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Effect of Organizational Climate on Psychological Well Being:

A Study of Vedanta Ltd

Ms. Sonam Gondlekar^{1*}, Dr. Manoj S. Kamat²

ABSTRACT

The present study explores the link between organizational climate and psychological well being. It seeks to examine the differences in these two constructs based on varied demographic variables. Organizational Climate Inventory (OCI) developed by, Chattopadhyay, Agarwal (2006) has been used to assess employee's perceptions of organizational climate. Psychological Well Being is being measured with the help of Psychological Well Being Scale developed by Ryff (1995). Sample for the study comprised of 180 employees from Vedanta Ltd. The results indicate that there is a significant positive correlation between organizational climate and psychological well being. There is no significant difference observed in organizational climate and psychological well being as a result of demographic variables. The study also discusses theoretical and practical implications for the managers.

Keywords: *Organizational climate, Psychological well being*

It is universally believed that “Happy Employees are Productive Employees”. Happiness usually results from Physical, Mental, Spiritual and Psychological stability of a person. Keeping this in mind, organizations in today's times are introducing novel & innovative facilities to provide this balance and stability to their employees. But no matter what initiatives an organization adopts, certain aspects of an organization can have a significant impact on the Physical and Psychological Well Being of the employees. These aspects could include things like; organizational climate, organizational commitment, motivational climate, Laour-Management Relations, Work Life Balance, Employee Engagement and so on. However, in the current study, relationship between one of these factors that is Organizational Climate and Psychological Well Being is being explored.

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Conceptual & Theoretical Framework

Organizational Climate basically implies the collective perceptions of employees about varied aspects and components of the work environment. It evolves out of the experiences that people have as they deal with varied stratum of organizational realities; namely its objectives and goals, company policies and practices, work design, leadership, motivational and reward mechanisms, structure, channels of communication, work conditions, reliance on technology and so on. It provides a dynamic interface for employees in the organization in the form of psychologically meaningful and behaviourally pertinent perceptions, which impel them to think, feel and act in consistently similar ways (Schneider, 1975).

Pritchard and Karasick (1973) have defined Organizational Climate as a relatively enduring quality of an organization's internal environment distinguishing it from other organizations which – a) results from the behaviour and policies of members of the organization especially top management b) is perceived by members of the organization c) serves as a basis for integrating the situation and d) acts as a source of pressure for directing activities.

Organizational Climate is one such construct that fosters Management Professionals understanding of whether organization is a psychologically meaningful environment for its employees or not. It primarily tries to gauge employee's perceptions with respect to factors, conditions and events which occur in the organization. According to Wallace et al. (1975), organizational climate is one of the most important constructs in organizational literature. Despite the controversy surrounding organizational climate, many behavioural scientists still believe that it is the pivotal ecological factor influencing behaviour of people in organizations. Psychological Well Being is primarily concerned with people's reactions to the usual stresses of their day to day living (Bradburn, 1969; Ryff, 1995); it incorporates their "day-to-day feelings and evaluations of lives" (Lyubomirsky, Dickerhoof, 2006). According to Ryff (1995), the concept of Psychological well-being is helpful as it gives a measure of employee's perceived emotional and mental outlook towards life.

The current study is based on the conceptualization of Psychological Well Being proposed by Ryff and Keyes (1995) as it is very complex, multidimensional and comprehensive. Ryff and Keyes asserts that the construct of Psychological Well Being encompasses six dimensions that is; Self Acceptance, Positive Relations With Others, Environmental Mastery, Personal Growth, Autonomy and Purpose in Life. Their conceptualization of Psychological Well Being has been theoretically and empirically tested by professionals from the arenas of Clinical Psychology, Developmental Psychology and Mental Health. Theorists have clearly defined all the six dimensions in terms of what High and Low scores on each of the dimensions indicate.

This concept is valuable as it emphasises on positive aspects like satisfaction with life and desirable mental states. Through assessment of this concept, we can develop an understanding of psychological wellness of employees related to their personal and professional lives.

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Over the years, several theorists have attempted to explore the relationship between the constructs under study. A model has been developed by Lester, Cross (2015) which shows inter linkage between three aspects of climate (Safety, Social Relationships, Connectedness) and Mental Emotional Well Being (Depression, Anxiety, Stress) in Secondary School setting. Their model explains how school climate is vital for promoting well being of students.

Bahrami, Taheri (2013) in their study developed a model to investigate relationship between organizational climate and psychological well being. Their model consists of five components of climate (Objectives Clarity, Reward Mechanism, Procedures, Role Clarity, Communication Effectiveness) and nine components of psychological well being (Somatization, Obsessive-Compulsive, Interpersonal Sensitivity, Depression, Anxiety, Hostility, Phobic Anxiety, Paranoid Ideation, Psychotocism). This model has been tested by the researchers among hospital employees.

Both these models are very much relevant in modern times as it's a necessity on the part of the employer to provide a conducive work environment to its employees. Studies have time and again proved that climate perceptions exert significant influence on employee satisfaction as well as their performance. Organization Climate is one of those important factors which determine the well being of the employees. Present study also investigates the same constructs which have been explored in above two models but only the components and context is different.

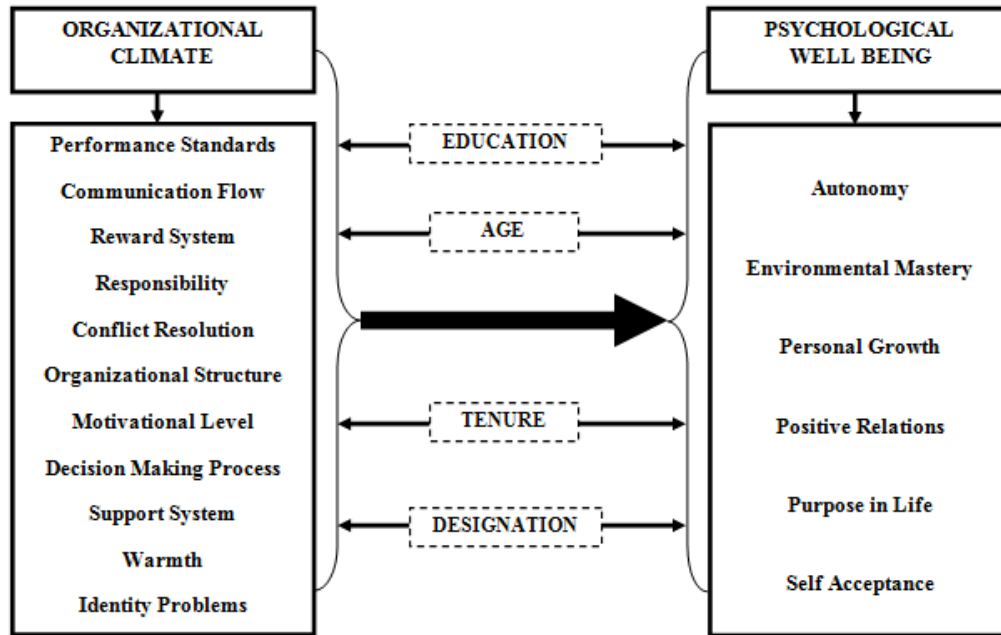
Two other studies in this area are noteworthy. A study by Karasek, Theorell (1990) divulges that certain dimensions of climate, namely; challenge, freedom, low conflict levels and autonomy play a crucial role in enhancing psychological well being of the employees. When employees are deprived of opportunities to be a part of decision making, they might experience stress, as a result of which their creativity, motivation level might go down and negative feelings like frustration, depression might escalate.

A study by Gilbreath, Benson (2004) has examined the effect of supervisory behaviour on employee wellbeing. Findings demonstrate that positive supervisory behaviour (allowing more employee control, communicating and organizing well, considering employees and their well-being) makes a statistically significant contribution to employee well-being regardless of differences in age, social support from co-workers and at home, lifestyle and stressful work/life events.

Very specifically, this study aims to examine the relationship between organizational climate and psychological well being, assess the influence of demographic variables collectively on organizational climate, psychological well being and their dimensions in the context of a notable mining company in the State of Goa (India).

Proposed Research Model

The present investigation is being undertaken to discover the relationship between OC and PWB among employees of a Mining company based in Goa. As many as 11 dimensions of OC have been chosen, whereas PWB is characterised through 6 components. The purpose of the study as illustrated below is to examine the effect of selected demographic variables like perceived job tenure, education, age and designation on OC and PWB.



RESEARCH METHODOLOGY

Sample

The sample for the present study comprises of 180 higher, middle and lower level employees belonging to different age groups. Representative sample has been chosen from various departments. Selected sample consists of employees with different job tenures and varied educational qualifications. The sample is being chosen randomly.

Tools for Data Collection

1. **Personal Data Sheet:** This data sheet has been used to obtain information about demographic status of the participants, namely; age, gender, designation, job tenure etc.
2. **Organizational Climate Inventory:** This scale developed by Chattopadhyay, Agarwal (2006) comprises of 70 items pertaining to organizational climate. It has a split half reliability of 0.89.
3. **Psychological Well Being Scale:** The multidimensional Psychological Well-Being Scale with 54 items developed Ryff and Keyes (1995) is being used to gauge participants psychological well-being in the present investigation.

Tools for Statistical Analysis

In order to test the hypotheses and to facilitate the interpretation of results, data has been analyzed by applying the various statistical techniques. Both descriptive and inferential methods have been used to analyze the data. These includes mean, standard deviation, Regression, Karl Pearson's Coefficient of Correlations, and One Way ANOVA.

Variables

- 1. Independent Variable:** Organizational Climate
- 2. Dependent Variable:** Psychological well being
- 3. Control Variables:** Age (25-35 yrs, 35-45 yrs, 45 & above), Level of employees (Higher, Middle & Lower level), Job Tenure (0-5 yrs, 5-10 yrs, 10-15 yrs, 15-20 yrs, 20 yrs & above), Education (8th-10th, 10th-12th, Graduation, Post graduation)

Hypotheses

Based on the literature and supporting theories, following hypotheses have been formulated:

1. There is a positive correlation between organizational climate and psychological well being
2. There is a significant effect of organizational climate on psychological well being
3. There exists a significant difference in organizational climate as a result of age, education, tenure and level of employees.
4. There exists a significant difference in psychological well being as a result of age, education, tenure and level of employees.

RESULTS AND DISCUSSION

Consistency and Reliability Analysis

Internal consistency and reliability, primarily calculates the consistency of results across items within a test. It gives a measure of whether varied items which intend to measure same construct, produce similar scores or not. It is usually measured by using Chronbach's alpha, which ranges somewhere between zero to one. According to Sekaran (2005), if the Cronbach's alpha is less than .6, this means that the employed instrument has got a low reliability and thereby is open for errors. If the alpha value is within .7, the instrument is considered as acceptable. Table 1 and Table 2 depicts reliability coefficient of OC and PWB Scales.

Table 1: Internal Consistency & Reliability of PWB Scale

Label	Chronbach's Alpha	ICC (2)
Autonomy	.75	.86
Environmental Mastery	.71	.82
Personal Growth	.67	.80
Positive Relations	.74	.82
Purpose in Life	.71	.81
Self Acceptance	.73	.87

Source: Calculation on the basis of Primary Data collected by the Researcher

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Inter Rater Reliability is the variation that results in measurements when same instrument is taken by different individuals with same method or instruments. It could be simply considered as level of agreement among raters, which focuses on homogeneity in ratings provided by different raters. It is measured by ICC (2) and values above 0.80 are considered as acceptable. Overall, from the reliability coefficients we can infer that, as all the values are above acceptable levels, findings of this study can be generalized to overall population.

Table 2: Internal Consistency & Reliability of OC Scale

Label	Cronbach's Alpha	ICC (2)
Performance Standards	.68	.87
Communication Flow	.73	.82
Reward System	.78	.89
Responsibility	.69	.79
Conflict Resolution	.75	.82
Organizational Structure	.74	.82
Motivational Level	.71	.86
Decision Making Process	.73	.87
Support System	.77	.84
Warmth	.70	.80
Identity Problems	.65	.78

Source: Calculation on the basis of Primary Data collected by the Researcher

The data collected using the personal data sheet, Organizational climate inventory and Psychological well being scale, has been analyzed with the help of statistical tools. The results obtained are discussed below, on the basis of research objectives and hypotheses.

Ha 1: There is a positive correlation between organizational climate and psychological well being.

Correlation between Organizational climate and Psychological well being has been computed using Pearson's Product Moment Correlation method. As shown in Table 1.1, Correlation coefficient has been found to be **.41** which is **significant at 0.01 level** of significance. This signifies a positive correlation, thereby indicating that, positive climate perceptions would improve and negative climate perceptions would deteriorate the psychological well being. This finding implies that employees will become more self accepting, will pursue meaningful goals with a sense of purpose in life, establish quality ties with others, will gain autonomy in thought and action, inculcate the ability to manage complex environments to suit personal needs and values and continue to grow, only if they perceive adequacy in varied aspects of organizational climate like communication, decision making etc.

These findings are consistent with the findings by Mark, David, Dejoy, Robert (2004); Vandenberg, Hettie, Richardson, Allison, McGrath (2004) who have discovered that employees

perceptions of their organization affect their perception of the climate, which impacts the way people relate to their job and see their future in the organization, ultimately impacting their work adjustment, health and well-being.

Table 1.1: Correlation Between Organizational Climate & Psychological Well Being

Variables (N = 80)	Correlation Coefficient
Organizational Climate	.412**
Psychological Well Being	

Note: ** Significant at the 0.01 level

A further analysis into the correlation between dimensions of organizational climate and psychological well being has provided an interesting insight. Results of dimension wise analysis reveal that out of 11, 8 dimensions of organizational climate correlate positively with psychological well being. Correlation coefficients derived from correlation between each of the 8 dimensions of organizational climate (performance standards (.29), communication flow (.38), Responsibility (.29), Conflict resolution (.33), organizational structure (.33), motivational level (.32), decision making process (.39), support system (.39)) and psychological well being have been found to be significant at 1% level of significance.

These results support the hypothesis and are also consistent with the findings of study by Karasek, Theorell (1990); Ekvall, Arvonen (1991); Cashman (1987); Kinman, Jones (2004) which have also found significant influence of these dimensions on psychological well being. However, insignificant positive correlation has been found between warmth, reward system, identity problems and psychological well being.

Ha 2: There is a significant effect of organizational climate on psychological well being.

Linear Regression analysis has been performed to discover the cause and effect link between organizational climate and psychological well being. Results of this regression analysis divulge that organizational climate is a significant predictor of psychological well being. This is evident from the R square which has been discovered to be .17, which further implies that 17% variance in psychological well being is explained by organizational climate. F value of 15.921 has also been found as significant at 1% level of significance.

Table 2.1: Regression Analysis with Organizational Climate as Predictor Variable

Predictor Variable: Organizational Climate	R	R Square	F Value
	.412	.170	15.921**

Note: **Significant at 1% Level of Significance

Further, the researcher attempted to explore the causal relationship between dimensions of organizational climate and psychological well being. From this analysis, only one dimension has

turned out to be significant predictor of psychological well being that is Decision Making. R square of .156 denotes that 15% variance in psychological well being is contributed by decision making dimension of organizational climate.

Ha 3: Significant differences exist in Organizational climate as a result of age, level of employees, tenure and education.

Table 3.1: Comparison of OC and PWB based on Age

Variables	Age Group	Mean	SD	F Value
PWB	25-35 yrs	240.73	24.662	.599
	35-45 yrs	234.47	13.912	
	45-60 yrs	237.18	26.674	
	Total	237.25	21.556	
OC	20-30 yrs	230.50	22.219	.911
	30-45 yrs	238.72	34.466	
	45-60 yrs	242.73	38.825	
	Total	237.15	32.362	

Age and Organizational Climate

As can be seen from the Table 3.1, no significant difference has been observed across different age groups (25-35 yrs, 35-45 yrs, 45 & above) with regard to total organizational climate score. However after doing dimension wise analysis, it has been observed that employees belonging to three different age groups differ significantly with respect to perceived reward system, responsibility, motivational level and identity problems. F value for motivational level (5.91) and identity problems (5.20) has been found to be significant at 1% level of significance. Whereas, F value for reward system (3.89) and responsibility (3.92) is being found significant at 5% level of significance.

Further, through correlation analysis, negative correlation has been observed between age and satisfaction with reward system. Employees belonging to the age group (25-35) have been found to be most satisfied, whereas employees belonging to the age group (45 & above) have been found to be least satisfied with reward system. This might be probably because employees in the age range of (45 & above) expect more and better rewards than their young counterparts because of seniority, experience, & knowledge that they possess. Since rewards are performance based & not seniority or experienced based, senior employees perceive inconsistencies in reward system & hence dissatisfaction with the same.

Secondly, employees in the age group (25-35) have been found least satisfied with responsibility aspect of organizational climate. Whereas, employees in the age range of (35-45) and (45 & above) have been found to exhibit approximately same level of satisfaction with responsibility dimension. Thirdly, positive correlation has been discovered between motivational level and age. Younger employees have perceived motivational activities of company less favourably, whereas, senior employees have reported more favourable perceptions. This can be attributed to the fact

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that employees in the age range of (25-35) includes mostly those who are on probation, whereas (35-45) & (45 & above) age groups include permanent & senior employees. So younger employees are not as much aware of the motivational activities undertaken by the company as the senior employees are.

Fourthly, positive correlation has also been observed between identity problems & age. Employees belonging to the age group (25-35) are satisfied & happy working in the company & they also identify themselves with the organizations. Whereas, organizational identification has been discovered to be least in employees belonging to the age group (45 & above). One probable reason for this is that, since employees in the age range (25-35) are either fresher's or less experienced, they are not well versed with task at their hand. They are intending to gain expertise in specialised skills. Whereas, employees in the age range of (45 & above) are already well settled and are looking for change, so they don't mind hopping jobs.

Levels of Employees and Organizational Climate

As can be seen from Table 3.2, no significant difference has been noticed among higher, middle and lower level employees, with respect to organizational climate. This signifies that, irrespective of the levels, all employees perceive organizational climate in the same manner.

Further, results of dimension wise analysis reveal that, higher, middle and lower level employees differ significantly, on 5 dimensions of organizational climate, namely, communication flow, reward system, motivational level, decision making process & identity problems. At 0.01 level of significance, F value for reward system (9.97), decision making process (8.25) & identity problems (4.96) has been found to be significant. Whereas, F values for communication flow (3.71) and motivational level (3.54) have been found significant at 0.05 level of significance.

Table 3.2: Comparison of OC and PWB based on Level of Employees

Variables	Age Group	Mean	SD	F Value
PWB	Higher	251.12	20.474	9.29**
	Middle	232.54	19.785	
	Lower	229.30	18.543	
	Total	237.25	21.556	
OC	Higher	248.52	36.868	2.37
	Middle	233.29	26.415	
	Lower	230.63	31.910	
	Total	237.15	32.363	

*Note: **Significant at 1% Level of Significance*

Findings reveal that higher level employees perceive communication process, decision making process & reward system more favourably, followed by middle level employees & lower level employees.

One reason for this is that, at higher level, communication system is more open, decision making process is participative and reward system is different from that of lower level employees. Higher level employees receive more and better incentives, allowances, housing, medical benefits. Although lower level employees also receive these benefits, they are not the same as those received by higher ups. Lower level employees are rarely active participants in decision making process. At the same time, they are kept informed only about major changes and events and not about minor daily happenings in the organization as are higher & middle level employees. Further, motivational level has been found to be high among lower level employees, followed by higher level & lastly middle level. This is probably because, organization undertakes more activities for motivating lower level employees because they are directly related to production. Organization attempts to motivate lower level employees more, so that problems like absenteeism don't pop up and productivity increases. Organizational identification has been found to be further high among lower level employees, followed by higher level and lastly middle level employees.

Tenure Wise Differences and Organizational Climate

As can be seen from Table 3.3, no significant difference has been observed in organizational climate as a result of job tenure (>5yrs, 5-10 yrs, 10-15 yrs, 15-20 yrs, < 20 yrs). However, results of dimension wise analysis reveals significant difference on 5 dimensions of organizational climate. F values for Performance standards (.089), Reward system (.026), Motivational level (2.64) and Support System (4.80) has been found significant at 5% and 1% level of significance respectively.

This implies that, support system and motivation in the organization varies as a function of job tenure. Whereas other aspects of organizational climate like communication, decision making, responsibility, conflict resolution, identity and organizational structure perceptions stand unaffected by job tenure.

Table 3.3: Comparison of OC and PWB based on Job Tenure

Variables	Age Group	Mean	SD	F Value
PWB	0-5 yrs	242.90	24.682	2.537
	5-10 yrs	234.70	8.341	
	10-15 yrs	235.64	25.645	
	15-20 yrs	228.00	17.329	
	20 yrs & Above	237.77	19.694	
	Total	237.25	21.556	
OC	0-5 yrs	234.13	24.788	1.976
	5-10 yrs	234.30	32.178	
	10-15 yrs	255.82	42.600	
	15-20 yrs	235.20	34.904	
	20 yrs & Above	233.00	35.700	
	Total	237.15	32.362	

Education and Organizational Climate

No significant difference has been observed in organizational climate as a result of education. F value of (.993) has turned out to be insignificant.

Table 3.4: Comparison of OC and PWB based on Education

Variables	Age Group	Mean	SD	F Value
PWB	8 th – 10 th	231.83	17.403	1.217
	10 th – 12 th	236.67	17.371	
	Graduation	237.71	22.926	
	Post Graduation	246.00	25.945	
	Total	237.25	21.556	
OC	8 th – 10 th	234.57	31.448	.993
	10 th – 12 th	254.44	31.879	
	Graduation	234.34	36.415	
	Post Graduation	237.31	19.661	
	Total	237.15	32.362	

Further, dimension wise analysis reveal that five dimensions of organizational climate differ significantly as a result of education level. F values for reward system (4.67) and identity problems (4.84) are being found significant at 1% level of significance. Whereas at 5% level of significance, F values for motivational level (2.98) and decision making process (3.09) have been found significant. Thus it can be inferred that, all the employees hold similar perceptions of organizational climate, irrespective of their education levels. But certain aspects of organizational climate like ones discussed above have been found to be influenced by educational level of employees.

Ha 4: Significant differences exist in Psychological Well Being as a result of age, level of employees, tenure and education.

Age and Psychological Well Being

As depicted in Table 3.1 no significant difference has been monitored with regard to psychological well being across different age groups. Out of six dimensions of psychological well being, significant difference has been noticed across three age groups only with respect to one dimension that is personal growth. F value for personal growth has been computed as 3.64, which is significant at 0.05 level of significance. Employees in the age group (25-35) exhibits highest desire to grow & develop, whereas employees in the age range (45 & above) expresses lowest desire for growth & development. One reason for this is that, since employees in the age range (25-35), are youth, they want to move up the ladder of success very fast. In this new era, youths prefer joining companies which value not only organizational growth but also individual growth. Because of competition, each one wants quick promotions & expertise in their respective fields. This is mostly the case with young employees, and is not much evident with senior

employees. Senior employees (45 & above) are well settled in their jobs & their main focus is not on personal growth as much on maintaining work-family balance.

Levels of Employees and Psychological Well Being

As can be seen from Table 3.2, significant difference has been found among higher, middle and lower level employees with respect to psychological well being. F value for psychological well being has been computed as .9.29 which is significant at 1% level of significance. Results of dimension wise analysis also reveal significant difference on all dimensions of psychological well being except for self acceptance. Psychological well being has been found to be high among higher level employees, followed by middle and then lower level employees. From this, we can infer that higher level employees are more self determining and independent, have sense of mastery and competence in managing environment, have feeling of continued development, has warm, satisfying, trusting relationship with others, has goals in life and a sense of directedness than middle & lower level employees. One probable reason for this is that, higher level employees have to face challenging situations, take decisions independently, maintain positive relations with subordinates, learn to accept their mistakes, as a part of their job. So repetitive confrontation with this must have ultimately resulted in upsurge in psychological well being. Whereas lower level employees have little exposure to these activities, since their work is directly related to production.

Tenure and Psychological Well Being

As can be observed from Table 3.3, No significant difference has been observed in psychological well being as a result of job tenure ($F = 2.537$). However, no significant difference is evident on any of its dimensions as well. Findings reveal that, employees with job tenure (>5 yrs) possess greater feelings of continued development, is open to new experiences, and is changing in ways that reflect more self knowledge and effectiveness, followed by (5-10 yrs), (10-15 yrs), and (20 yrs & above). Whereas, employees with job tenure of (15-20 yrs) have been found to be demonstrating less desire for personal growth. This indicate that employees belonging to this job tenure range, feel bored and unsatisfied with life, lacks sense of improvement or expansion over time, and feel unable to develop new attitudes or behaviours.

Education and Psychological Well Being

As can be seen from Table 3.4, educational level has been found to have little or no influence on psychological well being of employees. Dimension wise analysis has been done to investigate whether any dimension of psychological well being is being influenced by educational level. Significant difference has been observed among employees with different educational levels with respect to Personal growth. F value for personal growth has been computed as 9.08, which is significant at 1% level of significance. Feeling of personal growth & development has been found to be highest among employees with post graduation degree, whereas lowest among employees with matriculation. This implies that employees with higher educational qualifications have a feeling of continued development, sees self as growing and expanding and

are also open to new experiences. This might be probably because; employees with good educational qualifications are looking forward to apply their theoretical knowledge which they possess. They want to update their existing knowledge and are open to changes. Hence highly educated employees exhibit higher desire for personal growth.

RECOMMENDATIONS

Findings of the study have revealed a significant association between organizational climate and psychological well being. In the light of this finding, following recommendations can be implemented to make organizational climate positive and favourable as it will help improve psychological well being

- **Participative decision making:** Employees at all levels in the organization must be communicated to and consulted with on organization policies relevant to their positions. Employees at all levels should be provided with avenues of communication with management levels above theirs for the purpose of participating in decision making and goal setting.
- **Supportiveness:** An atmosphere of candour and supportiveness should pervade relationships within the organization, with employees being encouraged to say what's on their minds regardless of whether they are talking to peers, subordinates or superiors.
- **Openness in downward communication:** Except for necessary security information, members of the organization should have relatively easy access to information that relates to their jobs, that affects their abilities to coordinate work with other people or departments, and that deals broadly with the company, its organization, leaders and plans.
- **Listening in upward communication:** Personnel at all levels in the organization should listen with open minds to suggestions or reports of problems. Information from subordinates – upward communication – should be viewed generally as important enough to be acted on.
- **Enhancing motivation:** Organizations can provide an environment which is motivating. They can give their positive guidance which helps make people think positively and to take action to fulfil their needs and wants. Positive motivation persuades people and propels them into action. Regular orientation programmes can be conducted for employees to keep them motivated.
- **Trust:** Personnel at all levels should make every effort to develop and maintain relationships in which trust, confidence, and credibility are sustained by statement and act. This will help make employee feel secure and will eliminate identity problems.
- **Conflict resolution:** Organization should adopt relational approach to handling conflicts. While resolving conflicts organization needs to ensure that parties reach an amicable and satisfactory point of agreement and no one's emotions are hurt.

CONCLUSION

Thus it can be concluded that different aspects of organizational climate does exert significant influence on psychological well being. The results have also revealed significant difference in

psychological well being based on levels of employees. Significant differences have been noticed on certain dimensions of psychological well being and organizational climate based on age, level of employees, job tenure and education. From these findings we can infer that to improve the psychological well being of employees, organizations can work on improving certain components of its climate as clear link has been evident between these two constructs. These findings support findings of previous studies conducted by Mark, David, Dejoy, Robert (2004); Vandenberg, Hettie, Richardson, Allison, Mcgrath (2004) who also found that employees perceptions of their organization affect their perception of the climate, which affects the way people relate to their job and see their future in the organization, thereby impacting their work adjustment, health and well-being.

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