

Capítulo 20. Diagnosis of organizational climate in “Grupo Estancia”.

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Summary

Organizational climate plays a key role in determining the success of an organization and improves organizational success, efficiency, and effectiveness. This research is quantitative and aims to make a diagnosis of the organizational climate in the company Grupo Estancia, belonging to the restaurant industry, using the scale to assess the Psychological Organizational Climate proposed by Hernández-Sampieri (2019). The findings conclude that although the organizational climate is generally positive, it is important to improve communication and leadership. It is advisable to make an adjustment in the reward of employees considering the economic and emotional salary.

Key words

Organizational climate, psychological organizational climate

Introduction

At the present time, the organizational climate is a critical factor in the success of most companies. Overall, this is because it can help firms achieve their goals and influences many areas of the workplace. In particular, the organizational climate could be considered as an unwritten rule book, defining what is and what is not acceptable behavior on the part of the organization's personnel (Kılıç and Altuntaş, 2019). Furthermore, Schneider, Ehrhart and Macey (2013) suggest that the organizational climate refers to the opinions and common interpretations of employees about the policies, practices, and procedures, methods, and practices. Considering what was mentioned previously, it is evident that the organizational climate can be a useful variable to research, analyze and study, since it can provide workforces with a sense of control over their actions.

In this framework, knowing the internal environment of organizations is essential since this has a significant effect on employee productivity. For this reason, it is of vital importance that a company has a favorable organizational climate, as this has an impact on business performance. Considering this, the objective of this research is to carry out a diagnosis of the organizational climate in the company *Grupo Estancia*, belonging to the restaurant industry, through the scale to evaluate the Psychological Organizational Climate proposed by Hernández-Sampieri (2019).

Literature Review

Organizational Climate

Over the years, organizational climate has been defined as the way in which employees perceive the psychologically relevant aspects of their work environment. Indeed, it can be clearly seen that this climate has the potential to influence work behavior and employee satisfaction (Ashforth, 1985).

In general, according to research by Gerber (2003) and Moran and Volkwein (1992), organizational climate is understood as the perceptions, feelings, and attitudes shared by members of an organization with respect to its fundamental elements. Thus, these perceptions reflect the norms, values and attitudes established in the organizational culture, and can have both a positive and negative impact on the behavior of individuals.

In specific, the organizational environment can shape the context in such a way that it influences employees' perception of knowledge management and innovations, as well as motivating them to participate in the process of converting knowledge into new products

(Chen, Huang, & Hsiao, 2010; Chen & Lin, 2004). On the other hand, Rahimić (2013) points out that the work environment has a significant impact on both organizational and psychological processes related to communication, motivation, learning problem solving, efficiency, and productivity of an organization.

It should also be mentioned that Patterson, Warr and West (2004) anticipated that the relationships between a company's climate and its productivity would be influenced by the average level of job satisfaction. Subsequently, other researchers such as Smit, Collins, and Clark (2005) raised the idea that the organizational climate plays an important role in the ability to generate knowledge.

According to a study carried out by Schulte (2006), the relationship between individual perceptions of the organizational climate with respect to job satisfaction was confirmed. In addition, it was analyzed how the general climate in a work unit significantly influences individual attitudes once the unique perceptions of everyone about the organizational climate are considered.

Simply put, organizational climate has significant effects at the individual, group, and organizational levels, and can also have a meaningful impact on job satisfaction, individual performance, and overall organizational performance. In the same way, the organizational climate plays a key role in determining the success of an organization and is fundamental to achieving organizational effectiveness (Purohit and Wadhwa, 2012).

Finally, in this context it should be emphasized that James and Jones (1974) established a differentiation between the organizational climate and the psychological climate. Correspondingly, they proposed that the term “organizational climate” be used when referring to an attribute of the organization, while the term “psychological climate” is used to describe an individual attribute. Thus, the psychological climate is investigated at the individual level, based on personal perceptions and descriptions of organizational practices and procedures. On the other hand, the organizational climate is analyzed mainly through the perceptions of the organization's collaborators, which provides a global description of the environment in which they find themselves (Joyce and Slocum, 1982).

Psychological Organizational Climate

Historically, the concept of psychological climate originated from Lewin's (1936) use of the term “living space” to explain individuals' motivational and affective responses to change. In this context, according to Kahn (1990), the psychological climate refers to the level at which employees perceive that the organization provides a work environment that is safe and significant from a psychological point of view. On the other hand, other researchers such as

James, James, and Ashe (1990), Reichers and Schneider (1990) and Parker et al. (2003), define the Psychological Organizational Climate (COP) as a concept that encompasses the relevant psychological representations that individuals have about organizational design, as well as the processes and events that occur within the company.

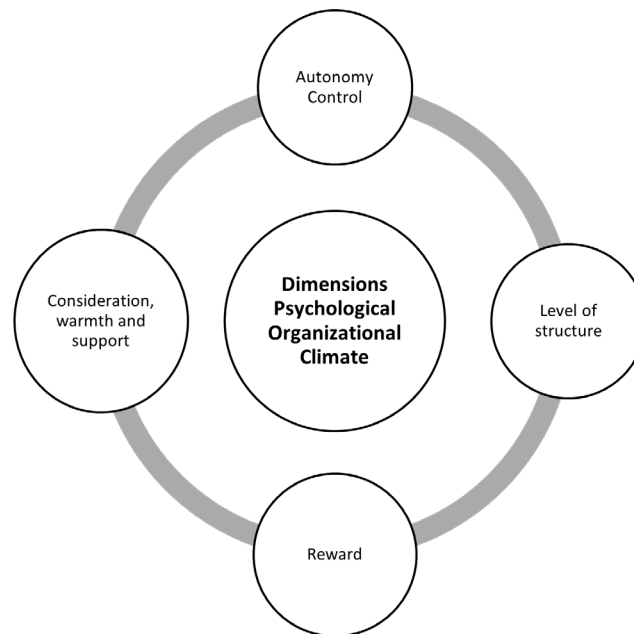
It should also be mentioned that various authors define the Psychological Organizational Climate (COP) as a perceptual measure that represents the subjective impressions of the organization's collaborators about their environment (Lawler, Hall, & Oldham, 1974; Dastmalchian, Blyton, & Adamson, 1989; Wan, Huat, and Yuae, 1997; McKnight and Webster 2001; Schneider, Ehrhart, and Macey, 2013; and Haseeb, Ali, Shaharyary, Butt, 2016). Considering this framework, the differences in the perceptions and assessments that make up the Psychological Organizational Climate may be due to various reasons, such as individual differences between employees, the characteristics of organizational environments and the interaction between the person and the situation (Dansereau, Graen and Haga, 1975; L.R. James et al., 1990).

Dimensions of the Psychological Organizational Climate

Regarding the dimensions of the Psychological Organizational Climate, as time has passed, numerous dimensions have been identified. However, initially Campbell et al. (1970) proposed four common dimensions (Figure 20.1). Specifically, these dimensions seem to remain consistent across all organizations, although it is possible that there are other dimensions that are specific to each organization.

Figure 20.1

Dimensions of the Psychological Organizational Climate



Source: Own elaboration with data from Campbell et al. (1970)

Within this framework, Kopelman et al. (1990) proposed that there is a relationship between psychological climate and “relevant organizational behaviors”, such as performance, citizenship, and commitment. Thus, these relationships are mediated by cognitive and emotional states, such as work motivation, commitment, job satisfaction, and dedication of individuals at work. Specifically, the proposed model assumes that people behave in accordance with their beliefs, expectations, and feelings.

On the other hand, Patterson, Warr and West (2004) describe the Psychological Organizational Climate (COP) as the interpretations that employees form from their experiences in relation to the values and processes of the organization. In addition, the psychological climate emphasizes the importance of personal values when valuing the characteristics of the work environment. In the same way, these personal values reflect what is important for each individual and it is argued that they influence the evaluation of the work environment (Burke, Borucki, & Kaufman, 2002).

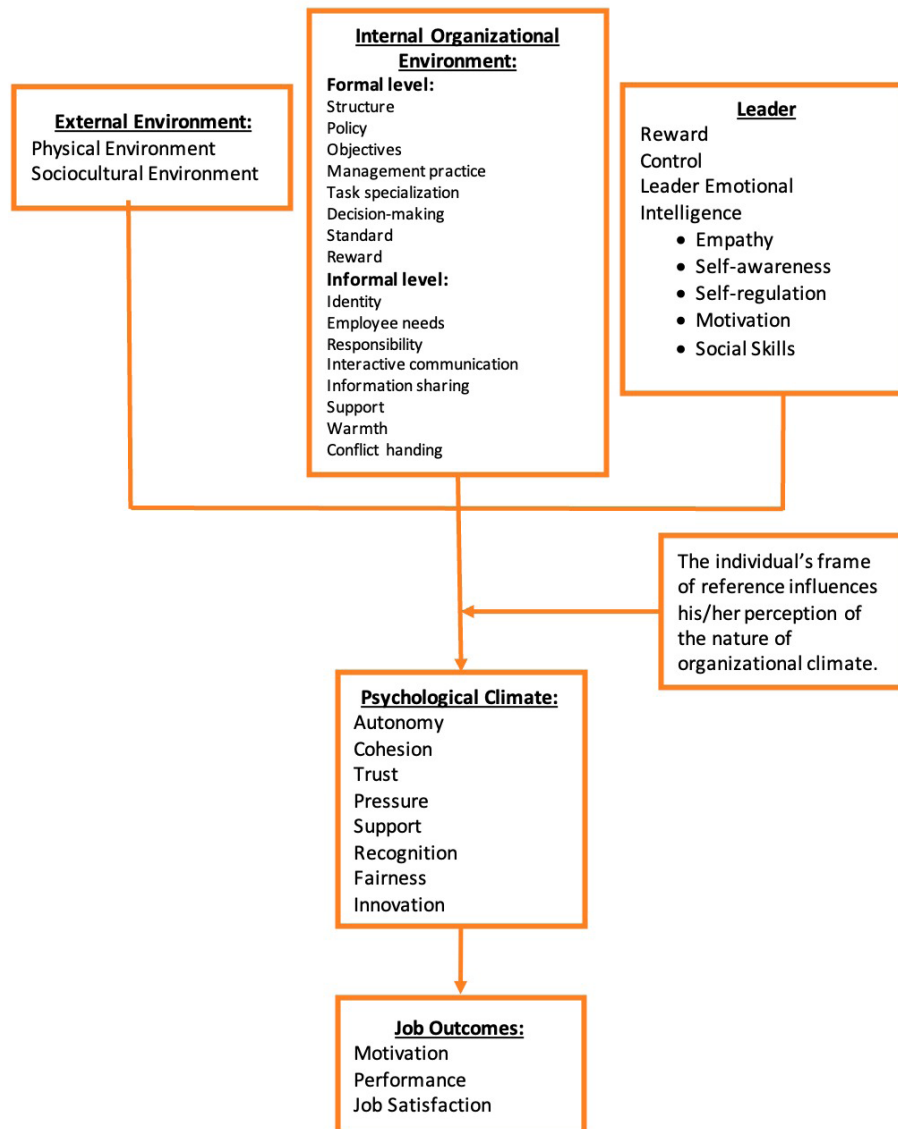
Specifically, Joyce and Slocum (1982) point out that the Psychological Organizational Climate (COP) is useful for examining perceptions in an individual context because it does not require that people within work units agree on their perceptions of climate.

To conclude, a diagram is presented below that exposes an analysis of the individual's perception regarding the factors that influence the Psychological Organizational Climate (Figure 20.2).

Figure 20.2

Perception of the Psychological Organizational Climate

Influence on the Psychological Organizational Climate perceived by the individual.



Source: Klem and Schlechter (2008, p.18)

Methodology

In this research, the main purpose is to conduct an organizational climate study to measure the perceptions of employees about various aspects of their experience so the company managers can identify areas for improvement. In specific, the study population are the employees of Grupo Estancia, a company in the restaurant industry that is dedicated to offering unique experiences through operational and administrative innovation. This organization has 20 years of experience, offers 100 different dishes and its staff is made up of 250 employees. For the practical purposes of this study, the analysis was carried out in the restaurants *La Estancia Argentina and Harbor’s*, establishments located in the city of León, in the State of Guanajuato in Mexico.

It should be noted that the active staff to operate both facilities is 80 employees and we tried to apply the questionnaire to every employee, however, it was not possible to contact all collaborators for operational reasons, so the final sample collected is only 64 respondents.

Next, in Table 20.1, the research data sheet is presented.

Table 20.1

Research data sheet.

Research Data Sheet	
Research type	Quantitative
Research instrument	Scale designed by Hernández-Sampieri (2019).
Fieldwork	June y July 2023.
Data collection	Google Forms.
Research location	León, Guanajuato, Mexico.
Sample	Non-probabilistic convenience.

Source: Own elaboration

In this research the field survey was carried out on employees through a Likert-type scale survey proposed by the researcher Hernández-Sampieri (2019), which consists of 56 items to measure the psychological organizational climate construct through eleven dimensions. In detail, these dimensions encompass aspects such as camaraderie and unity, leadership, innovation, pride, and pleasure in working in the company, communication, perception of effort on performance, intrinsic motivation and commitment, autonomy, job satisfaction, leadership, vision, and rewards.

Results

In the first instance, the reliability of the Organizational Climate scale was corroborated by calculating Cronbach's Alpha, from which a result of 0.99 was obtained according to the statistical calculations carried out considering the information from the database prepared from field work. Thus, it can be concluded that the reliability of the scale used in this research is excellent, which gives us confidence in the results obtained and their interpretation (Table 20.2).

Table 20.2

Reliability of the scale used in the research.

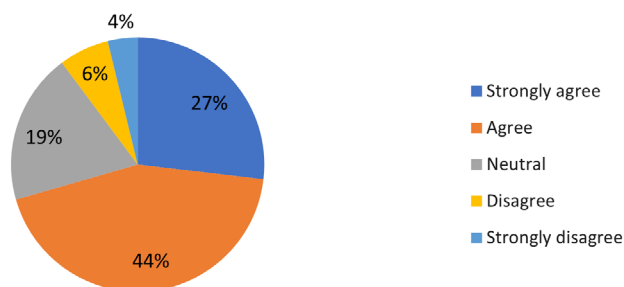
Questionnaire reliability coefficient	0.99
Number of items of the questionnaire	56
Sum of the variances of the items	52.38
Total variance of the instrument	1670.28
Excellent reliability	0.99

Source: Own elaboration with the statistical results of the field work

In this framework, below is the general graph of the measurement of organizational climate. In this context, it can be concluded in a general way that the employees of the Grupo Estancia company expressed their general agreement with the work environment of the company, which was represented by 71% of those surveyed. On the other hand, 19% of employees gave a neutral response. Finally, only 10% of employees perceive that the company's organizational climate is not good (Graph 20.1).

Graph 20.1

GRUPO ESTANCIA ORGANIZATIONAL CLIMATE



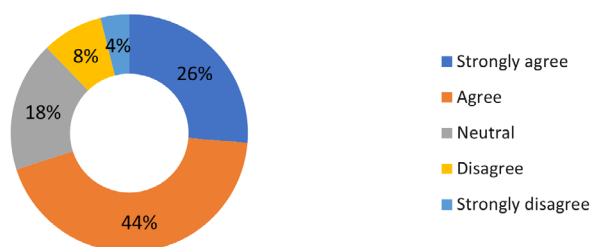
Source: Own elaboration with information from the data collection

In the following paragraphs, the results obtained from the analysis of each of the dimensions of the instrument that was applied to collect the data will be presented in detail.

In the graph of the management dimension, 70% of the respondents agree with the consideration and support shown by the top managers attributed by the members of the organization; 18% expressed a neutral position in this regard, while 12% of employees do not perceive having support from their managers (Graph 20.2).

Graph 20.2

GRAPH 2. TOP MANAGEMENT

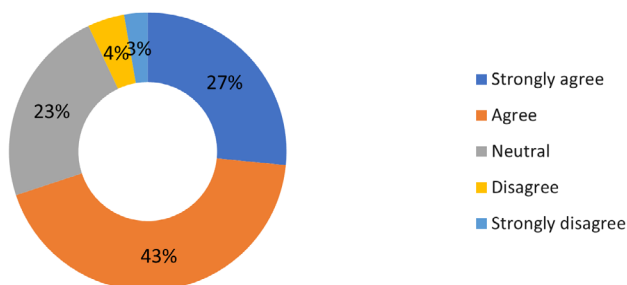


Source: Own elaboration with information from the data collection

Next, in the innovation dimension, 70% of the collaborators who participated in this survey state that they agree both with the perception of support for innovation in general, and with the initiatives that seek to introduce improvements in the way in which work is carried out at organizational and departmental levels. Only 7% stated otherwise in this regard (Graph 20.3).

Graph 20.3

GRAPH 3. INNOVATION

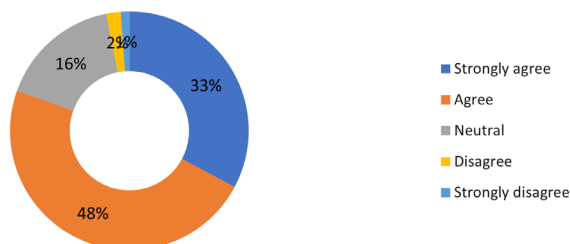


Source: Own elaboration with information from the data collection

On the other hand, 81% of those surveyed expressed agreement with the feeling of pride in working in the company and they do it with pleasure, 16% expressed a neutral position in this aspect and only 3% of the collaborators do not feel proud of working in this organization (Graph 20.4).

Graph 20.4

GRAPH 4
PRIDE AND PLEASURE TO WORK IN THE COMPANY

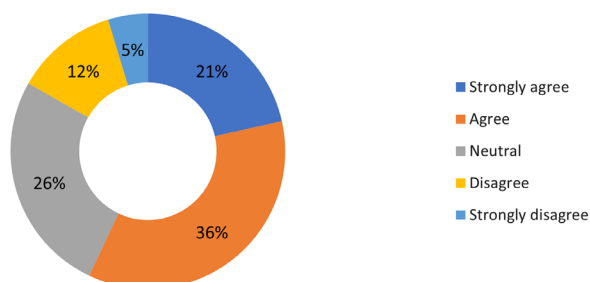


Source: Own elaboration with information from the data collection

Regarding the communication dimension 57% of those surveyed expressed agreement with the general perception about the state of communication in the organization and the company's ability to listen; 17% of employees stated that they perceive that organizational communication must improve (Graph 20.5).

Graph 20.5

GRAPH 5. COMMUNICATION

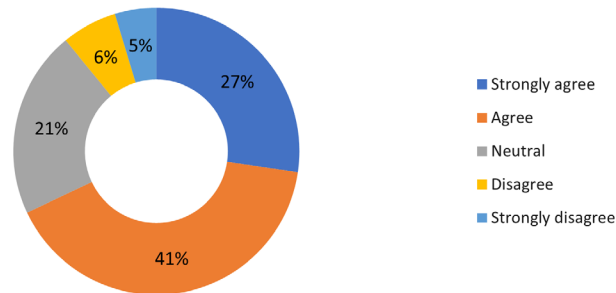


Source: Own elaboration with information from the data collection

Considering the dimension of autonomy, 68% of the participants perceive that they have the freedom to make decisions in carrying out their work, while 11% think the opposite. On the other hand, 21% of employees expressed a neutral position in this regard (Graph 20.6).

Graph 20.6

GRAPH 6. AUTONOMY

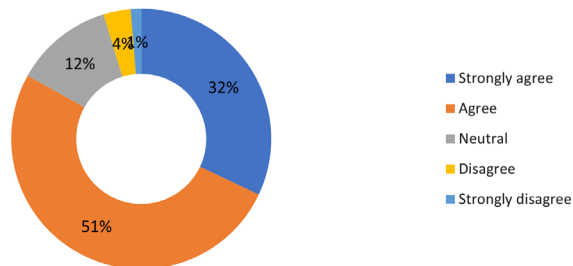


Source: Own elaboration with information from the data collection

Additionally, 83% of those surveyed reported experiencing job satisfaction with key aspects related to their work activities, such as the job itself, their supervisor, the organization, their peers, and their training. Only 5% stated otherwise (Graph 20.7).

Graph 20.7

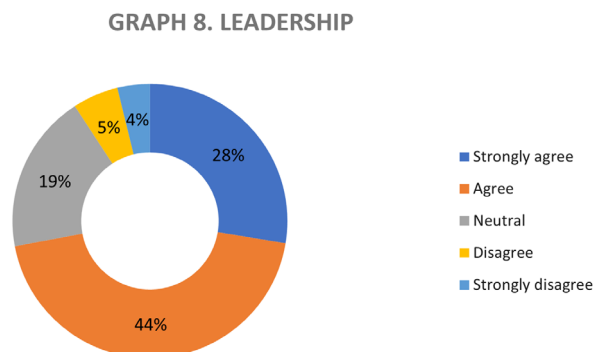
GRAPH 7. JOB SATISFACTION



Source: Own elaboration with information from the data collection

On the other hand, considering the leadership dimension, the findings confirm that 72% of the collaborators are satisfied with the support they receive at work, including the emotional support and the motivation provided by their hierarchical superior (Graph 20.8).

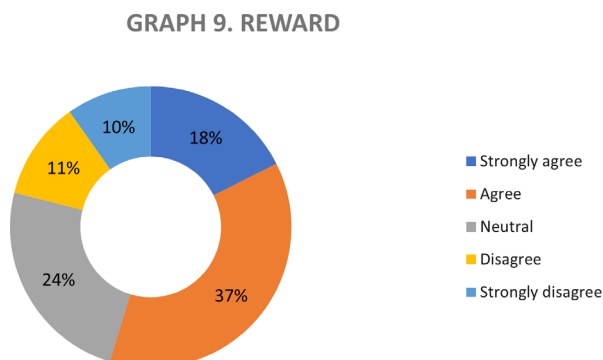
Graph 20.8



Source: Own elaboration with information from the data collection

Finally, 55% of the collaborators indicate that they perceive fairness and equity in their salary and compensation received, and express general satisfaction with the remuneration they receive; 24% of those surveyed maintained a neutral position regarding this questioning; 21% of employees consider that they do not receive fair remuneration for the activities they perform (Graph 20.9).

Graph 20.9



Source: Own elaboration with information from the data collection

To conclude the results section, it is relevant to underline that when making an adjustment in the research instrument, the dimensions of companionship and union, vision, perception of effort on performance, and, finally, intrinsic motivation and commitment, were eliminated. For this reason, these graphs were not presented in this section.

Discussion

Considering what was mentioned in the previous section, it can be concluded that the organizational climate in the company Grupo Estancia is good, given that 71% of the employees expressed their general agreement with the work environment of the company. However, in the results obtained, some areas of opportunity and improvement were detected that must be analyzed by the administration of this organization.

In the first instance, regarding the dimension of communication, it was detected that employees perceive that their opinions are not considered. For this, it is suggested that managers implement strategies to strengthen active listening. Likewise, it was also detected that communication is not good. For this, it is recommended to prepare and disseminate a corporate manual, establish a suggestion box, put up a bulletin board, hold periodic meetings where teams can share information and cultivate interpersonal relationships with their peers. It would also be a good idea to organize occasional activities outside the office so that the work teams can interact in a more relaxed way in a less formal environment and contribute to improving the work environment.

In addition to the above mentioned, considering the leadership dimension, a relevant finding in this study is that employees do not perceive that bosses take care of their staff. In this regard, it is essential that leaders implement strategies to improve labor well-being. For example, an alternative to address this point may be to offer workers a work scheme that allows them to have a balance between work and personal life.

In a timely manner, another significant finding of the present study corresponding to the dimension of rewards, was with reference to the economic compensation of the collaborators, since in general they perceive that they are not paid a fair wage, and therefore, they are not satisfied with their remuneration. This aspect is essential, as it is a factor that directly affects motivation and job satisfaction. In this regard, it is recommended that in addition to the monetary compensation that is part of the worker's salary, the emotional salary be considered. For this, some strategies that can be implemented are those proposed by Ortega (2023) that include offering a positive work environment, allowing personal and professional development, offering a balance between professional life and personal life, allowing them to offer their opinion, create leisure spaces, allow autonomous work, encourage communication, and implement strategies to motivate staff. In conclusion, everything previously described will be a good strategy for employees to feel valued by the company, and in turn this will help them stay motivated and improve their work performance in the short and long term. Finally, if employees experience a positive work climate, they will feel more motivated in the perfor-

mance of their work activities and there will be less staff turnover, which will have a positive and significant effect on corporate KPI's and will be seen reflected in overall organizational performance.

Conclusions

The study of the organizational climate in companies is essential, since it has the potential to influence labor behavior and employee satisfaction (Ashforth, 1985). In addition, the work environment has a significant impact on both organizational and psychological processes related to communication, problem solving, learning, motivation, efficiency, and productivity of an organization (Rahimić, 2013). In conclusion, the organizational climate plays a key role in determining the success of an organization and is essential to achieve organizational effectiveness, since it has effects at the individual, group, and organizational levels (Purohit and Wadhwa, 2012).

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