

# Organizational Climate and Its Impact on Employee Job Performance

## An Empirical Study

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**Abstract:** As organizational structures become more complex and expand globally, the need to establish a positive climate is increasingly critical to employee satisfaction and productivity levels. Employees in large organizations today often work on multiple teams and report to a variety of managers that likely span across several countries and departments. Organizational climate research occupies a popular position in current industrial and organizational psychology. However, conceptual and operational definitions, measurement techniques, and ensuing results are highly diverse and even contradictory. Such diversity and contradiction recently prompted. The surveys address attitudes and concerns that help the organization work with employees to instill positive changes. It is said that good performance of employees depends upon organizational climate. Thus, it is important to examine the factor that could enhance employees' job performance in organizational climate and circumstances. Survey analysis identifies areas of employee satisfaction and dissatisfaction to facilitate management in the creation of greater workplace harmony and, therefore, increased productivity. Conclusions are drawn from the data, and recommendations are made to the management team. Organizational climate interacts with individual personality in influencing job satisfaction and performance.

**Keywords:** Organizational Climate; Job Performance; Employees Effectiveness; Individual Personality

**Introduction:** Organizational climate is about the perceptions of the climate and about absolute measures. Climate, as a metaphor is helpful - e.g. temperature is a measurable element of geographic climate, but it is not the absolute temperature that matters as much as human perception of it. It is only after knowing what temperature means in terms of human comfort, that measurement of temperature becomes useful. Complicating perception is the probability that what may be too cool for one person may be too warm for another and just right for someone else. Similarly for organizations the 'climate' may be regarded in absolute terms and measured by instruments, but is 'felt' differently by individuals. The absolute climate may suit one person and not another. What it's like to work here" or "How I feel when I work here". Climate is worthwhile to understand and measure because there are organizational and human benefits a 'good' climate, and powerful disadvantages of many kinds of bad climate. Organizational climate is the summary perception, which people have about an organization. It is a global expression of what the organization is. Organization climate is the manifestation of the attitudes of organizational members toward the organization itself. An organization tends to attract and keep people who fit its climate so, that are patterns are perpetuated at least to some extent. It is often felt that any new individual may influence the organizational climate to some degree, but the tracing of the effects of individual behaviour on the climate would be quite complex and beyond the scope of this chapter. However, it may be possible to have "as many climates as there are people in the organisation". When considered collectively, the actions of the individuals become more meaningful for viewing the total impact upon the climate and determining the stability of the work environment. It should be noted that the climate is to be viewed from a total system perspective. While there maybe differences in climates within subsystems (departments), these will be Integrated to a certain extent to denote overall organizational climate. One of the most important and significant characteristics of a great workplace is its organizational climate. recently by many researchers and scholars, generally refers to the degree to which an organization focuses on and emphasizes Innovation; Flexibility; recognition; Concern for employee well-being; Learning and development; Citizenship and ethics; Quality performance; Involvement and empowerment and Leadership. Organizational climate, manifested in a variety of human resource practices, is an important predictor of organizational success. positive organizational climates and various measures of organizational success, most notably for metrics such as sales, staff retention, productivity, customer satisfaction, and profitability.

## **OBJECTIVES OF THE STUDY:**

Organizational Climate Survey is a valuable tool for measuring cultural alignment, addressing critical issues, making strategic decisions, setting organizational goals and tracking progress.

The Climate Survey captures the pulse of the organization, assesses company values, identifies competency levels, identifies policy impact and guides leadership decisions to improve effectiveness and morale.

To identify areas of improvement in HR domain and present the findings for consideration

To identify the issues in the organization

**LITERATURE REVIEW:** Organizational climate can be defined as shared perceptions or prevailing organizational norms for conducting workplace activities. The term organizational climate to the psychological conditions prevailing in the organization refers to behaviors, attitudes, and feelings that are common there. Organizational climate influences to a great extent the performance of the employees because it has a major impact on motivation and job satisfaction of individual employees. Organizational climate determines the work environment in which the employee feels satisfied or dissatisfied. Since satisfaction determines or influences the efficiency of the employees. The factors that can be observed and measured are called overt factors and the factors that are not visible and quantifiable are called covert factors. Overt factors of organizational climate are: Hierarchy, Financial resources, Goals of organizations, skills and abilities of personnel, Technological state, Performance standards and efficiency measurement. Covert factors of organizational climate are: Attitudes, Feelings, Values, and Norms, Interaction, Supportiveness and satisfaction. The techniques that are generally helpful in improving the climate of the organization are: Effective Communication System, Concern for the people, Participative decision making, Change in policies, Procedures and rules and Technological changes. A climate that favors risk taking will encourage employees to test and exchange unusual knowledge and ideas. Participation is a very effective tool to develop sound organizational climate and job satisfaction. More satisfied employees possess some personality characteristics that are likely to be reflected in good work performance, self-efficacy and locus of control. An atmosphere of cooperation opens access among group members and creative individual motivation to exchange knowledge with group members resulting in more productivity. So the management of corporations should strive to create a congenial organizational climate in the organizations.

**The Climate Process:** Identifying the current Internal Climate – both in the entire

Organization and in sub groups (Micro-Climates); Creating a cohesive, internally driven approach to the development of Climate change across the organisation.; Working with leaders to equip them in the 6 major leadership style Areas, developing the skills required to impact climate in the most Effective way.; Working with key business units to identify key opportunities and ‘low Hanging fruit’ that will rapidly improve performance. “As we look ahead into the next century, leaders will be those who empower others.”- Bill Gates Organizational climate has been proven to have a significant influence on the business performance of an organisation. Organizational climate, culture or work environmental survey can be completed in two ways: live’ group process using a card sorting method. The Work Environment Survey (WES) is a cards-based diagnostic and planning tool, based on the characteristics of organizations that foster the development and growth of people to manage change proactively. The WES was developed by Sylvia Downs and has been trialed extensively in the UK as well as in South Africa.;Through a fully automated online process that can either be tailored to meet the unique needs of the client or used in a standard format. Professional feedback, with detailed and composite reports, is provided. In these interventions we are supported by our strategic partner, Soft Craft Research. The Coaching Café provides further facilitation and support to the organisation to develop and implement organizational change initiatives based on survey results. “Renato Tagiuri, 1968”“Organizational climate is a relatively enduring quality of the internal environment is experienced by the members, influences their behavior and can describe in terms of values of a particular set of characteristics of the organization”. “Forehand & Gilmer, 1964”“Organizational climate is the set of characteristics that describe an organization and that Distinguish one organization from other organizations;Are relatively enduring over time and Influence the behavior of the people in the organization” “Stephen P. Robbins 1986”Compare these two definitions of “Organizational Climate” with a definition of “Organizational Culture” Organizational Culture is a relatively uniform perception held of the organization, it has common characteristics, it is descriptive, it can distinguish one organization from another and it integrates individual, group and organization system variables”. Serious quantitative research on organizational climate began around 1970 (see the historical overview in Schneider et al. 2011). Early research on organizational climate was characterized by little agreement on the definition of it, almost no conceptual orientation to the early measures designed to assess it, and paradoxically an almost complete ignoring of the term “organizational.” Thus, early climate research (say through the early 1980s) followed a more traditional individual differences methodology that was characteristic of the industrial psychology of the time. As the field of organizational culture began to explode in the early 1980s (following Pettigrew’s introduction of it to organizational studies in 1979), organizational climate faded to the background (at least for a time) as it struggled with the levels-of-analysis issue. To some degree, the rise in interest in organizational culture in the

1980s could be attributed to the fact that it seemed to capture the richness of the organizational environment in ways that climate research had not. As Pettigrew (1990, p. 416) observed, There is the impression that climate studies have been boxed in by the appearance in the nest of this rather overnourished, noisy, and enigmatic cuckoo called organizational culture. This pressure from an interloper may, however, be energizing climate researchers to rethink the role of climate studies.” Pettigrew was prescient in his depiction of climate research, given that the renewed interest in the topic yielded significant progress in conceptual thinking and research methodologies (Kuenzi & Schminke 2009).Schneider & Barbera 2013, in Oxford Handbook of Organizational Climate and Culture he explains the practice related to the major topics in organizational psychology are approached from climate perspectives. More specifically, the climate and culture are both influenced by influence on more fundamental organizational psychology issues, from personnel selection to organizational change.Particularly for the world of practice, the emphasis on focused climates (e.g., climates for service, safety, justice, ethics) that currently exists has revealed insight into organizational processes and the various climates they produce for people as well as robust evidence for the validity of climate perceptions for understanding and predicting important specific organizational outcomes such as accidents and customer satisfaction. Although this specific focus forclimate research has improved the prediction and understanding of specific outcomes, issues about the variability in the prediction of more global measures of organizational effectiveness based on climate measures have not received much attention. The personal and professional development of employees including administrators, and staff are also impacted by the complex nature of the organizational climate.

In a study by Settles, Cortina, Malley, and Stewart (2006), sexual harassment and gender discrimination had a significant negative impact on the overall attitudes toward employment for women employees. Organizational climate more positively are more likely to feel personally supported and perceive their work unit as more supportive of personnel decisions. Silverschanz, Cortina, Konik, & Magley, 2007; Waldo, 1999) further substantiates the influence organizational climate on employee satisfaction and subsequent productivity. Employee affect can operate as a mediator between perceived climate and organizational performance only when two conditions are met. A perception of climate must statistically organizational climate clearly influences the success of an organization. Many organizations, however, struggle to cultivate the climate they need to succeed and retain their most highly effective employees.Hellriegel and Slocum (2006) explain that organizations can take steps to build a more positive and employee-centered climatethrough:Communication;Values;Expectations;Norms;Policies and rules;Programs;Leadership.The Climate Survey Assessing Organizational Climate: To improve your chances of getting the most accurate understanding of your organizational climate;Use external consultants to collect and interpret your climate

survey data. ;Understand that climate is dynamic and no single or fixed climate survey instrument has the ability to flex to suit changing times.;Get early involvement of organizational members ;Guarantee confidentiality of climate survey data - the raw data must never be accessible to the organization. Members must be able to trust the motive and processes of data collection and processing). ;understand that climate is serious stuff - not to be done half-heartedly or else survey-distrust or survey-fatigue will set in.

Why Measure Organizational Climate **‘BAD’ Climate has been** -Turnover;Stress ;Sickness;Poor performance ;Error rate;Wastage ;Accidents And to bad behaviors such as-Sabotage ;Absenteeism;Go-slow;Bullying**‘GOOD’ Climate has been** -Job satisfaction ;Confidence in management ;Affective commitment ;Intention to quit ;Emotional Exhaustion;Faith in Organizational;Performance And to desirable behaviours such as-Risk-taking (strategic), Departure from the status quo,Open communication, Trust, Operational freedom, and Employee development.A key point to make is that a ‘good’ climate is not just one that keeps people comfortable, but one that is strategically advantageous to the organization while simultaneously bringing out the best in its members because they are in a motivational climate.

**‘BAD’ Climate of:**Fear, Crisis,Anxiety,Workplace aggression,Employee and executive burnout,Employee turnover, Politicking, Decay, Hopelessness,Stagnation**‘GOOD’ Climate of:**Respect, Support. Entrepreneurialism, Cooperation, Performance, Profitable management practices, Knowledge management, Organizational learning Employee readiness to change,Collective learning, Openness.In contrast, job satisfaction seeks to measure affective responses to the work environment. It is concerned with how employees feel about the organization’s expectations, reward practices, and the like. Although the two terms undoubtedly have overlapping characteristics, keep in mind that the term organizational culture is descriptive while job satisfaction is evaluative.

**Strong vs Weak Climate:**It has become increasingly popular to differentiate between strong and weak climates. The argument here is that strong cultures have a greater impact on employee behaviour and are more directly related to reduce turnover. In a strong climate, the organization’s values are both intensely held and widely shared. The more members who accept the core values is, the stronger the climate is. Consistent with this definition, a strong climate will have a great influence on the behaviour of its members because the high degree of sharedness and intensity creates an internal climate of high behavioural control.

**Climate vs Formalization:**A strong organizational climate increases behavioural consistency. In this sense, we should recognize that a strong climate can act as a substitute for formalization. High formalization in an organisation creates predictability, orderliness, and consistency. Our point is that a strong climate achieves the same end without the need for written documentation. Therefore, we should views formalization and climate as two different roads to a common destination. The stronger an organization’s climate, the less management need

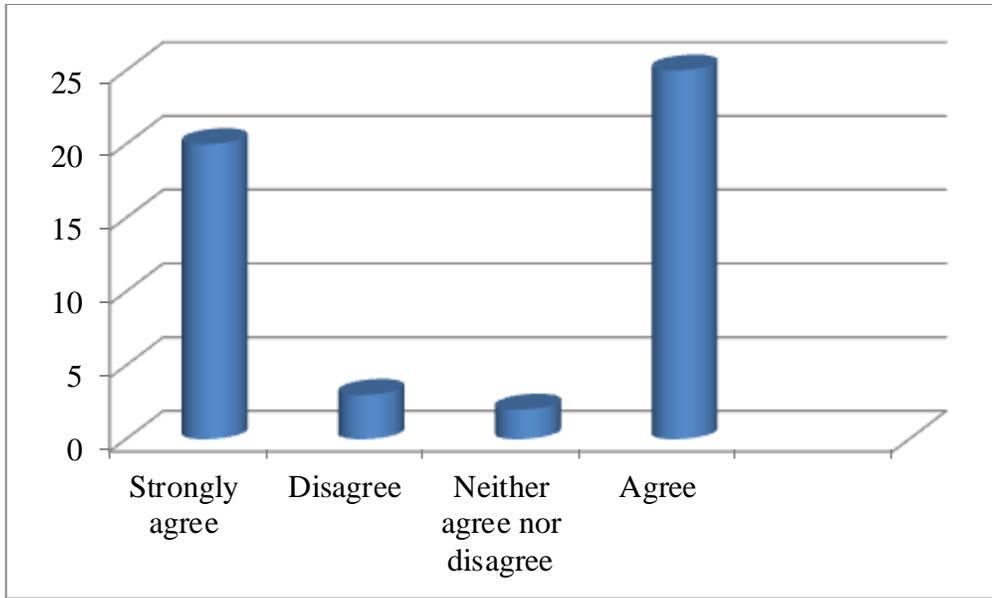
concerned with developing formal rules and regulations to guide employee behaviour. These guides will be internalized in employees when they accept the organization's climate.

**CLIMATE FUNCTION:** Climate performs a number of functions within an organization: First, it has a boundary, defining role; that is, it creates distinctions between one organization and others. Second, it conveys a sense of identity for organization members. Third, facilitates the generation of commitment to something larger than one's individual self interest. Fourth, it enhances social system stability, climate is the social glue that helps hold the organisation together by providing appropriate standards for what employees should say and do. Finally, climate serves as a sense-making and control mechanism that guides and shapes the attitudes and behaviour of employees. It is this last function that is of particular interest to us. The role of climate is influencing employee behaviour appears to be increasingly important in the 1990s. As organizations have widened spans of control, flattened structures, introduced teams, reduced formalization, and empowered employees, the shared meaning provided by strong culture ensures that everyone is pointed in the same direction

**PURPOSE OF SURVEY:** The Organizational Climate Survey measures respondents' attitudes towards various organizational dimensions that together form the organizational culture. It also highlights potential areas of employee dissatisfaction and/or conflict. While this instrument measures perceptions toward the organisation, it does not indicate levels of business or organizational performance. Organizational Climate studies the employees' perceptions and perspectives of an organization. The surveys address attitudes and concerns that help the organization work with employees to instill positive changes. Organizational climate surveys increase productivity, give employees a voice to assist in making desired transitions as smooth as possible. It also serves as a basis for quality improvements. By identifying areas of inefficiency and acting on performance barriers identified by employees of all levels, an organization gains a fresh and different perspective

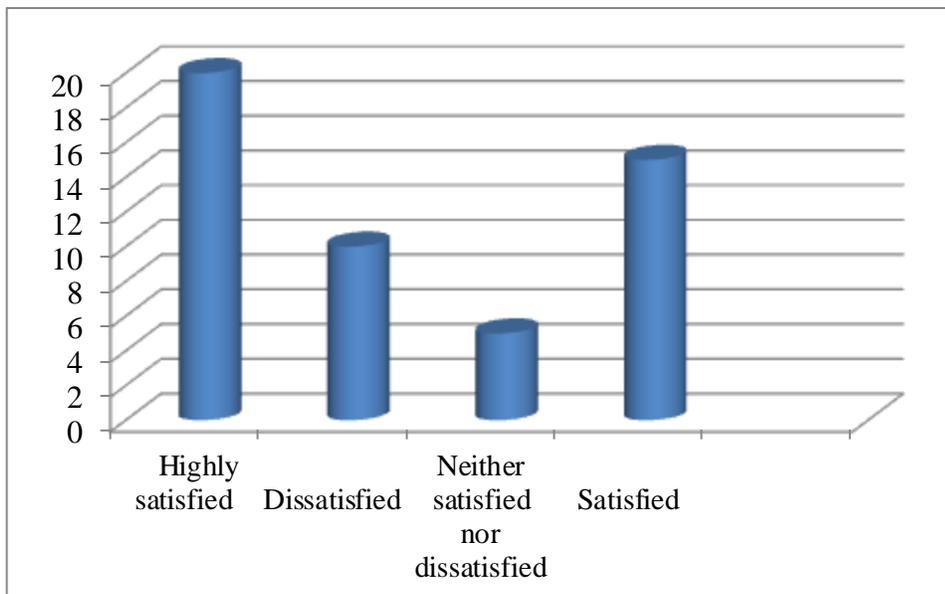
### **ANALYSIS AND INTERPRETATION:**

1. Does the organization's goals and objectives are clear to you?

**Interpretation:**

From the graph it is seen that majority of the employees are agreed with the organizational Goals and objectives. About 40% of the employees are strongly agreed that the organization goals and objectives are clear to them, and 50% of the employees are agreed, among the sample size of 50 all have responded.

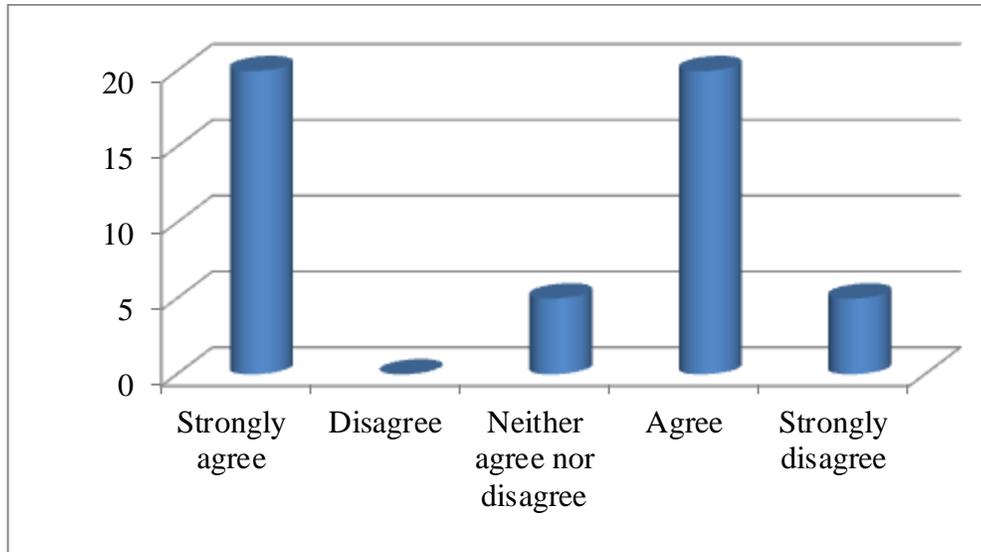
2. Are the Roles and responsibilities satisfied within the organization?



**Interpretation:**

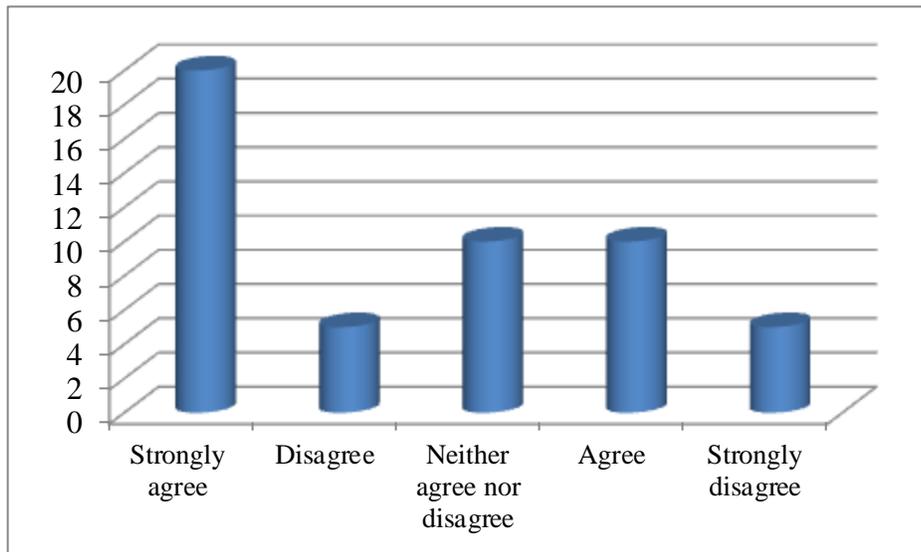
From the graph it is seen that about 40% employees are highly satisfied with the roles and responsibilities within the organization. About 30% of the employees are satisfied and all other employees are dissatisfied with the organization roles and responsibilities.

3. Is Clear reporting structure established in the organization or not?

**Interpretation:**

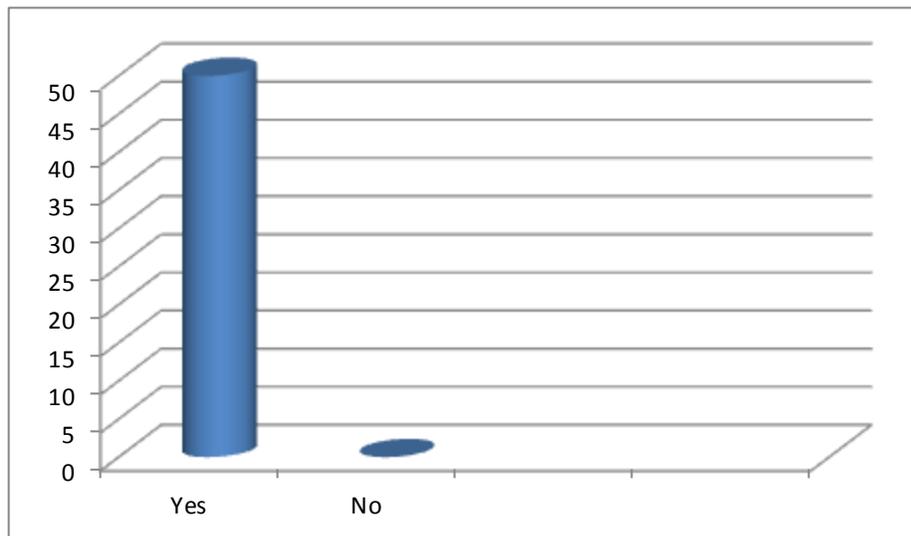
From the graph it is seen that about 80% of the employees strongly agreed about the clear reporting structure established in the organization. About equal number of employees agreed and 10% of employees are disagree with the clear reporting structure in the organization.

4. Did you gain any satisfaction from your current job responsibilities?



**Interpretation:** From the graph it is seen that the majority of the employees are satisfied with the current job responsibilities. Among the 50 respondents 20% of the employees agreed and remaining 40% of the employees disagree to the current job responsibilities.

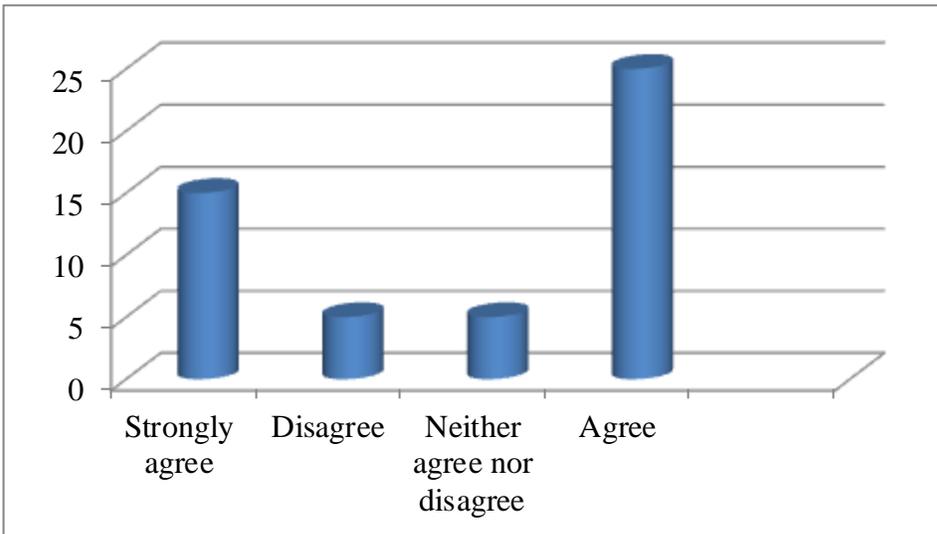
5. Are the skills and abilities fully utilized in your current job or not?



**Interpretation:**

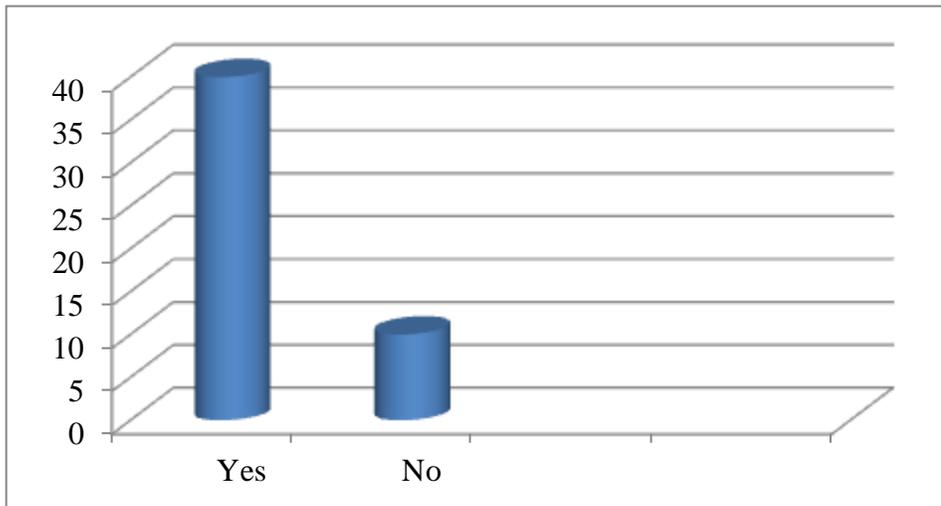
From the graph it is seen that the majority of the employees say that the skills and abilities were fully utilized in the current job. Among the 50 respondents all the employees i.e. 100% says that the skills and abilities are fully utilized in the current job

6. Do you have the opportunity to further develop your skills and abilities in the organization?

**Interpretation:**

From the graph it is seen that almost 50% of the employees agreed that they have the Opportunity to further develop their skills and abilities in the organization. All other 30% of the employees strongly agree.

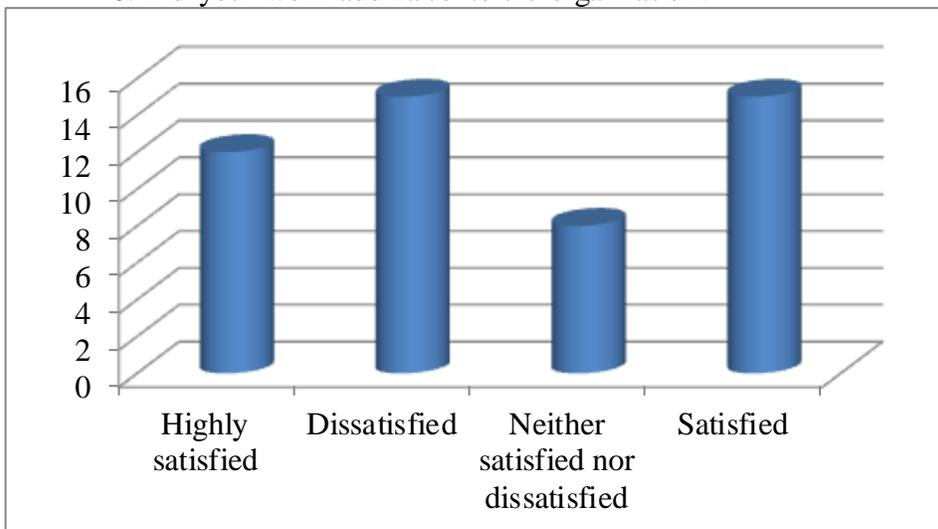
7. Did you find anything challenging in your current job role?



**Interpretation:**

From the graph it is seen that the majority of the employees find challenging in their current job role. Among the 50 respondents the greater amount of 80% of the employees find their current job Challenging and rest 20% don't

8. Did your work add value to the organization?



**Interpretation:**

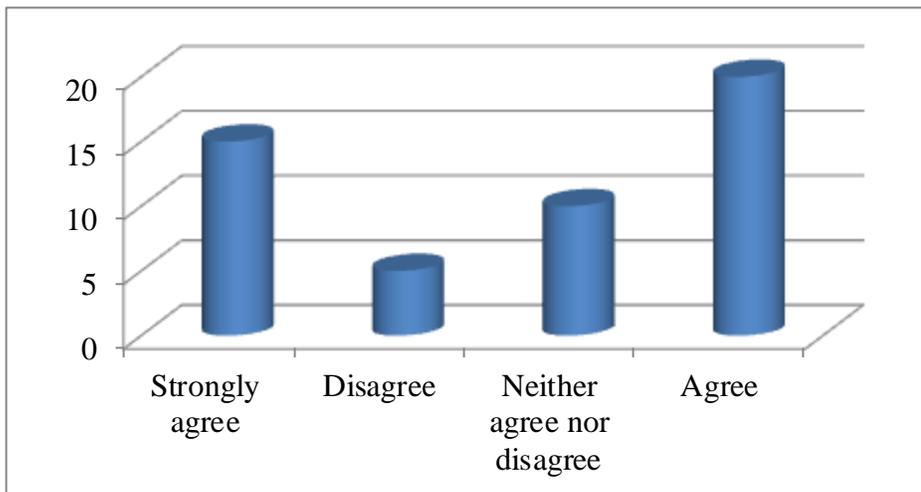
According to the study conducted, it is observed that the employees were satisfied with the work add value in the organization. Among all the 50 respondents 24% of the employees were highly

satisfied with the work and 30% are dissatisfied and the remaining employees are satisfied with the work add value to the organization

9. Does the Individuals appreciate the personal contributions of their peers?

- Strongly agree
- Disagree
- Neither agree nor disagree
- Agree

Ratings	No. of respondents	Percentage
Strongly agree	15	30
Disagree	5	10
Neither agree nor disagree	10	20
Agree	20	40
Total	50	100

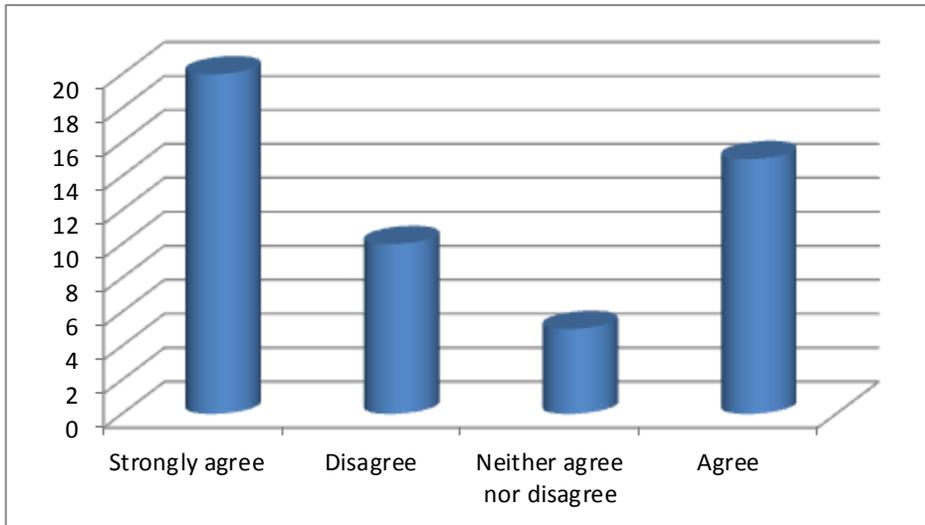


#### Interpretation:

It is observed that the employee agree that the individuals did not appreciate the personal contribution of their peers. 30% employees strongly agree to the given question and 40% of the employees agree and remaining 30% employees disagree that individuals does not appreciate to the Personal contribution for their peers

- Strongly agree

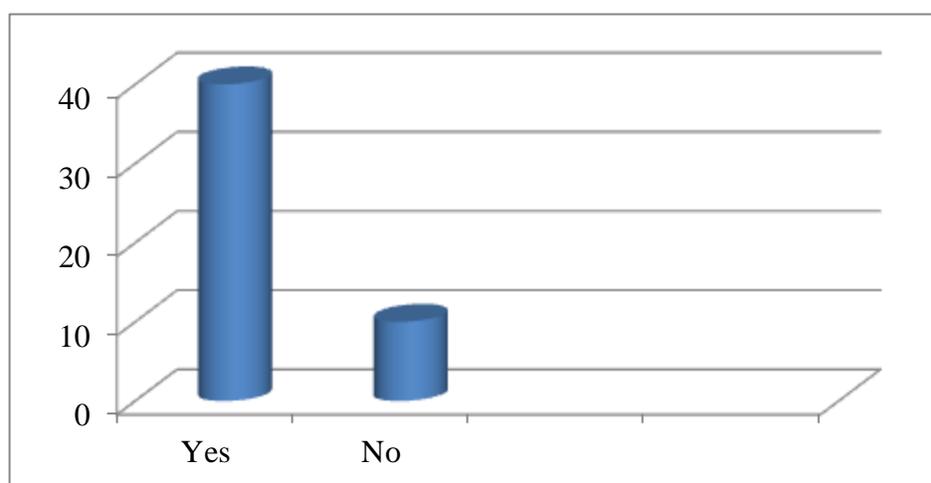
10. When disagreements occur, are they addressed promptly in order to resolve them?



**Interpretation:**

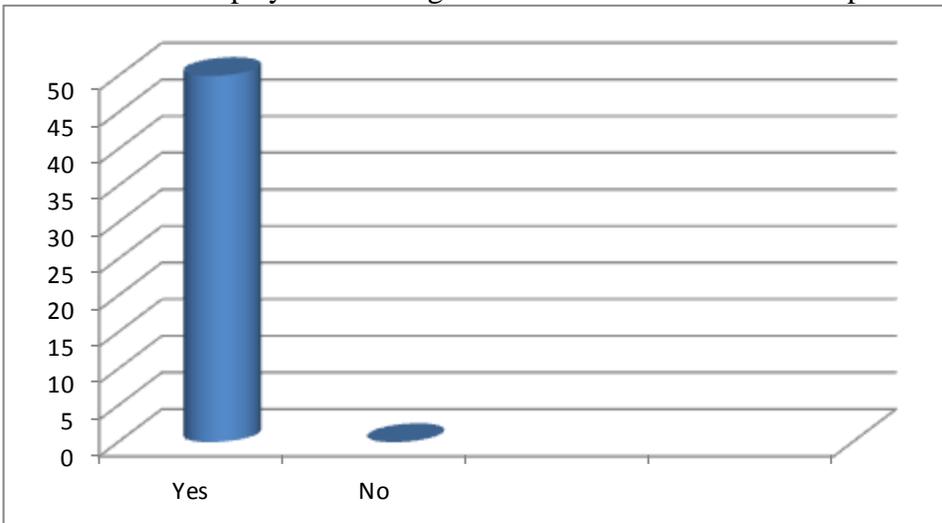
From the graph it is seen that the majority of the employees strongly agreed that when disagreement occurs they addressed promptly in order to resolve them. 40% of the employees stated the opinion that they agree and the other 30% of the employees agree, and remaining 30% disagree.

11. Do you enjoy being a part of this organization?



**Interpretation:** From the graph it is seen that the highest majority of the employees agreed that they enjoy being a part of this organization. About 80% of the employees agree that they really enjoy being part of the organization and the rest of 20% says no

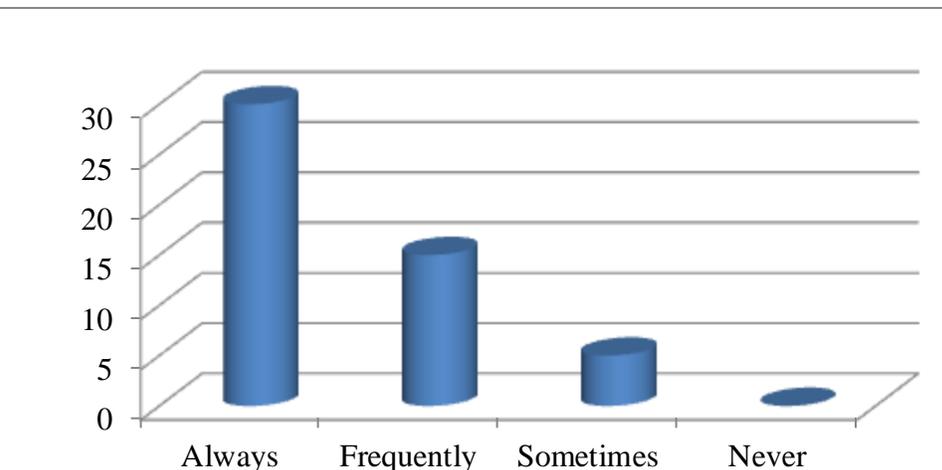
12. Do employees have a good balance between work and personal life?



**Interpretation:**

According to the study conducted, it is observed almost all the employees say that they have a good balance between the work and the personal life. A maximum 100% of the employees say yes

13. Do you believe the senior management who appreciates the work you do?



**Interpretation:**

From the graph it is seen that almost 60% of the employees believe that senior management appreciates the work they do in the organization. The remaining 40% of the employees responded that they always don't appreciate the work which they do.

**FINDINGS:**

The employees in the organization are clear with the organizational goals and objectives.  
The employees are highly satisfied with the organizational roles and responsibilities.  
The employees are satisfied with current job responsibilities.  
The employees are satisfied with the clear reporting structure established in the organization.  
The employees have the skills and abilities which are utilized in their current job.

**SUGGESTIONS:**

The superiors must recognize the skills and knowledge of the employees for better organizational climate.  
There should be proper encouragement towards employees from the superiors for development at work and also for organization.  
There should be clear reporting structure in the organization.  
The employees are highly dissatisfied with the superiors as they don't appreciate the individual for the personal contributions of their peers. So their should be proper appreciation should be given for the employees.  
The senior manager should encourage collaboration across the organization.  
The senior manager should appreciate the work which the employees do in the organization  
There should be a proper understanding between the superior and subordinate.  
In the organization, the supervisor should listen to the employee's ideas and concerns.  
In order to maintain a good climate in the organization, the superiors should consider the views and suggestions of the employees.

**CONCLUSIONS:** After conducting an intense study on Organizational Climate

Majority of the employees are satisfied by the working relationship with colleagues and job as it allowing them to make use of all the skills and abilities Most of the employees are agree that which they are doing is important to them. Employee's perception towards the organization is the main factors that have to be identified by the organization.. The organizational climate should be conducive both to the employer and the employee Management may be able to change the procedures or approaches to improve the employee's position and organizational climate through the participation of workers.

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