IJCRT.ORG

ISSN: 2320-2882



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

The Relationship Between Organizational Climate And Organizational Citizenship Behaviour: Assessing The Mediating Role Of Employee Engagement

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Abstract

Purpose: - The main intention of this paper is to detect the association among Organizational climate, Employee Engagement and Organizational Citizenship Behaviour of employees. Here Employee Engagement has considered as a mediator to test the correlation between Organizational Climate and Organizational citizenship Behaviour of employees.

Design/methodology/approach: The standardized questionnaire was administrated in this study to gather the required data from 530 sample respondents from the pharmaceutical companies in Hyderabad are used to test hypotheses.

Findings: - The outcome from the hierarchical regression of the mediation model explains that OC are positively correlated to OCB, and Employee engagement mediates the association between OC and OCB of the employees.

Research limitations: - The outcomes mentioned in this paper are drawn from the organizations at one point of time. Generalize the results to the related and other industries with other Organizational Climate with caution. The main intention of the paper is to encourage further scope for research is on relation between other Organizational Climate factors, which will influence the Employee Engagement and organizational Citizenship Behaviour.

Practical implications: - The study indicates that Organizational Climate is more relevant to enhancing the both Employee Engagement, Organizational Citizenship Behaviour. Hence, organizations and employees are carefully identifying the importance of Organizational Climate, which are directly effecting the Employee Engagement, Organizational Citizenship Behaviour.

Social implications: - The conclusion of the investigation is useful to create an excellent Organizational climate inside the organization.

Originality/value: - The current research gives new insights related to the previously uncovered aspects related to Organizational Climate, which influence the both Employee Engagement and Organizational Citizenship Behaviour of employees.

Keywords:-. Organizational Climate, Employee Engagement, Organizational Citizenship Behaviour and Pharmaceutical organization.

Paper type:-Research paper

Abbreviations:

OC- Organizational Climate

EE- Employee Engagement

OCB- Organizational Citizenship Behaviour

1. Introduction:

Either directly or indirectly the survival, growth and success of the organizations were largely depends on the human capital. The usage rate of non living things namely, Material, Machinery, Money and Methods are purely depends on the living thing that is an employee. Hence in the present business environment organisations are treated loyal and motivated employees are an asset for the organization. Employee motivation and loyalty stem from the organisational climate. Human capital enhances organizational success by fostering a positive organizational climate through increased employee engagement, satisfaction, and retention, leading to higher productivity, innovation, and a strong competitive advantage.

1.1. Organizational climate:

OC represents a set of properties related to work environment, which is perceived by employees either directly or indirectly. Employee's behaviour largely depends on work environment. Outcome of employee and job performance was strongly influenced by work environment and employee behaviour. Organizational climate has a long history in industrial & organizational psychology and organizational behavior. However, Kurt Lewin was the first person to state that behavior is a function of the person and the environment (Litwin & Stringer, 1968). Mc Gregor(1960) argued that the climate is determined by the managerial assumptions and the relationship between the managers and their subordinates.

1.2. Employee Engagement:

Employee engagement is defined as the workers' loyalty, commitment, dedication and discretionary exertion in the work roles. Engaged employees utilize their skills without any limits; support the organizational goals and conform with its values which proves beneficial for the organisation. As per Gallup (2002) there are three types of employees in the organisation: engaged, not-engaged employees and actively-disengaged. Engaged workers are creators who profusely thrive to perform excellent in their work-roles. Not-engaged employees pay attention on their assignments rather than the aims of the organisation. They do what they are asked to do. Actively-disengaged workers are hazardous for the organization that not only underperform but also dispirit the performing employees of the organisation.

1.3. Organizational Citizenship Behaviour:

For the last two decades, OCB has been a major element in the fields of psychology and management; because, a great deal of attention in the literature (Bateman & Organ, 1983; Niehoff & Moorman, 1993; Organ & Ryan, 1995; Podsakoff, MacKenzie, Paine, & Bachrach, 2000).

Organ (1988) argued that OCB directly effects the survival of an organisation. Hence, it is consider and understand the components that positively aid in creating OCB within the organisation.

OCB is a word which describes employee activities and exhibited behaviours (positive) beyond formal job description. Things which may do by the employees are all the positive and constructive employee actions and behaviors that aren't part of their formal job description helps to their peer employees and overall benefit to the organization. OCB refers to the employee behaviour that promotes effectiveness in organizational functioning. OCB accomplishes this effectiveness by providing a positive social and psychological environment in which task work can flourish. Sometimes Managements may consider OCB at the time of appraising employee performance and offering promotions and salary hikes. Job satisfaction and job motivation is high in the employees who are engaged with citizenship behaviour by comparing who do not. Strong OCB may leads to higher profitability through increased productivity.

2. Review of literature:

(Simon Albrecht et al., 2017) the study was conducted to know the relationship between organizationally focused resources, organizational engagement climate, and engagement. The researchers tested a model with six specific organizational resources and found that positive relationship with organizational engagement climate, and direct and indirect positive relationship with job resources and

employee engagement. The CFA and SEM analyses give the result as good fit to the data. As proposed, among six organizational resources four were positively related with job resources, and two were positively related with engagement. Organizational engagement climate was positively related with job resources and employee engagement.

(Gadang Wardono et al., 2022) the purpose of the study is to test the association of OC, EE and OCB. Researchers want to know more about the effect of OC on OCB and EE in cement industry in Bogor Regency. Research was done by using an empirical study using path analysis and Focus Group Discussion (FGD) with 40 respondents. The results had shown that, a positive impact between OC on OCB and EE.

(Khahan Na-Nan et al.,2016) the study was carried out to find the (direct and indirect influence of) factors influencing behavioral expressions to the organization. Respondents are 400 teachers. The findings of the study stated that job characteristics and OC have an indirect influence on OCB via EE and job satisfaction.

(F. Gheisari et al., 2014) the main intention of this study is to explicate the relationship among OC, organizational commitment, job involvement and OCB. Results of SEM and Pearson correlation coefficients indicated that there is a significant relationship between OC and organizational commitment, among organizational commitment and job involvement, among job involvement and OCB, among OCB and OC.

(Dr.Nadeem Ahmed et al., 2012) the article has investigated the forecasters of OCB and significant link to EE and also investigates how OCB significant to banking sector in present scenario. A model has depicted by the researchers elaborating OCB and its significant relation with Job satisfaction and commitment, EE and human resource development climate (HRDC). There is a vital link established in literature between OCB and EE. An engaged employees reveal citizenship behaviour and become effective performers.

(D.W Ariani et al., 2013) this study examines the relationship between EE, OCB, and counterproductive work behavior (CWB). The result showed a significant positive relation between EE and OCB and a significant negative relation between EE and CWB and between OCB and CWB. Results also stated that there is no difference among female and male on employee engagement.

(Zahra Pouramini et al., 2015) This paper determines relationship with job satisfaction, OCB, and employee's engagement. The findings stated that POB has strong relationship with job satisfaction, OCB, and employee's engagement, and these relationships will be stronger when POB is high.

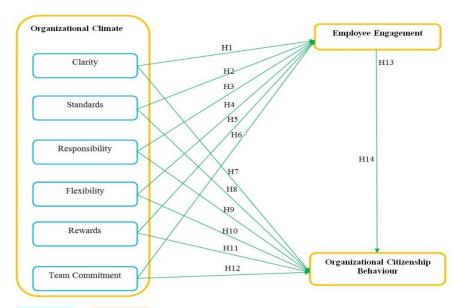
(Silvi Juwita et al., 2023) the objective of the study is to analyze the model of the influence OC and work engagement on OCB through the mediating role of work motivation. This study investigates the direct and indirect influence of OC and work engagement on OCB, with a mediator of work motivation among special school teachers. The results stated that mediator functioned partially. An excellent organizational climate, motivation, encouragement, and high enthusiasm lead to OCB among teachers. OCB helps to higher productivity. While work engagement has a direct influence on OCB without mediating role.

(Nely Noer Sofwati et al., 2023) This research was carried out to explain the effect of OC on OCB, with work engagement as an intervening variable. The results expressed that OC had no significant effect on OCB, while OC had a significant positive effect on work engagement, then work engagement had a positive and significant effect on OCB. Also, the OC has a positive and significant effect on employee OCB, both indirectly through the intervening variable of work engagement.

(Saed Ayoub 2023) The objective of the study is to anlyse the impact of EE and organizational commitment on the relationship between authentic leadership and OCB. The researcher's focused to know the relationship among usage of authentic leadership and OCB can be mediated through EE and organizational commitment. Area is confined to pharmaceutical industries of Jordan. Responses were collected through social media like LinkedIn from 253 respondents. The findings stated that there is a significant effect of authentic leadership on OCB, and EE fully mediates among AL and OCB. On the other hand, OC partially mediates among AL and OCB.

3. Research Methodology:

3.1. Research Model:



3.2. Control variables:

Gender	Age	Educational Qualification	Salary	Service (Experience)
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3.3. Broad objectives of study:

- 1. To measure the relationship among Organizational Climate and Employee Engagement.
- 2. To study the relationship among Organizational Climate and organizational Citizenship Behaviour.
- 3. To determine the relationship among Organizational Climate and organizational Citizenship Behaviour through the mediating variable of Employee Engagement.
- 4. To assess the proposed model and provide recommendations, if necessary.

3.4. Hypotheses of study:

- H1: Clarity is positively related to Employee Engagement.
- H2: Standards is positively related to Employee Engagement.
- H3: Responsibility is positively related to Employee Engagement.
- H4: Flexibility is positively related to Employee Engagement.
- H5: Rewards is positively related to Employee Engagement.
- H6: Team commitment is positively related to Employee Engagement.
- H7: Clarity is positively related to Organizational Citizenship Behaviour.
- H8: Standards is positively related to Organizational Citizenship Behaviour.
- H9: Responsibility is positively related to Organizational Citizenship Behaviour.
- H10: Flexibility is positively related to Organizational Citizenship Behaviour.
- H11: Rewards is positively related to Organizational Citizenship Behaviour.
- H12: Team commitment is positively related to Organizational Citizenship Behaviour.
- H13: Employee Engagement is positively related to Organizational Citizenship Behaviour.
- H14: Employee Engagement partially mediates the relationship among Organizational Climate and Organizational Citizenship Behaviour.

3.5. Research design:

Exploratory in nature. An organized study was conducted to reach the desired objectives of the study.

3.6. Sources of data:

Primary data was collected by using a structured questionnaire.

Secondary data was derived from research article, magazines, OB books.

3.7. About the questionnaire:

A well organized questionnaire is used to collect first hand data. It is developed to explore the opinions of employees from different pharmaceutical companies. Questionnaire has four parts.

1st part belongs to demographic profile of employees.

2nd part of the questionnaire belongs to Organizational climate scale developed by Hey Group (6 Dimensions and total 30 variables).

3rd part belongs to Employee Engagement scale developed by Gallup consulting (15 Questions).

4th part belongs to Organizational Citizenship Behaviour scale developed by Suzy Fox and Paul E. Spector (10 Questions).

3.8. Sampling Unit and Sampling Technique:

Primary data was collected from the selected pharmaceutical companies at Hyderabad ("Pharma City of India"). Stratified random sampling was used to collect the data from respondents.

3.9. Statistical tools used:

IBM SPSS, for data analysis which include Hierarchical regression analysis.

4. Data Analysis:

4.1. Reliability analysis:

Table: 1

Dimension	Cronbach's	No. of Items
	Alpha	
Clarity	.939	05
S <mark>tandard</mark> s	.932	05
Responsibility Responsibility	.925	05
Flexibility	.917	05
Rewards	.907	05
Team Commitment	.895	05
Overall Organisational	.751	30
Climate		
Employee Engagement	.969	12
OCB	.961	10
Total	.836	52

4.2. Demographic profile of the respondents:

Table: 2

Demographic	Cotogorios	Total	Frequency
characteristic	Categories	Numbers	(%)
Gender	Male	481	90.8
Gender	Female	49	9.2
	Below 30 Years	54	10.2
A 000	31-40 Years	388	73.2
Age	41-50 Years	77	14.5
	51 Years and above	11	2.1
	Higher Secondary	64	12.1
Educational	Intermediate/ITI/Diploma	158	29.8
Background	Graduation	258	48.7
	Post Graduation	50	9.4
	Up to 1,20,000	2	0.4
Colomy	1,20,001-2,40,000	7	1.3
Salary (Per Annum)	2,40,001-3,60,000	90	17
(1 ci Ailliuili)	3,60,001 - 4,80,000	351	66.2
	4,80,000 - 6,00,0000	73	13.8

	6,00,001 and above	7	1.3
Designation	Managerial	20	3.8
Designation	Non-Managerial	510	96.2
Marital Status	Married	508	95.8
Marital Status	Unmarried	22	4.2
	Below 2 Years	8	1.5
	3-5 Years	24	4.5
Experience	6-8 Years	84	15.8
Experience	9-11 Years	354	66.8
	12-14 Years	53	10
	15 Years and above	7	1.3
	None	5	0.9
Number of	One	64	12.1
dependents	Two	147	27.7
	Three and Above	314	59.2

Source: Primary data

From the above table,

Gender wise analysis stated that 90.8% of the respondents are male and 9.2% respondents are female. It is concluded that majority (90.8%) of the respondents of the study are male.

Analysis on the basis of age group reveled that only 2.1% of the respondents are from the age group of 51 years and above, 14.5% respondents are from age group of 41-50 Years, maximum 73.2% respondents belong to age group of 31-40 Years and 10.2% of the respondents are from the age group below 30 years.

The composition of the respondents in terms of educational qualification is, 12.1 % had higher secondary, 29.8% had Intermediate/ITI/ Diploma, 48.7% had Graduation and 9.4% are Post graduates.

Salary wise analysis stated that 0.4% belongs to up to 1.2 lakhs, 1.3 % belongs to 1.2 to 2.4 lakhs, 17% belongs to 2.4 to 3.6 lakhs, 66.2% belongs to 3.6 to 4.8 lakhs, 13.8% belongs to 4.8 to 6.0 lakhs and 1.3% belongs to 6.0 lakh and above.

Designation wide only 3.8% are managerial and 96.2 are non managerial.

Based on marital status, 95.8% are married and only 4.2% are unmarred.

Analysis on the part of experience, 1.5% are below 2 years, 4.5% are3 to 5 years, 15.8 are 6to 8 years, 66.8% are 9to 11 years, 10% are 12 to 14 years and 1.3% respondents have more than 15 years of experience.

Number of dependents wise analysis stated that, 0.9% had no dependents, 12.1% are had one dependent, 27.7% had two dependents and 59.2% had three and above dependents.

4.3 Hierarchical regression:

4.3.1 Hierarchical regression results of effects of clarity, standards, responsibility, flexibility, rewards and team commitment on employee engagement.

	Model Summary								
				Std.	d. Change Statistics				
			Adjusted	Error of	R				
		R	R	the	Square	F			Sig. F
Model	R	Square	Square	Estimate	Change	Change	df1	df2	Change
1	.605a	.365	.359	.52346	.365	60.502	5	534	.000
2	.705 ^b	.497	.489	.46764	.132	35.775	4	530	.000

(2.543; .011)

	ANOVAa						
Sum of Mean							
Model		Squares	df	Square	F	Sig.	
1	Regression	84.261	5	16.852	60.502	$.000^{b}$	
	Residual	146.322	534	.274			
	Total	230.583	539				
2	Regression	114.681	9	12.742	59.268	.000°	
	Residual	115.903	530	.219			
	Total	230.583	539				

Dependent Variable	Employee Engagement	Employee Engagement
	Step 1	Step 2
	Model 1	Model 2
Independent Variables	Control Variables	Main variables

Control variables

Gender	.021
Gender	(.434; .664)
Age	.150
rige	(.280; .005)
Educationa	·.069
Backgroun	d (-1.493; .136)
Calamy	088
Salary	(-1.362; .174)
G	.151
Service	(2.199; .028)
Independer	nt
variables	
CI :	
Clarity	
G. 1 1	

Ctondondo	.137
Standards	(3.751; .000)
Dagnangihility	.080
Responsibility	(2.039; .042)
Flexibility	.262
Hexiolity	(5.651; .000)
Rewards	.123
Rewalds	(2.596; .010)
Team Commitment	.133
ream communent	(2.963; .003)

Standardized regression coefficients are reported;

In the model 1 control variables viz., gender, age, educational background, salary and service (Experience)were entered. Among that age (b=.150, p<.005) and service (b=.151, p<.028) were significant. Gender, educational background and salary were not significant predictors of employee engagement. The model which includes control variables was significant (F=60.502, p<.000).

In model 2 main variables were entered. The direct effects model suggests that the regression

^{&#}x27;t' values and 'p' values are in parenthesis.

coefficients of clarity (b=.021, p<.011), standards (b=.159, p<.000), responsibility (b=.080, p<.042), flexibility (b=.262, p<000), reward (b=.123, p<010) and team commitment (b=.133, p<.003) was significant. The main effects model was significant. The model was significant (F=59.268, p<.000; R^2 =.497; ΔF =34.775,p<.000; ΔR^2 =.132). Therefore, the both control and main variables are showing significant impact on Employee engagement. The direct effect model supports that; clarity, standards, responsibility, flexibility, rewards and team commitment are significantly and positively related to the Employee engagement, thus supporting H1, H2,H3, H4, H5 and H6.

4.3.2. Hierarchical regression results of effects of clarity, standards, responsibility, flexibility, rewards and team commitment and employee engagement on organizational citizenship behaviour.

team commit	ment and	l employee	engagement of	on organizational	citizenship behaviour.

Dependent Variable	Organizational citizenship	Organizational
Dependent variable	behaviour Step 1	citizenship behaviour Step 2
	Model 1	Model 2
Independent Variab <mark>les</mark>	Control Variables	Main variables
Control variables		

Control variables	
Gender	.072 (.1.736; .083)
Age	.244 (5.176; .000)
Educati <mark>onal</mark>	.166
Background	(4.065; .000)
Salary	.092 (1.61; .108)
Service	.270 (4.454; .001)
Independent	
variables	in
<u>Cl</u> arity	.137 (3.343; .001)
Standards	.089 (2.152; .031)
Responsibility	.135
Responsibility	(2.880; .004)
Flexibility	.221
ricalonity	(5.150; .000)

Rewards (2.362; .001)
Team Commitment (153)
Employee (150)
engagement (2.794; .005)

.141

Standardized regression coefficients are reported;

In the model 1 control variables viz., gender, age, educational background, salary and service were entered. Among that age (b=.244, p<.000), educational background (b=.166, p<.000) and Service (b=.270, p<.001) were significant. Gender and salary were not significant predictors of organizational citizenship behaviour. The model which includes control variables was significant (F=36.883, p<.000).

^{&#}x27;t' values and 'p' values are in parenthesis.

In model 2 main variables were entered. The direct effects model suggests that the regression coefficients of clarity (b=.137, p<.001), standards (b=.089, p<.031), responsibility (b=.135, p<.004), flexibility (b=.221, p<000), reward (b=.141, p<001), team commitment (b=.153, p<.002) and employee engagement (b=.150, p<005), was significant. The main effects model was significant. The model was significant (F=38.648,p<.000;R²=.417; Δ F=29.745,p<.000; Δ R²=.162). Therefore, the both control and main variables are showing significant impact on organizational citizenship behaviour. The direct effect model supports that; organizational citizenship behaviour significantly and positively related to the clarity, standards, responsibility, flexibility, rewards, team commitment and Employee engagement, thus supporting H7, H8,H9, H10, H11, H12, H13 and H14.

5. Discussions

This study examined the effects of clarity, standards, responsibility, flexibility, rewards and team commitment on employee engagement and OCB. Other than direct effects, main objective of this study was how employee engagement mediates on the direct relationships between organizational climate and OCB. The results indicate that;

- 1. Clarity is significantly positively related to Employee engagement.
- 2. Standards are significantly positively related to Employee engagement.
- 3. Responsibility is significantly positively related to Employee engagement.
- 4. Flexibility is significantly positively related to Employee engagement.
- 5. Reward is significantly positively related to Employee engagement.
- 6. Team commitment is significantly positively related to Employee engagement.

In addition, the study stated that employee engagement increases the bondage between OC and OCB. In addition, organizations significantly consider the EE along with clarity, standards, responsibility, flexibility, rewards and team commitment. Strongly engaged employees strengthen the relationship between clarity and OCB of employees, standards and OCB of employees, responsibility and OCB of employees, flexibility and OCB of employees, reward and OCB of employees, and team commitment and OCB of employees.

- 7. EE is significantly positively related to OCB.
- 8. Clarity and Employee engagement are strongly linked to OCB.
- 9. Standards and Employee engagement are strongly linked to OCB.
- 10. Responsibility and Employee engagement are strongly linked to OCB.
- 11. Flexibility and Employee engagement are strongly linked to OCB.
- 12. Reward and Employee engagement are strongly linked to OCB.
- 13. Team commitment and Employee engagement are strongly linked OCB.

The mediation hypothesis is supported by the direct relationships observed in the present research, reliable with prior literature.

6. Conclusions:

Human capital plays a major role to create competitive advantage to the organisations in present business world. Hence the organisations are treated motivated and loyal employees are asset for the organizations. In this paper we find relationship between organizational climate and organizational citizenship behaviour with the mediating role of employee engagement. The main intention of this research is to analyse the both direct and mediation effect among OC and OCB. The results stated that a positive relationship among the components of OC and OCB. The results support the mediation role of employee engagement. Based on findings, the researchers suggest that employee engagement levels are more important for the organisations. Hence, organisations need to consider and concentrate organisational climate factors to improve employee engagement levels and develop OCB among workers.

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