

OSTESA EU

RESEARCH ANALYSIS REPORT



Erasmus+

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1. Introduction

The aim of the project **ORGANIZATIONAL SUCCESS THROUGH EMPLOYEE SATISFACTION – OSTESA EU** is to increase the competitiveness of SMEs by supporting creation of a positive organizational climate, that is assumed to be a major force in influencing employee's motivation and behaviour, through developing and improving the transversal competencies of managers and employees.

The objectives of the project are:

- Improving the organizational climate in SMEs, motivation & engagement of employees;
- Increasing the availability of the tools for improving an organizational climate through developing competencies;
- Improving the capacity of employers and HR manager to understand the need to work on better organizational climate in enterprises;
- Improving the capacity of trainers and HR departments.

The EU level of the project will (1) enhance the development of transversal competencies in the project countries, (2) foster and widen the competencies of EU teaching staff, sharing the possibility to use innovative approach, (3) develop the innovative approach to organizational climate development based on the competence assessment, (4) contribute to unification of the educational and training standards to recognize the learning outcomes, and also (5) develop co-operation between the education and business sectors different countries.

The project **ORGANIZATIONAL SUCCESS THROUGH EMPLOYEE SATISFACTION – OSTESA EU** sets up to build on Research Analysis Report that summarizes key information about the state of the art to identify and analyse the dimensions of organizational climate and impact of leadership style on it as well as to analyse the training needs of the target groups in the context of methods and tools, to assist the development of project outputs and that suitable levels of stakeholder & user engagement are achieved throughout the project (including during end-user validation) in the partner countries.

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The objectives of the research work – literature review & desk research and also field work are:

- Research Objective 1:

Characterization of SME's organizational climate and its dimensions.

- Research Objective 2:

Identification of needs of employers and HR managers related to tools and methods to improve the organizational climate.

- Research Objective 3:

Identification of educational and training needs of SME employees and employers to improve the organizational climate.

Data collection for literature review & desk research and field work was supported by a set of tools. Five Data Collection Tools were used to support literature review & desk research and field work action:

- Data Collection Tool 1: Form for the Identification of Key Literature, Institutional Documents/Report Referring Organizational Climate
- Data Collection Tool 2: Form for the Identification of Education and Training Programs Referring Organizational Climate.
- Data Collection Tool 3: Organizational Climate Questionnaires for Line Managers and SME Owners (General Managers)
- Data Collection Tool 4: Organizational Climate Questionnaires for SME Employees
- Data Collection Tool 5: Organizational Climate Questionnaires for Trainers, Consultants, HR Employees.

Each project partner identified and analysed articles, books, institutional documents, reports regarding the organizational climate and filled out two data collection tools. Each project partner also interviewed/ surveyed line managers, SME owners, employees, trainers, consultants and HR employees to identify the characteristics of organizational climate, existing education and training programs and assessment tools of organizational climate.

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The research was conducted from September 2015 to June 2016 in all project countries: Czech Republic, Cyprus, Italy, Poland and Portugal. First, literature review and desk research was conducted. The Literature Review & Desk Research Report describes its key results. Then, based on this report the field work was carried out. The respondents (N=274: line managers, SME owners - general managers, employees from various SME, participants representing trainers, consultants, and HR employees) from different countries were asked about specific organizational climate issues (characteristics of the respondents profiles are presented in the table below).

		N	%	Years of experience in SME (Mean)
Line managers and SME owners	Cyprus	20	20,6	9,4
	Czech Republic	20	20,6	8,35
	Italy	20	20,6	15,39
	Poland	20	20,6	10,82
	Portugal	17	17,5	9,94
	Total	97	100,0	10,71
SME employees	Cyprus	20	17,1	10,68
	Czech Republic	20	17,1	5,1
	Italy	20	17,1	10,88
	Poland	37	31,6	10,95
	Portugal	20	17,1	10,35
	Total	117	100,0	9,75
Trainers, consultants, HR employees	Cyprus	10	16,7	7,0
	Czech Republic	10	16,7	9,6
	Italy	20	33,3	13,58
	Poland	10	16,7	14,4
	Portugal	10	16,7	7,65

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	Total	60	100,0	10,92
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The results of the field work are presented in national reports: Organizational Climate – Results of the Field Work carried out in all project countries.

The Research Analysis Report describes the dimensions of organisational climate and impact of leadership style on it, the training needs of the target groups in the context of methods and tools, to support the development of project outputs and that suitable levels of stakeholder & user engagement are achieved throughout the project (including during end-user validation) in the partner countries.

2. Concepts of the organizational climate

2.1 Organizational climate – definition, theoretical models and types/dimensions, specifics of SME's organizational climate

Tradition of research on organizational climate has its origins in the Levin's field theory. Climate in the organization is the area of culture and its easily observable manifestation. Organizational climate is people's perceptions of the corporate environment: what it feels like to work in a place. To ignite employees' motivation and sense of ownership, managers must understand and apply a framework, feedback, and some tools for reaping the advantages of a positive organizational climate. Organizational climate refers to the shared perceptions organizational members have about their organization and work environment (Robbins, Judge, 2013).

According to Stringer (2001) organizational climate is a set of measurable properties of the work environment, based on the collective perceptions of the people who work in the environment and demonstrated to influence their motivation and behaviour.

Climate is clearly experienced percept by people who came into contact with the company. Climate can be understood as another dimension of setting or the subjective sphere of the organization (Ashkanasy, Peterson, Wilderom, 2000). Although Ostroff, Kinicki and Tamkins (2003) show that climate is an experientially based description of what people see and report happening to them in an organizational situation. Climate involves employees' perceptions of what the organization is like in terms of practices, policies, procedures, routines, and rewards. Hence, climate focus is on the situation and is linked to the perceptions, feelings, and behaviour of employees. It can be viewed as temporal, subjective, and possibly subject to manipulation by authority figures. Individuals can sense the climate upon entering an organization through things such as the physical appearance of the place, the emotionality and attitudes exhibited by employees, and the experiences and treatment of visitors and new employee members.

Ehrhart, Schneider and Macey (2014) defined organizational climate as the shared meaning organisational members attach to the events, policies, practices and procedures

they experience and the behaviours they see being rewarded, supported and expected. Organisational climate is an abstraction that represents the cognitive structuring of a whole out of many observations and experiences.

According to Bispo (2006) organizational climate is the indicator of the degree of satisfaction of members of a company in relation to different aspects of culture or apparent reality of the organization, such as: HR policy, management model, the company's mission, communication processes, professional development and identification with the company.

The concept of organizational climate by Garrido, Lopes and Calheiros (2011) has been approached from four different perspectives: organizational, psychological, psychosocial and cultural:

- I. The organizational perspective, where the climate is seen as an objective manifestation of the organization's characteristics, reflecting a similar set of perceptions that emerge from the exposition of the same individuals to the same organizational factors;
- II. The psychological perspective, within which the climate expresses how the individual, mediated by their individual characteristics, perceived organizational reality;
- III. The psychosocial perspective, according to which the interpretation of the organizational reality stems from the perception of organizational characteristics, its interaction with other members of the organization and their power relations and even political processes, group membership process, and symbolic interaction processes;
- IV. The cultural perspective focuses on the influence of a broader context, where a group of individuals interacting and sharing a frame of reference that contextualizes their interaction and the meaning of organizational events.

According to Moran and Volkwein there are four theoretical conceptions of organizational climate:

- I. structural (climate is an attribute of organization which distinguish it from other one; sources of climate are elements of: the structure, ways of

- employees recruit, formalized rules of employees behaviors, the degree of decision centralization, hierarchy levels, size of the institution),
- II. perceptual (the origins of climate are looking in the personal consciousness of organizational reality, the climate is an attribute of the individual functioning in the organization);
 - III. interactive (interactions between members of the organization have an impact on how they perceive the organization and how do they interpret specific facts);
 - IV. cultural (as cited in Wojszczak, 2000).

Kolb (1972, as cited in Łaguna, Purc, Razmus, Błaszczuk, Gawrońska, 2015) distinguished three main types of organizational climate: **supporting** (high, but clear and understandable requirements for employees, the employee can expect support from colleagues and boss) the **autocratic** (small requirements and vaguely defined, lack of relations and cooperation for the mistakes employees are punished, No awards for achieving the goals), **intermediate** (balance between the type of support and autocratic).

There are many dimensions of organizational climate (organizational culture components, elements), e.g. clarity, commitment, quality of worklife, norms and standards, interpersonal relations, fair rewards, wellbeing etc. By the end of the 1970s, the number of dimensions identified as relevant for climate had grown quite large and included facets such as structure, reward, risk, warmth, support, standards, conflict, identity, democraticness, autocraticness, supportiveness, innovativeness, peer relations, cooperation, cohesion, pressure, and many more. New dimensions were being added to the conceptualization of climate each time a researcher thought climate might be useful for understanding some interesting phenomenon (Ostroff, Kinicki, Tamkins, 2003).

Koys and DeCotiis (1991) mentioned several dimensions of organizational climate:

- **Autonomy** - the perception of self-determination with respect to work procedures, goals and priorities;
- **Cohesion** - the perception of togetherness or sharing within the organization setting, including the willingness of member of provide material aid;

- **Trust** - the perception of freedom to communicate openly with members at higher organizational levels about sensitive or personal issues with the expectation that the integrity of such communications will not be violated;
- **Pressure** - the perception of time demands with respect to task completion and performance standards;
- **Support** - the perception of the tolerance of member behavior by superiors, including the willingness to let members learn from their mistakes without fear of reprisal;
- **Recognition** - the perception that member contributions to the organization are acknowledged.
- **Fairness** - the perception that organizational practices are equitable and non- arbitrary or capricious;
- **Innovation** - the perception that change and creativity are encouraged, including risk taking into new areas or areas where the member has little or no prior experience.

The dimensions of organizational climate by Hay group/McBer (as cited in Snow, 2002):

- **Flexibility** - the feeling employees have about constraints in the workplace; the degree to which they feel there are no unnecessary rules, procedures, policies, and practices that interfere with task accomplishment, and that new ideas are easy to get accepted;
- **Responsibility** - the feeling that employees have that a lot of authority has been delegated to them. It is also the degree to which they can run their jobs without having to check everything with their boss and feel fully accountable for the outcome;
- **Standards** - the emphasis that employees feel management puts on improving performance and doing one's best, including the degree to which people feel that challenging but attainable goals are set for both the organization and its employees;

- **Rewards** - Rewards are the degree to which employees feel that they are being recognized and rewarded for good work, and that such recognition is directly and differentially related to levels of performance;
- **Clarity** - the feeling that everyone knows what is expected of them and that they understand how those expectations relate to the larger goals and objectives of the organization;
- **Team Commitment** - the feeling that people are proud to belong to the organization and will provide extra effort when needed. It is also the feeling that people trust that everyone is working toward a common objective.

Competing Values Model by Patterson, West, Shackleton, Dawson, Lawthom, Maitlis, Robinson, and Wallace (2005, pp. 385-386):

1. The Human Relations Model (internal focus, flexible orientations) has norms and values associated with belonging, trust, and cohesion, achieved through means such as training and human resource development. Coordination and control are accomplished through empowerment and participation, and interpersonal relations are supportive, cooperative, and trusting in nature. Climate dimensions which were identified as representing this quadrant are:

- **Employee welfare** - the extent to which the organization values and cares for employees;
- **Autonomy** - designing jobs in ways which give employees wide scope to enact work;
- **Participation** - employees have considerable influence over decision-making;
- **Communication** - the free sharing of information throughout the organization;
- **Emphasis on training** - a concern with developing employee skills;
- **Integration** - the extent of interdepartmental trust and cooperation;
- **Supervisory support** - the extent to which employees experience support and understanding from their immediate supervisor.

2. In the Internal Process Model (internal focus, control orientation) the emphasis is on stability, where the effects of environmental uncertainty are ignored or minimized. Coordination and control are achieved by adherence to formal rules and procedures. The Internal Process Model represents the classic bureaucracy. Scales which reflect this model are:
 - **Formalization** - a concern with formal rules and procedures;
 - **Tradition** - the extent to which established ways of doing things are valued.
3. The emphasis of the Open Systems Model (external focus and flexible orientation) is on readiness, change and innovation, where norms and values are associated with growth, resource acquisition, creativity and adaptation. Climate dimensions which are likely to reflect this orientation are:
 - **Flexibility** - an orientation toward change;
 - **Innovation** - the extent of encouragement and support for new ideas and innovative approaches;
 - **Outward focus** - the extent to which the organization is responsive to the needs of the customer and the marketplace in general;
 - **Reflexivity** - a concern with reviewing and reflecting upon objectives, strategies, and work processes, in order to adapt to the wider environment.
4. The primary emphasis in the Rational Goal Model (external focus and control orientation) is on the pursuit and attainment of well-defined objectives, where norms and values are associated with productivity, efficiency, goal fulfillment, and performance feedback. Climate dimensions which might reflect this model are:
 - **Clarity of organizational goals** - a concern with clearly defining the goals of the organization;
 - **Effort** - how hard people in organizations work towards achieving goals;
 - **Efficiency** - the degree of importance placed on employee efficiency and productivity at work;
 - **Quality** - the emphasis given to quality procedures;
 - **Pressure to produce** - the extent of pressure for employees to meet targets;

- **Performance feedback** - the measurement and feedback of job performance.

Kożusznik (2011) mentioned the following dimensions of organizational climate:

- **Conformism** - a sense that there are many forced restrictions from the outside on the institution or team;
- **Responsibility** - the degree to which employees feel that they can decide independently and solve problems without consulting each step with the chief;
- **Demands** – the degree to which employees feel that the organization sets them challenging tasks and encourages them to realize it;
- **Awards** - the degree to which employees feel that they are in the organization rather rewarded and recognized for their work than ignored, criticized or punished when they do something incorrect;
- **Organize** - the feeling that the organization (team) are well organized and goals are clearly defined;
- **Sense of warmth and support** - feel that friendship is the organization (team) important value, that employees trust each other, give each other support; the feeling that in the team predominate a good relationship;
- **Leadership** - members of the organization (team) accept the leadership and guidance of experts, if necessary team member can take leadership roles and are supported by other employees.

In the hierarchical model of organizational climate by James and James (1989 as cited in Wojszczyk, 2000) four dimensions are pointed out:

1) **Hierarchical support and facilitate** (i.e. hierarchical influence, psychological influence, trust and manager support, facilitate of cooperation with the manager, clarity of manager's goals and facilitate);

2) **Role stress and non-compliance** (role ambiguity, role conflict, role overload, conflict of subordination in the team, organizational identification, manager interest and awareness);

3) **Expectations, tasks and autonomy** (work autonomy, work importance, expectations/tasks and variety);

3) **Group cooperation, warmth and friendliness** (group cooperation, responsibility for the effectiveness, warmth and group friendly relations).

James and Jones (1974 as cited in Day, Griffin, Louw, 2014) proposed four generalizable first-order climate dimensions: leadership facilitation and support (*leader*), role stress and lack of harmony (*role*), work-group co-operation (*work group*), and job challenge (*organization*).

All the above-mentioned organizational climate dimensions were evaluated by project respondents (line managers, SME owners - general managers, employees from various SME, participants representing trainers, consultants, and HR employees) during field work carried out in five project partner countries. Participants of the field work evaluated the importance of 37 dimensions of organizational climate on the 6-point scale, where 1 = not at all important, 6 = very important in relation to your company. They also indicated 10 most important (key) dimensions of organizational climate for SMEs. Based on statistical analysis performed on the collected data, 11 key components of organizational climate were selected. The main selection criterion was a high mean rating for a particular dimension in each country. Specific dimension was selected if it achieved high score in the great majority of countries. According to this procedure, it was found that the most important dimensions for SMEs are:

- **Communication** - the free sharing of information throughout the organization.
- **Rewards** - the degree to which employees feel that they are being recognized and rewarded for good work, and that such recognition is directly and differentially related to levels of performance.
- **Recognition** - the perception that member contributions to the organization are acknowledged.
- **Cohesion** - the perception of togetherness or sharing within the organization setting, including the willingness of member to provide material aid.

- **Support** - the perception of the tolerance of member behavior by superiors, including the willingness to let members learn from their mistakes without fear of reprisal; the feeling that employees give each other support.
- **Clarity** - the feeling that everyone knows what is expected of them and that they understand how those expectations relate to the larger goals and objectives of the organization; a concern with clearly defining the goals of the organization.
- **Trust** - the perception of freedom to communicate openly with members at higher organizational levels and co-workers about sensitive or personal issues with the expectation that the integrity of such communications will not be violated.
- **Leadership** - members of the organization (team) accept the leadership and guidance of experts, if necessary team members can take leadership roles and are supported by other employees.
- **Fairness** - the perception that organizational practices are equitable and non- arbitrary or capricious.
- **Efficiency** - the degree of importance placed on employee efficiency and productivity at work.
- **Employee welfare** - the extent to which the organization values and cares for employees.

Selected dimensions will be the basis for:

- (1) creation of a new tool containing items which allow to measure different aspects of organizational climate;
- (2) preparation of training programs to improve the different aspects of organizational climate;
- (3) preparation of guidebook for managers describing some key rules for building a positive organizational climate.

2.2 Factors influencing organizational climate

Leadership style is defined as a combination of specific traits, characteristics, skills and behaviours that leaders use when interacting with their subordinates (Ojokuku, Odetayo & Sajuyigbe, 2012, p. 203). Several types of leaders can be identified. In one of the first concepts of leadership McGregor suggests the existence of two management styles democratic and autocratic (Kozusznik, 2002). Current leadership theories point to more types of leadership styles i.e. charismatic leadership, transactional leadership, transformational leadership, visionary leadership, and culture-based leadership (Bass, 2008). Original conceptualizations of climate focused largely on the role of a leader in creating climate and experimental studies showed that climate became increasingly differentiated over time in a manner consistent with a leader's style. Leaders or supervisors serve as interpretive filters of relevant organizational processes, practices, and features for all group members, contributing to the development of common climate perceptions. By exposing employees to the same policies, practices, and procedures, leaders act as "climate engineers" or "meaning managers" (Ostroff, Kinicki, Tamkins, 2003). The management style, the way the organizational work is directed and coordinated would play a critical role in shaping climate perceptions. The results of the study show that a key contributing factor for organizational performance, is influenced by the way employees perceive the style with which the management directs and coordinates work activities and their inclinations for accepting diversity and orientation towards individual or team work. The unfavorable climate perceptions attributable to the authoritarian style would perhaps be due to the incompatibility between the demands of market economy and ways of doing work. Positive organizational climate perceptions built by participatory management style will last long only if the employees are mentally tuned to work under participatory system, which demand inclination to accept (Vijayakumar, 2007).

The results of the field work show that leadership seems to play a linear relationship with organizational climate by the following means:

- Recognition: Leaders tend to not appreciate and value the work that is done by employees;
- Motivation: A strict environment and extreme control leads to frustration and demotivation of employees. They need to feel confidence and trust in the work environment.
- Team spirit: Leaders that are autocratic neither foster team work nor create informal events/spaces where employees can be integrated. Eventually, it is correlated with the lack of general leadership skills that some of the interviewees mentioned;
- Communication: Leaders must have an open-door policy and be available to listen to employees' critical opinions and personal issues. A sense of respect and empathy is valued by employees;
- Delegation of tasks: Accurate delegation of responsibilities and tasks seems to be relevant for employees since it means that the leader knows the teams' capacity as well as shows the respect for their time available to fulfil the assignments.

A good leader should be: communicative, approachable, inspire trust, confidence and respect to her/his employees, emotional, collaborative, provide career advancement and promotion opportunities, innovative. A good leader/manager with right behaviour towards his/her employees can increase their productivity by making them feel satisfied; should be a leader, but not bossy; should encourage the team and maintain a healthy organizational structure.

Participants of the field work mentioned following factors influencing organizational climate:

- Effective communication, active listening, understanding;
- Peer relations, feedback and friendly environment;
- Pleasant, stress-free working environment;
- Supervisory support, a sense of support and complementarities in the team work;
- Fair and clear assignment of roles and tasks (taking into account employees predispositions, strengths and weaknesses);
- Equal and fair treatment of employees at work place;

- Professional growth (development possibilities for employees, job growth) economic rewards (not only recognize monetarily but also rewards such as a word of gratitude, additional holiday days) and professional acknowledgement;
- Personality, sense of humour, personal culture and morals;
- Responsibility, autonomy, trust and respect;
- Clearly defined tasks and responsibilities.

3. Guidelines for elaborating tool, trainings and guidebook to improve the organizational climate

3.1 Organizational climate assessment tool

Nowadays numerous methods for assessing organizational climate are used. They have a lot of advantages (measuring the multiple dimensions) and disadvantages (e.g. a lot of items). Many organizational climate assessment methods/tools suffer from a number of problems including a lack of a theoretical basis, little validity information (Ashkanasy et al., 2000), little or no confirmatory studies and/ or small sample sizes used for their development. The most well-known methods for assessing aspect of the organization described in this report are:

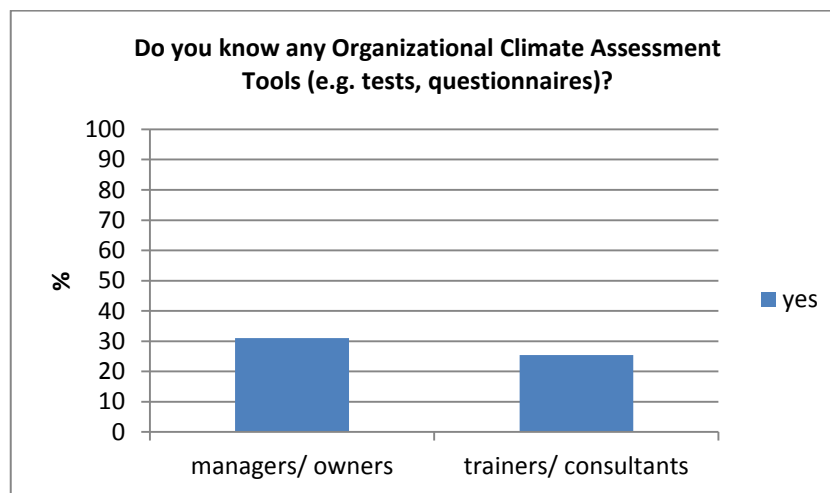
- a. The **Organizational Climate Questionnaire (OCQ)** by Litwin and Stringer (1968) - operationally define dimensions of organizational culture. It comprises 50 items that assess nine dimensions of climate. But the OCQ lacked validity and was not a consistent measurement device (Patterson, West, Shackleton, Dawson, Lawthom, Maitlis, Robinson, Wallace, 2005). The Organization Climate Questionnaire consists of nine factors/indicators: Structure, Responsibility, Challenge, Reward, Relationship, Cooperation, Conflict, Identity, Standards.
- b. **The Creative Climate Questionnaire** was developed by Göran Ekvall. Within his research he differentiated ten dimensions of organizational climate that help, stimulate or block innovation: Challenge, Freedom, Idea Time, Idea Support, Openness, Dynamism, Playfulness/Humour, Debates, Conflicts, Risk Taking (Porzse, Takacs, Csedo, Sara, Fejes, 2012).
- c. **Organizational Climate Measure (OCM)** by Patterson, West, Shackleton, Dawson, Lawthom, Maitlis, Robinson, and Wallace (2005). Climate scales which are likely to map onto the Competing Values quadrants are:
 1. Human Relations - Comprising, Involvement, Autonomy, Supervisory Support, Integration, Welfare, Training, and Effort;

2. Internal Process - Formalization and Tradition;
3. Open Systems - Reflexivity, Innovation & Flexibility, and Outward Focus;
4. Rational Goal - Clarity of Organizational Goals, Pressure to Produce, Quality, Performance Feedback and Efficiency.

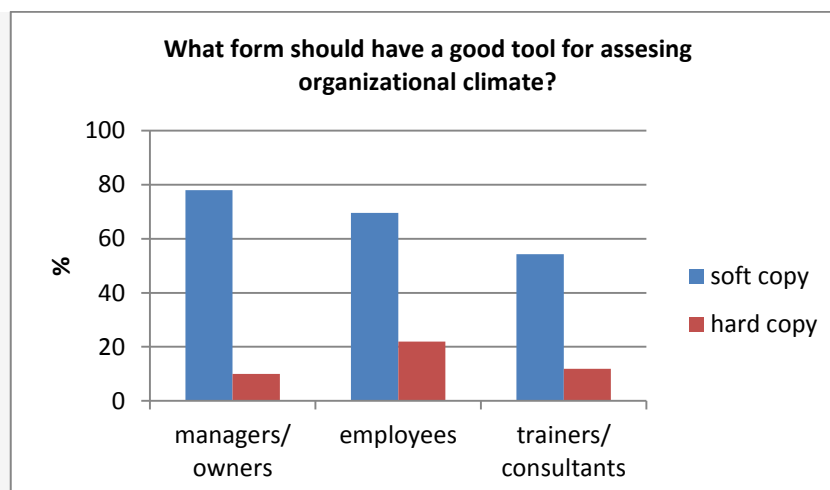
Reliability of scales range between 0,67 and 0,91.

- d. Method prepared by Kozusznik (2011), inspired by Kolb, Rubin and McIntyre (1974). It has seven dimensions (Conformism, Responsibility, Demands, Awards, Organize, Sense of warmth and support, Leadership) with 10 point answer scale. Every dimension is defined on the answer sheet. Additionally the answer scale has definitions of extreme points.
- e. **KLIO** by Makurat and Wojszcak, 39 items questionnaire allows to measure four dimension of organizational climate: the **significance of tasks/work** (importance of the task and task acceptance), **security, support by manager, social relationships and integration of the team**. The first two dimensions characterized by self-perceived conditions of self-realization. Two more refer to the relationship of employees in the organization. The answers are given on a five-point Likert scale (Wojszcak, 2000).
- f. Organizational Climate Exercise (OCE) - Based on McClelland's research, the questionnaire has been developed for more than 40 years and is used in research by consulting firm Hay Group. It allows to measure two aspects of organizational climate: current (how things are now) and desired (how they should be). Each aspect is evaluated using the 14 position estimated on six point scale. According to information from the Hay Group website OCE allows to measure six dimensions of organizational climate: Clarity, Standards, Responsibility, Flexibility, Rewards, Team Commitment. The method has several language versions. Its psychometric parameters in Polish conditions are also proved. The results for single examined person may be referred to Sten scale (Wudarzewski, 2014).

None of these methods is perfect and does not always fit into specific cultural contexts. Additional managers' and consultants' knowledge on organizational climate and methods of its measurement is still insufficient but there is a need for a method to measure the organizational climate and specific expectations for these tools. The above assertions are confirmed by research carried out during the project. It shows that approximately 70% of participants (line managers, SME owners - general managers, trainers, consultants, and HR employees) do not know tools to measure the organizational climate.



Respondents report some expectations connected with new tools assessing organizational climate. They prefer soft (electronic) copy rather than hard one.



They also point that assessment duration time should be short. Managers, employees and trainers suggest that the measuring of organizational climate should take no more than 30 minutes:

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Descriptive statistics:	Expected assessment duration time		
	Managers/owners	Employees	Trainers/consultants
Mean	23,94	20,33	33,67
Median	20,00	17,11	21,00
Min.	5	5	7
Max.	60	120	480

The tested groups show that they prefer questionnaire with 20 items but no more than 70 or 100.

	Expected number of items		
	Managers/owners	Employees	Trainers/consultants
Mean	19,20	19,18	20,98
Median	15,64	16,14	19,40
Min.	3	5	3
Max.	100	100	70

They also report that the tool should help to evaluate the current communication and leadership styles, staff attitudes towards benefits and compensation system, their involvement in the work processes and other important organizational practices.

The tool should look in a neutral way to the main climate dimensions, avoiding a prevailing emphasis on negative traits which could influence the participants' perception. A balanced tool, which could highlight critical areas, but also strong points is preferred, allowing to build up the action plan by giving value to strengths in order to improve weak areas. Participants emphasized that the new tool should have specific content of feedback. According to respondents needs new method for assessing organizational

climate should automatically count results and show the level of satisfaction in organization, share results, and propose some action plan – how to improve organizational climate. This kind of tool should allow to monitor the progress and compare answers of examined person with previous assessments. Respondents also point that after examination they want to get some information about future needs and training requirements. The tool should also be visually appealing and have attractive graphics design (charts, tables, graphs).

3.2 Training

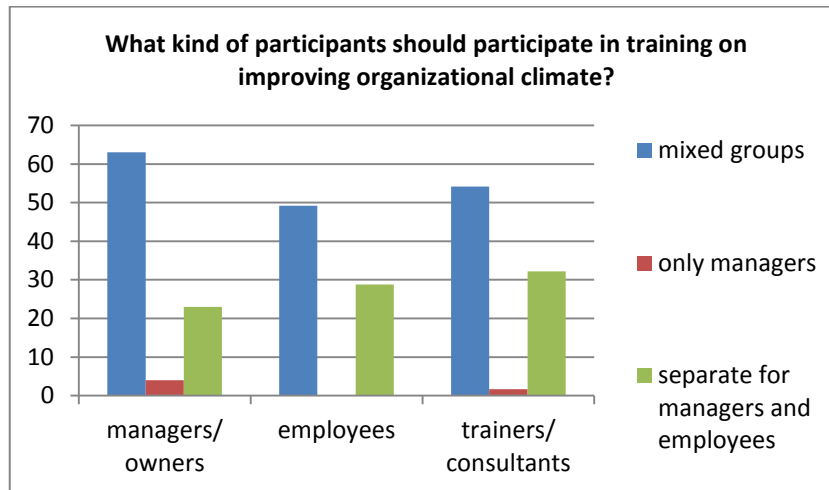
The Literature Review and Desk Research Report contains examples of several education and training programs on assessment and improving organizational climate from all project countries.

The results of the field work show that only 6% of employees have ever participated in training on organizational climate improvement in SMEs. Most of respondents do not know any training on improving organizational climate.

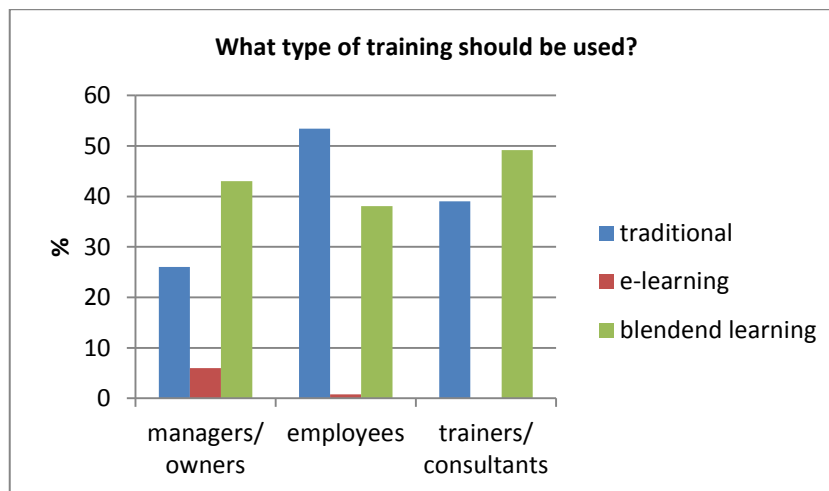


Analysis of respondent's expectations regarding the training improving organizational climate suggests that it should be conducted in mixed groups.

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Respondents (managers/consultants) prefer blended learning, whereas employees prefer traditional type of training.



According to participants expectations training should last about two days (14-16 training hours).

Descriptive statistics:	Expectations about number of training hours		
	Managers/owners	Employees	Trainers/consultants
Mean	15,74	12,53	18,17
Median	14,00	9,78	14,67
Min.	4	1	6
Max.	50	40	90

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Respondents also suggest that training group should consist of approximately 11-13 participants.

	Expectations about number of training participants		
	Managers/owners	Employees	Trainers/consultants
Mean	12,84	14,45	13,85
Median	10,88	12,67	12,75
Min.	5	5	5
Max.	30	50	25

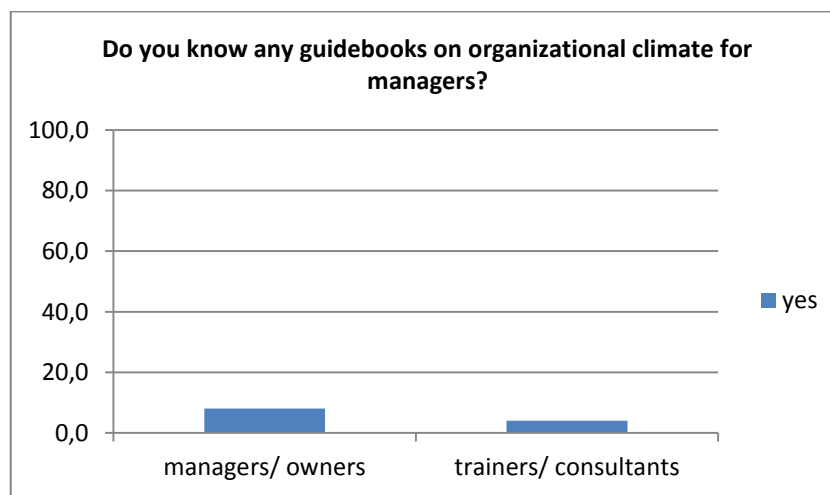
Additional training programs should be specific for every company and based on the results of organizational climate assessment. Such training programs may contain such issues as: organizational climate definition and characteristics, influencing factors, methods for fostering a positive organizational climate together with exercises on how to behave in different situations. Furthermore, it should contain information and develop skills which are necessary for building relations with top management and coworkers, improving relations in the team, team work, improving communication skills, organizational climate monitoring, strategies and goals sharing, leadership/ management styles, improvement of climate, building trust among employees, increase in productivity and efficiency, time management and organization skills, improving emotional skills, techniques for improving employee motivation and effectiveness, tools for monitoring employee's job satisfaction, problem solving, performance feedback.

Most frequently mentioned materials which should be used during the training are guidebook, slides, multimedia, often combined with paper, articles or variety of case studies and best practices in international context. The training should start with presentation of the state of the art in regards to organizational climate, but then focus on exercises and interactive activities. The following methods during the training should be used: team building games, interactive approaches, mainly based on focus-groups and work-groups.

3.3 Guidebook for managers

There is a list of books, reports, articles and other documents in the Literature Review and Desk Research Report, which can be useful for managers willing to assess and improve organizational climate in their SMEs.

Most of managers and trainers/consultant/HR employees do not know any guidebooks on organizational climate for managers:



Respondents' expectations towards a guidebook for managers:

- Content of guidebook: from the definition and factors influencing the organizational climate to psychological tools for better understanding the dynamics of human reactions and creating positive relations within the organizational boundaries;
- The main areas of interest of the above-mentioned guidebook are management methodology, self-management, employee training, interpersonal relations and coaching, effective communication, collaboration, leadership, change management, emotional intelligence, interpersonal relations, team management, problem solving, employee motivation and effective performance;
- The respondents need the guidebook to be practical and adjusted to one's position and company specifics;

- Variety of case studies, examples are needed - content relates to the case studies and its main findings (even positive or negative) and best practices from other companies (national or international) always based on a scientific principles; Different self-assessment tests to measure current leadership style, preferred leadership style for a company and ways to achieve it;
- Guidebook could demonstrate, clear and explicitly, the return on investing (ROI) in a positive organizational climate (increasing in employees' productivity; higher profit; etc.) enclosing testimonial cases;
- Guidebook should be user-friendly with clear and concise information.

4. Summary

The aim of the presented Research Analysis Report was to define characteristics of SME's organizational climate and its dimensions; identify the needs of employers and HR managers related to tools and methods improving the organizational climate and to determine educational and training needs of SME's employees and employers to improve the organizational climate. The objective was achieved by using five surveys completed by respondents from different European countries. During this research and analysis it was found that in the literature there are a lot of definitions describing organizational climate. Literature review has also shown that organizational climate is multidimensional construct. The research and analysis conducted among SMSs' owners, trainers/HR consultants and workers pointed to eleven key organizational climate dimensions which may be treated as universal in five countries surveyed for the purpose of the project. The selected dimensions are: Communication, Recognition, Rewards, Cohesion, Support, Clarity, Trust, Leadership, Fairness, Efficiency and Employee welfare. The survey revealed lack of knowledge among the respondents about the tools for organizational climate assessment, as well as helped to set expectations for such a tool. According to the respondents, new methods for organizational climate evaluation should be short and allow to assess many aspects of subjective feelings about organization. What is also very important, this kind of method should offer automatically generated feedback to provide information about level of organizational climate and also helpful tips on improving climate in the firm or suggestions for training solutions which best suit the company's needs. In addition, respondents suggested, what topics and information should be included in training programs improving organizational climate and guidebooks. Training must be delivered in blended form, last about two days and be carried out in mixed (employees and managers) small groups. The program should include such issues as e.g. definition of organizational climate; the ways of developing soft social skills and good relations with co-workers and direct superiors; description of methods allowing for organizational climate/workers satisfaction monitoring and also some information about leadership. The last part of the report contains expectations towards a guidebook for managers who want to improve organizational climate. Such guidebook should describe

e.g. factors influencing organizational climate, management methodology, effective communication, leadership, change management, team management, problem solving, strategies of employee motivation. Guidebook needs to be practical, with variety of case studies, examples, the best practices and based on scientific principles. It should also contain short self-assessment tests for managers. This kind of publication should also present specific solutions for low job satisfaction which often occurs in the organization.

The Research Analysis Report is the collaborative effort based on the input from all project partners and constitutes the base for further work in the project ORGANIZATIONAL SUCCESS THROUGH EMPLOYEE SATISFACTION – OSTESA EU.

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6. Annexes

Annexes are attached to the document separately. They include the Literature Review and Desk Research Report on the organizational climate, as well as the national reports developed by all the project partners on the field work activity.

List of annexes:

Annex I – Literature Review and Desk Research Report

Annex II – National Report from Czech Republic

Annex III – National Report from Cyprus

Annex IV – National Report from Italy

Annex V – National Report from Poland

Annex VI – National Report from Portugal