

ORGANIZATIONAL CLIMATE AND EMPLOYEES' COMMITMENT: A STUDY OF THE PAKISTANI KNITWEAR INDUSTRY

Adnan Iqbal, Prince Sultan University,
aiqbal@fnm.psu.edu.sa

ABSTRACT

This mixed method study investigated the relationship between the dimensions of organizational climate and organizational commitment in the Pakistani knitwear industry. The quantitative data was collected from almost 85 organizations in Pakistan (Lahore and Faisalabad). Of the 415 questionnaires 353 were found to be valid, which is a useable response rate of 74%. The qualitative data was collected through 20 semi-structured interviews from CEOs and senior official, who were working in the Pakistan Hosiery Manufacturing Association (PHMA) and also managing their knitwear concerns. The results of the data showed statistically significant correlations between organizational climate and employees' commitment. This is the first study on employee related issues in the Pakistani knitwear industry, therefore, will have strong implications for the literature of organizational commitment in developing countries. The recommendations gained from this study will help to understand the critical issues of employee development at the workplace. This may results in improving the working environment and productivity in the organization.

I. INTRODUCTION

Organizational Climate

The concept of organizational climate was developed in the late 1930s by the social scientist, Lewin et al (1939). They used social climate term to describe subjective feelings or atmosphere they encountered in their studies of organizations. Since 1980s the concept of climate has seemed to have lost its appeal to organizational researchers (Isaksen et al, 1995). In its place organizational culture, which came from the field of anthropology, was introduced. Ekvall (1996) noted that the organizational climate literature contained two main contradictions. One relates to ontological issues, which include theories of organizational climate (Guion, 1973; Ekvall, 1996; Altman, 2000) and the other on values, norms and belief system (Schneider et al, 1996). According to Ekvall (1996), this demarcation runs between theorists who conceive 'climate' as a common perception arising from interaction among members of an organization, and those who perceive 'climate' as an objective property of an organization. The present research was delimited to using primarily the perception of employees about their working environment. Therefore organizational climate was considered as an independent variable in this study.

Organizational Commitment

Early researchers of organizational commitment (Becker, 1960; Kanter, 1968) identified that commitment is primarily a function of individual behaviour and willingness of individuals to give their energy to the organization through actions and choices over time. In other words, Becker (1960) described commitment as the tendency to engage in

consistent lines of activity, such as intent to stay in the organization. Furthermore, employees' commitment to their employers and organizations emerged a great interest to researchers of organizational studies.

Schneider et al (1970) demonstrated that when the goals of the organizations and the members of the organizations integrated or congruent, attitudinal commitment occurs. Therefore, attitudinal commitment represents a state in which an individual identifies with a particular organization and its goals, and maintains membership in order to facilitate these goals (Mowday et al, 1979). Hence, organizational commitment has been identified as a useful measure of organizational effectiveness (Steers, 1977) and explaining the work-related behaviour of employees in organizations (Mowday et al, 1979).

The review of related literature presented an overview of organizational climate and organizational commitment. These studies were conducted in industrial sector, hospitality sector, health sector, and education sector. Findings revealed that employees' showed commitment in a supportive, cooperative and an energetic climate which leads to employees own satisfaction and commitment. Therefore it is assumed that there is a relationship between organizational commitment and organizational climate in the Pakistani knitwear industry. However, studies in Asia, specifically on Pakistan, are very limited. Furthermore, there were no studies conducted in Pakistani knitwear sector so far. So, this study will fill in the gaps in literature about Pakistan.

II. HYPOTHESES

- H1 Organizational climate dimensions are significantly associated with attitudinal commitment of employees in the Pakistani knitwear industry

III. METHOD

The present study used a mixed approach, which includes a combination of quantitative (survey) and qualitative (semi-structured interviews) methods to collect the data. The population of the knitwear units for this study were obtained from the Member directory published by Pakistan Hosiery Manufacturing Association (PHMA). A sample consisted of about 100 knitwear units with the help of Systematic Random Sampling (SRS) from the population of 432 organizations in Lahore (235) and Faisalabad (197). The population consisted of 432 units in Lahore and Faisalabad and we required a sample of 100 units, so every fourth units was considered for this study.

As it was based on systematic random sampling so researcher selected every fourth organization from the member directory (Pakistan Hosiery Manufacturing Members directory, 2005). It was also decided that in case of closure of units, third or fifth organization would be considered for the study. Furthermore, five questionnaires per organization were distributed (two on managerial positions and three on supervisors and worker ranks). Respondents are managers, supervisors and workers in the organizations. The data was collected during 2006-2007.

The quantitative data was collected through surveys from almost 85 knitwear units. The researcher distributed 500 questionnaire and 353 were found to be valid, useable response rate of 74%. Two research instruments were used to measure the quantitative

data namely Situational Outlook Questionnaire (SOQ) for assessing organizational climate developed by Ekvall (1983) and Organizational Commitment Questionnaire (OCQ) for measuring employees' commitment, developed by Mowday et al (1979).

Research Techniques

The statistical analysis methods chosen for this research are discussed below. All testing was conducted at the 0.05 level of significance.

Partial Correlation or Pearson's product-moment correlation coefficient, is a parametric test for exploring the strength of the relationship between two continuous variables. This is because the sample size is large and the nature of the data is ordinal. Partial correlation was used while controlling three job categories of employees, that is, manager, supervisor, and workers.

IV. RESULTS AND ANALYSIS

This study was mainly concerned with the investigation of the relationship between organizational climate dimensions with organizational commitment. Organizational climate is an important variable that has been found positively correlated with employees' commitment (Ekvall, 1996).

Organizational Climate was measured by Situational Outlook Questionnaire (SOQ) developed by Ekvall (1983), while organizational commitment was measured by organizational commitment Questionnaire (OCQ) developed by Mowday et al (1979). Literature (Ahmed and Alvi, 1987; Neumann et al, 1990; Steers, 1977; DeCotiis and Summer, 1997) suggests that there is positive and significant relationship between organizational climate and employees' commitment. This was conducted to explore the relationship between climate dimensions with attitudinal commitment. Results are presented below in Table 15.

Table 15: Correlation between employees' commitment and organizational climate dimensions

Control Variables	Organizational Climate Dimensions	Attitudinal Commitment
Respondent job category	Challenge & Involvement	.378**
	Freedom	.126*
	Idea Support	.131*
	Playness & Humour	.107*
	Debate	-.017
	Trust & Openness	.237**
	Idea Time	-.039
	Risk Taking	-.006
	Conflict	-.293**

* Significant at the 0.05 level (2-tailed). **Significant at the 0.01 level (2-tailed).

A partial correlation test was carried out; it was observed that out of nine dimensions, six were found positive and significant relations to attitudinal commitment. Highest

correlations were found between commitment and organizational climate dimensions; Challenge & Involvement ($r = 0.38, P < 0.01$), and Trust & Openness ($r = 0.24, p < 0.01$) and lowest between Idea support ($r = 0.13, p < 0.05$), Freedom ($r = 0.13, p < 0.05$) and Playfulness & humour ($r = 0.10, p < 0.05$). However, a strong negative but significant correlation was found between Organizational Commitment and Organizational climate dimension conflict ($r = 0.29, p < 0.01$). Interestingly, debate, Idea time and risk taking dimensions of organizational climate showed no significance with organizational commitment. So, the set **hypothesis** (Organizational climate dimensions are significantly associated with attitudinal commitment of employees in the Pakistani knitwear industry) is partially supported by the data.

I. DISCUSSION

One of the objectives of this study was to investigate if there is any relationship between employees' commitment with organizational climate. Literature has suggested a relationship between organizational commitment and organizational climate but with a corresponding lack of evidence. This study makes a contribution by exploring the relationship between organizational commitments and dimensions of organizational climate. This study did not find any significant relationship between organisational commitment and organisational climate as a metaphor.

The present study revealed that dimensions of organizational climate had greater influence on organizational commitment than organizational climate as a whole. Previous research identified that positive climate can contribute to strong employee motivation (Goleman, 2000; Hay Group (2000)), productivity (Litwin et al, 1973) empowerment, job satisfaction and commitment (Laschinger, 2001) and strong driver for bottom-line performance (Stringer, 2002).

Present study shows that organizational commitment has strong and positive association with challenge & involvement and trust & openness. The results of this study confirm earlier findings on the relationship between organizational climate and organizational commitment (Cook and Wall, 1980; Aldag and Reschke, 1997).

The important finding from the result of this study was that conflict as a dimension of organizational climate had negative effect on organizational commitment. This finding is compatible with previous results (Oliver and Brief, 1977; Fisher and Gitelson, 1983; Zahra, 1985; Hartenian *et al.*, 1994; Babakus *et al.*, 1996; King and Sethi, 1997) which suggested that low role conflict would most likely result in low job stress and this in turn would have beneficial consequences for both employees and organizations. Research shows that low job stress would most likely result in better job satisfaction and organizational commitment.

Another interesting and important finding from the result of this study was that organizational climate dimension risk taking had no significant relationship with organizational commitment. This finding confirms the Hofstede (1980) model for Pakistan. "Pakistan ranks fairly high on Hofstede's Uncertainty Avoidance Index (UAI) with a rank of 21 among 52 countries. Its average score on the index is 70, while the highest scoring country was Greece with a score of 112. Pakistan's high UA manifests itself in many of its organizational practices. It is due to highly hierarchic structures with centralized power at top" (Islam, 2004). Therefore, individuals may be reluctant to

pursue tasks when potential costs appear too high for expected benefits in the Pakistani knitwear industry.

REFERENCES

- Ahmed, S. W. and Alvi, S. A. Assessing Organizational Commitment in a developing country: Pakistan, A case Study, *Human Relations*, 1987, 40(5), pp.267-280.
- Aldag, R. and Reschke, W. Employee Value Added: Measuring Discretionary Efforts and Its Value to the organization”, 1997, Centre for Organizational effectiveness Inc: <http://www.greatorganizations.com/pdf/wpEmpValAdd.pdf>
- Altman, R. Forecasting your organizational climate, *Journal of Property Management*, 2000M 65(1), 62- 65
- Babakus, E., Cravens, S.W., Johnston, M. and Moncrief, W. Examining the role of organizational variables in the salesperson job satisfaction model”, *Journal of Personal Selling & Sales Management*, 1996, 16(3), 33-46
- Becker, H.S Notes on the concepts of commitment, *American Journal of Sociology*, 1960, 66(1), 32-40.
- Cook, J. and Wall, T. New work attitude measures of trust, organizational commitment and personal need non-fulfilled, *Journal of Occupational Psychology*, 1980, 53 (1), 35-53
- DeCotiis, T. A. and Summers, T. P. A path-analysis of a model of the antecedents and consequences of organizational commitment, *Human Relations*, 1987,40(7), 445–470
- Denison, D. R. What is the difference between organizational culture and organizational climate? A native’s point of view on a decade of paradigm war, *Academy of Management Review*, 1996, 21(3), 619-654
- Ekvall, G. Creative Organizational Climate: construction and validation of a measuring instrument, *The Swedish Council for Management and organizational Behaviour*, Stockholm, 1983
- Ekvall, G., Frankenhaeuser, M. and Parr, D. Change Oriented leadership, stress and creative organizational climate, in Ekvall, G. Organizational climate for creativity and innovation *European Journal of work and organizational Psychology*, 1996, 5(1), 105-123
- Ekvall, G. Organizational Conditions and levels of Creativity, *Creativity and Innovation Management*, 1997, 6(4), 195-205
- Ekvall, G. and Ryhammar, L. Leadership Style, Social climate and organizational climate: A study of a Swedish University College, *Creativity and Innovation Management*, 1998, 7(3), 126-130.
- Fisher, C.D. and Gitelson, R. A meta-analysis of the correlates of role conflict and role ambiguity, *Journal of Applied Psychology*, 1983, 68(2), 320-33
- Goleman, D. Leadership that gets results, *Harvard Business Review*, 2000, 78(2), 78-90
- Guion, R. M. A note on organizational climate, *Organizational behaviour and Human Performance*, 1973, 9(1), 120-125
- Hartenian, L.S., Hadaway, F. J. and Badovick, G. J Antecedents of role perceptions: A path analytic approach, *Journal of Applied Business Research*, 1994, 10(2), pp. 40-50.
- Hay Group Research into teacher effectiveness: A report by Hay McBer for the department for education and employment , 2000, <http://www.teachernet.gov.uk/teachinginengland/detail.cfm?id=520>
- Hofstede, G. *Culture’s Consequences*. Beverly Hills, CA: Sage Publication, 1980
- Isaksen, S.G., Lauer, K. J., Murdock, M. C., Dorval, K. B. and Puccio, G.J. Situational Outlook Questionnaire: Understanding the climate for creativity and change: A Technical Manual, Version 1.0, *The Creative Problem Solving Group*, Buffalo, 1995
- Islam, N. Safarish, sycophants, power, and collectivism: Administrative culture in Pakistan, *International Review of Administrative Sciences*, 2004, 70(2), 311-330.
- Kanter, R. M Commitment and social organization: A study of commitment mechanisms in the Utopian communities, *American Journal of Sociology*, 1968, 33, 499-517.

King, R.C. and Sethi, V. The moderating effects of organizational commitment on burn-out in information systems professionals, *European Journal of Information Systems*, 1997, 6(1), 86-96

Laschinger, H., Finegan, J. and Shamian, J. The impact of workplace empowerment, organizational trust on staff nurses, work satisfaction and organizational commitment, *Health Care Management Review*, 2001, 26(3), 7-23

Lewin, K., Lippitt, R., and White, R. K. Pattern of aggressive behaviour in experimentally created 'social climate', *Journal of social Psychology*, 1939 10(2), 271-299

Litwin, G. and Stringer, R. Motivation and Organizational Climate", in Pritchard R.D. and Karasick B. W. The Effects of Organizational Climate on Managerial Job Performance and Job Satisfaction, *Organizational Behavior and Human Performance*, 1973, 9(1), 126 – 146