

Organizational Climate and Training Effectiveness: A Study of Selected IT Organizations

*Divya Goel**
*Dr. Mitushi Singh***

ABSTRACT

Every organization big or small, productive or non-productive, economic or social, old or newly established should provide training to all employees irrespective of their qualification, skill, and suitability for the job. Training is not something that is done once to new employees; it is used continuously in every well run establishment. In order to understand the factors that may have an impact on training effectiveness, the present study explored the relationship of organizational climate with training effectiveness in selected IT organizations. The variables were assessed through the following Questionnaires - (i) Litwin and Stringer's (1968) Organizational Climate Questionnaire (LSOCQ) and (ii) Training Effectiveness Questionnaire' developed by T. V. Rao (2000). Purposive sampling was used in the study and the sample consisted of 86 employees from two IT organizations located in Mumbai and Pune. The implication of the study is far-reaching, as it proposes various important aspects of organizational climate that need to be focused by HR professionals to deal with one of the very important functions i.e training and its effectiveness.

Keywords: Organizational Climate, Training Effectiveness, IT organizations.

1. Introduction

Organizations in the 21st century are faced with more challenges than ever before. These challenges are not unique to any specific organization or industry, but affect all organizations, regardless of their structure and size. Organizational climate in a particular organization is constantly challenged by the increasing number of changes impacting on organizations today (Nair, 2006). These changes relate to restructures, mergers and acquisitions, technological trends, political and international trends, increased competition as well as the local and international economy. If these changes are not managed appropriately by the organization, they could result in a change in the behavior and perception of individuals employed in the organization, which could lead to, decreased motivation, employee satisfaction and turnover and increased absenteeism and hence a decline in organizational performance (Gray, 2007). Organizational Climate is a very popular subject for research in the domain of industrial and organizational psychology. Organizational climate reflects the perceptions held by organizational members towards their organization. It represents a conceptually integrated synthesis of organizational characteristics and depends on the perceptions of the organizational members about different dimensions of the organization. It influences behavior of individuals in the organization and plays a very significant role in attainment of organizational goals.

Thus, Organizational Climate generally represents the psychological state that is strongly affected by organizational conditions like structures, systems and managerial behavior. To measure organizational climate, many researchers have categorized various variables. Litwin and Stringer (1968) categorized nine variables to measure organizational climate. The nine typical variables are as follows (Gray, 2007, pp. 58 - 59):

1. Structure. The feeling that employees have about the constraints in the group, such as how many rules, regulations, and procedures there are; is there an emphasis on 'red tape' and going through channels, or is there a loose and informal atmosphere?
2. Responsibility. The feeling of being your own supervisor; not having to double check all your decisions; when you have a job to do, knowing that it is your job.
3. Reward. The feeling of being rewarded for a job well done; emphasizing positive rewards rather than punishments; the perceived fairness of the pay and promotion policies.
4. Risk. The sense of riskiness and challenge in the job and in the organization; is there an emphasis on taking calculated risks, or is playing it safe the best way to operate?
5. Warmth. The feeling of general good fellowship that

* Research Scholar, Jamia Millia Islamia, New Delhi

** Assistant Professor, Amity University, Noida

prevails in the work group atmosphere; the emphasis on being well-liked; the prevalence of friendly and informal social groups.

6. Support. The perceived helpfulness of the managers and other employees in the group; emphasis on mutual support from above and below.
7. Standards. The perceived importance of implicit and explicit goals and performance standards; the emphasis on doing a good job; the challenge represented in personal and group goals.
8. Conflict. The feeling that managers and other workers want to hear different opinions; the emphasis placed on getting problems out in the open, rather than smoothing them over or ignoring them.
9. Identity. The feeling that you belong to a company and you are a valuable member of a working team; the importance placed on this kind of spirit.

The Litwin and Stringer's (1968) Organizational Climate Questionnaire (LSOCQ) is one of the widely used instruments to measure organizational climate in the workplace (Rogers, Miles, & Biggs, 1980; Woodman & King, 1978), which has been used frequently in business organizations (Toulson & Smith, 1994).

Training is expensive if it does not serve the purpose for which it is given. The training should be able to improve the capabilities of individuals and, collectively that of the organization. If the training function does not contribute to the building of organizational capabilities, and, reflect, over a period of time, in improved performance, the loss to the organization is far greater than the money spent on training. The organization could lose its competitive edge and its market position. Hence training has to serve identified purposes for the organization based on a systematic analysis of its own capabilities and the demands upon it that the future scenario may make. Very few organizations spend enough time to analyze the situation with care before launching on training programmes.

Today MNC's [Multi National Companies] are spending billions of dollars in developing their most valuable assets – the Human Resource (HR), through training. Since training is one of the most important techniques of human resource development, ensuring that it is effective is very crucial for any organization. So, the present study explores the relationship between organizational climate and training effectiveness to propose some strategies for policy makers to increase their training effectiveness by focusing on organizational climate.

2. Literature Review

Prior studies relating to training evaluation (e.g.,

Kirkpatrick 1994, Bramley & Kitson 1994,

Clements and Josiam 1995, and Bedingham 1997) indicate that companies use different levels of analysis to evaluate training effectiveness. Some companies follow a traditional approach that focuses on trainees' attitudes or reactions to a training programme (e.g. trainee's opinions about training materials, delivery methods, effectiveness of the trainers, usefulness of the training programme etc). Others extend the training evaluation to incorporate some measured outcomes of the training programmes (e.g. skills learned or knowledge gained, measured changes in trainees' behavior on the job after the training etc). Still other companies seek to measure the net financial effects of the training programmes (or their returns) to the company as a whole, or to its individual departments. Bramely and Kitson (1994) indicated that measuring the effectiveness of a training programme at the reaction level and/or the levels of skills learned or knowledge gained are the most common approaches that companies use. However, Tan Hall and Boyce (2003) indicated that trainee reactions to training programme tended to be poor predictors of training success. In India, research in the field of training effectiveness is scarce. One of the exceptions is the study conducted by Riyaz Rainaye (2002). He examined the training policy and practice in SBI and Jammu and Kashmir Bank (JKB) to assess the effectiveness of the various facets of training.

The earliest reference of Organizational Climate is found in the article of Lewin, Lippitt and White (1939). This article 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. Climate was again mentioned in an article by Fleishman (1939) whereby he discussed 'Leadership Climate' as a construct but he did not explain the concept of climate very elaborately. In his attempt to diagnose the group dynamics in a bank, Argyris (1958) was the first to define the concept of Organizational Climate in an elaborate way. Argyris (1958) defined climate in terms of formal organizational policies, employee needs, values, and personalities. This paper also triggered off the popular ambiguity between culture and climate that persisted till late 70's in the realm of organizational studies. 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.' Litwin and Stringer (1966) introduced a very comprehensive framework of Organizational Climate by developing the nine dimensions of Organizational Climate that include (i) structure, (ii) responsibility, (iii) reward, (iv) risk, (v) warmth, (vi) support, (vii) standard, (viii) conflict and (ix) identity. In another book by Litwin and

Stringer (1968) emphasis was given on the concept of climate and its influence on the McClelland's 'need factors' of motivation i.e. n. power, n. achievement, and n. affiliation. During this time the actual concept of Organizational Climate began to take shape.

Organizational climate research has been a subject of numerous reviews because of its importance in analyzing and understanding organizational behavior and the attitudes of individuals in organizations (Denison, 1996; James & Jones, 1974; Litwin & Stringer, 1968; Schneider, 1990; Tagiuri & Litwin, 1968). Gilmer (1961) commented that organizations differ not only in physical structure but also in the attitudes and behavior they elicit in people. Gilmer (1961) further emphasized that organizational characteristics affect the behavior of individuals in the workplace. Aggarwal and Bose (2004) examined the relationship between certain aspects of the organizational climate, that may be created with the perception of procedural justice in public and private sector Indian organizations and role efficacy.

However, studies focusing on the relationship between organizational climate and training effectiveness are lacking and the present study is an effort to fill this gap.

3. Purpose, Research Questions and Significance of the Study

3.1 Need for the Study

The above literature review seems to suggest that there is a lot of work done in the area of organizational climate and its impact on employee performance and job satisfaction. However, training and its effectiveness despite being one of the very important functions, research on organizational climate and its linkage with training effectiveness is lacking. Also, there is a dearth of empirical studies on the relation of organizational climate with training effectiveness. There is a scarcity of research on training effectiveness in India and due to this needed focus; the present study is an attempt to fill the gap.

3.2 Objectives of the Study

The main objective of the study is to examine the association between organizational climate and training effectiveness in the selected IT organizations. Specifically, the objectives of the study are:

- (i) To determine the key dimensions of organizational climate that play a major role in affecting the training effectiveness in the selected IT organizations.
- (ii) To investigate the relationship between the organizational climate and training effectiveness in the selected IT firms.

3.3 Significance of the Study

The results of the survey are considered to be significant

because they are intended to assist policy makers to develop strategies for addressing the various organizational climate aspects, so as to increase the training effectiveness.

3.4 Hypotheses of the Study

The hypotheses that have been evolved from the research questions are as follows:

H1: Organizational climate do not have any association with training effectiveness.

H2: The five identified dimensions of organizational climate do not have any correlation with training effectiveness.

4. Methodology

4.1 Participants

A predominantly quantitative approach was adapted for this study. Organizations were selected using purposive sampling method. The sample was drawn from two IT organizations located in Mumbai & Pune. The sample consisted of 86 employees working as middle level managers and executives. Total 120 were approached (60 from each), out of which 86 responses were complete. Out of 86 responses, 54 (63 percent) were males and 32 (37 percent) were females. Mean age of the respondents was 34.8 years.

4.2 Data Sources

For this study primary data as well as secondary data are used. The primary data was collected by researcher using web survey. The secondary data available in print form and various online databases were also used.

4.3 Instruments and tools for data collection

4.3.1 "Organizational climate" survey

The organizational climate survey questionnaire was used based on nine sub-constructs of Litwin and Stringer's (1968) Organizational Climate Questionnaire (LSOCQ). The LSOCQ includes nine dimensions of climate viz. structure (8 items), responsibility (7 items), reward (6 items), risk (5 items), warmth (5 items), support (5 items), standard (6 items), conflict (4 items) and identity (4 items). The reliability and validity of LSOCQ has been examined by several researchers (Lawler & Weick, 1970; Muchinsky, 1976; Toulson & Smith, 1994). However, several researchers reported incongruent results of the validity and reliability of LSOCQ (Briggs, Miles, & Rogers, 1977; Downey,; Muchinsky, 1976; Rogers, Miles, & Biggs, 1980). Specifically, responsibility, risk, standards, and conflicts have showed less than .60 of loading scores, which indicated a low level of reliability (Rogers, Miles, & Biggs, 1980). Thus, these four constructs were excluded in this study and a stable five constructs were used for data collection. The five dimensions of organizational climate used in this study are: structure, warmth, support, reward

and identity consisting of 28 items.

4.3.2 Training effectiveness

The measurement of the training effectiveness was done using 25 item 'Training Effectiveness Questionnaire' developed by T. V. Rao (2000). The response format is a 5-point Likert scales ranging from 1 to 5, with higher scores reflecting effective training program.

4.4 Procedure

The survey questionnaire was divided into 3 sections. The first section consisted of questions pertaining to organizational climate, the second section consisted of questions pertaining to training effectiveness and the last section was on the demographic information of the respondents.

4.5 Research Variables

The two key variables in the study are organizational climate as the independent variable and training effectiveness as the dependent variable. The five dimensions of organizational climate viz. structure, warmth, support, reward and identity are the various

independent variables to check their association with training effectiveness.

4.6 Data analysis

The quantitative data collected was subjected to various statistical analyses. Correlation and regression analysis has been used for hypothesis testing. Statistical analysis was performed using SPSS (ver.16).

5. Results

5.1 Descriptive statistics for the dimensions of organizational climate

The stable five dimensions crystallized on the basis of literature review have been used for measuring the organizational climate in the selected firms. The dimensions and their descriptive statistics are shown in Table 1. The results indicate that in terms of structure dimension of organizational climate (Mean=2.0465), the employees feel there are constraints in the group, and many rules, regulations, and procedures are followed along with emphasis on red tapism.

Table1: Descriptive Statistics for the Five Stable Dimensions of Organizational Climate

Dimensions	N	Minimum	Maximum	Mean	Std. Deviation
Structure	86	1.00	3.00	2.0465	.83886
Warmth	86	1.00	4.00	2.4884	1.03747
Reward	86	1.00	4.00	2.6860	1.05453
Support	86	1.00	4.00	2.2791	.87651
Identity	86	1.00	4.00	2.6628	.77627
Valid N (list wise)	86				

5.2 Correlation analysis of organizational climate dimensions and training effectiveness

In an attempt to understand the association between organizational climate and training effectiveness, a correlation matrix was calculated as given in Table 2. Table 2 presents the correlation coefficients for the five dimensions of organizational climate, total organizational climate and training effectiveness. The results indicate that organizational climate and its four dimensions except "structure" exhibit positive and significant relationships with training effectiveness (correlations ranged from 0.487 to 0.895, $p < .01$). Structure is found to have no correlation with training effectiveness. The correlation between overall organizational climate and training effectiveness is 0.876 ($p < .01$).

Table 2. Correlation Matrix of the Organizational Climate Dimensions and Training Effectiveness.

Dimensions	Test Applied	Training Effectiveness
Structure	Pearson Correlation	.123
	Sig. (2-tailed)	.259
Warmth	Pearson Correlation	.895(**)
	Sig. (2-tailed)	.000
Reward	Pearson Correlation	.843(**)
	Sig. (2-tailed)	.000
	N	86
Support	Pearson Correlation	.487(**)
	Sig. (2-tailed)	.000
Identity	Pearson Correlation	.877(**)
	Sig. (2-tailed)	.000
Overall Organizational Climate	Pearson Correlation	.876(**)
	Sig. (2-tailed)	.000

**Correlation is significant at the 0.01 level (2-tailed).

5.3 Regression analysis of organizational climate dimensions on training effectiveness

Regression analysis is done for hypothesis testing. The regression analysis is done with five dimensions of organizational climate and overall organizational climate as the predictor variables and training effectiveness as the outcome variable. In the first analysis, shown in Table 3, overall organizational climate is entered as the predictor variable and training effectiveness as the outcome

variable. The findings of the study clearly indicate a significant influence of overall organizational climate on training effectiveness ($R^2 = 0.767$ and significance = .000, $p < .01$). Hence, the model is found to be significant. Furthermore, the adjusted R square of 0.764 indicates that 76.4 % of variance in training effectiveness can be attributed to the predictor variable i.e overall organizational climate. Thus the first null hypothesis is not accepted and it is highlighted that overall organizational climate has a strong influence on training effectiveness.

Table 3. Regression Analysis with Training Effectiveness as Dependent Variable and Overall Organizational Climate as Predictor Variable

Predictor Variables	Beta value ()	t	Sig.	R	R Square	Adjusted R Square
D.V.: Training Effectiveness		16.63		.876	.767	.764
I.V.: Overall organizational climate	.876	4	.000			

Notes: * $p < .01$, D.V. = Dependent variable, I.V. = Independent variable

Further, to analyze and determine the role of various dimensions of organizational climate on the training effectiveness, multiple regression analysis is undertaken with training effectiveness as the dependent variable and five dimensions of organizational climate as independent

variables. The results shown in Table 4 indicate that ensuring good organizational climate in terms of two of its dimensions i.e. warmth and identity will help in increasing training effectiveness ($p < .05$). However, structure, reward and support do not predict training effectiveness.

Table 4: Multiple Regression Analysis with Training Effectiveness as Dependent Variable and Five Dimensions of Organizational Climate as Predictor Variables

Predictor Variables	Beta value (β)	t	Sig.	R	R Square	Adjusted R Square
Structure	-.041	-0.996	.322	.942	.888	.881
Warmth	.617	8.219	.000			
Reward	-.115	-1.033	.305			
Support	-.041	-.788	.433			
Identity	.522	5.896	.000			

Note: * $p < .05$

So, the null hypothesis could not be rejected for three elements of organizational climate i.e structure, reward and support and rejected for two dimensions viz. warmth and identity. The results thus emphasize on the importance of developing and ensuring a feeling of good fellowship and friendly and informal social groups to prevail in the work group atmosphere for improving training effectiveness. The results also indicate the importance of developing a feeling in the employees that they belong to

the company and they are valuable members of a working team to improve training effectiveness.

6. Discussion

The major objective of the present research was to explore the relationship between organizational climate and training effectiveness and also to investigate the various dimensions of organizational climate and their impact on training effectiveness. It is observed from the results of the

study that there is a positive and significant association between organizational climate and training effectiveness. In addition, the results of this study reveal that out of the five dimensions of organizational climate, ensuring warmth and identity in the work environment are most important dimensions of organizational climate affecting training effectiveness in the selected organizations. Also, structure, support and reward are found to be the least important dimensions of organizational climate affecting the training effectiveness in general. One of the significant findings of this research is the identification of various dimensions of organizational climate that, if satisfied, enhance training effectiveness. The results of this study emphasize on the importance of developing and ensuring a feeling of good fellowship and friendly and informal social groups to prevail in the work group atmosphere for improving training effectiveness. The results also indicate the importance of developing a feeling in the employees that they belong to the company and they are valuable members of a working team to improve training effectiveness. The results of regression analysis also indicate that overall ensuring good organizational climate is a significant factor for enhancing training effectiveness.

7. Implications

The results of the study have some practical implications that can be useful for researchers as well as for managers and policy makers in the organizations. This study has opened up some new areas by providing some valuable information about the various dimensions of organizational climate and an understanding of the relationship between organizational climate and training effectiveness. The findings of this study give an insight to the managers to develop and ensure that a feeling of good fellowship and friendly and informal social groups prevail in the work place and also design strategies for developing a feeling in the employees that they belong to the company and they are valuable members of a working team. This study also indicates that managers should understand and be sensitive to employees' feelings. Based on an understanding of the key dimensions of organizational climate, management can identify the strategic gap (if any) in the organizational climate and can take further necessary steps to improve the training effectiveness by developing good organizational climate. Also, organizations can develop policies to enhance training effectiveness by way of developing good organizational climate. This may be helpful for an organization to be successful and to achieve organizational objectives since training effectiveness is directly related with a variety of desirable organizational outcomes, such as reduced cost due to reduced wastage or increased job performance and employee productivity. This signifies that training effectiveness is a matter of trepidation for the employers and the organizations. Effective training function leads to

cumulative and continuous returns to the business organizations. So, it can be understood that ensuring good organizational climate will beckon competitive and talented human capital for the organizations by enhancing training effectiveness.

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