The Relationship between Organizational Climate and Effectiveness in Lithuanian Government

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Introduction

In order to contribute to the effectiveness of public and private organizations, in the last twenty years organizational climate has been analyzed from many points of view, as of public administration to group psychology. While some authors have already identified the importance of organizational climate (Williamson, 1997; Guldenmund, 2000) on organizational efficacy issues, many investigators state that the relationship between the two has been insufficiently explored (Silva, 2003). Organizational climate perceptions in bureaucratic organizations place some doubts for the researchers thus far (Meyer, 2003). As in the twenty-first century public sector organizations experience the tensions that arise between the demands of government, business, and civil society, the surveys on different aspects of organizational climate and effectiveness continue to be important up to now. In addition, the relationship between organizational climate and effectiveness in public sector of East European countries has mainly been a theoretical proposition. Therefore, the main purpose of this research was to evaluate the relationship between organizational climate and effectiveness in Lithuanian Government which is one of the principal public organizations that serve in public interest for Lithuanian society.

Conceptualization of organizational climate and effectiveness

Many investigators consider organizational climate to be usefully applied as a multidimensional construct and that some dimensions are common and relevant to most organizations (West, 1999). It is assumed that organizational climate comprise shared perceptions about organizational norms, beliefs, values, practices, and procedures that can be observed at general or specific levels (Van Muijen; 1998; Guldenmund, 2000).

The concept of organizational climate, as it is considered now, was not comprehensively discussed until the early 1970s, even though in the late 1940s K. Lewin introduced the idea of "social climates in the workplace". Assessing employee climate perceptions became increasingly interesting to organizational researchers. Various conceptualizations of climate were proposed by different authors, e.g. some have accentuated the distinction between psychological climate and organizational climate (Baltes, 2002).

In all probability, *raison d'źtre* why organizational climate studies have become broadly used is that organizational climate has been shown to predict organizational effectiveness, job satisfaction and performance, employee motivation, and organizational commitment (Patterson, 1997; West, 1999). Research has demonstrated that climate perceptions provide an important mediating link between organizational characteristics and consequential work outcomes such as employee attitudes, motivation, and psychological well-being (Parker, 1999).

Psychological research has revealed that if organizational climate is characterized by distrust, lack of communication, personal antipathies, limited individual autonomy, and unclear goals, the organizational effectiveness will be inhibited (Mumford, 1988; Amabile, 1988). Due to the strong associations between organizational climate and performance, both researchers and practitioners continue to be deeply concerned about the concept.

The organizational climate measures are now extensively used in public and private sector organizations to determine the prevailing climate, often being called employee attitude surveys or employee opinion surveys. Identifying organizational climate usually is grounded by an aspiration to improve an organization. However, some researchers believe that the process of identifying organizational climate does not really help to answer some very important questions concerning the relationship between organizational climate and effectiveness: What really makes an organization "effective"? Would improving organizational climate increase organizational effectiveness? (Ott, 1998). Therefore, the surveys which aim at systematic evaluation of the relationship between organizational climate and effectiveness ought to be focused on the various aspects and direction of this relationship.

In the present study, based on a review of the literature, we hypothesized that Lithuanian Government employees' perceived organizational climate would be significantly related to the perceived organizational effectiveness. We have also hypothesized that there will be some differences in results among groups of human resources in relation to their position in organization.

METHODS

Participants

This research examined the relationship between perceived organizational climate and organizational effectiveness in the sample of employees of Lithuanian Government (n=46). Age of the participants ranged from 27 to 60 years among male participants (Mean=42.1), and from 24 to 60 among female participants (Mean=44.8). The number of female participants (n=27) was to some extent higher that of males (n=19). The majority of participants had a university education; more than 50% of the employees had extensive experience of working in the organization as counselors, experts and heads of the departments of Lithuanian Government.

Procedure

Participants for the present study voluntarily received a packet containing a cover sheet that explained the nature of their participation, a demographic sheet, and the research instrument: Organizational Climate Index. All the participants were asked to complete the questionnaires independently.

Measures

Organizational Climate Index (Nave, 1986) was administered to identify the organizational climate in Lithuanian Government. This inventory is a 27 - item self-report measure. Respondents are asked to express their agreement or disagreement with the various statements. Rating system was on a 5-point Likert scale: 1= "completely untrue of me"; 2= "mostly untrue of me"; 3= "I don't know"; 4= "mostly true of me"; 5= "describes me perfectly".

Perceived Organizational Effectiveness was measured with the help of additional questions that were developed on the base of the works of Parker (1999) and West (2003).

Statistical analyses of the data were performed with the statistical package SPSS.11. Factorial and correlation analyses were carried out to evaluate the relationship between organizational climate variables and perceived organizational effectiveness.

Results

Correlation analysis between perceived organizational effectiveness and organizational climate variables revealed some tendencies of relationship between these factors. To demonstrate it, in Table 1 the results for the Pearson correlation are presented. A significant correlation can be observed between organizational effectiveness and 1) well-defined, achievable tasks (r=0.426, sig.=0.003), 2) comfortable work environment (r=0.443, sig.=0.002), 3) enough communication within organization (r=0.372, sig.=0.011), 4) tolerance for individual differences (r=0.378, sig.=0.009), and 5) pride in work and organization (r=0.592, sig.=0.000).

Table 1. **Significant correlations between perceived organizational effectiveness and organizational climate variables (Pearson correlation)**

	Organizational effectiveness	Sig. (2-tailed)
Well-defined and achievable tasks	**0.426****	0.003
Comfortable work environment	**0.443****	0.002
Enough communication	**0.372***	0.011
Tolerance for individual differences	**0.378****	0.009
Pride in work and organization	**0.592****	0.000

** – Correlation is significant at the 0.01level
* – Correlation is significant at the 0.05 level

The data seems to be consistent with some studies (West, 2003), which indicates the impact of work environment, communication within organization, and employees' pride in work on organizational effectiveness. However, some authors indicate differences in relationship between perceived organizational effectiveness and organizational climate variables in groups of females and males (Condrey, 1998). Therefore correlation analyses were performed in males and females groups separately.

As evident from Table 2, the results of correlation analysis (Pearson correlation) of organizational climate and organizational effectiveness variables in group of males are different from the results presented above.

Table 2. **Significant correlations between perceived organizational effectiveness and organizational climate variables in males (Pearson correlation)**

	Organizational effectiveness	Sig. (2-tailed)
Problems solved in time	**0.621****	0.005
Decisions made in time	**0.529****	0.020
Fair rewards		
	0.474*	0.040
Discipline		
	0.550*	0.015
Recognition of skilled employees		
	0.470*	0.042

** – Correlation is significant at the 0.01level

* – Correlation is significant at the 0.05 level

In group of male employees, a significant correlation can be observed between organizational effectiveness and 1) solving problems in time (r=0.621, sig.=0.005), 2) making decisions in time (r=0.529, sig.=0.020), 3) fair rewards (r=0.474, sig.=0.040), 4) discipline (r=0.550, sig.=0.015), and 5) recognition of skilled employees (r=0.470, sig.=0.042). However, in group of males no significant correlations were found between the perceived organizational effectiveness and the variables presented in Table 1.

Interestingly, in group of female employees no significant correlations were found between perceived organizational effectiveness and solving problems in time, making decisions in time, fair rewards, discipline, and recognition of skilled employees.

However, in group of female employees, as presented in Table 3, some strong correlations were found between organizational effectiveness and 1) well-defined, achievable tasks (r=0.387, sig.=0.046),

2) comfortable work environment (r=0.485, sig.=0.010), 3) enough communication in organization (r=0.538, sig.=0.004), 4) tolerance for individual differences (r=0.392, sig.=0.043), and 5) pride in work and organization (r=0.718, sig.=0.000).

Table 3. **Significant correlations between perceived organizational effectiveness and organizational climate variables in females (Pearson correlation)**

	Organizational effectiveness	Sig. (2-tailed)
Well-defined and achievable tasks	**0.387***	0.046
Comfortable work environment	**0.485***	0.010
Enough communication	**0.538****	0.004
Tolerance for individual differences	**0.392***	0.043
Pride in work and organization	**0.718****	0.000

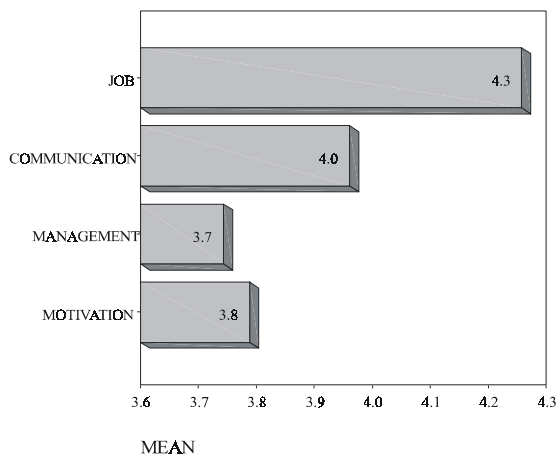** - Correlation is significant at the 0.01level

* - Correlation is significant at the 0.05 level

Thus the differences of relationship between perceived organizational effectiveness and organizational climate variables in groups of females and males reveals that male employees tend to relate organizational effectiveness with discipline in organization, well-timed problem solving and decision making, fair rewards, and recognition of skilled employees. In group of female employees perceived organizational effectiveness was found to be related with comfortable work environment, achievable work tasks, communication within organization and employees' pride in work and their organization. These findings are to some extent consistent with the findings of other researchers (e.g., Nemeth, 1996).

In order to shed light on the importance of different organizational climate factors (Nave, 1986), the means of organizational climate index sections were compared (T-Test, sig.=0.000). As evident from Picture 1, employees perceive that management (Mean=3.7) and motivation (Mean=3.8) are least developed in their organization, while most importance is placed on performance of tasks (Mean=4.3). These findings could point to some characteristic features of bureaucratic organizations (Meyer, 2003).

Mean differences between
Organizational Climate Index sections
(T-Test, Sig.=0.000)

MEAN

As evident from Table 4, a significant tendency of relationship between perceived organizational effectiveness and organizational climate index could be observed.

Table 4. **Significant correlation between perceived organizational effectiveness and organizational climate index (Pearson correlation)**

	Organizational effectiveness	Sig. (2-tailed)
Organizational climate index	**0.301***	0.038

* - *Correlation is significant at the 0.05 level*

Therefore, as organizational climate and effectiveness are significantly related (r=0.301, sig.=0.038), the quality of organizational climate could somewhat predict organizational effectiveness in Lithuanian Government. Furthermore, the improvement of organizational climate may have a positive influence on organizational effectiveness.

Discussion

The above presented findings revealed the importance of organizational climate factors (such as comfortable work environment, communication within organization, employees' pride in work, well-timed problem solving and decision making, fair rewards, discipline, and recognition) for employees of Lithuanian Government.

Researchers indicate that when individuals feel safe, and free from pressure, creative cognitions occur; psychological threats are associated with rigid thinking, and those who often experience their workplaces as unsafe feel vulnerable (Claxton, 1997). This information could make clear the significant correlation between perceived organizational effectiveness and work environment in Lithuanian Government.

Some authors refers to the extreme importance of the communication within organization on organizational climate (Nave, 1986). Correspondingly, the present study found 'communication' variable to be significantly related to organizational effectiveness.

The characteristics of work tasks also impact upon employees' efficiency. Researchers found that significance of the task has an influence on creativity (Oldham and Cummings, 1996). These findings are consistent with the findings on relationship between significance of the task (pride in work) and perceived organizational effectiveness in the sample of employees of Lithuanian Government.

When people have clear job objectives, they are more aware of the 'performance gaps', and more attuned to the need to fill the gaps (West, 2002). The correlation between the perceived organizational effectiveness and well-defined tasks, problem solving proves the significance of clear job objectives in the sample of respondents of Lithuanian Government.

While some theories of organizational effectiveness suggest that employees' efficient and creative work is primarily sustained by intrinsic motivation, emerging research evidence suggests that extrinsic rewards can complement intrinsic motivation. Moreover, there is considerable evidence that extrinsic rewards encourage both creativity and innovation implementation (West, 2002). Investigation of the perceived organizational effectiveness and organizational climate variables in the sample of Lithuanian Government employees revealed that extrinsic motivation (rewards, recognition) is especially important for male employees, thus extrinsic motivation could contribute to the improved organizational effectiveness.

Therefore some of the present findings are consistent with the findings of other authors, and some of the results complement the existing understanding of the relationship between perceived organizational effectiveness and organizational climate variables in public sector organizations.

Conclusions

The present study was designed to examine the relationship between perceived organizational effectiveness and organizational climate variables in

Lithuanian Government. The study revealed significant interactions between the variables, and is consistent with works of many authors (e.g., Baltes, 2002; Nemeth, 1996; Ott, 1998). The following conclusions can be drawn from the above-presented results of the study:

1. In the studied public sector organization, significant correlations can be observed between organizational effectiveness and well-defined, achievable tasks, comfortable work environment, enough communication within organization, tolerance for individual differences, pride in work and organization.

2. In group of male employees, significant correlations were found between perceived organizational effectiveness and well-timed problem solving and decision making, fair rewards, discipline, and recognition.

3. Employees perceive that management and motivation are least developed in their organization, while most importance is placed on the performance of tasks.

To sum up, the present study provides some insight into the relationship between perceived organizational effectiveness and organizational climate in Lithuanian Government which is one of the most important public sector organizations in Lithuania. The results suggest that the improvement of organizational climate may have a positive influence on organizational effectiveness in this public sector organization. Future research needs to compare the relationship between perceived organizational effectiveness and organizational climate variables in other important Lithuanian private and public sector organizations.

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Organizacijos klimato ir efektyvumo ryšys Lietuvos Respublikos Vyriausybėje

Santrauka

Straipsnyje analizuojamas organizacijos klimato ir efektyvumo ryšys Lietuvos Respublikos Vyriausybėje. Teorinėje dalyje aptariama organizacijos klimato ir efektyvumo tyrimų problematika. Empirinėje dalyje supažindinama su

Lietuvos Respublikos Vyriausybėje atlikto tyrimo (n=46) rezultatais. Rezultatų analizė rodo, kad darbuotojų suvokiamas organizacijos efektyvumas statistiškai reikšmingai susijęs su darbo užduočių apibrėžtumu, pakankamu bendravimu organizacijos viduje, individualių skirtumų toleravimu ir darbuotojų pasididžiavimu atliekamu darbu bei organizacija, kurioje dirba. Respondentų vyrų grupėje, kitaip nei moterų, su organizacijos efektyvumu statistiškai reikšmingai siejama drausmė organizacijoje, problemų sprendimas ir sprendimų priėmimas laiku, teisingas atlygis už darbą ir pripažinimas. Darbuotojų nuomone, jų organizacijoje daugiausia dėmesio skiriama darbo užduotims, mažiausiai – darbuotojų išorinei motyvacijai (pvz., premijoms, pripažinimui už gerą darbą), tuo tarpu tyrimai rodo, kad darbuotojų išorinė motyvacija gali būti svarbi organizacijos efektyvumui. Apibendrinant teigiama, jog norint geriau suprasti viešųjų organizacijų efektyvumo ir klimato ryšį, reikalingi papildomi tyrimai.

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