



An Impact Assessment of Organizational Climate on Organizational Learning and Productivity

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ABSTRACT:

This paper is a part of a larger study conducted to examine the Organizational Climate with reference to Organizational Learning and Productivity in Baroda and Anand District, Gujarat, India. A sample of 240 respondents was collected. The objective of this study is to study the level of Organizational Climate with Organizational Learning and productivity, and to study the impact of Organizational Climate on Organizational Learning and Productivity. Study demonstrates that there is significant association found in between Organizational Climate, Organizational Learning and Productivity. Also, there is a significant correlation found between Organizational Climate, Organizational Learning and Productivity.

KEYWORDS: Organizational Climate, Organizational Learning, Productivity

INTRODUCTION:

Technological advancement and globalization have become the reformer in bringing the change in organizational structure, approach, and also in the organizational Goals. This has made organizations more dynamic and progressive. And, in this journey of becoming more advanced and successful organization, there is a chance for existence of 'Gap' in between what an employee expects from their management, and what management thinks an employee expects. This happens due to the dynamic nature of human – life. To bridge this gap, management should have sincere understanding and sensitivity about their employees' expectation from their organization. And to understand their expectation, management should be aware about employees' perception regarding their organization. Employees' positive and healthy beliefs are important to motivate them for sharing their knowledge and expertise in a best way to reach the maximum growth of the organization with improved productivity.

Development of an organization cannot take place unless a favourable climate is created at the top which extends down through each level of organization. The formation of a proper organizational climate is a must for the success of any development programme. Organizational climate is observed as the attitude of all employees of the organization towards it. Organizational climate affects organizational context, organizational structure, organizational process, physical environment, systems, values and norms.

Dickson et al (2006)

Organizational climate is determined by the organisational members shared perceptions of the policies, practices, and procedures that are rewarded, supported, and expected in that organization. Organizational climate is an inherently multilevel construct involving distinct perceptions and beliefs about an organization's physical and social environment.

Organizational climate has many different types of it that can be shaped by the culture of an organization and they can be assembled in many other ways. The different types of organizational climates are...

- **People-oriented climate**
- **Rule-oriented climate**
- **Innovation-oriented climate and**
- **Goal-oriented climate**

THE LEVEL OF CLIMATE

Experimental evidence of Field and Abelson (1982) supports the concept that three levels of climate can be recognized –

Organisational Climate

- Generated by organizational circumstances

Group Climate

- Concerning to task associations and job purposes

Psychological Climate

- Measured by an individual element

ORGANIZATIONAL CLIMATE AND ORGANIZATIONAL LEARNING

Day: Organisational Learning can be describe as “The process of developing open-minded inquiry and informed interpretation”

The inferences to knowledge management are three-fold:

- **It is foremost important to understand how to generate the ideal organizational learning climate**
- **Awareness of how and why something has been learned.**
- **Ensuring that the learning that takes place is valuable to the organization.**

ORGANIZATIONAL CLIMATE AND PRODUCTIVITY

Productivity can be considered as an overall degree of capability to produce goods or amenity.

FACTORS AFFECTING PRODUCTIVITY

In any organization, there are three basic resources available, which can be recognised as physical, financial, and human. For this study, we are concentrating upon the human resource of the organization, as employees have a great impact on productivity. Generally, there are four factors that affect the productivity of an organization.

- **Environment**
- **Organization**
- **Management style**
- **Employees' attitudes and reactions**

Climate in workplace has influence on employee’s motivation, behavior, attitudes and potential, which, is expected to influence productivity.

REVIEW OF LITERATURE

- **Dr. S. Karpagalakshmi – 2013**, in her research study titled, **A Study on the Effectiveness of Organization Climate with Special Reference to Ambi Ply Panels and Doors, Coimbatore** exhibited that, organizational climate has a major influence on human performance in any organization through its impact on job satisfaction as well as employee motivation. Having good organizational climate enables an organization to work more successfully. Additionally, it is also found that interpersonal communication and organizational relation also contributes in achieving healthy organizational climate.
- **Zhang, Jianwei, Liu, Yuxin – 2010**, discovered that organisational climate had significant effects on effectiveness of human resources management, such as turnover intention, job satisfaction and work efficacy; organisational climate also had significant effects on Organisational effectiveness like Organisational commitment and collective identity of employees.
- **KodjoEzane Joseph & Changjun Dai – 2009**, in their research '**The Influence of Organizational Culture on Organizational Learning, Worker Involvement and Worker Productivity**' found that there are significant correlations amongst organizational learning and organizational productivity, and positive organizational culture positively impacts on learning and productivity of organization.
- **ZuzanaŠimberová – 2007** in their research study titled **Factors of organizational climate influencing learning in companies** found that whereas managing with components impacting approach to learning in a company as they are seen by workers, potential learners. These components can be separated into internal (individual) and outside variables. This think about concentrated on outside components, variables of organizational culture and climate, which can be adjusted by work force procedure and impact learning in a positive way.
- **Malcolm Patterson, Peter Warr & Michael A. West – 2004**, in their research investigation '**Organizational Climate and Company Productivity: The Role of Employee Affect and Employee Level**', stated that, company productivity was more strongly correlated with

those features of climate that had stronger satisfaction impacts. Managers' assessments of most aspects of their company's climate were significantly more positive than those of non-managers.

- **Rolland D. Johannsen, Thomas W. Johnson & John E. Stinson – 1976**, in their research, '**Organizational Climate and Productivity**', found that, there is a positive relationship between the climate dimension "organization of work" and productivity. Also there is a positive relationship between "supportiveness" and satisfaction.

RESEARCH METHODOLOGY

OBJECTIVES:

- To study the level of Organizational Climate, Organizational Learning and Productivity.
- To study the association between background variables such as Age, Gender, Educational Qualification, Present Experience, Total Experience and Monthly Income with Organizational Climate, Organizational Learning and Productivity.
- To study the relationship and association between Organizational Climate, Organizational Learning and Productivity.

HYPOTHESIS:

- H₁: There are significant associations between background variables such as Age, Gender, Educational Qualifications, Experience with Present Organization, Total Experience, Monthly Income and Organizational Climate, Organizational Learning and Productivity.
- H₁: There are significant associations between Organizational Climate, Organizational Learning and Productivity.
- H₁: There are significant relationship between Organizational Climate, Organizational Learning and Productivity.

UNIVERSE, SAMPLE AND SAMPLING METHOD:

- The universe comprises of all survey components that suits for inclusion in the research study. The universe for the present Research study includes middle level employees of Manufacturing Industries of Anand and Baroda District in Gujarat, India. The universe comprised approximately of 550 respondents. The sample consists of 240 (two hundred and forty) respondents belonging to the middle management, and sixty respondents from each four manufacturing companies have been taken as a sample for this research study. Purposive sampling method was used to select a particular unit for the present study which comprises of middle level employees of Manufacturing Industries. These middle level employees are comprised of Supervisors, Officers and Managers.

METHODS OF DATA COLLECTION:

Researcher have adopted questionnaire as main tool for data collection. Following Standardized Tools were used for data collection.

A: Organizational Climate Measure

B: Organizational Learning

C: Productivity

FINDINGS

BACKGROUND DETAILS OF RESPONDENTS

- Majority of the respondents are from the age group of less than 30 years and Between 31 - 40 years, are male, are having educational qualifications of graduation, are having present experience of less than 5 years and between 6 to 15 years, are having total experience of 8 to 17 years and having monthly income of 40001 and above.

KEY VARIABLES ANALYSIS

- With reference to Organisational Climate it is found that the prevalence of Organizational Climate belief among respondents in all four manufacturing industries 34.2 percent (n=82) indicate the proportion of respondents with low scores while both the level high and moderate shares similarity that is 32.9 percent (n=79).
- In case of Organizational Learning it is found that 34.6 percent (n=83) of respondents perceived moderate beliefs on Organizational Learning where as 33.3 percent (n=80) perceived low and very less difference found in high score that is 32.1 percent (n=77).

- Regarding Productivity it is found that that 37.1 percent (n = 89) had moderate belief. Further it also found that 33.3 percent (n = 80) respondents falls under low Productivity range and high belief that is 29.6 percent (n = 71).

CROSS TABULATION (Between Key Variables)

- There is significant association found, p.000 between Organizational Climate and Organizational Learning, Organizational Climate and Productivity, and Organizational Learning and Productivity.

CROSS TABULATION (Between Key Variables and Background Variables)

- Highly significant associations found between Age and Organizational Climate, Present Experience and Organisational Climate, Education and Organisational Climate, Income and Organisational Climate and Total Experiences and Organisational Climate.
- There is no significant association found between Gender and Organizational Climate.
- Highly significant associations found between Age and Organizational Learning, Gender and Organizational Learning, Present Experience and Organisational Learning, Total Experiences and Organisational Learning and Income and Organisational Learning.
- There is no significant association between Education and Organisational Learning.
- There is a highly significant association found between Age and Productivity, Gender and Productivity, Education and Productivity, Present Experience and Productivity, Total Experiences and Productivity and Income and Productivity.

CORRELATION MATRIX

- There is a significant correlation between Organizational Climate, Organizational Learning and Productivity.
- Study depicted that amount of variance of Organizational Climate and Organizational Learning and Productivity had more in common.

Means Difference between Independent Variables and Dependent Variables

- There is no significant difference between the means of Organizational Climate, Organizational Learning and Productivity with respect to age.
- There is no significant difference between the means of Organizational Learning with respect to gender.
- There is no significant difference between the means of Organizational Climate with respect to educational qualification.
- There is no significant difference between the means of Organizational Climate, Organizational Learning and Productivity with respect to year of service with the organization.
- There is no significant difference between the means of Organizational Climate, Organizational Learning and Productivity with respect to total experience.
- There is no significant difference between the means of Organizational Climate, Organizational Learning and Productivity with respect to monthly salary.

CONCLUSION

- There are very less difference found in respondents who indicates the prevalence of Organizational Climate that means all the three levels are sharing nearly same response of employees.
- Majority of the respondents said that there is moderate level of Organizational Learning prevalence in the organization.
- Majority of the respondent said that there is moderate level of Productivity prevalence in the organization.
- Majority of the respondents perceived moderate level of formalization in organization, so that it can be concluded that, organizational structure, rules and regulations, policies and other related systems which leads the organizational development are to be followed at the moderate level by the employees.
- Employers closely monitor their employees' performance and ensure the task accomplishment with technological advancement and also change their traditional ways to operate if needed, so the role of employer is changing from controlling to supporting.
- Organizations also ensuring the benefits and facilities of their employees so that employees can work in a better working environment, as it also helps the organization to develop and implement good working climate.

- Organizations are inspiring employees to think freely, to communicate their estimations and concepts openly, and to explore non-routine alternatives through creating satisfactory climate.

SUGGESTIONS

Having a good organizational climate boosts morale of their employees; it provides motivation to work in a better way, it also attracts new talent to the company and keeps their employees to stay connected with the organization for a longer period of time. Enhancing organizational climate will result into providing better productivity to the company. Also, for achieving higher level of organizational learning it is significant to have positive organizational climate. The better believes employees will have about their organization, the better the outcome they will receive. It is very much required that each and every employee should be very much conscious about maintaining quality of their organization. And, employees perceptions for climate determines by this overall quality of experience they receive in the organization. It is rightly said that, the better the climate, the better the performance.

There is a saying 'when the employees are happy, the organization is happy.' So it is important to find out that what makes your employees satisfied and engaged with the organization most. Organizational climate perception of employees has important consequences for both individuals and organization. Climate in workplace has influence on employee's motivation, behavior, attitudes and potential, which, is expected to influence organizational productivity. Employees are more engaged when organizations have healthy work climate, communication and learning practices, where they can get platforms to express their concerns and opportunities to develop and prospect their potential.

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