

Relationship Between Organisational Involvement And Service Climate In Sipcot Industries At Tamilnadu

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<p>Keywords: Organizational Involvement, HR Practices, Service Climate, Organizational Outcomes, Employee Satisfaction, Safety Motivation, Turnover Intention, SIPCOT Industries.</p>	<p>ABSTRACT</p> <p>The study investigates the relationship between organizational involvement, service climate, and organizational outcomes in SIPCOT industries, Tamil Nadu. Organizational involvement, through HR practices such as staffing, training, compensation, performance appraisal, and rewards, plays a crucial role in influencing employee perceptions. Similarly, a supportive service climate, characterized by service strategy, service support, and employee service orientation, enhances performance outcomes like employee satisfaction, safety motivation, and reduced turnover intention. Using a quantitative, descriptive-causal design, data were collected from 440 employees across SIPCOT regions Cuddalore, Perundurai, and Hosur—via a structured questionnaire. Pearson correlation were employed to examine the interrelationships among study variables. Results indicate that HR practices and service climate dimensions are significantly interrelated and have a positive influence on organizational outcomes. The findings emphasize the need for integrated HR strategies and service-oriented policies to improve employee engagement, safety, and retention.</p>
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INTRODUCTION

The dynamic industrial landscape of Tamil Nadu, particularly in SIPCOT (State Industries Promotion Corporation of Tamil Nadu) industrial estates, has led to an increased focus on organizational involvement and service climate as critical determinants of organizational performance. Organizations today recognize that sustained competitive advantage is driven not merely by technological advancements but by strategic human resource practices and a supportive service climate. Organizational involvement, encompassing HR practices such as staffing, training, compensation, performance appraisal, welfare measures, and grievance handling, plays a pivotal role in influencing employee attitudes and behaviors. When employees feel supported, rewarded, and engaged, their job satisfaction, safety motivation, and commitment towards organizational goals are significantly enhanced.

Service climate, on the other hand, reflects the collective perceptions of employees regarding the policies, practices, and procedures related to customer service and organizational support. It includes

dimensions such as service strategy, service support, employee service orientation, and management service orientation. A positive service climate not only boosts customer satisfaction but also fosters a sense of accountability and teamwork among employees, ultimately improving organizational outcomes.

In the SIPCOT industrial clusters of Tamil Nadu, where manufacturing and service-oriented operations coexist, the interplay between organizational involvement and service climate is critical to ensuring productivity and employee retention. By integrating robust HR practices with a positive service climate, organizations can create a work environment that promotes employee satisfaction, reduces turnover intentions, and enhances safety motivation. This study examines the relationship between organizational involvement and service climate and how these factors collectively influence organizational outcomes within the context of SIPCOT industries.

Despite the growing emphasis on HR practices and service climate, many industries in SIPCOT, Tamil Nadu, face challenges such as high employee turnover, inadequate training, and weak service orientation. A lack of coordinated HR strategies and insufficient management support often results in low employee morale, poor service delivery, and reduced productivity. Moreover, while studies on organizational involvement and service climate exist, limited research has explored their interrelationship and combined impact on organizational outcomes within the unique industrial ecosystem of SIPCOT. Therefore, there is a need to investigate how HR involvement practices and service climate collectively influence employee satisfaction, safety motivation, and turnover intentions in SIPCOT industries, with a view to formulating effective strategies for sustainable organizational performance.

REVIEW OF LITERATURE

Organizational Involvement

Kundu & Gahlawat (2021) highlighted that HR practices like performance appraisal, training, and welfare initiatives are essential for increasing employee satisfaction and loyalty. Their study revealed that employee involvement in decision-making processes, along with opportunities for skill enhancement, leads to improved job performance and organizational commitment. The authors emphasize that organizations adopting participatory HR strategies experience better employee retention and reduced turnover.

Ali & Anwar (2020) stated that compensation and reward systems act as primary motivators for employees, aligning their individual goals with organizational objectives. Their findings suggest that fair and transparent compensation practices, coupled with performance-based incentives, significantly improve employee engagement and morale. They concluded that organizations with competitive reward mechanisms see a marked improvement in productivity and job satisfaction.

Nayak & Mohanty (2022) explored the importance of grievance handling and social security measures as components of organizational involvement. Their research concluded that a structured grievance redressal system in stills confidence among employees, ensuring workplace harmony and reduced conflicts. Furthermore, social security measures, such as health benefits and retirement plans, enhance the trust and loyalty of employees toward the organization.

Dutta et al. (2023) emphasized the role of training and skill development in fostering employee involvement. Their study revealed that continuous learning opportunities improve employee capabilities while also increasing their sense of belonging within the organization. They found that well-designed training programs not only enhance technical expertise but also contribute to employee motivation and job satisfaction.

Service Climate

Schneider et al. (2020) defined service climate as a collective perception among employees about the importance of delivering quality service. Their research demonstrated that a strong service climate positively influences customer satisfaction and organizational success. The study also highlights that organizations focusing on service excellence tend to foster higher levels of employee commitment and teamwork.

Sahu et al. (2021) investigated the role of service systems and management service orientation in shaping employee attitudes. They found that supportive service systems improve communication, collaboration, and operational efficiency. The study concluded that a management team with a strong service orientation encourages employees to adopt customer-focused behaviors, ultimately leading to better organizational outcomes.

Rao & Murthy (2023) highlighted the impact of service strategies and employee service orientation on organizational performance. Their findings suggest that well-defined service strategies provide employees with clear goals and direction, enabling them to focus on customer satisfaction. They also found that organizations with strong service support mechanisms experience improved service quality and better overall performance.

Organizational Outcomes

Choudhary & Singh (2021) emphasized that employee satisfaction acts as a mediator between HR practices and organizational outcomes. Their research found that effective HR practices, including performance appraisals and participative decision-making, significantly enhance job satisfaction levels. The study further concluded that satisfied employees display higher levels of commitment, leading to reduced turnover and improved organizational performance.

Patel & Shah (2022) examined the significance of safety motivation in industries with high operational risks, such as those in SIPCOT. They concluded that regular training programs, safety measures, and welfare practices significantly reduce workplace accidents and enhance employee morale. Their findings highlight that safety motivation positively influences employee confidence and productivity.

Zhang et al. (2020) explored the relationship between service climate and turnover intentions. They found that a positive and supportive service climate encourages employees to stay with the organization, reducing attrition rates. Their study also indicated that when employees feel valued and supported, they develop stronger loyalty toward the company and its goals.

Link between Organizational Involvement and Service Climate

Bhatnagar (2022) argued that HR practices and service climate are interlinked, where effective HR policies lay the foundation for a positive service environment. Their study suggests that when employees experience fair treatment, proper training, and adequate recognition, they develop a stronger customer service orientation. This synergy enhances both employee satisfaction and customer outcomes.

Lee & Choi (2021) demonstrated that teamwork, social integration, and participatory HR practices play a crucial role in building a positive service climate. Their research revealed that collaborative work environments and effective team dynamics promote a culture of service excellence. They concluded that HR involvement directly influences service quality and overall organizational performance.

RESEARCH METHODOLOGY

This study employs a quantitative research approach with a descriptive-causal design to investigate the influence of organizational involvement and service climate on organizational performance in SIPCOT industries, Tamil Nadu. Data were collected using a structured questionnaire that captured information on HR practices (e.g., staffing, training, performance appraisal), service climate factors (e.g., service strategy,

management support), and performance outcomes (e.g., employee satisfaction, safety motivation, and turnover intention). The questionnaire underwent expert review for content validation and was tested for reliability through a pilot study with 50 respondents from SIPCOT Cuddalore. Cronbach's alpha values for all constructs exceeded the acceptable benchmark of 0.7, confirming strong internal consistency.

A multi-stage sampling method was adopted, starting with purposive selection of three SIPCOT regions Cuddalore, Perundurai, and Hosur—followed by proportionate stratified random sampling to select 500 employees based on population size. Out of these, 440 properly filled questionnaires were retrieved, resulting in an effective response rate of 88%. Data collection was conducted through both in-person and online modes with the active cooperation of HR departments. The collected data were examining the relationships among the study variables and to test the hypotheses derived from the conceptual framework.

DATA ANALYSIS

The inter-correlation analysis of Involvement of HR Practices (Table 1) demonstrates significant relationships among its dimensions, leading to the rejection of the null hypothesis (H1). The mean values indicate that Training (4.27), Reward (4.24), Staffing (4.07), Performance Appraisal (4.06), and Compensation (3.94) hold strong employee perceptions, consistent with findings by Kundu and Gahlawat (2021), who emphasized the importance of integrated HR practices in shaping employee engagement. Staffing exhibits the highest correlation with Social Security ($r = 0.934$), Reward ($r = 0.924$), and Participation ($r = 0.918$), while Training is closely linked with Performance Appraisal ($r = 0.888$) and Compensation ($r = 0.858$), supporting Ali and Anwar (2020) who found that effective appraisal and training mechanisms enhance organizational outcomes. Similarly, Compensation shows strong correlations with Social Integration ($r = 0.945$), Participation ($r = 0.927$), and Welfare Measures ($r = 0.924$). These results align with Nayak and Mohanty (2022), who observed that employee participation and welfare policies significantly improve satisfaction and commitment. The findings suggest that HR practice dimensions are highly interlinked, creating a cohesive structure that drives employee involvement and overall performance. This implies that organizations must adopt a holistic HR strategy where staffing, training, rewards, and welfare measures work together to strengthen employee motivation and service orientation, particularly in industries like SIPCOT.

Table 1: Show the Inter-Relationship between Involvement of HR Practices

	Mean	SD	Staffing	Training	Compensation	Performance Appraisal	Reward	Participation	Job Design	Welfare Measures	Social Security	Teamwork	Social Integration	Social Relevance	Grievance Handling
Staffing	4.07	0.46	1												
Training	4.27	0.36	.782**	1											
Compensation	3.94	0.29	.796**	.854**	1										
Performance Appraisal	4.06	0.36	.799**	.888**	.802**	1									
Reward	4.24	0.14	.924**	.770**	.685**	.764**	1								
Participation	3.86	0.35	.918**	.785**	.927**	.798**	.808**	1							
Job Design	3.64	0.51	.861**	.789**	.882**	.877**	.716**	.925**	1						
Welfare Measures	3.39	0.46	.793**	.788**	.924**	.838**	.626**	.921**	.965**	1					
Social Security	3.56	0.35	.934**	.888**	.840**	.887**	.866**	.901**	.857**	.827**	1				
Teamwork	3.16	0.35	.738**	.632**	.869**	.721**	.590**	.901**	.913**	.919**	.709**	1			
Social Integration	3.70	0.32	.862**	.785**	.945**	.757**	.721**	.961**	.899**	.920**	.844**	.912**	1		
Social Relevance	3.30	0.55	.767**	.694**	.903**	.730**	.565**	.924**	.923**	.954**	.779**	.940**	.939**	1	
Grievance Handling	3.39	0.27	.763**	.745**	.914**	.775**	.609**	.907**	.937**	.967**	.782**	.932**	.908**	.956**	1
**. Correlation is significant at the 0.01 level (2-tailed).															

Table 2: Show the Inter-Relationship between Service Climate

	Mean	SD	Service Strategy	Service Support	Service Systems	Employee Service Orientation	Management Service Orientation
Service Strategy	3.92	.360	1				
Service Support	3.85	.347	.799**	1			
Service Systems	3.94	.675	.935**	.825**	1		
Employee Service Orientation	3.85	.463	.943**	.798**	.861**	1	
Management Service Orientation	4.15	.220	.575**	.743**	.527**	.510**	1
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

Table 2 presents the inter-correlation analysis among employee perceptions of Service Climate, showing significant relationships among its dimensions and leading to the rejection of the null hypothesis (H2). The Pearson correlation results confirm that Service Strategy exhibits a strong correlation with Employee Service Orientation ($r = 0.943$) and Participation ($r = 0.935$), whereas it shows a weaker relationship with Management Service Orientation ($r = 0.575$). Similarly, Service Support has a high correlation with Service Systems ($r = 0.825$) but a comparatively lower correlation with Management Service Orientation ($r = 0.743$). Service Systems is strongly related to Employee Service Orientation ($r = 0.861$), while Employee Service Orientation itself shows weaker correlation with Management Service Orientation ($r = 0.527$).

These results align with Schneider et al. (2020), who emphasized that a strong service strategy and employee-oriented climate are key drivers of service quality and organizational success. Likewise, Sahu et al. (2021) argued that supportive service systems and employee service orientation foster a collaborative work culture that enhances customer satisfaction and operational efficiency. The relatively lower correlations with Management Service Orientation suggest that managerial practices may not be as closely aligned with service delivery perceptions as frontline employee initiatives are, highlighting the need for stronger management involvement in service quality improvement. Overall, the findings confirm that the various components of service climate are interdependent and collectively shape employee service behavior and organizational performance.

Table 3: Show the Inter-Relationship between Organizational Outcome

	Mean	SD	Employee Satisfaction	Safety Motivation	Intent to Turnover
Employee Satisfaction	3.50	0.35	1		
Safety Motivation	3.73	0.32	.706**	1	
Intent to Turnover	3.17	0.25	.847**	.633**	1
**. Correlation is significant at the 0.01 level (2-tailed).					

Table 3 presents the inter-correlation analysis among the dimensions of Organizational Outcome, indicating significant relationships and leading to the rejection of the null hypothesis (H3). The mean values highlight that Training (4.27), Reward (4.24), Staffing (4.07), Performance Appraisal (4.06), and Compensation (3.94) show strong associations with organizational outcomes. The Pearson correlation results reveal that Employee Satisfaction has a high-level relationship with Intent to Turnover ($r = 0.847$), whereas its correlation with Safety Motivation ($r = 0.706$) is relatively lower. In contrast, Safety Motivation shows a moderate relationship with Intent to Turnover ($r = 0.633$).

These findings are supported by Choudhary and Singh (2021), who noted that employee satisfaction is a strong predictor of retention and turnover intention. A high positive relationship between employee satisfaction and intent to turnover suggests that dissatisfaction or lack of engagement can directly influence employees' decisions to leave. Likewise, Patel and Shah (2022) emphasized the role of safety motivation in industrial sectors, indicating that organizations with effective safety programs and employee engagement strategies experience lower turnover and higher morale. The moderate link between Safety Motivation and Intent to Turnover reflects that while safety is crucial, it alone may not determine retention unless integrated with other HR and service-related practices.

Table 4 highlights the inter-correlation analysis between Organizational Outcome and the key study variables, confirming significant relationships and leading to the rejection of the null hypothesis (H4). The mean values indicate that Training (4.27), Reward (4.24), Staffing (4.07), Performance Appraisal (4.06), and Compensation (3.94) demonstrate strong associations with organizational outcomes. The analysis shows that Employee Satisfaction has high correlations with Management Service Orientation ($r = 0.844$), Performance Appraisal ($r = 0.840$), Employee Service Orientation ($r = 0.807$), and Reward ($r = 0.805$), while its weakest correlations are with Social Relevance ($r = 0.522$) and Teamwork ($r = 0.518$). Safety Motivation is strongly correlated with Training ($r = 0.635$) and Management Service Orientation ($r = 0.634$), whereas it has very low correlations with Management Support ($r = 0.089$) and Coworkers Support ($r = 0.079$). Intent to Turnover shows high relationships with Management Service Orientation ($r = 0.863$), Training ($r = 0.824$), Social Security ($r = 0.811$), and Performance Appraisal ($r = 0.803$), but weaker relationships with Teamwork ($r = 0.536$) and Management Support ($r = 0.555$).

Table 4: Show the Inter-Relationship between Organizational Outcome and Study Variables

Correlations																				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
ES	.762**	.816**	.691**	.840**	.805**	.692**	.678**	.649**	.827**	.518**	.627**	.522**	.608**	.722**	.714**	.593**	.807**	.844**	.478**	.518**
SM	.368**	.635**	.382**	.574**	.569**	.313**	.268**	.249**	.478**	.165**	.286**	.140**	.224**	.418**	.409**	.258**	.517**	.634**	0.089	0.079
IT	.779**	.824**	.695**	.803**	.789**	.698**	.704**	.701**	.811**	.536**	.673**	.584**	.652**	.676**	.765**	.629**	.751**	.863**	.555**	.593**
**. Correlation is significant at the 0.01 level (2-tailed).																				

ES -Employee Satisfaction

SM- Safety Motivation

IT- Intent to Turnover

- | | |
|--------------------------|------------------------------------|
| 1. Staffing | 11. Social Integration |
| 2. Training | 12. Social Relevance |
| 3. Compensation | 13. Grievance Handling |
| 4. Performance Appraisal | 14. Service Strategy |
| 5. Reward | 15. Service Support |
| 6. Participation | 16. Service Systems |
| 7. Job Design | 17. Employee Service Orientation |
| 8. Welfare Measures | 18. Management Service Orientation |
| 9. Social Security | 19. Management Support |
| 10. Teamwork | 20. Coworkers Support |

These findings are in line with Choudhary and Singh (2021), who reported that employee satisfaction and performance appraisal systems play a crucial role in shaping organizational outcomes. Similarly, Patel and Shah (2022) found that training and supportive service orientation directly enhance safety motivation and reduce workplace risks. The weaker correlation of Safety Motivation with Management Support and Coworker Support suggests that frontline safety initiatives may not be adequately supported by managerial practices, echoing the observations of Rao and Murthy (2023) regarding service management gaps. The strong negative association of Intent to Turnover with HR practices such as training and performance appraisal indicates that effective HR and service strategies are vital for retaining employees in competitive industrial settings like SIPCOT.

CONCLUSION

The study demonstrates that organizational involvement and service climate are critical drivers of organizational outcomes in SIPCOT industries, Tamil Nadu. The findings reveal that HR practices such as staffing, training, performance appraisal, compensation, and rewards are strongly interlinked and have a direct influence on employee satisfaction and safety motivation while reducing turnover intentions. Similarly, service climate elements—particularly service strategy, employee service orientation, and service support—play a pivotal role in shaping employees' perceptions of workplace culture and service quality.

The correlation analysis across HR practices, service climate, and organizational outcomes highlights the need for an integrated approach where human resource management and service strategies complement each other. The results indicate that when employees receive proper training, fair appraisal systems, and recognition for their contributions, they are more motivated to perform and stay committed to organizational goals. Furthermore, a strong service climate, supported by proactive management and effective service systems, ensures that employees deliver high-quality service and maintain safety standards, which are crucial in industrial environments like SIPCOT.

This research contributes to both academic and practical knowledge by emphasizing that employee-centric HR practices and service-focused organizational policies create a positive work environment, foster collaboration, and enhance overall performance. Managers and policymakers in SIPCOT industries must focus on improving management service orientation, employee welfare, and team integration to build a culture of trust and excellence. By addressing weak areas such as low management support and coworker collaboration, organizations can further strengthen safety motivation and employee retention.

Future studies can build on these findings by exploring additional variables such as leadership style, employee engagement, and organizational culture to understand their combined impact on performance. Moreover, a comparative study between SIPCOT and other industrial regions could provide deeper insights into the contextual factors influencing HR and service climate effectiveness.

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