Organizational climate and performance of employees in selected manufacturing firms in Delta State, Nigeria

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Abstract

The study examined the effect of organizational climate on employee performance in selected manufacturing firms in Delta state, Nigeria. The population consists of manufacturing firms registered with the Corporate Affairs Commission (CAC) and that have put in about three years in the manufacturing industries. The study randomly picked 15 manufacturing firms in the state and purposive sampling technique was equally adopted to get a sample size of 81 respondents .The questionnaire was administered and promptly responded to by the respondents.77 copies (95%) were returned and Pearson correlation and simple linear regression technique were employed for data analysis and hypothesis testing at 5% level of significance. It was observed that Pearson correlation coefficient of 0.998 and 0.885 were obtained for leadership and job satisfaction respectively (high positive correlation with performance).Conversely, correlation coefficient of 0.547 was equally obtained for communication variable, indicating low significant relationship with performance. Based, on the analysis, the results showed significant positive relationship between leadership, job satisfaction and performance. On the contrary, there is no significant relationship between communication and performance. Therefore, the study conclusively infers that leadership and job satisfaction influences performance in manufacturing firms, and that communication is negatively influenced in manufacturing industries. The study therefore recommends that transparent leadership that enhances workers participation and contribution in decision making should be encouraged.

Keywords: Organizational Climate, Leadership, Communication, Job Satisfaction.

Introduction
Every organization now operates in a very competitive business environment in order to meet the set goals of the organization. There are numerous elements that ensure every firm will run successfully. Some of these elements are essential to an enterprise's expansion and success (Onoriode & Agbele, 2022). Organizational climate is one of these crucial elements. If companies are to survive the test of time, business owners and industry directors must take the operating environment seriously. No specialist, expert worker, or even an average worker is

willing to continue working in a discouraging environment. Friendly, calm, accommodating, strong working relationships between departments, motivating, and recognizing employees' efforts are all characteristics of an encouraging work environment. And the organization's structure, which is in place, enables this (Onoriode & Samuel, 2022).

According to Gerber (2003) and Moran & Volkwern (1992), an organization's climate is the members' collective perception, attitude, and feelings toward the core components of the business. This climate reflects the culture's established norms, values, and attitude and affects people's behavior either positively or negatively. Climate refers to a group of traits that characterize an enterprise, set it apart from rival organizations, persist over time, and affect employee behavior (Haritha and Subrahmanyan, 2013). An employee's attitude depends on the quality of the services that the firm is providing to them. In other words, the atmosphere of the workplace has an impact on employees' performance, either positively or negatively. In order for a company to remain sustainable, the issue of organizational environment must be vigorously addressed. In the light of the above, the following are the specific objectives of the study:

1. To investigate the connection between leadership and employees' performance in a manufacturing organization.
2. To examine the connection between communication and employee's performance in a manufacturing company.
3. To assess the connection between job satisfaction and employee performance in manufacturing organization.

To achieve these objectives, hypotheses are formulated in null form as follows; leadership, communication and job satisfaction have no significant positive effect on the performance of manufacturing firms.

Conceptual Review

Organizational Climate: The idea of organizational climate reflects the firm's values, norms, and beliefs that have a favorable or bad impact on people or employees. Higher performing businesses, according to Watkin and Hubbard (2003), have measurable climate traits that have been proven to directly account for up to 3% of the variance in important business performance metrics. The favorable environment of the business has an impact on how long employees stay with a company. Occasionally, a corporation will witness a mass exodus of employees due to an adverse business climate. According to Rezchers and Schneider (1990), the "organizational climate" is also defined as the common perspective or prevalent organizational norms for carrying out workplace activities. According to Ashforth (1985), organizational climate can have an impact on employee workplace behavior and job satisfaction since it is viewed as a psychologically significant part of the workplace. The organizational climate shows that employees are ready to work in the sense that the workplace environment has a significant impact on employees' attitudes toward achieving goals. According to Haritha and Subrahmanyan (2013), to increase organizational commitment, organizations should be able to provide the required facilities and take steps to ensure the welfare of their employee. Providing requisite facilities for employees and to promote their welfare to enhance performance, organizations need leadership that has the capacity to drive this vision.

Leadership: Over the years, research on leadership has received a lot of attention from academics. According to Duckett and MacFarlane (2003), this is because of the dramatic social changes that have taken place in the last 20 years. Leadership can also be defined as the ability to influence people toward the attainment of organizational goals (Ekenyong and Ekenyong, 2016). Bizha, Saeid & Vahid (2013) defines leadership as "a process whereby intentional influence is exerted over other people to guide structure and facilitate activities and relationship in a group or organization". According to Bizha and Etao (2013), one of the most effective leadership styles for new ideas is transformational leadership style. However, transformational leadership creates a dynamic, empowering culture with traits of active, strong, and innovative behavior utilizing organizational mechanisms including remuneration, communication, organizational rules and procedures, and methodologies (Bizhan, Saeid, and Vahid, 2013). To expect higher performance from employees, it is essential to take into account the leadership patterns and styles that make up the organizational climate. Undoubtedly, manager leadership techniques are quite successful in motivating people appropriately for company goals. In an environment where employees are allowed to communicate with one another and with managers or other organizational leaders, negative sentiment in the workplace can be addressed. (Onoriode, 2022).

Communication: It is impossible to overstate the importance of communication in determining employee effectiveness. Excellent interactions between employees can be facilitated by excellent communication, which opens up several options. Every firm may establish a stronger team through effective communication, which also promotes participation in activities that increase productivity. According to Lee (2009), communication is functional for team performance because it enables the pooling of important resources and knowledge, the identification of mistakes and the rejection of recommendations, and the application of collective effort to decision preferences. According to Salas, Sims, & Burke, (2005), communication entails (a) the sender beginning a message, (b) the recipient receiving it, deciphering it, and acknowledging receipt; and (c) the sender checking in to make sure the intended message was received and understood as intended. In contrast to workplace environments where workers are isolated and segregated, when this form of engagement occurs, employees can be sure that the boss will value their contributions and efforts (Onoriode & Ibegbulem, 2023). Managers should not count on their staff to perform well if they do not foster a culture of open communication at work. In an environment where employees are allowed to communicate with one another and with managers or other organizational leaders, negative sentiment in the workplace can be addressed. Information, regardless of how beneficial it might be, remains a dead concept and is categorized as waste information if it is not shared. As a result, each organization's communication style affects how well employees perform (Onoriode & Ibegbulem, 2023).

Job Satisfaction: When making plans for the company's development, one aspect that should come first is the satisfaction of employees. When managers neglect to include employee pleasure in consideration the success their firms have experienced horrible setbacks. A key factor in motivating employees and helping them produce greater results is job happiness. The importance of job happiness to employee performance and the overall success of an

organization have been stressed by Zainab (2020). When it comes to an employee's level of job satisfaction, each organization's values and culture are extremely important. Positively influencing values and beliefs for the employee should be taken into consideration (Onoriode, 2022). A worker feels at home and performs at his or her best when they see that their presence and performance are acknowledged in the workplace. Thus, job satisfaction is a function of an individual's view and assessment of his or her work, and this impression is influenced by the individual's particular needs, values, and expectations (Ekpenyong & Ekpenyong, 2016). Workplace unhappiness leads to absenteeism, employee turnover, depression, irresponsibility, and non-engagement, all of which have an impact on an organization's effective performance (Zainab, 2020).

Empirical Review
According to a study by Schuite (2006), both individual-level climate perceptions and organizational atmosphere are related to work satisfaction. The study also looked at how the overall climate of a work unit influences an individual's attitude after taking into account that person's unique climate perception. In a separate study, Lin (1999) examined the connection between organizational culture and the quality control procedures used by Taiwanese small- and medium-sized manufacturing firms. Lin's findings suggested that small and medium-sized businesses with a tendency to downplay organizational structure appear to have a higher quality tending orientation. Peek (2003) also carried out further research on the relationship between organizational climate and Job satisfaction at Florida Community College, University of Florida. In his study, he found that happier employees are a result of organizational climates that promote interactions between peers, superiors, and subordinates as well as higher levels of autonomy.

In a study on the hotel business conducted by Davidson (2000), it was discovered that gender had no impact on organizational climate. The outcome suggests that the company culture of rewards does not affect an employee's perceptual ability. As a result, it is possible that the system and policies were not created with the employees' gender in mind. According to a study of executives and management teams in 130 Fortune 500 businesses, today's top organizational challenge is communication, or more specifically, the lack of it (Lawler, Mohrman, and Ledford, 1995).

Methodology
A descriptive survey design was used for the study. The population was 158 consists of employees with minimum working experience of two years who are permanent staff of the manufacturing firms that are registered with the Corporate Affairs Commission (CAC). To make the selection reasonable, stratified random technique was employed to group the population into strata or subgroups. The industries used are: Anudu Plastics Limited (Asaba), Preswin Nigeria Limited (Asaba), Osecul Nigeria Limited (Warri), Okama Infinity Nigeria Limited (Warri). The judgmental sampling technique was used to obtain the sample size of 81 respondents. The main tool for gathering data was a questionnaire, which was designed with organizational climate (leadership, communication, and job satisfaction) and employee performance in mind. The responders swiftly answered the questionnaire. Of the 81 copies shared, 77 (95%) were returned. The Pearson Product Moment Correlation Coefficient (r),

which aids in determining the strength of the association between the variables, was also used for data analysis.

Results and Discussion

The hypotheses were tested at a 5% level of significance after data analysis using Pearson correlation and simple linear regression. Hypothesis H_o was restated as follows: In a manufacturing organization, there are no strong correlations between job satisfaction, leadership, communication and performance.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.999[a]	.998	.993	4.55850

a. Predictors: (Constant), Leadership, Communication, Job Satisfaction

Source: Compiled by Researcher, 2023

As shown by the correlation coefficient (R=0.999), Table 1 shows that there is a strong positive association between leadership, communication, job satisfaction, and performance. The independent variables of leadership, communication, and job satisfaction account for 99.8% of the change in the dependent variable of performance, according to the coefficient of determination R2=0.998. The remaining 0.2%, however, might be the result of random mistake or some other variable(s). Table 2: Correlation Analysis and Test of Hypothesis Output

	Performance	Communication	Job Satisfaction	Leadership
Performance				
Communication	.547			
Job Satisfaction	.885[*]	.190		
Leadership	.998[**]	.505	.901[*]	

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).
Source: Compiled by Researcher, 2023

From Table 2, it can be observed that there is a strong positive link between leadership and performance, with a Pearson correlation coefficient of 0.998 between the two. The substantial association between leadership and performance is indicated by the p-value of 0.000.There is also a weak positive association between communication and performance, with the Pearson

correlation value between the two being 0.547. There is no statistically significant correlation between communication and performance, according to the p-value of 0.340. From Table 2, it can be seen that there is a strong positive association between job satisfaction and performance, with a Pearson correlation coefficient of 0.885 between the two variables. The substantial association between job satisfaction and performance is indicated by the p-value of 0.046.

Discussion of the Findings

The study looked at the connections between job satisfaction, leadership, communication, and performance, in manufacturing firms. The study's hypothesis is that leadership, communication, job satisfaction, and performance do not significantly influence one another. The hypothesis was tested at a 5% level of significance after data analysis utilizing Pearson correlation and linear regression analysis. The study of the data revealed a strong positive association between job satisfaction, leadership and performance. This outcome contrasted with Davidson (2000) but in line with Lee (2019) and Schultz (2006). On the other hand, there is no meaningful connection between communication and performance. This result is consistent with research by Assforth (1985) and Bizhan et al. (2013), although it is in conflict with research by Haritta & Subrahmanyan (2013). Therefore, we can conclude that performance in a manufacturing organization is influenced by leadership and job satisfaction.

Conclusion

If companies are to endure over time, business owners and industry directors must take seriously the environment in which they operate. No professional, expert, or even regular worker is willing to continue working or staying in unfriendly environment. The atmosphere must be welcoming, tranquil, accommodating, conducive to good working relationships between departments, inspiring, and supportive of employees' efforts. And the organization's structure, which is in place, enables this. The study of the data revealed a strong positive association between job satisfaction, leadership, communication and performance. Therefore, we can conclude that performance in a manufacturing organization is influenced by Leadership and Job Satisfaction. On the basis of the study's findings, it is recommended that manufacturing companies should promote transparent leadership that increases employee input and involvement in decision making. Management should also foster an environment and corporate culture that values honest interchange of ideas among employees and rewards effective and efficient performance.

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