Volume-3, Issue-11, Nov Special Issue -2014 • ISSN No 2277 - 8160

Research Paper HRM

Conceptual Frame Work of organizational Climate

VANDHANA.R — Research Scholar, School of Management, Vel's University, Chennai & Assistant Professor, Department of Management Studies, CMR Institute of Management Studies (Autonomous), Bangalore

A. CHANDRA MOHAN — Professor, School of Management, SRM University, Chennai

KEYWORDS : Organizational Climate, Motivation, Employee

INTRODUCTION

Organizational climate is comprised of mixture of norms, values, expectations, policies, and procedures that influences work motivation, commitment and ultimately, individual and work-unit performance. Positive climate encourages while negative climate inhibits discretionary effort. Organizational climate refers to the quality of working environment. If people feel that they are valued and respected within the organization, they are more likely to contribute positively to the achievement of business outcomes. Creating Healthy organizational climate requires attention to the factors which influences employees perceptions, including the quality of leadership, the way in which decisions are made and whether the efforts of employees are recognized. In fact "climate may be thought of as the perception of the characteristics of an organization. Climate for an organization is somewhat like the personality for a person. Just as every individual has a personality that makes each person unique, each organization has an organizational climate that clearly distinguishes its personality from other organization. Organizational climate is one of the most important concepts to enter into the theory of organizations in this century. Thus this paper focuses on the importance and constituents of the organizational climate.

Why climate is so important?

Organizational climate is the key factor to explain the innovativeness of the employees. If climate is healthy, employees will be more innovative as comparison to other organization's stressful climate. Good and healthy climate increases productivity level of employees. Organizational climate represents how the employees feel about the atmosphere.

Employees are the key resources of an organization. For the development of an organization it is necessary to make them feel good. With changing scenarios in the world economy, companies want very smart, professional and innovative team members, who are groomed within the organization by outperforming other non-productive team members. Companies promote a healthy work environment and organizational climate so that the employees feel free to innovate and outshine for their organization. Stressful and political climate decreases productivity of employees and destroys the discipline of a formal organization. Sometimes in stress people perform better, but it also depends on the attitude of the employee. If they cannot perform under stress, then in stressful situations absentee's number and employee's turnover may increase. So climate of an organization totally depends on feelings of the employees and employees' feelings are totally dependent on the attitude of the individual employee.

Development of the Conceptual Framework of Organizational Climate

Organizational Climate model for the strategic purpose of the organization. "Collective Climate" is a conceptual model developed by Joyce and Slocum (1977, 1979, 1982, and 1984) that can serve the purpose. Collective Climates are based on the perceptions of the individuals who share common multidimensional descriptions of their work environment. The composition rule for framing Collective Climates is the consensus among individuals' perceptions of work setting. The concept of Collective Climate has been studied from the individual viewpoint (James, 1982; James, Joyce, and Slocum, 1988). The concept has also been studied in terms of technology, workforce demographics, and required work interactions (Joyce, 1977; Joyce and Slocum, 1984;

Jackofsky and Slocum, 1988). Collective Climate formed on the basis of perceptual consensus represents a mid-range concept that may prove to be useful to bridge the strategic organizational and individual levels of analysis. Collective Climate is the perception of particular organizational practices. Organizations influence the perceptions with various factors but principally through structure, technology, and control systems. The "Collective Climate" concept has simultaneously established and unified the Organizational Climate from the organizational viewpoint, and the Psychological Climate based on individuals' perception on organizational practices and procedures. The Organizational Climate can therefore be described as the aggregate perceptions of the characteristics of the organizations. Organizational and Psychological Climates have been differentiated substantially in terms of the various dimensions. The concept of strategic context of Collective Climate may best represent Organizational Climate.

Dimensions of Organisational Climate:

People in organizations encounter thousands of events, practices and procedures; they perceive these events in related sets. Thus, as proposed by Schneider and Reichers (1983), work settings have numerous climates and these climates are for service, safety as a climate for achievement. To speak of climate per se without attracting a referent is meaning less. As climate is a multi-dimensional construct, we should view organisational climate not as "It" but a set of "Its", each with a particular referent (Garett, Henry.E. 1866). What are the dimensions of organisational climate? It is indeed surprising that two decades of considerable research effort there is yet no agreement about a common set of dimensions of organisational climate. As shown, it is so great that it is impossible to consider any one set as typical. All is categorized into three broad groups as follows (Goyal, R.P. 1973):

1. Leadership function
2. Structural properties
3. Employee satisfaction

Different authors have proposed different dimensions of organisational climate. Some of these are mentioned: Likert (1967), Leadership, motivation, communication, decisions, goal and control. Litwin and Stringer (1968), Conformity, responsibility, standard rewards, organisational clarity, warmth and support, leadership. Prakasam (1979), Conformity, sharing in decision-making, supervision (task orientation, people orientation, bureaucrating orientation), responsibility, reward (financial, non-financial) promotion, team spirit, and standard. Sharma (1988) has highlighted various dimension as supervisory-management relations, scope for advancement, grievance handling, monetary benefits, participative management, objectivity and rationality, recognition and appreciation, safety and security, training and education, welfare facilities.

Schneider and Bartlett (1968) had proposed four organisational climate dimensions, (i) Individual autonomy – based on the factors of individual responsibility, agent independence, rules orientation and opportunities for exercising individual initiative. (ii) The degree of structure imposed upon the position - based on the factors of structure, managerial structure and the closeness of supervision. (iii) Reward Orientation – based upon the factors of reward, general satisfaction, promotional-achievement orientation, and being profit minded and sales oriented and (iv) Consideration, warmth and support – based upon the factors of managerial support, nurturing of subordinates and warmth and support.

Zammuto and Krackover (1991) mapped the seven dimensions of climate into the competing values framework and in that way created four different climate types which they labeled: 1) The Group Climate 2) The Developmental Climate 3) The Rational Goal Climate and 4) The Internal Process Climate. He also measured climate using the following dimensions:

1. Trust
2. Conflict
3. Morale
4. Rewards
5. Resistance to change
6. Leader credibility
7. Scapegoating

Goran Ekvall (1991), professor emeritus of organisational psychology at the University of Lund, Sweden spent many years looking at the organisational climatic factors (or dimensions), which affects organisational creativity. He identified 10 dimensions Challenge (How challenged, emotionally involved, and committed are employees to the work), Freedom (How free is the staff to decide how to do their job?), Idea time (Do employees have time to think things through before having to act?), Dynamism (the eventfulness of life in the organisation, Idea support are there resources to give new ideas a try?), Trust and openness (Do people feel safe speaking their minds and offering different points of view?), Playfulness and humor (How relaxed is the workplace-is it okay to have fun?), Conflicts (To what degree do people engage in interpersonal conflict or 'warfare?"), Debates (To what degree do people engage in lively debates about the issues'), Risk-taking (Is it okay to fail?). The dimensions can be grouped into three areas of Resources, Motivation, and Exploration as Resources: Idea Time; Idea Support; Challenge and Involvement Personal, Motivation: Trust and Openness: Playfulness and Humor; Absence of Interpersonal Conflicts, Exploration: Risk-taking; Debates About the Issues; Freedom.

A critical review on organisational climate shows that the following twelve dimensions are used in studying organisational climate:

Orientation
Interpersonal Relationship
Supervision
Problem Management
Management of Mistakes
Conflict Management
Communication

FACTORS IN ORGANIZATIONAL CLIMATE

Litwin, G.H. and Stringer, R. (1966) have included six factors, which affect Organisational Climate. There are (i) Organisationalstructure – perception of the extent of organisational constraints, rules,regulations, red tape (ii) Individual responsibility feelings of autonomy of

beings own boss (iii) Rewards – feeling related to being confident of adequate and appropriate rewards (iv) Risk and Risk taking – perception of the degree of challenge and risk in the work situation (v) Warmth and support – feeling of general good fellowship and helpfulness prevailing in the work settings and (vi) Tolerance and Conflict – Degree of confidencethat the climate can tolerate differing opinions. Schneider and Bartlett (1968), includes six items that should be included in determining Organisational Climate. There are managerial support, managerial structure, concern for new employees, inter agency conflict, agentdependence and general satisfaction. Taguiri, R. (1968) has identified five factors in Organisational Climate on the basis of information provided by managers. There are (i) practices relating to providing a sense of direction to their jobs – setting of objectives, planning and feedback (ii) Opportunities for exercising individual initiative (iii) work with a superior who is highly competitive and competent (iv)Working with co-operativeand pleasant people and (v) being with a profit minded and sales oriented company. Basically, Organisational Climate reflects a person's perception of the organisation to which he belongs. It is a set of characteristics and factors that are perceived by the employees about their organisation, which serve as a major face in influencing their behaviour. These factors may include job descriptions, organizational structural format, performance and evaluation standards, leadership style, challenges and innovations, Organisational values and culture and so on. Richard M. Hodgetts (1991) has classified organisational climate into two major categories. He has given an analogy with an iceberg where there is a part of the iceberg that can be seen from the surface and another part that is under water and is not visible. The visible part that can be observed called as overt factors. The secondary invisible parts that are not visible are called covert factors. Both of these categories are shown below in the form of an iceberg.

Table 1: Overt and Covert factors of Organisational Climate

Overt factors	Covert factors
Hierarchy	Attitudes
Financial resources	Feeling
Goals of organisation	Values
Skills and abilities of personnel	Norms
Technological state	Interaction
Performance standards	Supportiveness
Efficiency measurement	Satisfaction

Source: Richard, M.Hodgetts, Organisational Behaviour, 1991.

FACTORS AFFECTING ORGANISATIONAL CLIMATE

Lawrence James.R and Allan Jones (1974) have tried to identify the factors influencing Climate and they grouped these factors under five heads :

Organisational Context: The first and foremost influential factor that affects the climate is the management philosophy. If the company is wedded to such a policy that it effectively utilizes its resources both human as well as non-human, then it can be concluded that the climate is good.

Organisational Structure: Structure of the organisation represents another variable that affects climate. It needs no relationships and delineates authority and functional responsibility.

Process: In every organisation certain processes are vital so that it runs. Communication, decision-making, motivation and leadership are some of the very important processes though which the management carries out its objectives.

Physical Environment: The external conditions of environment, the size and location of the building in which an employee works, the size of thecity, weather or the place all affect the organisational climate. System values and norms: Every organisation has discernible and fairly evident formal value system where certain kinds of behaviours are rewarded and encouraged, and certain kinds of behaviour forces an individual to formal sanctions. The formal value system is communicated to employees through rules, regulations and policies.

IMPACT OF ORGANISATIONAL CLIMATE

Organisational Climate has a major influence in human performance through its impact on individual motivation and job satisfaction. It does this by enacting certain kinds of expectancies about what consequences will follow from different actions. Individual in the organisation have certain expectations and fulfillment of these expectations depends upon their perceptions as to how the organizational climate suits to the satisfaction of their needs. These organizational climates provide a type of work environment in which individual feels

satisfied or dissatisfied. Since satisfaction of individual goes a long

way in determining his efficiency. Organisational Climate can also be said that it is directly related with his performance in the organisation. There are four mechanisms by which organisational climate affects performance, satisfaction and attitudes of people in the organisation. Khan et al. (1951) have identified five factors, which affect individual performance in organisation. There are rules orientations, the nurturance of subordinates, supervision universalism and promotion achievement orientation.

SOME ISSUES OF ORGANISATIONAL CLIMATE

The concept of organisational climate was originally developed in order to improve our understanding of individual attitudes and behaviourby operational -sing Environment in Lewin's formula B = f (P X E). However, it quickly became a tool for understanding the organization itself. As stern (1970) points out, it is more meaningful to analyze personality press relationship across organisations individuals. But this has led to a good deal of controversy over whether climate is a property of the organisation or of the individuals on whose perceptions are based on all measures of organisational climate. As an outcome of this controversy, the term climate has come to be used with two different meanings. When members of an organisation are asked to give their perception of organisational climate, there are bound to be variations in their perceptions about the same reality. If such a study is confined to a single organisation and the climate scores are analyzed using "individual" as the unit of analysis, it is called a study of the psychological climate. If, on the other hand, it is a multi organisational study and the climate scores from each organisation are summed, averaged and analyzed using "organisation" as a unit of analysis it is called a study of organizational climate. Although basic data are the same in both cases, but in one case the phenomenon is considered a property of the individual while in the other it is treated as a property of the organisation. Woodman and King (1978) are of the view that phenomenological organisational climate is external to the individual, yet cognitively it is internal to the extent that it is affected by individual perception. Being reality-based, organizational climate is capable of being shared in the sense that its observers or participants may agree in their perceptions of organisational climate, although this consensus may be constrained by individual differences in perceptions, to the extent that respondents agree in their perceptions, the climate construct is considered different from job satisfaction. Long ago, Tagiuri (1968) highlighted the need to resolve the following problems in the area of climate research: a) Need to distinguish between the objective nd subjective environment; b) Need to distinguish between the person and the situation; c) Need to determine as to which aspects of the environment should be specified; and d) Need to identify the structures and dynamics of the environment. A little later, Johannesson (1971) equated perceived Organisational Climate with job satisfaction. He maintained that researchers using perceptual measures of organisational climate seemed destined to replicate the satisfaction literature and that such measure were likely to produce little more than an "alternative form" measurement of job satisfaction. Perhaps the most devastating criticism of research efforts in this area is made by, Guion (1973). He perceived organisational climate as an attribute of the individual and not that of the organisation.

CONCLUSION

Development of an organization depends upon the organizational behavior and organizational behavior is affected by the behavior of individual employee. Individual employee's behavior is influenced by organizational climate. So, it is like a chain. If organizational climate is favorable, then organization will grow smoothly. On the other hand if employees carry a positive attitude then also organizational climate can be favorable. It is upon the individuals how they perceive the climate of the organization or they feel about it. Management should consider employees' viewpoints and take some continuous feedback from them, so that organizational climate can be maintained as healthy and best.

REFERENCES

1. Chalam, G. V and Srinivas. L. (2005), "Gender wise Perceptions and Attitudes on HRD Climate in Indian Banking Sector", Indian Journal of Commerce, Vol.58, No.4, October-December, Pp.62-71. | 2. Dwivedi, R.S. (1979), "Anatomy of Organizational Climate", Journal of The All India Management Association, Vol.18, No.5, May, Pp. 25-28, 36. | 3. Forehand G.A. and Von H. Gilmer (1964), "Environmental Variations in Studies of Organizational Behavior", Psychological Bulletin, Vol. 62, No.6, p.362. | 4. Payne, R.L. (1971), "OC: The Concept and Some Research Findings", Prakseologia, NR/39/40/ROK. | 5. Prasanna Sai Venkateswaran, K. (1997), "A Note on HRD Climate", Vikalpa, Vol.22, No.1, January-March, Pp.51-54. | 6. Sinha, J.B.P. (1973), "OC and Problem of Management in India". International Review of Applied Psychology, Vol. 2, Pp. 55 – 64. | 7. Singh, Shailendra. (1988), "Frustrations in Organizations: Relationship with Organizational Climate", Indian Journal of Industrial Relations, Vol.23, No.4, April, Pp.446-460. | 8. Sharma, Baldev R. (1987), "Not by bread Alone: A Study of Organizational Climate and Employer-Employee Relations in India", Shri Ram Centre for Industrial Relations & Human Resources, New Delhi, Pp. 42-50 | 9. Srivastav, Avinash Kumar. (2005), "Differential Climate in the Organization-An Empirical Study Across Functions", GITAM Journal of Management, Vol.3, No.1, January-June, Pp.90-98. | 10. Uthayasuriyan, K. (2005), "Organizational Climate in Public Sector Enterprises", Udyog Pragati, Vol. 29, No.1, January-March, Pp.23-31. | 11. Venkateswara Rao,.T and E.Abraham S.J.(1986), "Human Resource Development Climate in Indian Organizations" in T.V Rao, D.F. Pereira (Eds.), Recent Experiences in HRD, Oxford and IBH Publishing Company Pvt. Ltd., New Delhi, Pp.70-98. |