



A STUDY ON FACTORS INFLUENCING EMPLOYEE PERCEPTION TOWARDS ORGANIZATION

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ABSTRACT

Purpose: The purpose of this study is to identify the factors influencing employee's perception towards organization.

Methodology: The data for the study is collected through 50 employees in Chennai city. IBM SPSS 21 version software is used to process and analyze the collected data for the study.

Findings: The study classifies the variables into four factors influencing employee perception towards organization.

Implications: The results of the study indicate that career related factors play a major role in influencing employee's perception about their organization.

Keywords: Employee Perceptions, Information Technology Sector.

INTRODUCTION

Perceptions play an important role in organizational behavior. Practically speaking, perception of employees plays an important role in their behavior in the organizations. The way one employee sees the organization and other employee perceive the organization is different. The behavior of an employee in an organization depends upon how he perceives his organization. This is the reason why many psychologists consider perception as one of the variable that helps in determining human behavior.

While there are many factors affecting the perceptions of employees towards organizations, some of the factors are not consistent. With the growing changes in the information technology

sector, there is a need to study the perceptions of employees in the IT sector towards their organization. This is because; the case of job hopping is increasing among IT sector employees due to many factors. Thus perceptions also play an important in predicting their behavior in the changed circumstances.

REVIEW OF LITERATURE

Boon, Den Hartog, Boselie, and Paauwe (2011) investigated the link between worker perceptions of HRM practices and worker outcomes from the attitude of person-organization (P-O) and person-job (P-J) work. The authors concluded that managing employee perceptions of HRM might be a worthwhile goal for firms, as they can affect organizational performance.

Arokiasamy, Lawrence; Marimuthu, Maran; Moorthy, and MKrishna (2010) examined the influence of Perceived Organisational Support (POS) on the organisational behaviours of employees working in the financial sector in Malaysia. To explain the POS influence, the organisational behavioural concepts were identified for this study which is job satisfaction, affective commitment and turnover intention. The purpose of this study is to identify the perceived organizational support related to the job satisfaction, affective commitment and turnover intention.

Afzal, Hasan; Butt, Babar Zaheer; Rehman, Kashif Ur Safwan, and Nadeem. (2009) investigated the intra group conflict and its impact on employees' performance. The sample of this study consisted of 300 employees working in different commercial banks in Pakistan. An adapted questionnaire was used to collect data regarding demographic information, task conflict, and relationship conflict and employees performance. The collected data then analyzed using the correlation and regression techniques. The results illustrate that both relationship and task conflict have a significant impact on employees' performance and negatively related to it. A high level of intergroup conflict has insupportable impact on the employee performance.

Finegan, Joan (2000) explores the relationship between personal values , organizational values, and organizational commitment. Results found that commitment was predicted by the employees' perception of organizational values The study highlights importance of recognizing that values are multidimensional and that each value cluster may affect behavior differently.

Kim and Lee (2005) analyzed the impact of structure context and IT on workers 'perceptions of knowledge-sharing capabilities in 5 public sector and 5 personal sector organizations in South

Korea. Social networks, centralization, performance-based reward systems, employee usage of IT applications, and user-friendly IT systems were found to significantly affect employee knowledge-sharing capabilities in the organizations studied. For public sector workers, social networks, performance-based reward systems, and employee usage of IT applications are all positively associated with high levels of employee knowledge-sharing capabilities. Lessons and implications for knowledge-sharing capabilities and management leadership within the public sector are conferred.

STATEMENT OF THE PROBLEM

Perceptions play an important role in determining the needs of various employees in the organization. It also helps the managers to avoid making errors in his decisions and frame policies in such a way that employees perceive things in right way and contribute significantly towards achievement of organizational objectives. Thus, there is a need to study the various factors affecting perceptions of employees towards their organizations in IT sector which will help the organizations in better understanding of their human resources.

OBJECTIVES OF THE STUDY

The various objectives of the study are

- To understand the concept of perception in the context of organizational behavior.
- To identify the factors affecting perceptions of employees towards organization.
- To offer suggestions on improving the perceptions of IT employees towards organization.

RESEARCH METHODOLOGY

For the purpose of this study, the data has been collected through both primary and secondary sources.

PRIMARY SOURCES

Primary data for the study has been collected through questionnaire. The questionnaire consists of organizational, job and individualistic variables affecting the perceptions of employees. The questionnaire is constructed on the basis of likert scale method.

SECONDARY SOURCES

The secondary data for the study has been collected from various journals, magazines, websites and textbooks.

SAMPLING DESIGN

The sample size of the study is 50. Simple random sampling technique has been used to collect data from the samples.

ANALYSIS METHOD

Factor analysis is used to classify the variables into different factors. Factor analysis is an extremely powerful to approach psychological, behavioral, and financial and other types of data. It is a statistical technique for determining the underlying factor for large number of variables used in the study. It should be noted that the factor analysis is done through SPSS 21 version software and principal component method is used to conduct the analysis.

LIMITATIONS OF THE STUDY

No study is free from limitations and weaknesses. The limitations of this study are as follows

- The study have been influenced by the limitation of the various multivariate analysis techniques used
- The study confine itself to IT sector employees and therefore may not be reflect the perceptions of other sector employees
- The analysis is for a particular period of time and results will change for an analysis made at any other of time.
- The study is also confined to IT companies in Chennai city. Therefore results might differ when the same study is conducted in any other geographical location.

RESULTS AND DISCUSSION

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.708
	Approx. Chi-Square	495.591
Bartlett's Test of Sphericity	Df	120
	Sig.	.000

Source: Primary Data Analysis

Communalities

	Initial	Extraction
Relationship with top management	1.000	.582
Level of satisfaction with my Expectations	1.000	.639
Extensive training programs of good quality	1.000	.555
Training opportunities to learn and grow	1.000	.709
Fair and equitable job position	1.000	.855
Effective delegation of work by Supervisors	1.000	.594
Availability of more than one potential position for promotion	1.000	.783
Perfect match between individual and organisational needs	1.000	.656
Scope for career development is high	1.000	.788
Organisational values	1.000	.864
Leadership Style	1.000	.738
Size and composition of group	1.000	.803
Personality	1.000	.632
Status	1.000	.805
Interpersonal relationship	1.000	.561
Peer support in the Organization	1.000	.729

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.667	41.666	41.666	6.667	41.666	41.666	4.022	25.140	25.140
2	2.114	13.214	54.880	2.114	13.214	54.880	2.994	18.710	43.850
3	1.482	9.261	64.141	1.482	9.261	64.141	2.419	15.118	58.968
4	1.031	6.446	70.587	1.031	6.446	70.587	1.859	11.619	70.587

Extraction Method: Principal Component Analysis.

Rotated Component Matrix^a

	Component			
	1	2	3	4
Relationship with top management	.650	-.013	.271	.293
Level of satisfaction with my Expectations	.623	.211	.378	.252
Extensive training programs of good quality	.134	.216	.633	.299
Training opportunities to learn and grow	.507	.348	.568	.088
Fair and equitable job position	.314	-.011	.244	.835
Effective delegation of work by Supervisors	.569	.431	-.105	.272
Availability of more than one potential position for promotion	.281	.650	.066	.526
Perfect match between individual and organisational Needs	.109	.079	.675	.427
Scope for career development is high	.741	.226	.066	.429
Organisational values	.913	.069	.101	-.125
Leadership Style	.407	.741	.023	.153
Size and composition of group	.053	.873	.044	-.189
Personality	.644	-.125	.335	.300
Status	-.052	.827	.336	.080
Interpersonal relationship	.641	.317	.199	.099
Peer support in the Organization	.210	.001	.816	-.135

Extraction Method: Principal Component Analysis

INTERPRETATION

The above tables show the various factors affecting perceptions of employees towards organization in IT sector. From the above table it is clear that factors like availability of more than one potential position for promotion, leadership style, status and size and composition of group have the highest influence of 89.7%.

Availability of more than one potential position for promotion in the organization has a significant impact on perceptions of employees towards organizations. This factor indicates the

career opportunities in the organizations. More career opportunities develop a positive perception among employees as employees perceive organization as a place for development and also indicate that the better understanding of employees needs by the organizations.

Leadership style also influences the perception of employees. Leadership style followed by the managers or higher level management has a positive influence on employees. The leadership style can be participative or autocratic. Participative style of leadership will develop a positive perception. When employees participate in targets or goals to be achieved, they show their increased commitment as goals are set by consulting them and this will help in achieving better performance than under participative style of management.

Status of an employee in an organization also influences his or her perceptions. People with high esteem needs and actualization needs look for higher status in their organizations. When organization satisfies these needs, they have will have a positive perception towards their organizations.

Size and composition of group within an organization also affects the perception of employees. Both formal and informal groups play an important role in the organization. Both groups have the potential either to create good organization or destroy an organization. Most of the social needs of the employees are satisfied by the informal groups. So the group size and composition determines the way the employees perceive their organization.

The second set of factors influencing perceptions are relationship with top management, level of satisfaction with my expectations, effective delegation of work by supervisors, scope of career development, organizational values, personality and interpersonal relationship. These factors influence 69.8% of perceptions.

Relationship with top management is a key factor in influencing the perceptions. Employee perception towards the organization depends upon their nature of relationship with the top management. If the top management follows a friendly approach towards middle and lower level employees, then employees develop positive perception towards their organization and vice- versa.

Effective delegation of work by supervisors also influences perception. Delegation means entrustment of work or part of work to the subordinates. The degree to which the superiors delegate their work to subordinates determines the employee's perceptions about their organization.

Scope of career development also influences perception. This refers to the level and time that will be required for an employee in an organization to move to next hierarchical level in the organization. An organization may have better career development opportunities but requires

longer period of time. Similarly whether the career development opportunities cover all levels of employees or a particular level of employees also affects their perception.

Organizational values refer to the values and beliefs system in the organization. Individual employee's value and belief differs from organizational values. The organizational value normally reflects the value system of founder and top management. Employee's value system will also impact organization. Perception of employee depends upon how he/she correlates his/her value system with organizational values.

Personality is another key factor affecting the perception of the employees. People with positive attitude develop positive attitude towards the organization and vice-versa. Personality determines human behavior in the organization which in turn determines his or her perceptions towards the organization.

Interpersonal relationship is another key factor that influences the perceptions. Interpersonal relationship can take different forms. It can be in the form of relationship with subordinates, colleagues and with higher level managers. Interpersonal relationship satisfies social needs of an employee which affects his/her behavior. A good interpersonal relationship develops a positive perception towards organization and vice-versa.

The third set of factor has 83.1% influences on the perceptions. These factors are training opportunities to learn and grow, extensive training programs of good quality, peer support in the organization and perfect match between individual and organizational needs.

Training opportunities in the organizations affects the perceptions of employees. Some employees consider training as an opportunity to learn new things and acquire new skills. The way the training is positioned by the management determines the perception. If training programs are imposed as a means to bridge the gap in existing work, then it may develop a negative perception whereas if it is imposed as a means to enhance or acquire new skills that is required for job promotion, then it will be develop a positive perception towards the organization.

The quality of training programs is a matter of concern for the employees. A good training program should result in better learning and help in achieving better performance by them. If the training program fails to satisfy this aspect, it will result in negative perception towards organization.

Peer support in the organization also affects the perception. The degree to which they support and motivate among themselves both personally and in work related aspects determines the

perceptions on organization.

An organization should try to strike a balance between their own needs and employee's own personal needs. So it is advisable for the organization to consider both goals while setting the desired performance to be achieved by the employees. Employees should also be made to participate in deciding the task to be accomplished. All these steps will help in developing a favorable perception towards the organization.

Fair and equitable job promotion is the only factor which has negative influence on perception. This may be due to the basis of promotion. Senior employees look for years of experience as criteria for job promotion while young employees prefer promotion on merit basis. Thus it is advisable to organization to establish clear standards or criteria followed in promoting an employee.

FINDINGS

The findings from this study are as follows

1. Factors like availability of more than one potential position for promotion, leadership style, status and size and composition of group have the highest influence of 89.7%.
2. Relationship with top management, level of satisfaction with my expectations, effective delegation of work by supervisors, scope of career development, organizational values, personality and interpersonal relationship influence 69.8% of perceptions.
3. Training opportunities to learn and grow, extensive training programs of good quality, peer support in the organization and perfect match between individual and organizational needs has 83.1% influence on perceptions.

CONCLUSION

A study on factors affecting perceptions of employees towards organizations in IT sector enabled to get a practical touch with the topic. The success of an organization depends on the efficient management of its people. Understanding human behavior is very much important for successful accomplishment of organizational goals as each person or employee is governed by his own ideas, feelings or activities. Perception is one of the factors that affect the behavior of employees in the organizations.

Perception forms a basis for employee's feeling about his or her organization. Perceptions research is important because it helps the organization to understand how their employees shape their goals and outlook for their life. Perception research helps in understanding the way the employee interprets various events, policy changes and other actions taken by the management. By just giving monetary benefits and conducting a fair performance appraisal a organization cannot satisfy their own employees. There are certain non-monetary factors that employees looks for and the way they perceive these factors determines the true success of an organization. The various factors identified as affecting perception will provide a meaningful conclusion to organizations to understand their behavior.

To conclude, the project work has been a great experience and exposure to the understanding of perception and its importance in understanding human behavior and also gave a picture of various factors affecting the employee perceptions.

SUGGESTIONS

The various suggestions of this study are as follows

- It is observed from the study career related factors have more influence on employee's perception towards their organization. So organizations can increase focus in these aspects to direct perceptions of employees in a constructive manner.
- Social needs factors are another factors influencing perception. Therefore it is advisable for organizations to adopt participative leadership and develop better interpersonal relationship with various levels of employees. If required training can also be given to employees for better interpersonal relationship.
- Training programs and its quality is also influencing the perceptions. So organizations can conduct training programs that aims at developing skills rather than building knowledge.
- Demographic variables also have some influences on perceptions. Managers should understand this aspect and shape their perception in right way if it is not so.
- Finally, organizations can conduct periodical behavioral surveys to have constant track of their commitment and involvement towards the work. If any deviations are identified, they can be taken care by appropriate actions by the manage.

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