EMPLOYEES PERCEPTIONS ON FACTORS AFFECTING ORGANIZATIONAL CLIMATE –AN EMPERICAL STUDY

Muhammed Yousoof*

Abstract: Positive Organizational climate is important for the success of any organization. There are many factors that affect the organizational climate in organizations. The perceptions of the employees with regard to the factors contributing to positive organizational climate differ based on their age and experience in the organization. This paper tries to identify the factors that affect the organizational climate. This work aims to study if there is a variation in perceptions regarding the factors based on the age groups and level of experience in that organization. This work will establish the factors affecting the employee's perceptions with regard to organizational climate factors.

***Keywords:** Organizational Climate-Employee perceptions, Factors-Organizational Climate*

1. INTRODUCTION

A positive organizational climate is essential for the growth of any organization. There are many factors which contribute to the positive organizational climate. Lot of researches have been done to identify the various factors affecting organizational climate.Litwin and Stringer (1966) suggested the framework of organizational climate includes six dimensions namely structure, responsibility, reward, risk, warmth and support.Pareek (1989)has defined organizational climate as a result of interaction among an organization's Structure, Systems, Culture, Leader Behavior and Employees' psychological needs. Srivastav(1993) has stated that organization climate depends on the perceptions that organizational members hold about various dimensions of organizational working. Personal variables of an individual can impact his/her perception. Stress experienced can also influence the perception of the individual. Coping with stress means managing the problems that lead to stress and management of problems is an important dimension of organizational climate. Denison *et al.,* stated that Organizational climate is a major contributing factor for changing employee' attitudes and behavior towards superior job performance and satisfaction. Several measured aspects of climate such as communication flow, decision-making practices, and relationship with colleagues,

---

* Department of MIS, Dhofar University, Salalah, Oman, *E-mail: m_yousoof@du.edu.om*

work design and supervisory support have shown significant positive relationship with many outcome variables like organizations' financial performance, employees' productivity and satisfaction. McGregor climate is primarily determined by managerial assumptions and the relationship between Managers and their subordinates.

Ostroff (1993) proposed that the character of an organizations' work environment (particularly as perceived by a member) has long been recognized as a potent influence on employee cognitions, attitudes and behavior. Holland (1985) and O'Reilly *et al.,* (1991) suggested that work environment influences job satisfaction, organization commitment, vocational adjustment and occupational stability. Campbell *et al.,* (1970) defines organizational climate as "set of attributes specific to a particular organization that may be induced from the organization, deals with its members and its environment.

Richard. M. Hodgetts classified organizational climate into two major categories. The first category is the visible part i.e. that can be measured. They include Hierarchy, Goals and objectives of the organization, Performance standards and evaluation. Technological state of the operations, Efficiency measurement, Skills and abilities of personnel, Financial resources. These factors are called overt factors. The second category includes factors that are not visible and quantifiable. These factors are named as covert factors. They are Supportiveness, Employees' feelings and attitudes, Values, Morale, Personal and social interaction with peers, subordinates and superiors, Sense of satisfaction with the job.

2. PROPOSED FRAMEWORK FOR ORGANIZATIONAL CLIMATE

The literature review has helped to identify the major factors that contribute to the organizational climate which includes role of senior management, use of technology, work process, well defined departmental goals/Objectives, properly defined work process, support of managers and clear reporting system within the organization. The framework of the factors affecting the organizational climate is as shown below in Figure1.

The above framework has been derived based on the previous literature review done on factors affecting the organizational climate.

3. METHODOLOGY

The study was carried out in a private manufacturing unit located at Chennai,, India. The company is involved in manufacturing engineering accessories required for automobile units located in and around Chennai. The researcher used simple random sampling technique to collect data. This technique is also called chance
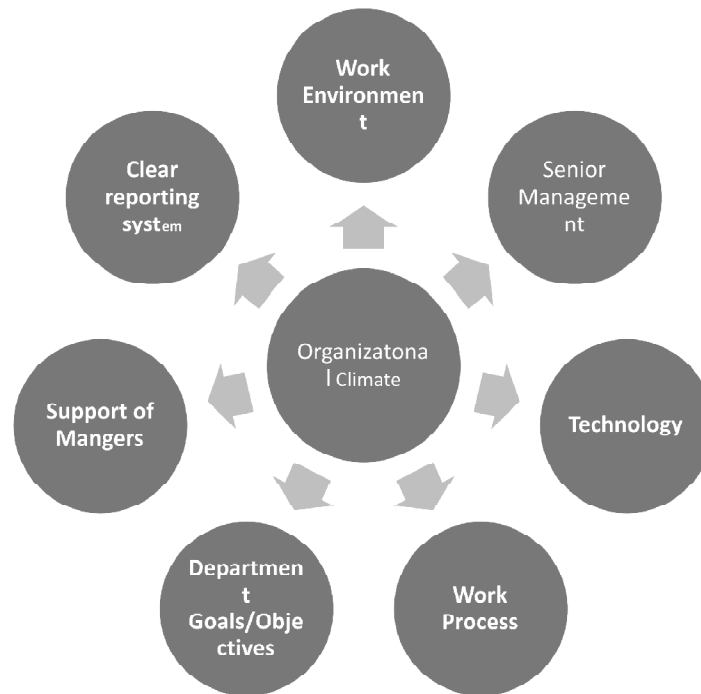
Figure 1: Framework on factors affecting Organizational Climate

sampling or probability sampling where each and every item in the population has an equal chance of inclusion in the sample. The sample size of the study is 51 while the population is 600, out of which 300 belong to the senior management and 300 belong to middle management. The Questionnaire consist of questions related to all the factors affecting the organizational climate The researcher distributed questionnaire to 120 employees.. But the researcher managed to get only 51 valid responses due to their busy schedule and execution of new project.

Scaling describes the procedures of assigning numbers to various degrees of opinion, attitude and other concepts. The researcher used Likert scale (Summated Scale) in which a particular item is evaluated on the basis of how well it discriminates between those persons whose total score is high and those whose total score is low.

The reliability test is used to measure the reliability of the data. The Cronbach's Alpha value above 0.600 is considered to be reliable and valid. The researcher performed the reliability test and the Cronbach's Alpha value is 0.631 which is higher than 0.600. Hence the research is found to be reliable and valid.

4. RESULTS AND DISCUSSION

The study focused on the factor of age and the relationship employee's perception with the trust of information from senior management. The following assumptions are made.

> *H0: There is no significant association between age and trust of information from senior management*

> *H1: There is a significant association between age and trust of information from senior management*

Age	Trust the information			Total
	Neutral	*Agree*	*Strongly agree*	
less than 24	3	2	1	6
24 – 30	1	11	7	19
31 -35	2	10	1	13
36 – 40	0	3	6	9
Above 40	0	4	0	4
Total	6	30	15	51

	Value	*Df*	*Asymp. Sig. (2-sided)*
Pearson Chi-Square	21.546(a)	8	.006

The calculated p value is 0.006 which is lesser than the level of significance 0.05. Hence the alternate hypothesis is accepted. So, there is a significant association between age and employee trusting the information received from senior management. The study also focused on the perception of employee about the work process based on their age. The following assumptions were made

> *H0: There is no significant association between age and the work process applied*

> *H1: There is a significant association between age and the work process applied*

	Efficient Work Process			Total
	Neutral	*Agree*	*Strongly agree*	
less than24	2	2	2	6
24 – 30	2	17	0	19
31 -35	2	9	2	13
36 – 40	0	4	5	9
Above 40	0	0	4	4
Total	6	32	13	51

	Value	*df*	*Asymp Sig.(2-Sided)*
Pearson's Chi Square	27.552(a)	8	0.001

The calculated p value is 0.001 which is lesser than the level of significance 0.05. Hence the alternate hypothesis is accepted. So, there is a significant association between age and employee perception about the work process used. The study also focused on the perception of employee about the clear department objectives based on their age. The following assumptions were made

H0: *There is no significant association between age and the work process applied*

H1: *There is a significant association between age and the work process applied*

Age	Clear department objectives			Total
	Neutral	*Agree*	*Strongly agree*	
less than 24	4	0	2	6
24 – 30	4	11	4	19
31 -35	5	3	5	13
36 - 40	1	6	2	9
Above 40	0	0	4	4
Total	14	20	17	51

	Value	*Df*	*Asymp. Sig. (2-sided)*
Pearson Chi-Square	21.026(a)	8	.007

The calculated p value is 0.007 which is lesser than the level of significance 0.05. Hence the alternate hypothesis is accepted. So, there is a significant association between age and clear department objective. The study also focused on the perception of employee about the feedback of managers based on their experience in the organization. The following assumptions were made

H0: *There is no significant association between experience and the helpful feedback from managers*

H1: *There is a significant association between experience and the helpful feedback from managers.*

Experience	Helpful Feedback			
	Neutral	*Agree*	*Strongly agree*	*Total*
Less than 2 yrs	0	4	2	6
2-3 years	1	8	3	12
3-5 years	1	2	5	8
5-7 years	0	5	0	5
More than 7 yrs	6	5	9	20
Total	8	24	19	51

The calculated p value is 0.039 which is lesser than the level of significance 0.05. Hence the alternate hypothesis is accepted. So, there is a significant association between experience and managers' role in giving helpful feedback

H0: There is no significant association between experience and the employees perceptions about technology used

H1: There is a significant association between experience and the technology used.

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.211	4	1.303	3.086	.025
Within Groups	19.417	46	.422		
Total	24.627	50			

The calculated F value is 3.086 and its p value is 0.025 which is lesser than the accepted level of significance of 0.05, therefore we reject the Null Hypothesis and accept the alternative hypothesis. There is a significant difference between experience and employees' perception that the technology they use supports business process.

5. CORRELATION ANALYSIS

There are many factors which affect the perception of employees with regard to their satisfaction and which results in the positive organizational climate. The study also analyzed the variables which affects the organizational climate in organizations. The two variables considered include clear reporting system and employees feel about the organization.

Variable 1: Clear reporting system has been established.

Variable 2: Employees speak highly about the organization.

The correlation table displays Pearson correlation coefficients, significance values and the number of cases with non missing values (N). The values of correlation coefficient range from -1 to +1. The sign of the correlation coefficient indicates the direction of the relationship (positive or negative).

		clear reporting system	Employee speak high about the organization
clear reporting system	Pearson Correlation	1	.374(**)
	Sig. (2-tailed)		.007
	N	51	51
Employee speak high about the organization	Pearson Correlation	.374(**)	1
	Sig. (2-tailed)	.007	
	N	51	51

The significance value (or p value) is 0.007,which is less than, the then accepted level of significance (0.05).Hence it is inferred that the correlation is significant and the two variables are linearly related.

The two variables considered include clear reporting system and employees feel about the organization.

Variable 1: My department has adequate tools and technologies to perform our work.

Variable 2: The technology we use supports our business process.

Table showing the correlation analysis between adequate Tools present and the technology supports business process

		Tools	*Technology supports business process*
Tools	Pearson Correlation	1	.366(**)
	Sig. (2-tailed)		.008
	N	51	51
Technology supports business process	Pearson Correlation	.366(**)	1
	Sig. (2-tailed)	.008	
	N	51	51

The significance value (or p value) is 0.008,which is less than, the then accepted level of significance (0.05).Hence it is inferred that the correlation is significant and the two variables are linearly related.

The two variables considered include clear reporting system and employees feel about the organization.

Variable 1: Morale is High across the organization.

Variable 2: I feel valued as an employee.

Table showing the correlation analysis between high employee Morale and feeling valued as an employee

		Morale	*Feeling valued as an employee*
Morale	Pearson Correlation	1	.352(*)
	Sig. (2-tailed)		.011
	N	51	51
Feeling valued as an employee	Pearson Correlation	.352(*)	1
	Sig. (2-tailed)	.011	
	N	51	51

The significance value (or p value) is 0.011, which is less than, the then accepted level of T (0.05).Hence it is inferred that the correlation is significant and the two variables are linearly related.

6. DISCUSSION AND IMPLICATIONS

The study has helped to conclude that the perception of the employees with regard to factors contributing to the organizational climate differs based on the age of the employee and the number of years of experience in the organization. The long standing employees and higher age group employees have positive feel on the trust of information disseminated by the top management, clear objectives of the department. The higher age group employees and more experienced employees view that technology and well defined work process contribute to their productivity and their contribution to the organization at the same group of employees feel that the feedback from the managers is useful in their work and look at it as positive factors.There is a strong coorelation with the clear reporting system and the employees positive feel about the organization.Moreover,the employees have high morale when they feel that they are valued as an employee and the available tools in the department is strongly correlated to the belief that technology supports business process. The new group of employees and less age due to lack of exposure may not feel positive towards the factors contributing to the organizational climate. Proper orientation and training to the new employees on the organizational goals and practices may help the new employees to feel positive on the perception of factors which contribute to the organization climate.

References

Forehand, G.A., Gilmer, B.V.H. (1964), "Environmental variation in studies of organizational behavior", *Psychological Bulletin,* Vol. 62, No. 6, pp. 361 – 382.

Litwin, G.H. and Stringer, R.A. (1968), Motivation & Organizational Climate,MA : Harvard Business School, Division of Research.

Srivastav, A. K. (1993), "Study of Organizational Climate, Role Stress & Coping strategyamong Public Sector Executives", Unpublished Ph.D. Thesis, Bangalore University, India.

Pareek, U. (1989), "Motivational Analysis of Organizations – Climate (MAO – C)", in Pfeiffer, J.W. (Ed.), *The 1989 Annual : Developing Human Resources,* pp.161 –180, University Associates, San Diego: California.

Denison, D.R. (1990), *Corporate Culture and Organizational Effectiveness*, NewYork: John Wiley & sons.

McGregor, D.M. (1960), *The Human side of Enterprise*, New York, McGraw – Hill.

Ostroff, C. (1993), "The effects of climate and personal influences on individual behavior and attitude in organizations", *Organizational Behavior and Human Decision Processes,* Vol. 56, pp. 56 – 90.

Holland, J.L. (1985), *Making Vocational Choices: A Theory of Vocational Personalities and Work Environments*, Prentice – Hall, Engle Wood, Cliffs, NJ.

O'Reilly, C.A. III, Chatman, J. and Cladwell, D.F. (1991), "People and organizational culture : a profile comparison approach to assessif person – organization fit", *Academy of Management Journal*, Vol. 34, pp. 487 – 516.

Campbell, J.P., Dunnette, M.D., Lawler, E.E. III, and Weick, K.E. (1970), *Managerial Behavior, Performance and Effectiveness*, McGrew-Hill, NewYork.

Burke, W.W. and Litwin, G.H. (1992), "A casual model of organizational performance and change", *Journal of Management*, Vol. 18, No. 3, pp. 523 – 45.

Spreitzer, G.M., Kizilos, M.A., & Nason, S.W. (1997), "A dimensional analysis of the relationship between Psychological empowerment and effectiveness, satisfaction and strain", *Journal of Management*, Vol.25, pp. 679 – 704.