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A Study of the Organisational Climate in Private, Public and Departmental Undertakings

If given a choice, what sector would an Indian Manager prefer to serve in? This survey has revealed a marked predilection among the managers for more or less the same sector in which they are already serving.

HUMAN motives are based on needs, conscious or subconscious¹. Some are physiological whereas others are psychological. These needs vary in intensity with individuals. Effective motivation depends on organisational climate². At times, a climate may repress motives, at other times it may arouse them. A study was conducted to identify important motivation factors for Indian managers³. The findings reveal that the factors are related to recognition for good work and accomplishment, personal growth and development, authority for decision-making, promotion, prestige of the organisation, job security, monetary benefits etc. Maslow's Theory of Need Hierarchy, Herzberg's Motivation-Hygiene Theory and Vroom expectancy model rely on subjective measures like an individual's perception about his/her job⁴. On the other hand, objective measures such as grievances, turnover, waste and scrap, accidents and absenteeism are the indicators of motivation that can be used by management to infer the motivational state of its employees⁵.

The present study investigated as to which sector Indian managers would like to serve, if given an option to choose among the private, public and government sectors. It also probes the organisational culture existing in each sector as perceived by managers while serving the public and private sector undertakings.

Methodology

The present study covered public and private sector organisations. 22 undertakings (11 public and 11 private) in different parts of India were selected for

this study. The majority of the organisations surveyed were manufacturing units dealing in consumer durables, non-durables and industrial products. Managers working at the lower and middle levels of management and serving in different functional areas were selected. Due to uncertainty about the managers' response, no particular sampling technique was followed in the selection of managers. In order to distribute questionnaires in an organisation, a known person working in the managerial cadre of the organisation was approached to work as an investigator on behalf of the researcher. The investigator was instructed not to approach respondents belonging to one State only; he was asked to get a representation of managers belonging to different States. A minimum of 3 respondents and a maximum of 10 respondents were selected from each state. Where the number of respondents fell below 3, the investigator was directed to include them also in the survey.

The questionnaire was pre-tested on 10 managers working at different levels in a Ludhiana-based organisation. Necessary modifications were made on the basis of their comments and suggestions; 490 questionnaires were despatched to the respective investigators along with a letter explaining the purpose of the study, and also with instructions. 144 managers (29.4%) returned completed questionnaires. Out of this number 85 were from the public sector and 59 from the private.

In order to study the organisational climate in the private, public and departmental undertakings, a relevant question was asked to obtain the preference

of Indian managers for a particular type of organisation. The respondents were also requested to give reasons for choosing the sector of service. The question is reproduced below :

Given freedom and opportunity, what type of organisation would you like to join?

Public Sector Private Sector Govt. Deptt.
Why so?

The responses so obtained have been calculated in percentages and the reasons given thereof have been classified on the basis of Herzberg dual factor Hygiene-Motivation Theory. The responses were further subjected to statistical treatment of critical ratio (C.R.).

Research Findings

(a) Managerial Preference for Organisation

The responses of Indian managers preferring service in a particular organisation, if given freedom and choice, are shown in table I.

Table—I. Preference for Organisation

Sector	Preference for		
	Public Sector (%)	Private Sector (%)	Govt. Deptt. (%)
Public (N=82)	45	37	18
Private (N=55)	25	73	2
Total (N=137)	37	51	12

Table I shows that 51% managers want to join the private sector, whereas 37% and 12% managers have expressed their desire either to join the public sector or government departments respectively, if given option of service. As the difference is insignificant (CR=0.239), it cannot be established whether Indian managers prefer service in the private sector or public/government departments.

45% of the managers serving public sector undertakings declined to join any other service except the public sector, whereas 18% managers opted for government service and 37% managers for the private sector. As the difference is significant (CR=2.28), it can be concluded that the public sector managers prefer service either in the public sector or government departments even if given an option to choose service in one of the three sectors.

73% of the managers serving at present in private organisations, refused to seek service in any other sector except the private sector, whereas 25% and 2% of the managers preferred to join service either in the public sector and government deptts. respectively. As the difference is significant (CR=3.118), it is established that the private sector managers prefer to

join private companies only, even when freedom of choice of service is given to them.

(b) Organisation Culture existing in the Private, Public and Government departments

Only 56 managers serving in the public and private companies justified why they wanted to join the private, public or government deptts., if given an option. Out of this, 29 managers preferred service in the private sector, whereas 25 and 2 managers opted either for the public sector or government service. Some of the respondents have given more than one reason for joining a particular sector. The responses so obtained have been tabulated into two broad categories of 'dissatisfiers' and 'satisfiers' based on hygiene/motivation theory of Herzberg. The presence of hygiene/maintenance factors cannot motivate people in an organisation; yet they must be present or dissatisfaction will arise. Herzberg has made clear that motivation will not be effective if hygiene factors are missing. The presence of 'satisfiers' or the "job content" factors are found to be the real motivators because they have the potential of yielding a sense of satisfaction. Thus, the data has been classified into hygiene/maintenance factors (such as organisation policies and administration, quality of supervision/leadership, inter-personal relations, working conditions, job security, salary, personal life) and motivation factors (such as challenging work/task, responsibility, opportunity for advancement, possibility of growth, achievement, recognition, status). As the number of respondents preferring service in government departments is very small, their responses have been clubbed with the responses of public sector managers for the sake of calculations. Various reasons put forward by different managers for joining each sector of service are given in Table II (p. 32).

Table II indicates that Indian Managers prefer to join the private sector because the organisational climate provides its employees challenging work (22.75), recognition for good work accomplished (11.38), enough opportunities for advancement (9.09), higher responsibility (6.81) and achievement (4.54). Existence of these satisfiers (motivators) acts as stimulants for better performance. Private companies also provide better quality of supervision (15.90), congenial working conditions (9.09), sound organisation policies and administration (4.54), and adequate remuneration (6.81). The presence of such hygiene factors helps in eliminating dissatisfaction among employees.

Managers who have preferred service in public sector/government deptts. feel that their working environment provides moderate chances of promo-

Table II Motivation-Hygiene Factors present in Private, Public & Govt. Departments

(N=56)

Sl. No.	Factors	Percentage Pvt. sector	score in Public/Govt. Deptt.
<i>Satisfiers</i>			
(i)	Challenging work	22.75	2.56
(ii)	Recognition/Credit for work accomplished.	11.38	2.56
(iii)	Opportunity for promotion/ advancement.	9.09	15.38
(iv)	Opportunity for growth & learning.	9.09	7.69
(v)	Responsibility	6.81	—
(vi)	Achievement	4.54	—
Score		63.66	28.19
<i>Dissatisfiers</i>			
(vii)	Quality of supervision/ leadership	15.90	7.69
(viii)	Working conditions	9.09	7.69
(ix)	Organisation policies and administration	4.54	7.69
(x)	Job Security	—	38.46
(xi)	Salary	6.81	10.28
Score		36.34	71.81
Total score		100.00	100.00

Total Responses preferring Private Sector = 44

Total Responses preferring Public/Govt. deptts. = 36+3.

tion (15.38), opportunities for growth and learning (7.69), challenging task (2.56) and due credit for good job done (2.56). These are motivating factors present in public/government service. Managers also perceive that these undertakings offer high security of service (38.46), better quality of leadership (7.69), congenial working conditions (7.69), sound organisation policies and administration (7.69) apart from providing good emoluments to its employees (10.28). Presence of these maintenance factors in the organisation climate aid in reducing dissatisfaction among employees.

Table II reveals that managers preferring service in the private sector feel that responsibility and achievement are valued in that sector. These vital aspects are perhaps missing in the public sector or government departments as is clear from the responses of managers. Again, job security is considered very important by respondents preferring service in public/departmental undertakings. On the contrary, it appears the private sector lays less emphasis on providing security of service to its employees.

The percentage score of 'satisfiers' and 'dissatisfiers' existing in the organisation climate of the private sector is 63.66 and 36.34 respectively. As the difference is significant ($CR=1.76$ at 0.10), it can be concluded that private companies lay more stress on

motivators than hygiene factors. Similarly, the percentage score of 'satisfiers' and 'dissatisfiers' present in the work environment of public/government deptts. is 28.19 and 71.81 respectively. Since the difference is significant ($CR=2.565$), it is established that public/ deptt. undertakings attach more importance to the presence of hygiene factors than motivation factors.

Table II also shows that percentage score of satisfiers present in the private sector and public/government deptts is 63.66 and 28.19 respectively. It can be concluded that private companies, in comparison to public/government undertakings lay emphasis, more on the presence of motivation factors. Similarly, percentage score of dissatisfiers existing in the private sector and public/government deptts is 36.34 and 71.81 respectively which leads us to the conclusion that the public and government undertakings attach more importance to the presence of maintenance factors in their organisational climate as compared to their counterparts in private organisations.

The organisational climate in each sector is different because India, after Independence, is following the concept of mixed economy where private, public and government departments exist side by side to deliver goods and services to society. The public sector and the departmental undertakings are patronised by the Central/State governments and have been assigned specific roles and functions as a matter of policy. On the other hand, the private sector runs on the basis of the free enterprise concept. Thus, these organisations, have to generate enough returns on investment, through operational efficiency, for their survival and growth in the business world.

Conclusions

This discussion leads us to the conclusion that Indian Managers give first priority to service in the private sector, followed by service in the public sector undertakings and government departments, in order of their preference, if given an option to choose service in any one of the three sectors.

The discussion also reveals that public sector managers prefer to join service either in the public sector or government departments, whereas private sector managers prefer to rejoin private companies whenever opportunity comes.

The organisational climate is different in each sector of service. The private sector provides challenging work, due recognition for good work done, opportunity for growth and learning, freedom to act, and congenial working conditions whereas the public sector/departmental undertakings offer high job security, moderate chances of promotion/advancement, opportunities for growth and development, better

organisation policies and administration, apart from providing adequate emoluments to its employees.

Responsibility and achievement are perhaps valued high in the private sector in comparison to public sector/government service. Job security is given sufficient weightage in public sector and government service compared to private sector organisations.

The work environment existing in the private sector is relatively dominated by motivation factors whereas that of the public sector and departmental undertakings is dominated by hygiene factors. Thus, 'maintenance seekers' (job security etc.) will prefer to serve in public/government departments whereas 'motivation seekers' would prefer to join the private sector.

It is apparent that the prevailing organisation culture in the public and departmental undertakings mainly meets lower level needs (physiological) as advocated by Abraham Maslow whereas work environment in private companies comparatively meets higher level needs (which are mostly psychological).

However, Herzberg has pointed out that the absence of hygiene/maintenance factors in an organisation will not necessarily build-up effective motivation among employees. Lack of emphasis on the job security aspect by private sector companies certainly hinders the development of congenial work environment not only for workers but for managers as well to put their best efforts, creativity and innovative ideas due to the strong fear of job insecurity present all the time, while they render their service to these organisations. On the other hand, little importance is attached to such vital aspects as responsibility,

achievement, challenging task, credit for good work in public sector/departmental undertakings, as brought out by the managers. It cannot therefore raise the level of motivation, spurring individuals to superior performance while serving them. □

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