

Organizational Climate and Employees Job Performance: Implications for Agricultural Institutions

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ABSTRACT

This study determined the effects of organizational climate on employees' job performance in selected Agricultural Research Institutes in Oyo State, Nigeria. Data were collected from 150 randomly selected respondents using structured questionnaire. The mean age of the respondents was 33 years. Organizational climate factors enhancing employees' job performance were: availability of facilities & resources ($\bar{x} = 19.12$), award systems ($\bar{x} = 16.99$), training programs ($\bar{x} = 15.96$), leadership styles ($\bar{x} = 15.54$), and employee's empowerment ($\bar{x} = 12.98$). Also, employees' perceived indicators of their job performance were punctuality at work ($\bar{x} = 4.23$) and complementation of task ($\bar{x} = 4.21$). The regression analysis indicated that leadership styles ($b_1 = 3.835, p < 0.05$), award systems ($b_1 = -3.188, p < 0.05$), employees empowerment ($b_1 = 3.061, p < 0.05$), training programs ($b_1 = 2.361, p < 0.05$) and availabilities of resources ($b_1 = 2.098, p < 0.05$) had significant influence on job performance. The study concluded that organizational climate is positively and statistically significant to employees' job performance.

Introduction

Organizations now-a-days are facing more challenges than ever before considering the results of economic recession. These challenges are not unique to any specific organization but affect all organizations regardless of their structure and/or size. Organizational climate in particular is the kind of challenge that affects both the content and the context of the job. Organizational Climate is described as an experientially based description of the work environment and more specifically employees' perceptions of the formal and informal policies, practices and procedures in respective organization. Organizational climate is thus a set of perceptions shared by workers in a workplace. In recent time, studies are consistently demonstrating the fact that there is a relationship between organizational climate and individual outcomes such as performance, satisfaction, commitment and

involvement in the attainment of organizational goals. In order to guarantee the better employees' performance, workers participation in management in a friendly environment is very necessary. The relationship of organizational climate with the individual behaviour has often emphasized the role of employees' perceptions of these dimensions as intervening variables. Therefore, organizational climate is an important factor to be considered and understood by the managers in achieving a greater performance in business settings.

Methodology

Agricultural employees in two selected research institutes were the target population. Specifically, Cocoa Research Institute of Nigeria and Forestry Research Institute of Nigeria were used

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among other Agricultural Research Institutes in Oyo State, Nigeria due to their uniqueness and research activities. A multistage random sampling techniques was used to select 150 respondents. The data were obtained using a structured questionnaire. The questionnaire was designed into two sections to generate information about: [1] Employees Personal Profiles and [2] Organizational Climate data. Organizational Climate was measured with 5 domains: Leadership styles, Award Systems, Employees' Empowerment, Training Programs, and Availability of Facilities & Resources. The effect of climate data on employees' job performance was rated at 5-point Likert type rating scale (strongly agree =5, agree = 4, undecided= 3, disagree = 2 and strongly disagree =1) to the statements relating to organizational climate. Descriptive and inferential statistics were used for data analysis. Regression analysis was done to determine the effects of organizational climate on employees' job performance.

Results and Discussion

Personal Profiles of Research Workers

Data of this study showed that the mean age of the employees in research organizations is 33 years. This result is an indication that the employees were still at their youthful, active and vibrant age for doing productive work. This observation may be due to the age-related strategies used in recruitment process by the employers. This is necessary to boost production as the younger individuals have the capacity to work better compared to older counterparts. Gender factor also plays crucial role in certain energy shaping work. In the present study, majority 57.5% of the respondents were female while 42.5% were male. This result is contradictory to the findings of Julie (2013) who asserted that most of the organizations are dominated by men. Also, 63.0% of the respondents were found married while 34.2% were single. Marriage at times may be seen as a sign of responsibility in some settings especially in Africa where greater importance is placed on marriage. Results on academic qualification showed that 80.9% of the employees had tertiary education certificate which qualified them to work in the research organizations.

Organizational Climate

Prominent Indicators of organizational climate explored were: Leadership styles, Award systems, Employees' empowerment, Training programs, and Availability of facilities & resources. Results on these indicators are presented and discussed here.

Leadership is the act of influencing people for attaining the organizational goals. Leadership style used by the administration will determine the subordinates whether to contribute positive or negatively in the attainment of these goals. On this premise, this study was carried out. What we found is that by and large leadership styles in research organizations in Nigeria are slightly favourable towards the welfare of research workers. It is, therefore, wrong to say that decisions by the leadership in Nigerian organizations are made to favour a few employees. It is only

12 per cent power load of the employees who say so. It is also not correct that leaders enforce their decisions on the employees. It is only 11 per cent who responded in favour of this statement. Employees who commit offence are given a fair hearing before taking any decision in their matters. Participative Management is the latest tool to enhance organizations productivity. In this study, however, this postulate is found not favourable as a considerable 27 per cent power load of employees disagreed with this notion. Organizations grow because there are good leaders who make conducive decisions. Organizational climate becomes fishy when every body and any body makes decision regarding the growth of organization because anarchy takes place in such situations. This is highly unfavourable organizational climate. There is uncertainty in every scheme of things of the organization. Sizable 13.5 per cent employees feel that this kind of anarchy exists in Nigerian research organizations. In order to address the modern-era of leadership, Walker et al (2013) have argued that there is an ongoing need to strengthen the leadership development programs through collaborative efforts with the like-minded organizations.

Award is the practical way of rewarding an outstanding employee. It can be monetary or non-monetary. By all means, it induces encouragement in committed employees. Awards system is also considered as an important tool to enhance employees' performance. It is a way of motivating the employees. Award system thus is one of the indicators of organizational climate. It attracts employees from other organizations and at the same time instigates the exiting employees for better performance. Hence, considering the results of this study, employees are duly rewarded based on their hard-work (= 3.62). No favour is exercised to award the specific employees in the organization (= 3.63). Awards are given to motivated employees to perform better (x = 3.17). Awards are also given to promote healthy competition in the organization (= 3.24). Rezvanfar and Vaisy (2006) have revealed that unclear promotion policy and low salary of Agricultural Extension Personnel in Iran are reasons of low level of job satisfaction that resulted in organizational climate negatively charged. Therefore, job diversity, higher pay structures, and well-skilled education levels of employees are required to increase the job performance. Awards are not occasional but constituted for regular basis (x=3.40). These results, in general, imply that a fair treatment is given while giving away the awards to well-deserved employees with a purpose to increase their efficiency as also to boost image of the organization. These results are in line with the findings of Abiona et al (2020) who asserted that award system serves as a motivating factor to extract optimal performance by the employees. Conclusively, the organizational climate seems to be 75 per cent favourable towards impartial treatment to award systems in research organizations of Nigeria.

Empowering the employee is like strengthening the power house of an organization. Employees' empowerment is ensured when maximum flexibility and freedom are granted to them in making their work-related decisions. This is accelerated by way of improving the quality of service. On these premises, this study was carried out to find out the employees' empowerment status in the organization. Findings presented in Table-1

indicate that only 18.5 per employees in the organization provided opportunities for various skill acquisition programs ($x=3.60$) and 30 percent employees were sponsored to improve themselves in the use of ICT for various programs ($x=3.60$). On these two counts, organizational climate can not be stated satisfactory and favourable as more than 70 per cent employees are still deprived of availing empowerment opportunities. A small group of 13.5 employees “disagreed” to the statement that their organization granted them leave for self-empowerment. It means employees are sanctioned leave as and when they asked for self-improvement. Unfavourable climate exists when Administration says that employees should use their personal money in empowerment programs ($x=3.28$). While only 14 per cent employees endorsed this view, 86 per cent were uncertain about it. Hence, organizational climate is unpredictable. Based on these findings, it can safely be stated that exposure of the employees to skill acquisition programs will help to maintain the quality of service and thus image of the organization will be boosted. Sharma and Bhati (2017) have, therefore, opined that it is necessary to identify factors that enhance employee’s empowerment and make them effective in discharging their legitimate duty.

Across the globe, most organizations depend on the skilled, knowledgeable, capable and talented workforce to sustain competitive advantage in profit-driven firms. To develop this kind of workforce, training is the best way such as orientation training, pre-service training, in-service training and on-the-job-training. These training interventions create conducive, congenial, and favourable environment in the organisation. The findings of this study presented in table-1 show that employees are in the confusion state of their mind as most of the employees are found not able to understand whether the training programs were designed to meet the organizational needs or employees needs to equip them with the trades of the business. Thus, the organizational climate prevailed as “so-so”. Similarly, organizational climate is unpredictable on the front of training opportunities. Employees are 100 per cent undecided when they were asked a statement that their organization provided them sufficient training opportunities to increase their performance. Organizational climate is also “so-so” on two more fronts: [1] that trainings are organized for newly employed staff in the organization ($x=2.92$) and [2] that training programs are organized mainly for specific employees ($x=3.12$). On these parameters, statements hardly carry 5.0 per cent power load. This is an insignificant situation. However, there is one plus point on regularity of holding the training programs ($x=3.34$). To some extent, this is a favourable intervention to create a favourable climate. These findings seem to be not in consonance with what Alam and Sayati (2011) say. They have reported that organizations which provide high level training to their staff resulted in three times hit profits as compared to those which do not provide sufficient training opportunities to their employees on regular basis. Venugopalan et al (2012) say that training outcome are influenced by the perfection in training programs. They found that 89.2 per cent knowledge is explained by the training atmosphere, 87 per cent is attributed to teaching aids, and 54.4 per cent skills are perfected by adequacy of the

content. Hence, organizational climate to be conducive, teaching-learning situations are required to be positive and favourable.

Organizations with necessary working facilities and available resource materials encourage the employees to work hard and perform better. Organizations are considered to be conducive if these necessary facilities are made available to employees. This study indicates that availability of sufficient resources enhanced employees’ productivity ($\bar{x}= 3.27$). Moreover, up-to-date working facilities made organizational climate more favourable ($\bar{x}= 3.28$). Similarly, adequate facilities increased employees’ performance ($\bar{x}= 3.13$). It was also glaring to note that environment becomes conducive when workers interact more with others ($\bar{x}= 3.54$). Organizations thrive well if the required resources and necessary working facilities are provided to employees. But it is noted in this study that most of these working facilities and resources have become obsolete ($x=3.25$) and are not sufficient to individual research workers ($x=2.62$) to advance their productivity. Oluwekemi et al (2014) have reported that work conditions like good office space, adequate training opportunities, on-time promotion, and cordial relations are positive factors that affect employees’ retention in the organization. They, therefore, recommended that organizations must pay attention to make prompt promotion, create adequate infrastructural facilities, and give due recognition to hard working and deserving employees. Organisational climate is thus made conducive and favourable.

Employees’ Job Performance

Maintaining quality products and services delivery systems in a profit-driven organization depends on the performance of the entire workforce. In other word, employee loyalty is assured if the organizational climate is friendly. It is on this premise that employees job performance was examined. Findings presented in Table-2 indicate that employees performed better because of their punctuality at their place of work ($\bar{x}= 4.32$). They were also seen to be feeling happy after completing a task ($x=4.31$) which served as enhancement in the job performance through training ($\bar{x}= 4.21$). Completion of a task at hand had made most of the employees contented with their job ($\bar{x}= 3.93$), to the extent of finding satisfaction with their current job ($\bar{x}= 3.79$). It can be reported that if employees are happy at work, there will be strong attachment with their job to the extent of giving their full loyalty to the organization. This result corroborated the assertion of Zhao *et al.*, (2014) who said that satisfied employees always find a reason to deliver beyond their expectation based on their contentment. Also, this study shows that employees get feedback after completion of a task in terms of rewards ($\bar{x}= 3.69$). Rewards are one of the tools in motivating employees to become super performer in goal-oriented organizations. Training of the staff at local and international level could also increase the performance level of the employees. Findings of this study indicated that training overseas enhanced employees job performance ($\bar{x}= 3.68$). Due to employees’ commitment and their positive attitude, it was also discovered that their level of performance was above average at 63.01%.

Table 1 Organizational Climate (n = 150)

Statements (A) (B) (C)	D	C	B	A
Leadership Styles				
1. Organization's decision favours only a few employees	U	12.0	(-)	3.24
2. Organization enforces its decision on employees	U	11.0	(-)	3.22
3. Employees are given fair hearing for any fault made in the organization	F	12.5	(+)	3.25
4. Employees are carried along in terms of decisions affecting the organization	U	23.0	(+)	2.54
5. Any body can make decision regarding the growth of organization	U	13.5	(-)	3.27
Award Systems				
6. Award system are designed only for hard working employees.	F	3.62	(-)	31.0
7. Award system favours some specific employees in the organization	U	27.0	(-)	3.54
8. Employees are motivated to perform better because of the award system	S	08.5	(+)	3.17
9. Award system promotes healthy competition in the organization	F	12.0	(+)	3.24
10. Awards are allocated on regular intervals	F	20.0	(+)	3.40
Employees Empowerment				
11. Employees are opened to various skills empowerment programs.	U	18.5	(+)	3.37
12. Most employees use their personal money for empowerment programs	UP	14.0	(-)	3.28
13. Organization grants leave to employees for self-empowerment programs	F	30.0	(+)	2.73
14. Organization sponsors employees who are ready to improve themselves	U	30.0	(+)	3.60
Training Programs				
15. Training programs meet organizational needs and not employees' needs	S	4.5	(+)	3.09
16. Sufficient training opportunities to employees to increase performance	U	0.0	(+)	3.00
17. Training programs are held on regular basis for the employees	F	17.0	(+)	3.34
18. Trainings are organized for new employed staff in the organization	S	4.5	(+)	2.92
19. Training programs are organized mainly for specific employees	S	6.0	(-)	3.12
Availability of Facilities& Resources				
20. Resources are provided to employees to enhance their productivity	F	13.5	(+)	3.27
21. Most facilities are obsolete	U	12.5	(-)	3.25
22. There are up-to-date working facilities in the organization	F	14.0	(+)	3.28
23. Adequate resources are provided to facilitate employees' performance	S	6.5	(+)	3.13
24. Environment is conducive for workers to interact with others	F	27.0	(+)	3.54
25. Resources are enough for individual employees to work	U	19.0	(+)	2.62

Source: Field Survey-2019

(A) Mean Score on five-point continuum (Strongly Agree -5,Undecided-3, Strongly Disagree-1Score)

(B) Directionality of the statements either (+) or (-)

(C) Per cent power load of employees on the respective statement

(D) Organizational Climate: U=Unfavourable, F=Favourable, UP=Unpredictable, UC=Uncertain, S=So-So .

Test of Relationship

The results of regression analysis of the relationship between independent variables and employee's job performance are shown in Table-3. The model produced a good fit for the data as evidenced by statistical significance at $p < 0.01$ and the adjusted R^2 at 0.674 which expresses that the explanatory variables are at 67.40 per cent. Also, inclusion of job performance variables in the model as an explanatory variable has justified by the statistical significance of ρ ($P < 0.05$). This implies that estimation of the model as regression would have yielded inefficient parameters. Therefore, the results of the model of

organizational climate decreases the rate at which employees performed at work ($P < 0.05$). This implies that employees that work with less resources in an organization definitely perform poor. This result is supported by the findings of Abiona *et al* (2017) who asserted that unfriendly environment leads to low productivity and poor job performance. Results also revealed that age is positively and statistically significant ($p < 0.05$). It shows that as age of the employees increases, the rate at which they perform at work also increases. This implies that better performance is attained as the age of employees advances. Descriptive statistics on personal status reveals that 71.3% of the respondents who were within the age range of 30-45

Table 2 Employees' Job Performance

Statements	Mean	S.D
I am punctual in my place of work	4.32	1.04
I always feel happy after completing a task	4.31	1.03
Training enhances my job performance	4.21	1.04
Employers are contented with their job performance	3.93	1.17
I like and found employment in my current job	3.79	1.03
There is a room for feedback after completion of the task	3.70	1.12
Training overseas will enhance my job performance	3.68	1.30
I am losing interest in my job	2.26	1.17
High Job Performance 95(63.01%)		
Low Job Performance 55(36.9%)		

Source: Field Survey-2019

years performed maximum. Economically active age is more vibrant and smart in services delivery systems. This result is in line with the assertion of Abiona *et al* (2018) who opined that employee's age is one of the contributing factors in any organization for effective productivity. Similarly, it was discovered that academic qualification of the research workers is statistically significant at $P < 0.01$. This implies that as academic education increases employees' performance at work especially those with higher educational certificate also increases. This study also shows that marital status of the research workers positively statistically significant at $P < 0.01$. As employees tend to cope with different climates at work and in the family, it makes them psychologically strong that leads to better performance at work.

Furthermore, considering the 5 domains used to measure organizational climate, regression analysis showed that leadership style is negatively significant at $p < 0.10$. This result reveals that the styles of management may reduce or increase the employees performance at work and can also affect the organizations' climate. In addition, award system is positively significant at $p < 0.10$. This means more awards bestowed upon an employee more he or she is likely to perform. Therefore, the job well done by an employee should always be decorated with appropriate award. Employee empowerment is positively significant at $p < 0.01$. This means more empowerment results in better performance. Employee's empowerment is a means of encouraging and allowing them to take personal responsibilities for improving the way they do their jobs and contribute meaningfully to attain organizational goals. This is an indication that various empowerment programs have the capacity to build and extend service delivery systems. The positive significance between employee's empowerment and their job performance also influences their behaviour and increases the quality of their service at work. More so, training programs are positively and statistically significant at $p < 0.01$. Employees who are well trained on the job contribute more to the development of the organization and also serve as an

Table 3 Organizational Climate Indicators and Employees' Job Performance

Variables	Coefficient	Standard Error	T
(Constant)	11.061		2.911
Age	.533	.117	1.624
Gender	.203	.018	.270
Religion	1.841	.141	1.551
Marital status	1.002	.143	2.070**
Aced qualifications	.646	.189	2.835***
Income	.468	.116	1.450
Years of experience	.050	.043	.688
Leadership styles	-2.559	-.399	-3.835***
Award system	2.048	.299	3.188***
Employee empowerment	1.660	.257	3.061***
Training programme	1.861	.282	2.361**
Availability of resources	1.332	.166	2.098**
Lack of motivation	1.399	.189	1.974*
Lack of transportation system	2.968	.400	4.008***
$R^2 = 0.674$			
$R = 0.821$			
$F \text{-ratio} = 9.354$			

Data: 2019

agent of change in terms of adopting new technology. Employees who are well trained boost the image of their organization such that they discharge their duties effectively. Training thus plays an important role in predicting effectiveness and continued commitment of the staffs to their duties.

Conclusion and Recommendations

The present study showed that job performance was positively influenced by availability of working facilities, encouraging award systems, together with efficient training programs made available to the employees. The positive significance of the training programs had improved employees' skills, knowledge and their capabilities. This study also concluded that effective leadership styles had help the management to strike a balance between work and employees' personal life. In addition, the significance of employee's empowerment had also yielded positive results in their job performance and in attainment of organization goals. Prominent indicators of job performance identified in this study were the punctuality at work which resulted in job contentment. It is obvious from this study that when workers are given conducive climate, they reach climax of their performance. Based on this conclusion, one recommendation is made that availability of modern working facilities be provided to encourage employee for better work. Effort should be made to organise on-the-job training at least once in a year. Management needs to initiate

award systems as this will motivate staff to perform better. The climate of every organization needs to be friendly and conducive for the attainment of organizational goals. Thomas et al (2011) investigated the role of organizational climate in organization performance. They found that it is the employees' perception of how innovations are exercised in the organisation. This perception affects the organization performance. The greatest gains in this direction are obtained by improving the level of training and level of employees' involvement in organizational change, team work, organizational communication network, and leadership building. They have recommended that organizations must apply these interventions in their OD programs.

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