



A Study on Organizational Climate and Sustainability

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ABSTRACT

In recent times the advancement in the education field has made the employees more concerned about the work environment which in the end without any doubt will help to make progress in their field and indeed shows results in job satisfaction. It will get the employees suitable timing for their work which will prioritise the employees and be helpful in well-being. For any organisations success and stability employee's well-being is considered as a crucial factor. Hence resulting in job satisfaction. On the other hand, sustainability is an important aspect of any organisation. Sustainability is linked to inclusive work culture due to having a diverse perspective which results in innovative solutions to environmental and social challenges. Inclusive work culture promotes social responsibility, community engagement and stakeholder trust. Sustainability ultimately strengthens organisational resilience and long term economic, environmental social health. This approach helps the business thrive. The study focuses on the relationship between organizational climate, job satisfaction, and sustainability. It highlights how advancements in education have made employees more aware of their work environment, which in turn enhances job satisfaction. Additionally, it emphasizes the importance of employee well-being for an organization's success and stability. The study also explores how sustainability is linked to an inclusive work culture, which fosters innovation, social responsibility, and long-term organizational resilience. The main purpose of this study was to show the relationship between organisational climate and sustainability is achieved within an organisation along with underlying common assumptions, attitudes and beliefs regarding sustainability issues.

Keywords: work environment, job satisfaction, employee well-being, career advancement, inclusive work culture, sustainability.

Introduction

In recent times organisational climate is being ignored by many organisations which results in low employee performance and decline in effectiveness. A report in the European Union shows that there is a positive relationship between organisational climate and work engagement of employees. Hence an organisation with better management of the organisational climate leads to increase of employee work engagement and effectiveness. An organisational psychology study shows that employee commitment and organisational climate are a major step for organisational achievement.

Nowadays organisational sustainability and corporate sustainability have gained significance across various factors. Organisational sustainability refers to the point up to where an organisation endures and thrive while managing the impacts organisation has on the environment and society. Organisational sustainability gives a proper approach to the decision-making process which includes all of the possible sustainable practices into all aspects of operations from supply chain management to employee engagement. The goal for organisational sustainability is to create value for all the stakeholders such as customers, employees, communities, and the planet. Corporate sustainability on the other hand refers to a specific application of organisational sustainability principles within the corporate sector. Corporate sustainability focuses on such strategies that aims to balance profitability with environmental stewardship and social responsibility. Businesses started to recognise their position and started to address global challenges such as social inequality, resource depletion, and climate change. Corporate sustainability has become a critical area of research and practice.

Organisational climate is formed by various factors, such as communication patterns, organisational policies, and leadership styles. Organisational climate acts as a lens by which employees can convey their experience and interactions within the organisation. A positive organisational climate can help the organisation attain higher levels of satisfaction, retention, and employee engagement, while having a negative organisational climate can lead to low morale between employees, diminished productivity, and increased turnover.

Review of Literature

An organisation might have difficulties improving the organisational performance without forming a positive organisational climate. (Berberoglu, 2018) Positive organisational climate is very important as it has an impact on large organisations operating internationally and developing or planning to develop joint-venture and alliances without any boundary conditions in order to achieve high employee performance. To run properly, organisations need to have a diverse workforce which performs in the global market. (Madhukar et al, 2017). A study shows that there are many factors which help in the formation

of climate in the organisation such as autonomy, trust, pressure, cohesion, recognition, support, and fairness. (Arif et al, 2020) Organisational climate has always been linked to the psychological well-being of the employees, culture and the environment within the organisation. (Afshin et al, 2017) evaluated an English teacher's job satisfaction which showed contributions of Iranian school organisational climate. A study by Yee and Mahadevan (2017) resulted in indicating that the various factors of organisational climate influence positively on performance of employees and motivate them to perform better.

Research by Zacher and Yang (2016) indicates the concept of organisational climate for successful ageing and examined it as a buffer for negative relationship between the age of employee and opportunities which are the future goals and possibilities at work. The report suggested that organisational climate is an important resource for successful ageing at work. The result of a study done by Suwastawa and Sudibya (2019) shows that organisational climate has a negative effect on intention to leave the organisation but there is a positive relationship between organisational climate and job satisfaction.

A report by Adeniji, et.al., (2018) shows that the difference between organisational climate and job satisfaction depends on the capability to impact on motivation, support and work satisfaction of academic staff members. A study by Mohammed Borhandden Musah et.al., (2016) was analysed which indicated that organisational climate had five factors index which are rewards, standards, warmth, supporting system, and structure whereas work force performance had only two factors. The study revealed that a strong and effective relationship was found between organisational climate and workforce performance.

A report by Sobia Shujat et.al., (2011) conducted research of the impact of work life balance of employees working in private banking organisations in Karachi. The report indicated that work-life balance had a minor impact on the employees of private banking organisations in Karachi due to some uncertain situations, high inflation conditions, and increased unemployment rate in Pakistan. A study by Okpara et.al., (2008) shows that there is a very high positive correlation between job satisfaction and organisational climate. The report analysed that job satisfaction and commitment can be enhanced by a good organisational ethical climate.

A study conducted by Disch & Faan (2010) defines commitment as an important and essential within an organisation for human relations. Commitment within an organisation solidifies all management goals such as quality management, employee empowerment, and motivation of employees for better work performance. A further report by Farooq, Irfan & Farooq (2011) shows that commitment plays a crucial and vital role in every effective organisation as committed employees are stable, productive, and more likely to achieve organisational goals.

A study by Wilson and Rosenfeld (1990) concluded that organisational behaviour can be highly affected by positive and negative attitudes towards work. A further study done by Baron (1996), Maghradi (1999), and Fajana (2001) showed the importance of job satisfaction in an organisation in terms of efficiency, productivity, employee relations, absenteeism, and turnover. A study by Weallens (2000) showed that most employees know about the satisfaction level of the job but they do not acknowledge the existence of satisfaction as it results inferior. According to a study by Kozlowski and Klein (2000) an individual's attitude and perception of the work environment might be influenced by a work group's shared perceptions. A report by Low (1997) viewed organisational climate fall into three major and well-known leadership styles: democratic, autocratic and laissez-faire.

A report by Mohammadi et.al., (2018) concluded that corporate sustainability is a result of complementary and connected relationships between the organisational capacities that affect its strategic dimension and the socio-environmental practices that contribute to its operational dimensions. A further study done by Cho et.al., (2018) concluded the objective of corporate sustainability is that a company can positively and simultaneously impact economic growth, social equality and human development, benefiting in terms of risk management and competitive advantage. A study done by Ashrafi et.al., (2018) concluded that there were changes made in the governance short term changes related to economic and environmental aspects and long-term changes related to social performance of the company for continuous improvement. Apart from internal issues corporate sustainability is seen as a step to comply with government regulations to improve companies' image and pursue economic benefit.

A study done by Slaper (2011), Alhaddi (2015) defined sustainability development as triple bottom line's levelling actions to gain economic, environmental, and social goals and create added value. A previous study done by Adams (2016) concluded that sustainability performance is dependent on strategic orientation, innovation, exploiting and detecting entrepreneurial opportunities, and including cognitive and technological capital for products, operative procedures, and launching novel ventures. A further study by Hakovirta, Denuwara (2020) concluded that organisational sustainability keeps on developing according to strategic and systematic management of new resources and knowledge to develop innovative practices for value creation. A study done by Jabareen (2008) concluded that sustainability stems from social, environmental, and economic which are the three synergistic strategy key pillars for organisational sustainability.

A report done by Avery, Bergsteiner (2011) concludes that sustainable leadership is a by-product of sustainable development and leadership. Sustainable leadership focuses on meeting the needs of all stakeholders such as employees, consumers, and the community while also improving the core of the business of the organisation. Sustainable leadership goes beyond the green transformational leadership and responsible leadership, and focuses on the balanced development of economy, society, and environment. At the same time sustainable leadership helps enterprises achieve profitable growth and sustainability, and became one of the hotspots of current leadership research.

Objective and Methodology

The primary objective of this study is to assess the influence of organizational climate on employee performance and job satisfaction and provide recommendations for organizations to improve their work environment while maintaining long-term sustainability. This study aims to explore the connection between organizational climate and sustainability using the available literature. The study relied on secondary sources of data. The data was collected from company manuals, articles, journals and websites. The major focus of the study was on organizational climate factors and their correlation

with sustainability measures. The data collection process involved literature review by analysing existing research studies, reports, and academic papers on organizational climate and sustainability. The study also reviewed successful case studies of organizations that have effectively implemented sustainable workplace policies and practices.

Discussion

In the contemporary business landscape, organizations face increasing pressure to enhance productivity, retain top talent, and adapt quickly to dynamic market conditions. These pressures have turned the focus toward internal organizational factors that drive performance and influence employee well-being. One of the most important among these internal factors is the organizational climate, which refers to the collective perceptions and emotional responses of employees toward their workplace environment. It includes dimensions such as leadership style, communication flow, team dynamics, recognition and reward systems, innovation encouragement, work-life balance, and the degree of support from management.

Numerous elements of organizational climate affect employee performance, which is typically measured in terms of efficiency, goal achievement, innovation, and the ability to collaborate effectively. High-performing employees not only contribute to organizational growth but also serve as role models and motivators for their peers. Their success is often influenced not just by their skills or competencies, but also by the degree of support, clarity, and recognition they receive from the organizational environment.

The study observes the impact of organizational climate on job satisfaction, which is a key determinant of employee morale and retention. Job satisfaction encompasses an employee's emotional response to their job, including how they feel about their tasks, relationships with coworkers, compensation, growth opportunities, and the organization's values. A climate that promotes trust, fairness, open communication, and personal development contributes significantly to job satisfaction. Satisfied employees are more likely to stay committed to the organization, display positive work behaviours, and advocate for the company's goals and values. A healthy organizational climate not only boosts current performance but also builds the foundations for future growth and resilience. It enables organizations to attract and retain talent, respond effectively to change, and maintain a strong reputation in the eyes of both employees and external stakeholders. The study finds a connecting link between internal improvements with the broader goal of long-term organizational sustainability. It recognizes that the future of work depends not just on technology or strategy, but on cultivating environments where people feel valued, supported, and inspired to perform at their best.

Additionally, fostering a positive organizational climate encourages innovation and adaptability, both of which are crucial for long-term business success. In an era marked by rapid technological advancements and shifting consumer expectations, organizations must create an environment where employees feel empowered to experiment, share ideas, and challenge conventional practices without fear of retribution. A climate that supports creativity and problem-solving enables companies to remain agile, continuously improve their processes, and stay ahead of industry trends. Moreover, organizations that prioritize employee well-being and engagement tend to have lower turnover rates, which not only reduces recruitment and training costs but also ensures that institutional knowledge and expertise are retained within the company.

Beyond its impact on individual employees, a strong organizational climate plays a pivotal role in shaping corporate culture and aligning business strategies with sustainability goals. As organizations seek to balance profitability with social and environmental responsibility, fostering a workplace that values ethics, inclusivity, and corporate social responsibility becomes imperative. A positive climate enhances collaboration and fosters a sense of shared purpose, encouraging employees to contribute toward broader organizational objectives that extend beyond financial success. Ultimately, businesses that invest in building a supportive and transparent work environment are better positioned to navigate challenges, drive sustainable growth, and establish themselves as industry leaders committed to long-term value creation.

Conclusion

A positive organizational climate is a critical driver of both employee well-being and long-term business sustainability. By fostering trust, open communication, recognition, and innovation, organizations create an environment where employees feel valued, motivated, and engaged. This, in turn, enhances productivity, retention, and adaptability, all of which contribute to sustained organizational success. Moreover, a strong climate aligns internal culture with broader sustainability goals, promoting ethical responsibility, collaboration, and resilience in an ever-evolving business landscape. Ultimately, organizations that invest in a supportive and inclusive work environment are better positioned to navigate challenges, drive innovation, and achieve lasting growth.

Limitations of the Study

The study relies on data from academic articles, research papers, and case studies, without any other sources such as surveys or interviews. This limits the direct applicability of the findings to real-world organizational contexts. The study lacks firsthand input from individuals within organizations, such as employees or managers, limiting the depth of insight into their actual experiences and practices related to organizational climate and sustainability.

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