

# THE INFLUENCE OF BUSINESS RESTRUCTURING IN PUBLIC SECTOR UNIT ON THE RELATIONSHIP BETWEEN ORGANIZATIONAL CLIMATE, PERCEIVED PERFORMANCE AND JOB SATISFACTION

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## ABSTRACT

*The excellence of the people is a direct outcome of the Organizational Climate. Indian economic environment post globalization has undergone changes and refined the micro-macro influencers. The culture of bureaucratic practices in the public sector before liberalization was being replaced with a culture of vibrancy and learning. These factors build-up the human resource environment and ultimately the culture.*

*Organizational Climate is the collective personality and creates the brand image for the organization. The Job satisfaction is inherent to the organizational climate and varies with value. Further, Actual – Expected variation influences Job satisfaction. The term Perceived Performance is an experience of work as perceived by the individual and is subjective. Human Resources Management practices influence the performance of employees.*

*The study was conducted in a public sector shipbuilding unit in Visakhapatnam using descriptive research design. The study was broadly divided into Organizational Climate and its impact on Job Satisfaction and Perceived Performance. The questionnaire was framed on standard Likert style pattern and was tested for reliability with Cronbach statistic. The sample size (321) was selected randomly at 15% of the universe and 300 were found fit for use. The response rate is 94.%.*

*The profile factors are first analyzed and mean age (45.33 years) of the shipbuilding workers is high. Further, to lesser extent Relations, Grievance Handling and Working Conditions are also influencing Organizational Climate. But Job Design is a negative factor of Organizational Climate. The Job Design requires restructuring, it was found to be an impediment to positive climate.*

**Keywords:** Restructured Public Sector, Organizational Climate, Job Satisfaction, Perceived Performance, Human Resource Practices

## INTRODUCTION

Human Resource Practices are strategic in nature and form the critical part in the management of the organization. The Harvard Model of HR categories the components of Human Resources Management as work flow, reward flow, relations, strategy and human resources development. These factors build-up the human resource environment and is influenced by the external economic environment and ultimately the HRM culture. The strategic

business interests of the Organization are integrated with HRM Objectives in the emerging business environment.

The organizational climate is a topic of interest for policy makers in the organization in the post-globalization era. The availability of human resources with excellence is an influencing factor for the relocation of the services and manufacture base. Indian economic environment post globalization has undergone changes and refined the micro-macro influencers. The Indian Government pursued liberalization policy and the public sector was put to severe testing conditions. The Government of India has initiated measures to revamp the public sector to face competition. In India, the policy of disinvestment, privatization, infusing of funds and restructuring were implemented as a business strategy for the viable business. The public sector is required to compete with private sector. The culture of bureaucratic practices in the public sector before liberalization was being replaced with a culture of vibrancy and learning. This phase of change has seen some public sector enterprises becoming business leaders or perishing. The mixed economic system has seen the growth of the public sector in India under the protection of Government.

The term Perceived Performance is an experience of work as perceived by the individual and is subjective (Udai Pareek, 2004). The perceived performance was measured by Beer (1979) and is the mathematical division between actuality (actual work) and potentiality (best possible work without any constraints).

The excellence of the people is a direct outcome of the Organizational Climate (Pareek, 2004). There has been a long-standing interest in the study of organizational climate among organizational researchers. Jyoti (2013) argues there is a great deal of interest in finding the relationship of factors of the behavior of especially job performance, job satisfaction and leadership on account of its contribution to the organizational climate. The disruption to Organizational Climate on the restructuring of business or Organization is bound to impact the behavior profile of the Organization. The measure of Organization Climate will help in leveraging the benefits of restructuring, but a method, quantity, factors of Organization Climate and impact on employee behavior is of interest for researcher and practitioner.

## LITERATURE REVIEW

The organizational climate is a measure of identity and a competitive factor for an organization (Davies, 1975). The Organizational Climate is the collective personality (Das, 2009) and creates the brand image for the organization. The importance of organizational climate in the present global context is its ability to provide a competitive edge through its intangible assets and human resources at the bottom of the pyramid (Prahalad, 2004). The Human Resources Practices and Procedures nurture the culture of an organization and are not different from climate (Pritchard and Karasick, 1973). Therefore, the corporate and business strategy is oriented by the organization to create right climate in the organization. According to Rao, Pareek and Pestonjee (1981), the concept is built on three layers (i) values, ethos (ii) Organizational Culture (iii) Organizational Climate. The ethos is habituated and embedded values which create the culture, the enabling culture manifests in Organizational Climate. The individual perceptions are psychological climate and summated perceptions of the people are Organization Climate (Brown and Leigh, 1996; Neal and Griffin, 1999). The shared perception of culture is the climate (Pareek, 2004). Birdie and Jain (2016) find no correlation between Organizational climate and trust in their studies on virtual workers.

Randhawa and Kaur (2015) indicated a strong positive correlation between organizational climate and Organizational Citizenship Behavior in a manufacturing firm. The organizational climate explains the variations that occur in job satisfaction (Hashemi, Sadeqi, 2016) with major dimensions as Leadership and Performance Evaluation (Alajm, 2016) and perceived behavior of followership (Jin, McDonald, Park, 2016). Hartog, Boon, Verburg, Croon (2012) has tested perceived human resource management with multi source and at multilevel and concludes employee perceptions play mediating role in its relationship with the perceived unit and individual performance and satisfaction. However, Zacharoula, Karapistoli and Economides (2016) find no relationship between actual performance and perceived performance under experimental conditions. Jiang, Hu, Liu and Lepak (2017) in their empirical presentation on perceived HRM practices in two similar organizations find the relationship between manager-perceived and employee-perceived HR practices was not influenced by demographic dissimilarities.

The manifestations of organizational climate are Job Satisfaction and Perceived Performance. Some studies on service climate and employee satisfaction suggest significant positive relation and help in building trust (Chathoth, Mak, Jauhari and Manaktola, 2007). The satisfaction with job creates a climate for furthering the performance and success. The Job satisfaction is important for any organization, the higher satisfaction propel the organization to achieve higher competence. Devaki Devi & Venkat Rao (2012) made a study in public and private sector organizations with a concluding evidence of significant impact of organizational climate, work design on performance and job satisfaction. The Job satisfaction is inherent to the organizational climate and varies with value. Further, Actual – Expected variation influences Job satisfaction.

The difference in Organizational Climate and its impact in normal Organization and Restructured Organization is a research gap to be fulfilled.

## METHODOLOGY

The study was conducted in a public sector shipbuilding unit in Visakhapatnam using descriptive research design. This unit was restructured by the Government through a change in the focus area, objectives and financial structuring. Hindustan Shipyard Limited was formed in 1948 by Walchand and was nationalized in 1962. The company was in deep red post liberalization phase. The following restructuring exercise was implemented to revive the unit in 2010.

- a) **Transfer to Defense Ministry:** The Hindustan Shipyard Limited was transferred from the administrative control of Ministry of Shipping and Transport to Ministry of Defense in May 2010.
- b) **Financial Package:** The Hindustan Shipyard Limited was given a financial package of Rs. 824.90 crores, out of which Rs. 452.68 crores was a grant to clear old loans and the remaining amount is categorized as a loan in perpetuity.
- c) **Vision:**

**Before Restructuring:** To make HSL a World Class Shipyard with modernization and up gradation of infrastructure facilities.

**Revised in 2011-2012:** To be a National Leader in Ship & Submarine building and Repairs.

**d) Mission:**

**Before Restructuring:** (i) To operate a strong and efficient shipbuilding, ship repairing and retrofitting of the submarine to meet the growing requirements of mercantile, marine, Oil and Defense sectors with good management and improved efficiency. (ii) To attain core competency in 877 EKM submarine retrofit and modernization. (iii) To improve financial performance and profitability.

**Revised in 2011-2012:** To imbibe the latest in Ship/Submarine building and repair technology and serve the defense, maritime and oil sectors through all round excellence in quality, delivery, and durability.

**e) Modernization:** The modernization is to be taken up in two phases.

**Phase-I:** The existing infrastructures will be refurbished and obsolete equipment will be renewed. Construction of Landing Platform Dock for Indian Navy & Coast Guard.

**Phase-II:** Providing infrastructure to enable construction of sophisticated warships and strategic vessels.

The company has reported operating profit of Rs. 35 crores in 2015-2016.

The methods of measurement influence results (Sethibe & Steyn, 2016) while investigating the causal relationship between Organizational Climate, Job Satisfaction and Perceived Performance. The study was broadly divided into Organizational Climate and its impact on Job Satisfaction and Perceived Performance. The Organizational Climate is conceptualized with the following criteria Objectivity and Rationality, Compensation, Grievance Handling, Working Conditions, Performance Management, Training and Development, Communications, Welfare, Relations and Job Design. The Job Satisfaction is estimated with the direct criterion. Similarly, the Perceived Performance is estimated with the following factors: Job, Guidance and Counseling, Planning and Execution, Individuality and Discipline. The profile factors considered in the study are Age, Gender, Caste, Nature of Education, Nature of Work, Salary, Classification, and Service. Apart from the above, Nativity, Religion, Specialization and Marital Status are also examined.

The questionnaire was framed with measures range from Highly Satisfied to Highly Dissatisfied on standard five points Likert style pattern and was tested for reliability with Cronbach statistic. The factor analysis was applied to test the strength of factor loadings and multiple regression analysis for finding inter and intra factors relationship. The final questionnaire on the Organizational Climate has 33 items; Perceived Performance has 12 items and Job Satisfaction 1 item in the questionnaire. The sample size (321) was selected randomly at 15% of the universe and 300 were found fit for use. The response rate is 94.5%.

The framed objectives of the study are:

1. To identify the influencing factors of Organizational Climate and Perceived Performance.

2. To study the intra and inter relationship between Organizational Climate, Perceived Performance and Job Satisfaction.
3. To study the impact and linkage of Organizational Climate on Perceived Performance and Job Satisfaction in the Shipbuilding Unit.

## Hypothesis

*H<sub>1</sub> There exists a significant relationship between each of the Organizational Climate factors with Perceived Performance factors and Job Satisfaction in the restructured Public Sector Organization.*

*H<sub>2</sub> There exists a significant relationship between Age, Gender, Caste, Nature of Education, Nature of Work, Salary, Classification, and Service with each of the Organizational Climate factors with Perceived Performance factors and Job Satisfaction in the restructured Public Sector Organization.*

## RESULTS AND DISCUSSION

The reliability of the questionnaire construct is tested with Cronbach Alpha and the Socio-Economic, Organizational Climate, Perceived Performance and Total Variables construct were 0.678, 0.856, 0.811 and 0.757, respectively. These values are within the prescribed limits ( $\geq 0.600$ ) for new developed measures (Loewenthal, 2004; Nunnally, 1988).

### Profile Analysis

The profile factors are first analyzed and mean age (45.33 years) of the shipbuilding workers is high. The male is employed in majority and females are present in maximum (32.4%) in the age group 40-50 years. The caste representation is proportionate to population distribution in both males and females. The females (57.1%) with non-technical qualifications are more whereas men (67.6%) are more with technical qualifications. Some non-technical qualified persons are engaged in technical work and vice-versa. The non-nativity factor is high and the religious affinity is favorable to the major religion Hindu.

The Classification of employees' shows females (57.1%) are more in Staff category. Since it is Engineering Company we find more employees in Engineering and Allied Services. The mean for the length of service is high (18.6 years) and it is attributed to job security in the public sector. Further, for improving career prospectus higher qualifications are obtained with a combination of engineering, management, and other social science degrees. The specialization distribution reveals men as more in Engineering and Allied Services whereas females are more in Administration and Medical Services.

### Organizational Climate Analysis

The factors of Organizational climate were subjected to factor analysis. The KMO and Bartlett's Test values are significant (Table 1) and therefore it is feasible to apply factor analysis. The total variance to the extent of 48.298 per cent was explained by two factors. The Communalities extractions were obtained by applying Principal Component Analysis (Table 2) and the range varied from 0.269 to 0.679. The above factor loadings establish the strength of the factors (note Performance Management and Relations have low loading).

| <b>Table 1</b><br><b>KMO AND BARTLETT'S TEST</b> |                    |         |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy  |                    | 0.783   |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 384.048 |
|  | df                 | 45      |
|  | Sig.               | 0.000   |

The Organizational Climate is the perception of the employees and summation of its influencing factors. The Organizational Climate is analyzed using means. The means along with factor ranks and standard deviations are provided in Table 3. The Organizational Climate in the public sector shipbuilding organization is moderate (3.39). In the ranking order, Welfare as a factor has a high mean (3.58). The Relations (3.49), Grievance Handling (3.49) and Working Conditions (3.48) are the other factors influencing the Organizational Climate in high order. The least out of all the factors is Job Design (2.99).

| <b>Table 2</b><br><b>COMMUNALITIES</b> |                |                   |
|--|----------------|-------------------|
|  | <b>Initial</b> | <b>Extraction</b> |
| Working Conditions                     | 1.000          | 0.404             |
| Job Design                             | 1.000          | 0.427             |
| Performance Management                 | 1.000          | 0.269             |
| Compensation                           | 1.000          | 0.469             |
| Relations                              | 1.000          | 0.308             |
| Communications                         | 1.000          | 0.500             |
| Training and Development               | 1.000          | 0.552             |
| Objectivity and Rationality            | 1.000          | 0.679             |
| Grievances                             | 1.000          | 0.585             |
| Welfare                                | 1.000          | 0.636             |

Extraction Method: Principal Component Analysis

| <b>Table 3<br/>DESCRIPTIVE STATISTICS</b> |             |             |          |                           |
|---|-------------|-------------|----------|---------------------------|
|   | <b>Mean</b> | <b>Rank</b> |          | <b>Std.<br/>Deviation</b> |
| Working Conditions                        | 3.44        | 6           | Moderate | 0.7917                    |
| Job Design                                | 2.99        | 10          | Low      | 0.8970                    |
| Performance Management                    | 3.48        | 4           | Moderate | 0.6789                    |
| Compensation                              | 3.22        | 9           | Moderate | 0.8894                    |
| Relations                                 | 3.49        | 3           | Moderate | 0.7462                    |
| Communications                            | 3.32        | 8           | Moderate | 0.9183                    |
| Training & Development                    | 3.44        | 7           | Moderate | 0.8514                    |
| Objectivity & Rationality                 | 3.47        | 5           | Moderate | 0.7772                    |
| Grievance                                 | 3.49        | 2           | Moderate | 0.7395                    |
| Welfare                                   | 3.58        | 1           | Moderate | 0.7621                    |
| Organizational Climate                    | 3.39        |             | Moderate |                           |

In the next step, the factors are examined for cause and effect relationship using multi regression analysis. The factors are independent and the same is established by the collinear matrix (diagonals converge to unity). The intra-dimensional regression reveals that all the factors are influencing each other (Table 4). However, Job Design is isolated with no significant impact. The Welfare is influenced by six factors namely Compensation, Relations, Training and Development, Objectivity and Rationality and Grievance Handling positively and whereas by Communication negatively. The Welfare is given top priority in public sectors. The Relations, Training and Development, Objectivity and Rationality and Grievance Handling are the major contributors to the formation of Organizational Climate in the organization.

The existence of cordial relations, human resource practices, positive grievance solving and adequate training and development are the important contributors in providing an enabling environment. The unit has undergone financial restructuring and changes in administrative control to overcome accumulated losses. This appeared and fulfilled the major demands of Trade Unions and employees. The results depict the same. However, Communication is a negative contributor. The transfer from the commercial shipyard to defense yard has some bearing on Training and Development, Policies and Practices and Grievance Settlements.

In further analysis, Organizational Climate factors are regressed with the profile factors namely Age, Gender, Caste, Nature of Education, Nature of Work, Salary, Classification and Service. The results and effect on Organizational Climate factors show some interesting facts. The Age was a major influencing factor of Organizational Climate. The Nature of Work is also important factor acting negatively on Organizational climate factors. The Welfare is a major

component in Organizational Climate which is positively inter-twined by Gender and negatively by Nature of Education, Nature of Work, Classification, and Service. Therefore, the study reveals that in Public Sector shipbuilding unit Age is an important determinant, and Nature of Work is a negative determinant of the Organizational climate.

**Table 4**  
**SIGNIFICANCE TABLE OF ONE ORGANIZATIONAL CLIMATE FACTOR ON OTHER ORGANIZATIONAL CLIMATE FACTORS**

| Dependent Organizational Climate Variable | Significant Independent Organizational Climate Variable | R <sup>2</sup> | t Value   |
|---|---|----------------|-----------|
| <b>1. Working Conditions</b>              | 1. 1.Grievance  | 0.191          | 3.055*    |
| <b>2. Job design</b>                      | None  | 0.051          | --        |
| <b>3. Performance Management</b>          | 1.Compensation  |                | 1.967***  |
|   | 2.Objectivity & Rationality                             |                | 1.853***  |
|   | 3.Grievance   | 0.227          | 3.386*    |
| <b>4. Compensation</b>                    | 1.Performance Management                                |                | 1.967***  |
|   | 2.Relations   | 0.303          | -1.977*** |
|   | 3.Objectivity & Rationality                             |                | 3.226*    |
|   | 4.Welfare   |                | 3.223*    |
| <b>5. Relations</b>                       | 1.Compensation  |                | -1.977*** |
|   | 2.Communication   | 0.301          | 2.866*    |
|   | 3. Objectivity & Rationality                            |                | 3.658*    |
|   | 4. Welfare  |                | 2.623**   |
| <b>6. Communication</b>                   | 1.Relations   |                | 2.866*    |
|   | 2. Training & Development                               | 0.410          | 4.221*    |
|   | 3. Grievance  |                | 3.833*    |
|   | 4. Welfare  |                | -2.896*   |
| <b>7. Training &amp; Development</b>      | 1.Communication   |                | 4.221*    |
|   | 2. Objectivity & Rationality                            | 0.454          | 2.250**   |
|   | 3.Welfare   |                | 3.881*    |
| <b>8. Objectivity &amp;Rationality</b>    | 1. Performance Management                               |                | 1.853***  |
|   | 2. Compensation   | 0.518          | 3.226*    |
|   | 3. Relations  |                | 3.658*    |
|   | 4. Training & Development                               |                | 2.250**   |
|   | 5. Welfare  |                | 2.432**   |
| <b>9. Grievance</b>                       | 1. Working Conditions                                   |                | 3.055*    |
|   | 2. Performance Management                               | 0.442          | 3.386*    |
|   | 3. Communication  |                | 3.833*    |
|   | 4. Welfare  |                | 2.662*    |
| <b>10. Welfare</b>                        | 1. Compensation   |                | 3.223*    |
|   | 2. Relations  | 0.462          | 2.623**   |
|   | 3. Communication  |                | -2.896*   |
|   | 4. Training & Development                               |                | 3.881*    |
|   | 5. Objectivity & Rationality                            |                | 2.432**   |
|   | 6. Grievance  |                | 2.662*    |

Significance Levels \*: 1% \*\*: 5% \*\*\*: 10%



## Perceived Performance

The Perceived Performance is the perceptual opinion about own work experience at the work. The Perceived Performance is the self-evaluation of one's exhibited performance related to behavior at work. The data on Perceived Performance is first examined by applying the measure of central tendency, i.e., Means (Table 5).

The Discipline as a factor of Perceived Performance is a major influencing factor (3.42). The Job and Planning and Execution are the other important contributors. The Individuality (2.62) is the least contributor and the Perceived Performance as a factor has a moderate Mean (3.14). The dimensional correlation values in the matrix of perceived performance variables are tending towards 1 and hence independent.

| <b>Table 5</b><br><b>MEANS OF PERCEIVED PERFORMANCE</b><br><b>FACTORS</b> |             |
|---|-------------|
| <b>Factor</b>   | <b>Mean</b> |
| 1. Discipline   | 3.42        |
| 2. Job  | 3.34        |
| 3. Planning and Execution   | 3.16        |
| 4. Guidance and Counseling  | 3.14        |
| 5. Individuality  | 2.62        |
| Perceived Performance   | 3.14        |

On regression of Perceived Performance factors step by step, we find that Discipline as the dependent variable is not influenced by any other Perceived Performance factors. The Job was found as an important factor affecting Guidance and Counseling, Planning and Execution and Individuality. Further, Job is influenced by the majority of the factors.

The Perceived Performance factors are regressed with profile factors in the next stage and none of the factors show any positive influence on each of the factor except for Classification on Planning and Execution and Individuality on Salary.

The effect of regression of Organizational Climate factors with Perceived Performance factors was examined step by step (Table 6). The Organizational Climate factor Communication was influencing Job negatively. Further, four of the Organizational Climate factors Compensation, Relations, Objectivity and Rationality were influencing positively or negatively. The Performance Management, Relations and Welfare are effectively influencing Discipline.

| <b>Table 6</b><br><b>SIGNIFICANCE OF ONE FACTOR OF PERCEIVED PERFORMANCE ON ORGANIZATIONAL CLIMATE FACTORS</b> |   |                      |                |
|--|---|----------------------|----------------|
| <b>Dependent Perceived Performance variable</b>  | <b>Significant Organizational Climate Variables</b> | <b>R<sup>2</sup></b> | <b>t-Value</b> |
| 1. Job   | 1.Compensation                                      | 0.218                | 2.592**        |
|  | 2.Relations   |                      | 1.966***       |
|  | 3.Communication                                     |                      | -2.593**       |
|  | 4.Objectivity and Rationality                       |                      | 1.849***       |
| 2. Guidance and Counseling   | 1.Objectivity and Rationality                       | 0.106                | 3.068*         |
| 3. Planning and Execution  | 1.Objectivity and Rationality                       | 0.127                | 2.061**        |
| 4. Discipline  | 1.Performance Management                            | 0.218                | 1.956***       |
|  | 2.Relations   |                      | 2.752*         |
|  | 3.Welfare   |                      | 3.062*         |
| 5. Individuality   | 1. Job design                                       | 0.095                | 2.815*         |
|  | 2. Relations  |                      | 1.729***       |

Significance Levels \*: 1% \*\*: 5% \*\*\*: 10%

## Job Satisfaction

In the next step, Job Satisfaction is examined with Means. The Job Satisfaction has a moderately high mean (3.82). The inter-factor multivariate regression analysis shows that the influence of Job Satisfaction on profile factors is negative. The Job Satisfaction is negatively associated with Nature of Education and Nature of Work. The apparent reason for such result is probably some technically qualified employees are placed on non- technical work. Further, employees with less than Higher Secondary Education are placed on technical work in Supervisory and Management Cadre. The results of multivariate regression analysis of Job Satisfaction as the dependent variable and Organizational Climate factors, Perceived Performance factors as independent variables are shown in the Table 7 with their significant values.

The inter-relationship between Perceived Performance, Job Satisfaction, and Organizational Climate were checked for testing the second hypothesis with linear regression analysis by running Perceived Performance on Job Satisfaction, Organizational Climate on Job Satisfaction and Perceived Performance on Organizational Climate. In all the above analysis the results were positively significant.

| <b>Table 7</b><br><b>SIGNIFICANCE TABLE OF JOB SATISFACTION ON ORGANIZATIONAL CLIMATE, PERCEIVED PERFORMANCE AND JOB SATISFACTION VARIABLES</b> |   |                |
|---|---|----------------|
| <b>Dependent Variable</b>   | <b>Organizational Climate Factors which are Significant</b> | <b>t-Value</b> |
| Job Satisfaction  | Performance Management                                      | 2.460**        |
|   | Objectivity and Rationality                                 | 1.723***       |
| Summary: R <sup>2</sup> : 0.282      Significance Levels *: 1% **: 5% ***: 10%  |   |                |
| <b>Significance Tables of Perceived Performance Factors on Job Satisfaction</b>   |   |                |

|  |                     |          |
|--|---------------------|----------|
| Job Satisfaction   | Discipline          | 1.881*** |
| Summary: R <sup>2</sup> : 0.076      Significance Levels *: 1% **: 5% ***: 10% |                     |          |
| <b>Significance Tables of Profile factors on Job Satisfaction</b>              |                     |          |
| Job Satisfaction   | Nature of Education | -2.034** |
|  | Nature of Work      | -2.536** |
| Summary: R <sup>2</sup> : 0.067      Significance Levels *: 1% **: 5% ***: 10% |                     |          |

## CONCLUSION

The first hypothesis (H<sub>1</sub>) was not accepted as only some of the factors of Organizational Climate, Perceived Performance and Job Satisfaction are significant. The second hypothesis (H<sub>2</sub>) was not accepted as only some of the personal and employment factors are significant with each of the Organizational Climate factors, Perceived Performance factors and Job Satisfaction in the restructured Public Sector Organization.

The Organization is an old establishment and there were no large scale recruitments in the last 10 years. Further, downsizing was done without further recruitment; consequently, the mean Age is very high in the Organization. The organizational knowledge repository is depleting due to retirements and no replacement policy. Further, to lesser extent Relations, Grievance Handling and Working Conditions are also influencing Organizational Climate. But Job Design is a negative factor of Organizational Climate. In public sector, social welfare is given prime importance the same is shown in the result. The Grievance Handling and Relations are positive since the Government has accepted the two major demands of the employees, i.e., restructuring and new pay scales. The Job Design requires restructuring, it was found to be an impediment to positive climate. The managerial implication out of the study in restructuring Organizational Climate is an important organization phenomenon and plays a mediating role in influencing the perceived employee outcomes. The post-restructuring business results declared in 2015-2016 and 2016-2017 show improvement in bottom line with the turnaround. The Organization has turned profitable with some measures on fresh recruitment, acceptance of major demands of Unions and positive work climate.

But, in future, some more studies on a larger scale are required in establishments where administrative controls are transferred in public sector as a part of the restructuring strategy.

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