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## Impact of organizational climate on motivation and performance of employees' : A review of different experts

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### ABSTRACT

*Organizational climate have an influencing role in enhancing the performance of all employees in any organization. Organizational climate consists of a set of characteristics that describes work culture in the organization. It is a set of attributes of a particular organization that is induced from behaviour and attitude of employees. Individual perception of organizational properties and organizational factors are the major determinant of climate in an organization. Organizational climate has a relatively enduring quality of the internal environment of an organization that influences behaviour of its members and is described in terms of the values of a particular set of characteristics in the organization. The organizational climate refers to those aspects of the environment that its members' consciously perceives. The present study focus on review of literature of various scholars who have contributed a milestone in improvement of organization climate and done betterment in Human resource management.*

**Keywords:** Organizational Climate, Human Resource Management.

### 1. INTRODUCTION

Organizational climate has long-lasting characteristics of an organization, which distinguishes it from other organizations. It embodies members' collective perceptions about their organization with respect to many dimensions such as autonomy, trust, cohesiveness, support, recognition, innovation and fairness. Members' interaction produced these characteristics and served as a basis for interpreting the situation and reflects the existing norms and attitudes of the organizations' culture. All these characteristics of climate work as a source of influence for shaping a behaviour.<sup>1</sup>

There are various ways of studying organizational climate factors. Organizational factors such as structure, leadership, managerial practices and decision processes operate in realities but understanding of these organization factors are based on presumptions of employees of the organization. The perceived organizational environment build motivation that in turn causes emergent behaviour resulting in various consequences for organization such as satisfaction, encouragement, productivity and turnover.

Organizational climate acts as a bridge that links two types of organizational phenomenon. On the one side, the objectives i.e., tangible aspects of the organization e.g., structure, rules, procedure and leadership style, and on the other are morale and behaviour of the employees. The general atmosphere of a workplace reflects and influences the motivation, satisfaction and behaviour of the individual in the organization.<sup>2</sup>

### 2. NEED AND SCOPE OF STUDY

Organizational climate has its own importance in transport undertakings in Himachal Pradesh. Positive organizational climate plays an important role in the smooth functioning of transport undertaking. From time to time, researchers in India as well as abroad have made many efforts to study the organizational climate of different organizations and various factors influencing organizational climate. In the present chapter an attempt has been made to review the available literatures to understand and establish the research gap. It can be classified into textbooks, journals, various articles published in academic and non-academic work in the area of organizational climate. It also established the relationship between the social, economic and the job related factors undertaken in the study. One of the important part of the study is review of literature because it helps in formulating the methodology of the study, finding out cause and effect relationship of the study and exploring the existing research gap. The literature of review refers to

several accumulations of materials on the concerned subject texts of the world. Review does not necessarily mean that the readers want to give their personal opinion on whether one linked these sources or not.

### 3. OBJECTIVE OF STUDY

- To review the literature of different scholars who have immensely contributed in field of organizational climate.
- To analysis the literature of organizational climate that contribute towards motivation and performance of employees.

### 4. RESEARCH METHODOLOGY

The present study is descriptive in nature .secondary data have been used to study the objectives. Literature review have been made from survey books, scholarly articles, and other sources relevant to organizational climate. Deep analysis of study of different scholars, their views and suggestions were interpreted in simple language. On the basis of review analysis have been done to know at which extend organizational climate contribute towards motivation and performance of employees.

### 5. RESULT AND DISCUSSION

**Dash and Mohapatra (2013)**<sup>3</sup>highlight in their research paper titled, “A Correlation of HRD Climate with job Satisfaction of Employees: An Emprical Investigation on MCA, Mahanadi, Sambalpur, Odisha” the human resource development process in Mahanadi company in Odisha. Organizational climate is considered as the best tool which helps the employees to acquire required competencies for improving work life balance that enhance productivity for better organizational performance. This paper is based on a survey conducted on a coal-exploring public company in Odisha called Mahanadi Coal field Limited. The survey is conducted in order to know the perception and the attitudes of the employees regarding the human resource development variables. These variables have direct relations with job satisfaction of employees. The employees are found positive towards human resource practices. Therefore, it is concluded that there is a positive correlation of human resource development process with job satisfaction of the employees.

**Novac and Bratanov (2014)**<sup>4</sup> in their research paper titled “The Impact of the Leadership Style on the Organizational Climate in a Public Entity” focus on the relationship between the leadership style implemented within a public sector entity and the organizational climate. The people’s general perception is that public organizations rarely achieve their objectives. The employees are not doing their job properly and there is no efficiency in using neither resources nor proper motivation are there in employees. The negative image is created mainly because of the internal dissatisfaction towards salary, recognition and leaders behaviour. The study concluded that leaders’ role is extremely important in changing people perception regarding public sector enterprises. The leaders’ best way of action depends on a series of situational factors and the employees’ level of professionalism. Public sectors leaders should also adopt themselves to the requirements of organizational climate and should adopt a more flexible working system through integrated approaches. The leaders have to succeed towards motivation talent capability and reward constancy in order to rebuild their image in the eyes of public.

**Pourkiani (2014)**<sup>5</sup> examines in his paper titled “Explaining the Relationship between Organizational Climate, Organizational Commitment and Organizational Citizenship Behaviour among the employees of Khuzest Gas Company” a relationship between organizational climate variables, organizational commitment and organizational citizenship behaviour. The study included 1,226 employees of the gas company in Khuzestan province. To analyze the data, Lisrel 8.80 and SPSS.16 are used. The results of structural equations and Pearson correlation coefficients indicates that there is significant relationship between organizational climate and organizational commitment. There is also a positive relationship between organizational citizenship behaviour and organizational commitment. The study concluded that the offices where there is a good organizational climate has high level of organizational commitment and works as role model for all police headquarters.

**Venkatesh and Jegajoyti (2017)**<sup>6</sup> in their article titled ”A study on Organizational Climate at JBM Auto System Pvt. Ltd, Chennai” focus on the organizational climate at JBM Auto company in Chennai. The study finds that organizational climate is a set of properties of the work environment that is perceived directly or indirectly by the employees. It is assumed as a major force in influencing employee behavior. Organization has carried out various surveys like Job Satisfaction Survey, employee commitment survey in order to make its employees always active toward the work. The result of these surveys shows that training and orientation programs are needed from time to time. Organizational climate has a direct impact on staff motivation. Positive organizational climate motivates the employees to do their best for the success of the organization.

**Vini and Sreekrishnan (2017)**<sup>7</sup> reveal in their research paper titled “An Evaluation of the Performance of Kerala State Road Transport Corporation: A Case Study” the financial performance of Kerala Road Transport Corporation. The financial position of Corporation is not found satisfactory. There is an increase in operational cost mainly due to non-economical routes and high diesel consumption. Therefore, it is concluded that Corporation requires to find out the new sources of income by adopting economical routes and must minimize its operation cost by avoiding wasteful expenditures.

### 6. CONCLUSION

**Torres (2013)** examines the role of better communication in the health care services. The warm and cordial behaviour of healthcare professionals creates a positive impact on patients and improves their health. The quality of care can be improved by showing sympathy and good conduct by the healthcare employees. **Murphy (2013)** reveals the importance of social media in improving organizational climate and job satisfaction among employees. They share their workplace experiences on Facebook and Instagram. This has also fastened communication and awareness among employees on the work related issues. **Rani (2014)** observes the organizational climate in elementary schools in Rohtak district of Haryana. The study finds that job satisfaction among teachers can build only if cordial working conditions present in the schools. The dignity of work should be provided by the administrators and

principals of the schools. Venkatesh and Jegajothi (2017) highlight the satisfaction level of employees in an automobile company. The training and orientation programs are needed by the employees in order to maintain high level of motivation. From time to time, various employees' surveys are conducted by the company in order to have an idea of employees' perception regarding organization. From the above literature review it is clear that organizational climate plays a vital role in motivation and performance of employees' in an organization. All organization must focus on needs of its employees so that they remain motivated at all time and labour turnover remains low which will enhance the profitability of organization.

## **7. SUGGESTIONS**

Organizations should take a serious note on organizational climate of their organizations as it seriously affect the working of organizations and at last profitability of organization. Motivation and performance of employees is directly linked with monetary and non- monetary incentives provided to them.

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