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An Empirical Study on Organizational Climate, Readiness to Change Relationship and the Mediating Role of Job Satisfaction

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Abstract
Purpose of this study was to examine the relationships between Organization Climate and Readiness to change with the mediating effect of job satisfaction. For that study data collected from 230 faculty and Staff members of Educational Institutions located in Pakistan. The results show organizational Climate and Job Satisfaction have a significant positive relationship, the relationship between Job satisfaction and Readiness to change found positive, also the relationship between Organizational Climate and Readiness to change found positive and Job Satisfaction plays a significant role as mediator between Organization Climate and Readiness to change.

Keywords: Readiness to Change, Organizational Climate, Job Satisfaction

Introduction
Employee’s opinion and attitude towards the workplace creates a climate of the organization (Holtzblatt, Wendell, & Wood, 2004). Organizational Climate can be described as a measurable property of the work environment (Bhutto & Laghari, 2012; Mette, 2001). Since
Climate is a nontangible thing and cannot be measured physically, the climate is a qualitative thing. Job Satisfaction has so many definitions but most appropriate one is (Locke, 1983) “Job satisfaction results from the appraisal of one’s job as attaining or allowing the attainment of one’s important job values. Producing these values is congruent with, or helps to full, one’s basic needs”. Job Satisfaction can be described as a feeling or response to one’s job. Or we can say that “Happy Employees are Productive Employees” (Khan, Ramzan, & Butt, 2013). Earlier studies different aspects of the link between the climate of the organization and Job Satisfaction were examined (Johannesson & performance, 1973). On the basis of his results, he concluded that job satisfaction and organizational climate were unnecessary concepts, while (LaFollette, Jr, & performance, 1975) felt that the prevailing evidence on this topic did not warrant such a conclusion. In early days the attention toward research of Satisfaction purely focused on the work/employment itself or the job climate as the major component enhancing satisfaction. The conclusion of this is, Job satisfaction will increase if there are reasonable and desirable working conditions for the employees are available. Readiness to change means a degree of willingness to execute the change in the organization. The first step is to unfreeze the system and management/change agent should have to realize how to unfreeze the system and enhance readiness to change (Drzensky, Egold, & van Dick, 2012). This study will focus on the link between the climate of the organization and Readiness to change meanwhile the mediating role will be played by Job Satisfaction. This study will enable managers to think about the impact of Job Satisfaction, means how much job satisfaction will strengthen the link between the organization climate and readiness to change. On the other hand, the association between organizational climate and job satisfaction, job satisfaction and readiness to change will also be discussed in this study.

Literature Review
In past Many Scholars done their research on organization climate (e.g (Guion & performance, 1973; Johannesson & performance, 1973; Jones, 1997; Payne y Pugh & organizational psychology, 1976; Shiffrin & Schneider, 1977). Generally, organization climate has several dimensions but, in this article, focus will remain on four dimensions of Organizational Climate these are as follows (i) Leadership (ii) Team (iii) Work pressure (iv) Time Pressure. According to (Forehand & Von Haller, 1964; Meyer, Dalal, & Hermida, 2010; Yaminfirooz, Nooshinfard, & Siamian, 2015) Organization Climate as the set of unique qualities that portray an organization and that differentiate one firm from another, are fairly stable over a period of time, behavior of the employees also determined by the climate from this concept (Guion & performance, 1973; King, Hunter, & Schmidt, 1980) says Organization Climate refers to a special set of attribute(s)/rules defined by the organization which prevails within the organization. (Burke & Litwin, 1992; Litwin & Stringer, 1968; Neal, Griffin, & Hart, 2000) the defined climate of an organization as a set of calculable qualities of job atmosphere, people who work in the organization perceived directly in this environment and assumed to change their motivation and behavior accordingly. (Gunter & Furnham, 1996; Mas-Machuca, Berbegal-Mirabent, & Alegre, 2016; Parker et al., 2003) state that job outcomes can be directly influenced by the climate of the organization and it can be positive or negative Positive work incentives includes those incentives which make work exciting, it includes many things healthy environment, Good HR Policies, Trainings and development career of the employee, job duty timings and compensation. By providing such benefits to the employees will result in job satisfaction of the employee. Organizational climate plays a role of measuring employee’s opinion, perception or feelings about an organization in which he works.
Organization Climate consist of Leadership styles, input taken from employee by the management in decision making, personnel policies, assigning a difficult or easy task to employees, reduction of dullness and irritation, provision of benefits, provision of good working conditions and career development of the employee (Chinthala, 2014). (Holtzblatt et al., 2004) explains that organizational climate is people’s perception and attitude about the organization - whether it is a good or bad place to work, friendly or unfriendly, hardworking or easy-going, and so forth whereas the organization culture is the deep-seated assumptions, values, and beliefs that are enduring, often unconscious, and difficult to change. He also argued that climate is relatively easy to change because it is built on employee’s perceptions. (Jyoti & practice, 2013; Monika & Kaliyamurthy, 2017; Pope & Stremmel, 1992) stated in their article Organizational Climate a phenomenon which suggests information about institutional attributes and job satisfaction as attitudes and perception individuals have and exhibit on the job. Job Satisfaction defined by (Cavanagh, 1992; Locke, 1983) as ‘Job satisfaction results from the appraisal of one’s job as attaining or allowing the attainment of one’s important job values. Producing these values is congruent with, or helps to full, one’s basic needs’ (Cavanagh, 1992). Starting work on job satisfaction and Organization Climate relationship was done by (Guion & performance, 1973; Ragazzoni, Biaardi, Zotti, Anderson, & West, 2002) entitled “The Effects of Organizational Climate on Managerial Job Performance and Job Satisfaction”. (Smith, Kendall, & Hulin, 1969; Smith, Smith, & Rollo, 1974) define job satisfaction as: "Job satisfaction are feelings or affective responses to facets of the situation." The relationship between organization Climate and Job Satisfaction discussed by any researchers like (Mor Barak, Travis, Pyun, & Xie, 2009; Silver, Poulin, & Manning, 1997; Zlotnik, Strand, & Anderson, 2009) Job Satisfaction is one of the determinant of performance of the employee. Job satisfaction is the collection of feeling and beliefs that people have about their current job. People’s levels of degrees of job satisfaction can range from extreme satisfaction to extreme dissatisfaction. In addition to having attitudes about their jobs as a whole. People also can have attitudes about various aspects of their jobs such as the kind of work they do, their coworkers, supervisors or subordinates and their pay (Rafferty, Jimmieson, & Armenakis, 2013; Stevens, 2013). In this study we will see job satisfaction role as a mediator and organization climate role as a independent variable. And the idea is behind this study is that better organization climate results increase in job satisfaction of the employee of the organization. The organization climate has direct relationship between organization climate and job satisfaction. So, we hypothesize that:

H1: Organization Climate has Positive relationship with Job Satisfaction.

We have done lots of discussion on Job satisfaction earlier in this study so here it is important to focus on Readiness to change but it is worth to mention few researchers work on the area of Job Satisfaction, name is (Locke, 1983; Rusly, Sun, & Corner, 2015) defined job satisfaction as “a pleasurable or positive emotional state, resulting from the appraisal of one's job experiences”. And most of the researchers give a similar definition to this term Job ‘satisfaction’. On the other hand, in general, Readiness to change means how much employees are ready to implement or accept change which is going to be implemented by the management for the betterment of the organization. It is also referred to as Unfreezing stage/phase of change suggested by Lewin. Researcher scholars have not done considerable work on this area of change and hence it remained less explored (Kirrane, Lennon, O’Connor, & Fu, 2017; Rafferty et al., 2013). (Eby, Adams, Russell, & Gaby, 2000; Susanto, 2008) “Readiness for change is conceptualized in terms of an individual’s perception of a specific
facet of his or her work environment—the extent to which the organization is perceived to be ready to take on large-scale change. So, we hypothesize that:

H2: Job Satisfaction has a positive relationship with Readiness to change.

Readiness for organizational change reflects an individual’s unique interpretive reality of the organization”. In their paper (Choi & Ruona, 2011; Holt, Armenakis, Feild, & Harris, 2007) first step that is taken toward change activities are started and carried out by employees within organizations. In their research paper (Armenakis, Harris, & Mossholder, 1993; Mossholder, Settoon, Armenakis, Harris, & Management, 2000) defined Readiness to change “beliefs, attitudes, and intentions regarding the extent to which changes are needed and the organization’s capacity to successfully undertake those changes”. My study will focus on Job Satisfaction as mediator and Readiness to change as a Dependent variable. The motivation behind this study is that more satisfied workers are a readiness to change will reduce, so Job satisfaction and Readiness to change have an inverse relationship which means if employees are satisfied they will resist in implementation of change and vice versa.

Definitions of organizational climate and readiness to change discussed earlier in the above-mentioned literature. So the point that matters is rigid/strict climate results in increase sense of readiness to change in employees whereas relaxing/flexible Climate of the organization will lead to a reduction in readiness to change in employees, i.e Extensive Formal Climate of the organization most of the times create bad feelings in the employees of the organization like Faculty and Staff members. Too much pressure of the Authority of Leader in the working environment will also create unhappiness between employees.

In the past studies, Job satisfaction was used as a mediator in several studies but my point to use job satisfaction as a mediator in this study that job satisfaction was not used as a mediator in any study having organization climate or readiness to change. Researchers used job satisfaction as a mediator in studies like (Yousef, 2002) used job satisfaction as a mediator to test the relationship between Role Stressor and Organizational commitment in Arabian context, whereas (Lok & Crawford, 2001) used job satisfaction as a mediator in their research work. So, we hypothesize that:

H3: Organizational Climate has a positive relationship with Readiness to Change.
H4: Job satisfaction plays the role of mediator in the relationship between Organization Climate and Readiness to change.

### Methodology

This study was conducted in Islamabad Cantt, a city which has probably the highest literacy rate in Pakistan. A sample of 230 Faculty and staff members of educational institutes consider for data collection. Questionnaires were used for the data collection which is based on a 5 points Likert scale, convenience sampling technique used. The response rate was almost 97%. 62.2% of respondents were males while 37.8% female respondents. Age of the respondents were classified into groups starting from 20-30 = 1, 31-40= 2, 41-50= 3, 51-60 = 4, 61 and above = 5, Mean of ‘Age’ is 1.67 and Variance is .710. Marital status of the sample also calculated through assigning values 1=single, 2=married, 3=Divorced and Mean of ‘Marital Status’ is 1.60 and Variance is .259. Qualification was calculated through assigning values 1=matric, 2= inter, 3= graduation, 4=Master, 5=MS/Ph.D., Mean of ‘Qualification’ is 4.34 and variance is 1.151. Job Tenure in years also calculated through assigning values 1= 1-5, 2= 6-10, 3= 11-15, 4= 16-20, 5= 21 and above, mean of ‘Job Tenure’ 1.43 and Variance is .640. Organization climate is measured by using a reduced scale of Majer D’ Amato (2005) having (12 items) “I feel emotionally tired by my work.” Readiness to change is measured by using
reduced scale of Drizinsky et al (2012) having (7 items) “This change in climate is necessary for the development of the organization.” and job satisfaction was measured through using reduced scale of Taylor and Bowers (1992) six items were picked “I am satisfied with my job now.”
## Results

### Table - 1

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Age</th>
<th>Gender</th>
<th>Marital Status</th>
<th>Qualification</th>
<th>Job Tenure</th>
<th>OCMEAN</th>
<th>RTC Mean</th>
<th>JS Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>1.67</td>
<td>.842</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>1.38</td>
<td>.486</td>
<td></td>
<td>.252**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td>1.60</td>
<td>.508</td>
<td>.469**</td>
<td></td>
<td>-.057</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualification</td>
<td>4.34</td>
<td>1.073</td>
<td>-.288**</td>
<td>.080</td>
<td>-.102</td>
<td>.080</td>
<td></td>
<td>.056</td>
<td></td>
<td>1 (.63)</td>
</tr>
<tr>
<td>Job Tenure</td>
<td>1.43</td>
<td>.800</td>
<td>.308**</td>
<td>-.077</td>
<td>.204**</td>
<td>.204**</td>
<td>.056</td>
<td></td>
<td>1</td>
<td>1 (.62)</td>
</tr>
<tr>
<td>OCMEAN</td>
<td>3.6130</td>
<td>.82173</td>
<td>-.013</td>
<td>.039</td>
<td>-.089</td>
<td>.026</td>
<td>-.030</td>
<td>.536**</td>
<td></td>
<td>1 (.62)</td>
</tr>
<tr>
<td>RTC Mean</td>
<td>3.5953</td>
<td>.78619</td>
<td>.098</td>
<td>.166*</td>
<td>.012</td>
<td>.024</td>
<td>-.014</td>
<td>.430**</td>
<td>.818**</td>
<td>1 (.66)</td>
</tr>
<tr>
<td>JS Mean</td>
<td>3.6091</td>
<td>.77736</td>
<td>.065</td>
<td>.057</td>
<td>-.009</td>
<td>-.005</td>
<td>-.038</td>
<td>.430**</td>
<td>.818**</td>
<td>1 (.66)</td>
</tr>
</tbody>
</table>

Note: OC= Organization Climate, RTC= Readiness to Change, JS = Job Satisfaction, *p<.10, **p<.01, NS=not supported
Correlation Analysis
Descriptive data and intercorrelation of variables shown in the Table, Pearson product-moment correlation was run to determine the relationship between demographic factors and all the variables of the study. There is a strong positive correlation found in the relationship of Readiness to change (RTC) and Job Satisfaction. Relationship between Organization Climate and Readiness to change found a strong positive correlation. And Relationship of organization Climate and Job satisfaction was also found a weak positive correlation. Mean and standard deviation of each item also shown in the table. All the correlations of the variables of the study with demographics of the respondents also are seen in the below table.

Regression

<table>
<thead>
<tr>
<th>Mediating Variable</th>
<th>Variable = Job Satisfaction</th>
<th>Dependent Variable = Readiness to Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td>R²</td>
</tr>
<tr>
<td>Direct Effect</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization Climate</td>
<td>.407***</td>
<td>.185</td>
</tr>
<tr>
<td>Mediating Effect</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1 Job</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2 Organization Climate</td>
<td>.828***</td>
<td>.669</td>
</tr>
</tbody>
</table>

For the collected data regression analysis was tested and direct effect relationship of organizational climate and Job satisfaction was tested and found (β=.407, R²=.185. ΔR²=.185, p > 0.05) and other relationship of organizational climate and Readiness to change also tested where (β=.513, R²=.285. ΔR²=.287, p > 0.05) then mediating effect of job satisfaction on the relationship of organization climate and Readiness to change were (β=.828, R²=.669. ΔR²=.66i, p > 0.05) and (β=.216, R²=.711. ΔR²=.042, p > 0.05) which shows mediation effect. All the relationships including mediation effect found significant positive impact.

Discussion
Organizational climate is a very important thing for the organization it varies organization to the organization it has a positive impact on Readiness to change when people are given good climate, they will perform good and if the climate of the organization is not appropriate then troubles will start people will not perform well. Readiness to change will increase if employees are given organization climate which they need to have. Because after giving a good climate in the organization it will become easy for the management to implement change in the organization in that scenario readiness to change will increase. And job satisfaction plays an important role in mediating the relationship of organizational climate and readiness to change. More
the organization climate is good, employees work hard and get rewards and benefits from the company and due to this satisfaction can be achieved by the company and when a company wants to implement change in the organization path for the implementation of change become clear because very few employees might resist this change in the organization to implement.

Implications for Managers
This study provides managers to think about how people will react when change implemented in the organization. Managers can use this study before implementing the change process, if employees are more satisfied in the organization in terms of climate they will not resist and hence resistance to change will reduce. This study will give managers idea if organization climate (leadership style, Team, time pressure, working conditions) they change in the organization it will have an impact on job satisfaction of the employees and employees feel free to take decisions on their own. That will be also necessary for the company as well.

Conclusion
The study was based on the Educational sector located in Islamabad Cantt, city of Pakistan. The sample used for this study was the faculty and staff members working in these institutions. The study was conducted using a questionnaire on “Modeling the Job Satisfaction the mediating of Organization climate and Readiness to change relationship”. This study shows a significant positive relationship between organizational climate and Readiness to change whereas organization climate and job satisfaction was found significant positive relationship, Job Satisfaction, and readiness to change also have a significant positive relationship and on the basis of the collected data and results it is established that Job satisfaction in the relationship between organizational climate and readiness to change so plays the role of mediator, so all the hypothesis accepted on the basis of results of this study.

Limitations/Future Recommendations
Since the study was conducted it has a limitation of time and data collected in one go. In future studies, data can be collected in time lags. The sample size was used for this study was very small, future researchers may use a bigger sample size so results might differ. In this study, I have used four dimensions of Organization climate whereas there are many dimensions available on organization climate in future those dimensions can also be taken to test this model. In this study readiness to change was the unique variable that is added to the model future researchers can also use this variable with other variables to test their models. The model was tested on educational sector future researchers have the option of testing this model on other industries as well.

References


