



“The Impact of Organization Climate on Motivation of Employees in Rashtriya Ispat Nigam Limited”

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Abstract: This study aims to analyze the impact of the organizational climate on the employee motivation using the survey explanatory method. The data collection technique used is questionnaire with scores ranging between 1 to 5 rating scale models. Respondents are employee at Rashtriya Ispat Nigam Limited, Visakhapatnam and Raebareli. Regression data analysis technique used. The research results reveals that organizational culture in RINL has a positive motivation influence on RINL employee, Therefore, employee performance can be improved through enhancement of organizational culture and motivation. The implication is that there is a need for the leader to take action and initiatives related to improvement of the performance of the employees.

Index Terms - Organizational Climate, Organization Learning, Employee Motivation, Employee Performance.

I. Introduction

Human Resources have an important role in driving activities and determinants of the progress of an organization. The employee motivation is an important factor (Arifin F., 2014) that affects future of employees and to achieve organizational goals (Siburian, 2013),

The results of the preliminary study indicate that employee performance is still not optimal. Result about employee performance appraisals are obtained based on the aspects of the employee motivation and organization climate. The study is based on survey conducted at RINL, Visakhapatnam, it has been observed that employee motivation is not optimal. This can be illustrated in action, namely the level of employee low attendance, less responsibility; employees were not disciplined. Data obtained regarding employee attendance clearly shows that employees often comes late, hurry home and remain absent without explanation, this phenomena has increased in the year 2017. The percentage of employees attendance decreased by around 8%, employees who were absent is increased by 2.1% and employees who were late to work increased by about 0.1%. The question that immediately arises is why the motivation of the employees is not yet optimal? Referring to the perspective of behavior theory (Luthan, 2002), many factors affect employee motivation. The organizational climate factor has strong influence on employee motivation (Wirawan, 2007). Based on this, the problem was formulated for this study "is there influence of organizational climate on employee motivation?", and does organization climate and employee motivation has a bearing on employee performance. Thus the goal of this research is to analyze the influence of organizational climate on employee motivation.

II. Literature Review

Organizational Climate

Organizational climate is a condition of organizational culture (Permarupan, Saufi, Kasim, & Balakrishnan, 2013). Organizational climate can be defined as shared perception about organizational policies, practices, and procedures (Reichers, 1990). Organizational climate sometimes known as corporate climate which means that the process of measuring the "culture" of an organization; or organizational culture. This is part of work environment, which is felt directly and indirectly by the employees, that is assumed to be a major force in influencing employee behavior (McMurray, 2010).

Organizational climate can be measured by six indicators, namely *organizational structure, organizational standards, responsibility, reward, support and commitment*. Organizational Structure reflects the feelings in the organization and role and responsibilities assigned within the organization. Standards measures feeling of pressure to improve performance and the degree of pride that is owned by employees of the organization as a bench mark of good performance. Responsible of the employees' reflects feelings that they are their own boss and not requires its decisions to be legitimized by other employees of the organization. Appreciation indicates that employees of the organization feel valued if they complete the task and get full support, mutual support among the working group members. Commitment is the feeling of proud of employees of the organization and the degree of loyalty towards the achievement of organizational goals. (Wirawan 2007)

Motivation

Motivation is a process of one's ability (Robbins, 2003), which encourages employees to achieve desired goals (Hadoko, 2003). In general, motivation defined as encouragement that helps individuals to do or not do something (Nyakundi, 2012) in achieving the goal (Dislen, 2013), (Dornyei, 2009), which has been pre-determined (Dislen, 2013). Motivation can be measured through indicators of productivity, work discipline, job satisfaction, and loyalty. Productivity is the ratio between the results achieved (output) with the total resources used (input). Work discipline is a strength and compliance with existing rules and regulations. Job satisfaction is a feeling support or do not support in the employees associated with work and his condition. The last indicator is loyalty, loyalty is sense of love and respect for the company, with a high sense of loyalty someone feels there is no need to be rewarded for doing something. (Hasibuan, 2007)

Based on the literature review as described above, it can be described theoretical framework as follows:

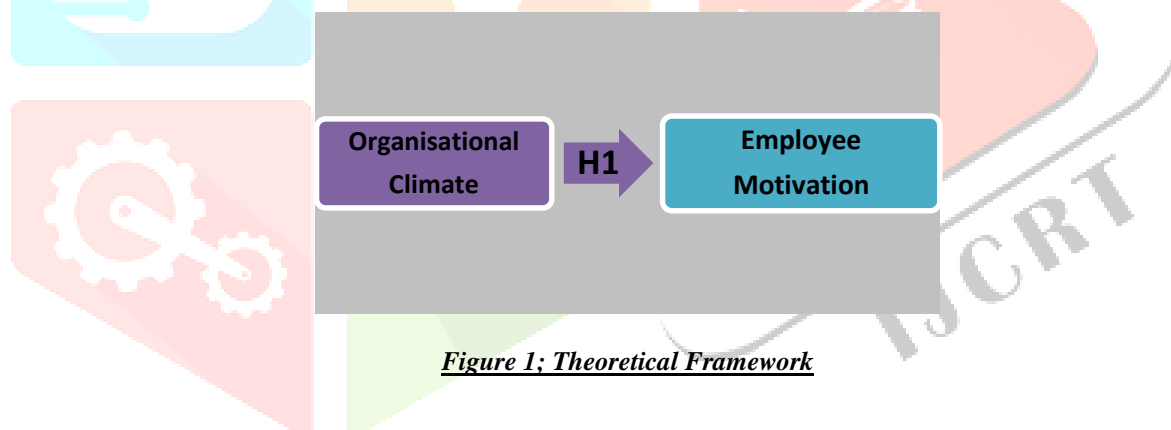


Figure 1; Theoretical Framework

H1 = There is an influence of Organizational Climate on RINL Employee Motivation.

III. Research Methodology

This research was conducted using a survey method. This method is used to collect factual information through a questionnaire. Data collection technique using a *rating scale* model that ranges from 1 to 5 with respondents research totaling 60 people in RINL. The data coagulation instrument consists of 2 parts; the first part is a questionnaire for measuring organizational climate which consists of 6 indicators, namely organizational structure, standards, responsibility, reward, support and commitment. The second part is a questionnaire to measure motivation which consists of 4 indicators, namely productivity, discipline, job satisfaction and loyalty. An overview of the respondents' responses in terms of organizational climate, and motivation obtained by using descriptive statistics the mean score of each section. Then the analysis technique is to test the research hypothesis using simple regression.

IV. Research Results and Discussion

Organizational Climate

Indicator	Average	Interpretation
Organizational structure	2.88	Sufficiently Conducive
Organizational Standards	3.21	Conducive
Responsibility	3.21	Conducive
appreciation	3	Conducive
Support	3.35	Conducive
Commitment	3.22	Conducive
Loyalty	3.32	High
Average	3.27	Conducive

Table 1. Description of Organizational Climate

Table 1, shows that the average score for the answer offered by the respondents for organizational climate comes to 3.27. When linked to a scale interpretation of the criterion score recapitulation table, then the organizational climate is at conducive category. The indicator with the highest score is the support employees receive from the junior, seniors and subordinates. RINL employees give appreciation to employees who perform well. While the lowest indicator is an organizational structure with clear cut clarity about the task.

Motivation

Indicator	Mean	Interpretation
Productivity	2.93	High
Discipline	2.7	High
Job satisfaction	3.6	High
Loyalty	3.36	High
Average	3.05	High

Table 2. Description of Motivation

If it is seen from table 2. that the average score of the answer offered by the respondents for motivation of 3.05. When compared with the interpretation scale in the table of criterion recapitulation scores, motivation is in the high category. The indicator with the highest score is job satisfaction, a feeling of pleasure in working and a desire to increase knowledge and skills. While the lowest indicator is discipline .

H1: The Effect of Organizational Climate on RINL Motivation

After calculating the hypothesis, the F value is obtained amounting to 5.1010 while F with an error rate of $\alpha = 0.05$ and $dk / = 1$ and $dk = n - 2 = 30 - 2 = 28$ of 4.1960 means $F. \geq F$ namely $5.1010 > 4.1960$ then H is rejected and H is accepted. Based on the above calculations, it can be concluded that "There is a positive influence of organizational climate on RINL employee motivation". Simple linear regression equation for the hypothesis of organizational climate variables of the RINL employee motivation is: $\hat{Y} = 0.399 + 1.040 (X)$. The equation implies that if the organizational climate variable is conducive, the level of motivation will be high . A positive sign (+) indicates the relationship between current variables in one direction where the organizational climate is higher , the higher will be employee motivation. The calculation of the correlation coefficient obtained in this study is amounting to 0.3926.

The correlation coefficient value is in the medium / strong enough category. It means There is a strong influence from the organization climate on motivation of RINL employees. Based on the coefficient of determination, the influence of organizational climate towards RINL employee motivation by 15.4%.

V. Conclusion

Organizational climate includes structure, standards, responsibilities, rewards, support and commitment. Employee motivation includes productivity, discipline, job satisfaction and loyalty. Organizational climate has a significant influence on RINL employee motivation. Thus, the better and more conducive the organizational climate will increase motivation of the employee in doing their job. Organizational climate has significant influence on employee motivation. This shows that the conducive organization climate is an important aspect that plays a role in increasing motivation of the employee. For future researchers, it is hoped that there will be a deeper study of motivation of employees with other factors that were not included in this study.

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