalized economy and its high-commitment organizations, alienation is supposed to be a psychological relic of the past. Its analysis, however, highlights that alienation remains a serious problem for blue-collar workers and their employing organizations and that, under modern theories of managerial control, alienation at work has only become worse.

**Work Alienation and Organizational Leadership:** Sarros, Tanewski and Densten examined the extent to which a leader's behaviour results in work alienation in the form of powerlessness, meaninglessness and self estrangement. The study is based on the responses of personnel in a major US eastern seaboard fire department - a bureaucratic, quasi-military type organization. Results show that the leadership style of the organization has a more significant impact on feelings of work alienation than the organization's structure and processes. The study argues that managers as well as leaders need to question bureaucratic orientations to work and manager-employee relations by rethinking their values and adapting new models that encourage individual fulfillment.

**Work experience and drinking behavior: alienation, occupational status, workplace drinking subculture and problem drinking:** Yang, Yang, Kawachi (Department of Psychiatry, Chang Gung Memorial Hospital

Kaohsiung, Taiwan, and Chang Gung University, Taiwan.) explored the association between alienating job conditions and problem drinking within the context of occupational status and workplace drinking subculture. From December 1994 to March 1995, a questionnaire survey was implemented in the manufactory sector in southern Taiwan. Within the questionnaire, any perceived self-estrangement, powerlessness and social isolation that the individual experienced in his work were measured as the alienating job conditions, and any negative physical, psychological and social consequences the individual experienced during the previous month were considered as affecting problem drinking. Of the 1117 subjects, 668 (61.8%) reported imbibing one or more drinks during the preceding month; the average daily alcohol consumption being 0.2+/-0.9 drinks. In addition, 188 (16.8%) subjects reported having experienced drinking-related problems in the preceding month. Workers with low occupational status were more likely to become problem drinkers when they felt comparatively self-estranged in their work. Further, those with a family history including any habitual drinker or those under more encouraging workplace drinking subculture were more likely to have drinking-related problems. For the prevention of problem-related drinking behavior, the workplace should be considered as the focus of our future intervention and management program.

**Institutional Paranoia:** According to Kulenovic, (University Department of Mental Health, Medical Faculty, University of Zagreb.) taken separately, the concepts of institution and paranoia have no bearing on work. They acquire their full new meaning as "institutional paranoia" only when they are taken together. Institutional paranoia is not a mental illness in the ordinary sense. It is a state, a condition, which exists in all associations and communities which have the same goal and concurrent intentions. The author's analysis of the problem is based on observation and monitoring of circumstances, discussions and content analysis, as well as on the use of questionnaires in several health institutions over a long period of time. He focuses his attention primarily on health, political, and economic institutions. With additional interventions, the content and dynamics of this process in institutions can

contribute to the gradual diminishing of institutional paranoia, and sometimes its complete disappearance over a long time.

**Evaluating Decision-Making:** A real-life example of auditing organizational effectiveness controls involved a review of the "decision-making" process in a Fortune 100 company that was implementing SAP enterprise computing A self-assessment conducted as a part of the project revealed that team members were unable to make decisions in a crisp, timely manner, a fact that presented a serious risk to successful project completion. The internal auditing department volunteered to review the effectiveness of the project's decision-making process.

The fact that the company had rigorously defined what constitutes effective decision-making within their environment made this assessment possible. The auditor conducted more than 15 fact-finding interviews with key project personnel and participated in numerous planning sessions to assess the degree to which these pre-defined features were characteristic of the decision-making process. The predefined elements included:

- Identification of the decisions needed to be made at a particular point in time.
- Identification of the type of decision-making process - consensus, consultative, or autocratic - that would be utilized for those decisions.
- Validation that all appropriate individuals were involved in the decision to be made and that no inappropriate individuals took part.
- Effective communication of the final decision in order to discourage second-guessing.

As a result of this review, a five-point action plan for improving the project's decision making processes was established, which significantly enhanced the implementation project's chances for success. The most serious discovery from the analysis was that final decisions often were not effectively communicated to other project participants. This action encouraged others to ignore decisions, particularly if they did not agree with them After the project

leaders began to regularly communicate final decisions, the program's decision-making effectiveness was greatly enhanced.

**The Role Of Participation In Decision-Making In The Organizational Politics-Job Satisfaction Relationship:** The study by Witt (University of New Orleans, USA ), Andrews (West Virginia University, USA ) and Kacmar (Florida State University, USA) examined the impact participation in decision-making (PDM) had on the relationship between perceptions of organizational politics and expressions of job satisfaction among 1251 public sector employees. They hypothesized that perceptions of organizational politics would reduce job satisfaction and that the detrimental effect of politics on job satisfaction would be weakest among workers who engage in consensus decision-making with their supervisors. They used confirmatory factor analyses to determine whether the variables used in this study reflected distinct constructs. Then, they used correlational analysis and hierarchical moderated multiple regression analyses to test the hypotheses. Results indicated that the variables reflected distinct constructs and confirmed the hypotheses. Examination of the interaction indicated that the effect of PDM on job satisfaction was robust at high levels of perceived politics.

**Make Better Decisions--Faster:** The Harward Business Review (2003) On Point collection addresses the question: Why most business initiatives fail. It has been observed that 70% of manufacturing plants shut down within their first decade, 75% of mergers and acquisitions never pay off, and 80% of start-up ventures don't achieve their targeted market share. Cognitive biases and organizational pressures play up the positive and mars one's decision making. The project flounders because no one anticipated the full range of likely problems. In normal course one also tends to seek only the information that supports one's point of view, and exaggerate the abilities and control over events. It discusses how one can make better decisions. The solution lies in using a straightforward process for accurately predicting a project's future, consider decision-support software, and make practical behavior changes.

**Trust, Control And Post-Bureaucracy:** Garsten, Grey's (Organization Studies, March, 2001) paper is a contribution to the analysis of intra-organizational trust. From a discussion of concepts of trust, they suggest that trust is something which is constructed for and by people in organizations, thereby producing some degree of predictability. Trust is a precarious social accomplishment enacted through the interplay of social or discursive structures, including those of work organizations, and individuated subjects. They argue that bureaucratic organizations effected this construction in such an efficient manner that it 'disappeared' as an issue for organizational theorists, but that shifting organizational forms have re-opened it. They suggest that the advent of corporate culturism in the 1980s offered one kind of reconfiguration of trust in organizations. However, subsequent extensions of organizational reform have undermined corporate culture as a way of constructing trust. These extensions, which, with some caveats, may be called post-bureaucratic, have brought with them new potential bases for trust, and hence control, in organizations. They explore these in two ways. First, they discuss how various types of managerial languages and techniques have the capacity to provide a global 'script' through which particular local contexts can be made sense of, and which allow possible subject positions and identities to be secured. Second, they develop this discussion with reference to two different kinds of employees whose work is in some senses post-bureaucratic: accountants and consultants in Big Five firms, and temporary workers (temps) working through agencies to provide clerical and other services. In a conclusion, they have commented on the durability of post-bureaucratic modes of trust.

According to Sydow, in "Understanding the constitution of intraorganizational trust", Trust is a social phenomenon which makes work within organizations easier and collaboration among organizations possible. Specifically in a world of increasing uncertainty and complexity, flat hierarchies, more participative management styles, and increased professionalism, trust is thought to be a more appropriate mechanism for controlling organizational life than hierarchical power or direct surveillance (e.g. Fox 1974 and for more recent sources, Heisig and Littek 1995; Hosmer 1995; Zaheer and

82

Venkatraman 1995; Lane and Bachmann 1996). Beyond intraorganizational trust, the increasingly close collaboration among organizations as in cases of joint research and development, just-in-time delivery or relationship marketing requires trust among organizations that is intraorganizational trust (Dodgson 1993).

Empirical evidence which mainly, stems from his own research on financial services networks in Germany- The financial services industry presents itself for an analysis of the constitution of interorganizational trust for atleast two reasons: (1) Leading insurers have transferred most of the production and distribution of financial services from their own (employed) sales force to networks of more or less independent agents and brokers with which they usually maintain long-term business relations. (2) Trust is particularly important in this industry, since financial services exhibit neither search nor experience but 'credence qualities' (Nelson 1970), i.e. the real quality of these services cannot even be established reliably after consumption  The quality of the business relations, therefore, supplies an important interpretative scheme for the evaluation of the service quality from the perspective of all actors in this industry: insurers, agents, brokers and not least, private and industrial customers.

**Professional Pampering (A Division Of The Pamper Company Ltd.):** They have given advantages of professional pampering:

*Pamper for Profits:* Reduce the cost of absenteeism and improve morale to directly impact the bottom line.

*Pamper for Productivity:* Pampered and appreciated employees are more ready to work hard

*Pamper for Performance:* Improved morale and team cohesion gets the very best out of everyone.

*Pamper for Perks:* A better way to attract and retain staff.

*Pamper for Prevention of aches & pains:* Stiffness from repeated desk work often leads to long term aches and pains which can be prevented with regular attention.

*People make businesses work:* A business is dependent upon its people to

work together as a motivated and appreciated team. Effective people are healthy in body and mind, fully able to deliver their best performances.

Many of today's businesses are held back by staff feeling they lack appreciation, by gossip and lack of cohesion. Managers are concerned about managing stress in the office and preventing illnesses that can arise from repetitive work.

### *Show them how much they are appreciated...*

Professional Pampering provides therapeutic treatments in the office which build morale while directly benefiting the employee:
• Improves employee morale
• Healthy for Mind and Body
• Reduces Stress
• Reduces Absenteeism
• Increases alertness and productivity
• Build awareness of local therapists and their treatments offered
• Promotes an environment of care and appreciation for others

### *Building a cohesive team...*

Team building initiatives often distract the employee from their work or can be unhealthy "treats" which may actually feel them leaving worse. Professional Pampering offers a healthy alternative for forward thinking companies who want to leave their employees with a lasting feeling of appreciation.

**Teamwork Trends:** The use of teams in the American workplace is not new. In the 1920's, a few pioneering companies established problem-solving teams to address issues of quality and efficiency. What is new is the widespread proliferation of teams in American companies. Many believe that teamwork may soon be the norm in United States Companies – Standard Operating Procedure.

The American Society for Training and Development asked several hundred human resource executives about teamwork results. Their responses show:-

- ◆ Productivity "improved" or "significantly improved" in 77% of the companies.
- ◆ Quality improvements due to teamwork were reported in 72% of the companies.
- ◆ Waste was reduced in 55% of the firms.
- ◆ Job satisfaction "improved" in 65% of the organizations.
- ◆ Enhanced customer service was enjoyed by 57% of the companies.

Additional results reported include more efficient production scheduling and goal setting, and increased ability of team-linked employees to resolve their own disputes.

Executives surveyed in an Industry Week survey were equally positive about the benefits of teams. When asked to list the top benefit, improved quality (reported by 30%) headed the list, followed by productivity (24%), increased morale (21%) and fewer layers of management (14%).

At General Mills productivity in plants using teams is as much as 40% higher than in their traditional plants. The division of 3M that organized around cross-functional teams to develop new product is one of the company's most innovative and fastest growing. Teams at one of Ingersoll-Rand's manufacturing plants reduced scrap in one operation from 15% to 3% and in another, from 40% to 3%.

Khanna (2002) mentioned about the study on Factor Structures of Organizational Health Scale; purpose of which was to conceptualize Organizational Health construct with limited factor structures. Initially, the construct was conceptualized in terms of eleven appropriate variables. A questionnaire was developed on the basis of the appropriate variables. Stratified random sampling was followed to collect data from managers (n=82), supervisors (n=131) and rank file workers (n=186) of two heavy engineering organizations in private and public sectors. Following principal component analysis with vari-max rotation, Organizational Health was conceptualized in terms of five factors namely, satisfactory interaction with

task agents, attachment with organizations, problem solving opportunity and evaluation of organizational progress and awareness of changes in task environment.

The study on Organizational Health Scale and Life Satisfaction – A Path-Analytic Model attempts to understand a casual relationship between perceived attributes of Organizational Health and life satisfaction as a whole. Eleven attributes of Organizational Health were measured by Organizational Health scale developed by authors. Life satisfaction was measured by life satisfaction scale (Warr et al., 1979). Data were collected from 400 employees of two heavy engineering organizations in private and public sectors following stratified random sampling. Higher order partial correlation coefficient analysis suggests that each health attribute is casually related with life satisfaction. Path-analytic model was proposed lastly to identify some of the strategic variables of Organizational Health to improve life satisfaction.

The study on Relative Prediction of Organizational Health Variables in Predicting Job Satisfaction investigated the relative predictive capacity of Organizational Health variables in predicting Job Satisfaction. Data were collected from managers (n=34), supervisors (n=73) and staff (n=82) of a steel plant in public sector. Hierarchical multiple regression analysis across organizational hierarchies shows that managers gave more importance to organizational need satisfaction and organizational awareness for Job Satisfaction. To supervisors, autonomy in decision-making, satisfactory relationship between organization and task environment, awareness of changes in task environment and organizational need satisfaction were relatively more important. To staff, problem solving opportunity and good interpersonal trust were relatively more important for Job Satisfaction.

A study was made to assess the Organizational Health of a public hospital in Calcutta using the process state approach. A Likert type five point rating scale was prepared for assessment of the physical, mental and social well-being of the hospital. Stratified random sampling was followed to collect data from 18 physicians and 39 nurses. The results revealed no significant

difference between physicians and nurses perceiving the state of well-being of the hospital. It was noted that less than 50% of the respondents perceived a high state of physical, mental and social well-being in the hospital. Some organizational change strategies are discussed to improve the health of the hospital.

After discussing the studies on 'Organizational Health', the researcher would now focus on the studies conducted on the other variables; i.e. 'Job Satisfaction', 'Organizational Effectiveness' and 'Organizational Commitment'.

# STUDIES ON JOB SATISFACTION

Vaidya (2002) conducted study on 'employees' satisfaction', with a objectives to access employees views on work environment and examine their motivational value to employee satisfaction, productivity and effectiveness. The data revealed that there is a need to have open communication system. Researcher found that employees should be involved and allowed to participate in the decision making. This study suggests that there is positive correlation with Job Satisfaction and decision making processes. There is a need for equitable rewards and recognition based on performance which may lead to employees' satisfaction.

Parmar (2002) studied Job Satisfaction and Job Anxiety She found that organization should be proactive to take positive and corrective measures for the overall development of its employees. There is positive correlation between working condition, changes for promotion and Job Satisfaction.

Dhomse (2001) conducted the study on Job Satisfaction among the managers of HR departments. He studied HRD–KAP with reference to Industrial Relations, Productivity and Job Satisfaction. The researcher found that qualification; years of services and income have no impact on job satisfaction. However he found need for better working conditions and work culture for job satisfaction among the managers.

Sharma and Kaur (2000) conducted the study on 'Determinants of managerial motivation in a public sector manufacturing organization; with a purpose to examine the relationship between Job Satisfaction and organizational characteristics'. Researchers found that executives are moderately motivated. They are highly satisfied with the design of the jobs. They felt that jobs allow them to use their own ideas and abilities. This study shows positive correlations with independence and job satisfaction. An improvement in organizational characteristics is likely to improve motivation and job satisfaction amongst executives.

Bavendhum Research Incorporated (2000) Island surveyed over 15,000 white collar employees nationwide from all levels of the participating organization. The survey revealed that promotion from within when possible; promote a balance of work and personal lives. The survey also revealed need for training for the managers. There is need to encourage communication between employees and customers. The survey revealed that all employees should have input in decision-making process. There is positive correlation between Leadership, Decision-making process and Job Satisfaction.

The article 'Life Today', published in National Institute of Business Management (2002) summarizes the results of a national poll of 1000 adults in the U.S. work force. It found that balancing work and family is more important than job security, working conditions and relationships with co-workers and supervisors. The article states that there is still something fundamentally wrong with how Americans work today and they see ways it can change. 95% want to spend more time with their family; 92% want more flexibility; 88% sited stress as an important job factor. This article provides evidence of the need for better people practices in companies today.

International network service (1999) Job Satisfaction reports conclude that the overall, two-third of net working professional are satisfied with their current jobs, leaving the remaining one-third dissatisfied. This outcome is an improvement from the survey conducted in 1998, when only 56% of

respondents were satisfied with their jobs, and 44% were unsatisfied. In fact, nearly one quarter (22%) of the respondents in 1999 describe themselves as very satisfied with their current job, compared to only 17% one year ago.

William M. Mercer, Incorporation (1998); in surveying 206 medium to large companies; found that in organizations with high turnover, compensation was the most common reason given for dissatisfaction. However, in companies with very low turnover, 40% of the respondents perceived emotional factors (work satisfaction, good relationships with managers and other employees) as completely motivating their retention as compared to 21% attributing financial factors (satisfaction with compensation and benefits) as completely motivating their retention.

Nazir (1998) studied perceived importance of job facets and overall Job Satisfaction of Bank employees with an objective to measure the overall Job Satisfaction. It is found that Job Satisfaction is affected by both motivators and hygiene factors. There is a need to maintain and improve the maintenance factors, which includes changing the nature of the work to make it more challenging and intrinsically rewarding.

Joshi and Sharma (1997) conducted the study on Determinants of managerial Job Satisfaction in private organization. One of the findings of this study gives ample support to the premise that contextual factors do have a major role to play in influencing Job Satisfaction. The job content and training together account for more than half of the variance in job satisfaction. Both belong to the group of variables identified by Herzberg as satisfiers of motivators.

Ting (1997) reported that variables related to the job content and the organizations are more important determinants of Job Satisfaction. He reported significant effects of pay satisfaction, lack of promotional opportunity, task clarity and the utilization of skills and the meaningfulness of the task. He also reported significant effects of Organizational Commitment and the relationships with supervisors and co-workers.

Joseph (1996) conducted the study on Job Satisfaction and job anxiety. The study revealed that respondents have low level of job satisfaction on the relation with independent variables like age, sex, income, education, experiences and department. It is conducted that organization should have positive approach to increase Job Satisfaction. Organization should provide the better working conditions, raw materials, good recognition of individual capacities and chances for the future growth.

# STUDIES ON ORGANIZATIONAL EFFECTIVENESS

Dave (2004) conducted a study on Organizational Effectiveness with reference to Job Satisfaction and Personality Traits' on 83 employees of Gujarat Glass Private Limited, Jambusar. The researcher suggested that Organizational Effectiveness and Job Satisfaction can be successfully attempted to bring in the organization and its employees by introducing employing participative activities like Employee Suggestion Scheme, Quality Circles, Kaizen, Training and Development, Work Redesign.

Dave (2004) in her study mentioned about the Corex Research Findings. Corex – an International Management Consultancy for Corporate Assessment offers a set of measures to provide valuable reporting on a range of aspects of Organizational Effectiveness that affect business success. Each of them serves a particular purpose:-

- **Implicit Strategies**

This provides an assessment of beliefs within the organization about the importance of various factors for success of the business. It delineates what are effectively implicit strategies in relation to key success factors for the business. The measure also provides perceptions of performance and difficulty on each of these factors. The reports give visibility to views about what is necessary for the business to succeed; how well it is doing; and constraints on success.

- **Inter-unit Integration**

This instrument deals with the relationships between units within an organization and the impact of those relationships on business performance. A number of integrational factors are measured and reported to show their effect on the way the organization is operating. Since organizations have complex patterns of internal dependence, focused analysis of integration can be critical to operational improvement.

- **Organization Processes, Practices and Effectiveness**

This measure focuses on work units within the business to describe their actual managerial and work characteristics. It thereby shows the suitability of processes and practices for the business contest and the nature of the work being performed. Some of the items measured, e.g. communication and patterns of decision making, provide good measures of Organizational Health.

- **Operational Responsibilities and Performance**

Internal and external perceptions of the responsibilities that make up the role of particular units within an organization can have a big effect on performance. The measure reveals those perceptions as a means to clarify roles. It also provides judgments about performance being achieved and about some key factors (e.g. performance clarity) which influence the way in which personnel behave and the performance actually achieved.

- **Personal Role Effectiveness**

This measure is applied at the level of individuals within an organization, though results can be aggregated to provide assessments for work units or the organization as a whole. For each individual assessed, it provides a detailed report on the way in which they inter-relate with others in the organization, as well as the way in which they approach their work and the expertise they can apply to it. It explicitly distinguishes relationships with, and perceptions held by, subordinates and superiors and colleagues. When aggregated for a work unit or organization, it reveals common personal strengths and weaknesses.

- **Information Technology Business Effectiveness**

Information technology systems are an essential element of most organizations. Often they are not well oriented to maximizing` business effectiveness. Working at the level of major system categories, this

instrument provides feedback on the business significance and effectiveness of those systems as seen by users within the organization. It also reports on the quality of the IT support and development environment within the organization, as it impacts on those who depend on IT systems.

Phadke (2002) conducted a study of Organizational Culture, Organizational Effectiveness and Productivity. He found that the legitimization dimension of Organizational Effectiveness is positively correlated with Organizational Commitment dimension of Organizational Effectiveness.

Job involvement dimension of Organizational Effectiveness is positively correlated with need for independence and Organizational Commitment dimension of Organizational Effectiveness. Further, it is found that the Job Satisfaction is positively correlated with Job Satisfaction dimensions of Organizational Effectiveness.

Khanna (2002) has conducted a study of Organizational Environment with reference to Organizational learning capacity, Organizational Health and Organizational Effectiveness. The finding reveals that productivity, commitment and independence dimensions of Organizational Effectiveness are significantly correlated and score is quite positive. The other dimensions like recognition need for innovation and communication score is moderately positive and it is positively correlated with Organizational Effectiveness.

Pathak (2002) conducted a study of HRD sub system with reference to Industrial Relations and Organizational Effectiveness. It is concluded that majority of the respondents are from service category and are willing to do their work without much expectations of any reasons. A large majority of the respondents agree that they make efforts to make themselves more effective in their own work, which may lead to Organizational Effectiveness.

Further, it is found that a large number of respondents felt that functioning of HRD sub system in the organization help to create and maintain better harmonious relations and Organizational Effectiveness.

Ogunrinde and Olakere (2001) have conducted a study on Strategic Human Resources Planning and Organizational Effectiveness. This study examined the extent of informal comprehensive strategic Human Resource Planning. The researcher has found whether or not comprehensive HR strategies were related to higher performance and efficiency. The researcher has analyzed and compared firm performance before and after implementing formal Human Resources Planning in terms of Organizational Effectiveness.

Minis and Carey (2001) have studied the relationship between measures of perceived Organizational Effectiveness and actual financial performance in the medical group practice environment. The study focused the relationship of perceived Organizational Effectiveness and financial performance in medical practice organizations. Due to the high constituent pressure on the physician practice, the research includes an effort to measure the perceived levels of constituency, pressures on the managers and considered the impact on performance and effectiveness. Further, the laws of control of the managers are considered as a factor that may moderate the Organizational Effectiveness and performance.

Voci (2001), Director of Corporate e-Learning Strategies; in his article on 'Organizational Effectiveness in the New Economy' mentioned about four key elements which every effective organization possesses:
1) Knowledge sharing and knowledge generation
2) A learning organization emphasis
3) People centered politics and practices that support 'spirit in the workplace'
4) An e-learning strategy.

These combined elements are directly linked to attracting and retaining workers. The article further describes a pronounced shift in workplace values that redefines the purpose of work itself, as well as how and where it is done. In the context for this shift in values, leaders are urged to recognize the noble promise that business contains: that everyone has the right to meaningful work. When this promise is fulfilled, people become engaged and contributing members and their organizations achieve a high level of effectiveness.

Mulimath (1999) studied Dynamics of power in Organizational Effectiveness. It is found that managers perceived themselves as having a high level of involvement and total commitment to the organization. Total commitment, involvement and loyalty were higher in the top levels, administrative departments and manufacturing divisions; where as identification was greater among top level administrative department and ancillary service division.

Daftuar (1998) studied Organizational Culture and Organizational Effectiveness. The study revealed that positive correlation exists between the cultural beliefs and culture of an organization on one hand and the effectiveness of the organization on the other hand. The consensus dimension of Organizational Effectiveness is correlated to competitiveness culture.

Kline and Russell (1998) conducted a study to explore the commitment levels of maximum employees in U.S. The finding revealed that Job Satisfaction participative decision making, and age were predictive of Organizational Commitment. Furthermore, it was found that leaders' behaviour and tenure were significantly correlated with commitment, whereas perceived Organizational Effectiveness tended to be correlated with commitment.

Johnson and Mcintge (1998) conducted research on organizational culture and climate correlates of Job Satisfaction. The measures of culture most strongly related to scores on Job Satisfaction were empowerment, involvement and recognition. Measures of climate most strongly associated with scores on Job Satisfaction were communication followed by goals, creativity and innovation and decision-making. The results have meaningful relevance to Organizational Effectiveness.

Dhanwane (1997) conducted study with regards to Organizational Effectiveness in term of work values, initiative, job commitment, belongingness and Job Satisfaction; majority of the respondents from the middle and with income group view Organizational Effectiveness at a medium level while majority of low income level view Organizational Effectiveness at a

94

high level. Majority of the experienced group have a low view of Organizational Effectiveness, while the high experiences group view it at a high level.

As regards the Organizational Effectiveness in terms of job commitment, it is found that medium HRD activities, low job commitment, high HRD activities, high job commitment. With regards to Job Satisfaction it is found that low HRD activities low level of Job Satisfaction and high level of HRD activities high level of Job Satisfaction

.

James, Joseph, and Philip (1997) have studied 'Organizational Effectiveness' in labour intensive companies: small to medium size CPA firms. The objective was to identify the important variables affecting effectiveness. The finding reveals that CPA firms perceived personnel criteria as the most important in assessing Organizational Effectiveness. Personnel is a combination of emphasis on employees (worker productivity, compensation, training) an emphasis on the output of the audit process (output quality and quantity) tying there together, the management style. In the study this factor was considered most important in contributing to overall success of the organization. It was found to be significantly different from that of the other four derived factors at the .05 level using a two tailed T-Test. The second and third derived factors (organizational stability, financial stability / growth). Over considered substantially less important in contributing to the effectiveness of the firm than the first factor and the fourth and fifth derived factors (prestige image, specialized interests) were considered substantially less important than there two. The finding supports the use of the constituent approach in measuring effectiveness in CPA firms.

The study conducted by V.V. Subramanghsarma (1997) on 'Leadership style and effectiveness of organizational process' concluded that:

[1]. The Organizational Effectiveness is influenced by decision-making process in the public enterprises. Scarce resource, Government policies, union interventions, competition from private sector and implications of public policy are the key factors influencing the decision making process.

Flexibility, quickness, fairness and acceptance of the decisions are manifested by the top management action. Delay in decisions, distortions in communication of decisions change in the top management structure violation of their own policies by the top management said to have been exercising adverse influence on the Organizational Effectiveness.

[2]. There is considerable evidence to state that in selected public enterprises lack of flexibility and limited adaptability with regards to corporate policies and procedures have resulted in negative influence on Organizational Effectiveness.

[3]. In selected public enterprises integration of activities, logical organization of tasks and inter departmental exchange of information are not given adequate emphasis in the organization processes. Here the role of top management in the coordination process is very important.

[4]. The goal setting has to be effective. Lack of perception regarding fairness and reasonableness of goal are the reasons for inadequate participation and commitment for the attainment of goals.

[5]. The analysis of the impact of characteristics of communication on Organizational Effectiveness has identified serious lapses and bottlenecks like lack of time sense and technical, physical and personality barriers.

[6]. Management controls in selected public enterprises are found to be ambiguous and least effective in improving the Organizational Effectiveness. There is a wide gap between perceived controls and existing controls.

[7]. The present organizational arrangements for training and development are not adequate for improving the organizational effectiveness. Training goals, methods, contents are not oriented towards the skills requirements of the organization.

# STUDIES ON ORGANIZATIONAL COMMITMENT

Organizations looking forward to employ individuals useful in the realization of organizational goals led the behaviourists to enquire into the useful behaviours of employees. Such inquiries resulted in arriving at some confusion about the employees' continued participation in the work organizations. It has been explained that satisfaction, involvement, intrinsic motivation, identification and role stress are some influencing factors (Cummings and Bigelow, 1976; Harigopal and Ravi Kumar, 1979; Howards, 1976; Koch, 1978; Lawler, 1970). However, these studies could not throw sufficient light on individual's continued participation in work organizations and so, researchers attempted to study it in terms of commitment.

Organizational Commitment is the general psychological link between the employer and his or her organization. It is an attitude of orientation that attaches the identity of a person to his organization. A greater amount of commitment enables the employee to receive extrinsic rewards, wages and benefits and psychological rewards. Organizations value commitment as it reduces withdrawal behaviours, lateness and turnover. It enables the employees to be creative and far more receptive to enduring stress and perform better.

Below is a description of the competency as well as behaviours typically demonstrated by high performers in each classification.

| Organizational Commitment: *Aligning behaviour with department values, principles and goals.* Behaviours: | | | |
| --- | --- | --- | --- |
| **Administrative Support** | **Professional** | **Managers** | **Executive Managers** |
| Actively supports the organization. | Anticipates and meets organizational needs. | Takes tough stands. | Focuses on long term good of organization. |

| Respects and accepts what the organization defines as important. Makes choices and sets priorities to meet the organization's needs and fit the organization's mission. Explains to clients, partners and stakeholders the context for departmental actions. Cooperates to achieve organizational objectives. | Speaks up when a problem exists and offers solutions. Willingly moves outside the boundaries of his/her job description if necessary to meet organizational and client needs. Takes calculated risks where needed and offers ideas and suggestions to "fill the void". Shows initiative. | Stands by decisions that are perceived to be a benefit to the organization even if they are unpopular and controversial. | Demonstrates willingness to sacrifice own unit's short term good for the long term good of the organization. Asks others to make sacrifices in order to meet the larger organization's entire needs. |
|---|---|---|---|

(Source: Alberta Public Service Competency Model)

Scholl (*Professor of Management, University of Rhode Island*, 2003) on "Human Resource Strategies: Commitment and Control Approaches to Workforce Management" - The basic thesis of the control vs. commitment theory is that there are two fundamental approaches to work force management. These two approaches present two integrated human resource strategies for the selection, development, motivation and retention of employees. The fundamental difference between these two strategies lies in the overriding philosophy and values regarding the employment of people and organizations. Control and commitment represent two distinct approaches to shaping employee behaviors and attitudes at work.

One way to differentiate these two strategies is to look at the specific functional human resource approaches typically employed by each strategy. The chart below summarizes the differences in practices and expected outcomes of the **Control Strategy** and the **Commitment Strategy.**

| Philosophies and Mental Models | Control | Commitment |
|---|---|---|
| **Employee Motivation** | Theory X assumptions; Target Sources of Motivation- Instrumental | Theory Y assumptions; Target Sources of Motivation- Self concept; Goal Identification |
| **Performance Expectations** | Define minimum expected performance standards | Set "growth" objectives |
| **Quality of Work Life (QWL)** | Important only if QWL is viewed as a means to productivity | Is an important organizational goal |
| **Practices** | | |
| **Recruitment** | Attract on the basis of pay and benefits. | Attract on the basis of career potential and growth. |
| **Selection** | Select for skills and ability to do one specific job. | Select for skills, ability, and potential to develop a career. |
| **Training & Development** | Training offered on skills to meet minimum current job requirements; skill based training. | Training designed to help employee need full potential. Emphasis on decision-making, problem solving, and interpersonal skills, as |

| | | well as operational skills. Preparation for jobs beyond current job. |
|---|---|---|
| **Performance Evaluation** | Behavioral Based Used to differentiate pay. | Goal Based Used for development and performance improvement. |
| **Compensation** | Individual-based pay, Incentive pay based on individual performance; Job-based pay. | Team-based pay; Skill-based pay; Incentive pay based on team or organizational goals. |
| **Leadership Styles** | Transactional; Maintain psychological distance. | Transformational; work to develop high quality relationship. |
| **Job Design** | Fragmented work designs; fixed job definitions; high specialized task; low task identity; emphasis on doing. | Emphasis on whole tasks, utilization of full range of employee skills; emphasis on thinking. |
| **Decision Making** | Autocratic. | Participative; Empowered. |
| **Control System** | Bases of power: Reward, Coercive, Authority Mechanisms: Centralization, Formalization. | Bases of power: Expect, Referent Mechanisms: Goals, Shared Values. |

| | | |
|---|---|---|
| **Labour Relations Approaches** | Union avoidance; Union acceptance. | Union acceptance; Labor-Management cooperation; Joint planning and problem solving. |
| **Employee Voice** | Limited employee input using structured approaches such as attitude surveys, suggestions boxes, and grievance procedures. | Employee participation encouraged; Employee input sought when solving problems and making changes. |
| **Conflict Management** | Forcing; Compromise; Appeal to authority or procedure. | Problem-solving; Search for win-sin solutions for mutual gain. |
| **Communication** | Closed. Major changes communicated as "orders" when plan are fully formulated Business data and information communicated on a "need to know" basis. | Open. Employees informed of problems and encouraged to participate in generating solutions. Plans for change communicated during al steps of planning process. Business data shared widely. |
| **Expected Outcomes** | | |
| **Employee Behaviour** | Adequate Role Behaviour; Bottom-line behaviour- Stick to minimum job requirement. | Extra Role Behaviour; Do whatever is required to accomplish goals, satisfy customers, help co-workers. |

| | Low Identification with Organization- Employees do not see their self concepts tied to organization success. Little pride or "ownership" in organizational success. | High Identification with Organization- Employees see their social identities tied to the employing organization. |
|---|---|---|
| **Identification** | | |
| **Longevity** | Stay as long as satisfied. | Long term commitment to remain. |
| **Leader-Member Relationships** | Instrumental relationship based on specific need of parties. | High Quality characterized by high trust, mutual respect and self concept validation. |
| **Labour-Management Relationships** | Adversarial; Low trust; Emphasis on controlling behavior of by contract. | Cooperative; Mutual trust. |

(Source: Walton, R. E; From control to commitment in the workplace; *Harvard Business Review*, 1985)

**Specific Dispositional Variables that may predispose an individual towards organizational commitment**

↓ Individuals whose dominant Source of Motivation is **"Goal Identification."** These individuals or more likely than those motivated by instrumental or self-concept sources to attach themselves to organizations whose goals and values most closely match their own.

↓ Those with motivation dominated by **"Self-concept External"** would be strong candidates for commitment. Those needing high levels of external validation (need for acceptance, worth & status) are more likely to define their social identity in terms of the organizations to which they belong.

102

⚜    Strong **"Self-concept Internal"** motivation characterized by a strong need to validate one's worth by behaving consistently with one's values. This is especially true when one has been socialized to believe that an individual's worth is a function of the degree to which he or she "does his or her best" (often referred to as work ethic).

Sharma and Joshi (2001) conducted a study among the managerial employees in a manufacturing organization in the private sector to find out the determinants of Organizational Commitment. The findings revealed that executives are, by and large, quite satisfied being members of the organization. Out of the large number of organizational characteristics studied, only two i.e. job content and performance appraisal emerged as critical determinants of Organizational Commitment.

Biswas (1998) conducted a study to examine the effects of six life stressors, i.e. performance, threat, boredom, frustration, bereavement and physical, on Organizational Commitment, job involvement and perceived Organizational Effectiveness across job levels. Data were collected from 160 employees (managers, supervisors and workers) belonging to nine different organizations located near Vadodara. Findings suggest that performance, threat and frustration stressors are significant predictors of Organizational Commitment, whereas none of the stressors predict Job Involvement. Perception of Organizational Effectiveness has a high positive correlation with Organizational Commitment and Job Involvement. Managers have significantly higher scores on Organizational Commitment and Job Involvement than supervisors and workers. Workers report significantly higher performance stress than managers and supervisors.

Sharma (1997) undertook a study to find out the determinants of Organizational Commitment and see as to which of the two (Personal and Situational factors) is a better predictor of Organizational Commitment. 200 skilled workers of a private sector manufacturing organization were interviewed with the help of structured interview. Schedule consisted of 12 independent variables relating to personal characteristics of the workers, task characteristics and organizational characteristics.

Results revealed that both situational and personal factors contribute to workers' commitment to organization. Between the two, situational factors contribute more to commitment than do personal related factors.

Balaji (1986) studied the responses of 169 managers in nine cooperative organizations to test the validity of the OCI (Organizational Commitment Instrument). Significant positive correlation was found between Organizational Commitment and age. Professionally trained employees were less committed to their organizations than those without professional training. The study also revealed that those in senior and top management levels were found to express stronger Organizational Commitment than those in junior and middle management levels. Further, Organizational Commitment was negatively related to the intention to quit and positively related with satisfaction. It could be concluded that Organizational Commitment was more strongly related to organization as a whole and prestige of the organization than to other variables.

Raju and Srivastava (1986) conducted a study on 'Organizational Commitment to certain Job Attitudes'. Sample size consisted of 154 individuals from a private pharmaceutical company located at Hyderabad, Andhra Pradesh. These individuals included 23 permanent employees working in the administrative and the clerical division and 31 non-permanent non-technical workers of assembly and packing line of work. The results suggested that the work should be made more meaningful along with satisfactory company policies in order to bring about involvement as well as commitment. Involvement is necessary for higher production whereas commitment is necessary for both higher production and less job-turnover. Making work meaningful depends on the tasks available for the products and processes of that particular company. Since Intrinsic Motivation is less susceptible to he influences of external rewards; its likely contribution to company satisfaction and employing intrinsically motivated individuals might be helpful to the company to foster organizational commitment.

Studies on understanding the relationship between commitment and other organizational variables such as satisfaction and job involvement evinced

mixed results. Porter, Steers and Mowday (1974) found a positive relationship between Job Satisfaction and commitment on 147 psychiatric techniques. Jones; McLaughin and Butler; Farrel and Rusbult; O'Reilly; and Rusbult and Farrel also found a positive relationship between satisfaction and commitment. Alutto (1972) reported an inverse relationship between job dissatisfaction and commitment, whereas lack of relationship between satisfaction and commitment was observed by Grusky (1964) and Sillito (1971). Sheldaz (1971) reported in a study of rewards and commitment that there is anomaly in the relationship between occupational position and commitment to the organization and that the reward-recognition system was not operating as expected in producing Organizational Commitment.

The literature survey gives us ample evidence that the concepts like Organizational Health, Job Satisfaction, Organizational Effectiveness and Organizational Commitment have got definite linkages. This is how this chapter prepares ground for the next chapter i.e. Research Methodology.