EDUCATIONAL INSTITUTE'S ORGANIZATIONAL CLIMATE AND ITS IMPACT ON ATTRITION: A REVIEW

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ABSTRACT

The study aims to explore the antecedents of organizational climate and its impact on turnover intention of faculty members of various technical educational institutes of India. A 23-item instrument was generated following a critical review of the literature. Antecedents of Organizational climate viz Orientation, Supervision, Communication, Decision Making and Reward Management are independent variables and Turnover Intention is dependent variable. An 18 item instrument was generated with the help of Turnover Intention scale adapted from Donnelly and Ivancevich (1985) and Organizational Climate Questionnaire (OCQ) adapted from Litwin and Stringer (1968) measuring five factors. Principal component analysis with varimax rotation was used to determine construct validity and Cronbach's coefficient alpha to determine the scale internal consistency. The results state that among all the five antecedents of organizational climate only two antecedents viz. Orientation (X1) and Reward Management (X5) has significant impact on turnover intention The hypothesis was tested on representative faculty members of technical educational institutes across India.

KEYWORDS: Organizational Climate, Turnover Intention, Faculty Members, Technical Educational Institutes

INTRODUCTION

Organizational Climate is a very important concept to study and to understand in the realm of organizational behavior. The origin and the use of this concept is as old as the original concept of management itself. However, since many decades various frameworks of organizational climate has been developed both conceptual as well as operational under different sets of situations and their research findings are highly diverse and often contradictory in nature.

Retaining valuable employees is one of the most crucial issue for today's competitive organizations as employees are considered as the most valuable asset and precious resource, which helps to sustain in the dynamic environment. It is usually in the organizations best interest to put its energy and time in retaining the quality employees that they already have instead of recruiting the new ones. However, increasing employee turnover has been a fashion now a days and the issue of employee turnover is the major reason for performance inefficiency in many organizations in India.

Indian organizations are being forced to undergo considerable transformation in their working system in order to sustain in today's competitive and dynamic environment. In this context, it would be important to explore the factors that have the most positive impact on the performance of the organization. Organizational performance largely depends on the presence of satisfied and committed employees. Among various factors, attitudes and feelings of the individuals regarding their jobs have been found to be significantly affecting their behaviors. (Herzberg, Mausner, Peterson and Capwell, 1957; Iaffaldano and Muchinsky, 1985; Locke, 1970; Schwab and Cummings, 1970; Petty, McGee and Cavender, 1984). Therefore, positive attitude towards job can be generated by a healthy organizational climate resulting to a positive behavior towards turnover intention.

This empirical study aims to identify various antecedents of organizational climate and also to investigate their impact on turnover intention of faculty members of technical educational institutes of India. Five antecedents of organizational climate (Orientation, Supervision, Communication, Decision Making, and Reward Management) identified as independent variables with the help of through literature review of previous research in the associated field and broad discussion with faculty members. This study will shed some light for technical educational institutes that encounter high turnover rates of faculty members resulting from unfavorable organizational climate. Knowing more about faculty member's intent to leave with relation to organizational climate is important to develop general guidelines to improve the relevant organizational climate factors that are found to be laking in the organizations.

Research Objective
- To study the available research on similar topic to identify the research gap.
- To analyse the past research to fix the direction of present research.

Data Collection:

The data required for the study collected through various available research in journals, seminars, periodicals.

LITERATURE REVIEW

Organizational climate is a concept of employees' attitude and feelings towards their organization which has great impact towards their working ways and contributions; in consequence organizational climate causes organization performance because this relates directly to employees' satisfaction and commitment towards organization. Organisational climate forms part of the broader climate concept, which includes aspects of the social environment that are consciously perceived by the organisational members (Patterson et al., 2004).

The concept dates back to the early 1900s, with the work of Lewin et al. (1939) and Lewin (1951), who suggested that climate is a characterisation of the salient environmental stimuli

and is an important determinant of motivation and behaviour. This has resulted in organisational climate being the direct or indirect subject of much organisational behaviour and emerging as a construct with many behavioural consequences. The subject gained momentum with the work of Litwin and Stringer (1968), who conceptualised climate in relation to its influence on motivation and behaviour. They stated that organisational climate is: "A set of measurable properties of the work environment, perceived directly or indirectly by people who live and work in this environment and assumed to influence their motivation and behaviour" (Litwin and Stringer, 1968)

Litwin and Stringer (1968) conducted the first comprehensive study on organisation climate that was based on theory developed by McClelland et al. (1953) and focused on how climate affects human motives for achievement, power and affiliation. They developed the Litwin and Stringer Organisational Climate Questionnaire (LSOCQ), a theoretically based scale for measuring climate with the nine dimensions aimed at satisfying three management needs, namely accurately describe the situation, relating the dimensions to specific motivations and motivated behavior, and enable management to measure changes in the situation.

In order to influence climate, numerous factors, such as physical structure and settings, procedures and practices, and leadership style, need to be considered. Litwin and Stringer's (1968) model suggests that the concept of organisational climate needs to be integrated with other theories of organisational behaviour such as motivation. The integration of these organisational behavior theories with organisational climate shows the relationship and importance of factors like leadership style, management practices, decision-making processes, technology, formal organisational structures and social structures on the formation of climate.

An initial assumption of theory and research in the area of organizational climate was that social environments could be characterized by a limited number of dimensions. For example, Campbell, Dunnette, Lawler, and Weick (1970) identified four dimensions common to a number of climate studies (individual autonomy; degree of structure imposed on the situation; reward orientation; and consideration, warmth, and support). James and his colleagues (James & James, 1989; James & McIntyre, 1996; James & Sells, 1981) describe four dimensions they identified across a number of different work contexts: (1) role stress and lack of harmony; (2) job challenge and autonomy; (3) leadership facilitation and support; and (4) work group cooperation, friendliness, and warmth.

James suggested that individuals developed a global or holistic perception of their work environment (e.g., James & Jones, 1974), which could be applied to any number of contexts and industries. However, over the years the number of climate dimensions identified as targets of assessment has proliferated, leading to confusion and slow theoretical progress. For example, Glick's (1985) review of the field described an abbreviated list of climate dimensions including leader's psychological distance (Payne & Mansfield, 1978), managerial trust and consideration

(Gavin & Howe, 1975), communication flow (Drexler, 1977), open-mindedness (Payne & Mansfield, 1978), risk orientation (Lawler, Hall, & Oldham, 1974), service quality (Schneider, Parkington, & Buxton, 1980); equity (James, 1982), and centrality (Joyce & Slocum, 1979). Since Glick's review, the development of new climate scales has continued. For example, the Business Organization Climate Index (Payne & Pheysey, 1971) was revised in 1992 with the addition of scales measuring concern for customer service, the impact of information quality, and ability to manage culture (Payne, Brown, & Gaston, 1992).

The lack of a theoretical basis for many climate instruments has resulted in much of the variation in climate dimensions employed in different measures. For example, Wilderom, Glunk, and Maslowski (2000) located and summarized 10 studies relating climate to organizational performance. They reported that different aspects of climate emerged as important in different studies. This diffuse pattern of results is likely to be due, in part, to the variety of methods of assessment of climate employed in these studies.

The inability to draw clear research conclusions through a lack of theory and subsequent inconsistent operationalization of climate is compounded by the fact that most climate instruments have not been validated. With the exception of some domain-specific climates such as Schneider's service climate (Schneider et al., 1998), there are few measures with demonstrated reliability and validity. One of the best-known general measures of organizational climate is the Organizational Climate Questionnaire (OCQ) by Litwin and Stringer (1968). It comprises 50 items that assess nine dimensions of climate. A number of studies (e.g., Sims & LaFollette, 1975; Muchinsky, 1976) have suggested that a six-factor structure is more appropriate and pointed out that the existing nine scales showed poor split half reliabilities. A review by Rogers, Miles, and Biggs (1980) showed that most studies had found six factors and that there was virtually no agreement among researchers regarding which items loaded best on the different factors. They concluded that the OCQ lacked validity and was not a consistent measurement device.

For the purpose of this research study, in the light of various theories and models on organizational climate given by various theorist and management practioners and after the broad discussion with faculty members, five antecedents of organizational climate was identified as important and more prevalent among the educational settings.

Antecedents of Organizational Climate

On the basis of through literature review & broad discussions with faculty members, five antecedents of organizational climate have been identified with the help of Organizational Climate Questionnaire (OCQ) by Litwin and Stringer (1968): Orientation, Supervision, Communication, Decision making, and Reward management.

1. Orientation: A concern with clearly defining the goals of the organization to the

employees. (Locke, 1991)

2. Supervision: the extent to which employees experience support and understanding from their immediate supervisor (Cummins, 1990; Eisenberger et al., 2002).

3. Communication: The free sharing of information throughout the organization. (Callan, 1993; Hargie & Tourish, 2000)

4. Decision making: Employees have considerable influence over decision-making activities in the organization. (Miller & Monge, 1986; Hollander & Offerman, 1990)

5. Reward management: Reward identifies the feeling of being rewarded fairly and equitably as well as the perceived organization's promotion policies. If an employee feels that he or she is unlikely to obtain a good evaluation or promotion even after having great endeavours in such a working environment, he or she will probably search for another job elsewhere (Ing-Chung Huang et al, 2003).

Turnover Intention

Employee Turnover is acting like an incurable disease now-a-days as it is becoming very difficult for the organizations to retain their valuable employees, which are the means of gaining competitive advantage. Intention to leave and actual turnover are often highly correlated. For this reason, researchers often use intent to leave as a proxy for turnover. Price (1977) developed a model of turnover which proposes that intention to leave is influenced by personal characteristics, role related characteristics, facility characteristics, turnover opportunities, and job characteristics. Mobley (1982), on the other hand classes the causes and correlates of turnover into a simple model, which presents the determinants into external economy, organizational variables and individual variables.

Turnover intention is defined as a conscious and deliberate wilfulness to leave the organization (Tett and Meyer, 1993). High turnover often means that employees are unhappy with the work or compensation, but it can also indicate unsafe or unhealthy conditions, or that too few employees give satisfactory performance (due to unrealistic expectations or poor candidate screening). The lack of career opportunities and challenges, dissatisfaction with the job-scope or conflict with the management has also been cited as predictors of high turnover. Low turnover indicates that none of the above is true: employees are satisfied and their performance is satisfactory to the employer.

This study on employee's intention to quit, however, is zooming in at the organizational levels. One of the organizational variables used is organizational climate which potentially correlates to individual's turnover intention. Employees tend to leave organizations that endure unfavourable organizational climate. Implementing employee retention strategies by changing organizational climate could be time-consuming and it would not probably show significant results in the short term. It is hoped that this study will shed some light for organizations that encounter high turnover rates resulting from unfavourable organizational climate. Knowing more about why people intent to leave is important to develop general guidelines to improve

the relevant organizational climate factors that are considered short-coming in the organizations.
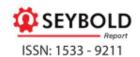
Employee Turnover is an incurable disease in the present dynamic world because the organizations are finding it as a very challenge to retain their employees, who are considered as competitive advantage for the organization. Employee intention to leave the organization and employee turnover are highly correlated. So, researchers often consider the intent to leave as a proxy for turnover. Price (1977) in his research a model was established for turnover that proposes individuals' personal characteristics influences intention to leave, such as role in the organization, facilities, turnover opportunities, and characteristics of the job. On the other hand, Mobley (1982), categorized the causes and correlated turnover into a simple model, which classified the variables into individual, organizational and external.

Turnover intention is defined as a mindful and deliberateness to leave the organization (Tett and Meyer, 1993). Generally, an unhappy employee with the work or compensation results in high turnover, but it also indicates unsafe or unhealthy conditions. Another interpreter of high turnover is the lack of career growth and challenges, dissatisfaction with the scope of the job or conflict with the management. If employees are contented and their performance is acceptable to the employer which means low turnover, then the above statements would be false.

According to a study on employee's, the employee's intention to leave the organization is increasing. Organizational climate is found to be one of the variable which is highly correlated to individual's intention to leave the organization. Employees suffering in hostile organizational climate generally have an inclination to leave the organizations. Changing organizational climate in order to implement employee retention strategies might be time taking and it may not give considerable results in the short period. While creating general guidelines in order to improve the factors of organizational climate, it would be significant to understand about the employees and their intentions to leave the organization.

According to Guba and Lincoln (1985) ontology, epistemology and methodology are interdependent, such that ontological perspectives (e.g. reality as socially constructed) are linked to epistemological assumptions (what is the knowledge that requires a process of constructive meaning-making) and methodological frameworks (a belief that "individual constructions can be elicited and refined only through interaction between and among investigators and respondents). Burrell and Morgan (1979, p.1) assert that research philosophies enlighten researchers about the complexities of organisational study and generate understanding about the impact of research paradigms on knowledge construction. In their words 'all social scientists approach their subjects via explicit or implicit assumptions about the nature of the social world and the way in which it may be investigated'. This relating to: ontology of the phenomenon under investigation – whether the 'reality' being studied is

external to the individual or a product of individual consciousness; and the epistemological assumptions 'about how one might begin to understand the world and communicate this knowledge to fellow human beings'(Burrell and Morgan, 1979, p.1). Denzin and Lincoln (2000, p.18) affirm that the methodological choice of a research project is the result of 'a set of ideas, a framework (theory, ontology) that specifies a set of questions (epistemology).

The rationale for a mixed approach comes from Jick's (1983, p. 138) contention that '…the weakness in each single method will be compensated by the counter-balancing strengths of another'. Nau (1995) further argues that 'blending qualitative and quantitative methods can produce a final product which can highlight the significant contribution of both'. Stainback and Stainback (1988) also contend that the combination of qualitative and quantitative approaches provides the opportunity to combine discovery with verification, understanding with prediction and validity and reliability within the same research design. The most prominent concern about this approach according to Simon (1994) and Jick (1983) is that there is no universally agreed process for integrating these two methodologies into a research design.

Organisational climate and corporate performance have predominantly been studied from a functionalist behaviourist or quantitative perspective (Kangis et al., 2000; Patterson et al., 2004; Patterson et al., 2005; Schyns et al., 2009; Noordin et al., 2010; Adenike, 2011). This traditional approach to theory building in organisational studies has generally produced valuable but incomplete views of organisational knowledge, primarily because it has been predicated predominantly on the doctrine of the quantitative paradigm (Kuhn, 1970). This perspective frequently produces quantitative data and has restricted possibilities. Such restrictions relate to the fact that this quantitative data does not go beyond the superficial aspects and symptoms of constructs such as organisational climate. Furthermore, it does not provide a broader understanding of the behavioural complexities associated with such constructs. On the other hand, a qualitative investigation allows for a broader and exploratory way of looking at behavioural constructs by facilitating the study of issues in both depth and detail. The researcher is the instrument in this process and approaches fieldwork without being constrained by a rigid questionnaire. This approach contributes to the depth, openness, and detail of qualitative inquiry. It differs from quantitative research that requires the use of standardized measures so that the varying perspectives and experiences of people can be fitted into a limited number of response categories (Patton, 2002).

CONCLUSIONS

The study set out to develop a theory-driven multi-dimensional measure of organizational climate and then its impact on turnover intention of faculty members of technical educational institutes of India. The result of this empirical investigation support that organizational climate has a significant impact on turnover intention of faculty members. The study results revealed that orientation and reward management are the two antecedents of organizational climate, which has an inverse significant impact on turnover intention. i.e. if faculty members are clear
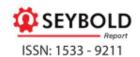
about the organizational and individual goals and rewards within the institute is properly managed than it is less likely for the them to quit the organization.

These findings had the support of a previous study by Singh (1985) who found that faculty members in a more open climate performed much better than faculty members in a less open climate and are less likely to leave the organization. The results from this empirical investigation may have significant implications for how positive organizational climate is conceived. The results hopefully suggest that these two antecedent may represent what constitutes a theoretically broadened and enriched understanding of organizational climate in relation to faculty members of technical educational institutes of India.

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