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THE PERCEIVED ENVIRONMENT: ORGANIZATIONAL  
CLIMATE.

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BENJAMIN SCHNEIDER

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Organizational climate is described as a conception people have of their organizations. Like all concepts, climate is based on cues and events; climate itself is the abstraction of the cues and events. Climate is distinguished from satisfaction in terms of attitude theory: climate is belief, satisfaction is value. A framework for conceptualizing climate is presented. Implications of the framework for questionnaire design, unit of analysis to be employed in climate studies, organizational development and change, and use of climate as a predictor or moderator variable are discussed.

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## THE PERCEIVED ENVIRONMENT: ORGANIZATIONAL CLIMATE<sup>1</sup>

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Since I am relatively unfamiliar with multi-dimensional scaling (I know only that subjects dislike doing the task involved in obtaining the data) it is not at all clear why I am on this symposium. However, given that I have ventured to the midwest (the true home of Industrial-Organizational Psychology I am told) I shall present some eastern ideas on characterizing organizations on the basis of employee perceptions.

A brief excursion into the organizational climate literature that has been generated in the past 20 years would scare any mortal man. Since I have contributed as much as possible to the resultant confusion (in my attempts not to perish), I feel some guilt and shall try to unravel some of what I perceive.

### Some Definitions: Structure, Climate, Job Satisfaction

There are three topics that may be conceptually and empirically related among which we should make some distinctions: organization structure, organizational climate, and job satisfaction.

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<sup>1</sup>Contribution to a symposium, "Redefining Organizations by Means of Multivariate Techniques", Midwestern Psychological Association Convention, May, 1973, Charles L. Hullin, Chairman. Ideas presented in this paper have benefited greatly from my discussions with H. Peter Daehler. The writing of this paper was supported in part by Personnel and Training Research Programs, Psychological Sciences Division, Office of Naval Research under Contract No. H90014-67-A-0239-0025, Contract Authority Identification Number, NR 151-350.

Structure has referred to properties and processes of organizations that exist without regard to the human component of the system. Such elements as size, product, manufacturing process, hierarchical structure, number of levels, and so forth (Forehand & Gilmer, 1964; Porter & Lawler, 1965) seem to be employed to describe the structural characteristics of organizations.

Climate has referred to the perceptions employees have of work and organizational conditions. Generally these perceptions have been of properties of organizations less tangible than structure. The perceptions have been abstractions of conditions, properties and practices of the organization (Campbell, Dunnette, Lawler & Weick, 1970). Indeed in some cases, measures seem also to include attributions about the motives of the organization. Thus Pritchard and Karasick (1973) recently suggest that their climate measure indicates the "value-orientation" of an organization. In a sense climate research has been similar to the person-perception literature although this connection has not been made explicit except by Tagiuri (1968). Thus individuals perceive elements of the whole and, on the basis of these elements, form a concept of the organization.

The concept of job satisfaction has been based on interaction process, an interaction of what exists in the job environment and some system of personal needs and values (Locke, 1973). There is in job satisfaction, then, some idea about what is right or wrong, good or bad, just or unjust; job satisfaction is an evaluation of conditions. From the point of view of attitude research, climate constitutes the beliefs people hold about the organization while job satisfaction constitutes an evaluation of the organization or of the conditions existing in the organization.

An organization's structural characteristics may be viewed as one of the antecedents of both climate and satisfaction. For example, structural characteristics may suggest to people some of the enduring patterns of behavior which will be encountered in the organization. These perceptions would be climate perceptions because they integrate specific information into a theme which suggests something about how the organization functions. Satisfaction involves the same act of perception but, rather than organizing the perceptions into a characteristic or theme of the organization, the perceptions are referenced to an already-existing system of personal needs and values. By referencing the perceptions to some internal system of values one ends up with a summary of the person rather than the organization.

At this point it should be clear that I believe climate perceptions are the result of a process of concept formation. The concept being formed is "the organization I work for". I suspect that organizations, like people, have consistent ways of behaving; organizations behave towards various aspects of their internal and external environment and the concepts people have of their organizations are based on perceptions of these consistent patterns of behavior. These may be perceptions of any one or many patterns, and with reference to behaviors directed toward the internal as well as external environment (Dieterly & Schneider, 1972).

In oversimplified terms, perceptions like the ones I am talking about are called instrumentality perceptions in the VIE literature (Dachler & Mobley, 1973; Porter & Lawler, 1968; Vroom, 1964). I say oversimplified, because instrumentality perceptions refer to what a person believes will happen as a

result of specific levels of work behavior; instrumentality perceptions are conceptualized to be those which guide behavior oriented to the attainment of specific outcomes. What guides the rest of employee behavior, their ways of dealing with co-workers, their dress, their absenteeism, their honesty or their thievery? I would answer that it is the generalized perceptions they have of "the system", their conceptions of "the organization i work for".

I say conceptions (concept in plural) because it is undeniably true that different themes guide different kinds of behaviors in the same organization. I believe each organization has more than one climate because to ask the question: "how much climate does your organization have?" is meaningless. What we must be interested in is the degree to which a given organization has established each of a number of integrated behavioral patterns; we must ask what kind of climate exists for motivation, or leadership, or turnover, for creativity or for accidents. Thus we ask "how much of a climate for \_\_\_\_\_?" exists in an organization. Interestingly enough one may ask: "how satisfied are you?" and have it be a meaningful question.

I stated above that the consistent pattern of work conditions that are established in an organization and surround the accomplishment of organizational goals are perceived by employees. These patterns of work conditions are perceived by employees because in any environment people require and thus seek information about their environment as aids in understanding the kinds of behaviors that are appropriate. This idea is not unlike Festinger's (1954) social comparison theory or the hypothesis presented by Miller, Callanter & Pribram (1960) that people require a framework of their environment against which to test the adequacy of their planned behavior.



Climate perceptions then are organized sets of cues, they are abstractions of many perceptions of specific organizational conditions, events and experiences. They are conceptions of prevailing behavior systems or perceptions about the guiding themes of what the organization is all about. People have such conceptions because they need them as frames of reference against which to judge the appropriateness of their planned behavior. Each organization has many climates; a climate for each of the different kinds of behaviors (leadership, creativity, etc.) that occur in the organization. The abstractions connote whole systems of conditions, events and behaviors; they include events and conditions that have been perceived and those that experience tells an individual are likely to occur given the known set of conditions. These organized systems of perceptions, these inclusive abstractions, are the climates of an organization

#### A Working Framework

Let me try and present a framework for being somewhat more specific about a problem recently noted by Bob Guion (1973) - how is climate different from satisfaction? It is perhaps not sufficient for me to note that climate perceptions are organized around events and conditions existing in the organization while satisfaction is organized around pre-existing personal states of desires, wishes, needs. I think some of the major differences between conceptions of climate and satisfaction may be summarized by Figure 1.

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Insert Figure 1 about here  
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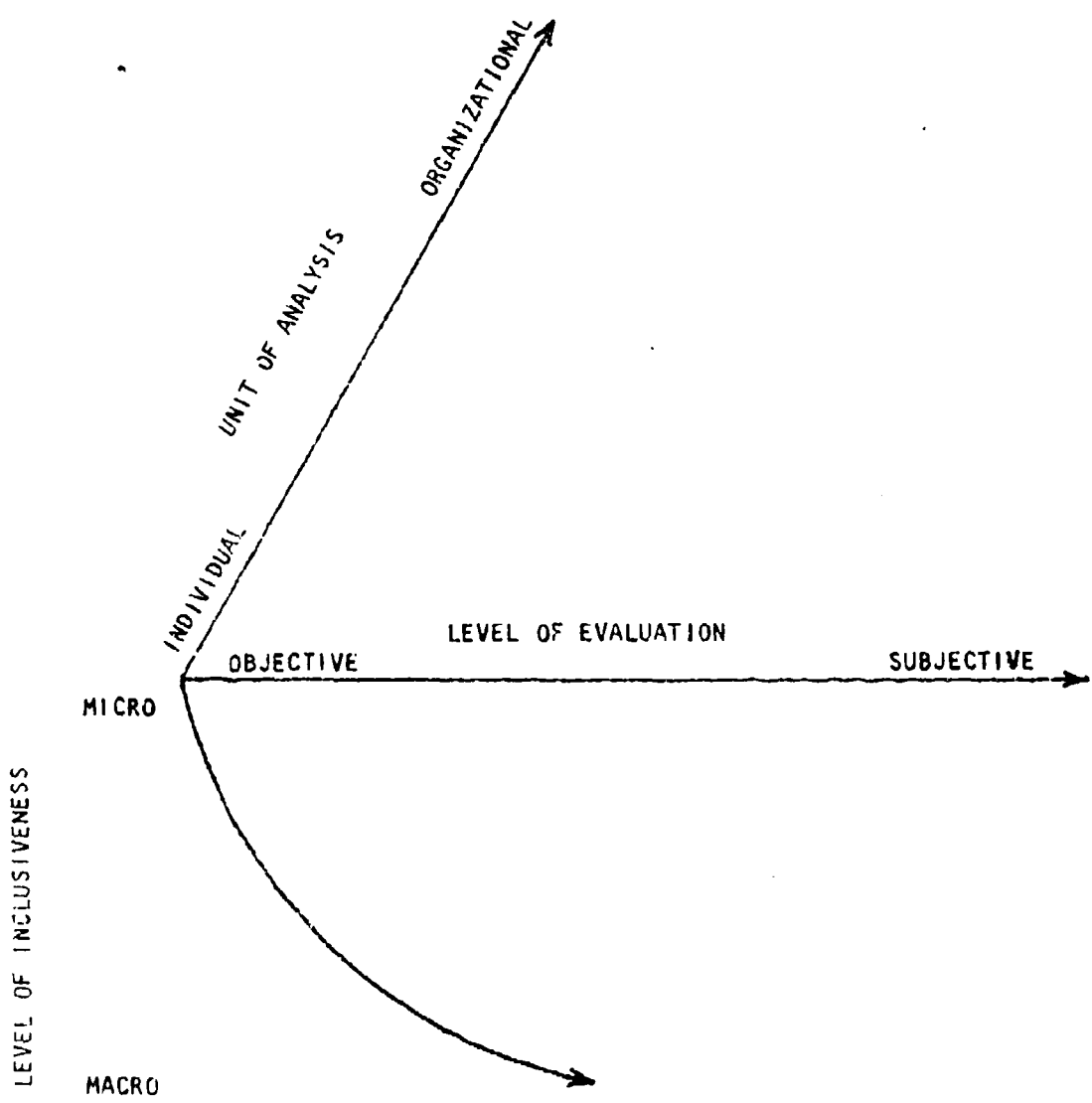


Figure 1. A working framework for conceptualizing job satisfaction and organizational climate perceptions.

Figure 1 has two major dependent dimensions, micro/macro or level of inclusiveness and objective/subjective or level of evaluation. I will discuss the third dimension, unit of analysis, later in the paper. Micro aspects of the organization are those that are clearly defined and perceivable in a relatively direct way, i.e., these characteristics of organizations are perceived directly as cues and require little abstracting, inferring or concept formation. Macro perceptions require all of the above - they require concept formation, abstractions about or summaries of micro perception, and inferences about missing information. These are climate perceptions. Because the more macro a perception becomes the more the characteristics of the person doing the perceiving enters into these perceptions, the arrow on the micro/macro dimension does not come straight down the page but angles over to emphasize the impact of the person's way of abstracting information about the environment. Obviously it is possible for some climate perceptions to be quite far over to the subjective side; examples are a "friendly" climate, or a "confusing" climate. However the specifics of "friendly" and "confusing" may be defined with reference to behaviors occurring outside the individual.

Satisfaction is the evaluation, in personal terms, of the conditions existing in the organization. These are the satisfied/not satisfied, good/bad, just/unjust kinds of reactions to (as compared to abstractions of) conditions, events and even climate perceptions. Thus we both might agree that our department has a "climate for teaching" and agree on the kinds of cues we use to support such a perception, and disagree over whether we think that is good or bad, or makes us satisfied or dissatisfied. Given Figure 1 as a working

framework, let me now turn to a brief look at how research in climate and satisfaction corresponds to my idealized differentiation of the two.

#### What The Literature Shows

First let me dismiss the research on organization structure since it has been relatively free of controversy and has been summarized in a number of places (c.f. Litterer, 1969). As regards differentiating satisfaction from climate it is only with increased interest in the concept of climate that any attention has been paid to differentiating it from satisfaction (Guion, 1973; Schneider & Snyder, 1973). My own research on climate covers seven years but only in my most recent studies have I begun to think about and explore some of the differences and similarities between climate and satisfaction. This research is based on a framework similar to, but not as explicit as, the one presented above.

As I began to think more about the objective/subjective, micro/macro distinction I realized how much the two concepts overlapped in the research strategies that have been employed in both the climate and satisfaction literatures. Since research strategy reflects conceptualization, it seemed clear that satisfaction and climate were either conceptually the same or that either or both concepts had not been adequately defined. Clearly I favor the not-adequately-defined hypothesis and have suggested in Figure 1 some basis for a clearer conceptual distinction. Let me give some examples of how the two concepts have been confounded.

1. Questionnaire Items. First to the operationalization of the concepts. Both job satisfaction and climate have been most extensively researched by using questionnaires. However there has been a great deal of inconsistency in the kinds of items used in these measures. Some job satisfaction measures contain only statements of conditions, i.e., items of different levels of inclusiveness but which have a relatively objective frame of reference; satisfaction of people is inferred from the conditions people report exist (Woods, 1944). Most other measures of satisfaction inadvertently mix descriptions and evaluations. The JDI measure of satisfaction (Smith, Kendall & Hulin, 1969) is the only one that I know of in which a conscious mixing of descriptive and evaluative items was accomplished; it is intriguing to note that this measure of job satisfaction is called the Job Descriptive Index. In an even more confusing way, some satisfaction measures direct the respondent to describe the conditions existing at work but the respondent must actually indicate the feelings he obtains from work. For example Porter's (1961) measure of satisfaction requires subjects to indicate how much a feeling of security or how much a feeling of accomplishment is characteristic of their job. Clearly jobs do not feel.

Climate measures have not been clearer in their descriptive vs. evaluative frames of reference. Schneider (1975a; Schneider & Hall, 1972) has asked for personal evaluations in two of his climate measures. At the other extreme, in an attempt to divorce the person from the climate some measures of "climate" have not included the perceptions of people (Astin & Holland, 1961; Evan, 1963); these measures simply count micro, obje i.e., characteristics. In their early

review of the literature Forehand and Gilmer (1964) also somewhat confused where on the micro/macro, objective/subjective continua climate lies. Many micro perceptions are appropriately classified as structure, not climate. Following Litwin and Stringer (1968) and Tagiuri (1968) climate perceptions are macro perceptions, or what I have called conceptions of organizations. The important point is, that following Figure 1 a more careful distinction must be made between satisfaction and climate items before we can understand some of their empirically determined similarities and differences.

Let me again note that satisfaction refers to evaluations of micro and macro events and conditions; the more the conditions fulfill some system of needs or values the individual holds, the more satisfied he is. Climate most appropriately refers to the macro perceptions people have and these macro perceptions are based on the conditions and events. But we do not speak of these conditions and events adding up to climate; different patterns of conditions and events result in the perception of different climates. As noted earlier, with reference to each such climate we may speak of amount.

Questionnaire items have been one major problem in climate research. Another problem has been the "unit of analysis problem" By this I mean, (1) do we develop climate measures on individuals or organizations; and (2) do we analyze climate data at the individual or organizational level. A more pointed way of posing the question is do we want to identify individual or organizational differences?

2 Unit of Analysis. Here I refer to the unit of analysis line in Figure 1. If climate is conceptualized as the property of an organization then the individual is not the appropriate unit of analysis. Conversely, if

one wishes to use individual perceptions of climate for some reason - to predict turnover or other behavior - it should be understood that climate perceptions and satisfaction, both being based on the same work conditions, must be correlated. We should not be surprised at this correlation, but we should also not infer that the satisfaction is based only on organizational conditions. To be blunt an individual's perception of the conditions an organization creates for him will reflect what the organization is and what the individual is. All of the problems associated with the person as a measuring instrument from unreliability to adaptation level enter also into perceptions of organizational conditions. While the problem can be somewhat alleviated by writing appropriate questionnaire items, the working framework shows that an individual's macro perceptions will be at least somewhat subjective.

Does this mean we should not use individual perceptions of organizations in research? Of course not. What it does mean is if one wishes to differentiate one organization from another or to describe one organization then the appropriate procedure must not be the traditional method for describing individuals. Let me clarify.

To develop a job satisfaction measure we may obtain individual responses and, through one item analysis procedure or other, cluster together those items with high correlations to have internally consistent scales. The resultant scales are designed to discriminate the satisfaction of one person from the satisfaction of another. Now think about developing a climate measure, a measure used to differentiate between organizations rather than between people. The appropriate unit of analysis for developing measures is no longer the in-

dividual; if one uses the individual one capitalizes on Individual, rather than organizational differences.

Thus, organizations, not individuals are the required sample in developing an organizational climate measure; a measure to differentiate one organization from another without reference to the individual differences of people. When climate measures are developed on individuals, climate scales have relatively high correlations (in the .70's) with satisfaction measures. I have committed this sin myself (Schneider & Hall, 1972) and so have others (e.g., Litwin & Stringer, 1968; Pritchard & Karasick, 1973). However, if one correlates the climate perception scores of individuals with their satisfaction scores when the climate measure was developed on the basis of organizations, the correlations do not exceed .50; and then only twice as can be seen in Table 1.

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Insert Table 1 about here  
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Table 1 reports intercorrelations based on a sample of 522 life insurance agency personnel - from managers to secretaries - from 50 agencies (see Schneider, 1973b for a complete report on this study). Two satisfaction measures, the JDI (Smith, et al., 1969) and the ERG (Existence, Relatedness and Growth; Alderfer, 1972; Schneider & Alderfer, 1972) were correlated with the ACQ (Agency Climate Questionnaire; Schneider & Bartlett, 1968, 1970).

The ACQ was developed on the basis of responses from 143 managers of different organizations. Since the managers were from different organizations the six-dimension measure developed on the basis of factor analysis reflected



Table 1  
Intercorrelations of Climate and Job Satisfaction  
(N = 522)

Job Satisfaction	Climate Measure					
	Morale	New Employee Concern	Managerial Structure	Agent Independence (Autonomy)	Managerial Support	Intra-Agency Conflict
<u>ERG Measure</u>						
Existence	19	13	15	12	21	-19
Relatedness	35	35	29	25	51	-28
Growth	31	14	17	28	27	-14
<u>J.D.I. Measure</u>						
Work	19	09	13	22	16	-21
Pay	12	07	15	00	10	-17
Promotion	11	14	16	15	15	-22
Supervision	23	29	22	17	55	-25
Co-Workers	24	27	25	19	33	-32

	E	R	G
Work	18	31	51
Pay	46	19	11
Promotion	20	31	31
Supervision	30	60	26
Co-Workers	24	44	20

Note: All correlations are significant at  $p < .01$ . Decimals have been omitted.

the perceptions of different organizations rather than differences in the perceptions of the same organization. Incidentally the JDI and ERG correlate consistently higher with each other than they do with the ACQ; this is shown at the bottom of Table 1. Climate in Figure 1 is thus most appropriately conceptualized as macro/objective/organizational while satisfaction is micro and macro/subjective/individual.

I believe that the two issues operationalization based on clear conceptions of satisfaction and climate and appropriate unit of analysis are important keys to making progress in differentiating organizations from each other on the basis of the climate organizations create for, and that are perceived by, employees. Since I am about to be physically removed from this spot I can only hint at some of the additional questions:

1. In the absence of adequately derived measures of climate, what is the best way to assess the climates of one organization? The answer is to first have a theory about the climates that exist - use what Guion calls the "hunch" system for selecting a test (Guion, 1965) or have a theory of the important kinds of climates organizations may create. Then write descriptive micro and macro items describing the organization and have people respond. The items with low variance (i.e., those items on which people agree) are the climates. With an a priori theory about what the items measure, the climates can be described. Some research we are doing at Maryland now assesses the degree to which organizations employ each of four different philosophies about what motivates man as the underlying a priori dimensions (Schein, 1970). We are just beginning work on this measure. We assume that an important question to

ask is "what climates for motivation exist in organizations?"

2. What about agreement on perceptions? Except for some research I have done on intra-role and inter-role agreement in perceptions of climate across organizations (Schneider & Bartlett, 1970; Schneider, 1972) little data exists on this question. This is important research, however, since agreement on climate determines the reliability of the perception. To find relationships between climate and indices of organizational effectiveness, the climate measure must be reliable.

3. Should climate perceptions be used as predictors or moderators? My own thinking suggests that at the individual levels climates act as a moderator of individual attribute - individual outcomes relationships. For example in a Theory X climate I would predict relatively low relationships between ability and performance while in a Theory Y organization such relationships should be stronger. Literature showing higher correlations between predictors and criteria in training programs than on-the-job may be interpreted as indicating that when a climate for individual differences exists predictor - criterion relationships may be expected to be strong. Dunnette (1973) has recently presented a similar argument. I think climate predicts organizational effectiveness directly.

4. Organization Change? The last issue I raise addresses the problem of organization change. I believe measures of climate developed on a framework similar to the one I have presented can be very useful in O. D. work. The concept formation orientation I have presented together with the across-organ-

ization unit of analysis, should permit the development of measures which (a) reveal differences between organizations and (b) suggest the basis for the climate perceptions. Following the concept formation approach one would have descriptive items at both the micro and macro level of inclusiveness. The way in which the micro elements seem to be combined to form the climate concepts across organizations should suggest fruitful intervention strategies for organization change. That is, since the micro elements are specific events and conditions, knowing the climate conceptions people across organizations have on the basis of those events and conditions should provide for specific intervention points; such intervention points will have known relationships to climate perceptions. Such a concept formation model assumes that people do share procedures for perceiving events and forming concepts. Future research will hopefully be directed at testing this assumption.

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