Organizational Climate a Tool for Achieving Employees Job Satisfaction in Ghanaian Manufacturing Firms

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Abstract

The working environment of employees has significant consequences for both individuals and organizations. It has the potential to affect the attitudes of employees. Considering the importance of human capital in the 21st century, many researchers and human resource practitioners have explained that companies focus on how to achieve the satisfaction of their employees. The primary purpose of this research paper is to investigate employees’ perception of their working environment and how the different dimensions of organizational climate affect their job satisfaction. The study examines the following research questions: What are the perceptions of employees regarding their work settings? What are the sources of employees’ job satisfaction in the manufacturing industry and what organizational atmosphere contribute(s) to employees’ job satisfaction? To address these concerns, two hundred and five (205) employees are chosen from some selected manufacturing firms in Ghana through convenience and purposive sampling techniques. Correlations are run to generate the interrelationship existing among the dimensions of organizational climate and how each is related to employees’ job satisfaction. The results of the study show that certain dimensions of organizational climate such as identity, conflict management and rewards do have relationship with job satisfaction. Thus employees in the manufacturing sector are more satisfied with the organizations whose mission and objectives are in congruence with the employees’ personal beliefs. Managers are encouraged to focus on articulating the mission of the organization but also stimulate dynamic and high sense of employees’ identification. Fairness in conflict handling procedures as well as equity and transparency in compensation systems is equally recommended as strategies to adopt to foster and increase job satisfaction.

Key words: Productivity, Industry, Behavior, Dimensions, Satisfaction

Introduction

The concept of organizational climate is not a contemporary topic of interest to organizational theorists, researchers, and practitioners. One value of the climate concept is that multiple
dimensions of behavior within organizations can be studied and considered under a global concept. Thus, an industrial relations director, a vice president of production, or a financial analyst, among others, can attempt to explain the environment within his or her unit or the total organization by utilizing a concept referred to as climate. In this study, organizational climate is defined as a set of attributes which can be perceived within a particular organization, department or unit (Baer & Frese, 2003).

Consistent with a growing number of models about affect behavior and recognition that perception alone provides no impetus for action, it was predicted that correlation between company climate and productivity would be mediated by an average level of job satisfaction (Vashdi, Vigoda-Gadot & Shlomi, 2012). For instance, in a study of 42 manufacturing companies, it was found that subsequent productivity showed a significant correlation in controlled analyses with eight aspects of organizational climate (e.g. skill development and concern for employee welfare) and also with average job satisfaction (as cited in Vashdi, Vigoda-Gadot & Shlomi, 2012).

Organizational climate is not a new paradigm in organizational behavior literature. On theoretical grounds, climate has been defined as “the feeling that is conveyed in a group by the physical layout and the way in which members of the organization interact with each other, customers, or with other outsiders” (Schein, 1992). Definitions of organizational climate emphasize the fact that it is a perceptual variable that reflects organizational members’ subjective impressions of their environment (Dastmalchian, Blyton, & Adamson, 1989; Glick, 1985; Lawler, Hall, & Oldham, 1974; Schneider & Snyder, 1975).

Meanwhile, after a thorough review of the articles considered, it was found that, much of the work concentrated at the micro and meso levels. There was high level of concentration of the studies in certain geographical areas with few studies conducted at the meta level. A review of literature has found that there have been extensive research works on issues relating to workplace relationships. Issues of relationships are complex ranging from negative relationships such as envy and pain to positive ones such as reciprocal relationships (Tai et al., 2012). In a study by Mossholder, Richardson and Settoon (2011) examining how human resource systems could enhance helping in organizations, they propose linkages among human resource (HR) systems, relational climates, and employee helping behaviour. In order to “survive”, Indian organizations are being forced to undergo massive changes. In this context, it would be important to identify the factors in the organizational environment that have the most positive impact on the performance of the organization. Among various factors, attitudes and feelings of the individuals regarding their jobs and job experiences have been found to be significantly affecting their behaviors (Herzberg, Mausner, Peterson and Capwell, 2007; Iaffaldano and Muchinsky). The climate is a relatively enduring quality of the organization which is experienced by its members; it has an effect on their behaviour, and how the organization functions.

However, initial efforts towards measuring the effect of organizational climate on employee job satisfaction centered more on the positive angles. For instance, Akula & Talluri, 2013; Singh, Chauhan, Agrawal & Kapoor (2011) in their comparative study of the impact of organizational
climate on employees’ job satisfaction measured the organizational climate using seven parameters; trust, morale, conflict, rewards equity, leader credibility, resistance to change and scope gating. But other studies have also confirmed that other influencing factors on satisfaction are the style, culture, involvement and empowerment of employees and autonomy in work (eg, Akula & Talluri, 2013). Besides, much of such studies concentrated on the service and hospitality industries.

However, much of the studies conducted so far, although valuable, highlight less of the negative organizational practices which equally pose dissatisfaction to employees. A meta-analysis of literature in organizational behavior indicates that, much has not been done on negative characteristics of organizational climate (like tensions and servitudes) in modern organizations when measuring employees’ job satisfaction. Meanwhile, Crane (2013) has argued that slavery is not simply a feature of economic history. It is still on-going phenomena in various forms and contexts in modern business, including bonded labor, human trafficking, forced labor and even the traditional forms of slavery (Quirk, 2006).

In this respect, the main contribution of this study can be envisaged as follows: first, the study goes beyond current research on organizational climate by examining the constituents of workplace practices in the food and beverage industry of Ghana. This is relevant as it responds to the paucity of literature on the effect of organizational climate on employees’ satisfaction in West Africa. Besides, the study will provide guidelines to researchers and managers on formulating policies and strategies to effectively use organizational climate variables to foster satisfaction among employees.

The general conclusion is that entire body of research remain ignored by managers and other organizational decision makers even though studies has proven that employees’ source of job satisfaction is no longer all about the monetary aspects rather than the workplace characteristics (Akula & Talluri, 2013). This study therefore aims at investigating how various factors of organizational climate correlates with job satisfaction in the manufacturing sector of Ghana specifically the food and beverage industry.

**Literature Review**

**Organizational Climate**

It is discussed lot of times that congenial climate creates congenial working conditions and that influences job satisfaction of employees in organizations (Judge et al., 2001; Akula & Talluri, 2013; Singh, Chauhan, Agrawal & Kapoor, 2011). The organizational climate of the service industry is different from the manufacturing industry and especially in case of a hospital as the end product in curing of the disease of the patient, the entire organization should work with dedication and care. The employees of a hospital are not different from those of other types of organizations. There are factors that influence their job satisfaction. It was found that
non-monetary aspects of organizational climate are having strong impact on job satisfaction of doctors in government as well as private hospitals in Andhra Pradesh of India.

As a result of this, issues of organizational climate are becoming matters of interest to both behavioural and social scientists as well as human resource practitioners (Patterson, 2005; Stone, 2004; Gershon et al, 2004 and Anderson & West, 1998). Studies conducted in the Western world on organizational climate found that individuals in a particular work group, level, or organization will have fairly similar perceptions of their shared environment (Kuenzi and Schminke, 2009; Hellriegel &Slocum, 1974). At the individual level, organizational climate has been linked with employee job attitudes such as commitment, job satisfaction, absenteeism, organizational citizenship behaviour and turnover intentions (Kuenzi & Schminke, 2009). Climate has been described as a component of organizational culture which is the pattern of shared assumptions, norms, values, and traditions of an organization that distinguish it from other organizations (Schein, 1992). Study shows that the concept of climate can be useful in examining the quality of interpersonal relations, structure, and other organizational factors and both individual and organizational level outcomes if care is taken to conceptualize and measure at the appropriate level.

Components of Organizational Climate

Many studies have formulated indicators of organizational climate most of which are related. The indicators identified so far range from six to eighteen dimensions (Litwin and Stringer, 1968). Among these are employees’ responsibility, organizational structure, warmth, conflict management, identity and rewards.

Job satisfaction

According to Qasim, Cheema & syed (2012), Job satisfaction is the feelings that individuals have about their jobs. It is also seen as “a pleasurable or positive emotional state resulting from the appraisal of one job or job experience” (Locke, 1976 p. 1304). It is a feeling of accomplishment when once job meet his or her desired expectation. Organizational behavior literature has revealed that individuals who express high feelings of job satisfaction are likely to exhibit productive behaviours, job involvement and commit to their organizations. Organizational climate has profound impact on the work behavior of employees in organizations (Metle, 2001; Afolabi, 2005). Many factors affect the satisfaction of employees at their work places and supervisor behavior is one of the. As cited by Holloway (2012), a study conducted by Momeni (2009) concluded that a leader’s behavior has a great influence on employees’ attitudes, behaviors, emotions, morale, and perceptions.

Job satisfaction as an organizational phenomenon is multi-faceted (Xie & Johns, 2000;Fisher & Locke, 1992) and as such influenced by many factors like salary, working environment, autonomy, relationships, and organizational commitment (Lane, Esser, Holte & Anne, 2010; Vidal, Valle & Aragón, 2007; Fisher & Locke, 1992; Xie &Johns, 2000). Herzberg’s two factor
theory recognized these as hygiene factors. This dimension of the theory means factors whose presence or existence create dissatisfaction to employees. However, the lack of it does not bring job satisfaction to employees either. The other factor, motivation factors are rather the organizational practices which influence employees’ job satisfaction (Judge et al, 2001 and Luthans, 2002).

From a theoretical front, a lot of frameworks have been developed with regards to this organizational phenomenon.

Organizational Climate and Job Satisfaction

The concept of organizational climate has been studied by a number of researchers. According to Al-Shammari (1992), there are a lot of debates regarding the relationship between organizational climate and job satisfaction. In most of the studies conducted, there have been different dimensions used. As a result of these variations in the dimensions, the outcome of the relationship between these two variables, organizational climate and job satisfaction have also received many varying results (Patterson et al. 2005 as cited in Goi, 2013).

Research Methodology

Research designs are useful because they help guide the methods and decisions that researchers must make during their studies and set the logic by which they make interpretations at the end of their studies (Cresswell & Clark, 2007; Kumar, 2011).

In this study, the author employed a descriptive form of research design. Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is giving a description of the state of affairs as it exists at present. It portrays an accurate profile of persons, events or situations. Both the probability and non-probability sampling techniques were employed. This is based on the fact that the characteristics of this study support the recommendations of Saunders, Lewis and Thornhill (2009). The organizations were chosen purposively while convenience sampling technique was used in selecting the sample (employees in the target or accessible population). This is on the basis of the willingness of respondents to provide information and the respondents’ ability to provide the needed information.

Questionnaires form the main instrument for the data collection in this study. Considering the objectives stated earlier, the instrument was structured to capture the purpose of this study (with most of the items adopted from Furnham & Goodstein, 1997 with some modifications). As such each section of the instrument addressed specific objectives and tested with the Cronbach’s alpha for reliability.
Table 1.0: Specific objectives tested with the Cronbach’s alpha for reliability

<table>
<thead>
<tr>
<th>Section</th>
<th>No. Items and sample</th>
<th>Cronbach’s Alpa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic data</td>
<td>(3)</td>
<td>0.943</td>
</tr>
<tr>
<td>Perception of organizational identity</td>
<td>(6)</td>
<td>0.944</td>
</tr>
<tr>
<td>Perception of organizational warmth</td>
<td>(11)</td>
<td>0.876</td>
</tr>
<tr>
<td>Perception of degree of autonomy</td>
<td>(7)</td>
<td>0.872</td>
</tr>
<tr>
<td>Perception of conflict management</td>
<td>(6)</td>
<td>0.942</td>
</tr>
<tr>
<td>Responsibility</td>
<td>(5)</td>
<td>0.940</td>
</tr>
<tr>
<td>Organizational structure</td>
<td>(5)</td>
<td>0.771</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>(8)</td>
<td>0.771</td>
</tr>
</tbody>
</table>

With the exception of the demographic data, all items were measured on a five-point likert scale where 1 indicated strongly agree or highly satisfied and 5 meaning strongly disagree or highly dissatisfied.

Data Presentations

The demographic characteristics of the respondents (Table 2.0) indicated that 46.8% of the respondents were males with the remaining 53.2% being females. The age distribution was also noted to suggest (Table 2.0) that the highest proportions (47.3%) of the respondents are young adults while 27.8% were between the ages of 30 - 40 years (Table 2.0). Almost 16 percent were aged between 41 – 50 years while the remaining 9.3% aged above 50 years as presented in Table 2.0 below.

Table 2.0 Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>96</td>
<td>46.8</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>109</td>
<td>53.2</td>
</tr>
<tr>
<td>Age</td>
<td>Below 30 years</td>
<td>97</td>
<td>47.3</td>
</tr>
<tr>
<td></td>
<td>30 – 40 years</td>
<td>57</td>
<td>27.8</td>
</tr>
<tr>
<td></td>
<td>41 – 50 years</td>
<td>32</td>
<td>15.6</td>
</tr>
<tr>
<td></td>
<td>Above 50 years</td>
<td>19</td>
<td>9.3</td>
</tr>
</tbody>
</table>
Academic Qualification

Considering the academic background of the respondents, it was found that 22.9% were HND certificate holders, 13.2% had professional certificates (figure 1.0), and 3.9% second degree holders (Master’s Degree). Quite a number of the respondents (11.7%) held a first degree as their highest education, with the majority (48.3%) holding senior high certificates (figure 1.0). On the whole, the education level of the respondents was high. Nearly 52% of the respondents had education up to tertiary level (figure 1.0).

Figure 1.0

The first objective of this study was to assess employees’ general perceptions of their organizational climate. The respondents’ perceptions were assessed as to whether there was any form of industrial disease or psychosocial hazard in the workplace. In other words, the study sought to find out the respondents’ perception of the dimensions of organizational climate. With regards to this, data was collected and the findings have been presented in table 3.0.

Table 3.0 Respondents’ Perception of Organizational Climate

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Mean Point</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility</td>
<td>1.7</td>
<td>1.0</td>
</tr>
<tr>
<td>Structure</td>
<td>1.7</td>
<td>1.3</td>
</tr>
<tr>
<td>Identity</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Reward</td>
<td>2.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Warmth</td>
<td>1.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Conflict</td>
<td>1.5</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Overall mean</strong></td>
<td><strong>1.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: these dimensions of organizational climate were measured on a 5-point likert scale where 1= strongly agree, 2=agree, 3=indifferent, = disagree and 5= strongly disagree.

The findings on respondents’ perception of their working environment indicate a positive result as the study found that their organizational structure was a pleasant one (Table 3.0). On the average, most of the respondents agree (1.7) that a organizational structure is one that support employees. This implied that there was much of flexibility in terms of rules and regulations that govern the sampled firms. Procedures for carrying out ones tasks were clear and generally, the organizational climate in terms of bureaucracy was low.

In terms of employee autonomy, respondents indicated on a scale of 1 to 5, their level of satisfaction was on average of 1.7. This means the employees have enjoyed a sense of responsibility because they have the opportunity to make decisions especially with regards to their task. Employees enjoyed much control over their work with often little supervision or
strict controls from their immediate supervisors. On the average, majority (86%) of the respondents equally feel a high sense of belongingness. Generally, there seems to be a very pleasant atmosphere in the sampled firms. In all, there was a total mean of 1.7 which indicates that employees perceived the entire climate to be welcoming and homely. This is equally evident from the standard deviation scores which show that there are not much significant differences among mean scores.

The final objective of this study was to explore the relationships between the six organizational climate dimensions (adopted from Litwin and Stringer, 1968 as cited in Holloway, 2012) and job satisfaction. Finally, the study considered the relationship between the dimensions of organizational climate and job satisfaction. The outcome of this is presented in a correlational matrix in table 4.0.

**Table 4.0: Correlation Matrix**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibility</td>
<td>.131</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identity</td>
<td>-.951*</td>
<td>.171</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rewards</td>
<td>.051</td>
<td>.414**</td>
<td>.385**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warmth</td>
<td>.057</td>
<td>-.011</td>
<td>-.114</td>
<td>-.229**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conflict Management</td>
<td>-.033</td>
<td>.119</td>
<td>.354**</td>
<td>.570**</td>
<td>-.133</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.073</td>
<td>.068</td>
<td>.361*</td>
<td>.487**</td>
<td>-.009</td>
<td>.436*</td>
<td>1</td>
</tr>
</tbody>
</table>

**correlation is significant at the 0.01 level (2-tailed), *correlation is significant at the 0.05 level (one-tailed)**

From the correlation matrix (Table 4.0), it can be inferred that there is a strong and inverse relationship between organizational structure and identity ($r=-0.951, p<0.05$). There was also a correlation between rewards and employee responsibility ($r=0.414, p<0.01$), and identity ($0.385, p<0.01$). Also, organizational warmth had an inverse relationship with rewards ($r=-0.229, p<0.01$). The study also found conflict management to be strongly correlated with organizational reward systems ($r=0.570, p<0.01$).

With regards to the relationship between these dimensions and job satisfaction of respondents’ it was found that identity, rewards and conflict management seem to correlate with job satisfaction ($r=0.361, p<0.05$, $r=0.487, p<0.01$ and $r=0.436, p<0.01$ respectively).
Discussion

The concept of organizational climate has been found to be one of the most important organizational phenomenon in management and organizational behavior literature today because it helps explain employee motivation, employee behaviour and organizational performance. It provides managers with insights into the “people side” of the business. As a result of this, climate, then, has been considered as one construct that can become an active and useful tool for managing the people side a business (OED Consulting Ltd., 2000).

Behavioral activists such as Vroom argue that apart from the other job and organizational characteristics, employees are motivated to exhibit positive attitudes towards their jobs when there is equity and fairness in the outcome of their inputs. In other words, employees are satisfied and motivated to perform well when they know that they receive rewards which commensurate their effort (Robbins & Judge, 2013). Although weak (r=.487, p<0.01), the findings in this study in terms of the relationship between rewards and job satisfaction concurred a number of such studies (eg. Vroom, 1964 as cited in Robbins &Judge, 2013, Ali & Ahmed, 2009; Kiviniemi et al., 2002 and Chepkwony, 2014) which found that job satisfaction of the employees’ increase by the rewards they receive from their organizations. Thus, when ones’ pay and promotion are dependent on performance, it provides strong motivation for employees to exert more effort in order to be promoted and earn more (Lepak & Snell, 1999).

Rewards could be in the form of monetary or non-monetary incentives. The process involved in ones promotion as well as disparity in pay grades or ranges, opportunity to access other developmental or training sessions, transfers etc., account for employees’ job satisfaction. Whenever there is some level of fairness in the procedure or formula, employees feel respected and happy.

The implication therefore is that, for managers to enjoy more from their employees there is a need to create compensations systems and packages which has bearing on the performance appraisal of their workers. In other words the performance appraisal outcome should not be a matter of just a routine organizational practice but rather used in these key strategic decisions.

According to Gohari, Kamkar, Hosseinipour & Zohoori (2013), employees will do their best on the job when they perceive that their hard work will receive the necessary recognition from their managers. This will positively impact the job performance of their employees and equally affect the organizational performance in the long run (Deeprose, 1994).

Most of the organizations gained the immense progress by fully complying with their business strategy through a well-balanced reward and motivation programs for the employee. In the existing vibrant environment the extremely motivated employees provide their services as a synergy for achievement of organizational goals, business strategies, high proficiency, growth and performance (Jahanzeb, Rasheed, Rasheed & Aamir, 2012).

The study again found employees’ identity to correlate with job satisfaction. Identity is a feeling of belongingness. It is the degree to which employees feel comfortable and some level of joy knowing that their presence at the workplace is considered important. According to Dutra et al.
(2012), it is the level of employee integration to the company and its strategy, that is, how much employees believe the company corresponds to their personal values and to the manner in which they think and act. The implication of this finding therefore is that employees are more satisfied with manufacturing companies whose goals and values fine-tune with those of their employees.

Apart from the above, it was also found in this study that firms’ ability to manage conflict situations are equally important contributory factor to job satisfaction. A good conflict management practice is where grievances are handled on time and managers play a mediating role as well as provision of necessary materials and adequate facilities at the workplace.

However, unlike other studies (e.g. Bhuian, Al-Shammari & Jefri, 1996; Nguyen, Tailor & Bradley, 2003) this study did not find any correlation between responsibility or autonomy and job satisfaction. Even though early studies have indicated that among other factors believed to influence job satisfaction is job autonomy such that, employees with more autonomy are expected to exhibit behaviours associated with greater job satisfaction because they have more freedom to determine their own effort and work schedule this current study found otherwise. For instance, in investigating the impact of perceived autonomy on employees’ job satisfaction, Nguyen, Tailor and Bradley (2003) identified that “even when a wide range of other job-related and personal factors are taken into account, the degree of autonomy that workers have in their job has a substantial impact on their overall job satisfaction, and there are differences between males and females”. This then means that, the relationship between work autonomy and or its influence on employees’ job satisfaction could be subjective.

It must be noted, however, that in this study, other dimensions such as warmth and organizational structure were not observed to indicate any relationship with job satisfaction.

**Conclusion and Managerial Implications**

The main organizational climate dimensions that contribute to job satisfaction as noted in this study, are Identity, Rewards and Conflict Management. Analysis of the data leads to the conclusion that, organizational climate contributes towards job satisfaction and therefore, managers of the manufacturing sector in Ghana need to find ways and means of improving their organizational factors in terms of support, recognizing and fixing employees on tasks that fit their personal goals and values, to enhance their job satisfaction level. It is equally a matter of necessity for managers to ensure fairness in their compensations systems. Matching employees’ compensation with their performance is of utmost importance for manufacturing firms.

**References**


Dutra et al. (2012). The Use of Categories as Indicators of Organizational Climate in Brazilian Companies.


