CHAPTER II

CONCEPT OF ORGANIZATIONAL CLIMATE - ORIGIN AND APPROACHES

Concept of Climate

Organizations exist and grow in the external environment, aspects of which in many ways tend to dominate and shape the internal work set up of the organization. Bound together in a complex inter-dependent network these factors interact with the members influencing their behaviour. Trying to analyze and understand this relationship efforts of various researchers resulted in a diversity of approaches which can be placed on a continuum. From the early classical approach to the contemporary situational approach, a perspective viewing behaviour as a consequence of the organization, the individual and the environment as factors, specific to every organization. Though researchers acknowledge a synthesis of these various factors yet they disagree on the specific factors which influence members' perceptions of the organization, resulting in the formulation of various
definitions of this perception i.e. climate. However, for the present study organizational climate is defined as, the set of prevailing attitudes held by individuals regarding the internal work environment characteristics of the specific organization, as perceived by them. Considered here are the social and personal aspects of the individuals because these form the foundation of their personality influencing their perceptual processes reflected through behaviour. Even though researchers from the beginning have in some form or the other touched on these factors, today the emphasis placed on the integration of these factors is much more, because researchers realize that it is together that these factors determine individuals behaviour and motivation, explicitly seen through performance, of importance to organizations.

Researchers have equated climate or used it analogous to different terms as; organization culture; character; personality; adaptability and prestige. Among these terms used to denote organizational climate, some do cannot a meaning similar to climate,
but others do not. One of these is the term organization prestige used by Perrow (1961). Prestige is the image of an organization as held by non-members rather than members and is more cannotative of the products/services, rather than organizational attributes, the resultant of which is climate as perceived by members. Another such term used is organization adaptability by Margulies (1965), which depicts whether an organization is capable of adapting to its dynamic environment. However, during this adaptation process only if organization attributes are changed will climate really be influenced because members interact directly with these and not with the environment. It is also not necessary that the internal climate will change as the organization changes its goals and objectives.

Besides, overlapping the term climate are the terms, a) personality: which is the sum total of the physical, mental, emotional and social characteristics of an individual or the atmosphere of a place or thing; b) character: which portrays a personality, emphasizing distinctive traits
c) and culture: the sum total of ways of living built up by a group of human beings, during a period and transmitted from generations. Whereas climate is the set of prevailing attitudes, standards or environmental conditions of a group in a particular place during a specific period.

All these terms depict attributes of a particular person or place i.e. an organization, in the environment which could be different for different people and places, encompassed in the environmental culture which is representative of society. Personality, character and climate then could account for the different sub-cultures which exist within the general societal culture.

Also often confused or used synonymously is the term satisfaction. Climate and satisfaction, both are a result of organizational participation by members, but the former is a description of organization practices and procedures, whereas the latter is an evaluation of the same by the members i.e. an individuals affective state. Hence, when
used these terms must be clearly defined and explained in the context where they are applied.

History of Organizational Climate

Interested to know how the organization affects the behaviour of those who work for the organization, some researchers did identify and describe a doctrine similar to organizational climate. Way back in the 1930's Lewin, Lippitt and White* attempted to study climate as an empirical reality by observing the behavioural effects of different leader induced atmospheres. They found that climate was more powerful than the earlier acquired behaviour tendencies, as it was able to change the behaviour patterns of group members. Supporting this further by his motivation theory Lewin (1951) states that climate is the essential functional link between the person and the environment, as it describes facts of empirical reality.

Understanding the same i.e. how the organization affects behaviour McGregor (1960) observed and developed what he stated was Managerial climate; the expression of the assumptions of
management communicated daily through the behaviour of superiors, creating a psychological climate to which subordinates respond, regardless of the personal style of the superior. Though this analysis contributes towards understanding behaviour in organizations, it yet leaves certain questions unanswered. These are: why do subordinates respond to these assumptions? How do they arouse behaviour responses? And what dimensions of this psychological climate are important for understanding behaviour?

Similar queries confronted Blake and Mouton (1964) after they acknowledged that the manager manages a culture also rather than just people at work, i.e. organizational culture. This analysis surely enriched literature towards the understanding of behaviour in organizations, but left behind some additional perplexing questions unanswered. Such as; what is it about the culture that the manager must know? How does he relate individual and organizational elements? What does culture imply for the individuals? And what happens to members when the culture changes?
ert (1961) with the help of a refinement of his concept of leadership styles, explanation for the above queries and the impact of organization characteristics to behaviour. He accepted that there exists a relationship between leadership and the individual which is affected by the intervening factors of the individual who reflects the internal perception. He said, climate arises through the interaction of organizational and individual properties of the work environment, assumed to influence their perception and behaviour. Exploration of the same climate assists the manager in understanding the environment of those with whom he must work.

Litwin & Stringer, on the same problem, introduced the concept of organizational climate. They said was a bridge between individual and the objective features of the system. Climate they said, was a set of properties of the work environment, directly or indirectly by those who live and is environment, assumed to influence their perception and behaviour. Exploration of the same climate assists the manager in understanding the environment of those with whom he must work.
How Climates emerge

As seen above climate is the result of a host of organizational, environmental and individual factors influencing members' attitudes, motivation and performance. Though an outcome of perception which is individual in nature, it is interesting to note that through these individual differences, relatively homogenous perceptions of the work environment surface. In an attempt to explain this, Pugh & Payne (1976) hold the opinion that it is the objective organizational setting which influences members' attitudes, values and perceptions of organizational events, from which climates emerge, though coloured by the individual members' personality. However, research done along these lines failed to get consistent results to explain the emergence of climate and the differences which arise in climates across work groups in the same organization, Berger & Cummings (1979).

Focusing away from the organization context, towards the organization processes of selection into the organization and the individual's preference to
stay or leave the organization Schneider (1983)*
proports that, together these produce relatively
homogenous membership, accounting for similar
perceptions and meanings attached to organization
events. This selection, attraction and
attrition (SAA) approach believes and reasons that
individuals are attached to jobs and organizations
which fit their personality or else they leave.
Even then this approach failed to account for the
differences which arise in climates between groups
in the same organization. Further such a perspective
tends to overlook the organization stance completely
which too could account for the resultant climate,
while emphasizing the individual's role. Attempting
to explain the gap unaccounted for by the above
two approaches, the interaction approach, a
perspective drawn heavily from Mead's (1934) work
on self and meaning, claims that climates emerge
through the interaction which members of a work group
share from the time they join the work group i.e. new
comer's socialization. Mead explains that, the self
a psychological phenomenon develops within the
individual as a result of his relations with others
in the social environment wherein he interacts with
them. During this interaction the individual internalizes or adopts the attitudes of the group, communicated to him.

In the work place then these social interactions help members to understand the meaning of the various aspects of the work context facilitating the development of similar perceptions. Since meaning arises out of these interactions and not from any one thing, different groups generate different climates regarding organization aspects which are constant throughout the organization, Blumer (1969) and Schneider & Reichers (1983).

Influencing alongwith this socialization process is the influence exerted by organization members on the environment to which they adjust. Both then mutually determine one another i.e. the personalization process, Schein (1977), in the light of which meanings to behaviour arise, Katz (1980); Louis (1980).

Underlying these perspectives in their explanation of how climates emerge is the basic difference in their assumptions about human nature and the conduct of social sciences. Morgan & Simircich (1980) note
that individuals as respondents to structure is an objectivists approach, where as climate as the perception of the environment by the individual is a subjectivists approach and fusing the above two midway is the interaction approach where individuals act according to the situation, determining climate. Each of these then in their own way contribute towards an explanation of how climates emerge and how differences between them arise. Besides, time too plays a role in the evolution of climate. Each approach gives priority to different variables in the process. In the first approach the organization comes first; in the second approach the people come first i.e. the owners, and in the last approach both the organization and the people come simultaneously.

Even though the above approaches provide an explanation of how climates emerge and the differences which arise in the nature of climates certain problems regarding the social unit under study still remain. These pertain to the unit to be considered; specifying how frequently individuals interact and what is the duration of the substantial
time span to say that the members have had sufficient interaction, Schneider & Reichers (1983).

**Perspectives to the Study of Climate**

While working for an organization an individual tries to satisfy his needs both material as well as those which are internalized, in terms of self actualization. The expression of these various needs is however subject to the situational characteristics and the opportunities available and accessible to the individual, Atkinson (1964). From this situation then the individual infers the cues available and acts accordingly, Murphy (1950): Gestalt Psychology. Along these lines the individual adapts to the environment subject to his capacity to do so, Boring (1950): Functionalism. Thus based on these assumptions various researchers have studied and defined climate, emphasizing the individual; situational or the joint person situational variables Howe (1977)*.

**Joint Person Situation Approach**

Similar to the interaction approach, representatives of this approach Forehand & Gilmer (1964) postulate climate as a multiorganizational attribute
having a set of characteristics which describe it, distinguish it from other organizations, are relatively enduring over time and influence the behaviour of people in the organization. This influence on individuals they said can be seen in terms of the definition of the stimuli presented, the constraints placed upon the individual's freedom of choice regarding behaviour and the reward or punishment process executed. The influence clearly/explicitly reflected in terms of productivity, tenure and salary of individuals are affected, but in return also affect the organization, Howe (1977)*.

This comprehensive model of the organization includes the organization context; structure; processes; values and norms; physical environment subsystems; sub-groups and also the socio-cultural and individual characteristics. Together these variables result in organizational climate. Climate surely is an outcome of the interaction of all these variables, but not in such a broad encompassing manner because this portrays the total organization situation rather
than organizational climate. Climate on the other hand does not consider these factors of sub-groups and sub-systems as a part of the organization which moulds and adjusts to the environment as a whole when required, James & Jones (1974).

**Organizational Approach**

Tapering down from this global approach to only the organization context characteristics, Campbell et al. (1970) defined climate as a set of attributes specific to a particular organization as perceived by members that may be induced from the way the organization deals with its members and its environment, taking the form of a set of attitudes and expectancies which describe the organization, i.e. climate is situational. After reviewing literature, they identified four dimensions of climate - individual autonomy; degree of structure imposed upon the position; reward orientation and warmth; support and consideration and others yet to be determined. With perception being the governing factor of climate, issues regarding the accuracy of such perceptions, actual vs. the perceived situation and the relationship
between the objective and perceptual factors as determinants of behaviour and attitudes were raised. In support of their stand the postulants said that, climate was a situationally determined psychological process based on Indik's (1965) linkage model between organizational processes and the psychological processes of the members influencing performance and attitudes.

Further, Campbell & Beaty (1971)* went on to explain the underlying processes of this perceptual measure of climate as the perceptual filtering, structuring and description of the numerous stimuli impinging on the individual from the situation. Though different from attitudinal, evaluative and need satisfaction variables, they influence valances, instrumentalities and expectations attached to outcomes accounting for between group variance. Substantiating the above a study of salaried personnel in a manufacturing plant indicated that individuals had clearly differentiated perceptions of their job climate rather than the total organizational climate. Also a significant portion of this climate variance
was attributable to subunit differences than individual perceptions and climate perceptions were not highly related to work group performance though significant. The dimensions common to both overall and work group were: task structure; reward/performance relationship; decision decentralization; achievement emphasis; training and development; security vs. risk and openness vs. defensiveness.

Analyzing the literature on climate Pritchard and Karasick (1973) acknowledged the environment as a potent source of influence on behaviour. They defined climate as a relatively enduring quality of an organization's internal environment which distinguishes it from others as a result of the behaviour and policies of members i.e. the top management. This, perceived by the members serves as a basis for interpreting the situation and acting as a source of pressure for directing activity.

Operating as a unitary main influence on behaviour, they said climate also interacts with the individuals needs and values and can affect performance and satisfaction. Measuring this in a
study of managers in two organizations they observed that climate perception was influenced by both, the overall organization and its sub-units, though strongly related to individual job satisfaction and subunit performance. Further only some dimensions of climate were seen to interact with individual's needs and values to influence performance and satisfaction, i.e. perception of supportiveness and friendliness, reward and autonomy.

While emphasizing the importance of organizational variables these researchers however do not clearly distinguish between certain dimensions of climate and other variables which can be placed under the same category, as they appear to be aspects of one dimension. These are: individual autonomy and degree of structure measured by formalization as well as control and decision making; consideration warmth and support could also be a function of leadership and group processes; and rewards too could be both situational by procedures and individual through satisfaction measures. Further dimensions of task structure, decision centralization and training and
development can all be observed objectively. Whereas dimensions of achievement emphasis; security vs. risk; openness vs. defensiveness are amenable to both objective i.e. standardized and observational measurement. Besides, stressing the role of perception also raises the issue of the accuracy of these perceptions, requiring validation against some measure of the external situation or some group consensus. This too has to be dealt with caution because perceived climate is primarily a function of individual attributes rather than organizational attributes, Guion (1973).*

**Individual Approach**

Perception has been the core in the study climate right through, even though other techniques to measure climate have been considered. Since perception portrays interaction between individual and organizational characteristics, proponents of this approach described climate as a set of global perceptions held by individuals about their environment, i.e. the individual processes the information input reflected through perceptions as climate; Schneider & Hall (1972). These perceptions reflect
those aspects of the situation to which individuals attach importance, as a result of the process of concept formation; not unlike instrumentality perceptions, based on macro observations of the organizations Schneider (1973). Since interaction, intervention and perception all take place within the individual, accuracy and consensus of perception are not of significance as the emphasis is on individual perception and not the objective situation, Guion (1973).* Nevertheless the influence of job characteristics cannot be undermined as these too determine perception, Hackman & Lawler (1971). On the other hand, Johonnesson (1973) raised the issue stating, "this individual perception study would result in the replication of work attitude literature i.e. assessing climate via perceptual self report measures".

**Analysis of the three Approaches**

The above approaches to the study of climate do bear some similarity because each has stressed the perceptual nature of climate although emphasizing the importance of different variables; organizational; individual or a combination of both wherein, they got carried away to incorporate all possible aspects
not only of the organization but also its subgroups and subsystems making the model too big to be handled effectively. Ideally for the study of climate a combination of these factors is necessary, but within the context of the particular organization, its environment and human resources as a whole. Deviation into these aspects of the different departments and subgroups would tend to focus away from organizational climate towards a more vivid description of the organization and group climate.

Even though researchers have viewed climate from different perspectives they have used the same term organizational climate which some researchers have objected, Howe (1977)* & James & Jones (1974) (1979). According to them organizational climate is only the description of what actually exists in the workplace, independent of perceptual distortion. Within the perview of this are the organizational and the joint organizational individual attribute approaches, as these can be measured via other criteria besides perception. Supporting this are the efforts made by Frederikson (1966) to study the impact of closeness of supervision (a climate variable) which demonstrated
that performance was subject to the climate wherein the respondent worked. Likewise Litwin & Stringer (1968) studied three simulated business climates and observed that performance and satisfaction of participants was dependent on the situation. Clearly seen then these concepts used are part of a climate dimension which can be measured otherwise i.e. in terms of rules, decentralization, leadership process and so forth.

But when this perception is abstracted by the perceiver into his own model of the organization then individual characteristics bias and distort climate perceptions. Appropriate for this influenced perception is the term psychological climate. However to validate these climate perceptions further an inquiry of the relationship between the perceived climate and the objective organizational attributes would be beneficial.

Pursuing the quest of understanding more explicitly the climate construct Schneider (1972) in a study of an insurance agency employees at different hierarchial levels observed that members
at different levels perceived climate differently, which led him to conclude that probably there is no such thing as organizational climate rather what exists is group climate. Substantiating this further was Newman’s (1975) observation that employees in different locations in organization space tend to have different work environment experiences, leading to different frames of reference being used to evaluate the work situation. These findings appear to be in line with the interaction approach of how climates emerge which proports that, members in different groups perceive the same organization characteristics differently as the frame of reference for each group is different.

Attempting to get to the genesis of the construct to know whether it is a function of the group environment; the perceivers characteristics or the interaction of both, Howe (1977)* studied two groups in the same organization. He observed that group climate is the descriptive psychological climate as perceived by the group members which may or may not
reflect the objective environment, though it is reality for the group. But along with if structure, processes and performance are investigated they could help too in establishing the construct as well as predict behaviour, Cornbach & Meehl (1955). In other words then group climate is a consensual descriptive psychological perception of individual group members regarding the situation wherein they work together. To arrive at such a consensus besides correct perception, overestimation or underestimation by the members can take place also.

Since perception is the important underlying factor in the study of climate whether organizational, psychological or group, it appears that the basic processes involved in the perception of climate are the same, with the differences arising because of the different variables considered as the unit of study. Reviewing and commenting on the research done Schneider (1975)* has very rightly said that, climate should refer to an area of research rather than a unit of analysis, wherein various climates can be
identified subject to the criterion. Yet there is no guarantee that the characteristics used will be represented in the individual's perception of the environment. As Lawler, Hall & Oldham (1974) and James & Jones (1976) observed climate perceptions related more to process than structural factors. Also perception and behaviour are influenced more by those organizational factors with which one comes more in contact (eg. rewards) than those which are remote (eg. size), Jesser & Jesser (1973).

From this interaction the individual abstracts and filters specific events which form a cognitive map, guiding the individual's future behaviour, Campbell & Beaty (1971)*, Ittelson, Rivlin, Winkel & Proshansky (1974). In Schneider's (1975)* words climate is a set of macro perceptions derived from micro-perceptions of events via a psychological process, i.e. individual characteristics influence perception through the cognitive processes, Mohoney (1977). Research done earlier also supports the above point corroborating that climate perceptions
reflect differences in personality, ability and adaptability, Johnston (1974); need strength, Hackman & Oldham (1975); Pritchard & Karasick (1973); and age, sex, race and intelligence, Hellriegel & Slocum (1974).

Going through the research done in the field of organizational climate, it is seen that the terms organizational climate, psychological climate and satisfaction are clearly distinguished though the psychological processes involved in all i.e. filtering; structuring; concept formation are the same. The first two are different from the third, though it is these perceptions which ultimately result in the satisfaction response, an evaluation of the individual's perception of the work situation. This is directly related to the fulfilment of needs, subject of course to the opportunities available and accessible to gratify these needs, resulting in a particular work attitude.

However the main issue arising is whether psychological climate is different from organizational climate. When an individual is asked to describe the
climate of his work environment does he merely describe it as it exists without distortion, or do the psychological processes of structuring, filtering and concept formation during interaction influence his perception. The prime function of these psychological processes is to help sort out from a number of stimuli present in the work environment, the relevant ones for the individual, resulting in a meaningful perception to describe the work environment. Influencing this perception are the individual and socio-cultural factors which give the foundation to the basic frames of reference for the individual which through interaction with the environment can and are modified. Organizational climate descriptions then are subject to the influence of these processes and characteristics. Since both the terms cannot the same meaning the usage of these terms is left to the discretion of the researcher.

Nevertheless for the present study the term organizational climate is used and is studied as the individual's perception of the internal work environment characteristics, influenced by individual
and socio-cultural characteristics unique to all. Viewing organizational climate then from the joint person situati on perspective both organizational and personal and social factors of the individuals are considered and regarded as at par with one another. This is so because with one (i.e. organizational) the individual spends the major part of his day and the other two (i.e. personal and social) which constitute his perceptual process he grows and develops with. Hence the importance cannot be undermined.

Therefore when assessing climate a balance of the individual and organizational variables must be arrived at to avoid only a partial picture of the organizational setting from being portrayed. Also the individual's personal and social factors must be incorporated as the influence of these cannot be separated from the individual's perceptual process. Such an attempt is made in the present study.
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