

# A Research on the Factors that Impact the Effectiveness of Organizations in IT AND ITES in Coimbatore

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**Abstract:** Organization effectiveness determines how well an organization achieves its objectives with the given resources. In the present study the factors that influence organization effectiveness like organization culture, quality of work life, organization change and demographic factors have been considered for the study. The study was conducted in Coimbatore City as it is the second largest software producer in Tamil Nadu, contributing to around 8% of the total GDP. 400 respondents were selected randomly and questionnaires were collected from them. The collected data have been analyzed using regression analysis, and it is found that among all the demographic factors, gender and total workforce in the organization have influence on organization effectiveness. Organization culture, quality of work life and Organization change also play a part. Based on the findings, suggestions and conclusion have been given.

**Key Words:** Organization Culture, Quality of work life, Organization Change

## I. INTRODUCTION

Organizational effectiveness determines how successfully organizations attain their objectives through their core strategies. Organizational effectiveness is the ability to be effective within an organization. It includes basic work habits, adapting to the organization culture, oral communication, written communication and working effectively with others. Organization exists for people and the effectiveness of the organization depends on the behavior and performance of the people who form the organization. Every organization must integrate the individual needs and common goals for its betterment.

## II. REVIEW OF LITERATURE

**Altin Uka (2014)** in her study, 'The Communication and its Influence on the Effectiveness of the Organization', assesses organization culture, Communication and Organization strategy. The data were collected by using questionnaires, face to face interviews and observations. 25 employees were selected for the study and the information was obtained from them by using Written Survey method i.e. questionnaires. The information obtained was analyzed using simple percentage analysis, which reveals that communication has great impact

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on improving the values and concepts which help in improving the strategy of the organization. It is recommended that staff should be involved in the decision-making process, which makes transparent the activities going on inside the organization. The gap identified in the study is that trust has not been built among employees, and there is no proper motivation channel available.

**Jain V. K. (2013)** in his research tried to find the variables contributing to organizational efficiency and the association between the variables. The questionnaires were collected on random basis from ABC laboratories Ltd. The study was conducted in Uttarakhand (India) and the sample size used for the study was 24 employees. The information was also collected through personal interaction with the supervisors, employees, peers and employees from other departments. Organization Effectiveness is measured using regression and correlation analysis. From the study, it is revealed that there is a good working environment as well as job satisfaction. From the analysis it is assumed that management pays proper attention to employees' recognition, training needs and employee development. It has been recommended that management hold appraisal without any bias and discusses the key results with the employees.

**Olusanya et al. (2012)** in their research studied the impact of staff training and performance on organizational effectiveness and also examined whether performance of the banks had improved. The study had used questionnaires for data collection, which had been circulated among 100 employees of Sterling Bank. The collected data were analyzed using Spearman's rank Correlation coefficient, which reveals that staff training and development have enhanced the employees' performance, and it has an impact on organizational effectiveness. Managements should concentrate on training related to leadership, technical skill and language. They should adopt a motivation policy to improve the performance of the bank employees. Among the various training methods, class room training is found to be more effective; it can be done using CDs and other book materials. The employees were not given need-based training.

## III. STATEMENT OF PROBLEM

The organizations should stay successful in order to meet the global competition. The increasing competition among various IT and ITES companies has led to improvement in the performance of each company. It is also important for the company to understand the factors that influence the effectiveness. The city is fast growing in software production. So, importance has to be given in identifying the areas of



weakness and threats, so that it helps in the development of the company. The ineffective areas can be identified to bring about changes.

**IV. OBJECTIVE OF THE STUDY**

To ascertain the factors that has impact on Organization Effectiveness in IT and ITES in Coimbatore City.

**V. SAMPLE SIZE**

The Sample Size is 400 respondents and the size is determined based on Krejcie and Morgan (1970) table.

**VI. SAMPLING TECHNIQUE**

Simple random sampling is used for the study. It is a type of probability sampling technique. From the list of 83 companies, 20 companies are randomly selected and the number of employees working in each is 20, gathered from the companies' websites and through direct interaction with the employees. From the selected companies a few employees are randomly selected and the questionnaires were collected from them.

**VII. DATA COLLECTION**

The primary data were collected through questionnaires and the secondary data from sources such as printed articles, newspapers, magazines, websites and so on.

**VIII. PERIOD OF STUDY**

The study was conducted in IT and ITES Companies in Coimbatore from **2014 to 2018**.

**IX. FRAMEWORK OF ANALYSIS**

To analyze the impact of Organization Effectiveness Multiple Regression Analysis is used.

**X. LIMITATIONS**

The study was conducted in Coimbatore City. Hence, the findings of the study cannot be generalized to other regions. There may be errors in selecting the samples and the respondents may be biased while answering the questions related to job related details. As the questionnaires were lengthy, respondents would have felt it as a time-consuming process.

**XI. DATA ANALYSIS**

The extent of organization effectiveness influenced by several predictor (independent) variables like age, gender, education and income along with several other variables related to human resource, namely organizational culture, quality of work life and organizational change were studied using multiple regression analysis. The following variables were recognized to be built-in in the model. Stepwise multiple regression analysis was performed to discover the suitable variables built in the model.

1. Gender
2. Age
3. Educational qualification
4. Experience in the present organization
5. Total experience
6. Annual Income (In Lakhs)
7. Sector employed
8. Number of hours of work
9. Type of organization
10. Total workforce in the organization (No.)
11. Organizational culture score
12. Quality of work life score
13. Organizational change score

Organizational effectiveness score was taken as the dependent variable representing the extent of organizational effectiveness.

*Table 1 Regression Analysis of Organizational Effectiveness*

	B	Std. Error	Beta	t	Sig.
(Constant)	5.461	3.714			
Organizational Change Score	0.505	0.060	0.389	8.441	**
Organizational Culture Score	0.467	0.057	0.382	8.217	**
Gender	2.400	0.782	0.087	3.069	**
Quality of Work Life Score	0.155	0.058	0.122	2.670	**
Total workforce in the Organization (No.)	1.013E-005	0.000	0.064	2.259	*

Source: Primary Data

R	R Square	F	Sig.
0.827	0.684	170.946	**

Source: Primary Data

**XII. FINDINGS**

Out of 13 variables, only 5 variables were built in the equation using stepwise method. Multiple correlation coefficient R, of dependent variable (Organizational

effectiveness) with the set of independent variables, was built in the analysis. The R values indicate that the intention of a high correlation (0.827) exists among the dependent variable and the set of independent variables. R<sup>2</sup> explains that the intention of 68.4% of the



difference in the Organizational effectiveness score is due to the 5 analyst variables in the equation. Next given is F value (170.946). This value is F-statistic, evaluation for R, used to find whether R value is significant or not. The related significance level ( $P < 0.01$ ) tells us that R is fairly significant at 1% level.

The five forecaster variables have an important effect on Organizational effectiveness score either at 5% or 1% level. Independently, all the variables, apart from Gender included in the model, have positive influence on Organizational Effectiveness, since the regression coefficients are positive. Gender is a dichotomous variable (measured as 0-Male and 1-Female), which shows that females score higher on Organizational Effectiveness compared to male employees as the regression coefficient is positive. From the Beta coefficients it is seen that, Organizational Change is more powerful on the Organizational effectiveness score compared to other variables. The next majority of the contributing variable is Organizational Culture. Total labor force in the organization is the least contributing variable to Organizational effectiveness score.

### XIII. SUGGESTION

The Organization culture is improved by engaging the employees and making them understand the core values of the organization. Good quality of work life can be maintained by giving equal opportunities to everyone in the organization providing the necessary facilities to the employees, so that they can achieve the goals on time. The female employees should be given equal responsibilities as their male colleagues, and should be encouraged to voice the problems that arise inside the organization. Changes have to be implemented in the organization structure and process as the organization has to meet the needs of the external environment. The change has to be implemented in a step by step manner so that employees will not resist changing process. The group meetings can be conducted in the organization with more workforce and their views can be obtained, which can be implemented during change process.

### XIV. CONCLUSION

In order to stay effective, organization culture, quality of work life, organization change and demographic factors play a vital role. As IT and ITES sector is emerging in Coimbatore, all the important aspects should be considered for improving the performance of the organization. The ineffective areas should be identified and made effective by identifying the areas of weakness and the areas where the company can grow.

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