
ORGANIZATIONAL CLIMATE AND JOB SATISFACTION IN MICROFINANCE BANKS IN RIVERS STATE

Maxwell Nwinye

Department of Management, Faculty of Management Sciences

University of Port Harcourt

Abstract

This study examined organizational climate and job satisfaction in microfinance banks in Rivers State. Two hypotheses were formulated for the study. Population of the study covered 303 selected employees from 10 reachable microfinance banks in Rivers State. The researcher used explanatory survey design and random sampling method was applied for the purpose of minimizing research errors. The primary data was collected from structured questionnaire while the secondary data was information received from human resource data of various selected microfinance banks and Rivers State ministry of finance report. Taro Yamane's formula was applied to discover a sample size of 172 employees. Copies of questionnaire were distributed to the listed participants. Spearman correlation coefficient was used to test the hypotheses. The findings of the study itemized that there was a positive significant relationship between organizational climate and job satisfaction in microfinance banks in Rivers State. It was also found that admirable workplace environment contributed to employee job satisfaction and organizational performance. The researcher recommended that microfinance banks should ensure that the organizational climate is designed to accommodate customers satisfaction, zero tolerance to delay of service, profitability, and employee job satisfaction.

Keywords: Organizational climate, workplace environment, job satisfaction.

Introduction

Employees like to work in an organization with pleasant environment to attain job satisfaction. The attitude and feelings of employees towards their organization is influenced by the organizational climate or environment. Microfinance banks rely heavily on employees for its success. Ordinarily, the workers provide essential services to the customers. In every organization, customer loyalty is facilitated by the domestic collaboration between the customers, work environment, managers, and the employees. Litwin & Stringer (1978) claimed that employees who are satisfied with the organizational climate tend to display more performance to the organization. Reichers and Schneider (1990) professed organizational climate as the employee's feelings, attitudes, state of mind, and perceptions about the organization's fundamental components which describe its culture, values, norms, and attitudes that positively or negatively influence workers behaviour. Payne et al. (1971) stated that organizational climate is a set of features that affect employee's behaviour within an

organization. Similarly, organizational climate refers to the unique identity of an organization which is the physical observation of workplace environment and job satisfaction of employees. Organizations are inspired to introduce innovations and establish human resource (HR) units that may consciously handle and stimulate employees to put in their best to achieve the organization's goals. The climate of the organization is a fundamental element for employees' harmonious relationship with one another, which is a crucial factor for workers to achieve best business practices, efficiency, profitability, job satisfaction, and superior or subordinate trust.

Organizational climate has proven to influence employee's behaviour such as participation, and work commitment (Monia et al., 2010). A positive organization climate encourages employees' productivity, performance, and decreases turnover (Özturk, 2010). This implies that when microfinance banks have conducive work climate or environment, it may activate employee's morale, satisfaction, and productivity. Moreover, the nature of organizational climate offered by employers makes employees feel they are members of the family hence, triggers their satisfaction. Job satisfaction entails a common behavior of employees that come from their feelings and values about their work component to earn a living and survive (Akfopure et al., 2006). Job satisfaction signifies social expectations that the job gives prestige, recognition, promotion, improved salary, and cooperation between the employer and employee. Although, employees who are at peace and satisfied with the nature of the work perform their responsibility credibly with total commitment. Fajana (2002) asserted that job satisfaction encompasses care for workers, initiative, involvement, pleasant work conditions, and reasonable salary which drive the positive level of accomplishment of goals. However, the delay of service to customers and low wage necessitated the reason for this study. Therefore, this study tends to examine organizational climate and job satisfaction in microfinance banks in Rivers State.

Research Hypotheses

HO1: There is no significant relationship between organizational climate and job satisfaction in microfinance banks in Rivers State.

HO2: There is no significant relationship between workplace environment and job satisfaction in microfinance banks in Rivers State.

Literature Review

Organizational Climate

Organizational climate symbolizes the feeling which employees have for working in a company (Sahin, 2011). Organizational climate is characterized by relationships among employees, processes, formal structures. Fu and Deshpande (2014) considered organizational climate as a collection of measurable properties of the work settings, perceived directly or indirectly by workforce and assumed to influence their motivation and job satisfaction. Correspondingly, Schneider (1982) described organizational climate as the overview impression of the organization which comprises practices, procedures, and the types of behaviors' that are rewarded, supported, and expected in an environment. Organizational climate refers to observations of employees about the work environment and the workplace

properties which induce workers behavior to accomplish their psychological desires (Nwinye, 2022). The behaviour of the workers is more important in assessing the inclusive organizational climate. Employees personal intents and experiences could form his observation about the organization's climate. Seyed (2013) affirmed that organizational climate has been used interchangeably with various close concepts such as organizational prestige, culture, adaptability, character, and personality. Indeed, organizational climate is employees shared perceptions regarding an organization's policies, practices, and rewards. It is also the unique identity that differentiates one company from other organizations. Nwinye (2022) upheld that is important for organizations to encourage or motivate employees by humanizing its environment that could inspire workers to remain committed and invest their efforts for the overall advancement of the organization. Organizational climate is also known as corporate climate which signifies the support that an employer renders for the comfort of employees that excites job satisfaction, productivity, profitability, and reduces turnover intention (Permarupan, et al, 2013). In the literature of Rashmi (2014) workplace environment and policies and procedures were considered as the measures of organizational climate.

Workplace Environment

Workplace environment refers to an atmosphere of the social characteristics and the physical conditions where workers perform their duties (Lane et al., 2010). Similarly, workplace environment symbolizes an organized and flexible structure that involves a combination of physical components, corporate culture, and working conditions. Accordingly, appropriate workplace environment has an effect on the feelings of wellness, relationships in the workplace, cooperation, productivity, job satisfaction, and safety of employees (Abgozo et al., 2017). Plenty factors like years of operation of the company, the number or types of workers, and the nature of the environment are instrumental in determining effective workplace environment (Gholam, 2016). Besides, workplace environment is characterized with co-worker relationship, friendly supervision, job satisfaction, workplace safety, job security, reward for good performance, incentive, and participation in the decision-making process (Spector, 1997). If employees realize that the organization recognizes their contributions, they are likely to high degree of loyalty, commitment, and a sense of ownership towards their organizational needs. Lane et al., (2010) also acknowledge that assorted factors in the workplace environment namely organizational justice, training, regular compensation, working hours, employee flexibility, organizational structure and effective communication could affect job satisfaction. Furthermore, Petterson et al. (2005) admitted that the engagement of employees within an organization is an essential factor in the workplace environment that helps in achieving the organizational objectives.

Job Satisfaction

Robbins (2005) highlighted job satisfaction as a set of emotions that employee feels about his job. Smith et al., (2007) noted that job satisfaction is the feelings or affective responses to facets of the job. Job satisfaction entails a pleasurable or positive emotional state emanating from the appraisal of individual's job or experience (Bram et al., 2007).

Consequently, Hunt and Osborn (2001) emphasized that job satisfaction is the degree to which an employee feels positively or negatively about job. Job satisfaction signifies an affective and emotional response to various facets of employee job (Kreitner & Kinicki, 2004). Employee with low expectations may be more satisfied with a certain job than a worker who has high expectations. If one's expectations are met or exceeded by the job, then the person becomes happy and satisfied with the job. Meanwhile, job satisfaction could be defined as the feelings of happiness and relax of mind which employees have in their job. The satisfaction may arise from improved work condition, salary, promotion, job security, and profitability on the part of the employer. Smith (2003) specified that those feelings are caused by the difference between what is expected from the job and what is actually experienced, and comparing this difference to alternative jobs. In addition, job satisfaction is a critical component for inspiring workers and enabling them to achieve a better result. Hoppok and Spielgler (1938) regarded job satisfaction as an interconnected collection of psychological, physiological, and environmental factors that enable staff to agree that they are happy or pleased with their employment. Clark (1997) stipulated that if an employee is not happy with the assigned responsibility, working condition, dangerous co-workers, and non-inclusiveness in the decision-making process, such employees could become dissatisfied with the job. Rizwan (2015) illustrated that having admirable work atmosphere for workforce where they believe their opinions are respected and they are part of the organization, the employees perceive the job to be favourable.

Methodology

The researcher used explanatory survey design in order to understand the entire selected participants. Population size for this study include 303 selected employees from 10 reachable microfinance banks in Rivers State. The selected employees from the listed microfinance banks that were available for the scientific inquiry include supervisors and graduate staff. Random sampling technique was employed to enhance collection of data. The primary data was collected from structured questionnaire while the secondary data was information received from human resource data of various selected microfinance banks and Rivers State ministry of finance report. Taro Yamane's formula was applied to discover a sample size of 172 employees. Copies of questionnaire were distributed to collect data useful in answering research questions. This questionnaire was structured on organizational climate and job satisfaction (Babbie, 2007). It was also divided into three sections like section A, B, and C, where A represents participants profile, B focused on independent variable, and C deals on dependent variable. These questions were stated in an ordinal scale using the 5-point Likert's scale of 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree). Spearman correlation coefficient was used to test the hypotheses. The reliability of the research instrument was demonstrated in Cronbach's Alpha with a value of 0.939 which proved that research instrument was reliable and consistent. The research instrument was validated by experts in management. The information sent by the participants were voluntarily and confidential.

Results and Discussion**Test of Hypothesis One**

Ho1: There is no significant relationship between organizational climate and job satisfaction in microfinance banks in Rivers State.

HA1: There is significant relationship between organizational climate and job satisfaction in microfinance banks in Rivers State.

Table 1 Spearman's Rank Correlation Coefficient between Organizational Climate and Job Satisfaction

Correlations			Organizational climate	Job satisfaction
Spearman's rho	Organizational climate	Correlation Coefficient	1.000	.996**
		Sig. (2-tailed)	.	.000
		N	172	172
	Job satisfaction	Correlation Coefficient	.996**	1.000
		Sig. (2-tailed)	.000	.
		N	172	172

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

The results in this Table, illustrated that there was a significant positive relationship between organizational climate and job satisfaction in microfinance banks in Rivers State. This indicated that the relationship between the variables was statistically significant. The r- value was 0.966 and p – value 0.000 which specified that feedback has positive significant relationship with productivity. Where p – value = 0.000 < 0.005, the null hypothesis was rejected while alternative hypothesis was accepted. The positive significance r- value of 0.966 revealed that 96.6% increase in organizational climate may create high employee job satisfaction.

Test of Hypothesis Two

Ho2: There is no significant relationship between workplace environment and job satisfaction in microfinance banks in Rivers State.

HA2: There is significant relationship between workplace environment and job satisfaction in microfinance banks in Rivers State.

Table 2 Spearman's Rank Correlation Coefficient between Workplace Environment and Job Satisfaction

Correlations			Workplace environment	Job satisfaction
Spearman's rho	Workplace environment	Correlation Coefficient	1.000	.997**
		Sig. (2-tailed)	.	.000
		N	172	172
	Job satisfaction	Correlation Coefficient	.997**	1.000
		Sig. (2-tailed)	.000	.
		N	172	172

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

The results in Table 2 specified that there was positive significant relationship between workplace environment and job satisfaction in microfinance banks in Rivers State. This disclosed that r - value was 0.997 and p – value 0.000 which revealed that skill variety is meaningfully connected to adaptability of the insurance firms. Where p – value = 0.000 < 0.005, the null hypothesis was rejected while alternative hypothesis was accepted. The positive significance r - value of 0.997 displayed that 99.7% effective workplace environment could lead to more employee job satisfaction within the organization.

Discussion of Findings

The findings in hypothesis one shows that there is a positive significant relationship between organizational climate and job satisfaction in microfinance banks in Rivers State.

This result reveals that when there is cooperation between management of the company and the workers, the employees appear to have comfort and job satisfaction. The finding is in accord with Permarupan et al. (2013) who claims that organizational climate is also known as corporate climate which signifies the support that an employer renders for the comfort of employees that excites job satisfaction, productivity, profitability, and reduces turnover intention. The second hypothesis demonstrates that there is positive significant relationship between workplace environment and job satisfaction in microfinance banks in Rivers State. This result indicated that when employees are comfortable with the workplace environment, they are likely to feel sense of recognition, satisfied, and put in their best to enhance productivity or job performance. This finding is associated with the work in Abgozo et al. (2017), they noted that appropriate workplace environment has an effect on the feelings of wellness, relationships in the workplace, cooperation, productivity, job satisfaction, and safety of employees.

Conclusion

The results in this study unveiled that organizational climate have significant positive relationship with job satisfaction in microfinance banks in Rivers State. It was also discovered that organizations with conducive workplace environment influence employee job satisfaction. However, this study revealed that a poor workplace environment or climate could lead to job dissatisfaction, low performance, and turnover intention. The researcher, recommended that microfinance banks should provide a conducive workplace environment with adequate structures, improved work conditions, and favourable salary that may drive job satisfaction and high productivity. Management of the bank should ensure that the organizational climate is designed to accommodate customers satisfaction, zero tolerance to delay of service, profitability, and employee job satisfaction.

References

1. Abgozo, G. K., Owusu, I. S., Hoedoafia, M. A., & Atakorah, Y. B. (2017). The effect of work environment on job satisfaction: evidence from the banking sector in Ghana. *Journal of Human Resource Management*, 2331-2347.

2. Akfopure, R. R., Ikhifa, O. G., Imide, O. I., & Okokoyo, I. E. (2006). Job satisfaction among educators in colleges of education in Southern Nigeria. *Journal of Applied Sciences*, 6(5), 1094-1098.
3. Babbie, E. (2007). *The practice of social research* (11th ed.). Wadsworth/ Thomson.
4. Fajana, S. (2002). *Human resource management: An introduction*. Labofin and Company.
5. Fu, W., & Deshpande, S. P. (2014). The impact of caring climate, job satisfaction, and organizational commitment on job performance of employees in a Chinas' insurance company. *Journal of Business Ethics*, 124, (1), 339–349.
6. Gholam A.A, Maryam M., Aghdas N. (2016, May 2) *3rd international conference on new challenges in management and organization*. Organization and Leadership, UAE.
7. Lane, K., Esser, J., Holte, B., & Anne, M. M. (2010). A study of nurse faculty job satisfaction in community colleges in Florida. *Teaching and Learning in Nursing Journal*, 11(4), 345-351.
8. Litwin, G., & Stringer, R. (1978). *Motivation and organizational climate*. Harvard University Press.
9. Monia L., Castro, & Martins, N. (2010). The relationship between organizational climate and employee satisfaction in a South African information and technology organization. *Article in SA. Journal of Industrial Psychology*, [https:// doi.org/ 10.4102/sajip.v36i1.800](https://doi.org/10.4102/sajip.v36i1.800)
10. Nwinye, M. (2022). Organizational climate and employee job attitude: A critical review of the literature. *European Journal of Interdisciplinary Research and Development*, 7(9), 1-10.
11. Öztürk, F. (2010). *Determinants of organizational citizenship behavior among knowledge workers: The role of job characteristics, job satisfaction, and organizational commitment* (Unpublished master's thesis). Middle East Technical University.
12. Patterson, M. G., West, M. A., Shackleton, V. J., Dawson, J. F., Lawthom, R., Maitlis, S., Robinson, D. L., & Wallace, A. M. (2005). Validating the organizational climate measure: Links to managerial practices, productivity, and innovation. *Journal of Organizational Behaviour*, 26, 379-408.
13. Payne, R. L., Pheysey, D. C., & Pugh, D. S. (1971). Organization structure, organizational climate, and group structure: An exploratory study of their relationships in two British manufacturing companies. *Occupational Psychology Journal of Communication and Business*, 5, 45–55.
14. Permarupan, P. Y., Saufi, R. A., Kasim, R. S. R., & Balakrishnan, B. (2013). The impact of organizational climate on employee's work passion and organizational commitment. *Procedia - Social and Behavioral Sciences*, 107, 88-95.
15. Rashmi, R. (2014). Role of organizational climate on employee job satisfaction: A critical study on Indian its industries. *Journal of Socio-Economics*, 12, 88-105.
16. Reichers, A. E., & Schneider, B. (1990). Climate and culture: An evolution of constructs. In B. Schneider (Eds.). *Organizational climate and culture* (pp.5-39). Jossey-Bass.
17. Robbins, O. (2005). The micro-analysis of job satisfaction: Comments on taber and alliger. *Journal of Organisational Behaviour*, 16(2), 123-126.

-
18. Sahin, F. (2011). The interaction of self-leadership and psychological climate on job performance. *African Journal of Business Management*, 5(5), 1787-1794.
 19. Schneider, I. I. (1982). Organizational climate: Industrial preferences and organizational realities. *Journal of Applied Psychology*, 56, 211-218.
 20. Seyed, A. H. (2013). Investigating the relationship between organizational climate, organizational commitment and organizational effectiveness among school managers: A case study in Fars's province in Iran. *European Online Journal of Natural and Social Sciences*, 2(3), 1665-1671.
 21. Smith, F. J., Kendall, Z. W., & Hulin, E. M . (2007). *Job satisfaction of professional and paraprofessional library staff at chapel hill north carolina*. University of North Carolina
 22. Spector, P. E. (1997). *Job satisfaction: Application, assessment, causes, and consequences*. Harper and Row.