

**ORGANISATIONAL CLIMATE AND JOB
SATISFACTION-A STUDY ON 'THE PHARMACEUTICAL
CORPORATION KERALA LIMITED' (OUSHADHI)**

Dhanisha M*

Dr B Johnson**

ABSTRACT

Human resource and practicing excellence in all operational and management areas are the intellectual capital assets that are the keys for the growth and development of 21st century organizations. The consistent performance and all round success are the keys of governance for corporate executives who need to work and perform under all circumstances. Further to develop and retain intellectual assets and to meet the striving expectations of today's youth, organizations need to create favourable organizational climate so that employees can be satisfied from the jobs and be effective. Chemical sector, one of the premium sectors of India and Pharmaceutical Industry is the most integral part of this sector. Ayurveda is an ancient health system of India. Globally the World Health Organisation recognises it as Traditional Medicine (TRM). The present study mainly focuses on Oushadhi- a leading Ayurveda Manufacturing Company in Kerala. This study indicates how various factors of organizational climate correlates with job satisfaction of employees in Oushadhi. The findings of the study indicate the favourable organization climate enhanced job satisfaction and there is positive relationship between organisational climate and job satisfaction.

Key words: Organisational climate, Job Satisfaction, Oushadhi, pharmaceutical industry, Ayurveda

* Research Scholar, Department of Commerce and Management Studies, University of Calicut

** Associate Professor, Department of Commerce and Management Studies, University of Calicut.

Introduction

The Pharmaceutical industry is the one of the major sub segments in the Indian Chemical industry. India currently represents just U.S. \$6 billion of the \$550 billion global pharmaceutical industry but its share is increasing at 10 % a year, compared to 7 % annual growth for the world market overall. Also, while the Indian sector represents just 8 % of the global industry total by volume, putting it in fourth place worldwide, it accounts for 13 % by value, and its drug exports have been growing 30 % annually. The “organized” sector of India's pharmaceutical industry consists of 250 to 300 companies, which account for 70 % of products on the market, with the top 10 firms representing 30 %. However, the total sector is estimated at nearly 20,000 businesses, some of which are extremely small. Approximately 75 % of India's demand for medicines is met by local manufacturing.

Ayurveda is the system of medicine that evolved in India and has survived as a distinct entity from remote antiquity to the present day. Ayurveda is a science which intended to benefit the entire world. In ancient India, It was considered as a great science in touch with Indian philosophical thoughts. It utilizes wealth of nature for increasing the natural resistance of the body. Ayurveda favours administration of natural raw drugs (plants/animal/mineral/metal/marine origin) and their preparations. It is estimated that the total market size of the Indian Ayurveda Market is Rs.8000 crore and it is growing substantially between 10-15 percent.

Organisational Climate

Organizational climate (sometimes known as Corporate Climate) is the process of quantifying the “culture” of an organization; it precedes the notion of organizational culture. It 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 behaviour. Organizational climate, manifested in a variety of human resource practices, is an important predictor of organizational success.

Job Satisfaction

According to Cranny, Smith and Stone (1992), job satisfaction can be defined as an affective or emotional reaction that an employee has towards a job that is the result of his or her comparison

of actual outcomes with expected or deserved outcomes. Job satisfaction has also been defined in terms of attitudes that individuals have towards their jobs (Weiss, 2002). Schneider and Snyder (1975) define job satisfaction as a personal evaluation of the current conditions of the job or the outcomes that arise as a result of having a job.

Organizational climate and Job satisfaction

There are numerous studies investigating the relationship between organisational climate and job satisfaction, with many researchers finding evidence to support the relationship between the two constructs (Field & Abelson, 1982; Friedlander & Margulies, 1969; LaFollette & Sim 1975; Litwin & Stringer, 1968; Pritchard & Karasick, 1973; Schneider & Snyder, 1975).

Peek (2003) found that organisational climates that exhibit characteristics such as having a high degree of autonomy, providing opportunities for employees, nurturing relationships among employees, showing interest in and concern for their employees, recognising employees' accomplishments and holding employees in high regard result in more satisfied workers. Similarly, Brief (1998) found that salary, benefits and advancement opportunities were components of organisational climate that had a direct influence on job satisfaction.

In summary, organisational climate and job satisfaction are distinct but related constructs (Al-Shammari, 1992; Keuter, Byrne, Voell & Larson, 2000). Organisational climate is focused on organisational attributes as perceived by organisational members, while job satisfaction addresses perceptions and attitudes that people have towards and exhibit about their work.

OUSHADHI

The Pharmaceutical Corporation (I.M) Kerala limited, Trissur popularly known as OUSHADHI is an Ayurveda medicine manufacturing company fully owned by Government of Kerala. Oushadhi is the largest producer of Ayurveda medicines in public sector in India. It is one among the few public sector companies, consistently making profit since 1999. It is a GMP and ISO 9001 – 2000 certified company. It produces around 500 Ayurveda formulations – both classical and proprietary. Oushadhi is directly controlled by Health and Family Welfare Department of Kerala State Government. Oushadhi was originated as Sree Kerala Varma Govt. Ayurveda Pharmacy in 1941 at the instance of His Highness the Maharaja of Cochin, for the supply of medicines to Govt. Ayurveda Hospitals in Trissur and erstwhile princely family

of Cochin State. In 1975, it was renamed as The Pharmaceutical Corporation (I.M.) Kerala Ltd, Trissur. Oushadhi is the sole supplier of medicines to Government Ayurveda Hospitals and Dispensaries in Kerala. It is also a supplier of Ayurveda medicines to Government Hospitals and dispensaries of other states like Madhya Pradesh, Chhattisgarh, and Pondicherry etc. Oushadhi has several departments consisting of Administration, Human Resources, Finance & Accounts, Purchase, Production, Marketing, Quality Control, Research & Development, Maintenance, and Panchakarma Hospital & Research Centre.

Review of Literature

In a study conducted by Reecha, Amit, Sangeeta, Saurabh (2011), titled 'Impact of Organisational Climate on Job Satisfaction'-A Comparative Study, attempted to find out how various organisational climate correlates with job satisfaction in Telecommunication sector. The study is based on the collection of responses from executives from all over in India from each organisation, responses from 112 executives from Reliance, Idea, TATA, and Airtel are being considered for the study. For measuring organisational climate and job satisfaction information, data are collected through two questionnaires namely organisational climate questionnaire and job satisfaction questionnaire. The findings of the study indicate the favourable organisational climate enhanced job satisfaction in all four companies.

Sonali Saha & Abhay Kulkarny (2012) in their study made an attempt to examine how the quality of employee's workplace environment impacts on the level of employee's motivation and subsequent productivity. This study mainly focused on selected IT companies in Pune region. They were also assessed what are the key factors in the employee's workplace environment that impact greatly on their level of motivation and productivity. The results of this study indicate that the productivity of people in their workplace can be greatly influence by the environment and physical work space they occupy on a daily base.

Ahmad et al (2012) conducted a study titled "Organizational climate: A study of pharmaceutical industry in Pakistan". This paper reports the results of a study on investigation of perceptions of middle managers about the organizational climate at their workplaces and the satisfaction with organizational climate positively affects the performance and has negative relationship with

turnover and deviant behaviour of the employees at work. Organizational climate is measured on the basis of seven component factors: internal communication, organizational structure, political climate, professional development opportunities, evaluation, promotion and regard for personal concerns. The data are collected from 246 middle managers, predominantly male and working in local organizations, on cluster sampling basis. The results show internal communication as open, organizational structure highly structured, political climate is not highly politicized, highly encouraged professional development opportunities, evaluation is for improvement, and highly encouraged internal promotion. The middle managers differed significantly in respect of political climate, professional development opportunities and regard for personal concerns, when comparison was made between local and multinational organizations as perceived by them.

Anthonia Adenike (2011) conducted a study organizational climate as a predictor of employee job satisfaction: evidence from Covenant University. The study aims to explore organizational climate as a predictor of employee job satisfaction of academic staff from a private Nigerian University. The study of the antecedents of job satisfaction is important because of the role it plays in job satisfaction of employees which in turn affects organizational productivity. Data were collected from three hundred and eighty-four academic staff of the university with the aid of questionnaire out of which a total of two hundred and ninety-three questionnaires were returned fully and appropriately filled. Three hypotheses were tested and the results of the finding showed a significant positive relationship between these two variables.

Zulfqar Ahmad, Zafar Ahmad, Ishfaq Ahmed & Muhammad Musarrat Nawaz (2010) conducted a study to measure the satisfaction of middle managers with organizational climate in pharmaceutical sector of Pakistan. A questionnaire survey was conducted to collect the response. 66 organizations were selected through cluster sampling technique, from four major cities of Pakistan, out of the total 66 companies (51 local and 15 multinational organizations). Out of these organizations 246 middle level managers were surveyed (170 from local companies and 70 from multinationals). The results reveal that in majority of the managers were satisfied with organizational climate in both local and multinational organizations. Respondents from multinational organizations were found to be more satisfied then the respondents from local companies.

Research Problem

Oushadhi is one of the largest manufacturers of Ayurvedic Medicines in Kerala. Apart from other industries pharmaceutical industries have complex processes, employees who are working under this industry always face health hazard problems and handled heavy machines and equipments. Currently the employees facing many problems like security threats such as lack of proper fire and safety measures, and lack of support or avoidance from their superiors etc. It is the responsibility of the management to ensure the safety of employees, proper grievance settlement and employee welfare.

Scope of the Study

Oushadhi is a fully Govt. owned company in Kerala which provides large number of employment opportunities and huge numbers of employees are working under this industry. Organizational climate or environment of work place is one of the factors that explicitly or implicitly influence the level of performance of employees in every industry. The scope of the study is limited to examine the relationship between the organisational climate and job satisfaction.

Objectives of the Study

- 1) To explore the relationship between job satisfaction and work environment.
- 2) To assess and compare the satisfaction level of two category of employees.

Hypotheses

- 1) There is no correlation between job satisfaction and work environment
- 2) There is no association in the satisfaction level of the two category of employees in relation to current benefits

Methodology and Data Base

Survey method using personal interview has been adopted for the collection of data. A structured interview schedule was used for data collection. A sample of 70 employees was selected for the study from the total of 219 permanent employees, consists of four levels (Higher level, Middle level, Last grade employees and General workers). For the purpose of the study the sample

employees are classified in to two namely, category1 and category2. Category 1 consists of higher level & middle level employees (Manager, Assistant Manager, Senior & Junior Assistant) and category 2 consists of Lower level employees (Last grade Employees & General workers). For data analysis statistical tools such as average, percentage, chi-square test and correlation were used; for the purpose of analysis SPSS 20 has been used.

Secondary Data

The secondary data are collected from journals, articles, websites etc.

Results of the analysis

| Characteristics | Categories | No. of Respondents | Percent |
|-----------------|--------------------|--------------------|---------|
| Age Group | 26-35 | 13 | 18.6 |
| | 36-45 | 36 | 51.4 |
| | above 45 | 21 | 30.0 |
| | Total | 70 | 100.0 |
| Gender | Male | 39 | 55.7 |
| | female | 31 | 44.3 |
| | Total | 70 | 100.0 |
| Marital status | single | 1 | 1.4 |
| | married | 69 | 98.6 |
| | Total | 70 | 100.0 |
| Qualification | school | 29 | 41.4 |
| | ITI | 5 | 7.1 |
| | diploma | 1 | 1.4 |
| | degree | 21 | 30.0 |
| | PG | 14 | 20.0 |
| | Total | 70 | 100.0 |
| Department | administration | 6 | 8.6 |
| | HRM | 6 | 8.6 |
| | Finance & accounts | 8 | 11.4 |

| | | | |
|-------------------|--------------------|---------|-------|
| | Sales & production | 42 | 60.0 |
| | Total | 70 | 100.0 |
| Experience | 0-10 | 16 | 22.9 |
| | 11-20 | 15 | 21.4 |
| | 21-30 | 32 | 45.7 |
| | above30 | 7 | 10 |
| | Total | 70 | 100.0 |
| | Designation | Manager | 4 |
| Assistant manager | | 5 | 7.1 |
| senior assistant | | 8 | 11.4 |
| junior assistant | | 2 | 2.9 |
| last grade | | 21 | 30.0 |
| General workers | | 30 | 42.9 |
| Total | | 70 | 100.0 |

The results of the analysis are briefly explained below:

Table 1: Demographic Profile of Employees

Source: survey Data

The table shows that 51.4% of the employees are falling the age group of 36-45 years. Gender wise classification of employees shows that 55.7% are males. Majority of the respondents are married (98.6%). The education level of the respondent shows that most of them are only school educated (41.4%). Majority of the sample respondents comes under the department of sales& production. 45.7% of employees have 21-30 years of experience. Most of the sample employees come under the category of general workers.

Table 2 : Mean and standard deviation of study variables

| Variables | N | Minimum | Maximum | Mean | Std. Deviation |
|-------------------------|----|---------|---------|--------|----------------|
| Work environment AVG | 70 | 3.00 | 5.00 | 4.0310 | .40358 |

| | | | | | |
|----------------------------|----|------|------|--------|---------|
| Reward and benefits AVG | 70 | 1.00 | 5.00 | 2.9571 | 1.32354 |
| Autonomy AVG | 70 | 2.50 | 4.75 | 3.6036 | .41374 |

Table 2 describes the mean and standard deviation of the study variables such as Work Environment, Reward and Benefits, Autonomy. In the case of work environment the mean score is 4.0310 and the standard deviation is .40358, explains that the whole employees are satisfied with the present work environment. The mean score of rewards and benefits is 2.9571 and it shows that they are not at all satisfied with the reward and benefits. And finally Autonomy shows the mean score of 3.6036, it reveals the employees are satisfied with the Autonomy.

Table 3 Opinion about the health & safety programmes by the organisation

| | Frequency | Percent |
|-----------|-----------|---------|
| Poor | 1 | 1.4 |
| Neutral | 2 | 2.9 |
| Good | 55 | 78.6 |
| very good | 12 | 17.1 |
| Total | 70 | 100.0 |

Most of the employees (78.6%) opined that the health & safety programmes conducted by the organisation are good.

Table 4 satisfactory level of employees in working hours

| | Frequency | Percent |
|---------------------|-----------|---------|
| Highly dissatisfied | 1 | 1.4 |
| Dissatisfied | 4 | 5.7 |
| Satisfied | 59 | 84.3 |
| highly satisfied | 6 | 8.6 |
| Total | 70 | 100.0 |

Table shows that 84.3% of employees are satisfied and 8.6% of employees are highly satisfied in working hours.

Testing of Hypothesis No. 1

There is no correlation between job satisfaction and Organisational Climate

Table 5: Organisational climate and job satisfaction of employees

| | | Job satisfaction | Organisational Climate |
|------------------------|---------------------|------------------|------------------------|
| Job satisfaction | Pearson Correlation | 1 | .847** |
| | Sig. (2-tailed) | | .000 |
| | N | 70 | 70 |
| Organisational Climate | Pearson Correlation | .847** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 70 | 70 |

In this case the p value (.000) of correlation is less than .05. Hence the null hypothesis will be rejected, so there is significant relationship between work environment and job satisfaction.

Testing of Hypothesis 2

There is no association in the satisfaction level of the two categories of employees in relation to current benefits.

Table 6: Category of employees and Level of satisfaction

| Designation categories | Mean | N | Std. Deviation |
|------------------------|--------|----|----------------|
| Category 1 | 3.6316 | 19 | .89508 |
| Category 2 | 2.7059 | 51 | 1.37541 |
| Total | 2.9571 | 70 | 1.32354 |

Table 6 describes the category of employees and their level of satisfaction. The mean score of category 1 employees is 3.6316 and the standard deviation is 89508. It reveals that category 1 employees are satisfied in current benefits. And in the case of category 2 mean score is 2.7059 and standard deviation is 1.37541, and according to their opinion they are not satisfied in the current benefits they received.

For testing the hypothesis (2) **Chi-square test of Independence** has been adopted (Table7).

Table 7: Category of employees and level of satisfaction in relation to current benefits

| | Value | Df | Asymp. Sig. (2-sided) |
|------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Square | 9.674 ^a | 3 | .022 |
| Likelihood Ratio | 10.998 | 3 | .012 |
| Linear-by-Linear Association | 6.772 | 1 | .009 |
| N of Valid Cases | 70 | | |

In this case the p value (.022) is less than 0.05. Hence the null hypothesis will be rejected, so there is association in the satisfaction level of the two categories of employees in relation to current benefits.

| Hypotheses | Test statistic | P value | Conclusion |
|----------------------------------------------------------------------------------------------------------------------------------|------------------|---------|------------|
| H0: There is no relationship between job satisfaction and Organisational Climate | r= .847 | .000 | Rejected |
| H0: There is no association in the satisfaction level of the two categories of employees in relation to current benefits. | $\chi^2 = 9.674$ | .022 | Rejected |

1. Since the p value is less than 0.05, it is not significant at 5% level of significance; hence the null hypothesis is rejected.

2. Since the p value is less than 0.05 it is not significant at 5% level of significance; hence the null hypothesis is rejected.

Conclusion

In order to survive, the organizations are being forced to undergo massive changes. In this context, it would be important to identify the factors in the organizational environment that have the most positive impact on the performance of the organization. Among various factors, attitudes and feelings of the individuals regarding their jobs and job experiences have been found to be significantly affecting their behaviours. The main purpose of the study was to investigate the relationship between organisational climate and job satisfaction. The results of this study reported a strong positive relationship between the two variables ($r = 0.847$). The findings of this study thus support hypothesis 1, which postulated a positive relationship between organisational climate scores and job satisfaction scores.

Suggestions

- ❖ The general workers of the organisation can't meet their basic needs with the present salary. For avoiding employee turnover it is essential to increase the present salary of the workers under general category.
- ❖ Employees who have experience over 10 years are still under the category of general workers, it is essential to convert them into last grade employees, so that they can enjoy the reasonable benefits.
- ❖ Even if there is a good safety equipments, employee are not fully satisfied with the current measures, so it is vital to aware the employees about the present safety equipments and try to implement more advanced measures.
- ❖ The relationship between general workers and their immediate supervisor is formal, for the smooth functioning of organisational activities it is essential to establish a cordial relationship with their subordinates.

References

- 1) Anthonia.A, (2011), "organizational climate as a predictor of employee job satisfaction:" evidence from covenant university, Business Intelligence Journal, 4 (1), pp 151-165
- 2) Cohrs, J.C., Abele, A.E., and Dette, D.E. (2006), Integrating situational and dispositional determinants of job satisfaction: Findings from three samples of

- professionals. *The Journal of Psychology: Interdisciplinary and Applied* 140 (4), pp 363-395.
- 3) Litwin, G.H., and Stringer, R.A. (1968), *Motivation and Organizational Climate*. Boston: Harvard University Press.
 - 4) Locke, E.A. (1976). "The nature and causes of job satisfaction." *Handbook of industrial and organizational Psychology*, pp 1297-1349.
 - 5) Mahmoud, M., Reza, G., and Roozbeh, H (2012), "The Impact of Different Job Dimensions toward Job Satisfaction and Tendency to Leave: A study of pharmaceutical industry in Iran", *International Journal of Business and Social Science*, 3 (1), pp 183-191.
 - 6) Reecha, R.S., Amit, C., Sangeeta, A., and Saurabh, K (2011), "Impact of Organisational Climate on Job Satisfaction" –A Comparative Study, *International Journal of Computer Science and Management Studies*, 11(2)
 - 7) Saha, S., and Kulkarny, A. (2012), "A study on workplace environment and its impact on employee productivity in selected IT companies in Pune region", *SuGyaan*, IV, (1), 50-59.
 - 8) Schneider, B., & Synder, R.A. (1975), "Some relationships between job satisfaction and organizational climate." *Journal of Applied Psychology* 60, pp 318-328.
 - 9) Zulfqar, A., Liaqat, A., and Nazir, A (2012), "Organizational climate: A study of pharmaceutical industry in Pakistan", *African Journal of Business Management*. 6(49), pp 11880-11886.
 - 10) Zulfqar, A., Zafar, A., Ishfaq, A and Nawaz, M (2010), "Organizational Climate (OC) as Employees Satisfier:" Empirical Evidence from Pharmaceutical Sector , *International Journal of Business and Management*, 5 (10), pp 214-222