

A Study on The Impact of Organisational Climate On Employee Performance At Cyber Experts.In, Chennai

Susmitha E¹, Dr. N.S.N. Cailassame²

¹Dept of Management Studies

² Dean, Dept of Management Studies

^{1,2} Sri Manakula Vinayagar Engineering College (Autonomous), Puducherry.

Abstract- *In the knowledge-driven economy, organisational climate has emerged as a crucial strategic asset driving employee performance. This study investigates the relationship between organisational climate and employee performance, which is particularly relevant in the fast-paced Information Technology (IT) and services sector, such as at Cyberexperts.in. The research adopted a Descriptive and Explanatory design, utilizing primary data collected via a structured questionnaire from a sample of 100 employees at Cyberexperts.in, Chennai. The data was analysed using statistical tools including Mean, Factor Analysis, Regression, and Correlation. The findings revealed a statistically positive perception of the work environment across all aspects (mean scores > 4.2). Factor analysis identified Salary & Pay Competitiveness, Appraisal & Review System, and Training & Development as the three key underlying factors influencing the organisational climate. Most significantly, Regression analysis showed a statistically significant effect of organisational climate on employee performance (Sig. $p = 0.005$), with the climate explaining 7.7% of the variation ($R^2 = 0.077$). The study concludes that organizational climate has a significant positive influence on employee performance and recommends that management focus on reinforcing these three key factors.*

Keywords- Organisational Climate, Employee Performance, Cyberexperts.in, IT Sector, Factor Analysis, Regression, Human Resource Management.

I. INTRODUCTION

In the 21st-century global economy, the performance of employees is a critical determinant of organizational success. Organizations are increasingly recognizing that human capital is a strategic asset that drives competitiveness, innovation, and growth. Among the various factors influencing workforce effectiveness, organizational climate—the shared perceptions, beliefs, and attitudes that employees hold about their work environment—has emerged as a powerful driver of employee behavior and motivation. A positive organizational climate fosters trust, collaboration, and high levels of commitment and productivity.

The significance of organizational climate is especially pronounced in the fast-paced, client-focused Information Technology (IT) and services sector, where companies like **Cyberexperts.in** operate. In this competitive environment, a supportive climate that balances performance expectations with employee well-being is critical for sustainable success. This study focuses on Cyberexperts.in to empirically understand how organizational climate is perceived and how it directly affects employee performance. By exploring this relationship, the research aims to provide actionable insights to support operational excellence, innovation, and sustained organizational success.

II. OBJECTIVES OF THE STUDY

- To assess employee's perceptions of the current organisational climate at Cyberexperts.in.
- To identify the key factors influencing organisational climate at Cyberexperts.in.
- To determine the effect of organisational climate on employee performance.
- To examine the association between organisational climate and employee performance.

III. REVIEW OF LITERATURE

A. D. Pawan Kumar (2023):

This paper emphasized that a positive organizational climate is essential for shaping employee job satisfaction, which directly enhances productivity and competitive advantage for the organization.

Degdo Suprayitno & Eric Hermawan (2022):

This article found in their quantitative study that organizational climate, along with competence and work discipline, individually and collectively affect employee performance positively, confirming the importance of a supportive climate.

Mira Hatem Kassem, et al. (2021):

This study demonstrated that organizational climate positively influences both employee performance and intrapreneurial behaviours, with the latter partially mediating the climate-performance relationship.

Dr. Henry Ongori and Mr. Darius Bosire (2019):

This paper stressed that a positive organizational climate, which includes factors like low role conflict and high personal accomplishment, fosters innovation, creativity, and motivation, ultimately enhancing employee performance in a competitive business environment.

IV. RESEARCH METHODOLOGY

Research Design:

The research employed a combination of Descriptive Design (to describe the current state of the climate) and Explanatory Design (to determine the effect of the climate on performance).

Data Collection:

- **Primary Data:** Collected through a self-administered structured questionnaire utilizing a five-point Likert scale.
- **Secondary Data:** Gathered from research journals, academic articles, and company reports) were used.

Sampling Method:

- **Population:** A sample size of 100 respondents was selected from a total population of 200 employees at Cyberexperts.in, Chennai.
- **Sample Method:** Simple Random Sampling was chosen to ensure each employee had an equal chance of selection.

Statistical Tools:

The collected data was analysed using the Statistical Package for the Social Sciences (SPSS). The statistical tools utilized for hypothesis testing and interpretation included Mean, Factor Analysis, Regression, and Correlation.

V. DATA ANALYSIS AND INTERPRETATION

1)MEAN:

Aim: To assess employee's perceptions of the current organisational climate.

HYPOTHESIS:

1.NULL HYPOTHESIS (H₀): Employees do not perceive the organisational climate positively.

2.ALTERNATIVE HYPOTHESIS (H₁): Employees perceive the organisational climate positively.

HYPOTHESIS TYPE	HYPOTHESIS STATEMENT	STATISTICAL NOTATION
Null Hypothesis	Employees do not perceive the organisational climate positively	H ₀ : $\mu \leq 3$
Alternative Hypothesis	Employees perceive the organisational climate positively	H ₁ : $\mu > 3$

INTERPRETATION:

Since the calculated Mean (Mean > 4.2) is statistically greater than the neutral value of 3, the null hypothesis (H₀) is rejected. This confirms that the employees have a statistically positive perception of the organisational climate.

INFERENCE:

The average mean score across all dimensions of the organisational climate was significantly high (Mean > 4.2). This value is greater than the neutral point of 3.

2)REGRESSIONANALYSIS:

Aim: To determine the effect of organisational climate on employee performance.

HYPOTHESIS:

1.NULL HYPOTHESIS (H₀): Organisational climate has no significant effect on employee performance.

2.ALTERNATIVE HYPOTHESIS (H₁): Organisational climate has a significant positive effect on employee performance.

Model	R Square	F	Sig.(p-value)
1	0.077	8.182	0,005

INTERPRETATION:

Since the p-value of 0.005 is highly significant, the null hypothesis (H_0) is rejected. This indicates that Organisational Climate has a statistically significant positive effect on Employee Performance at Cyberexperts.in, explaining 7.7% of the variance.

INFERENCE:

The significance value p-value is 0.005, which is less than the 0.05 threshold. R^2 -value is 0.077.

VI. FINDINGS

- **Positive Climate Perception:** The Mean Analysis revealed a statistically strong and positive perception of the current organisational climate among employees at Cyberexperts.in, with the average mean score for all climate dimensions being above 4.2 (on a 5-point Likert scale).
- **Statistically Significant Effect:** Regression analysis confirmed that the organisational climate has a statistically significant positive effect on employee performance ($\text{p} = 0.005$). This leads to the rejection of the null hypothesis.
- **Limited Variance Explained (R-Square):** The organisational climate, as a standalone factor, explained a modest but significant 7.7% of the total variance in employee performance ($\text{R}^2 = 0.077$).
- **Key Factor 1: Compensation:** Factor Analysis identified Salary & Pay Competitiveness as one of the three most critical underlying dimensions shaping the employees' perception of the organisational climate.
- **Key Factor 2: Performance Management:** The Appraisal & Review System was isolated as another key factor, indicating that employees' views on fairness and transparency in performance evaluation heavily influence the overall climate.
- **Key Factor 3: Development:** Training & Development was the third significant factor identified, confirming that opportunities for skill enhancement and career growth are crucial drivers of a positive organisational climate.

VII. SUGGESTIONS

- **Optimize Compensation Strategies:** Given the high importance of Salary & Pay Competitiveness, the company should conduct periodic market salary benchmarking and ensure that compensation and benefits are competitively positioned and communicated transparently.
- **Enhance Appraisal Transparency:** Focus on improving the Appraisal & Review System by ensuring performance metrics are clear, feedback is constructive, and the link between high performance and career progression is unambiguous.
- **Strategic Investment in Development:** Strengthen the Training & Development initiatives by aligning them directly with the company's future technological needs and individual employee career aspirations. Implementing mentorship programs can reinforce this factor.

VIII. CONCLUSION

The study successfully achieved its objectives by establishing a clear relationship between organizational climate and employee performance at Cyberexperts.in.

1. **Positive Climate Perception:** Employees hold a strong, positive perception of the current work environment, with mean scores consistently high across all dimensions.
2. **Key Climate Drivers:** Factor analysis isolated **Salary & Pay Competitiveness, Appraisal & Review System, and Training & Development** as the three most critical underlying factors that shape the organisational climate.
3. **Significant Positive Effect:** The primary finding from the regression analysis is that the organisational climate has a **statistically significant and positive influence** on employee performance ($\text{p} = 0.005$).

REFERENCES

- [1] Degdo Suprayitno & Eric Hermawan. (2022). The Influence of Organizational Climate, Competence and Work Discipline on Employee Performance. *International Journal of Social Science and Business*, 1(2), 177-188.
- [2] Kassem, M. H., Muench, V., & Jabeen, F. (2021). Organizational Climate and Employee Performance: The
- [3] Kumar, P. (2023). A study on the impact of organizational climate on employee job satisfaction and performance. *International Journal of Research in Business and Social Science*, 12(4), 168-175

- [4] Ongori, H., & Bosire, D. (2019). The Role of Organizational Climate in Enhancing Employee Performance in the Competitive Business Environment. *International Journal of Business and Management*, 14(8), 105-112.
- [5] Ram, M., McCarthy, I., Green, A., & Scully, J. (2021). Towards a more inclusive human resource community: Engaging ethnic minority microbusinesses in human resource development programmes targeted at more productive methods of operating. *Human Resource Management Journal*, 32(3), 540-554.
- [6] Rizky, U. F. (2021). Inclusive Human Resource Management Practice to Change the Organizational Climate. *Indonesian Journal of Disability Studies*, 8(1), 43-59.
- [7] Yang, M. (2024). Research and Practice on the Importance of Diversity and Inclusive Culture in Human Resource Management. *SHS Web of Conferences*, 200, 02030.