Climatic Impact on Employee's Performance

Anil Kumar

Assistant Professor in Economics

GPGDC

Dharamshala, Himachal Pradesh, India

Abstract ─ Ambience of organisation may be defined as the environment prevailing within a particular organization and the same is created by the people who are working in that organization. The organizational climate is the product of organizational culture which comprises of working conditions at workplace, general behaviour of people with each other, social background of people working in it, organizational rules and policies related to human resources and, most importantly, leadership of the organization.

The above mentioned ingredients of an organizational culture are crucial in creating the environment at workplace as well as at corporate level which becomes the sole climate of an organization. In constituting a favourable or an unfavourable environment or organizational climate in any organization the leaders have a vital role to play. Since a leader's behaviour represents and echoes the policies and ethics of an organization, it imperatively changes the mindset of the human resources and accordingly they reciprocate in their mutual behaviour and action at workplace. The behaviour and actions of human resources are the main source of organizational climate and the performance of each and every employee irrespective of their level is affected by the organizational climate.

Index Terms ─ Organisation, Climate, Environment, Culture, Workplace, Leader, Behaviour, Performance, Human Resources

INTRODUCTION

The word organizational climate or the corporate climate can be synonymous to each other and the prevailing environment at workplace arising from working conditions and people's behaviour at their workplace give birth to specific types of circumstances and constant existence of those circumstances become the climate of an organization. Further, the word Organisational Climate has been constituted by combining two words i.e. Organisation and Climate. The literal meaning of these two words is elaborated separately as under:

ORGANISATION

A social unit of people that is structured and managed to meet a need or to pursue collective goals. All organizations have a management structure that determines relationships between the different activities

and the members, and subdivides and assigns roles, responsibilities, and authority to carry out different tasks. Organizations are open systems - they affect and are affected by their environment.

CLIMATE

Climate is defined as long-term weather patterns of a specific geographical area. The simplest way to describe a climate is to look at average temperature and precipitation over time. Other useful elements for describing climate include the type and the timing of precipitation, amount of sunshine, average wind speeds and directions, number of days above freezing, weather extremes, and local geography.

In the term the organizational climate the meaning of the word "climate" is not being interpreted in connection with natural weather, but it is a weather which prevails within an organization where temperament of people is considered as main factor instead of weather's temperature. The temperament of people at the workplace is directly affected by their leader's temperament, behaviour and other working conditions.

Organisational Climate is usually an outcome of all previous decisions and interactions experienced by the people of an organisation. Climate is usually messy and unpredictable. Yet climate is crucial to optimal contribution of the workforce.

Organisations regarded as 'superior' long-term performers, in addition to having admirable economic outcomes, also have a healthy 'intentional' internal climate.

In contrast, organisations that occasionally 'do a survey' to try to fix staff problems are doing the members a disservice, especially if the survey is done 'in-house'. There is no argument or doubt that externally run climate survey provide more data - and better-quality data.

Staff surveys risk raising false hopes, other than to members who already know 'their truth' about such surveys. Surveys risk breeding cynicism.

However, organisational climate can be a powerful strategic ally to an organisation seeking a strategic advantage. First, understand climate, then understand **your** climate, then which levers do what, and so on. It's a process that is very difficult for another organisation to duplicate.

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Origin of Organisational Climate

The organizational climate takes birth from the perception and feeling which each individual matures of the organisational environment as it is actually generated by the culture developmental process.

Although the first reference to organisational climate dates back to a study carried out, in 1939, by Lewin, Lippitt and White, a first more comprehensive definition of organisational climate was later provided by Argyris in a study aiming to investigate group dynamics in a bank.

The concept was, then, further developed by McGregor who more specifically referred to the idea of "managerial climate". Stressing the importance of the role played by the relationship between managers and their team members over organisational climate, McGregor actually represents the first Author to directly associating and linking organisational climate to organisations' management and leadership styles.

There are today a number of definitions of organisational climate, however it can basically be said that, as suggested organisational climate is very much concerned with the influence exerted on individuals' behaviour by some elements, characteristics and/or qualities of the work environment. The effects of organisational climate on staff behaviour are determined by the way each individual perceives, directly or indirectly, those qualities and characteristics of the internal environment.

Taking as axiomatic, then, that organisational climate is concerned with individual's perceptions and feeling, it could be worth trying to find out which is the impact produced by these perceptions and the extent of their practical implications.

Organisational climate can be considered as a "relatively enduring quality of the organisation which is experienced by its members". Similarly, Field and Abelson, Dailey and French et al define organisational climate as a persistent and enduring quality. In general, it can be said that since organisational climate depends on organisational culture, individuals should not be likely to frequently change their interpretation of the work environment, unless some relevant changes do not occur within the organisation's culture.

Indeed, climate is associated with perceptions and feelings which sometimes could also be determined and caused by misunderstanding, bias and/or misjudgement of some events occurred to them. Employees join organisations, but leave their managers; sometimes a "simple" change of Line Managers can effectively and rather suddenly contribute to change individuals' perceptions of the overall organization's environment and of its practices and policies. So that, although in general climate can, by and large, be considered as a rather enduring and persistent quality, it is also important to consider that individuals' perceptions can, at times, be influenced and distorted by the behaviour of single individuals working

within the organisation who, to some extent, prevent other individuals to really understand and appreciate organisational climate as it really stands. As stressed by Schneider, in fact, organisational climate is concerned with employees' perceptions about formal and informal practices, procedures and policies executed within an organisation. Someone could argue that it is up to employers to do what it takes in order to avoid that such situations actually occur, which is true but which actually represents another and different aspect of the subject. Such episodes would clearly result to be irrelevant and insignificant at organisational-culture level were all of the employees are concerned and a few "exceptions" (provided they are a few) will not affect and impact an organisation's culture. But climate is not concerned with staff and workforce considered as a whole, but rather with each individual and his personal feeling, appreciation, understanding and perceptions.

Communication specialists always say that when the recipient of a communication message has not understood the real content of the communication, the sender should ask himself if the message was actually clear (and not immediately think that the recipient did not understand the message). To some extent it could be said that organisational climate is what individuals understand of the culture message. So that, if sometimes the problem can actually lie in the way culture is understood, in many other cases the problem can lie in the way the message has been communicated. Whatever the case, employers should try to do their utmost to ascertain that everybody, especially their managers, effectively and consistently participate to the process and that everybody is singing from the same hymn sheet.

Other two points which seem to gather a wide consent about organisational climate relate to the circumstance that (1) climate can be measured, and (2) that it has a clear and relevant impact on the way people perform.

DIFFERENCE BETWEEN ORGANISATIONAL CULTURE AND CLIMATE

Although the concepts of organisational culture and organisational climate are quite different one another, for a long period of time a certain degree of confusion has been dominating.

In a bid to avoid any possible kind of mix-up, Denison suggested to refer to organisational culture as to the deep structure of an organisation, which is based on the assumptions, beliefs and values held by its staff, whereas to refer to organisational climate as to those elements of the internal environment as they are consciously perceived by each individual.

A more straightforward approach to organisational climate is to consider it as the way individuals perceive, see and feel about organisational climate. Although we are looking at two different concepts and ideas, the link between culture and climate is evident in that climate is essentially identifiable with individuals' perceptions about organisational culture's quality and characteristics. French et al suggest that culture represents the actual situation, whereas climate represents individuals' perceptions, although

it is quite difficult to identify the traits and features of the actual situation especially when individuals' perceptions virtually represent it differently from what it is supposed to be.

It could basically be said that organisational culture is concerned with the macro vision of an organisation 'life-style', meant as "the way we do things around here", whereas organisational climate is very much concerned with the micro image each individual has formed of organisational culture and the way each single member of staff actually considers and appreciates organisational culture. As such organisational climate becomes particularly important for employers, in that it is just on the basis of, and according to, the feeling and perceptions which individuals generate that they will behave and develop their attitudes towards their work and their working environment.

As for the aspect related to the presence within an organisation of different cultures, Saffold concedes that although multiple subcultures coexist within an organisation as a matter of course, strong culture investigations seem to support the importance of single, unitary cultures. As suggested by Armstrong, nonetheless, it clearly makes sense that, even though maintaining common values, beliefs and norms, within the same organisation, the "outward-looking" culture developed within a marketing division can be sensibly different from that developed within an "internally-focused" manufacturing department of the same organisation.

In the case of climate the phenomenon is clearly even more widespread and it is obviously much more likely, or rather certain, that individuals will develop different ideas of organisational climate even within the same function, department or division.

It must be said that some Authors have stressed further the meaning associated with individuals perceptions of the work environment referring to a two-level scale based on a clear distinction between "psychological climate" and "organisational climate". More in particular, psychological climate would be identified with individual-level perception, whilst organisational climate would be considered with reference to the broader unit or organisational level perception. The latter case occurs when people within the same unit share the same perception and feeling about the work environment.

The main difference between organizational culture and climate is that the culture doesn't not change easily by the temporarily changing circumstance in the organization due to change in leadership, business strategy etc., but the climate of an organization gets affected very easily with changing circumstances i.e. change in leadership, behavior of people in leading position, changes in the market business scenario and business strategy as well as social occurrences.

Quality of Organizational Culture and its Impact Organizational Climate

Organisational climate is a product of organizational culture the and the quality of organizational climate is accordingly affected by the culture of organization i.e. if the culture of an organization is good the organizational climate will be good and opposite to that bad organizational culture will have the inevitably bad climate at workplace in an organization.

As for strategy it cannot be said that an organisation's culture is better than another, so that the comparison between different cultures of different businesses would be a pointless exercise. Additionally what can be considered good for an organisation cannot be necessarily considered as good for another. Moreover, as suggested by Alvesson, "Some things that may be seen as good may be less positive from another angle".

Broadly speaking, it can be said that usually good, valuable or strong cultures are those cultures which are seen as effective means to an end, not considering and assessing if good is equal to usefulness and the likely multidimensional implication goodness might have.

Although the subject is much less mundane than it might apparently seem, it can in general be said that as long as an organisation's culture is inspired and based on, and practically fostering and endorsing, fairness, consistency and integrity, an organisation's culture can definitely be considered adequate. Without a doubt this is the case in which the best fit approach, rather than the best practice one, applies.

Rather than referring to organisational culture in terms of how good or bad it is, it could possibly be much more appropriate, instead of, referring to how effective or ineffective organisational culture reveals to be on actually helping and supporting an organisation to achieve its intended aim and objectives. As suggested by Armstrong, in fact, organisational culture has to be "relevant to the needs and circumstances" of an organisation and its ultimate scope has to be the one of favouring good levels of performance rather than hampering efficiency.

The quality of an organisation's climate is clearly strictly dependent on the level of fairness, consistency and integrity an organisational culture will be able to inspire and foster in each individual concerned. Differently from culture, in fact, individual perceptions will not be immediately and directly influenced by the level of performance a culture will be able to foster within the organisation, but rather by some other aspects as fairness, equity, consistency and integrity. Organisational climate, seen from the individual perspective, is subject, then, to be both negatively and positively perceived.

Formation of Organizational Climate and its Impact on Employees' Behavior, Efficiency and Performance

1. Infrastructure

The infrastructure includes the way how a building of office has been constructed, whether the rooms are spacious, airy and adequately ventilated. These are the very significant factors which contributes a lot in constituting a workplace environment and organizational climate. A place which is congested, humid, dark with inadequate lighting, unsuitable temperature, noisy or lonely atmosphere at work will cause discomfort to the human resources working there and due to discomfort and efficiency and productivity of employee will be low. Obviously if there are proper seating arrangements, lighting, ventilation no noise pollution at workplace will make an employee comfortable, the employee will be able to concentrate more effectively on his work consequently his efficiency will increase and productivity will be high.

2. Nature of Business

The conditions required for a business of an organization in which it deals in play a vital role in forming the organizational climate. The organizational climate is constituent of working conditions prevailing at workplace of the employees according to which their perceptions and behavior take place which give birth to a particular climate called organizational climate (for example working conditions in a hotel are different than in a factory similarly the in an educational institution and in a hospital). The mindset of the employees varies according to the working conditions and environment in which they work their behavior is shaped accordingly that becomes the climate of their workplace. In the existing climate how a person feels at his or her workplace will affect the efficiency and productivity accordingly. The working conditions differ according to nature of a business for example working climate of services industry are more stressful than in a manufacturing industry and the people working in service industry are found less comfortable in their job in comparison with the employee of manufacturing industry. Employee turnover is found always higher side in the service industry. workplace climate is also different in the same organization according to the job profile of employees. It has been observed that an employees working in I.T. or Computer Department are comparatively more comfortable and satisfied in their job rather than employees of Administration, Marketing, Manufacturing, Maintenance etc. which is only a result of different climates existing in different departments.

3. Prevailing Competition in the Market

The prevailing competition in the market and desire to grab maximum business and earn profit from the market impacts on behavior of leaders of an organization who formulates business strategies and the behavior of any leader influences the subordinates' work environment which becomes a working climate. Impact of workplace climate on employees' efficiency and performance will be negative, if the competition is tough and the employees have to work always under pressure that will lead to frustration, low morale and increased manpower turnover as well as poor performance level.

4. Management's Expectations and Work Pressure

The pressure of work performance on employees of an organization depends upon expectations of top management from their employees. If the management's expectations are high then the work pressure on employees will be high and if the expectations are low consequently work pressure will also be low. The variation in expectations influences the pressure on employees accordingly their perceptions and mindset change at workplace. Such changes in the mindset of workforce of an organization form a working climate in the organization. Further the climate of workplace is also affected by motivation methods and level of employees' morale. In case of high work pressure, the employee often feels frustrated, demotivated and demoralized, if proper motivation and support is not provided. The impact of such work climate on employees' behavior and performance will always be negative, but if the management looks after the employees very well and keep them motivated with adequate morale support the performance will be certainly higher.

5. Availability of Resources and Customers Expectation

The customers' expectations is the significant factor affecting the current business scenario across the globe, but the satisfaction of customers' expectations by any service provider or supplier of goods or services affected by the availability of resources with service providers. Availability of required resources with the service providers is always helpful to satisfy the expectations of customers resulting into a healthy working environment. Opposite to that dissatisfaction of customers always have negative impact on the work environment of service providing organization creating bad climate in the organization. Adequate resources availability makes the employee comfortable and morally stable, so they work hard in order to keep their customers satisfied but in opposite circumstances the impact on employees' performance and efficiency will be negative.

6. Quality and Aptitude Level of Human Resources

The work environment at the place of work is created by the behavior of employees who work there and behavior of workforce is always a reflection of their aptitude level or mental quality development. If the mental level of workforce of any organization is high the culture and climate of that organization will always be good and if that is low the organizational climate will not be good. Accordingly the work performance of employees will be affected by the existing climate at their workplace.

7. Behavior and Mutual Relationship between Top Leaders

The organizational climate is the outcome of the behavior of the people working in an organization. The general behavior of the top leaders in routine circumstances i.e. Directors, Chairmen or the members of Board of Directors of any organization is always observed by the employees working under them. They set their working style and mutual behavior at workplace according to their leader's nature and expectations, those working styles and mutual behavior of the employees as well as mutual relationship between senior officials of the organization creates an environment which becomes the organizational

climate. When an officer compromises with the quality of output from his subordinates and they will set their mind accordingly and make it a working climate and where the leader does not compromise with low performance or quality of product the subordinates will also follow the same principle. Other side the mutual relationship between senior officials has a very significant role in creating an environment called good or bad organizational climate depending upon their mutual relationship. Impact on the employees performance of the climate arising from tensed relationship between two senior persons of an organization are that the subordinate employees are always found fearful, confused and not able to decide what to do, consequently their efficiency goes down and productivity will be low. Harmonious and respectful relationship between the senior officials of an organization are always helpful in creating congenial work climate, keeping morale high resulting into better output.

8. Human Resources Management Policies of the Organization and Management Philosophy

Organizational policies and Standard Operating Procedures formulated for human resources in an organization give the shape to employees' behavior at workplace and their perceptions and mindset develop accordingly. It is the work force who creates a climate in an organization with day to day behavior and work style which are completely affected by the Human Resources Policies of the organization. The policies and procedures of an organization are the outcome of the philosophy of the top management. In other words the policies and procedures are formed according to objectives, vision, mission and thoughts of the people seating at top level in the management. The direction about the kind of organizational culture to be formed comes from the management's philosophy and the organizational climate is a product of that. The management's philosophy, policies and procedures are key factors which keeps the employees motivated, work hard to achieve the goal, emotionally attached, dedicated and devoted towards the organization. The employees performance is also affected positively or negatively by the climate or culture generated from the management's philosophy, rules and procedures.

CONCLUSION

The organizational climate in fact plays a pivotal role in enhancing the performance of employees at their workplace in every organization. It is the organizational climate which brings any organization in the category of good or bad. The employees working in the organization spread their views in the public on the basis of working conditions and climate existing at the place where they work. It is significant for every organization to maintain organizational climate favorable to its employees for better production, better reputation in the market and to maintain industrial harmony.

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