

Impact of Organizational Climate in Experiencing Occupational Stress among Executives of Indian Information Technology Organisations

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Abstract

Present study is an attempt to study the impact of organizational climate in experiencing occupational stress among the executives of Indian Information Technology organizations. Two questionnaires i.e. Organizational Climate questionnaire and Occupational Stress Index were used to collect data from 402 Executives working in eight reputed Information Technology Organisations operating in Gurgaon in the state of Haryana. Statistical methods like correlation and regression method were used to analyse the data. Results show that all correlation coefficients between sixteen organizational climate variables and occupational stress are significant and positive. Further, regression analysis confirms strong influence of seven dimensions of organizational climate such as orientation; quality of work life; problem solving and decision making; communication; customer satisfaction; goal setting, appraisal and counseling; and training in experiencing occupational stress.

Keywords: Occupational stress, organizational climate

Introduction

Modern business organizations are under severe work pressure and competitive work environment outcome of which is higher level of stress among employees and executives. No organization is free from stress. A higher level stress impairs physical and psychological health of executives and employees. It has been observed that prolonged stress leads to undesired behavior. In fact, in the present day business organizations, stress is inevitable. Increasing complexities at work place has been found to be one of the major causes of job stress. It is caused by the divergent and threatening demands of different stressors. In other words, one can say different job situations and characteristics of work environment are responsible for the same. There are job related factors, organization related factors, individual factors, environmental factors that contribute significantly for experiencing stress among the executives and employees. Job stress has been defined as the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources or needs of the workers. There are different views and opinions about the classification of the occupational stressors. Schuler (1982) has

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identified seven categories of work stressors in organization. They are job qualities, relationships, organizational structure, physical qualities, career development, change and role in the organization. Ivancevich and Matterson (1980), have classified stressors into four categories i.e. physical environment, individual level, group level, and organizational level (a mixture of climate, structure, job design and task characteristics). Landy and Trumbo (1976) found job insecurity, excessive competition, hazardous working conditions and task demands are the dimensions of the stress. According to Sofer (1970), the potential causes for stress at workplace are too much or too little work, time pressures and deadlines and having to make too many decisions. In fact, stress is felt by the individual at varying degrees i.e. from mild to severe level. This is dependent upon individual's physiological and psychological makeup. Mild stress is not harmful for the individual employee. But, severe or extreme stress creates complications in individual's health, mental health, career growth and organizational effectiveness. In acute condition, an employee tries to avoid doing the work, He withdraws psychologically and exhibits disinterest, lack of involvement, less commitment in the job and psychosomatic illness. An employee or executive with prolonged stress may get physical and psychological illness. This illness may affect his work behaviour and social functioning. Reduction or absence of stress leads to satisfied, happy, committed, involved and psychologically strong employees.

Work related stress is very much influenced by the organizational climate. It is something that can be perceived by the employees rather than something that can be recognized cognitively. In other words, it is a set of attributes or characteristics of the organization that is perceived by the employees. Organisational climate is a relatively enduring quality of the internal environment that is experienced by its members, influences their behaviour and can be described in terms of the value of a particular set of characteristics of the organization (Jain Mathew, 2008). Organizational climate is perceived either positive or negative by the employees. If positive then it reduces the stress arise due to

Studying occupational stress and organisational climate in Information Technology Organisations has become essential as employees of such organizations are facing severe competitions and work pressure worldwide. Many professionals are able to sustain pressure and others are unable to do so. A continuous pressure leads to a stage whereby psychological homeostasis of the employee is greatly affected. This may lead dissatisfaction and employee turnover. The critical problem, IT companies are facing is the high rate of employee turnover leading to disruptions in project implementation, loss of skills and loss of employees with hands-on experience. It leaves a detrimental impact in company's business. One of the reasons may be employee stress. Occupational stress is also found among the IT executives due to their typical nature of the work. In a severe form, stress also affects performance of the executives working in IT sectors. Most distinguished characteristic of IT companies is that they are dependent on highly skilled and talented people. Their success depends on the supply of trained and low cost software professionals. Since, IT companies are human resource driven organizations, every step should be taken

to understand how these professionals are to be made satisfied and free from stress arising out of occupational stressors. Because, impact of extreme stress will not only affect the psychological and physical balance of individual professionals but also business volume of the organization in long run. Therefore, present study aims at understanding whether occupational stress is influenced by the organizational climate of the IT companies.

Review of Literature

Organizational climate and occupational stress are important topics of great concern for the researchers. Many academicians, researchers and practicing business managers have undertaken good number of studies in these relevant areas. The volume of research in these areas speaks itself the importance attached to these two themes. Although many researches have been conducted in different organizational settings, yet researches relating to the IT sector are limited. The studies which have direct and indirect relation to these areas are presented in a chronological manner.

Sharma and Devi (2011). In a study, they collected data from 530 frontline employees from various public and private sector banks and tried to assess the causes of role stress. The identified eight role related factors which represent twenty-two variables. They concluded that role indistinctness, role excess, role invasiveness, role divergence, role augmentation, self diminution, role fortification and resource shortage are the causes of role stress.

Ranta, Singh and Sud(2008). They studied the management of stress and burn out in police personnel. Outcome of the study is physiological, psychological and behavioural effects of stress and burn out in police can be severe which is a matter of concern. The manifestation of stress and burnout in the form of suicide and killings highlight the urgent need that these must be tackled.

Jain, Mishra and Gupta(2007). In a study they found that high age group managers as well as high age group engineers were equally satisfied with their jobs. Further, they found similar results when low age group managers and low age group engineers were compared on their job satisfaction level.

Sharma, Khera and Khandekar(2006). According to them, visual stress and musculoskeletal symptoms, initially being mild and temporary becomes more intense and permanent in nature with the increasing of years. They suggested that computer related morbidity has become an important occupational health problem. Further, they suggested immediate need for the concerned authorities to collaborate and enforce suitable preventive measures.

Rajeswari and Anantharaman(2005). In a study they tried to find out causes for occupational stress and work exhaustion among IT professionals. They attributed long work hours with different time zones and total team work, task to be completed on deadline with perfection as per the client needs are some of the important causes of the stress.

Chandraiah et.al.(2003). Observed that job becomes less satisfying under excessive stress and when expected intrinsic and extrinsic needs are not fulfilled. Findings show that age plays a vital role to test the correlations between occupational stress and job satisfaction level. Further, their study reveals that senior level officers have a decreased stress level and increased satisfaction as compared to middle level managers.

Rajeswari and Anantharaman(2003). They conducted a study to find out sources of negative pressure among software professionals, from the perspective of the software development process. The results revealed that stress resulted from fear of obsolescence and individual team interventions .

Objective of the Study

Main objective of the present study is to examine the impact of organizational climate in experiencing occupational stress among Executives of Indian Information Technology Organisations.

Methodology

Hypothesis

Following hypotheses were formulated and tested after collection of the data from the respondents:

- H1. There will be a significant correlation between the organisational climate variables and occupational stress in IT organisations.
- H2. Organisational climate variables are the significant predictors of occupational stress experienced by the IT executives.

Sample

Most of the IT industries in India are situated in and around metro or big cities. In the present study, IT industries in Gurgaon, Haryana are considered. This place is situated near by Delhi and major IT industries are established in Gurgaon. Out of all IT industries in Gurgaon, eight were selected on convenient sampling basis. Other condition to be included in the sample was willingness of the executives working in IT industries. During the sample selection , care was taken to select respondents from different departments and from different age groups, gender groups and different types of jobs. A total of 450 questionnaires were distributed for the data collection and 412 questionnaires were returned. Finally, 402 questionnaires were selected for the data analyses as rest of the questionnaires were incompletely filled.

Tools Used

Questionnaire method was used to collect data from the respondents. Two different questionnaires i.e. organizational climate questionnaire and occupational stress index

were used to collect required data.

Organisational Climate Scale

This scale has been used for Identifying organizational climate prepared by TV Rao and E Abraham, Academy of Human Resources Development, Ahmedabad for Indian oil corporation. The questionnaire measures 16 dimensions of organizational climate with the help of 99 questions. The dimensions are quality of work life, leadership, management of change, empowerment, problem solving and decision making, conflict management, creativity and innovation, communication, image, customer service, role efficacy, goal setting, appraisal and counseling, career planning, training and rewards. The item-wise mean score were calculated and then converted into percentile score. The percentile scores and interpretations are : More than 65 is interpreted as very good; 60-64 is interpreted as good; 55-59 is interpreted as fair; 50-54 is interpreted as average and below 50 is poor. Score below 50 on any items reflects that improvement is needed in that direction to achieve overall growth in the organization.

Occupational Stress Index(OSI)

The second questionnaire used in this study is Occupational Stress Index (OSI) prepared by A. K. Srivastava and A. P. Singh. This standardized questionnaire has the reliability coefficient ascertained by Split half (odd even) method and Cronbach's alpha-coefficient for the scale as a whole were found to be 0.937 and 0.90 respectively. The questionnaire has 46 items distributed under 12 variables. The variables are role overload, role ambiguity, role conflict, group/political pressures, persons responsibility, under participation, powerlessness, poor peer relations, intrinsic improvement, status, strenuous working condition and unprofitability. Norms have been prepared for the OSI as a whole as well as twelve subscales separately of different cadre involved in production and nonproduction activities. The scores were divided into three categories i. e. high, moderate and low following the principle of normal distribution. The scores falling above $+1\sigma$, between $\pm 1\sigma$ and below -1σ were categorized respectively as to indicate high, moderate and low levels of occupational stress.

Results and Discussion

For the analysis of the collected data, statistical techniques like correlation and regression analysis were carried out. Correlation has been carried out to see the close relationship between the variables of organizational climate and occupational stress. Regression analysis has been undertaken to examine the predictor effect of the organizational climate variables in experiencing occupational stress by the IT executives. The dependent variable is the occupational stress and independent variables are the different dimensions of the organizational climate. Table -1 shows correlation between occupational stress and organizational climate variables and Table-2 shows result of the stepwise multiple regression analysis.

Table -1: Correlation between occupational stress and organizational climate variables

| variables | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---------------------|--------|---------|--------|--------|---------|---------|---------|---------|---------|--------|---------|---------|--------|---------|--------|--------|-------|
| Occupational Stress | 1.000 | | | | | | | | | | | | | | | | |
| Orientation | .309** | 1.000 | | | | | | | | | | | | | | | |
| QWL | .500** | .790** | 1.000 | | | | | | | | | | | | | | |
| Leadership | .378** | .707** | .807** | 1.000 | | | | | | | | | | | | | |
| Mgt of Change | .186** | .476** | .407** | .706** | 1.000 | | | | | | | | | | | | |
| EmpowermentL | .221** | .568** | .460** | .572** | .672** | 1.000 | | | | | | | | | | | |
| Problem solving | .160** | .590** | .386** | .601** | .727** | .778** | 1.000 | | | | | | | | | | |
| Conflict Mgt | .107** | .629** | .512** | .623** | .665** | .517** | .548** | 1.000 | | | | | | | | | |
| Creativity | .391** | .793** | .757** | .608** | .368** | .617** | .499** | .473** | 1.000 | | | | | | | | |
| CommunicationL | .390** | .503** | .544** | .624** | .447** | .511** | .495** | .351** | .656** | 1.000 | | | | | | | |
| Image | .467** | .619** | .630** | .602** | .529** | .614** | .475** | .465** | .696** | .527** | 1.000 | | | | | | |
| Customer service | .450** | .615** | .515** | .638** | .708** | .689** | .777** | .466** | .572** | .560** | .693** | 1.000 | | | | | |
| Goal setting | .417** | .582** | .580** | .734** | .666** | .602** | .653** | .512** | .446** | .409** | .601** | .711** | 1.000 | | | | |
| Career Planning | .244** | -.271** | -.017 | -.123 | -.467** | -.473** | -.460** | -.609** | -.212** | -.021 | -.183** | -.221** | -.043 | 1.000 | | | |
| Training | .217** | .734** | .633** | .667** | .481** | .508** | .430** | .601** | .722** | .549** | .566** | .468** | .507** | -.175** | 1.000 | | |
| Reward | .483** | .627** | .610** | .537** | .345** | .467** | .478** | .180** | .651** | .509** | .650** | .639** | .603** | .229** | .641** | 1.000 | |
| Role efficacy | .537** | .678** | .696** | .667** | .456** | .580** | .544** | .342** | .780** | .717** | .735** | .719** | .639** | .088 | .682** | .836** | 1.000 |

From table-1, it can be observed that organizational climate variables like quality of work life, leadership, management of change, empowerment, problem solving and decision making, conflict management, creativity and innovation, communication, image, customer service, role efficacy, goal setting, appraisal and counseling, career planning, training and rewards have positive and significant correlations with the occupational stress level. A statistically significant correlation was found between the organizational climate variables and occupational stress i.e. between orientation and occupational stress (0.30), between quality of work life and occupational stress (0.50), between leadership and occupational stress (0.37), between management of change and occupational stress (0.18), between empowerment and occupational stress (0.22), between problem solving and decision making (0.16), between conflict management and occupational stress (0.10), between creativity and occupational stress (0.39), between communication and occupational stress (0.39), between image and occupational stress (0.46), between customer service and occupational stress (0.45), between goal setting, appraisal & counseling and occupational stress (0.41), between career planning and occupational stress (0.21), between training and occupational stress (0.48), between role efficacy and occupational stress (0.53). This shows that all these variables have close relationship with occupational stress level of the IT executives. Thus, first hypothesis which says 'there will be a significant correlation between the organisational climate variables and occupational stress in IT organisations' has been accepted.

Further, regression analysis was carried out to see how much percentage of variance is contributed by the organizational climate variables in experiencing occupational stress experienced by the IT Executives. The influence of organizational climate variables and occupational stress was examined through regression analysis. Initially retained 16 dimensions of 'organizational climate scale' were subjected to multiple regressions with 'occupational stress Scale'.

Table -2: Results of Regression Analysis

| Predicted variables | Predictor | | Standardized Coefficients | t | Co-linearity Statistics |
|------------------------|----------------|---------|---------------------------|------------------|-------------------------|
| | R ² | F | Beta | | |
| Occupational stress | .472 | 23.43** | | Tolerance | VIF |
| 1 Orientation | | | .202 2.301* | .171 | 5.860 |
| 2 Quality of work life | | | .404 4.051** | .132 | 7.571 |
| 3 Leadership | | | .130 1.221 | .115 | 8.666 |
| 4 Management of change | | | .055 .653 | .184 | 5.442 |
| 5 Empowerme-nt | | | .020 .267 | .244 | 4.094 |

| | | | | | | |
|----|--------------------------------------|--|------|---------|------|-------|
| 6 | Problem solving and decision making | | .350 | 3.670** | .145 | 6.917 |
| 7 | Conflict management | | .112 | 1.422 | .211 | 4.739 |
| 8 | Creativity and innovation | | .053 | .551 | .141 | 7.094 |
| 9 | Communication | | .138 | 2.160* | .324 | 3.088 |
| 10 | Image | | .031 | .435 | .262 | 3.813 |
| 11 | Customer satisfaction | | .384 | 4.636** | .192 | 5.220 |
| 12 | Goal setting, appraisal & counseling | | .193 | 2.515* | .223 | 4.491 |
| 13 | Career planning | | .062 | .687 | .160 | 6.248 |
| 14 | Training | | .302 | 3.715** | .199 | 5.028 |
| 15 | Reward | | .150 | 1.538 | .139 | 7.213 |
| 16 | Role efficacy | | .181 | 1.777 | .127 | 7.873 |

On the basis of regression analysis, it was found that only six out of sixteen dimensions of the organizational climate contributed significantly to the total variance of occupational stress. The total contribution of these variables amount to 47% of the total variance. Thus, results confirm strong influence of seven dimensions; orientation; quality of work life; problem solving and decision making; communication; customer satisfaction; goal setting, appraisal and counseling; and training in experiencing occupational stress. The t- value of these organizational climate variables are 2.301*, 4.051**, 3.670**, 2.160*, 4.636**, 2.515*, and 3.715** respectively. No doubt, lack of orientation to the IT Executives will create problem in implementing company's policies and assigned responsibility to the executives. Poor quality of work life affects efficiency and satisfaction level of the IT Executives. This may lead to increase stress level of the IT Executives. It has been found in many researches that if talented and professionally qualified executives are not involved in the problem solving and decision making process, then they experience stress. This has also been found true for the IT executives. A proper and two-way communication is essential in every organization for creating a free environment. Lack of proper communication may lead to the feeling of stress among the IT Executives. Because, the work of an IT Executive needs clear cut information and directions from the seniors. Any deviation may create problem for the executives to complete their time-bound work. Customer satisfaction is the major issue for all organizations. It is essential for them to sustain in the market. Dissatisfaction of a customer affects the business relationship of the individual employee who is handling the project. This may even question mark his capability. Similarly goal setting is very much essential for the executives otherwise they may face problems in

completing the task. Failure in handling this may lead to experience stress. Proper training and counseling are also equally important for the existing as well as new employees. They need continuous and frequent trainings to upgrade their knowledge. In case such opportunities are not provided to them, then, they may feel frustrated and stressed. This partially proves second hypothesis which says 'organisational climate variables are the significant predictors of occupational stress experienced by the IT executives'.

Industry Implications

Findings of the present study have lots of significance for the Information Technology Companies. These companies are human resource driven organizations. They are dependent on the talent and capabilities of the human resources. In order to unfold their potentialities, IT companies must try to analyse organizational climate at a deeper level. They must try to remove blockades, if at all, present in their organization and create a healthy and conducive climate.

Following suggestions are offered to the IT companies to reduce stress among its executives:

- IT companies must organize orientation programmes for its newly inducted executives and for them who get promotion. This will help them to understand their responsibilities expected from the new positions. Failing to understand their duties may lead to problem later on.
- IT companies must try to improve quality of work life of the Executives. They need flexible time and some leisure hours to make them relax during the working hour.
- Executives of IT companies must be involved in decision making and problem solving processes. This will enhance belongingness in the organizations.
- Communication must be two- way in IT companies. A two-way communication process will help the executives to understand the directives given by the seniors.
- IT companies must organize interactive sessions with the customers. These sessions will help executives in understanding needs of the customers and yield maximum customer satisfaction.
- IT companies must help and provide counseling to their executives to set their goals.
- They must appraise them their performance and provide continuous feedback to them.
- All IT Executives are knowledge workers. They need to enhance horizon of their knowledge. Lacking of such opportunities may lead to frustration and thereby,

enhance stress level among the executives. In order to get rid of it, Information Technology companies must organize or send their executives for training programmes very frequently.

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