

# IMPACT ON THE ORGANIZATIONAL CLIMATE ON JOB PERFORMANCE IN THE IT SECTOR

Sharmila R<sup>1</sup>

<sup>1</sup>Student, Department of Sociology and Social Work, Christ University, Karnataka, India

## ABSTRACT

*This study explores the relationship between organizational climate and job performance within the Information Technology (IT) sector, involving a sample of 172 IT professionals chosen through convenience sampling. The research utilizes a standardized questionnaire to comprehensively assess key facets of the organizational climate, including leadership styles, communication dynamics, workplace culture, and employee engagement, encompassing descriptive, correlation, and regression techniques. The findings reveal a robust mean score of 3.93, indicating a high positive organizational climate perception level. Notably, this high rating corresponds with enhanced job performance among IT professionals, highlighting a strong positive connection between a conducive organizational climate and heightened job performance. These results provide valuable insights for IT organizations seeking to improve work environments, ultimately fostering talent retention and optimizing job performance in the highly competitive IT sector.*

**Keywords:** - Organizational Climate, Job Performance, IT Sector.

## 1. INTRODUCTION:

### 1.1 Organizational Climate

The organizational climate represents the prevailing atmosphere and emotional state that permeates a company, exerting a profound influence on its employees' attitudes, behaviors, and overall productivity. It plays a pivotal role in shaping organizational performance, and extensive research has been dedicated to exploring this relationship. Furthermore, the organizational climate can significantly affect performance management systems' effectiveness. A healthy climate fosters an environment where performance objectives are well-defined, feedback is constructive, and rewards are perceived as just and even-handed. The nature of the employees mostly reflects the climate of an

organization. Conversely, a culture characterized by blame and criticism can hinder the success of performance management. In a positive organizational climate, employees become more engaged, motivated, and committed to the organization's objectives. In contrast, a negative climate can lead to discontent, disengagement, and reduced motivation among the workforce.

### 1.2 Job Performance

Job performance signifies the extent to which an organization attains its goals and objectives, reflecting its ability to effectively harness resources, including its workforce, to achieve desired outcomes, with evaluation metrics spanning financial indicators, customer satisfaction, employee engagement, and market share. Maintaining high organizational performance levels is crucial for competitiveness, customer satisfaction, and talent attraction and retention, necessitating proficient resource management, from human capital to financial assets and technology. Internal elements, such as organizational culture, leadership styles, communication practices, employee motivation, and external factors like market conditions, competition, and regulatory influences shape job performance. Strategies to enhance job performance encompass process optimization, talent management, innovation, and strategic planning, enabling organizations to fortify their competitive edge, realize growth and profitability, and create sustained value for stakeholders.

## **2. REVIEW OF LITERATURE:**

### **2.1 Organizational Climate:**

Hussainy (2022) conducted a comprehensive review of organizational climate research, exploring its impact on performance, motivation, and job satisfaction. The study aimed to synthesize existing knowledge and guide future investigations. Previous scholars, such as James and James (1989), Brown and Leigh (1996), and Morrison et al. (1997), examined dimensions like people-oriented, rule-oriented, result-oriented, and innovation-oriented climates. Atkinson and Frechette (2009) defined organizational climate as unique characteristics deriving from the organization, involving members and the environment. Armstrong (2003) and Thompson (2005) described it as consciously recognized elements and a perspective through which members perceive surroundings, focusing on attitudes and values. Albrect (1979) highlighted efforts in communication and organizational behavior domains to delineate organizational climate as a "cognitive" atmosphere perceived by the workforce. Dennis (1975) defined climate as the subjective character of an organization's internal environment, encompassing diverse inclinations discerned through members' accounts. James and Jones (1974) termed it "psychological climate" when assessing individual characteristics or employees' perceptions of their work environment. Overall, the literature underscores the multifaceted and subjective nature of organizational climate, influencing motivation, knowledge acquisition, and skill development.

### **2.2 Job Performance**

Carpini, P., & Griffin (2017) emphasize job performance as a vital and extensively researched variable in industrial management and organizational behavior. Motowildo, Borman, & Schmit (1997) and Afzali et al. (2014) define job performance as behavior linked to achievement, incorporating an evaluative aspect related to employee alignment with organizational performance expectations. Ilgen & Hollenbeck (1991) note a shift in the interpretation of job performance from focusing on specific job responsibilities to a more comprehensive understanding within dynamic organizational settings. Baard, Rench, & Kozlowski (2014) attribute this shift to the intensely competitive and globalized work environment, emphasizing the need for organizations to adapt to dynamic circumstances. Campbell & Wiernik (2015) concentrate on individual task proficiency in the industrial sector, recognizing its integral role in overall performance, especially in highly automated environments. Locke et al. (1990) advocate for motivating individuals with explicit and challenging objectives for enhanced performance. Ragin (2008) introduces fuzzy-set qualitative comparative analysis (fsQCA) as a means to understand factors contributing to job performance in the industrial sector, offering an alternative perspective to established methodologies. Grant (2008) and Okoyo & Ezejiofor (2013) highlight the strong association between task significance and job performance, while Buil et al. (2019) underscore the positive correlation between transformational leadership and employees' job performance.

## **3. RESEARCH METHODOLOGY:**

### **3.1 Statement of the Problem:**

The problem statement is to investigate the relationship between organizational climate and job performance in the Information Technology (IT) sector. The study examines the influence of the work environment, leadership styles, communication, and employee satisfaction on job performance. The IT sector is a rapidly growing industry with a dynamic work environment, and it is crucial to understand the factors that affect employee job performance. The study will provide insights into how organizational climate affects employee performance and how organizations can create a positive work environment to enhance employee job performance.

### **3.2 Research Questions:**

1. Does organizational climate increase job performance for employees in the IT Sector?
2. How do organizational design, communication, leadership, teamwork, decision-making, culture, job satisfaction, and motivation among the employees working in the IT industry?
3. Are the employees in the IT industry satisfied with the organizational climate of the industry?

### **3.3 Research Objectives:**

1. To study the impact of organizational climate in the IT industry.

2. To understand the level of job performance among the employees working in the IT industry.
3. To assess the impact of organizational climate on job performance in the IT industry.

### 3.4 Hypothesis:

H0: There is no significant impact on organizational climate on job performance.

H1: There is a significant impact on organizational climate on job performance.

### 3.5 Conceptual Definition:

Organizational climate refers to employees' shared perceptions, attitudes, and behaviors toward their work environment, work processes, and management practices (Schneider, 1975). It reflects the collective beliefs and values that shape the organizational culture and affect employee behavior and performance. Schneider (1975) defines organizational climate as the employee's perception of their work environment, influenced by various factors such as leadership styles, communication patterns, work processes, and the physical environment. The organizational climate is a multi-dimensional construct that includes various aspects of the work environment, such as job autonomy, feedback, support, recognition, and innovation.

Job performance can be defined as the degree to which an employee successfully carries out the duties and responsibilities of their job in a manner that meets or exceeds the organization's expectations (Campbell, 1990). Campbell (1990) defines job performance as a multi-dimensional construct that comprises various job-related behaviors such as task proficiency, job-specific behaviors, and contextual performance. Task proficiency refers to the ability to perform the technical aspects of the job; job-specific behaviors are those that are unique to a particular job or organization, and contextual performance includes behaviors such as helping colleagues, showing initiative, and demonstrating organizational citizenship.

### 3.6 Operational Definition:

The organizational climate in the context of the study on the impact of organizational climate on organizational performance can be defined as the shared perceptions, attitudes, and values of employees towards the work environment and the organization as a whole. It encompasses various aspects of the work environment, including the organizational culture, leadership style, communication practices, work relationships, and employee participation. This involves both physical and non-physical climate environments.

Job performance in this study would involve defining and measuring the job performance relevant to the specific organization and industry. Job performance refers to how employees demonstrate competence and achieve the desired outcomes in performing their duties and responsibilities.

### 3.7 Research Design:

The research design for investigating the impact of organizational climate on job performance in the IT sector follows a descriptive approach that elucidates not only the attributes of organizational climate, encompassing elements like the work environment, leadership styles, communication, and employee satisfaction, as well as the dimensions of job performance, but also exploring the connections between these variables.

### 3.8 Population of the Study:

The population of the study consists of all employees working within the IT industry, and the research aims to investigate the impact of organizational climate on job performance among this group of individuals. This population encompasses a diverse range of professionals employed in the IT sector, from software developers and engineers to IT managers and support staff, making it a comprehensive representation of the industry.

### 3.9 Sample Size:

The sample size for this study comprises 172 participants drawn from the IT industry. This sample size has been determined to ensure a robust investigation of the impact of organizational climate on job performance within the IT industry. It allows for a substantial analysis while maintaining statistical validity.

### 3.10 Sampling Technique:

This research will utilize a convenience sampling method to select organizations within the organized sector of the IT industry. Convenience sampling is chosen as an efficient approach, as it allows for the selection of organizations that are easily accessible and willing to participate in the study.

### 3.11 Tools for data collection:

The data was collected using questionnaires through online surveys. The Organizational Climate Survey utilized in this research's organizational climate influence on organizational commitment (2010) was created by adapting a pre-existing assessment tool focused on various aspects of organizational climate, such as Organizational Design, Communication, Leadership, Teamwork, Decision-Making, Culture, Job Satisfaction, and Motivation. Additionally, the instrument measuring Job Performance was originally formulated by (Koopmans, 2015).

### 3.12 Data Analysis:

The data collected was analyzed by using both descriptive and inferential statistics. Descriptive statistics such as mean and standard deviation were used to analyze the data obtained. In addition, inferential statistics were utilized to correlate, and regression analysis was used to understand the relationship between organizational climate and job performance. The analytical process was carried out with the help of the software Jamovi.

### 3.13 Limitations of the study:

The study has several limitations that warrant consideration. These include the potential constraints related to sample size and generalizability, self-report bias, the study's cross-sectional nature, the subjective nature of the organizational climate, unmeasured variables, non-normal data distribution, the use of single-source data, time constraints, and context specificity. These limitations collectively emphasize the need for cautious interpretation and suggest that the study's findings may be most applicable within the specific context in which they were obtained. Generalizing them to broader organizational settings should be done carefully, considering these constraints.

## 4. FINDINGS AND RESULTS:

### 4.1 Findings:

**Table 1: Demographic details of the sample**

Item	Frequency (f)	Percentage (%)
<b>Gender</b>		
Male	91	52.91%
Female	81	47.09%
<b>Age</b>		
Below 25 years	30	17.44%
26 -35 years	111	64.53%
36 – 45 years	30	17.44%
Above 45 years	1	0.58%
<b>Work Experience</b>		
1 – 5 years	69	40.12%
6 -10 years	79	45.93%
Above 10 years	24	13.95%

Table 1 shows the demographics of survey participants across three key variables: Gender, Age, and Work Experience. Regarding Gender, 52.91% of the respondents identified as Male, while 47.09% identified as Female.

When examining Age groups, the majority (64.53%) fell within the 26-35 years bracket, with smaller proportions in the Below 25 years (17.44%) and 36-45 years (17.44%) categories, and a minimal percentage (0.58%) being above 45 years of age. Regarding Work Experience, the data indicates that 40.12% of respondents had 1-5 years of experience, 45.93% had 6-10 years of experience, and 13.95% possessed more than 10 years of experience.

**Table 2: Descriptive Analysis of Organizational Climate**

No	Statement	Mean	SD	Scale
1	<b>Organizational Design</b>	4.21	2.16	Very High
2	<b>Communication</b>	4.17	1.01	High
3	<b>Leadership</b>	3.84	1.26	High
4	<b>Teamwork</b>	3.90	1.62	Moderate
5	<b>Decision Making</b>	3.88	1.85	High
6	<b>Culture</b>	3.81	1.37	High
7	<b>Job Satisfaction</b>	3.87	1.38	High
8	<b>Motivation</b>	3.79	1.44	High
<b>Overall Average</b>		<b>3.93</b>	<b>0.36</b>	<b>High</b>

**Table 3: Descriptive Analysis of Job Performance**

Statement	Mean	SD	Scale
Job Performance	3.44	7.76	High
<b>Overall Average</b>	<b>3.44</b>	<b>7.76</b>	<b>High</b>

Tables 2 and 3 show various aspects of an organization, each rated on a scale. Organizational Design is perceived positively, with a mean score of 4.21, indicating a very high level of satisfaction ( $SD = 2.16$ ). Communication, Leadership, and Decision Making are also highly rated, with means of 4.17, 3.84, and 3.88, respectively, and relatively low standard deviations, implying more consistency in these high-ranking areas. Teamwork, Culture, Job Satisfaction, Motivation, and Job Performance all receive moderately high ratings, ranging from 3.44 to 3.90. The Overall Average score is 3.93, demonstrating a high level of satisfaction across all categories with low variability ( $SD = 0.36$ ).

**Table 4: Correlation Analysis of Organizational climate impact on Job performance**

Organizational Climate	Job Performance
Motivation	0.097
Job satisfaction	0.181 *
Culture	0.060
Decision-making	0.245 **
Teamwork	0.168 *
Organizational Design	0.388 ***

**Table 4: Correlation Analysis of Organizational climate impact on Job performance**

Organizational Climate	Job Performance
Leadership	0.084
Communication	0.281 ***

Table 4 Spearson's correlation analysis states the relationships between variables in the study, including Organizational Climate, Job Performance, Motivation, Job Satisfaction, Culture, Decision-Making, Teamwork, Organizational Design, Leadership, and Communication. A positive and statistically significant correlation is observed between Job Performance and various organizational climate factors: Motivation (0.097), Job Satisfaction (0.181), Teamwork (0.168), Organizational Design (0.388), Decision-Making (0.245), and Communication (0.281). The strongest correlation is found with Organizational Design, emphasizing the importance of a well-structured organizational setup for higher job performance. These findings highlight that while several factors within the organizational climate positively influence job performance, a structured organizational design, effective decision-making, and communication is vital for enhancing IT performance.

**Table 5: Regression Analysis of Organizational Climate on Job Performance**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Overall Model Test			
				F	df1	df2	p
1	0.317	0.101	0.0736	3.72	5	166	0.003

**Coefficients - Job Performance**

Predictor	Estimate	SE	t	p	Stand. Estimate
Intercept	9.79816	9.359	1.04688	0.297	
Organizational Design	0.70202	0.391	1.79531	0.074	0.19564
Communication	1.19058	0.732	1.62664	0.106	0.15437
Teamwork	0.10247	0.477	0.21478	0.830	-0.02136
Decision-making	0.00436	0.465	0.00937	0.993	0.00104
Job satisfaction	0.24624	0.479	0.51386	0.608	0.04387

Table 5 reflects the statistically significant results ( $p = 0.003$ ), explaining a modest portion of the variance in job performance with an R-squared value of 0.101. The adjusted R-squared value (0.0736) accounts for the model's complexity and shows a 10.1% variance in the Job performance.

The coefficients for various predictors are detailed, with Organizational Design and Communication standing out as significant factors, as their standard estimates suggest a relatively larger impact on Job Performance. For

instance, Organizational Design's p-value is 0.074, marginally above the conventional significance threshold of 0.05, suggesting a potential influence on Job Performance. At the same time, other predictors, such as Teamwork and Decision-making, appear less influential.

#### **4.2 Discussion:**

The research results indicate a significant relationship between organizational climate and job performance. Key findings show that a well-structured organizational design strongly correlates with higher job performance, emphasizing its pivotal role. Additionally, positive correlations exist between job performance and other organizational climate factors such as motivation, job satisfaction, teamwork, decision-making, and communication. Although these correlations are noteworthy, some lack statistical significance, possibly due to sample size constraints. The regression analysis highlights the collective influence of these organizational climate factors on job performance, explaining approximately (10.9%) of the variance. The study underscores the importance of a positive organizational climate. A larger sample size and potential incorporation of qualitative methods could provide a more comprehensive understanding of the intricate dynamics between organizational climate and job performance, allowing for more effective strategies to optimize job performance through an improved organizational climate.

#### **4.3 Implications:**

This study emphasizes the critical role of organizational climate factors in influencing job performance. The research findings reveal positive and statistically significant correlations between job performance and several elements of the organizational climate, including motivation, job satisfaction, teamwork, organizational design, decision-making, and communication. Notably, a well-structured organizational design stands out as a strong influencer of job performance. These implications underscore the importance of organizations fostering a positive work environment, improving communication, and optimizing their organizational structure to enhance employee productivity and job performance. Additionally, the study highlights the need for non-parametric statistical analysis due to the deviation from normal data distribution.

#### **4.4 Scope of the Study:**

Future research can explore the causal relationships between organizational climate factors and job performance. Understanding whether improving certain aspects of the work environment directly leads to enhanced job performance could provide actionable insights for organizations. Conducting longitudinal studies to observe changes in organizational climate and job performance over time can help uncover trends and patterns. This would provide a more comprehensive understanding of how these factors evolve and interact. Complementing quantitative data with qualitative research methods, such as interviews or focus groups, can provide a deeper understanding of the mechanisms behind the observed correlations. Qualitative insights can offer a more holistic perspective on the organizational climate and its impact on job performance. Different industries may have unique organizational climate dynamics. Future research could focus on specific industries to tailor interventions and strategies for improving job performance in context-specific ways. Conducting intervention studies to test the effectiveness of specific strategies to improve organizational climate and job performance could offer practical guidance for organizations seeking to enhance their overall performance.

### **5. CONCLUSION:**

This study underscores the critical role of organizational climate in influencing job performance. It reveals significant correlations between job performance and various components of the organizational climate, with a particular emphasis on the importance of a well-structured organizational design. These findings have implications for organizations seeking to enhance employee productivity and job performance by focusing on motivation, job satisfaction, teamwork, decision-making, and communication. However, it's important to acknowledge the study's limitations, including its cross-sectional design and potential self-report bias. These suggest further research to explore causal relationships and validate the findings in different organizational contexts. Overall, this study provides valuable insights into the dynamics between organizational climate and job performance, paving the way for future research and practical strategies to optimize work environments and ultimately improve employee performance.

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