

A STUDY ON INFLUENCE OF ORGANIZATIONAL CLIMATE ON EMPLOYEE COMMITMENT AND JOB SATISFACTION

- MADHUMITHA B

- AKSHAYA V

M.O.P VAISHNAV COLLEGE FOR WOMEN

INTRODUCTION:

Organizational climate is a barometer for judging the employee sentiment about their employer's policies and practices. And using the barometer, we can measure the efficiency of the policies and practices and align them with organizational goals and strategy. Climate maybe broadly defined as the shared perception among employees of the organizational environment which they deal with every day. It refers to the conditions that encourages or hampers employees „creative efforts. A positive climate encourages employee's productivity and decreases turnover.

Job satisfaction addresses perceptions and attitudes that people have and exhibit about their work and organizational climate is a factor which directly influences the employees job satisfaction and their commitment towards their work. It refers to an employee's long casting perception of working environment and culture of the business they work for. A positive organizational climate increases organizational commitment. There are various factors which affects the organizational climate, to name a few, *Management Support Management Structure, Concern for new employees, Inter-agency conflict, Agent dependence and General Satisfaction.* (Schneider and Barlett).

Need and scope of the study:

This study investigates the influence of organisational climate on employee commitment and job satisfaction. Organisational climate is a general expression of what the organisation is. Organisational climate research is one of the most important tools available for the area of human resources. It can help an organisation create the necessary conditions to improve its business results and retention of talent.

Statement of the Problem:

The present study investigates the extent of influence the organizational climate has on employee commitment and job satisfaction. It also examines the factors which is involved in determining the organizational climate and some of those factors include stability , job satisfaction, team orientation, open communication, job autonomy and reward system. It also explores the ways to strengthen your workplace’s organizational climate to achieve employee commitment and job satisfaction.

Objectives of the research:**Primary objectives:**

- To improve organizational climate for the employees of the organization
- To increase employee commitment in the organization
- To enhance job satisfaction for the employees of an organization

Secondary objectives:

- To develop its employees by providing them good working conditions
- To assist and support employees , so they can achieve job satisfaction
- To bring added value to the organization by increasing the number of committed employees

RESEARCH HYPOTHESIS

Organizational climate:

H0: A good organizational climate does not influence the overall performance of the organization and therefore improving its overall image

H1: A good organizational climate influences the overall performance of the organization and therefore improving its overall image.

Employee commitment

H0: Employee commitment does not improve with a good organizational climate

1: Employee commitment improves with a good organizational climate

Job satisfaction:

H0: Job satisfaction of the employee does not increase with increase in the quality of organizational climate

H1: Job satisfaction of the employee increases with the quality of the organizational climate.

RESEARCH DESIGN:

The researcher adopted the descriptive research design for this study. Descriptive research is a type of research that describes a population, situation, or phenomenon that is being studied. It focuses on answering the *how*, *what*, *when*, and *where* questions in a research problem, rather than the *why*. This is mainly because it is important to have a proper understanding of what a research problem is about before investigating why it exists in the first place.

METHODOLOGY:

In order to achieve the objectives of the study a sample survey was conducted and the responses were collected from the employees of various organization. A questionnaire shared through social platforms helped in collecting the information on the influence of organizational climate on employee commitment and job satisfaction.

SAMPLE SIZE

Sample size of 100 employees has been taken from various organization through a random sampling technique. Simple random sampling is a type of probability sampling in which the researcher randomly selects a subset of participants from a population. Each member of the population has an equal chance of being selected. Data is then collected from as large a percentage as possible of this random subset.

COLLECTION METHOD:

- Primary data was collected directly from respondents through questionnaire.
- Secondary data was collected from articles and research papers on the same topic.

SCOPE OF THE STUDY:

The study investigated the organizational climate and its influence on employee commitment and job satisfaction. It enquired about the job satisfaction of employees and its relevant factors and it aimed to find the ways to maintain a healthy organizational climate eventually resulting in improving of employee satisfaction and morale.

PERIOD OF THE STUDY:

The period of study for the research by the author was 12 weeks (December 15 to March 15)

STATISTICAL TOOL USED:

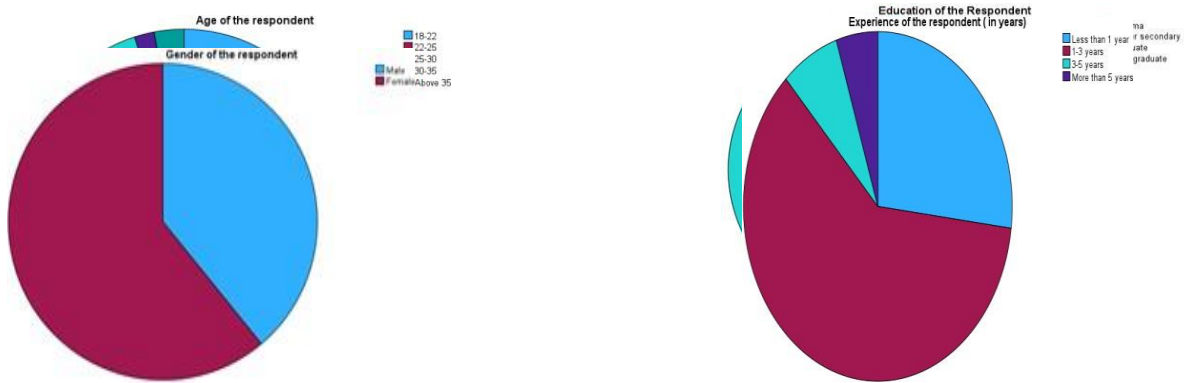
- Factor analysis
- Correlation

ANALYSIS & INTERPRETATION:

DESCRIPTIVE STATISTICS:

Factors	Age	Gender	Education	Experience
N	100	100	100	100
Mean	2.08	1.61	3.05	1.90
Median	2.00	2.00	3.00	2.00
Mode	2	3	2	2
Standard Deviation	0.734	0.490	0.575	0.732
Variance	0.539	0.240	0.331	0.535

PIE CHART



PIE CHART INTERPRETATION:

- This survey contains responses from both the genders (61% female and 39% male respondents)
- 12% of the respondents are between the age of 18-22, 76% respondents are between the age of 22-25, 7% of the respondents are between the age of 25-30, 2% of the respondents are between the age of 30-35 and 3% of the respondents are above 35 years of age.
- 4% of the respondent’s educational qualification is a diploma, 2% of the respondents have a higher secondary qualification, 79% respondents are graduates and 15% respondents are post graduates.
- 27% of the respondents have an experience of less than 1 year, 61% of the respondents have an experience between 1-3 years , 7% of the respondents have an experience between 3-5 years and 5% of the respondents have an experience more than 5 years.

TEST: 1

FACTOR ANALYSIS

Kaiser- Meyer – Oklin Measure of sampling Adequacy		0.885
Bartlett’s test of adequacy	Approx. Chi- Square	474.234
	Df	15
	Sig	<0.001

The Kaiser-Meyer-Olkin (KMO) test is a measure of how suited your data is for factor analysis. KMO returns values between 0 and 1. A rule of thumb for interpreting the statistic is that KMO values between 0.8 and 1 indicates that the sampling is adequate . According to Kaiser the values between 0.8 and 1 is meritorious. The KMO test value is 0.885 which indicates that the sampling is adequate and valid to conduct data reduction technique.

Bartlett’s test of Sphericity helps a researcher to decide whether the result of factor analysis is worth considering and whether we should continue analyzing the research work. Bartlett’s test of sphericity significant to a level of significance is <0.01 which shows that there is a high level of correlation between variables, which makes it adequate to apply factor analysis.

COMMUNALITIES:

VARIABLES	EXTRACTION
Understanding the strategic vision of the organization	0.750
Resources to support their program	0.756
Recognition for the work done	0.823
Regular reviews of the job performance	0.654
Performance evaluation system	0.714

Opportunities for advancement	0.775
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Extraction method: Principal Component Analysis

OBSERVATION:

From the extraction table it can be observed that the recognition for the work that is done and the opportunities for advancement provided for the employees has a great influence in determining the organization's climate.

TEST 2:

CORRELATION

Hypothesis 1, 2&3 are tested using correlation.

HYPOTHESIS 1:

		Our organization's internal climate is better than it was last year.	My efforts in the organization receive the recognition they deserve.	There are opportunities for advancement here at our organization.
Our organization's internal climate is better than it was last year.	Pearson's correlation	1	0.464	0.460
	Sig.(2-tailed)		<0.001	<0.001
	N	100	100	100
My efforts in the organization receive the recognition they deserve.	Pearson's correlation	0.464	1	0.718
	Sig.(2-tailed)	<0.001		<0.001

	N	100	100	100
There are Opportunities For Advancement here at our organization.	Pearson's correlation	0.460	0.718	1
	Sig.(2-tailed)	<0.001	<0.001	
	N	100	100	100

There is a strong positive correlation found between the organizational climate and the recognition for the effort they receive in the organization and the opportunities for advancement presented at the organization. The $p < 0.001$, indicates that there is significant data to support alternate hypothesis.

HYPOTHESIS 2:

		Our organization's internal climate is better than it was last year.	My efforts in the organization receive the recognition they deserve .
Our organization's internal climate is better than it was last year.	Pearson Correlation	1	0.464
	Sig. (2-tailed)		0.008
	N	100	100
My efforts in the organization receive the recognition they deserve .	Pearson correlation	0.464	1
	Sig.(2- tailed)	0.008	
	N	100	100

Correlation is significant at the 0.01 level (2- tailed)			
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There is a strong correlation between the organizational climate and the recognition they deserve for the work done by them. The $p=0.008 < 0.05$ indicates that there is significant data that supports alternate hypothesis.

HYPOTHESIS 3:

		Our internal organizational climate is better than it was last year.	I receive regular and timely reviews of my job performance.	The performance evaluation system provides me with useful information to support me in doing my job.
Our internal organizational climate is better than it was last year.	Pearson Correlation	1	0.268	-.315
	Sig. (2-tailed)		.007	.001
	N	100	100	100
I receive regular and timely reviews of my job performance.	Pearson Correlation	.268	1	.688
	Sig. (2-tailed)	.007		.001
	N	100	100	100
The performance evaluation system provides me with useful	Pearson Correlation	-.315	.688	1
	Sig. (2-tailed)			

Information to support me in doing my job.		.001	.001	
	N	100	100	100

Since the p, 0.007, 0.001, <0.05, there is significant data to support the alternate hypothesis. Correlation coefficients are -0.315, 0.688 and 0.268. There is a strong correlation between the organizational climate and the performance reviews .There is negative correlation between organizational; climate and the performance review being useful to their work.

FINDINGS:

Through factor analysis the following results were obtained:

- Recognition for work and opportunities for advancement have high extraction value compared to other variables. So these two variables are the most influencing variables in determining the employees and job satisfaction.(H1)
- Through correlation analysis the following results were obtained
- Since p value 0.008<0.05 Null hypothesis is rejected. Correlation coefficient is 0.464. There is a positive correlation between the organizational climate and the recognition they receive at work.
- Since the p value 0.007, 0.001, <0.05 the null hypothesis is rejected. Correlation coefficients are -0.315, 0.688 and 0.268. There is a positive correlation between the organizational climate and the performance reviews .There is negative correlation between organizational; climate and the performance review being useful to their work.

Through percentile analysis, the following results were obtained ,

- 73% of the employees agree that they understand the strategic vision for the employees
- 73% of the employees agree that there are enough resources in their organization to support their programs
- 64% of the employees agree that their efforts in the organization receive the recognition they deserve .
- 72% of the employees agree that they receive regular and timely reviews for their performance.
- 65% of the employees agree that the performance evaluation provides them with

seful information to support them in doing their job.

- 62% of the employees agree that there are opportunities for advancement in their organization
- 70% of the employees agree that their organization's internal climate was better than last year.

CONCLUSION:

The study shows that the respondents are satisfied with the organizations internal climate. The management may take steps to improve the organizational climate. The strength of the organization depends effectiveness of the employees. There should be more efficient performance reviews and appraisal systems. There should be effective and improve appraisals that are conducted which should be resulting in increased employee engagement. The management may consider these suggestions in the future.

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