

A Study on Organisational Clarity and its impact on Employer Branding in Automobile Companies in Chennai City

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Abstract

Organisational clarity is nothing but the understanding an employee has about the organisation's policies, procedures and other system prevalent there. The study intends to assess the employees' perceptions on organisational clarity in Automobile companies and to examine the relationship between organisational clarity and employer branding. 366 employees from Automobile Companies were considered for the study. The study discovered that the workers require more clarity with respect to grievance procedure, work atmosphere and stress management programmes. Their clarity on openness of the environment, job protection and in-house reporting system was lesser compared to other job associated and technology linked perceptions. It was identified that age, experience and designation have considerable influence on the perception of organisational clarity. The study also exposed that the clarity awareness of Junior Engineers/Engineers' and employees' with less than 30 years of age was lesser compared to other groups. At the same time the positive effect of organisational clarity was extensively stronger among employees with higher work experience compared to employees with low work experience. The study also discovered that the perception of employees on organisational clarity influence employer branding significantly. Simplicity in HR policies and precision with problem solving mechanism has more than 79% correlation with employer branding. Hence the production firms need to take more steps to share the HR policies and problem solving mechanism more visibly to its employees.

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I. INTRODUCTION

Employees have certain aspirations, and realization of them depends upon their awareness as to how the organisational climate suits to the fulfillment of their needs. Climate usually refers to current circumstances in an organisation and

the linkages among individuals, work groups and work performance. Organisation variables may affect actions through assessment of self and others and such assessment will, in turn, affect behavior. These variables can operate as limitation systems in both favourable and unfavourable way.

1.1 ORGANISATIONAL CLARITY

Sarah Kechchar(2016)¹ examined a study which was conducted to test organisational clarity as an important aspect in workforce alignment, business relevance and performance. An online survey was conducted in 1509 employees from five countries- Brazil, China, India, USA and UK in six sectors – food and beverage, healthcare and technology, financial services, energy, automotive and transportation. A rank ranging from A to F, based on the mean answers from employees, was given to each country. The study acknowledged India as a clear leader in terms of organisational clarity, scoring the maximum in all the three dimensions (Job, Strategy and Market). The survey also revealed that organisational clarity is strongly related to performance. It also added that the managers should communicate differently with workforce depending on sector and location i.e In US and India, strategy should be communicated by senior leader but in UK, Brazil and China, by manager. Most of the people in the study had given high score for their awareness of the organisation's core purpose and said that they found meaning in their jobs.

Mohit Yadav and Dr. S. Rangnekar(2015)² had explored the relationship between Role Clarity and Organisational Citizenship Behaviour in service organizations in their study. The sample consisted of 198 respondents from Indian Power Companies. They found a considerable favourable relationship between role clarity and OCB. Workers with high experience showed appreciably stronger positive effect compared to employees with low work experience.

1.2 EMPLOYER BRANDING

Employer brand is a company's effort to demonstrate it as a best place to work in the eyes of present and prospective employees. Employer branding is the practice of building employer brand; it comprises of every action of the

company that makes the employees feel that this company is a great place to work.

Karnica Tanwar(2017)³ conducted a study on the effect of employer brand dimensions on organisational commitment in IT industry. She found two dimensions of employer branding namely developmental value and social value act as significant predictor of organisational commitment.

Dr. Rupali S. Khanolkar(2014)⁴ found a significant association between employer brand and job satisfaction and also between employer brand and organisational commitment of Generation Y employees. It was identified that the factors agreeableness and Conscientiousness have considerable impact on job satisfaction and agreeableness and enterprise have significant impact on organisational commitment.

1.3 STATEMENT OF PROBLEM

The true test of a good organisation is its ability to utilize available resources and to achieve efficient and effective operation. This, however, is possible only if the employees in the organisation are motivated enough to put forth their best efforts. It is not enough a good climate is created, it should be manifestly perceived by the employees so that motivators truly activate desirable behavior of employees. It is for this reason, perceived organisational clarity is considered as the key emotional link between employees and organisation. Hence a study on organisational clarity is significant for the organisation, in that it can benefit by taking concrete efforts to improve its organisational climate in the right direction, so as to improve its effectiveness.

1.4 SCOPE OF THE STUDY

The study adopts the concept of organisational clarity as the property of the employees and hence it is taken to mean the 'psychological clarity' or the perceived organisational clarity. Hence the data relating to organisational clarity perception are not aggregated to organisational level. The

employees perception speak of the psychological opinion of the employees of the different categories of workers. The possible differences in their level of perception are the main concern of the investigation. Hence the study is limited to understanding organisational clarity as a subjective psychological phenomenon from employee's perception. The organisational clarity from the stand point of organisation is not the concern of this study. The study covers only internal branding, the brand created with the existing employees and does not cover external branding, the image created with potential employees.

1.5 OBJECTIVES OF THE STUDY:

- To study the employees' perception on organizational clarity in Automobile companies in Chennai city
- To study the influence of age, designation and experience on employees' perception on organisational clarity
- To study the association between organisational clarity on employer branding.

1.6 HYPOTHESES

1. There is significant influence of age on the employees organisational clarity perception
2. There is significant influence of designation on the employees organisational clarity perception
3. There is significant influence of experience on the employees organisational clarity perception
4. There is significant influence on the employees' perception of organisational clarity and employer branding.

1.7 LIMITATIONS OF THE STUDY

1. The methodological assumption is that all respondents will have the same exposure

to the intervening external variables, which may not be true in practice.

2. It is important to note that respondents' perception on organisational climate may vary from time to time.
3. The complete analysis was done using statistical tools which has its own limitation.

1.8 RESEARCH METHODOLOGY

Questionnaire was prepared on 5 point Likert scale for the survey and 500 of them were distributed to the employees of various automobile companies in Chennai. Out of 500 questionnaires, 372 were returned by the employees and found 366 were complete in all aspects and the same was taken for further study. Correlation, Regression, Exploratory Factor Analysis and One Way ANOVA was applied with the help of SPSS software for the study.

II. FINDINGS

The study was carried out in major automobile companies in Chennai city. The sample size of 366 consists of 122 diploma holders, 66 undergraduate employees, 30 engineering graduates, 57 postgraduate employees and 89 other employees. 315 were male and 51 were female, 267 of them were married and 99 were unmarried. 125 employees were below 30 years, 89 between 30-35 years, 83 between 36-40 years and 69 above 40 years. 113 of the respondents had the experience of 0-5 years, 60 had 10-15 years, 80 had 15-20 years, 79 had 6-10 years and 34 respondents had above 20 years of experience. 111 of them fall in the salary set of less than Rs.25,000, 77 were drawing Rs.35,000-50,000, 75 were drawing salary of Rs.50,000 to 75,000, 58 with the salary of Rs.25,000 to 35,000 and 45 of them were in the slab above 75,000.

2.1 RELIABILITY AND ADEQUACY OF THE DATA

Table 1

Reliability statistics and KMO and Bartlett's Test

Cronbach's Alpha	.925
No of items	19
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.931
Bartlett's Test of Approx. Chi-Square	5974.288
Sphericity df	171
Sig.	.000

The reliability statistics shows that the Cronbach's alpha is .925. The KMO test reveals the value of .931 and Bartlett's test of sphericity is significant to carry out further analysis.

2.2 EMPLOYEES' PERCEPTION ON ORGANISATIONAL CLARITY

In order to identify the organizational clarity provided by the organization, exploratory factor analysis is employed. The 19 variables relating to organizational clarity are reduced to 4 important factors namely- Clarity with Job, Clarity with HR policies, Clarity with Communication and Technology and Clarity with Problem solving mechanism.

Table 2 FACTOR ANALYSIS

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 %
Reliable_grievanceprocedure	10.471	55.108	55.108	10.471	55.108	55.108	5.232	27.538	27.538
Environment openness	1.642	8.641	63.749	1.642	8.641	63.749	4.522	23.800	51.338
Stressmgmt Programmes	1.162	6.114	69.864	1.162	6.114	69.864	3.520	18.526	69.864
Grievanceredressel effectiveness	.845	4.445	74.309						
Problem_discussion	.783	4.123	78.432						
Effective_Comm	.688	3.621	82.052						
Reporting system	.594	3.124	85.176						
Morale	.458	2.410	87.586						
Awareness_problemsolve	.415	2.185	89.771						
Efficient_workprocess	.305	1.604	91.375						
Reliable_Techniques	.277	1.458	92.833						
Adequate_Technology	.248	1.307	94.141						
Motivation Techniques	.223	1.172	95.313						
Job satisfaction	.208	1.097	96.409						

Effectiveness _Job	.187	.985	97.394				
Challenges _Job	.159	.836	98.230				
Promotion	.137	.718	98.948				
Job Security	.112	.588	99.536				
Job awareness	.088	.464	100.000				

The numbers of factors were unconstrained in order to obtain convergent validity.5 so used as a factor loading cut off point.It depicts components and percentage of variances explained. The above table reveals that the eigen value is greater than 1 for threevariables. These variables represents for 70 % of the variances in perception. Other variables accounts for only 30% of thevariance. Components explained with the rotation the Eigen values for Factor 1 “Grievance Redressal Reliability”, Factor 2”Openness of the Environment”, and Factor 3 “Stress Management Programmes” are 27.5%, 23.8% and 18.5% respectively. The results reveals that the

companies should communicate more on the above areas to avoid ambiguity among employees.

2.3 INFLUENCE OF AGE, DESIGNATION AND EXPERIENCE ON EMPLOYEES’ PERCEPTION ON ORGANISATIONAL CLARITY

To find out if there is an influence of age, designation and experience on organisational clarity, one way Anova is employed, keepingOrganisationalclarity as independent variable and age, designation and experience as dependent variables.

Table 3 Influence of Age, Designation and Experience on Organisational Clarity

		ANOVA				
		Sum of Squares	Df	Mean Square	F	Sig.
Organisational Clarity	Between Age Groups	599.284	4	149.821	8.852	.000**
	Within Age Groups	6109.69	361	16.924		
	Total	6708.98	365			
	Between designation Groups	1091.97	5	218.394	14.976	.000**
	Within designation Groups	5147.93	360	14.583		
	Total	6239.9	365			
	Between experience Groups	456.475	4	114.119	6.589	.000**
	Within experience Groups	6252.5	361	17.32		
	Total	6708.98	365			

**Significant at 1% level

The results reveal that there is a notable difference in the awareness of organisational clarity among various age groups. It also shows that there is a considerable difference in the perception of organisational clarity among various designations. As far as experience is concerned, there exists a significant dissimilarity in the perception of organisational clarity. In all, there is a significant

association between demographic factors age, designation, experience and organisational clarity perception of employees. Age and Experience have a positive relationship with organisational clarity. As age and experience increases, the perception on organizational clarity also improves. As far as designations are concerned, Junior Engineers perception on organisational

clarity is lesser compared to other designations. It is suggested to concentrate more on Junior level engineers when the organisations plan for communicating the job and organisation related information.

2.4 RELATIONSHIP BETWEEN ORGANISATION CLARITY DIMENSIONS AND EMPLOYER BRANDING

Table 4 Correlation between Organisational Clarity Dimensions and Employer Branding

Organisation clarity	Employer Brand image	
	r-value	p-value
Clarity in Job	0.548**	<.001
Clarity in HR Policies and Procedures	0.793**	<.001
Clarity in Communication and Technology	0.673**	<.001
Clarity in Problem solving mechanism	0.798**	<.001

**Significant at 1% level

The above table reveals that there is 79% of correlation exists between clarity in HR Policies and Problem Solving Mechanism with employer branding. It is suggested to share polices and Problem solving methods more visibly to the workers of Automobile companies to gain favourable employer branding.

2.5 IMPACT OF ORGANISATIONAL CLARITY ON EMPLOYER BRANDING:

To find out if there is an impact of organisatioal clarity on employer brandin, One way Anova is employed using Organisational Clarity as independent variable and employer branding as dependent variable.

Table 5 Impact of organisational clarity on employer branding

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	11270.716	2	11270.716	854.711	.000
Residual	4707.607	364	13.187		
Total	15978.323	366			

The above table shows that there is a significant influence of organisational clarity on employer branding. If the employees have clarity about Job, HR Polices, Work Processes and Technology and Problem solving mechanism, there will be a favorable employer branding. In other words, Employees positive perception of Organisational Clarity will contribute to bring favorable image about employer.

III. CONCLUSION

Most of the employees in the study gave high mark for their understanding of job, promotions, technology, work processes and motivation techniques. Factor analysis results reveal that the working personnel need more clarity with respect to problem solving mechanism, environment openness and programme to manage stress. It was also found using ANOVA that the perception of organisational clarity improves with age and experience. As far as clarity among different designation of employees are concerned, Junior level engineers feels that they are not as clear as other designated employees. Finally, Employer Branding is positively influenced by organisational clarity.

IV. REFERENCES

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ANNEXURE:

Table Showing the Descriptive Analysis of Agewise, Designation wise and Experience Wise Perception on Organisational Clarity.

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
						Lower Bound	Upper Bound
Organisational Clarity perception between different age groups	Less than 30	125	20.56	3.768	.337	19.89	21.23
	30-35 years	89	22.30	2.582	.274	21.76	22.85
	36-40 Years	83	21.58	3.548	.389	20.80	22.35
	Above 40 Years	69	21.88	3.258	.395	21.09	22.67
	Total	366	21.47	3.425	.179	21.12	21.82
Organisational Clarity perception between different designations	Operator	177	17.15	3.104	.233	16.69	17.61
	Supervisor	52	17.33	2.610	.362	16.60	18.05
	Engineer	94	12.57	5.472	.564	11.45	13.70
	Others	43	17.00	3.646	.859	15.19	18.81
	Total	366	16.01	4.287	.224	15.57	16.45
Organisational clarity perception between different experience groups	0-5 years	113	14.35	5.716	.538	13.29	15.42
	6-10 years	60	16.72	3.972	.513	15.79	17.84
	11-15 years	80	16.80	2.844	.318	16.27	17.53
	16-20 years	79	16.83	3.165	.356	16.03	17.44
	Above 20 Years	34	16.89	2.703	.464	15.35	17.24
	Total	366	16.01	4.287	.224	15.57	16.45