

# THE DYNAMICS OF ORGANIZATIONAL CLIMATE : AN EXPLORATION

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## ABSTRACT

*Organizational climate is a measure of the feel of the internal environment of an organization which is perceived by an outsider and/or an employee according to their business with the organization. Organizational climate has a great impact on employees' behavior. If the climate of an organization is open and friendly, employees feel comfortable and if it is very formal, then such a comfort level may not be felt. Organizational climate can be temporal too. Sometimes, when there is a pressure of targets to be achieved on demand from the business, one can say that the climate is hot. Climate includes stress level and moral at workplace. Organizational climate comprises of a system of shared action, values and beliefs that develops within an organization and guides the behavior of employees. Organizational climate depends on the employee's attitude how they interpret the climate of the organization. This study intends to discuss about the dynamics of organizational climate. How its constituents affect the atmosphere of an organization and what a manager should do to manage. T.V. Rao's OCTOPACE culture is been discussed in the study and focuses about its importance to make a healthy atmosphere within the organization.*

## INTRODUCTION

The term “organizational climate” was introduced in 1939 following a study of children's school clubs by Kurt Lewin and his colleagues. Lewin and his associates characterized leadership within the clubs as corresponding to one of three styles (autocratic, democratic, or laissez faire). These styles determined the “social climate” within the clubs, which led in turn to particular behavior repertoires displayed by the boys. Benjamin Schneider (1975), defined organizational climate as a mutually agreed internal (or molar) environmental description of an organization's practices and procedures. Renato Tagiuri (1968) defines organizational climate as a relatively ending quality of the internal environment that is experienced by the members, which influences their behavior and can describe in terms of values of a particular set of characteristics of the organization.

Forhand and Glilmer (1964) state that organizational climate is the set of characteristics that describe an organization and that (a) distinguish one organization from other organizations (b) are relatively enduring over time and (c) influence the behavior of the people.

In order to promote a real HRD climate in any organization, it is imperative to have the prevalence of general supportive climate not only by dint of the support and commitment of the top management, line management but immensely good supportive personnel policies and positive attitudes are equally important towards such development. The general climate therefore, is a combination of a support from all the concerned quarters viz from the management people working in different levels, good supportive personnel policies and practices as well as the positive attitudes towards the development of the people vis-à-

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vis their organization. (Shneider and Reichers, 1983; Chandra, and Coelho, 1993, Rov 2001). An organizational climate that encourages employee involvement and empowerment in decision-making predicts the financial success of the organization (Denison, 1990). Schneider (1996) was of the opinion that service and performance climates predict customer satisfaction. Patterson, Warr, & West (2004) found that manufacturing organizations that emphasized a positive organizational climate, specifically concern for employee well-being, flexibility, learning, and performance, showed more productivity than those that emphasized these to a lesser degree. Research results from Potosky and Ramakrishna (2001) prove that an emphasis on learning and skill development was significantly related to organizational performance. Ekvall (1996) found a positive relationship between climates emphasizing creativity and innovation and their profits. Thompson (1996) described how companies utilizing progressive human resource practices impacting climate such as customer commitment, communication, empowerment, innovation, rewards and recognition, community involvement/environmental responsibility, and teamwork outperformed organizations with less progressive practices.

To predict organizational success one can study the climate of the organization. Organizational success depends upon the organizational climate. Kurt Lewin argued that different leadership styles affect organizational climate. Productivity of employees increase under both authoritarian and democratic leadership style. But, employees feel comfortable in democratic style of leadership.

### **Why climate is so important?**

Organizational climate is the key factor to explain the innovativeness of the employees. If climate is healthy, employees will be more innovative as comparison to other organization's stressful climate. Good and healthy climate increases productivity level of

employees. Organizational climate represents how the employees feel about the atmosphere. Employees are the key resources of an organization. For the development of an organization it is necessary to make them feel good. With changing scenarios in the world economy, companies want very smart, professional and innovative team members, who are groomed within the organization by outperforming other non-productive team members. Companies promote a healthy work environment and organizational climate so that the employees feel free to innovate and outshine for their organization.

Stressful and political climate decreases productivity of employees and destroys the discipline of a formal organization. Sometimes in stress people perform better, but it also depends on the attitude of the employee. If they cannot perform under stress, then in stressful situations absentee's number and employee's turnover may increase. So climate of an organization totally depends on feelings of the employees and employees' feelings are totally dependent on the attitude of the individual employee.

### **The constituents of organizational climate**

Organizational climate has many constituents. Among all of them OCTAPACE culture is most popular concept to build climate. OCTAPACE culture is introduced by T.V. Rao. It includes 1. Openness, 2.Confrontation, 3.Trust, 4.Authenticity, 5.Pro-activity, 6.Autonomy, 7.Collaboration, and 8.Experimenting.

### **Openness**

Employees are free to express their ideas. They are comfortable to talk to any employees and their employers about their views and problems. Management adopts open door policy to maintain openness in the environment within. Organization should evaluate their ideas properly and carefully and be ready to take risk. Because as business policy

says 'more risk more return' and 'no risk no return'. The top managers leave their doors open, so that any of their subordinates also can communicate with them. Managers encourage their employees to discuss their problems face to face. Openness also implies spatial openness. It includes accessibility of computers or internet. Offices without walls also symbol of promoting openness within the organization. If an organization includes openness in its climate, then the atmosphere of the organization become comfortable and stress free because in that atmosphere the top management tries to solve the problems immediately. As employees feel comfortable to discuss their ideas as well as problems with their employees, so the probability of grievance or dissatisfaction within the employees becomes very low. General cause of grievance in the organizations is a communication gap between employees and employers. Openness results in greater clarity of objectives and free interaction among employees.

Organization includes openness but if it is against risk taking, then too one can say climate of that organization is not so good. Because if employees give idea to generate more profit and that idea is genuinely strong, but organization does not want to take risk, then those ideas are having no values. If we don't implement our planning then what is the need of it. Because of negligence of their views and suggestions employees may feel dissatisfaction and this can create grievance within the employees. So, to make organizational climate more effective and efficient one should adopt openness within the organization and organization must be ready to take risk. Openness in organizational climate motivates open communication, feedback, and discussion about any matter of importance to an employee.

### **CONFRONTATION**

Confrontation is about face to face meeting of members where they can express

their ideas without fear. Some organizations boost confrontation so that new ideas and new concepts can come out that can contribute to organizational development. Confrontation means problems brought in front of people rather than avoiding them. Employees face the problem together and try to find a solution. An organization encourages people to recognize a problem and bring it to people concerned to solve it. It is the deeper analysis of interpersonal problems.

### **Trust**

Trust is a feeling which develops slowly. It is also related to openness. Openness of an atmosphere can help to build trust in the mind of employees. It also includes maintaining the confidentiality of information shared by others, so that nobody can misuse it. Trust within the employees to the management and management's trust on employees result high level of empathy, coordination among employees, friendly and disciplined atmosphere and higher productivity. Trusty atmosphere also reduce stress as well as politics among employees.

### **Authenticity**

Authenticity is the willingness of a person to acknowledge of the feelings and make coordination between what he says and does. This value is important for the development of a matured culture within the organization. Authenticity is closer to openness. The result of authenticity brings openness in the climate of the organization. If a person be authentic or genuine in his life it becomes very easy to predict his behavior.

### **Pro-activity**

Employees take active initiative for any change and anticipate future development. In pro- activity employees take initiative and plan in advance and take preventive action. Pro-activity also includes positive behavior. For example, if an employee behaves very badly to

another employee or shouts on him, there could be two approaches of the other person. The first one could be that the employee may blast on him and the second approach could be that the person may say calmly that they will discuss on this matter later on with a cool mind. This is called pro-activity or pro-action. Pro-activity gives initiative to a person to start a new process or a new pattern of behavior.

### **Autonomy**

Autonomy refers to freedom or independence to use power without any fear. It means giving freedom to the employee to enjoy power of a position but within certain limits set by the organization. Management respects employee's feelings and encourages them to take the responsibility. Autonomy increases with the responsibility of a person. The outcome of autonomy is development of mutual respect between employees and employers and confidence among employees. Effective delegation can bring proper autonomy in the organizational climate.

### **Collaboration**

It depicts that people work together and use one another's skills to achieve a common goal. In solving any problem they take help of other people to find out a best alternative. On the basis of that they plan and prepare strategies and implement them together. It encourages employees to help others and ask for help from others. It develops team spirit and manages a friendly and open climate in the organization. It increases productivity of individual as well as the organization; motivate joint decision and participative approach, proper utilization of resources and better quality of products and services.

### **Experimenting**

Employees experiment their values to try out new ways of dealing with problems in the organization. It means using innovative approaches to solve problems. Employees also

use feedback for further improvement and consider corrective actions. Though use of traditional and old techniques saves time and money, still invention of new techniques may solve a problem in a more effective way. Organizational development cannot be dependent on only repetitive action but also it should adopt some more creative and innovative way for development. Creativity is reflected in employees' suggestions. Organization should give them freedom to take risk and try a new idea to solve any problem. It includes openness as well as autonomy. Because if an organization allows employees to experiment new ideas that means organization is open to the employees and allows them to take a risk and support them. On the other hand to implement a new idea one needs autonomy from the organization.

### **The dynamics of organizational climate**

The dynamics of organizational climate depends upon employee's perceptions. Every employee carries a different perception on the same point. For example an organization wants to bring some change. If maximum employees understand that their organization is doing something good for them and has adopted some employees welfare policies then openness in the climate will be high. But if maximum of them think that changes are against them and they resist changing, then openness in the climate will be very low.

Confrontation is facing each other to solve any interpersonal problems. If confrontation is high in the organizational climate people feel open to speak or talk regarding their problem without any fear. Manager should encourage confrontation to that extent so that it maintains a peaceful atmosphere and people can solve the problems too.

Trust is another important factor to manage organizational climate. When trust among the employees is low it results in negative feelings to each other. But if it is high

among them they start respecting each other and love to work in the organization with the help of each other.

If the authenticity of employees is high, then they are genuine by nature and honest to their work. They love to work within that atmosphere and contribute to organizational productivity seriously. But if authenticity is low people are not trustworthy to the organization and they are not honest to their job.

Pro-activity brings good and healthy way of solving problems. If pro-activity among employees is high then the outcome is positive. People are matured in their behavior and contribute to maintain a matured organizational climate. They take initiative to any new and innovative idea taken by the organization. They will not resist change and will benefit the organization by their positive contribution to change. But if pro-action is low among employees' people makes an unhealthy atmosphere by focusing on their own personal problem.

High autonomy in the organization results the increase of sense of responsibility among individuals. Employees feel belongingness to their organization enjoying power. But if it is low they avoid responsibility and feel low in performing their various assignments. Higher degree of collaboration brings coordination and a friendly atmosphere in the organization. People feel connected to each other. But if collaboration decreases within the organization, the behavior of the employees does not remain friendly. It may also bring a competitive mentality among them.

Experimenting is totally different. Where there are many creative and efficient employees, they feel good if management promotes experimenting because they can utilize their innovative skills. But if employees are not innovative they may feel bad as they like repetitive actions and old methods to work.

### **The art of managing the organizational climate**

Managers should know the art of managing organizational climate. If manager feels that because of organizational climate employees are suffering and their productivity is decreasing, he/she should change the climate. One should maintain a comfortable organizational climate. Manager should identify that what the member of the organization believe. Employees' values and beliefs influence their feelings about organizational policies, practices, and procedures. Organizational culture and climate are interconnected. Employees' values and beliefs are part of culture and their perception about organizational policies, practices and procedures are part of organizational climate. Mc Gregor has mentioned how a manager manages the climate within the organization. Mc Gregor introduced XY theory. He says that if manager finds that workers need continuous supervision, their motivation of work is only money, they are not to be trusted, not so responsible, not ambitious, then the manager should apply 'X' climate, so that organizational productivity can be managed. On the other hand, if managers believe that employees are responsible, ambitious, their source of motivation is not only money but also recognition, they can be trusted, having matured personality and thought, innovative and creative, then manager should apply 'Y' climate.

Within X climate, generally democratic or participative leadership are followed. Boss motivates employees by rewarding and assigning important responsibilities, recognizing them in front of all employees etc. Managers should try to make the interpersonal relationship cooperative as well as competitive. Competitive relationship helps in organizational productivity, but sometimes it creates politics also. People, who are not confident about their capability, engage

themselves in leg pulling. On the other hand in a cooperative atmosphere employees work enthusiastically and feel comfortable. To maintain good relationship, manager should support socialization of new comers. Top management should take care of personnel welfare. When employees feel that management is thinking about their welfare, they maintain a positive attitude and this positive attitude helps to maintain healthy atmosphere. Good interpersonal relationship builds trust within employees to the organization. Fair recruitment and selection process and unbiased performance appraisal motivate employees to perform hard. Gradually this process develops trust among employees. Managers should adopt participative decision making process. So that employees can express their views and ideas. In this case, openness will increase within the climate.

Hierarchy should be very clear. When work is assigned to the employees the manager should clear his responsibility as well as autonomy. Employees should be given some freedom to act independently. Autonomy increases sense of responsibility and this makes climate of the organization disciplined and productive. Decentralization of power gives autonomy to every employee. Autonomy should higher according to the responsibilities. For example, a top level manager has more responsibilities, that way he enjoys more autonomy. On the other hand a middle manager has less responsibility so enjoys less autonomy. Thus management should know how to distribute responsibility and authority, so that organizational climate remains healthy and productive. Manager should know how to make the work interesting. He should analyze the climate that the work delegated to employees is challenging or boring. Manager should support them to handle the challenging job resources, so that employees feel free to work without any constraints.

## CONCLUSION

Development of an organization depends upon the organizational behavior and organizational behavior is affected by the behavior of individual employee. Individual employee's behavior is influenced by organizational climate. So, it is like a chain. If organizational climate is favorable, then organization will grow smoothly. On the other hand if employees carry a positive attitude then also organizational climate can be favorable. It is upon the individuals how they perceive the climate of the organization or they feel about it. Management should consider employees' viewpoints and take some continuous feedback from them, so that organizational climate can be maintained as healthy and best.

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