Relationship, Motivation and Organizational Climate: A Case of Sustainability

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Abstract
The aim of this study is to check the relationship between Organizational climate and employee’s motivation in Sialkot manufacturing industry. Organizational climate refers to a set of measureable properties of the work environment that are supposed by the people who live and work in it, and influence their behavior and motivation (Abbas et al., 2010). Motivation is the processes that account for an individual’s intensity, direction and persistence of effort toward attaining a goal (Robbins, 2009). Organizational climate is directly related with motivation level and performance of the employees in any organization (Rice, 1982). This study is derived from literature that provides the basis for the study. The study reports that for the data analyses, 130 respondents were used from the manufacturing industry consists of 22 industries of Sialkot and the data was collected by using the questionnaire as a research tool by convenience sampling. The correlation analysis was used to test the hypotheses and after analysis of data, it is concluded that organizational climate has significant relationship with employee’s motivation. It is also concluded that the organizational climate dimensions; Innovation, Rewards, Empowerment, Training & Development and communication have positive relationship with employee’s motivation and the conflict has negative relationship with employee’s motivation.

Keywords: Organizational Climate, Employee’s Motivation, Innovation, Rewards, Empowerment, Training & Development, Communication, Conflict.
Introduction
Organizations in the 21st century are facing more challenges than ever before and these challenges are not exceptional to any specific organization, industry or firms, but affect all organizations regardless of their size (Castro & Martins, 2010). Organizational climate in particular is constantly challenged by changes impacting organizations today (Nair, 2006). The concept of organizational climate was developed in the late 1930s by the social scientists (Lewin et al., 1939), they used social climate term to describe subjective feelings or atmosphere they encountered in their studies of organization. With the human relations movement pioneered by Hawthorne, the researchers revolved their attentions from the “hard” physical environment to the “soft” psychological environment; thus the concept of organizational climate was born. Since 1980s the concept of climate has seemed to have lost its appeal to organizational researchers (Isaksen et al., 1995). Organizational climate has long history in organizational behavior and organizational psychology, and is an important topic in organizational development (Ghanbari & Eskandari, 2012). Organizational climate refers to a set of measurable properties of the work environment that are supposed by the people who live and work in it, and influence their behavior and motivation (Abbas et al, 2010). Organizational Climate is people’s perception and attitudes about the organization which influence the people’s behavior and motivation level (Twin & Litwin, 1968), (Wendar et al., 2006). Brown and Leigh (1996) think that Organizational climate is becoming more important than ever before because today organizations ensure that the people who are the value added for the organizations will want to stay in organization. According to, Watkin and Hubbard (2003) the organizational climate directly account for up to 30% of the variance in key business performance measures.

Motivation is a state of mind, desire, energy or interest that translates into action or the inner drive that directs a person’s behavior towards goals” (Robbins, 2009). The lack of motivation in employees affects the presence in the workplace and the quantity and quality of the work (Akbari et al., 2014). Organizational climate is directly related with motivation level and performance of the employees in any organization (Rice, 1982). Metle (2001) and Afolabi (2005) think that, if jobs or work climate are developed to provide a more desirable work environment, an increase in job motivation will result. Studies indicate that the organizational climate has an effect on employee’s motivation. For this study we selected Sialkot manufacturing industries because industries in Sialkot also face numerous problems regarding motivation of employees which are the real asset for organizations located in any region of the world. This study has the positive significance on the exploration of the knowledge about organizational climate and how this can helps to motivating the employees. This study will be helpful for employers in creating and implementing organization climate which leads to higher motivation among employees of Sialkot manufacturing Industry. Therefore this study aimed to check the relationship between Organizational climate and employee’s motivation of Sialkot manufacturing industries. The main objective of this study is to check the relationship between
Organizational climate and employee’s motivation. The second main objective is to check the relationship between organizational climate’s dimensions and employee’s motivation.

**Organizational Climate**
Organizational climate is people’s perception and attitude about the organization, whether it is a good or bad place to work, friendly or unfriendly, whereas the organization culture is the deeply held assumptions, values, and beliefs that are enduring, often unconscious, and difficult to change (Wendell et al., 2004). Schein (1992) defined that culture is a pattern of shared basic norms that the group learned as it solved its problems and that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to recognize, think, and feel in relation to those problems. Soltani et al. (2012) explored that there is a significant relationship between organizational climate and employee’s motivational needs. Another study proposed that organizational climate had a positive effect on organization performance (Kangis et al., 2000). Organizational climate also had significant main effects on organization effectiveness like staff colleagues’ organization commitment and collective identity (Yuxin Liu, 2010).

**Innovation**
Innovation can be defined as the outcome of a set of actions that practice knowledge to create new values to those benefiting from its use (de Sousa, 2006). Creativity is the important component that enhances the organization’s ability to hold their competitive advantage as well as to stay ahead of their competitors. Organizations should encourage ideas and insights of their employees. However, much innovation potential remains unexploited because organizations assign the responsibility of getting new and implementable ideas only to the R&D functions (Axtell et al., 2000). An organization’s success and survival depends upon its ability to create new knowledge and then innovation. Employees play an important role in explaining creativity in the organization today creative outcomes can be described as being the results of social interaction and associations (Perry-Smith & Shalley, 2003). Baldwin and Johnson (1996) explored that more innovative firms place “greater emphasis on management, human resources, marketing, financing, government programs and services, and production efficiencies”, and are more successful than less innovative firms.

**Empowerment**
Empowerment can be defined as "a multi-dimensional social process that helps people gain control over their own lives" (Page & Czuba, 1999). Empowerment can also defined as the process of allowing and permitting individuals to think, behaves, take action and decision and control work independently. It is the feeling of self-control of one’s own destiny (Heathfield, 2012). Zeithaml et al. (1988) has shown that empowerment increases job satisfaction and reduces role stress. Empowerment has significant positive impact on employee retention in an organization (Jabbar & Haseeb, 2014).
Training and Development

Employee training and development is a strategic investment by an organization in training its members (Foreman & Money, 1995). If employees are required to perform their tasks well, they should be provided with the necessary skills and knowledge that is required by them. Employee development programs made positive contributions to organizational performance. Employee training and development does not specify only obtaining new knowledge, abilities and skills, introduce employees to changes, encourage the changes of their attitude, introduce the employees to important business decisions and involve them actively in the process of decision making (Darker et al., 2001). Berry and Parasuraman (1992), claim that training enhances developing, motivating, and retaining superior employees.

Communication

Internal communication can be defined as spreading of information which assists employees to create greater sense of ownership, accountability and responsibility (Ahmed et al., 2003). When employees are well-informed about the expectations and goals of their organization as well as the condition and health of the organizations, they will perform their duties in the favor of the organization. Regular communication among employees improves feelings of ownership and belonging on the part of employees. Supervisors should quickly communicate changes in organizational policies and procedures. It will not only helpful in smoother operations but also contributes in employee’s motivation (Sudhir & H. Kale 2006). Communication contributes positively in employee retention in an organization (Jabbar & Shahryar, 2014).

Conflict

A serious disagreement among employees is known as conflict. Conflict is an awareness of the parties involved of differences, unsuited wishes, or contradictory desires (Boulding, 1963). Past research has observed that conflict emerges when team members have developed opposing values and goals (Cosier & Rose, 1977). Recent studies have further found that conflict may still dominate the team decision making process even when team members share the same goals because people with different knowledge bases and experiences may approach the team’s tasks from different and even contrasting perspectives (Amason, 1996). On the other hand, recent studies have claimed conflict to be a beneficial phenomenon for team and firm performance as it may improve understanding of information, uncover weak assumptions, and enhance decision quality (Amason, 1996). Therefore, conflict is a double-edged sword, with both beneficial and harmful effects (Amason & Schweiger, 1994). Conflict had negative impact on organization commitment and climate. Low rate conflict would result in low job stress and high motivation. (Iqbal, 2009)

Rewards

The feeling of being rewarded for a job well done emphasizes positive rewards rather than punishments. It can also be described as perceived fairness of pay and promotion policies.
Malhotra et al. (2007) define rewards as ‘all forms of financial return, tangible services and benefits an employee receives as part of an employment relationship. Researches into rewards as motivation tend support two schools of thoughts with regards to extrinsic and intrinsic rewards. One school of thought argues that extrinsic rewards are more powerful and effective in attaining employee motivation, performance and commitment (Angle & Perry, 1983) while the other school of thought argues that intrinsic rewards are best suited for motivating employees (Brief & Aldag, 1983). There is a positive significant relationship between recognition or reward and employee retention (Dr. R. Akila, 2012).

**Employee’s Motivation**
Motivation can be defined as a driving force which leads people to want to act, perform, or do something without pressure or undue manipulation. Bessel et al. (2002) affirmed that managers should use motivation in the workplace to motivate people to work, at individual and group level, to produce the best results for business in the most efficient and effective manner. Motivation is the most internalized form of extrinsic motivation. Here the person values and accepts the reasons for the behavior, though he/she may still not consider it to be inherently fun or interesting (Gagne et al., 2005). Authors have long recognized a distinction between extrinsic and intrinsic motivation. Intrinsic motivation is present when individuals do something for pleasure or enjoyment, whereas extrinsic motivation occurs when individuals do something because of external forces (Deci et al., 2000). Organization climate has significant positive relation with employee motivation (Ghanbari & Eskandari, 2012).

**Figure: - Hypothetical Model of Relationship between Organizational Climate and Employee’s Motivation**
After reviewing the literature related to our topic, the six dimensions of organizational climate have taken which affect the dependent variable “Employee’s Motivation”. The hypothetical model of this relationship is displayed below:
According to our hypothetical model, Organizational climate is taken into account on the basis of six dimensions shown in the above diagram.

Development of Hypotheses
Ha: There is significant relationship between Organizational Climate and Employee’s Motivation.
Hb1: There is positive relationship between Innovation and Employee’s Motivation.
Hb2: There is positive relationship between Reward and Employee’s Motivation.
Hb3: There is positive relationship between Empowerment and Employee’s Motivation.
Hb4: There is positive relationship between Training & Development and Employee’s Motivation.
Hb5: There is positive relationship between Communication and Employee’s Motivation.
Hb6: There is negative relationship between Conflict and Employee’s Motivation.

Research Methodology
Data collection for the analysis of this study was derived by using the questionnaire which was consisted on 32 items in which first 27 items is related to the dimensions of Organizational climate and the other 5 dealt with employee’s motivation. The target population of this study was manufacturing and exporting industry of Sialkot, and the sampled population from which the required sample was selected consists of 22 manufacturing industries (sports goods, leather products manufacturer, surgical manufacturers etc.) of Sialkot, which have larger production facilities and their production is totally inside the organization. Male and female employees both were considered respondent for data collection. The sample size 130 was selected which included managers and non-managers. Convenience sampling was used for the collection of data because the sampling frame is not available; the sampling units were the employees of the sampled population.

Research Methodologies includes following statistical tests:
- The responses were analyzed statistically by using SPSS.
- The Reliability analysis was used to check the reliability of collected data.
- Correlation analysis was used to examine the objectives.

Results and discussions
Descriptive Statistics
The total 130 questionnaires were distributed by hand among employees of 22 firms, the 120 returned, so the response rate was 92%, which is good. The descriptive statistics showed that 120 respondents included 86 male and 34 females’ employees. In simple words there were 71.7% and 28.3% male and female employees respectively participated in the respondents. The results of descriptive statistics showed that 120 respondents included 2, 79
and 39 employees who had intermediate, Bachelor and Master’s degree holders respectively. The results also showed that 120 respondents included 70 belong to managerial and 50 employees belong to non-managerial staff. In simple, 120 respondents had 58.3% managerial and 41.7% non-managerial employees.

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Items</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Climate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>4</td>
<td>0.900</td>
</tr>
<tr>
<td>Rewards</td>
<td>4</td>
<td>0.866</td>
</tr>
<tr>
<td>Empowerment</td>
<td>5</td>
<td>0.859</td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>3</td>
<td>0.869</td>
</tr>
<tr>
<td>Communication Conflict</td>
<td>5</td>
<td>0.908</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>0.867</td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>5</td>
<td>0.959</td>
</tr>
</tbody>
</table>

The reliability analysis was conducted to check the reliability of the collected data through questionnaire, for this, the Cronbach's Alpha coefficient was computed through SPSS, the output is given below:

**Table No.1: the reliability of Organizational Climate and Motivation**
The above table showed that the Cronbach’s Alpha coefficient for six dimensions of Organizational climate vary from 0.867-0.908, which is considered good. And the Cronbach’s Alpha coefficient for Motivation is 0.959, which is good and providing support for the reliability of the questionnaire.

**The Hypothesis No.1**
Ha: There is significant relationship between Organizational Climate and Employee’s Motivation.
To test the above hypothesis the correlation coefficient was computed, the results is given below:

**Table No. 2: Correlation of Organizational Climate with Motivation**

<table>
<thead>
<tr>
<th></th>
<th>Organizational Climate</th>
<th>Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Climate</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>120</td>
</tr>
<tr>
<td>Motivation</td>
<td>Pearson Correlation</td>
<td>.857*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>120</td>
</tr>
</tbody>
</table>
According to above table, the correlation coefficient between organizational climate and Employee’s Motivation is 0.857, which is close to one, and consider that there is good relationship exist between Organizational Climate and Employees Motivation.

For testing the above hypothesis, the p-value is used which is \( p-value = 0.000 \) and less than 0.05/2 as; \( p-value = 0.000 < 0.025 \), so the above hypothesis accepted and it is concluded that there is significant relationship exist between Organizational Climate and Employee’s as; Ghanbari and Asghar (2012), concluded that, Organization climate has significant positive relation with employee motivation. According to Liu (2010), Organizational climate also had significant main effects on organization effectiveness like staff colleagues’ organization commitment and collective identity.

The second main objective of this project is to check the relationship between organizational climate’s dimensions and employee’s motivation, so there were six dimensions of organizational climate taken in this project which included; Innovation, Reward, Empowerment, Training and Development, Communication and conflicts. To achieve second objective, there were six hypotheses developed:

**Hb1:** There is positive relationship between Innovation and Employee’s Motivation.

**Hb2:** There is positive relationship between Reward and Employee’s Motivation.

**Hb3:** There is positive relationship between Empowerment and Employee’s Motivation.

**Hb4:** There is positive relationship between Training & Development and Employee’s Motivation.

**Hb5:** There is positive relationship between Communication and Employee’s Motivation.

**Hb6:** There is negative relationship between Conflict and Employee’s Motivation.

To test the above hypotheses the correlation coefficients were computed, the results is given below in table No.3.

### Table No. 2: Correlation of Organizational Climate with Motivation

<table>
<thead>
<tr>
<th>Organizational Climate</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>.857*</td>
<td>120</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed).*

### Table No. 3: Correlation of Organizational Climate Dimensions with Motivation

<table>
<thead>
<tr>
<th>Innovation</th>
<th>n</th>
<th>Sig. (1-tailed)</th>
<th>Pearson Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>120</td>
<td>.000</td>
<td>.866*</td>
<td></td>
</tr>
</tbody>
</table>
Reward

<table>
<thead>
<tr>
<th></th>
<th>120</th>
<th>.000</th>
<th>.885*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>120</td>
<td>.000</td>
<td>.901*</td>
</tr>
<tr>
<td>Training&amp;Development</td>
<td>120</td>
<td>.000</td>
<td>.873*</td>
</tr>
<tr>
<td>Communication</td>
<td>120</td>
<td>.000</td>
<td>.941*</td>
</tr>
<tr>
<td>Conflict</td>
<td>120</td>
<td>.000</td>
<td>-.624*</td>
</tr>
</tbody>
</table>

*. Correlation is significant at the 0.05 level (1-tailed).

The above table showed the results of correlations between Motivation and six dimensions of organizational climate. Table give the Pearson’s correlation coefficients with their one-tail p-values, all these p-values are further used for testing the hypotheses.

The Hypothesis Hb1 which is given above:

**Hb1: There is positive relationship between Innovation and Employee’s Motivation.**

To test the above hypothesis the one-tail p-value is used, which is given in above table as: p-value=0.000.

And, p-value=0.000< α = 0.05. So the above alternative hypothesis is accepted and it concluded that there is positive relationships exist between Innovation and Employee’s Motivation, it can say that high level of Innovation resulted in high level of Motivation and vice versa, as Axtell et al.(2000) explained that innovation has positively correlated with the employee’s motivation and performance.

**Hb2: There is positive relationship between Reward and Employee’s Motivation.**

To test the above hypothesis the one-tail p-value is used, which is given in above table as: p-value=0.000

And, p-value=0.000< α = 0.05. So the above hypothesis is accepted and it is concluded that there is positive relationships exist between Reward and Employee’s Motivation. as, Brief and Aldag (1983), argued that intrinsic rewards are best suited for motivating employees. And according to, Dr. R. Akila (2012), there is a positive significant relationship between recognition or reward, employee’s motivation and retention.

**Hb3: There is positive relationship between Empowerment and Employee’s Motivation.**

To test the above hypothesis the one-tail p-value is used, which is given in above table as: p-value=0.000, And, p-value=0.000< α = 0.05. So the above alternative hypothesis is accepted and it is concluded that there is positive relationships exist between Empowerment and Employee’s Motivation as, Zahoor et al. (2014) has shown that empowerment increases job satisfaction and reduces role stress.

**Hb4: There is positive relationship between Training-development and Employee’s Motivation.**

To test the above hypothesis the one-tail p-value is used, p-value=0.000< α = 0.05.
So the above hypothesis is accepted and it can say that there is positive relationships exist between training and development and Employee’s Motivation as, Berry and Parasuraman (1992) claimed that training enhances developing, motivating, and retaining superior employees.

**Hb5: There is positive relationship between Communication and Employee’s Motivation.**
To test the above hypothesis the one-tail p-value is used and \( p-value = 0.000 < \alpha = 0.05 \). So the above alternative hypothesis is accepted and it can say that there is positive relationships exist between communication and Employee’s Motivation as, Sudhir H. Kale (2006) explained that communication will not only helpful in smoother operations but also contributes in employee’s motivation. Communication contributes positively in employee retention in an organization (Jabbar & Shahryar, 2014).

**Hb6: There is negative relationship between Conflict and Employee’s Motivation.**
To test the above hypothesis the one-tail p-value is used, and \( p-value = 0.000 < \alpha = 0.05 \). So the above alternative hypothesis is accepted and it can say that the negative relationship is exist between Conflict and Employee’s Motivation as according to Iqbal (2009), Conflict had negative impact on organization commitment and climate, Low rate conflict would result in low job stress and high motivation.
In the end it is summarized that the organizational climate has significant relationship with employee’s motivation and the five dimensions of organizational climate which included, Innovation, Rewards, Empowerment, Training & Development and communication have positive relationship with employee’s motivation and the sixth dimension of organizational climate, Conflict has negative relationship with employee’s motivation.

**Conclusion**
This study investigated the importance of organizational climate and its relationship with employee’s motivation in Sialkot manufacturing industry. The study predicts the strong influence of organizational climate on employee’s motivation and it is concluded that the significant relationship exists between organizational climate and employee’s motivation. It is also concluded that the organizational climate dimensions; Innovation, Rewards, Empowerment, Training & Development and communication have positive relationship with employee’s motivation and the conflict has negative relationship with employee’s motivation.

**Recommendations**
As this research has focused on the Sialkot manufacturing industries, so the findings of this research can be generalize on whole Sialkot industries. But the generalization of this research on other cities of Pakistan required further research.
It is also recommended that future researchers can also investigate the other dimensions of organizational climate that might have effect on the employee’s motivation in the manufacturing industries of Pakistan and overseas industries.
Limitations

- Due to unavailability of sampling frame, non-probability sampling (convenience sampling technique) has to be used.
- The results of this study generalized only on Sialkot manufacturing industry.
- This study related to employees of manufacturing industry of Sialkot district.

References


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