Organizational Culture and Climate

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ABSTRACT: The organizational climate and culture are the powerful tools that have tremendous effect on the morale, performance and job satisfaction of the employees in any organization. The climate and culture play a vital role in an organization as these are usually associated with the perceptions, ideas, values, beliefs and most importantly the behavior of its employees. A sound organizational culture and climate encourages a cooperative attitude towards their work, which is most essential for the organization in the task of achieving its goals and objectives that also benefit the employees.The organizational culture is a set of important perceptions, notions and behaviors that the members of a community share in common. It consists of a basic set of values, ideas, preferences and ethics, code of conduct, principles and beliefs, reinforced by logical expectations and assumptions as well as responsive attitudes and ethical norms which create distinctiveness among human groups. Similarly, in an organization, the perception and behavior are shared by the members. Culture is a pattern of basic assumptions which are conceptualized and developed by people. In this process of emergence of culture, the organizational climate, known as the "Situational Determinants" or "Environmental Determinants" has a significant impact on the human behavior interchangeably. According to Bowditch and Buono, "Organizational culture is connected with the nature of beliefs and expectations about organizational life, while climate is an indicator of whether beliefs and expectations are being fulfilled." It is a manifestation of the attitudes of organizational members towards the organization.Culture and climate are the vital requisites and are inherent in the life of every organization that not only achieves its own goals and objectives but also benefits the employees' working in it. According to Campbell, organizational climate is "a set of attributes specific to a particular organization that may influence the way that organization deals with its members and its environment. For the individual members within the organization, climate takes the form of a set of attitudes and expectancies which describe the organization in terms of both static characteristics (such as degree of autonomy) and behavior-outcome and outcome-outcome contingencies".

I.INTRODUCTION

How Culture Affects Work

Even before the employment, people have a tendency to develop some basic values that become so ingrained that employees resist for any change in an organization. It should be remembered that the culture 'off-the job' has a profound influence related to the 'on-the job' performance of individuals in the organization.

For example, for an employee, freedom may be a 'voice' in the general meeting and it may also mean the right to work without any restriction. Employees basically seek security as they prefer full and steady employment rather than an unconfirmed service which might cause mental strain to their minds. As long as they are economically secure, they may not be able to contribute effectively to the goals of the organization. Another factor that affects people at work in an organization is the opportunity to expect a good remuneration and a successful career.

Impact of Culture on Organizational Climate

No matter how good the organization does in hiring people, new employees are not fully adaptable to the organizational culture, may be because they are least familiar with it. New employees are potential enough to disturb the beliefs and customs that are prevailing in an organization and hence forth the organization will help new employees adapt to its culture. This process of adaptation is called socialization. It has three stages.

The first stage, called the Pre-arrival Metamorphosis Encounter, encompasses all the learning that occurs before a new member joins the organization and in the second stage, the new employee observes what the organization is really like and confronts

the likelihood that expectations and reality may diverge. In the third stage, relatively long-lasting changes take place.

The new employees upgrade themselves to the skills required for their new roles and make the adjustment to their work groups. If the prevailing culture is unfavorable to the organizational effectiveness, it needs to be changed. A few principles available for this purpose and some of them are within the central management and some result through external forces. Since culture can be learned, it can also be unlearned through reward system. It establishes and reinforces specific cultural behavior and therefore changes in culture can be initiated and supported by change in corporate reward system.

The climate of an organization influences, to a great extent, the performance of the employees because it has major impact on motivation and job satisfaction of an individual employee Organizational climate determines the work environment in which the employee feels satisfied or dissatisfied, and influences the efficiency of the employees. According to Forehand and Gilmer, "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 the organization." Organization climate can operate as a constraint system in both the positive and negative sense. Information is provided to the employees about what kind of behavior will be rewarded, punished or ignored. These behaviors can be influenced by varying degrees of rewards and punishments. Such a constraint system would influence the behavior of those people who are most interested in those specific values, which are assigned to different behavioral outcomes.

II.FACTORS INFLUENCING ORGANIZATIONAL CLIMATE

Richard M Hodgetts has classified organizational climate into two major categories, namely overt factors and covert factors. He has given an analogy with an iceberg where there is a part of the iceberg that can be seen from the surface and another part that is under the water and cannot be seen. The overt factors are the visible parts that can be observed and measured

Table 1: Factors of Organizational Climate
Hierarchy
Financial resources
Goals of organization
Overt Factors — Skill and Ability of personnel
...logical state
Performance standards
Efficiency measurements
Attitudes
Feelings
Covert Factors — Values
...rms
Interaction
Supportiveness
Satisfaction

and are called the overt factors and the factors that are not visible and quantifiable are called covert factors. Both these factors are shown in Table 1 in the form of an iceberg.

Measurement of Organizational Climate and Culture

Measuring the climate and culture of an organization would be an attempt to capture the essence of environment, order, social context and pattern of the organization. It is possible that organizations may have one climate and culture.

For example, if perceptions are measured then different groups may have different perceptions. Johnston in his research found two different climates in a study of professionals in a small consulting firm. He noticed that long-term employee deemed the climate flexible, supportive, non-authoritarian, which is concerned with integrating individual organizational goals which can be generally adaptive in its environment, whereas newer employee saw a rigid procedure

which is strongly based on hierarchy and authority that is more impersonal when it is emphasized on organizational goals and objectives. In a research it has been said that climate differs with respect to hierarchy and to the degree of environmental uncertainty. The following example helps you understand the importance of culture and climate in an organization.

A few years ago, a number of small financial institutions in Canada decided that they would try and pool their resources and create a much larger national bank. The idea made a great business sense and seemed very well planned, soon failed. There were all manner of technical reasons given for the failure, but a major reason was a clash of culture and climate. The long-standing culture of the individual financial institutions was deeply rooted in local community control with each customer being an official voting shareholder with plenty of say in how the institution supported such things as community projects. Many customers and even some managers saw the idea of a giant national bank being created from this grass-roots organizational structure, as anathema to everything they believed in.

Changing the climate of how everyday business was conducted was one thing while changing the culture was something quite different for those who had both a financial and personal relationship with their local institution. Changing environments is a necessary condition of survival. The tricky part is to remain adaptable and make the necessary changes to organizational climate while at the same time not severing ties with that local institution found in organizational culture.[1] Developing a Sound Climate and Culture.

To develop a sound organizational climate and culture, the company has to monitor through long-term proposition and it should represent the goals and philosophies of those who join together to create the organization. The type of climate that an organization seeks is contingent upon the type of people it has, the type of technology, and the level of education and expectations of employees working for it. The following techniques help in improving the climate and culture of the organization:

Effective Communication System
Communication is a basic tool of motivation which improves the morale of an employee in an organization. There should be a two-way communication in the organization so that the employees know what is going on and react to it. The manager can modify his decision on the basis of feedback received from his staff. With an effective communication system, one can maintain a good relationship within the organization and thereby encourage ideas or suggestions from employees and implement them whenever required, which in turn increases the returns of an organization.

Concern for Employees
The management should consider employees as an asset and they should be well taken care off. The higher officials should work for the welfare of employees and improve their working conditions by introducing technological equipments and training courses.

Participative Decision-Making
The management should involve the employees in the decision-making process, particularly those decisions, which are related to goal setting. When people make decisions together, the social commitment to one another is greater and thereby increases their commitment to the decision. Organizations that manage decision-making explicitly and wisely can tap a greater share of their work through cordial cooperation with the team members. Participative decision-making enables the employees to be committed to the organization and become more cooperative to the management also.

Change in Policies, Procedures and Rules
By making changes in the policies, procedures and rules, the employees might resist to change because they are used to the past culture. The change, though a time-consuming process, will be long-lasting if the employees feel that the change in policies, procedures and rules are favorable to them. In an unhealthy organizational culture, there are high levels of mistrust

and poor communication system, and the employees show a strong resistance to the change in policies or procedures. For example, traditional bureaucratic organizations would have a problem in empowering their employees or have a participative style of processing. Such a strategy is often derailed early as the existing culture cannot be embraced or absorbed by the employees.

Technological Changes
Generally, the employees resist any innovative change but technological changes improve the working conditions of the employees. This type of change will be easily accepted because there would be less work strain and it would be more compatible and flexible for an employee to understand. One can have a better climate in an organization if the management adopts innovative changes in consultation with the employees.

Benefits of Efficient Organizational Climate and Culture
Companies that conduct organizational culture and climate survey may experience one or more of the following benefits:

Employee Involvement
By administrating an organizational survey, employees are given an opportunity to be involved in the company at a different level that is typically defined in their job descriptions. Research has proved that employees who are more involved in the company are satisfied with their jobs, miss fewer days of work, stay with the company for a long time and perform better on the job. Good employees are the greatest asset for any organization and to invest in them provides a definite return on investment, adding value to the company as a whole.

Positive Work
Since its inception, a significant amount of evidence has been accumulated documenting the importance of the work environment in relation to organizational performance. Research has shown that factors in the work environment are related to outcomes such as employee motivation, job satisfaction, performance evaluation and even organizational productivity. In addition, the emerging area of research has indicated that organizational climate and culture can influence customer's perception depending on the quality of goods or services rendered by a company.

Communication Forum
In many companies, it becomes very difficult to communicate with the majority of employees. Recent trends such as organizational restructuring and merging of companies have resulted in "flat" organizational responsibility charts, which increase the number of employees for which each department head or manager is accountable. As a result, some managers only have limited amounts of time to talk to employees about day-to-day activities.

Conversation regarding an employee's work environment is kept aside and in some instances, they never take place. The organizational surveys that occur on a scheduled basis, i.e., either annually or biannually would be more efficient for the managers to gather important information and to analyze things in a better manner.

Proactive Management
Administering organizational climate and culture surveys allows managers to be much more proactive in managing their employees and work environments. When used on a scheduled basis, organizational surveys can help pinpoint problem areas within the work environment and take necessary measures before they move towards crisis. Problems that require a reactive posture interrupt the normal workflow and cause delay in decision-making.
The factors indicated in Table 2 represent major determinants of climate in an organization. If the employee satisfaction and job performance are to be improved, the management must modify managerial policies, organizational structure, implement sophisticated technology and provide a harmonious environment in an organization so that the employees view climate as favorable to them.

III.CONCLUSION

The organizational culture and the concomitant climate play a major role in the performance of the employees and the success of every organization. There is a very strong effect of the organizational culture and climate on the morale and satisfaction of the employees of the organization. The culture and climate reflect the employees' perception of their organization. Needless to say, each organization has its own organizational climate and culture that clearly distinguish it from other organizations.   Sound organizational culture and climate, as the organizational theoreticians and researchers unanimously agree, is extremely important for the organization to achieve its goals, м

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