

AFRICAN JOURNAL OF ORGANIZATIONAL PERSPECTIVES AND ECONOMY

EFFECT OF ORGANIZATIONAL CLIMATE ON EMPLOYEES JOB PERFORMANCE IN DANGOTE CEMENT FACTORY, IBESE, OGUN STATE, NIGERIA

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Article history:

Received: 30 July 2021;

Received in revised form:

2 August 2021;

Accepted: 2 August 2021;

Keywords:

Organizational climate, Employees, Job performance, Dangote Cement factory, Nigeria

Abstract

The study examines effect of organizational climate on employees job performance in Dangote cement factory, Ibesse, Ogun State, Nigeria and population of the employees constitute the population of the study. A well-structured questionnaire was designed to obtain relevant information from 361 respondents chosen through stratified sampling techniques. In analyzing the data, regression was employed in addition to conventional descriptive statistics such as tables, frequency distribution and percentages. The results showed that organizational climate is strongly influenced by gender, age, education, and marital status. Also, statistics of the model summary of the R^2 shows that the four independent variables were significant in contributing to the performance of small and medium scale enterprises in the study area. Based on the findings, it can therefore be concluded that management of Dangote cement factory, Ibesse plant should ensure that there are no loopholes in its policy by seeing to it that there is fairness and equitable treatment of all employees so as to sustain the level of productivity in the organization. Moreso, management of Dangote Cement factory, Ibesse plant as well as other manufacturing firms should review their current compensation policy/scheme to make it more effective and adequate to enable the employees meet their basic needs. By doing this, the employees are more inclined to be productive.

Introduction

As a result of globalization, corporations are looking for more efficient

ways to fulfill their goals. Human resource is one of these resources, and it is regarded

the most precious resource in any firm (Yee & Ananthalakshmi, 2017). Organizations strive to provide an acceptable organizational environment to enable workers do their tasks efficiently in order to increase human resource performance.

Organizations recognized that understanding the nature of the organizational environment and learning about its impact on employee behavior, motivation, and performance was necessary in order to improve and develop performance and promote functional efficiency (Imna & Hassan, 2015). Since organizational climate is a representation of the nature of the work environment, job satisfaction for people working with those characteristics must be affected by organizational climate, which can either augment or impede job satisfaction by creating an inclusive environment (Ozge & Erkut, 2016).

As a result, both the government and private corporations have put a great importance on building a positive organizational climate in order to achieve their goals as a basis for increasing job satisfaction and performance. Furthermore, studies conducted over the last few decades have shown that job happiness is linked to improved productivity and dedication, as well as lower absenteeism and the desire to leave the workplace (Sanad, 2016).

Employee perceptions of their work environment or climate have important implications for both individuals and organizations (Ruchi & Surinder, 2014; Wyse, 2011). Employee motivation, behavior, attitudes, and potential are all influenced by the climate or atmosphere in the workplace, which is projected to affect organizational productivity. Employees are more engaged when their employers have a positive work

culture and communication procedures that provide them with avenues to communicate their concerns as well as opportunity to grow and develop their skills (Raja, Madhavi & Sankar, 2019). Employee engagement may be improved by identifying and addressing the causes of engagement (influential variables).

Creating a positive organizational environment is one of the most important aspects of upgrading the organization's performance; it will also help to consolidate and boost job confidence and satisfaction (Aguinis, 2014). The impact of the organization's internal managerial environment on its ability to perform its functions is determined by the organization's impression in the minds of its workers, and one of the most key factors affecting the efficiency of the workforce within the organization is the type of organizational climates that exist (Jegajothi, 2015 and Lakshmanan, 2014).

Furthermore, because work engagement is a description of work environment characteristics, it must influence human behavior, which can either promote or restrict creativity. Employees have more freedom in their work, communication, and decision-making in a favorable company environment, which also provides financial and moral rewards (Jegajothi, 2015). As a consequence, organizational climate has come to be seen as a set of characteristics that characterize an organization's work environment and have an impact on improving organizational performance and strengthening competitive advantage (Ariyani, 2015).

Statement of the problem

In modern hectic and evolving business world, a company's long success and survival are dependent on the

knowledge, skills, and capacities of its employees; however, channeling those skills and knowledge toward the company's goals is even more important. Only a contented employee is dedicated to his or her job, creative, and strives to meet the needs and aspirations of the company's customers. For such an organization to succeed, it must have an effective management policy that handles organizational difficulties as they emerge. Because an all-inclusive management policy will ultimately drive people to do their best, the efficacy of management policy will reflect on the performance of its employees. However, the current state of affairs in many Nigerian industrial firms is devastating and does not encourage employee performance. Employees are more likely to leave a business if the management policy is oppressive. As a result, it is necessary to explore the significance of having a good management policy in a company.

In a nutshell, in today's world of severe global competition, practically every firm is looking for ways to improve employee loyalty and steer them (the employees) toward the company's goals. For firm executives, this involves using both traditional and motivating measurements into the employee incentive process. Employee satisfaction and motivation are the bedrock of modern human resource management, as superior incentive systems are the only way for a company to gain a competitive advantage and increase its value. Previous motivational concepts are becoming insufficient and obsolete, necessitating the development and adoption of new ones. The development and variety of these concepts will significantly contribute to employee satisfaction and performance. It is against this background that this study

embarked upon to investigate effect of organizational climate on employee's job performance in the study area.

Theoretical Review

Social Exchange Theory

The Social Exchange Theory, according to Blau, was proposed (1964). The Social Exchange Theory can be used to explain the link between work environment and productivity. The school's administration (employer) is committed to establishing a long-term employment agreement with academic staff (employees) by meeting their needs by promoting a good work environment, good working conditions, growth opportunities, administrative support, and so on; in exchange, employees will be dedicated to strengthening performance. The aim of university management and academic staff to develop long-term relationships is one of the key features of a social exchange theory.

The company's readiness to meet the needs of his employees is demonstrated by his efforts to provide a happy work environment and better management methods. These pleased employees intend to stay with their employer for a long time, are willing to go above and beyond to assist, and are eager to manage their employer's productive operations.

Empirical Review

Abimbola, (2019) examines the link between organizational climate and work engagement among the non-teaching staff of a Nigerian University. Participants consisted of 229 (F=46.7%; Mean age =45.7) non-teaching staff selected using stratified random sampling technique from non-teaching staff of the institution. Participants completed the Utrecht Work Engagement

Scale and Organizational Climate Measure that were subjected to Pearson Product Moment Correlation and t-test analysis. Results revealed that organizational climate is related to work engagement among registry staff. It also showed that female employees were more engaged with their work than their male counterparts. The paper recommends the design of appropriate strategies and interventions to ensure that employees feel more engaged in their work-roles.

Okoli, and Godfrey (2018) investigate the relationship between organizational climate and job satisfaction among academic staff in selected private universities in Southeast, Nigeria. A survey design was employed using academic staff in the selected private universities. Data were collected using self-administered questionnaire from the random sample of 182 academic staff of the selected private universities in Southeast Nigeria. In this study, data were analyzed with Pearson correlation co-efficient.

The results revealed there is a positive significant correlation between organizational climate and job satisfaction. The results showed that there is a significant relationship between the organizational climate dimensions (leadership style and academic freedom) and job satisfaction dimensions (satisfaction with administrative support and satisfaction with working conditions).

Obiukwu, and Alaneme (2017) investigate the role of organisational climate as determinant of employee productivity in the manufacturing sector. Descriptive survey design was employed in the study to elicit responses from the respondents. In order to determine the sample size from the population of 2500 employees in the

organizations, Slovin's sample size formula was adopted. A non-probability convenience sampling technique was used to draw a sample of one hundred and fifty (150) respondents. Data were analyzed using the Frequency Distribution Analytical Method. The Pearson Product Moment Correlation method and Chi-Square analysis were used to test the hypotheses.

The major findings of this study showed that there is a significant relationship between organisational climate and employee productivity with correlation coefficient of $r = 0.450$ at a probability (p) < 0.01. Findings also revealed that leadership has a significant effect on employee productivity (Chi-square calculated value $93.77 > 26.29$ at 0.05 level of significance and 16 degree of freedom). The study concluded that favourable organisational climate or work environment enhances efficiency in production, hence, recommended that the management should be more responsive to physical condition of the work environment such as seasoned tools or machines for improved employee productivity.

Babatunde, Yusuf, and Abdulkareem, (2018) opine that a dynamic environment, numbers of organizations have failed in effectively managing the environment leading to deficiency in employees' commitment and unpleasant performance in the sales of the organizations' products. It is on this instance that this study aimed at examining the effects of organizational climate on the performance of Tuyil Pharmaceutical Company. Survey method was employed to describe how the independent construct affects the dependent. The study also has a population of 342 out of which a sample of 168 was selected and used.

The result revealed that work environment and remuneration significantly affects the sales performance and employees' commitment of the organization with Beta .369 and .000 significance level. Hence, this study concluded that organizational climate through work environment and remuneration of employees significantly affects the performance of TPC, Ilorin using sales performance and employees' commitment as a measure. Lastly, the study recommended that efforts should be concentrated on improving the environment in which employees operate and the remuneration package should be reviewed upward so as to influence the commitment of staff and in turn affects the sale performance as projected.

Anthony, Prince, Eric, and Abiam (2020) reported that engaging employees and being supportive in enhancing their well-being in an organization is very paramount. Past studies show that these practices and policies are beneficial to the commitment level of the employer and the employee in the attainment of employee performance. This study was then conceptualized to examine the moderating effect of perceived organizational support on the relationships between organizational climate and organizational commitment and organizational commitment and employee performance. A systematic sampling method was employed in choosing 371 respondents from Ghana for the study. Hierarchical regression in SPSS software (version 23) was employed to analyze the hypotheses. It was observed that organizational commitment partially mediated the relationship between organizational climate and employee performance. These results suggest that with an effective organizational climate,

organizational support does little to strengthen or weaken employee performance.

Jegajothi (2015) investigated the relationship between employee performance and workplace atmosphere. The findings show a positive link between organizational climate and employee performance, as well as a strong link between organizational climate and organizational effectiveness. According to the study, workplace behavior, worker productivity, work dedication, job level, job position, promotion, employee training, and employee awards are all positively connected with employee motivation and performance. Work dedication, according to the study, helps employees work on a regular basis and make good decisions.

Methodology

The study was carried out in Dangote cement factory, Ibese, Ogun State, Nigeria and the population of the employees constitutes the population of the study. A well-structured questionnaire was designed to obtain relevant information from 361 respondents chosen through stratified sampling techniques. In analyzing the data, regression analysis was used.

Model Specification

The model for this study is specified below:

$$y = f(x)$$

Where

y is dependent variable and x is the independent variable. The independent variable which is organizational climate is decomposed into human resources management policy, working conditions and compensation policy.

Hence,

$$EJP = \beta_0 + \beta_1HRMP + \beta_2WC + \beta_3CP + \mu$$

Where:

- EJP = Employee job performance
- HRMP = Human Resources Management Policy
- WC = Working conditions
- CP = Compensation policy
- β_0 - β_1 = Coefficients
- μ = error term

Results and Discussion
Demographic Characteristics of Respondents

The variables that are expected to have important implications for effect of organizational climate on employees job performance is presented in Table 1. About 80% of the respondents were male; the remaining 20% were female. This shows that male respondents were generally more than the examined female. Table 1, also shows that 33% of the respondents were within 20

– 29 age group, while 58% were between 30 – 39 years age cohort, 9% were more than 40 years old. This revealed that the population sampled was predominantly middle aged. This age – groups are known to be energetic and therefore expected to be entrepreneurial and economically active in exploring avenue for business opportunities.

The result of the educational status of the respondents in Table 1 revealed that 58% had post primary education, 25% had vocational/Technical education while the remaining 17% had attended either polytechnics or Universities. The distribution clearly reveals that, all the respondents (100%) had acquired one level of education or the other. About 25% of the respondents were single while 75% were married. This shows that married were generally more than single.

Table 1: Frequency and Percentage Distribution of Respondents by their demographic characteristics N= 361

Demographic characteristics	Frequency	Percentage %	Cumulative
Gender			
Male	290	80.0	80.0
Female	71	20.0	100.0
Age			
20 – 29	120	33.0	33.0
30 – 39	211	58.0	91.0
40 above	30	9.0	100.0
	361	100.0	
Educational Status			
Post primary	210	58.0	58.0
Vocational/Technical	90	25.0	83.0
Tertiary	61	17.0	100.0
	361	100.0	
Marital Status			
Single	91	25.0	25.0
Married	270	75.0	100.0
	361	100.0	

Source: Field Survey, 2021

Table 2: Regression Results Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Durbin-Watson			
					R ² Change	F Change	Sig.	
1	.904 ^a	.816	.815	1.54878	.816	529.081	.000	2.373

Source: Field Survey, 2021

The model overview of the variables explored in this study is shown in Table 2. The R² value of .816 in table 2 indicates that the independent variables: compensation policy, working conditions, and management

policy, account for 81.5 percent of the variation in employee job performance in the study area, with the remaining 18.5 percent accounted for by variables not captured in the model.

Table 2.1: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3807.366	3	1269.122	529.081	.000 ^b
	Residual	856.346	357	2.399		
	Total	4663.712	360			

a. Dependent Variable: Employee Job Performance

b. Predictors: (Constant), Compensation Policy, Working Condition, Management Policy

Source: Field Survey, 2021

The ANOVA results of the factors used in this study may be seen in Table 2.1. The result of Table 2.1 demonstrates that the variables have a very strong positive connection, with F=529.081. Furthermore, the significance value of .000, which is less than the allowable 5%, indicates that there is

a statistically significant association between the variables in Table 2.1.

This study concludes that management policy, working conditions, and compensation policy have a considerable impact on employee job performance in the studied area based on this finding.

Table 2.2: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.006	.369		21.712	.000
	Management Policy	1.462	.053	1.217	27.771	.000
	Working Condition	.029	.064	.020	.461	.645
	Compensation Policy	-1.106	.045	-.775	-24.333	.000

a. Dependent Variable: Employee Job Performance

Source: Field Survey, 2021

The individual association between the independent variables and the dependent variable was disclosed in Table 2.2. Management Policy has a strong

positive and statistically significant impact on employee job performance (t= 27.771; p<.000); Working Condition has a weak positive and statistically insignificant impact

on employee job performance ($t= 0.461$; $p>0.05$), according to the t-statistics of the individual variables. Table 2.2, further reveals that Compensation Policy has a strong negative but statistically significant impact on employee work performance ($t= -24.333$; $p<0.05$). As a result of this finding, a unit increase in management policy leads to a 27.771 unit increase in employee job performance.

In the same way, a unit increase in working condition leads to a 0.461 unit increase in employee job performance in the research area. Finally, the findings indicate that a decrease in Compensation Policy will result in a fall in employee job performance of 24.333 units.

Conclusion and Recommendation

In the study, organization, management policy has a strong positive and significant impact on employee job performance ($t= 27.771$, $p<0.000$), indicating that there is a significant association between management policy and employee job performance in the study region. As a result, the study finds that management policy is a strong predictor of high employee performance. Also, findings revealed a weak positive but insignificant impact of working condition on employee job performance ($t=0.461$, $p>0.05$), indicating that the organization under investigation's working conditions are poor and do not influence employee job performance as the organization would expect.

Finally, the data demonstrated that compensation policy had a significant negative impact on employee job performance ($t= -24.333$, $p<0.000$). The result suggests that employees are underpaid in the firm, which could lead to additional decreases in employee productivity. The ANOVA result in Table 2.2, on the other

hand, shows that the independent factors in the research institution have a strong positive and statistically significant impact on employee job performance ($F= 529$; $p<0.05$).

Firm Climate has a significant impact on employee job performance in the firm under examination, according to the study's findings. Based on the findings it was therefore recommended that management of Dangote cement factory, Ibesse plant should ensure that there are no loopholes in its policy by seeing to it that there is fairness and equitable treatment of all employees so as to sustain the level of productivity in the organization. Moreso, management of Dangote Cement factory, Ibesse plant as well as other manufacturing firms should review their current compensation policy/scheme to make it more effective and adequate to enable the employees meet their basic needs. By doing this, the employees are more inclined to be productive.

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