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Résumé de l'article

La recherche en matière de relation entre le climat organisationnel et le rendement au travail a été entachée de résultats empiriquement inconsistants. L'inconsistance des observations a été attribuée aux principaux facteurs suivants: l'analyse du rendement à un niveau inapproprié, soit au niveau individuel plutôt qu'à celui du service ou de l'unité de production; la négligence à prendre en compte d'autres variables structurelles, tels les paramètres sociodémographiques qui opèrent concomitamment avec le climat organisationnel sur le rendement au travail. La présente étude tente d'établir la variance explicative du climat organisationnel sur le rendement au travail en tenant compte des variables socio-demographiques pertinentes au niveau de l'unité d'opération. Vingt-neuf (29) agences de courtage immobilier ont compose l'échantillon des unités d'opérations soumises à l'étude. Le climat organisationnel caractéristique de chaque agence a été identifie à l'aide d'une adaptation du questionnaire ACQ *{Agency Climate Questionnaire* de Schneider et Bartlett, 1970). Les données relatives aux traits sociodémographiques des agents, tels l'ancienneté d'emploi et le niveau d'instruction, ont aussi été colligées pour chaque unité opérationnelle de l'échantillon. Deux indices relativement objectifs du rendement des agences furent retenus: le nombre total de transactions indiquant l'ensemble des activités de chaque bureau et le revenu en dollars reflétant la rentabilité du bureau. Les analyses révèlent la contribution propre et significativement forte du climat organisationnel à expliquer le rendement au travail (60 à 70 pourcent). Les implications des observations sont discutées en référence aux unités d'analyse et aux particularités organisationnelles.

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A Real Estate Agency's Level Analysis of the Climate-Performance Relationship

Shimon Dolan
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Denis Roy

The autors aim at ascertaining whether perceived organisational climate alone explains any significant portion of variance in work performance and to examine whether the concomitant entrance of selected socio demographic variables yields any additional contribution in explaining performance.

Since the mid sixties, there have been intensive and vast efforts to conceptualize, measure and utilize the organizational climate construct[1]. Considerable agreement exists in the literature that organizational climate is a meaningful concept having important implications for understanding human behavior in organizations[2]. Two possible approaches may be employed while conceptualizing this construct. Organizational climate can be viewed as: a) an aggregate of objective attributes typifying the organization, and b) a psychological structure, namely an amalgamation of subjective perception of organizational attributes and features (henceforth referred to as perceived organizational climate).

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1 See R.M. STEERS, «Antecedents and Outcomes of Organizational Commitment», *Administrative Science Quarterly,* 22, 1977, pp. 46-56; R.M. STEERS and L.W. PORTER, (Eds), *Motivation and Work Behavior* (2nd ed.), New York, McGraw-Hill, 1979; A. LANDAU, *Organizational Climate and Work Performance,* Unpublished M.A. Thesis, Tel-Aviv University, 1981.

2 See B. SCHNEIDER and H.P. DACHLER, *Organizational Participation and Withdrawal: The Impact of the Organization, the Family and Individual Motivation,* Working Paper, Department of Psychology, University of Maryland, 1972; R.W. WOODMAN and D.C. KING, «Organizational Climate: Science or Folklore?», *Academy of Management Review,* 3, 1978, pp. 816-826.

The former approach implies merely a direct assessment of organizational properties. Thus, it completely ignores any impact that subjective perception of attributes may have on behavior. This view has been strongly advocated by Drexler,[3] Payne and Pugh,[4] and Powell and Butterfield[5]. La Follette traced this perceptual approach in the work of Koffka[6] that identified various aspects of the geographic environment (i.e., the objective physical and social environment, and the behavioral environment) as perceived and reacted to by the subject. Consequently, many researchers investigating organizational climate find it desirable to employ perceptual measures[7].

However, the attemps to empirically substantiate the hypothesized relationship between organizational climate and work performance sometimes encounter inconsistent and ambiguous results[8]. We believe that these results are partially due to the disregard of relationships between perceived climate and other intervening variables related to work performance. Therefore, we undertook multiple regression analysis in the current study in pursuit of empirical evidence to this alleged contention. Specifically, our first aim was to ascertain whether perceived organizational climate alone explains any significant portion of variance in work performance; then we further applied multiple regression analysis to examine whether the concomitant entrance of selected sociodemographic variables yields any additional contribution in explaning performance.

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3 J.A. DREXLER, «Organizational Climate: Its Homogeneity within Organizations», *Journal of Applied Psychology,* 62, 1977, pp. 38-42.

4 L.R. PAYNE and D.S. PUGH, «Organization Structure and Organization Climate» dans M.D. Dunnette (Ed.), *Handbook of Industrial and Organizational Psychology,* Chicago, Rand McNally, 1976.

5 G.N. POWELL and D.A. BUTTERFIELD, «The Case for Subsystem Climates in Organizations», *Academy of Management Review,* 3, 1978, pp. 151-157.

6 K. KOFFKA, *Principles of Gestalt Psychology,* New York, Harcourt Brace & Co., 1935.

7 See D. HELLREIGEL and J.W. SLOCUM Jr., «Organizational Climate: Measures Research and Contengencies», *Academy of Management Journal,* 17, 1974, pp. 255-280; S. FINEMAN, «The Influence of Perceived Job Climate on the Relationship between Managerial Achievement Motivation and Performance», *Journal of Occupational Psychology,* 48, 1975, pp. 113-124; B. SCHNEIDER, J.J. PARKINGTON and V.M. BUXTON, «Employee and Customer Perceptions of Service in Banks», *Administrative Science Quarterly,* 25, 1980, pp. 252-267; P. CORNES and D. HORTON, «The Measurement of Rehabilitation and Social Center Climates», *Journal of Occupational Psychology,* 54, 1981, pp. 289-297.

8 B.M. MEGLINO, «A Theoretical Synthesis of Job Performance and the Evaluative Dimension of Organizational Climate: A Socio-psychological Perspective», *The Academy of Management Review,* 1, 1976, pp. 58-65; D. LEVINKRON, *Work Content, Goals, Ability and Work Performance,* Unpublished M.A. Thesis, Technion, Haifa, 1979.

Moreover, the current investigation did not focus, as in most research, on the individual work performance level, thus departing form the traditional path of analyzing organizational climate. By undertaking this approach we followed the argumentation of Schneider and Snyder[9] that formerly outlined in regard to the perceived climate-work performance relationship that perhaps the inconsistency is attributable to the utilization of an inappropriate level of analysis. Another support for this claim may be found in Campbell *et all*[10]. They argued that focusing on independent variables that are too distant from the behavior of interest may obscure meaningful relationships or lead to explanations for «significant» results that are misleading. Specifically, it emerged from the above reasoning that as the perceived climate is in essence an organizational attribute, it is most appropriate to ascertain how it affects the unit level of work performance. Therefore, the present study was aimed at estimating the variance of unit work performance prior to and after the entrance of the sociodemographic variables. In our notion, this issue was not tackled empirically, as yet, in the manner we suggest herein.

Finally, it is worthwhile to note that unlike previous research. The present study includes a sample of real estate agencies which provided a solid base for the unit level of analysis.

METHOD

Sample

29 offices in the Montréal area participated in the current study. Each of the twenty-nine offices consisted of sixteen to thirty-five sales agents. The number of incumbents per office varied randomly. They varied in tenure from one year to 18 years, with a median tenure of 4 years. Their educational level ranged from primary school to university graduate, with a median educational level of a high school graduate. Males constituted 39.6% of the sample while females 60.4%. Finally, for approximately 40% English was their mother tongue whereas the remaining 60% had French as their mother tongue.

A number of factors contributed to this sample selection. Quantifiable performance data were readily available for these offices, thus reducing potential measurement problems associated with this construct[11]. A real

9 B. SCHNEIDER and R.A. SNYDER, «Some Relationships between Job Satisfaction and Organizational Climate», *Journal of Applied Psychology,* 60, 3, 1975, pp. 318-328.

10 J.P. CAMPBELL, M.D. DUNNETTE, E.E. LAWLER and K.E. WEICK, *Managerial Behavior, Performance and Effectiveness,* New York, McGraw-Hill, 1970.

11 LANDAU, *op. cit.*

estate office has no departments, or subsystems, nor is it ever practically considered as part of a global real estate organization. Geographical separation combined with the nature of the operation might result in the office being regarded as a more or less self-contained, mini-organization. Finally, as the 29 offices investigated were embodied in one city, all part of one parent organization, and almost homogeneous in terms of occupation and personnel structure, it is plausible to presume the non-existence of inter-organizational (i.e. inter-office) differences.

Measures

Perceived organizational climate

Organizational climate as perceived by the subjects, was captured by utilizing a modified form of the Agency Climate Questionnaire (ACQ) developed by Schneider and Bartlett[12]. Seven organizational climate dimensions were extracted.

Managerial support was gauged by 15 items on a 5-point Likert rating scale concerning how sympathetic the manager was to personal problems of the agents, how friendly and approachable the manager was, how much he encouraged cooperation among the agents, how willing he was to help agents solve personal and professional problems and so forth. The reliability (α) of this measure was .91.

General satisfaction was measured by 15 items on a 5-point Likert rating scale asking the extent to which agents feel that their jobs are more interesting than the jobs of their friends in other industries, the degree to which periodic social get-togethers sponsored by the office keep agents' morale at a high level, how much national publicity by the regional office increases the individual agent's professional pride in his job and so forth. The reliability (α) of this measure was .79.

Agent independence was assessed by 11 items on a 5-point Likert rating scale asking to what extent agents must keep their own records, the degree to which newly hired agents who have had previous work experience receive less training than agents who join the office on their first job, the degree to which compensation procedures allow each agent to decide how much effort he is willing to invest in work, and so on. The reliability (α) of this measure was .61.

12 B. SCHNEIDER and C. BARTLETT, «Individual Differences and Organizational Climate: Measurement of Organizational Climate by Multitrait-Multirater Matrix», *Personnel Psychology,* 23, 1970, pp. 493-512.

Managerial structure included 11 items on a 5-point Likert rating scale concerning the degree of formality between agents, the degree of strictness required in adherence to budgets, how strongly does the manager insist that activities be carried out according to instructions, etc. The reliability (α) of this measure was .67.

Supervisor professionalism was measured by two items on a 5-point Likert rating scale asking how much the manager considers agent efforts along with the agent's scale capacity and the extent to which the manager personally inspects the individual agent's records. The reliability (α) of this measure was .66.

Training sufficiency was measured by two items on the same format. The first item deals with the extent to which agents receive well designed supervision prior to being left on their own. The second item asked the degree to which agents receive sufficient sales training prior to being left on their own. The reliability (α) of this measure was .67.

Perception of cliques was gauged using a single itiem on a 5-point Likert rating scale. It required subjects or endorse to which extent they feel that there are definite in and out groups of agents within the office.

Sociodemographic variables

In the present study only two sociodemographic variables were employed, due to previous findings reported by the authors elsewhere[13]. The two variables included are «Level of education» and «Tenure». The tenure variable was measured by an ordinal scale of 11 levels in which the lowest level represents one year's work experience and the eleventh level denotes eleven years of work experience or more. Finally, the level of education was measured by an ordinal scale of seven levels in which each level represents a different educational level. For instance, «1» denotes primary school education.

Performance measures

Two annual performance measures were employed: «Total transactions» and «Gross net». «Total transactions» indicate the number of activities (listing and sales) which engendered a commission for each office. It generally reflected overall level of office activity. The other performance index, i.e., «Gross net», constitutes the gross net dollar value per office.

13 A. TZINER and S. DOLAN, «Organizational Climate Goes to Booth Camp Again», Working Paper, School of Industrial Relations, University of Montréal, 1981.

RESULTS

The research question we addressed first involves the relationship between perceived organizational climate and unit performance. It was tackled by regressing the two performance measures on the seven perceived organizational climate dimensions through a stepwise multiple regression analysis. The results are displayed in Table 1.

TABLE 1

Regression of Unit (Agency) Performance Measures on Organizational Climate Dimensions (n = 29)

Organizational climate dimensions	*Unit (Agency) Performance Measures*						*Organizational climate dimensions*
	Gross Net			*Total Transactions*			
	r	*R*	*Partial F-Ratio*	*r*	*R*	*Partial F-Ratio*	
Agent independance	.51**	.51	9.56**	.49**	.49	8.73**	Agent independence
Managerial support	.35*	.72	14.26***	.31	.60	4.39*	Training sufficiency

Note: Only dimensions making a significant contribution to explained variance are included in the table.

* $p < .05$
** $p < .01$
*** $p < .001$

Table 1 indicates that the «gross net» performance measure is significantly related to only two of the organizational climate dimensions, «Agent independence» and «Managerial support». Both constitute useful and relatively nonredundant predictors of the above measure of office performance as each dimension accounted for 26 percent of the explained variance (the overall amount of explained variance was 56 percent). The next finding concerns the second office performance measure, namely «Total transactions». «Agent independence», again, makes a significant contribution ($p < .01$) to explained variance in the latter performance measure (24 percent of the variance was explained). An additional variable accounting for a further significant and unique ($p < .05$) explanation of variance is the «Training sufficiency» dimension (12 percent of the variance was explained). The latter is a noteworthy finding as it lends support to the conclusion that different types of office performance are not necessarily

predicted by the same organizational climate dimensions. This finding may aid in disclosing the probable source of inconsistency prevalent throughout the literature in respect to the relationship of organizational climate dimensions to work performance.

The second research question referred to in the current study addressed itself to the unique contribution of the organizational climate dimensions beyond the two sociodemographic variables in predicting office performance. For that, we applied multiple regressions analysis. The results are presented in Table 2.

TABLE 2

Regression of Unit (Agency) Performance Measures on Organizational Climate Dimensions and Sociodemographic Variables (n = 29)

Climate dimensions and sociodemographic variables	*Unit (Agency) Performance Measures*						*Climate dimensions and sociodemographic variables*
	Gross Net			*Total Transactions*			
	r	*R*	*Partial F-Ratio*	*r*	*R*	*Partial F-Ratio*	
Tenure	.69**	.69	24.09***	.49*	.49	8.73**	Agent independence
Agent independence	.51**	.80	11.98**	.43*	.61	5.11*	Tenure
				.16	.68	4.62*	Education level
				.31	.75	4.62*	Training sufficiency

Note: Only climate dimensions and sociodemographic variables making a significant contribution to explained variance are included in the table.

* $p < .05$
** $p < .01$
*** $p < .001$

As it can be readily noticed the results point to an unignorable increment in prediction for both measures of office performance following the inclusion of sociodemographic variables. For instance, in regard to the «Gross net» measure of performance, the multiple R encountered an increase form R = .72 to R = .80 upon entrance of «Tenure» to the regression equation. It presumably replaced the «Managerial Support» climate dimensions. Likewise, the multiple R for the «Total transactions» performance measure indicate an increment from R = .60 to R = .75. These results suggest that allowing the simultaneous entrance of climate dimen-

sions and sociodemographic variables result in an improvement in predicting office performance. Therefore it is conclusive that both types of variables make unique and significant contributions to performance prediction.

Yet the findings emerging from Table 2 do not imply clear superiority on behalf of the sociodemographic variables (over climate dimensions) on terms of predictability of office work performance. Rather than viewing the sociodemographic variables as superior, the two types of variables can be seen as interchanging in their primacy in contributing to the explained variance of office work performance. It probably depends on the performance measure employed in the research, as for instance, «Gross net» or «Total transactions».

DISCUSSION

A high multiple correlation emerged between several measures of perceived organizational climate and the two measures of unit work performance. In comparison with other findings reported in the literature, the present study's results yield much stronger relationships (R = .72; and R = .60). The average correlations reported in other studies are around .20.

A plausible explanation for our strong relations could be attributed to the fact that organizational climate is more suitable to explain variance in employees behavior when it is treated in its aggregate form (unit) and not on individual level. Analysis at the macro-organizational level (aggregate form), thus, contributed to improve relationships. This tentative assertion, results of course, from the empirical support.

Another peculiar finding has to do with the difference in predictability amongst the climate dimensions. «Agent independence» was the single best predictor of unit performance regardless of the operationalization of that measure. The second best predictor of performance was a sociodemographic variable — namely «Tenure».

The following explanation may be suggested. Perhaps the finding we outlined in regard to the «Agent independence» dimension is related to the nature of the real estate sales operation, in particular the commission based compensation arrangement. All sales people in the target organization were remunerated solely by commission. This fact should theoretically affect the employee's motivation to perform, independent of any other organizational realities. This fact is illustrated by the consistent emergence of the climate

dimension «Agent independence», which describes agents who prefer to have control over their work lives and who like the commission form of compensation.

One needs to comment on the interchangeability of which the variables entered into the equation following the stepwise regression procedures, namely of the climate dimension («Agent independence») and the sociodemographic one («Tenure»). It implies that the definition and the level of the criterion lends itself to explain which independent variable will explain it and in which order. Perhaps such is the reason for explaining the variance in research findings reported by others whereby climate of performance is defined differently and measured at different levels. Support for this contention could be found in McCarry and Edwards[14] and Snyder[15].

The significant results which are reported here confirm the theoretical arguments of those who strongly advocate isolating the organizational climate from its different components (dimensions) rather than using a global approach. Further research should be directed in this direction perhaps by discovering other relevant dimensions of climate in other occupations. Both the dimensional approach as well as treating the subject from an aggregate perspective, seems to strengthen our understanding of the climate-performance relationships.

Finally, few practical implications could be drawn based on this research, as a response to the following question: does allowing work groups more freedom improve their performance? The belief here is that autonomous work groups are a better way to utilize human resources thus leading to increase in satisfaction and performance. Nevertheless, before such policy can be implemented by organizations it is absolutely necessary to ascertain that the individuals in the group possess adequate job related skills and that certain explicit rewards-performance relationship exist. Under these conditions, it seems that the results reported here could be generalized to other organizations.

14 N.V. McCARRY and S.A. EDWARDS, «Organizational Climate Conditions for Effective Research Scientist Role Performance», *Organizational Behavior and Human Performance,* 9, 1973, pp. 439-459.

15 B. SCHNEIDER and R.A. SNYDER, *op. cit.*

Une analyse de la relation climat-rendement au niveau de bureaux de courtage immobilier

La recherche en matière de relation entre le climat organisationnel et le rendement au travail a été entachée de résultats empiriquement inconsistants. L'inconsistance des observations a été attibuée aux principaux facteurs suivants: l'analyse du rendement à un niveau inapproprié, soit au niveau individuel plutôt qu'à celui du service ou de l'unité de production; la négligence à prendre en compte d'autres variables structurelles, tels les paramètres socio-démographiques qui opèrent concomitamment avec le climat organisationnel sur le rendement au travail.

La présente étude tente d'établir la variance explicative du climat organisationnel sur le rendement au travail en tenant compte des variables socio-démographiques pertinentes au niveau de l'unité d'opération. Vingt-neuf (29) agences de courtage immobilier ont composé l'échantillon des unités d'opérations soumises à l'étude. Le climat organisationnel caractéristique de chaque agence a été identifié à l'aide d'une adaptation du questionnaire ACQ (*Agency Climate Questionnaire* de Schneider et Bartlett, 1970). Les données relatives aux traits socio-démographiques des agents, tels l'ancienneté d'emploi et le niveau d'instruction, ont aussi été colligées pour chaque unité opérationnelle de l'échantillon.

Deux indices relativement objectifs du rendement des agences furent retenus: le nombre total de transactions indiquant l'ensemble des activités de chaque bureau et le revenu en dollars reflétant la rentabilité du bureau.

Les analyses révèlent la contribution propre et significativement forte du climat organisationnel à expliquer le rendement au travail (60 à 70 pourcent). Les implications des observations sont discutées en référence aux unités d'analyse et aux particularités organisationnelles.