Study on Organizational development and Employees Commitment with respect to IT companies in Chennai

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Abstract

This paper seeks to present a study on organizational development and Employees Commitment (ODEC) conceptual model for Organizational development and Employees Commitment in IT companies, which implemented the EC model in an organizational development program. The purpose of this paper is to analyze the impact of Organizational development in Employees Commitment on performance outcomes

Kewoords:

Introduction

Organizational development is a process of helping organizations to improve. Organizational development offers a systematic approach to planned change in organizations. Organizational development efforts move the organization and its employees in an effective direction. Organizational development can be utilized in the organization to increase the level of trust, enthusiasm and satisfaction at all levels of the organization.

Employees commitment plays a significant role in an organization healthy. Employees commitment is an individual's attitude or emotional reaction to the job. The employees feel positively or negatively about their jobs. Employees commitment, reduces employee turnover and satisfied employees are more productive. Employees commitment leads to positive employment relationships and high level of individual job performance. It is a type of mental feeling, its favorableness or unfavorableness affects the employee psychologically.

Literature Review

Martin Hoegl and K.Praveen Parboteeah (2003) conducted a study on goal setting and team performance in innovative projects using data from 575 respondents to understand how teams successfully perform goal setting given the collaborative nature of innovative projects. Hierarchical regression analysis shows that teamwork quality moderates the

relationship between goal setting and effectiveness and efficiency. Goal setting is positively related to team performance as measured by efficiency and effectiveness. Teamwork serves as an important facilitator to the successful enactment of goal setting in team projects. Also found that goal setting is more strongly correlated to effectiveness (quality) than efficiency (adherence to budget and schedule). Practicing managers as well as team members and team leaders must be made aware that goal setting is not the sole responsibility of the formal team leaders but that it requires the input of all members in the collaborative task process.

Bradley E.Wright (2004) examined the role of work context in work motivation with a sample size of 267 respondents to assesses whether aspects of the organizational work context such as greater goal conflict, procedural constraints and goal ambiguity may have a detrimental effect on work motivation through their influence on three important antecedents of work motivation: job goal specificity, job difficulty, and self efficacy. The results showed that job goal specificity, job goal difficulty, and self efficacy and feedback all have important effects on employee work motivation. Clear knowledge of the organizational goals allow supervisors and peers to be more able and therefore more likely to provide the summative and formative evaluations of an employee's work that help define job and performance expectations. Procedural constraints have an influence on work motivation mediated by self efficacy.

James Shan Kou Chiu, Wen Chiang Chen, Frances Chifang Lu and San Jen Lee (2006) investigated the linkage of job performance to goal setting, team building and organizational commitment with a sample size of 326 respondents to obtain a better understanding of goal setting in order to bring about new development in team building and achieve organizational commitment, thereby increasing job performance. The statistical methods used in this research included reliability analysis, validity analysis, factor analysis, t-test, one way ANOVA and LISREL analysis. The results indicated that the younger the top managers are the stronger their goal setting desire, job performance and organizational commitment. There were significant differences in goal setting, team building and job performance among the top managers at different tenures. T he lower the tenures of top managers, the stronger their goal setting desire, team building desire and the desire to increase their job performance.

Zhi Tang, Benjamin C.Powell, Louis Marino, Jintong Tang and Pat Dickson (2008) conducted a study on the impact of organizational goal setting to investigate the moderating effects of CEOs' goal setting (including the number of goals and the prioritization of these goals) on the relationship between industrial munificence and the satisfaction of goal attainment. The results indicated that organizations would be more successful in attaining their goals if they winnowed their list of goals. Managers would then focus their resources and efforts on achieving their short list of goals. The more goal types an organization emphasized, the better it was be able to attain desired goal types. The interaction of industrial munificence and goal type variability had an even stronger moderating impact on the relationship between industrial munificence and goal type

attainment. By prioritizing goal types, organizations were better able to utilize industrial resources in achieving organizational goal types.

OBJECTIVES OF THE STUDY

- To measure the influence of personal and organizational details on employees perception towards organizational development and Employees commitment.
- To study the influence of organizational development on Employees commitment in IT companies.

RESEARCH METHODOLOGY

The methodology adopted in this study relates to data collection and questionnaires. The study is conducted using both analytical and descriptive type of methodology. The study primarily depends on primary and secondary data. The primary data has been collected through questionnaires and the Secondary data are collected from Journals, Reports, Books, Articles, Company Publications and websites.

HYPOTHESIS

- There is no significant difference among the factors of organizational development.
- There is no significant difference among the factors of Employees commitment.
- There is no significant relationship between organizational development and Employees commitment.

ORGANIZATIONAL DEVELOPMENT PRACTICES FOLLOWED IN IT COMPANIES

An attempt has been made to investigate the organizational development practices followed in IT companies. It was hypothesized that organizational development practices would be positively related to organizational effectiveness. Most of the IT companies practice the following organizational development practices for the benefit of the organization and the employees working in the IT companies. It is also examined that the IT companies following Organizational development practices namely 360 degree appraisal, performance based incentive, best employee award, attitude survey, competency mapping, higher studies expenses, flexible working hours, best suggestion award and working from home achieve its effectiveness.

It is found from the above table that 63.3% of the IT employees accept their companies follow 360 degree appraisal practices, 36.6% of the companies do not possess much knowledge about 360 degree appraisal. 73% of themexpress their companies develop the practice of following performance based incentive and 27% of the IT companies lack in developing performance based incentive

table 1.Organizational development practices in IT companies

	Frequency Yes	Frequency (No)	Total
360 degree	342 (63.3%)	198 (36.3%)	540(100%)
Performance based incentive	394(73%)	146(27%)	540(100%)
Best employee award	440(81.5%)	100(18.5%)	540(100%)
Attitude survey	182(33.7%)	358(66.3%)	540(100%)
Competency mapping	133(24.6%)	407(75.4%)	540(100%)
Higher studies	159(29.4%)	381(70.6%)	540/100%)
Flexible working hours	50(9.3)	490(90.7%)	540(100%)
Best suggestion award	448(83%)	92(17%)	540(100%)
Working from home	20(3.7)	520(96.3)	540/100%)

. Further it is inferred that 81.5% of the IT companies motivate their employees by giving them best employee award and 33% of the companies conduct attitude survey regularly whereas 18.5% of the IT companies do not follow organisational development practices effectively and maximum of 66.3% of the IT companies do not show much interest in conducting attitude survey in their organizations.Concerned to competency mapping, only 24.6% of the IT companies show interest and concerned to higher studies for advancement 70.6% of the IT companies do not take the responsibility of meeting the expenses.From the above table it is analyzed that 90.7% of the IT companies do not provide flexible working hours to their employees, 96.3% of the IT companies employees do not prefer working from home whereas it is found that 83% of the employees in IT companies motivate their employees by issuing best suggesting award for their employees.

T-TEST FOR REWARD SYSTEM
An incentive or a reward can be anything that attracts the worker's attention and stimulates him to work. In the words of *Burack* and *Boldsmith*, "An incentive scheme is a plan or programs to motivate individual or group performance. There are various methods of organisational development practices to suit the nature and requirement of the organisation. The employees are rewarded and recognized for their best performance and assigned proper training program to stimulate their potentiality to obliterate their negations. In this study of employee benefits organisational development practices such as reward system followed in IT companies are identified through 8 statements (see appendix) regarding their prominent role in the organisation. The sample T-test is applied on eight variables of reward system as explained in the below t-test table. This test is performed with the test value 3 and the following results are obtained.

Table 2.One-Sample Statistics for reward system

	N	Mean	Std. Deviation	Std. Error Mean
RS1	540	4.4019	.69158	.02976
RS2	540	3.7722	.80234	.03453
RS3	540	3.9537	.81934	.03526
RS4	540	4.2259	.87475	.03764
RS5	540	4.3148	.88114	.03792
RS6	540	3.0870	1.11567	.04801
RS7	540	3.1407	1.11267	.04788
RS8	540	3.4537	.99147	.04267

From the above table, it is found that all the mean values are greater than 3 in particular ranging from 3.08 to 4.31 with their respective standard deviation less than 1 except two mean values as shown in the above table.

Table 3.KMO and Bartlett's Test-Employees commitment

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.821
Bartlett's Test of Sphericity	Approx. Chi-Square	4377.819
	df	153
	Sig.	.000

From the above table it is found that KMO measure of sampling adequacy is 0.821, Bartlett's Test of Sphericity with approximated chi-square value 4377.819 are statistically significant at 5 percent level. This indicates all the eighteen variables are normally distributed and suitable for data reduction.

The IT employees having more than 10 years of service than other employees with different years of services agree their IT companies practice effective goal setting, coachability practices. The analysis reveals that employees having more than 20 years of service strongly agree the practice of reward system provides them more opportunities for their development in gaining more knowledge at work place both inter and externally.

FINDINGS. Employees having more than 20 years of service feel the necessity of their companies practicing effective goal setting, coachability practices and executive development practices for achieving the specific tasks assigned to them by their companies.

Employees receiving an annual pay of 10 lakhs to 15 lakhs agree with their IT companies organisational development practices whereas employees receiving an annual pay of above 25 lakhs strongly agree their companies practice effective executive development practices and reward system practices. It is further analysed that employees working in

small IT companies' are highly satisfied with organizational development practices and possess more commitment than the employees in large and medium companies.

SUGGESTIONS

1. The emergence of organisational development practices needs accelerates the innovative capabilities of the employees in the form of new products and services, which could increase the competitive space providing for policies to augment career through training practices.

2. Since the objectives of organisational development practices in IT companies aims at strengthening employee performance, separate programs may be conducted among the employees to motivate them to develop their potentiality more by realizing their strength and responsibility.

CONCLUSION

The organisational development practices are considered as the most significant resource activating all other resources in IT companies which are knowledge driven. The main objectives of organisational development practices in IT sectors are accomplished by strengthening the employees commitment, maintaining their motivational level, to maximize their individual potential. Innovative Training are found to be popular among the new recruits and the existing employees. Accurate evaluation of employees' performance adds impetus to the companies' goodwill and promotes loyalty.

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