

# A Study of Organizational Climate and Job Satisfaction in Terms of Organizational Commitment

Dr. Imran Khan

Associate Professor, Department of Psychology, D.A.V., Post Graduate College, Siwan -841226 (India)

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### \*Corresponding Author

Email: imran068[at]gmail.com

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## ABSTRACT

The prime thrust of the present study is to examine the impact of organizational climate and job satisfaction on organizational commitment of the teachers of different colleges. 200 teachers were randomly selected from different educational institutions of Jai Prakash University, Chapra, Bihar. The findings of the study revealed that highly job satisfied employees with perceived conducive climate were found to be more committed to their institution than less satisfied employees with perceived in-conducive climate. As far as interactional effect institutional climate and job satisfaction on organizational commitment is concerned, it is found not significant.

## 1. Introduction

Organizations in the 21st century are facing more challenges than ever before. These challenges are not unique to any specific organization or industry, but affect almost all organizations, regardless of their structure or size. Organizations have been set up with the intention to achieve the needs of the people. In today's competitive world, the organization has to be growth-oriented (Khan, 2011). Organization has been ubiquitously defined as a place where two or more people work together in a structured way to achieve a specific goal or set of goals. To survive and outdo their competitors, organizations are constantly seeking to improve their performance. Authors such as Brown and Leigh (1995) think that organizational climate is becoming more important than ever before because organizations need to ensure that those individuals who add value to the bottom line will want to stay in the organization and will want to continue pouring their effort into their work to the benefit of the organization.

Researchers have been interested in understanding how employee's perceptions of the work environment influence their level of job satisfaction since Mayo's (1933) studies at Western Electric. These studies found that environmental factors influence workers productivity and morale. Organizational climate that allows a high degree of autonomy and nurtures relationships among peers, supervisors and subordinates results in more satisfied workers. Organizations that are able to create environments that employees perceive as benign and in which they are able to achieve their full potential are seen as a key source of competitive advantage (Brown & Leigh, 1995). Organizational climate can therefore be regarded as a key variable in successful organizations.

### Organizational Climate

The survival and growth of any organization is directly depends upon the favorable climate in an organization. Employees in the organization have to be fully familiar with the norms, rules and regulations of the organization. This can only bring sense of belongings among employees and further help

in the growth of the organization. Organizational climate is of great significance for utilization of human relations and resources at all levels. Organizational climate has a major influence on motivation, productivity and job satisfaction. It is also a major motivating factor responsible for satisfaction and dissatisfaction of employees and affects the quantum of their turnover.

Organizational climate has a major influence on human performance through its impact on individual commitment and job satisfaction. Climate does all this by creating expectations about what consequences will follow from different actions. Employees expect certain rewards and satisfaction on the basis of their perception of the organization's climate. Individuals in the organization have certain expectations, and fulfillment of these depends upon their perception whether organizational climate suits according to their needs or not.

There has been increasing attention on the relationship between management and employees both in the business and in academic world since 1930s. Attitudes of the employees towards their organization, as a result of their work environment, are important issues in organizational behavior literature. Employee's behavior in organizations is a result of their personal characteristics as well as the environment, where they spent almost half of their life and around which their rest of life revolves even after retirement. In this regard, organizational climate is an important aspect in order to understand employee's work-related behavior. However, the concept of organizational commitments received momentum in the decade of late 1960s and early 1970s.

Simply speaking, organizational climate is the aggregate of psychological climates, which are the perceptions of individuals about their work environments. However, defining the climate in an organization precisely is not easy because it is based on the perceptions of employees. Nevertheless, it is certain that the climate has a strong influence on employee attitudes regarding their sense of belonging, personal relationships and work performance.

Payne et al. defined organizational climate as the way in which employees perceive their organization and its purposes. Churchill et al. conceptualized organizational climate as the aggregates of the social variables, which constitute a worker's job environment. According to Mullins, if organizational culture is defined simply as 'how things are done around here', then organizational climate can be defined as 'how it feels to work around here'. Griffin and Moorhead explained organizational climate as individual perceptions; recurring patterns of behavior, attitudes and feelings of employees.

Additionally, concepts such as job satisfaction, need for achievement, affiliation and power, overall organizational effectiveness and performance, and organizational commitment are found to be the consequences of perceived organizational climate. Moreover, organizational commitment of employees, towards their organization, is found to have a significant relationship with and influence on the overall organizational performance. Lastly, individual employee performance is also found to be correlated with organizational commitment.

### **Job Satisfaction**

According to Cranny, Smith and Stone (1992), job satisfaction can be defined as an affective or emotional reaction that an employee has towards a job that is the result of his or her comparison of actual outcomes with expected or deserved outcomes. Job satisfaction has also been defined in terms of attitudes that individuals have towards their jobs. Schneider and Snyder (1975) define job satisfaction as a personal evaluation of the current conditions of the job or the outcomes that arise as a result of having a job. Sempene, Rieger and Roodt (2002) appear to agree with this definition, stating that job satisfaction refers to the individual's perception and evaluation of the job. According to these authors, the individual's perception is influenced by his or her unique circumstances such as needs, values and expectations. Therefore jobs are evaluated by people on the basis of factors that are important to them. Although the definitions of job satisfaction are varied, it is generally considered to be an attitude or feeling that one has about one's job that is either positive or negative.

### **Organizational Climate and Job Satisfaction**

There are numerous studies investigating the relationship between organizational climate and job satisfaction, with many researchers finding evidence to support the relationship between the two constructs (Field & Abelson, 1982; Schneider & Snyder, 1975). In a review of studies investigating organizational climate and job satisfaction, Peek (2003) found that organizational climates that exhibit characteristics such as having a high degree of autonomy, providing opportunities for employees, nurturing relationships among employees, showing interest in and concern for their employees, recognizing employees' accomplishments and holding employees in high regard result in more satisfied workers. Similarly, Brief (1998) found that salary, benefits and advancement opportunities were components of organizational climate that had a direct influence on job satisfaction.

In summary, organizational climate and job satisfaction are distinct but related constructs (Al-Shammari, 1992; Keuter, Byrne, Voell & Larson, 2000). Organizational climate is focused on organizational/institutional attributes as perceived by organizational members, while job satisfaction addresses perceptions and attitudes that people have towards and exhibit about their work.

### **Organizational Commitment**

The concept of commitment was firstly introduced to literature in 1960 by Becker and it was explained as "one mechanism producing consistent human behavior". Later, during 1970s, a variety of studies were carried out on the concept of organizational commitment.

Later in 1991, Meyer and Allen adopted a different point of view and conceptualized the three component model of organizational commitment. Allen and Meyer explained the three components of organizational commitment as "Affective" (AC), "Continuance" (CC) and "Normative" (NC) commitment. In their conceptualizations, employees with higher levels of affective commitment remain in their organizations because they "want to", those with strong continuance commitment levels stay in their organizations because they "need to" and those associated with normative commitment remain because they feel they "ought to" do so. According to the definition of Meyer and Allen, concept of organizational commitment is "a psychological state that characterizes the employee's relationship with the organization and has implications for the decision to continue or discontinue membership in the organization".

Organizational commitment represents the degree to which the employees identify with the organization in which they work, how engaged they are in the organization and whether they are ready to leave it. Similarly, Organizational Commitment is an attitudinal phenomenon and it is the loyalty that the employees show toward the organization to attain the goals and vision of the company and to remain in the organization (Venkatachalam, 1998). Several studies have demonstrated that there is a strong connection between organizational commitment, job satisfaction and fluctuation (Porter et al., 1974), as well as that people who are more committed to an organization are less likely to leave their job. Organizational commitment can be thought of as an extension of job satisfaction, as it deals with the positive attitude that an employee has, not toward her own job, but toward the organization. The emotions, however, are much stronger in the case of organizational commitment and it is characterized by the attachment of the employee to the organization and readiness to make sacrifices for the organization.

### **Organizational Commitment and Job Satisfaction**

The link between job satisfaction and organizational commitment has been researched relatively frequently. The researchers consensus is that the link exists, but there is controversy about the direction of the relationship. Some research supports the hypothesis that job satisfaction indicates the presence of organizational commitment as is the case in the study presented in this paper. Other studies suggest that the organizational commitment is an antecedent to job

satisfaction. Effect of Job Satisfaction on Organizational Commitment was also found to be highly significant at 0.01 level, providing the hypothesis as accepted. A number of prominent psychologists had worked a lot by taking dimensions of Organizational Climate as a predictor of Organizational Commitment. Locke (1979) discussed the role of work values of psychological factors on commitment, whereas reward was taken by Steers(1977); Mowday(1982); Mottaz (1988); Testa(2001) as casual factor of Organizational Commitment. These studies proved that Job Satisfaction significantly influences the employee's commitment for organization.

**2. Objectives**

- To analyze the effect of Organizational Climate on employee's commitment for the Organization
- To analyze the effect of Job Satisfaction on employee's Commitment for the Organization
- To analyze the effect of Organizational Climate and Jo Satisfaction on employee's Commitment for the Organization.

In the light of the above mentioned objectives following hypotheses are framed.

**3. Hypotheses**

- Employees having positive perception of organizational climate would be more committed to their organizations than employees having less positive perception of climate.
- Highly job satisfied employees would be more committed to their organizations than less satisfied employees
- Highly job satisfied employees from positive organizational climate would be more committed to their organizations than less satisfied employees from less positive perception of climate.

**4. Measures and Tools Used**

**Organizational Climate Inventory**

Organizational Climate Inventory was constructed and standardized by Som Nath Chatopadhyay and K.C. Agarwal (1976). It contains 70 items, which were classified under 11 Scales namely: Performance Standard, Communication Flow, Responsibility, Conflict Resolution, Organizational Structure, Motivational Level, Decision Making Process, Support System, Warmth and Identity Problems to assess the perception of organizational climate. Reliability co-efficient of the inventory was 0.89.

**Job Satisfaction Scale**

Job Satisfaction Scale by Dr. Amar Singh and T. R. Sharma, incorporating 30 items of both intrinsic and extrinsic aspects of the job. The test-retest reliability of the scale is 0.978.

**Organizational Commitment Questionnaire**

Modway, Steers and Porter have compiled this 15 items and 7-points Scale, (1979). Reliability of this scale is between 0.63- 0.72.

**Sample**

In the present study, 200 teachers were selected as subjects. To make sample more representative important demographical variables were given due consideration. Sample consists of 100 constituent college teachers and 100 affiliated college teachers selected randomly.

**5. Result and Discussion**

By the perusal of table 1 and 2 it is clear that both the main effects of Organizational Climate and Job Satisfaction are found to be significant at 0.01 levels. Hence, it can be predicted that favourable perception of Organizational Climate and higher levels of Job Satisfaction bring positive variation in commitment for organization.

**TABLE1. Mean and Standard Deviation score of Organizational Commitment**

Groups	Mean	Standard Deviation
Low Scores on A, Low Scores on B	3.28	0.76
Low Scores on A, High Scores on B	3.66	0.61
High Scores on A, Low Scores on B	3.87	0.60
High Scores on A, High Scores on B	4.55	0.38

**TABLE 2. 2x2 ANOVA of Organizational Climates and Job Satisfaction**

Sources of Variance	Sum of Squares	df	Means of Squares	F-ratio	Level of significance
Between Climates(A1A2)	37.4	1	37.6	103.9	< 0.01
Between Job Satisfaction (B1B2)	26.0	1	26.0	72.3	< 0.01
Interaction(AXB)	0.60	1	0.60	1.66	N.S
Within Group	70	194	0.36		
Total	134	199			

A – Organizational Climate, B – Job Satisfaction

F – Ratio 103.80 shows the significant effect of climate on commitment, a number of studies conducted by taking same variables revealed the same results.

Effect of Job Satisfaction on Organizational Commitment was also found to be highly significant at 0.01 level. A number of studies done earlier in this sphere support the findings of this study.

## 6. Conclusion and Implications

Employees having positive perception of Organizational Climate and higher level of Satisfaction were to be more committed to their organizations, than less satisfied employees from less positive climate, but the 'interaction effect' was not found to be significant.

The results of present study could be used for educational institutions in particular and organizations in general in the following ways:

- Fairness in organizational policies effect Organizational Commitment positively.
- Fairness in organizational policies effect Organizational Commitment positively. It suggests the utility of discussing these policies with the employees and simultaneously emphasizing the importance of such transparency.
- Employee's participation in decision – making, proper communication of role expectations and recognition of good work are some concrete, easily applicable modifications that can increase employee's commitment for the organization.

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