ORGANIZATIONAL CLIMATE AND ORGANIZATIONAL COMMITMENT OF DEPOSIT MONEY BANKS IN RIVERS STATE

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ABSTRACT
This study examined the relationship between organizational climate and organizational commitment of deposit money banks in Rivers State. The objective of the study was to investigate the influence of organizational climate and organizational commitment of deposit money banks in Rivers State. The study adopted the correlational research design. Based on the research questions, a research questionnaire was designed and one hundred & fourteen (114) copies were distributed to the sample population which was determined by Taro Yamen sample size determination formula. Ninety-six (96) copies of the distributed questionnaire were retrieved, these copies were analyzed and the hypotheses were tested using the Spearman Rank Correlation. The result revealed that; there was a significant relationship between the variables of organizational climate (autonomy & trust) and the measures of organizational commitment (affective & continuance). However, in testing the moderating variables, corporate culture was revealed to have a significant effect on the relationship between employee organizational climate and organizational commitment. The study concluded with recommendations amongst others that Management of deposit money banks should provide very conducive work environment that will recognize the work efforts of organizational members in order to make them contribute positively to the attainment of the corporate objectives of the organizations.

Keywords: Organizational climate, organizational commitment.
Background to the study

The banking industry relies heavily on its employees for its success. The creation and provision of service to the customer is achieved through the employees. Being in a service industry, the ability of bank management to survive and compete is dependent on the quality of their services. This labor intensive industry requires a highly skilled and trained workforce to provide the quality that would meet customer satisfaction. This means that the banking industry not only needs to acquire and train the right employees to carry out their roles effectively but should also be able to retain them (Davidson, 2003). No organization in today’s competitive world can perform at peak levels unless each employee is committed to organization’s objectives and works as an effective team member. One of the challenges facing modern organizations involves maintaining employee commitment in the current working environment (Coetzee, 2005). However, it has been observed that bank employees have reported being unhappy with many factors of the workplace environment which includes: inadequate staffing, heavy workload, increased use of overtime, lack of sufficient support from staff, and inadequacy of their wages (Strachota, Normand, O Brien, et al. (2003); Lich, Lily, and Hui-Chiao, et al. (2006)).

Organizations in the 21st century are facing more challenges than ever before. These challenges are not unique to any specific organization or industry, but affect all organizations, regardless of their structure or size. Organizational climate in particular is constantly challenged by changes impacting organizations today (Nair, 2006). To survive and outdo their competitors, organizations are constantly seeking to improve their performance. Brown and Leigh (1996) opine that organizational climate is becoming more important than ever before because organizations need to ensure that those individuals who add value to the bottom line should stay in the organization and continue pouring their efforts into their work to benefit the organization. As today’s businesses continue to struggle to survive or acquire sustainable competitive advantage, it is important for organizations to better understand the factors that influence employees and important employee-oriented work outcomes. The growing significance placed on understanding employees and their behavior within the organization has produced a great deal of interest in investigating employee perceptions of climate within the organization (Riggle, 2007)

Statement of the problem

The present day Nigerian banks are characterized with intense pressure as a result of CBN policy on capitalization and streamlining the bank into 19 out of numerous banks in operation. Most bank employees are given difficult task to source for customers with huge amount of money within a short period of time without any commensurate pay. Retrenchment of workers has also been the order of the day as employers never take a second thought to retain staffs with ageing number of years.

Climate or atmosphere in workplace has impact on employee’s motivation, behavior, attitudes and potentials, which, in turn is predicted to influence organizational productivity (Adenike, 2011). In other words, the climate or the organizational climate is considered very important in the life of organizations due to its clear effects and relations to the various regulatory activities. It affects employees’ satisfaction and performance and, thus, the success of the organization and its ability to continue (Al-Saudi, 2012). For these reasons, organizational climate has been a topic of considerable research over the last thirty years, both theoretically and empirically (Dawson et al., 2009). On this note, this study will therefore fill the existing gap in literature on how employee commitment can be enhanced
through healthy organizational climate i.e. employee trust, and autonomy in deposit money banks in Rivers State.

**Research Hypotheses**

**H₀₁**: There is no significant relationship between autonomy and affective commitment in deposit money banks in Rivers State.

**H₀₂**: There is no significant relationship between autonomy and continuance commitment in deposit money banks in Rivers State.

**Review of Related Literature:**

The historical theory of Organizational Climate is found in the study of Lewin, Lippitt and White (1939). This study is focused on the experimentally created social climates on a number of groups of teenage boys. But astonishingly the authors failed to provide any conceptual framework or the technique of measurement of Organizational Climate. The study mainly emphasized on the relationship between leadership styles and so-called ‘Social Climate’. Climate was again mentioned in a work by Fleishman (1939). This study discussed the development of leadership attitude and its implication through the measurement of behavioural scales.

Climate was first very comprehensively defined by Argyris (1958). In his attempt to diagnose the group dynamics in a bank, Argyris introduced the concept of Organizational Climate. In that paper Argyris defined climate in terms of formal organizational policies, employee needs, values, and personalities. This study also triggered off the popular ambiguity between culture and climate that persisted till late 70’s in the realm of organizational studies. The famous book ‘The Human Side of Enterprise’ (1960) opened a new horizon of management science. It introduced many pioneering concepts of industrial psychology. McGregor in this book elaborated the concept of managerial climate. He argued that the climate is primarily determined by the managerial assumptions and the relationship between the managers and their subordinates.

There were of course drawbacks on the conceptual framework. First, McGregor did not present any technique of measurement of Organizational Climate. Second, it is culture, not climate which are measured by the sets of assumptions. Climate is more dependent on perceptions rather than assumptions. Apart from these principal research works there were also other studies and the collection of all the research works ultimately provided the initial framework of Organizational Climate. Forehand and Gilmer (1964) defined Organizational Climate as a ‘set of characteristics that; (a) describe the organization and distinguish it from other organizations, (b) are relatively enduring over time and (c) influence the behaviour of people in the organization.’ Gregopoulos (1963) defined Organizational Climate as a ‘normative structure of attitudes and behavioural standards which provided a basis for interpreting the situations and act as a source of pressure for directing activities.’

**Concept of Organizational Climate**

Organizational climate is the set of measurable properties of the work environment that is either directly or indirectly perceived by the employees who work within the organizational environment that influences and motivates their behavior (Holloway, 2012). Organizational climate is defined as the recurring patterns of behavior, attitudes and feelings that characterize life in the organization more related to atmosphere and values (Aiswarya and
Ramasundaram, 2012). An organizational climate refers to the values, beliefs that are not visible but exist within the employee’s behavior and action. (Moghimi and Subramaniam, 2013). In literature, there is no generally accepted definition of organizational climate. Because it is a complex, multilevel, and multidimensional phenomenon derived from employees’ perceptions of their experiences within an organization, stable over time and widely shared within an organizational unit (Dawson et al., 2008).

Organizational climate is based on the premise that the overall health of an organization can be assessed by measuring individual employees’ perceptions of their work environments. Together these individual observations serve as aggregate data describing how well the organization performs and how well it treats its employees (Giles, 2010). In other words, organizational climate represents how the employees feel about the atmosphere in the organization. For the development of an organization, it is necessary to make employees feel good, as employees are the key resources of an organization. With changing scenarios in the world economy, if companies want very smart, professional, innovative and positive team members, companies will promote a healthy work environment and organizational climate so that the employees feel free to exhibit positive behaviors (Choudhury, 2011).

In a fiercely competitive global setting, achieving organizational effectiveness and organizational survival is based on employee’s attitudes and behaviors. For this reason, organizational climate has gained importance in organizational behavior researches. Researches in this area have examined organizational climate in various organizational contexts and related it to several outcomes at an individual, group, and organizational level. In particular, researchers have found links with organizational climate and employee performance, organizational effectiveness, productivity, job satisfaction, organizational commitment, organizational justice, work motivation, organizational alienation, anxiety, propensity to leave (Dickson et al., 2006; Bellou and Andronikidis, 2009; Ahmad et al., 2012; Zhang and Liu, 2010; Heyart, 2011; Rahimic, 2013). However, researchers suggest that organizational climate promotes positive behaviors in organizations such as organizational citizenship behavior, innovative behavior, creative and proactive behaviors (Patterson et al., 2004; Lin and Lin, 2011; Bindlve Parker, 2011; Moghimi and Subramaniam, 2013). On the other hand, it triggers negative work behaviors such as absenteeism, lateness, putting little effort into work, taking excessive breaks, wasting resources, arguing workmates, acting rudely towards them etc. (Appelbaum et al., 2007; Pena-Suarez et al., 2013; Dawson et al., 2008).

Organizational Commitment

Commitment refers to an employee’s willingness to work positively in an organization and his continuance to work for it (Mowday et al., 1982). Organizations, like Banks, are considered to be one of the more stressed-out sectors in the World (Ebiringa, 2011). Commitment is a sort of bond between an employee and the organization he is working for (Buchanan, 1974). The strength of this bond is dependent on various factors. This study will try to find the relation of some of these factors with organizational commitment. Organizational commitment has a strong relation with the employee behaviour. If an employee is committed to an organization, it would reduce the chances or occurrences of absenteeism and turnover (Igbaria and Greenhaus, 1992). Organizational commitment directly affects employees’ performance and is therefore treated as an issue of great
importance. (Shore and Martin, 1989; Meyer et al., 1989; Meyer et al., 1993; Siders et al., 2001; Meyer et al., 2002; Jaramillo et al., 2005; Vijayashree and Jagdishchandra, 2011).

An employee’s commitment towards the organization is affected by the nature of relations between colleagues. It has been noticed that conflicting relationships exist between peers; and between employees’ and the management, which threaten organizational commitment. Organizations need to promote social activities, so that friendly relations can improve between the employees; and in turn, their commitment towards the organization excels (Kirmizi and Deniz, 2009). Low performing employees are committed and comfortable in a less/non-threatened environment, whereas high performing employees need a challenging environment (Steers, 1977).

Research Design
In this design, a cross-sectional form of quasi-experimental design is used. It relies on a sample of elements from the population of interest. Thus, this explains the fact that the researcher does not have the total control of the variables that could influence the study.

Study Population
The population of this study comprised of all senior staff in all the deposit money banks in Rivers State. This is referred to as the target population of the study. Presently, there are nineteen (19) deposit money banks in Nigeria as obtained from the Central Bank of Nigeria (CBN) Statistical Bulletin, as at December, 2014.

The researcher purposively administered six (6) copies of questionnaire to senior staffs in each of the nineteen (19) deposit money banks in Rivers State. This gave a total of one hundred and fourteen (114) copies. Since the study population is less than thirty (30) and could be reached, there was no need for sampling.

Analyses and Findings

Hypothesis One

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<thead>
<tr>
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<th>Autonomy</th>
<th>Affective</th>
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</thead>
<tbody>
<tr>
<td>Spearman’s rho Autonomy Correlation Coefficient</td>
<td>1.000</td>
<td>.755</td>
</tr>
<tr>
<td>Sig. (2. tailed)</td>
<td></td>
<td>.044</td>
</tr>
<tr>
<td>N</td>
<td>96</td>
<td>96</td>
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<td></td>
<td>.755</td>
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From the result of the above table, the correlation coefficient (r = 0.755) between autonomy and affective is very strong and positive.
The coefficient of determination \( r^2 = 0.76 \) indicates that 76% of affective can be explained by autonomy. The significant value of 0.044 \((p< 0.05)\) reveals a significant relationship. Based on that, the null hypothesis was rejected. Therefore, there is a significant relationship between autonomy and affective in deposit money banks in Rivers State.

### Hypothesis Two

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Autonomy Correlation Coefficient</th>
<th>Continuance Correlation Coefficient</th>
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<tbody>
<tr>
<td>Sig. (2. tailed)</td>
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<td>.862</td>
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<tr>
<td>N</td>
<td>96</td>
<td>96</td>
</tr>
<tr>
<td>Continuance Correlation Coefficient</td>
<td>.038</td>
<td>1.000</td>
</tr>
<tr>
<td>Sig. (2. tailed)</td>
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<td>96</td>
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<td>N</td>
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From the result of the above table, the correlation coefficient \( r = 0.862 \) between autonomy and continuance is very strong and positive.

The coefficient of determination \( r^2 = 0.862 \) indicated that 86% of continuance can be explained by autonomy. The significant value of 0.038 \((p<0.05)\) reveals a significant relationship. Based on that, the null hypothesis is rejected. Therefore, there is a significant relationship between autonomy and continuance in deposit money banks in Rivers State.

### Conclusion

Consequent on the discussions above, the following conclusions are made by the researcher;

i) Autonomy positively influences affective commitment of employees in deposit money banks in Rivers State.

ii) Autonomy positively influences continuance commitment of employees in deposit money banks in Rivers State.

iii) Trust positively influences affective commitment of employees in deposit money banks in Rivers State.

iv) Trust significantly influences continuance commitment of employees in deposit money banks in Rivers State.

v) Corporate culture significantly influences the relationship between organizational climate and organizational commitment in deposit money banks in Rivers State.
Recommendations

In view of the above conclusions, the following recommendations are considered relevant;

i. There should be an effective management of organizational size to empower workers and improve the competitiveness of organizations.

ii. Management of deposit money banks should provide very conducive work environment that will recognize the work efforts of organizational members in order to make them contribute positively to the attainment of the corporate objectives of the organizations.

iii. They should also develop policies that will promote collective work efforts that will make organizational members support one another in the discharge of their duties. Collective efforts will enable the organization to complete their task as and when due.

iv. Management of deposit money banks should reward committed employees to promote their trust, dedication and loyalty.
Bibliography


