



## Organizational Environment and Its Impact on Job Satisfaction of Employees Working in it Companies in Hyderabad

**Kandula Madhavi**

**H.No:12-13-691/15, Deepam Apartment,  
Nagarjuna Nagar, Tarnaka, Secunderabad-500017, India.**

### **ABSTRACT:**

Most managers are faced by an overload of information, so a key skill they need is the ability to filter information to identify what is relevant to the organization. They also need to analyse information to understand its significance and to communicate it to those who need to act on it. Effective knowledge management can give the organization a competitive advantage. A major aspect of the organization's external and internal environment is culture. Managers have to be sensitive to the culture around them. The present study is about impact of Organizational environment on job satisfaction in IT Companies.

In this era of intense competition and globalization very few people will disagree that the success of any organization is a direct reflection of its managerial effectiveness and efficiency. Even though organizational development depends upon number of factors but to understand needs, concerns, and perceptions of employees the organizational. The study concluded that organizations are able to create environments in which employees are able to achieve their full potential and are seen as a key source of competitive advantage. Therefore, Organizational environment can be regarded as a key variable in successful organizations.

### **Key words:**

Organizational development, Organizational environment, employee's perception, work environment, job satisfaction.

### **1. INTRODUCTION:**

According to Azhar (2003) Organizational environment is the combination of important assumptions that are shared in common by each members of an organization and are often unstated. Organizational environment is basically made up by two major common assumptions: values and beliefs. Values are the assumptions that have been forwarded by the leaders of the organization and considered to be ideals that are desired by all the members of an organization. Beliefs on the other hand are the assumptions about the reality and created by experience [1-3]. Organizational environment works a lot like this. Every company has its own unique personality, just like people do. The unique personality of an organization is referred to as its culture. In groups of people who work together, Organizational environment is an invisible but powerful force that influences the behavior of the members of that group. So, how do we define Organizational environment? Organizational environment is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization. Let's explore what elements make up an organization's culture [6].

**Cite this article as:** Kandula Madhavi, "Organizational Environment and Its Impact on Job Satisfaction of Employees Working in it Companies in Hyderabad", International Journal of Research in Advanced Computer Science Engineering, Volume 2, Issue 12, 2017, Page 14-15.



The cognitive schema approach regards the concept of Culture as an individual perception and cognitive representation of the work environment. From this perspective Culture assessments should be conducted at an individual level. The shared perception approach emphasizes the importance of shared perceptions as underpinning the notion of Culture. Organizational environment has also been defined as "the shared perception of the way things are around here". There is great deal of overlap in the two approaches [4].

## 2. OBJECTIVES OF THE STUDY:

- To study the inter-relationship of the two variables; Organizational environment and job satisfaction
- To find out the impact of Organizational environment's sub-factors on job satisfaction.

## 3. RESEARCH METHODOLOGY:

The study that has been carried out is conclusive in nature; it describes the expectations, attitudes, opinions, views and level of satisfaction. For the collection of various data requirements, questionnaire was used as research instrument.

## STATISTICAL TOOLS:

The data collected in the form of Questionnaire was tabulated and analyzed using basic statistical method percentages and Z test.

## DATA COLLECTION FORM & GENERATION OF SCALE ITEMS:

Primary data has been collected by administering a Questionnaire through direct contact method and secondary data has been collected from the websites, books, and magazines. The study has been conducted in one of the collages at Hyderabad and 200 questionnaires were distributed to the employees. Only 150 questionnaires were returned that have been utilized to analyze and draw interpretations and the analysis was done through the received questionnaires

to five IT Companies in Hyderabad they are Wipro, Tech Mahindra, Aegis, TCS and 24\*7, Vertex [5]

## 4. LIMITATIONS:

- The study was done for a period of one month
- No attention was given to demographic variables.
- The study has been limited to 150 respondents.

## 5. LITERATURE REVIEW:

Culture is generally considered to be a major construct that can change over time. It is perceived by and shared among organizational members, which can result in consensus among individuals. It consists of global impressions of the organization that members form through interacting with each other and organizational policies, structures and processes. Culture perceptions are descriptions of environmental events and conditions rather than evaluations of them. The Culture construct is multidimensional. It refers to the 'feeling of an organization'. Culture can potentially influence an individual's behavior.

Organizational environment is the key factor to explain the innovativeness of the employees. If the Culture is healthy, employees will be more innovative as comparison to other organization's stressful Culture. Good and healthy Culture increases productivity level of employees. Organizational environment represents how the employees feel about the atmosphere. Employees are the key resources of an organization. For the development of an organization it is necessary to make them feel good. With changing scenarios in the world economy [6].

Job satisfaction is often thought to be the gratification of strong needs in the workplace or the degree of discrepancy between what a person expect to receive from work and what that person perceives is actually received. Employees with high job satisfaction do exhibit higher organizational citizenship behavior, which ultimately does have positive impact on the productivity of the entire organization.

Organizational environment has the potential to enhance organizational performance, employee job satisfaction, and the sense of certainty about problem solving (Kotter, 2012). If an Organizational environment becomes incongruent with the changing expectations of internal and/or external stakeholders, the organization's effectiveness can decline as has occurred with some organizations (Ernst, 2001). Organizational environment and performance clearly are related (Kopelman, Brief, & Guzzo, 1990), although the evidence regarding the exact nature of this relationship is mixed. Studies show that the relationship between many cultural attributes and high performance has not been consistent over time (Denison, 1990; Sorenson, 2002).

We can summarize the effects of Organizational environment on employee behavior and performance based on four key ideas (Bulach, Lunenburg, & Potter, 2012; Hellriegel & Slocum, 2011). First, knowing the culture of an organization allows employees to understand both the organization's history and current methods of operation. This insight provides guidance about expected future behaviors. Second, Organizational environment can foster commitment to the organization's philosophy and values. This commitment generates shared feelings of working toward common goals.

That is, organizations can achieve effectiveness only when employees share values. Third, Organizational environment, through its norms, serves as a control mechanism to channel behaviors toward desired behaviors and away from undesired behaviors. This can also be accomplished by recruiting, selecting, and retaining employees whose values best fit the values of the organization. Finally, certain types of Organizational environments may be related directly to greater effectiveness and productivity than others [7].

**6. DATA ANALYSIS AND INTERPRETATION:  
TABLE 1:**

ORGANIZATIONAL ENVIRONMENT FACTORS	RESPONSE IN PERCENTAGE	
1. ADMINISTRATION	Communication flow	76.92
	Organization structure	96.15
	Organizational environment	65.38
	Better than other Organization	76.92
2. MANAGEMENT POLICIES	Consulted in decision making	53.84
	Satisfied with management	63.84
	Opportunities	70.76
	Rewarded for good work	53.07
3. PERSONNEL TREATMENT	No exploitation	65.38
	No worst treatment	76.92
4. INFRASTRUCTURE	Good facilities	92.30
	Good work place	76.92
	Adequate infrastructure	92.30
5. PHYSICAL FACILITIES	Peon do their job	92.30
	Good toilet	38.46
	Satisfied with physical Environment	77.69
	Housing facilities	93.07
	Medical facility	46.15
6. PAY RELATED MATTERS	Get pay on fix day	38.46
	Retirement benefits	23.07
	Regular increment	42.30

**TABLE 2:**

JOB SATISFACTION FACTORS	RESPONSE IN PERCENTAGE	
1. COLLEAGUES	Stimulating	92.30
	Smart	73.07
	Friendly	96.92
	Respect each other	76.92
	Understand their work	68.46
	Team-work	96.15
	Help in need	92.30
	Unite in crisis	76.92
2. JOB CHARACTERISTICS	Enjoyable	84.61
	Appropriate	69.23
	Idealistic	76.92
	Fascinating	57.69
	Autonomy	67.69
	Job enrichment	70.76
	Sense of achievement	83.84
	Creativity	92.30
	Course of choice	76.92
	3. PEERS	No antisocial element
Receive with respect		100.00
Cheerful		76.92
helpful		80.76
Cooperative		96.15
Interact with colleagues		96.92
Satisfied with subordinates		84.61
4. SUPERVISORS		Impartial
	Fit for job	76.92
	Interested	69.23
	Appreciates you	38.46
	Good administrator	76.92
	Satisfied with Supervisors	61.53
	5. PAY	Financial rewards
Pay appropriate		46.15
Sanction requests		92.30
Satisfied with pay		69.23
Deserve		61.53
Resources for academic		76.92
Extra emoluments		76.92
6. ADVANCEMENT & RECOGNITION	Training	69.23
	Societal recognition	50.00
	Opportunities for advancement	69.23
	Satisfied with Promotion & Rewards	69.23
	Recognition in reward form	38.46

**STATISTICAL TOOL:**

**Z test for difference of means:**

Let X be the no. of employees satisfied with Organizational environment and

Y be the no. of employees satisfied with job.

**Hypothesis:**

**Null hypothesis (H<sub>0</sub>):** the Organizational environment will not impact the job satisfaction of employees.

**Alternative hypothesis (H<sub>1</sub>):** the Organizational environment will impact the job satisfaction of employees.

From the survey we have n<sub>1</sub>=150, n<sub>2</sub>=150,  $\bar{X}$ =66.83,  $\bar{Y}$ =72.5,  $S_x^2$ =12.991,  $S_y^2$ =6.273

There fore, test statistic,

$$Z = \frac{\bar{X} - \bar{Y}}{\sqrt{\left(\frac{S_x^2}{n_1} + \frac{S_y^2}{n_2}\right)}} \sim N(0,1), \quad \sigma_x^2 = S_x^2 \text{ and } \sigma_y^2 = S_y^2 \text{ for large}$$

sample.

$$= \frac{66.83 - 72.5}{\sqrt{\frac{12.991}{130} + \frac{6.273}{130}}} = 14.7349$$

Since, the calculated value of Z is greater than tabulated value (1.976) at two-tailed test at 5% level of significant. Hence, accept H<sub>1</sub> and concluded that the Organizational environment will impact the job satisfaction of employees.

**7. CONCLUSION:**

1. The study concluded that the Organizational environment will impact the job satisfaction of employees and organizations are able to create environments in which employees are able to achieve their full potential and are seen as a key source of competitive advantage. Therefore, Organizational environment can be regarded as a key variable in successful organizations.
2. Employees with high job satisfaction do exhibit higher organizational citizenship behavior, which ultimately does have positive impact on the productivity of the entire organization.

3. If people are satisfied from their jobs, and if there exist the right type of Culture, effectiveness can certainly be brought in the functioning of the organization. Therefore this specific aspect of effectiveness should be studied along with Organizational environment and job satisfaction
4. Good management policies contribute maximum to job satisfaction especially participative decision making, providing opportunities for professional growth and rewarding for good performance.

**8. REFERENCES:**

[1] Azhar, K (2003), Business Policy and Strategic Management, NewDelhi, Tata McGraw-Hill. 4(1) 122-126.

[2] Bulach, C., Lunenburg, F. C., & Potter, L. (2012). Creating a culture for high-performing schools: A comprehensive approach to school reform (2nd ed.). Lanham, MD: Rowman & Littlefield 3(1):23-24.

[3] Nelson, D. L., & Quick, J. C. (2011). Understanding Organizational behavior. Belmont, CA: Cengage South-Western. 6(43): 65-78.

[4] Kotter, J. (2012). Corporate culture and performance. New York, NY: Free Press.

[5] Marcoulides, G. and Heck, R.H. (1993). Organizational environment and Performance: Proposing and Testing a Model, Organizational Science, 4(2) : 209-223.

[6] Schien, E.H. (1992). Organizational environment and Leadership, 2nd Edition, San Francisco; Jossey-Bass. 34(56);67-69.

[7] Richard, C. (2002). Experiments with New Teaching Models and Methods. 34(12):81-83.