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AN ANALYSIS OF ORGANISATIONAL CLIMATE
AND EFFECTIVENESS IN JORDANIAN
INDUSTRIAL COMPANIES

BY

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DEDICATION

To my:

Parents, Wife, Children, and Sisters

DECLARATION

No portion of the work referred to in this study has been submitted in support of an application for another degree or qualification of this or any other university or institution of learning.

ABSTRACT

This research study is motivated by the desire to develop an understanding of the organisational climate construct, and its antecedents and consequences in the Jordanian national context. Within this framework, the study seeks to examine several major aspects. The first is to ascertain the kind of perceived organisational climate that exists in Jordanian manufacturing companies and to examine the reliability and interdependence of climate dimensions. These dimensions are Structure, Responsibility, Reward, Risk, Warmth, Support, Standards, Conflict, and Identity. The next aim of the research is to explore the differences in climate perceptions according to employees' personal (age, gender, marital status, and education) and career (tenure, position, and pay) background patterns. The third aspect investigated is the relationship between climate dimensions and measures of organisational effectiveness (behavioural and financial based measures). Behavioural measures include retention of high-level employees, job satisfaction, and intention to quit, whereas financial performance is measured by Growth and Profitability indices.

In order to achieve these objectives, self-administered questionnaires were collected from 297 subjects in 16 companies from the manufacturing sector which were

selected on a priori basis. Discussions with employees and consultation of companies reports were also used to obtain research data. The results of the study showed that the climate instrument used was reliable and its dimensions were independent of each other. Higher levels of Reward, Risk and Conflict, and lower levels of Structure, Responsibility, Warmth, Support, Standards, and Identity were found in Jordanian industrial companies. The backgrounds of employees (with the exception of gender) were found to account for significant differences in the perception of several dimensions of climate. It was also found that some dimensions of organisational climate were related significantly to the behavioural parameters of organisational effectiveness. An interesting finding was that two dimensions of climate (Responsibility and Support) exhibited negative and significant relationships with Sales growth. On the other hand, none of the climate dimensions were able to correlate significantly with the Profitability parameter of the organisations under scrutiny.

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Mention must be made of the help given by the respondents in the companies studied and by the governmental institutions in Jordan who supported me with necessary data for the study. I also would like to thank Yarmouk University- Jordan and the British Council for their financial support during this study.

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CHAPTER ONE

INTRODUCTION

The purpose of this chapter is to acquaint the reader with the background to the research, throw a light on the significance of the research project, address the objectives of the study, discuss the search for performance, and show the overall layout of the thesis.

1.1 BACKGROUND TO THE STUDY

Among the central economic concerns of industrialised as well as less industrialised countries are those of greater efficiency, higher productivity, and improved quality. There is an increasing demand at the organisational level for greater output from the input resources of men, money, machines, and materials. Moreover, increased productivity and levels of performance have long been the classic concerns of researchers. These issues remain major themes in the contemporary literature of organisational behaviour, organisation theory, production management, operations research, industrial psychology, industrial relations, and sociology.

Developing countries; usually with less intensive technological levels, are interested in factors other than technology, which might introduce improvements in their level of performance. The people factor could be one such element in improving productivity and performance in organisations. It is widely accepted that developing countries, more than others, have low organisational productivity and performance levels. Powell (1987:18) clarified this point and related it to the human side of organisations when he asserted that:

"Labour productivity [in developing countries] tends to be low. This is not only a reflection of inadequate skills and methods due to no or poor training, but it also reflects poor supervision, lack of planning, lack of incentives and over-staffing. All of this reflects inadequacies of human resource management, which has additional negative consequences such as high absenteeism and turnover of personnel at all levels." (Powell, 1987:18)

In recent years, increasing attention has been given by organisational scientists and management consultants to the importance of the term 'organisational climate' in understanding the behaviour and performance of employees. Although there is a considerable amount of research on organisational climate (see reviews by Campbell, Dunnette, Lawler and Weick, 1970; Hellriegel and Slocum,

1974; James and Jones, 1974; and Woodman and King, 1978), there have been few systematic empirical attempts to explore the influences of an organisation's climate on its level of performance.

The relationship between organisational climate and organisational performance (or organisational effectiveness as it will sometimes be referred to) has been addressed by few researchers. Those studies that have been done were conducted in the United States. As far as Middle East is concerned, a review of published and unpublished literature has not revealed any previous attempt to investigate empirically the relationship between organisational climate and outcome variables (productivity, profitability, satisfaction, etc.). Neither in Jordan, nor in any of the other Arab countries has there been any attempt to study specifically the relationship between organisational climate and organisational performance. There was an attempt to measure employees' perception of organisational climate in public sector departments in the city of Irbid (El-Sabbagh, 1982). However, this research made no attempt to empirically investigate the relationship between organisational climate and other dependent variables such as level of satisfaction or performance. On the other hand, there was a study which attempted to measure factors affecting corporate performance

(Makhamreh, 1986), but made no effort to relate that performance to dimensions of organisational climate.

1.2 IMPORTANCE OF THE STUDY

The performance of companies in Jordan has become a growing concern to policy makers in the private as well as in the public sector, especially during the second half of the 1980s. This concern is related to the economic conditions of low growth in the Gross Domestic Product (GDP) and other economic indicators to be discussed in Chapter Four.

This study derives its importance from the following characteristics:

First, most of the previous studies on the relationship between climate and measures of organisational performance have been conducted in industrialised countries. There has been only one study in South Africa (Boer, 1985). Hence, a large parts of the world have been excluded. The intention of this research is to investigate, for the first time, a relationship that has never been studied in Jordan, or in any other Arab or Middle Eastern country.

Second, the researcher believes that more research is needed in this field in developing countries in order to fill existing gaps in the literature of management. Therefore, comparing the results of this study with the studies conducting in developed countries would enable us to determine whether the results of this study confirm the results of earlier studies or not. It will also contribute to the area of comparative management and cross-cultural comparison of research results.

Third, this study makes the first preliminary measurements of how employees in Jordanian industrial corporations view their work environment, and assesses the reliability and interdependence of the climate instrument in the setting of a developing country.

Fourth, the study investigates for the first time, the differences in climate perceptions according to the following employees' background attributes: gender, marital status, educational level, and length of tenure in the present company.

Fifth, at the methodological level, controlling the influence of extraneous variables on the relationship between organisational climate and organisational performance is a unique feature of this investigation which should make it more rigorous than any of the

previous studies that have been undertaken. In order to minimise the influences on organisational climate and on organisational performance by extraneous variables, the selected field sites were of the same type of ownership and business, organisational size, and level of technology.

1.3 THE SEARCH FOR ORGANISATIONAL EFFECTIVENESS

The majority of researchers view factors bearing on the levels of performance achieved by companies as a complex accumulation of human, organisational, and external variables. Boswell (1973:38) noted that:

"A vast number of influences on performance are at work. Some of these are quantifiable, others aren't; some are external to the firm, others are internal and managerial; and of the later many are subtly interwoven."

The history of management thought in the last seventy years, starting from Taylor's (1911) scientific management movement, has sought to find methods with which to improve levels of the organisational performance. There are at least five major schools of thought in the management literature which have been concerned with the study of performance in organisations. The goal of all of these has been to gain more

understanding about managing organisations in an effective and efficient way. These approaches are: 1) the scientific management approach; 2) the administrative theory; 3) the human relations approach; 4) the contingency approach; and 5) the unconventional approach of 'attributes of excellence'. The researcher will explain the key elements of each approach in the following passages.

The scientific management perspective is a production oriented approach that aimed at improving efficiency of person-machine system. Taylor (1911) is credited as being the father of scientific management movement. He was concerned with a 'one-best-way' of doing a job. Taylor applied his scientific management principles in four areas: standarisisation, time and task study, systematic selection and training, and pay incentives. The majority of scientific managers sought higher productivity based on the premise that people were economically motivated to work.

The administrative theory focused on rational approaches to management. It built a theory of management based on the assumption that management practices could be reduced to a set of functions and principles. Fayol (1949) was a primary founder of this approach. He listed fourteen principles for managers to use. Among these were division of work, authority, unity of command, unity of direction,

scalar chain, and equity. Fayol (1949:20) argued that the division of labour was necessary in order to effectively use labour:

"The object of division of work is to produce more and better work with the same effort. Division of work ... has been recognised as the best means of making use of individuals and of group of people."

The third approach focused on the human factors in the organisation. Contributors to this school are generally known as the Human Relationists and their approach as the 'human relations' movement. This humanistic approach ultimately paved the way towards the development of modern field of organisational behaviour (Kreitner, 1986). The human relations movement is said to have developed out of the famous Hawthorne experiments of Elton Mayo and associates (1933). According to human relationists, people are the key to increase productivity as technology, work rules, and structure do not guarantee good job performance.

The work of Likert and his research team (1961) is seen as part of the 'new human relations' movement. Likert and his associates searched for the characteristics of the effective management system. They identified four main styles or systems of leadership in organisations. These

they labeled: System 1- exploitative autocratic; System 2- benevolent authoritative; System 3- participative; and System 4- democratic. The results of this research showed that effective managers were those who adopted either a System 3 or System 4 style of leadership. It was shown that democratic management was the style found in many successful organisations. Democratic management meant involvement, mutual respect, trust and cooperation. In terms of influence and achievement, Likert may be regarded as the modern inheritor of the Mayo mantle (Pugh, 1984). There are, however, other writers who contributed to the development of this approach such as Maslow (1943), Herzberg (1959) and McGregor (1960). Their contributions will be discussed in section 2.2.1 and 2.2.2 of the next chapter.

The fourth major management approach to improving organisational performance is the contingency approach. In contrast to the universally applicable principles of management suggested by Fayol and Taylor, the emphasis of the contingency approach is on the environmental contingencies which surround worker's performance (Kreitner, 1986). Contributions to this approach have come from many different researchers whose interest include diverse topics such as leadership and management style, technology, organisational structure, job design, and environmental influences. Lawrence and Lorsch (1967)

undertook a systematic investigation of the relationship between the differences in environmental conditions and effective organisational design. They developed their contingency theory of differentiation and integration in which differentiation is related to the state of segmentation of the organisational system into subsystem (departments), while integration relates to the process of achieving unity of effort by various subsystems in the attainment of a given set of objectives of the organisation. Lawrence and Lorsch assessed the degree of structural differentiation necessary for a firm and the degree of internal integration required to reach high level of performance as required by the external environmental demands placed upon it.

In addition to the previous traditional approaches to management of the past, there is a modern and somewhat unconventional perspective on organisations and management (Kreitner, 1986). This approach is known by the name 'attributes of excellence' and was proposed by Peters and Waterman (1982). In analysing the characteristics of American best run companies, these authors explained the dynamics of change and development from individual behaviour's point of view. Their theory, if that is what it can be called, concentrates on transforming leadership, corporate culture, and organisational evolution. They specified eight

characteristics of successful companies; a bias for action; closeness to the customer; autonomy and entrepreneurship; productivity through people; hands-on, value-driven; stick to the knitting; simple form, lean staff; and simultaneous loose-tight properties. However, it is to be mentioned that there is a British comparable study to that of Peters and Waterman conducted by Goldsmith and Clutterbuck (1985). This study relied upon a sort of crude empiricism in an attempt to find out the common attributes of better performing companies.

What does this brief summary of the major management approaches show? All these management theoreticians and practitioners have been concerned, in one way or another, with methods that can help to improve the performance of people in organisations, and thereby contribute to increasing the performance of the organisation as a whole. The main criticism which one can make of all of these management theories (at least for the purpose of this study) is that they consider performance as either a function of individual motivations in some cases, or as a function of situational variables of organisations (technology, size, etc.) in the other.

The attention of industrial and social psychologists has shifted towards new concepts to explain the variations of behaviour and performance in organisations. Psychological

analyses of organisations have viewed the organisational setting as a psychological environment integrating several synthesis of organisational characteristics and affects the behaviour of employees in organisations. This has contributed to the rise of the concept of organisational climate. The importance of this concept lies in its ability to provide an interaction between the individual and the environmental variables of his organisation. More details on these points are provided in section 2.2 and 2.3 of the next chapter.

1.4 OBJECTIVES OF THE STUDY

Traditional economic theoreticians have considered organisations as separate from their employees and concentrated on factors other than human beings to increase level of performance. Bakke (1952) was one of the first who questioned this dichotomy between people and organisations. He suggested that it was not possible to consider organisations separately from their employees because when one was observing an organisational activity, one was also necessarily observing the behaviour of people working in that organisation.

Many of the psychological and behavioural theorists consider the behaviour of people as a function of both personal and environmental characteristics (i.e Lewin,

1952). Thus, in order to understand someone's behaviour at a given point in time, we need to know something about the personality of that individual and something about his environment as well. The individual and his environment can not be separated from each other. If we put this analogy in the context of work motivation, we shall have employees with different motivational forces as a result partly of variations in their work environments or climates in which they work, and partly of and of their background characteristics.

This study was motivated, firstly, by a desire to understand the sort of organisational climate that exists in Jordanian manufacturing organisations, as viewed by members of these organisations. The study intends also to test the reliability and interdependence of the adopted climate instrument.

A second major objective is to examine the differences in employees' perceptions of organisational climate according to their background attributes. These attributes are of a personal and career-related nature.

The third major aspect is the investigation of the relationships between the perceptual dimensions (or aspects as it will sometimes be referred to) of organisational climate and performance of organisations

under scrutiny. Indices of organisational performance are behavioural and financial/economic criteria.

The final aim of the study is to compare and contrast the findings of this study with those of previous studies conducted in both industrialised and developing countries. This comparison will provide an added insight into the topics under consideration.

1.5 LAYOUT OF THE THESIS

The account of the present study is divided into ten chapters. The next two chapters review literature related to the study.

Chapter Two reviews the literature of organisational climate and draws distinction between organisational climate and other concepts of job satisfaction, corporate culture, and leadership style.

Chapter Three reviews literature on organisational effectiveness. It considers the theoretical approaches to the study of organisational effectiveness and the operational measurements of the concept. It also reviews studies on organisational effectiveness as a function of organisational climate.

Chapter Four will provide a review of Jordan, the country in which the examined industrial companies operate. The aim of this chapter is to introduce the reader to the external environment of the companies under investigation. The following aspects are discussed; demographic features of the population, educational milieu, labour force, economic conditions, industrial sector, and the socio-cultural environment. These will be related to the subsequent discussion of research findings.

Chapter Five will be devoted to a presentation of the research objectives, discussion of the research designs and methods available to researchers, and a justification of the research methodology used. Furthermore, sources of data, data collection methods, sampling procedures, and methods of statistical analysis will also be discussed.

Chapter Six and Seven present the findings of the study. Chapter Six presents results on the characteristics of sampled companies and the employees surveyed in these companies.

Chapter Seven provides a detailed analysis of the perceptions that surveyed personnel tend to hold vis-a-vis the climate in their organisations.

Chapter Eight examines the results on the relationship between respondents' background attributes and their perceptions of organisational climate.

Chapter Nine is concerned with testing the relationship between dimensions of organisational climate along indicators of organisational effectiveness.

Chapter Ten summarises the main findings of the study and addresses implications of the research and avenues for future studies.

CHAPTER TWO

ORGANISATIONAL CLIMATE:

THEORY AND RESEARCH

2.1 INTRODUCTION

The previous chapter identified organisational climate as an important ~~significant~~ variable capable of explaining the behaviour of people in organisations. The concern of this chapter will be on examining that concept in greater depth.

This chapter, therefore, focuses on the theoretical foundations of the concept of 'organisational climate'. It provides a historical background to the main lines of its development from the point of view of motivational psychology. The contribution of individual behaviour theories, management theories, and organisational theories which have influenced the evolution of the term will be examined. The third and the fourth sections of this chapter respectively address the various contributions of researchers in defining the concept of climate, and provide a working definition of the concept for the specific purposes of this research. The fifth section is concerned with portraying the methods of measurement available to researchers in the area. Next,

the climate factors that have been used by the researcher, when climate is measured perceptually, are explained in detail. The seventh section devotes itself to a discussion of the relationship of climate to other associated concepts, namely; job satisfaction, corporate culture, and leadership style.

2.2 HOW DID THE CONCEPT OF 'CLIMATE' EVOLVE ?

The original foundation of the climate construct can be traced back to the work of Lewin and his associates as described in the next subsection. However, from the 1960s onwards there was a considerable development of theoretical and empirical research into the concept of climate. It was seen as an important variable for understanding the behaviour of individuals in organisations. This section presents a background review of the concept's foundations and its roots in the behavioural theories which have preceded its rise and evolution as one of the most important constructs in organisational behaviour.

Once we start this review, we will have to consider the theories which have attempted to explain group and organisational behaviour from various points of views. Among these are the theories that take the motivational psychology perspective. In order to develop a better

understanding of these theoretical traditions, we shall follow the distinction made by Litwin and Stringer (1968) in which they argued that the concept of organisational climate evolved out of an attempt to apply a theory of human motivation to behaviour in organisations. According to them, climate was assumed to provide a way of describing the effect of organisational life on the motivation of individuals in organisations, which in turn caused emergent behaviour that resulted in various consequences for the organisation such as productivity or performance, and the retention or turnover of employees. The background theories were divided into three main categories; individual behaviour theories, management theories, and organisational theories (see Figure 2.1). Each one of these will be dealt in turn in the following subsections.

For the purposes of the present study it is not necessary to attempt a criticism of every single contribution made by researchers within these three groups of theories. Instead, the researcher has, with some exceptions, sought to assess the degree to which each of these three theoretical perspectives has contributed to the development of the climate concept.

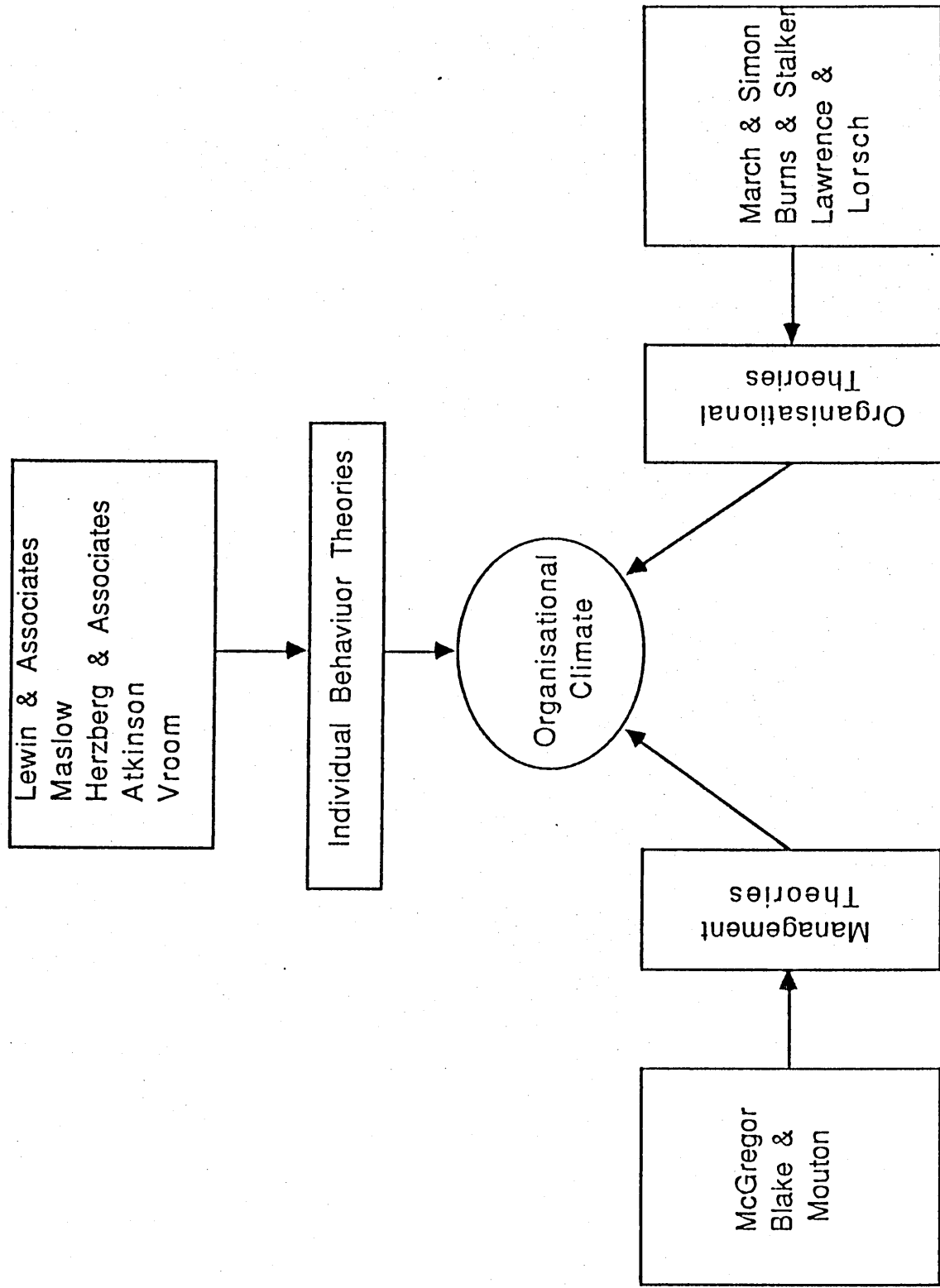


Figure 2.1 Contributing theories to the development of organisational climate concept

2.2.1 INDIVIDUAL BEHAVIOUR THEORIES

As the name indicates, the main concern of individual behaviour theories was to study behaviour of individuals in organisations. The individual behaviour theorists' main interest was basically in the study of wants or needs of human being, which were usually part of his work situation, and the study of the expected effect of these needs on motivation and behaviour.

Lewin (1936) proposed that the dimensional characteristics of a situation, or the 'life space' as he called it, was a function of a person and of his environment. He clarified the meaning of life space when he argued that it was composed of quasi-physical factors (psychological interpretation of physical features of an environment), quasi-social factors (psychological interpretation of social features of an environment such as organisational structure), and quasi-conceptual factors (conceptual representation of problems to be solved and goals to be attained). In his field theory, Lewin (1938) identified certain situational variables that he called 'psychological forces' and the 'perceived properties of the goal' that affected the behaviour of human beings. However, since then, there has been considerable difficulty in measuring these situational

determinants. Lewin with others (1939) touched on the concept of 'social climate' in several experimental studies. They examined the effects of organisational properties, democratic, authoritarian, and 'laissez-faire' leadership practices on employees' behaviour. Lewin (1952) was one of the first psychologists to focus on the environmental variables in addressing human behaviour. He viewed individual behaviour as a function of the individual's personal characteristics and of the psychological environment of that individual. The implications of this notion in studying employees' behaviour and performance in organisations (in addition to examining the personal dimensions of the individual) was that there was something about the attributes of an organisation's environment which could be expected to affect the motivation and behaviour of the employees in it.

Atkinson's (1958,1964) study was closely related to the work of Lewin (1938). The basic principle in Atkinson's model of motivated behaviour held that motivation was a function of the strength of the basic need and two situationally determined factors- the expectancy of attaining the goal and the perceived incentive value of the goal. Atkinson formulation indicated to us the special concern that was assigned to immediate, environmental influences on motivation and to specific

ways of identifying and studying such influences. Atkinson's model of motivation was similar to the field theory of motivation suggested by Lewin (1938) where both theories postulated that personal behaviour depended on the strength a person holds that his action will lead to the attainment of a certain goal.

Maslow (1943), the father of humanistic psychology, developed a theory of human motivation based on the idea that human wants formed a hierarchy. Maslow argued that we have seven innate needs. The seven hierarchical groups of human needs, from lower to upper level, are physiological needs, safety needs, social needs, esteem needs, self actualisation needs, freedom of inquiry and expression needs, and the need to know and to understand. For the first five sets of needs, Maslow postulated that as a need was satisfied, it ceased to be motivator. He viewed that we have an innate desire to work our way up the need hierarchy. These human needs have their role in motivating employees at work. Once employees have satisfied their lower level needs which were essential for the survival of human beings, they were expected to start looking at the satisfaction of upper level needs which usually made employees feel being affiliated to and accepted by fellow workers, recognised by their managers, and being given the opportunity to fulfill some of their self esteem and self actualisation needs. The upper level

needs of human beings seem to be more associated with the work setting than the lower level ones, and these could play an important role in the motivation of employees in organisations.

Herzberg et al. (1959) took Maslow's theory one step further and developed his own theory that explained worker motivation in terms of two factors. First there were the 'hygiene' factors or 'dissatisfiers' which did not in themselves motivate a person. Instead, they prevented him from becoming dissatisfied. Examples included company policies, supervision, interpersonal relations, working conditions, and salary. The second group of factors were the 'motivators' or 'satisfiers' which did have the ability to motivate employees in organisations. Examples included variables of achievement, recognition, the work itself, responsibility, and advancement. It is to be noted here that Herzberg's hygiene and motivators were more specifically job related factors which reflected some of the concrete things that people wanted from their work organisation. In short, dissatisfying and motivational factors were anticipated to have an impact on the motivation and behaviour of employees in various organisational settings.

McClelland (1961) in his research into human motivation identified three socially developed motives that influenced the behaviour of employees: need for achievement, need for affiliation, and need for power. Indeed, this appears to be another hint to variables related to the work environment, in the sense that the environment is expected to have the ability to motivate its work group members and to have an influence on their behaviour.

In contrast to Maslow, McClelland, and other psychological theories, Vroom (1964), in his expectancy model of behaviour, did not assume in advance what type of needs or objectives were most important to a person. In fact, he made no assumptions concerning individual needs or objectives. Vroom's 'Expectancy Theory' assumed that the behaviour of a person (Force) to perform an act was a function of the strength of the perceived probability of receiving an outcome given a particular act (Expectancy), and the affective orientation toward particular outcomes (Valence). The theory emphasised the link between individuals' objectives or wants, which often related to the work place, and the causes of their action. Nevertheless, the model neither referred specifically to any situational variables of organisations nor to their possible effects on behaviour. On the other hand, we can notice that the behavioural

theory of Vroom was very similar to the works developed by other investigators such as Lewin (1938) and Atkinson (1958), especially in the use of terms as 'Force', 'Valence', and 'Incentive'.

If we look closely at the contributions of the aforementioned behavioural individual theorists, we will notice that they have much in common. They all, to varying degrees, take the perspective of focusing on individuals' needs, particularly those related to their organisational setting, as being possible factors behind the motivation and behaviour of employees. That is to say, these theorists have established a foundation for understanding how employees behave at their workplace.

On the other hand, while recognising the interaction between the individual and his work setting as determinant of his behaviour, no single individual behaviour theory has attempted to measure or map such variables. Moreover, individual theorists have only provided an explanation of individual behaviours and failed to offer a precise linkage between motivational and organisational outcome variables such as performance or effectiveness. Schein (1965:65) has clearly pointed out to this deficiency when he asserted that:

"We cannot understand the psychological dynamics if we look only to the the individual's motivations or only to organisational conditions and practices. The two interact in a complex fashion, requiring us to develop theories and research approaches which can deal with systems and interdependent phenomena.

2.2.2 MANAGEMENT THEORIES

The focus of management theorists, especially for the purpose of this research, has been on understanding the effects of different managerial attitudes on the motivation and behaviour patterns of organisational members. McGregor (1960), Blake and Mouton (1964) were among the organisational psychologists whose interest was in the managerial practices in the workplace.

McGregor (1960) examined the assumptions managers hold about controlling their human resources. He added that this control determined the whole character of the enterprise and the quality of successive generations of management. McGregor identified two extreme sets of views which reflected styles of management. These he labeled 'Theory X' or autocratic, and 'Theory Y' or democratic. Each of these two theories had its own managerial assumptions about human beings. Theory X was the traditional view of direction and control of employees

through the exercise of authority. Theory Y emphasised the principle of integration and self-control. Integration was viewed as the creation of conditions such that the members of the organisation could achieve their goals best by directing their efforts towards the achievement of organisational objectives.

In spite of the fact that McGregor, in his analysis of effective supervisory styles, used the concept of psychological climate and related it to various managerial behavioural attitudes. He did not touch upon any broader implications of the concept. First, he did not provide a systematic analysis of the relationship between the individual and his environmental variables and the anticipated effect of that interaction on his work related behaviour. Second, his theory did not provide any clear conceptualisation of the concept of climate, whether, for example, it is a property of the organisation, of the individual, or of the perception that the individual held of his organisation. Third, McGregor's theory did not provide any clear explanation of organisational practices, other than the superior-subordinate relationship, that affected the climate and performance level of employees. In other words, he limited the use of his climate concept to managerial and supervisory practices in organisations, instead of going further in broadening the construct in

order to encompass various characteristics and dimensions of internal work environment.

Blake and Mouton (1964) in their well-known technique of the Managerial Grid, saw the need for developing a general concept of the internal work environment of organisations. They used the term 'organisational culture' and the change in that culture, to refer to the process of total organisational development. Although Blake and Mouton, like McGregor, were concerned with the employees' work environment, their concept of culture did not show more than the orientation of the manager toward employees and productivity, and showed nothing explicitly on the conceptualisation of the organisational climate and the way it could be identified in terms of its dimensions and measurements. Moreover, Blake and Mouton did not provide any thorough analysis of the way in which individual and organisational elements might be linked to arrive at a total organisational perspective.

Thus, it is possible to say here that management theorists, in spite of their contributions, have generally failed to provide a clear link between individual behaviour and dynamic on one hand and organisational outcome variables on the other.

2.2.3 ORGANISATIONAL THEORIES

Writers on organisation theory have taken two approaches to the study of organisations. The first was an 'open system' and the second was a 'closed system' approach. The first saw organisations as being open to , and interacting with their external environmental variables. The latter was a classical approach that viewed organisations as closed to outside environmental forces. Maximising economic efficiency was seen as the goal of the closed system theorists with no concern for the internal environment of the organisation (Taylor, 1911; Fayol, 1949).

The work of March and Simon (1958) dealt tangentially with what might be considered climate. The key concepts of their theory were those relevant to decision making and organisational choice such as 'uncertainty avoidance' and 'bounded rationality'. The concept of uncertainty avoidance is a subjective concept and the idea of bounded rationality begins to approach a perceptual definition of the work environment. However, both concepts were identified in economic terms and their effect on human behaviour was not clearly demonstrated.

Burns and Stalker (1961) were interested in the organisational practices in relation to stable and

changing environmental conditions. They described two types of management systems; mechanistic and organismic. A mechanistic management system was appropriate for relatively stable conditions, while an organismic one suited conditions of change. The implication of the difference between the two systems for the individual was in the degree of his commitment to the organisation. In the mechanistic systems, the employee was told what he had to do and also told how to do what is expected of him. In contrast, the organismic system has extremely flexible authority, task allocation, and communication where the individual is expected to consider himself as fully involved in performing any task appearing over his work setting. However, the work of Burns and Stalker did not in any way provide an explanation of the impact of motivated behaviour of the two management systems on outcome variables such as employees' level of performance. Rather, the main focus was upon the impact of the external environmental variations on changes in internal managerial practices.

Lawrence and Lorsch (1967) looked mainly at the objective framework of organisations such as activities of functional units and formal structural characteristics of organisations, and developed a theory of differentiation and integration in organisations. They analysed the degree of a firm's internal differences as related to its

ability to deal effectively with different environmental conditions, and the corresponding integration needed to achieve high level of performance. Differentiation according to them was the state of segmentation of the organisational system into subsystems, each of which tended to develop particular attributes in relation to the requirements posed by its external environment. Integration was defined as the process of achieving unity of effort among various subsystems in the accomplishment of organisation's task. Lawrence and Lorsch's main finding was that differentiation and integration varied according to the degree of certainty or uncertainty in the environment. However, two points are worth making on the work of Lawrence and Lorsch. First, even though Lawrence and Lorsch described the relation between internal and structural states of organisations and external environmental variations, they did not explain the relationship between the internal states of organisations and the variations in motivated behaviour of employees. Second, their work did not explicitly or implicitly touch on any subjective phenomena such as climate and its impact on human motivation and behaviour.

To summarise the previous three subsections, one can say that writers in the motivational psychology's perspective have contributed to the development of organisational climate construct as evidenced in their individual

behaviour theories, management theories, and organisational theories. The individual behaviour theorists have dealt with the general needs and objectives of human beings, particularly job related needs, which would have an influence on the motivation and behaviour of employees at work. The management theorists' main interest has been with describing the indirect effects of management and supervisory practices on the attitudes and behaviour of subordinates. The focus of the third category, the organisational theorists, has been on understanding the indirect effects of formal organisation structure and procedures, task definition, and other structural variables on the motivation and behaviour patterns of organisational members.

This discussion highlights the inability of previous organisational behaviour theories; prior to the arise of climate approach, to produce a single construct or theory that carefully and simultaneously considers the factors in the work place that can be expected to have an impact on the motivation and behaviour of employees. The concept of organisational climate, therefore, has developed on the basis of its ability to provide a useful insight into analyses of the linkage between individuals and their organisational settings. The concept provides a useful bridge between theories of individual motivation and behaviour, on one hand, and organisational theories,

on the other. It is now appropriate to proceed to a discussion of the nature of organisational climate as evidenced in the climate literature.

2.3 WHAT DOES ORGANISATIONAL CLIMATE MEAN ?

Various researchers and writers from a wide spectrum of behavioural sciences have been concerned with studying climate in organisations. Although there is general agreement about the significance of the concept in organisational research, there has been much less agreement among researchers on what is meant by the term 'climate'. However, the difficulty, complexity, and the 'fuzziness' that surround the concept should not lead to its abandonment since the concept has value in helping to understand human behaviour in organisations.

In this section, the various conceptualisations given to the term climate will be presented in order to clarify the various perspectives taken in the organisational climate's theoretical and empirical research efforts. Behavioural science researchers have considered the concept of organisational climate as representing either a property of the organisation or a property of the organisation-perceiving individuals. Howe and Gavin (1974) for instance, have developed a continuum of organisation-person variables for organisational climate.

An organisation variable is referred to 'the properties existing in the organisation with no concern for the cognitive system of members of that organisation'. In contrast, a person variable is referred to 'the cognitive perception of organisation individual members'. According to this continuum, organisational climate was classified under five categories: 1) totally an organisational variable, 2) mostly an organisational variable, 3) equally an organisational variable and a person variable, 4) mostly a person variable, or 5) totally a person variable.

Despite such an elaborate categorization, Howe and Gavin (1974) were unable to show much difference between the bases of their first and second groups of climate definitions, and between the third and fourth groups of definitions. There was little difference between the definitions that fell under the 'mostly' and 'totally' climate categories, be they personal or organisational variables. These authors argued that it was not critical whether or not one agreed with the placement of climate definitions along the aforementioned continuum, and also suggested that organisational climate might be seen, depending on one's point of view, as an organisational variable, a person variable, or some combination of the two. Therefore, the following discussion will be

concerned with placing climate definitions of different writers on these three groups of definitions.

Under the first category, 'climate as an organisation variable', one of the earliest and widely known definitions of organisational climate came from Forehand and Gilmer (1964:362) in which climate was defined as:

"The set of characteristics that describe an organization and that a) distinguish the organization from other organizations, b) are relatively enduring over time, and c) influence the behavior of people in the organization."

This category treated climate totally as a function of the attributes of the focal organisation with no reference to the members of organisations. Examples of these attributes were structure, rules, levels of authority, systems complexity, etc.

In the second category, 'climate as a combination of an organisation and a person variable', researchers focused not only on characteristics of focal organisations but on perceptions of individuals within these organisations. Therefore, this category may be viewed as a function of the interaction of both the organisation and the individual. Litwin and Stringer (1968) represented this

stream of thought as expressed in the following statement below:

"The term organizational climate refers to a set of measurable properties of the work environment, perceived directly or indirectly by the people who live and work in this environment and assumed to influence their motivation and behaviour."

The work of Schneider and Hall (1972:447) also emphasised the individual and the organisation in their climate definition. They argued that:

"Organizational climate exists in the perceptions by individuals of their organisational environment. In forming climate perceptions, the individual acts as an information processor, using inputs from a) the objective events in and characteristics of the organization and b) characteristics (e.g., values, needs) of the perceiver. Global perceptions of the organization emerge as a result of numerous activities, interactions, reactions, and other daily experiences the person has with the organization."

As has been shown in this category, the definitions of organisational climate are based on perceptions of organisation members (with the possible effect of their backgrounds, needs, values, and expectancies) and the attributes of their working organisations. In fact, it

was thought that this method gave more meaning to the variables of work environment by including the person variable. This way of looking at organisational climate seemed to be more realistic compared to the first category mentioned. Climate definitions that were based solely on objective organisational attributes (e.g., rules, authority, structure, decision making, and the like) seemed to be exclusively organisation centered and ignored the human factor as spelled out in perceptions of employees that determined the way they saw and interpreted the features of their work environment.

The third and last set of definitions was 'climate as a person variable' classification. The emphasis in this category was more oriented towards the person's interpretation of organisational situation than on the actual characteristics of the organisation. This category regards climate as an attribute of the individuals' working in the organisation. Schneider (1973:254) postulated that:

"The concept of climate ... may best be described as personalistic; climate is an individual perception. There was no attempt to restrict the climate definition to perceptions shared by members of a work group or organization. As stated elsewhere (Schneider and Bartlett, 1970) '... what is psychologically important to the individual must be how he

perceives his work environment, not how others might choose to describe it (p.510).'"

This quotation clearly shows that climate is treated totally as an individual-based concept with no space left for collective perception of that climate by group members. Therefore, the unit of analysis in this category was the individual per se and could not be extended to the total body of people in the organisation.

If the concept of climate, as in the first category, is viewed as an organisational attribute, it would make it more difficult to be identified other than a broad-spectrum of organisational attributes or components of situational variance. The situational variance in the total organisation includes items such as the organisational context, structure, system values and norms, process, and physical environment (James and Jones, 1974). Therefore, as has been portrayed by this perspective, organisation climate seems to be synonymous with organisation situational variance. However, the majority of research on organisational climate is ultimately concerned with human behaviour, satisfaction, and performance. Several researchers have argued that the relationships between elements in the work environment and human behaviour depend on the degree of importance the individual attaches to those elements (Schneider and

Bartlett, 1970; and Schneider, 1973). Therefore, what would be of significance to a person is how he sees his work environment, and not only the existence of mere 'objective' factors of organisational situational variance. This makes the organisational attribute approach of limited value to the assessment of climate in organisations.

The remaining two approaches to climate both emphasise the role of the individual in the perception of organisational climate. When regarded as an attribute of organisation, the suggested term 'organisational climate' can be used. When regarded as an individual attribute, it is recommended that a new designation such as 'psychological climate' is given (James and Jones, 1974). Psychological climate, therefore, seems to be similar to organisational climate, although there are differences in the respective levels of their explanation (individual versus organisational). The perceptual approach to measuring organisation climate has generated the greatest amount of theoretical and empirical research.

In order to clarify the distinction between organisational and individual or 'psychological' climate, Joyce and Slocum (1979:317) stated that "whether we speak of an organisation's climate or the climate of a division or subgroup of the organisation, all climates

are ultimately perceptual and psychological in nature". As climate may exist at the individual 'psychological' level, it may also exist at group and/or organisational level (Field and Abelson, 1982). This leads one to accept, at least for the purposes of the present study, that the appropriate view of organisational climate is not as personal nor organisational variable per se, but rather, as a combination of both.

This argument is indirectly strengthened further by the common practice of aggregating scores of individual responses to items in climate instruments (i.e. Gavin and Howe, 1975; Schneider, 1975; and Jones and James, 1979). However, this practice does seem to make sense only if inferences, as in the present research, are to be made about the aggregate unit of theory, such as at the level of performance or effectiveness of the organisation, rather than being concerned with performance of individual employees in the organisation.

The argument of whether organisational climate reflects the attributes of an organisation or of individuals in that organisation (Guion, 1973; and Johannessson, 1973) would be answered by replying that it was neither exclusively. The concept of climate is a joint function of situational and individual variables. However, this argument is of limited empirical benefit to researchers

in the field of climate. It contributes to creating unnecessary theoretical and sometimes dialectic arguments and, thus, increases the amount of ambiguity and controversy surrounding the concept rather than contributing to its more theoretical and practical development as a basis for future advances of the concept.

2.4 A WORKING DEFINITION OF ORGANISATIONAL CLIMATE

As was previously noted, there are various ways through which the construct of climate can be defined. These definitions are usually dependent upon the specific perspective or interest of the designated climate researcher. However, it is essential in this research to attempt a working definition of climate that can avoid further unnecessary arguments or confusion that may arise.

In this research, a decision was made to adopt a new conceptualisation of climate proposed by Joyce and Slocum (1979). The following discussion portrays the distinguishing characteristics of climate that have been suggested by that work.

First, all climates are held perceptual and psychological in nature, whether we refer to the climate of

organisation, division, or subgroup of the organisation. Therefore, individual, group, or organisation climate represents perceptions held by members of social units.

Second, all climates are abstract. People normally utilise information about other people, and about the actions of the organisation to form summary climate perceptions. When individuals report on their climate, they sum up either their experiences or their sense of others' experiences, and then they form a cognitive map of the organisation.

Third, since climates are perceptual and abstract, they are held to be subject to the same principles of perception as other psychological concepts. When these principles are utilised in the perception of work settings, a multidimensional description results.

Finally, climates are considered to be predominantly descriptive rather than evaluative in nature. That is to say, most climate researchers ask individuals to tell what they see in their work environment rather than asking them to label what they see as good or bad.

It has to be mentioned here that the decision to adopt that conceptualisation of climate proposed by Joyce and

Slocum (1979) was made on the basis of the following considerations:

Firstly, the research methodology utilised in the current investigation (as will be explained in Chapter Five) is primarily a survey approach in which a questionnaire will be used to perceptually measure various aspects of climate as reported by organisation members. Therefore, viewing climate as perceptual and psychological in nature, as has been shown earlier in the section, does match the adopted methodological approach of this research. The perceptual perspective of organisational climate has also provided a direct and unequivocal answer to the long running but unnecessary argument of as to whether climate is a property of the organisation or of its individual members. Furthermore, the adopted conception made it possible for climate to exist at the individual, group, or organisational level and hence the 'correct' unit of analysis depends solely upon the specific purposes of the research to be carried out.

Second, the multidimensionality feature of climate makes no obligation to limit the climate instrument to particular aspects of the internal work environment. Also this would give a reasonable amount of flexibility in choosing the dimensions of climate to be studied, and in deleting or adding some climate dimensions if necessary.

Thirdly, portraying climate as descriptive rather than evaluative in nature would be of great value when seeking to distinguish the construct of climate from that of job satisfaction. This distinction was based mainly on the notion that climate researchers ask people to tell what they see in their work environment. Thereby avoiding the valuation process and not to label what they see as good or bad. This point will be fully explained in section 2.7.4 of this chapter.

To sum up, the conceptualisation of climate by Joyce and Slocum (1979) seems to have been successful in terms of its wide coverage of essential features of organisational climate and its clarification of many of the confusions surrounding the climate construct. Put somewhat differently, we could say that the incompleteness of previous attempts to define climate, at least from the perspective of this study, made this new conceptualisation a worthwhile attempt that will almost inevitably be followed in climate research.

However, recognising the previously made points, it is proposed to define organisational climate for the purposes of the present research as the 'summary perceptions of the attributes of the work setting'. These perceptions are abstract, multidimensional, and descriptive or nonevaluative in nature. Furthermore,

climate can be related to other individual and organisational outcome variables such as job satisfaction and performance.

2.5 HOW CAN ORGANISATIONAL CLIMATE BE MEASURED ?

In the two previous sections, the general nature of organisational climate was examined and a working definition was presented. In the first section, it was shown that many of the climate writers and researchers have adopted different definitions of climate with an emphasis upon either the organisation, the individual, or a combination of both. In the second section, a working definition of climate was adopted for the purposes of this research. However, in order to understand more fully the climate in any organisation, attention now shifts to finding methods and techniques through which the concept of climate can be operationalised within different organisational settings. Researchers in the field have operationalised the concept of climate along two lines of measurement: objective and perceptual (Johannesson, 1973).

Objective measurement of climate does not rely upon employees perceptions of organisational climate. Instead, it depends on the objective (often quantifiable) characteristics of organisations such as the number of

levels of authority, ratio of administrative personnel to production personnel, quantity of formal rules, etc. Research on the objective measurement of climate is seen in the work of Evan (1963), Lawrence and Lorsch (1967), Pugh et.al.(1969), and Prien and Ronan (1971). Some attempts have also been made to determine the impact of these organisational characteristics on the behaviour of organisational members.

Although objective climate measures have the virtue of merit and accuracy, they suffer from multifarious shortcomings. First, the variables are often too numerous and too specific to be clearly interpreted (Campbell, et al., 1970; and Hellriegel and Slocum, 1974). Second, the characteristics which can be measured objectively are often far too removed from affecting the behaviour of employees (Woodman and King, 1978). The perceived characteristics of the organisation, rather than the objective characteristics, are thought to influence the behavior of members in organisation more directly. Employees' perceptions are, in the researcher's view, important aspects of organisational climate and should thus be considered when climate is measured.

The perception of organisational climate by members within organisations has become an important way of understanding the effect of organisational practices and procedures on the behaviour of employees. Therefore, it

is not surprising to find that most researchers do seem to agree that organisational climate can be measured in terms of employees' perceptions of different facets characterising their work situation. The perceptual approach to measuring climate has been adopted by the vast majority of climate researchers. They advocate using it to measure climate in various organisational settings (Litwin and Stringer, 1968; Meyer, 1968; Thornton, 1969; Friendlander and Margulies, 1969; Schneider and Bartlett 1970; Campbell et al. 1970; Payne and Pheysey, 1971; Pritchard and Karasick, 1973; Joyce and Slocum, 1974; Field and Abelson 1982).

In the perceptual approach, organisational members usually make descriptive rather than evaluative responses to a number of statements. Schneider and Hall (1972) argued that climate perceptions emerged as a result of individual's numerous activities, interactions, feelings, and other daily practices in the organisation. They also suggested that perceived climate could be related to a number of output variables such as job satisfaction and performance. The present research adopts a perceptual approach to the measurement of climate. This, therefore, makes it possible for the climate construct to be related to organisational outcome variables within Jordanian firms.

2.6 WHAT TO MEASURE IN ORGANISATIONAL CLIMATE ?

Having discussed and explained the various definitions of the concept of organisational climate, adopted a working definition of climate, and shown the concept to be perceptual and psychological in nature when it is measured, the next step is to examine the concept in greater detail by presenting a review of climate dimensions or properties that have been used in the literature.

The climate literature review revealed a number of instruments that have been developed and used by researchers to measure climate in organisations. In this regard, one can note that all these climate instruments reflect the model of climate held by their developers. However, the instruments that were most frequently cited or used in the literature were those of Halpin and Crofts (1963), Litwin and Stringer (1968), Schneider and Bartlett (1968, 1970), Campbell et al. (1970), Payne and Pheysey (1971), and Lawler et al. (1974). Let us briefly consider the characteristics of some of these.

The climate instrument of Halpin and Crofts (1963) was designed mainly to study climate in public schools. Its authors used a questionnaire which contained eight dimensions of climate: disengagement, hindrance, esprit,

intimacy, aloofness, production emphasis, thrust, and consideration. Each one of these dimensions encompassed a group of items (questions) representing that dimension.

Litwin and Stringer (1968) made a major practical and theoretical contribution to the area of organisation climate. At the theoretical level, they added to the notion of work environment properties the idea that these properties must be perceived by the people who live and work in that organisation. These properties were assumed to influence the motivation and behaviour of employees. At the practical level, they developed a 50 item questionnaire (Form B) to measure perceptions of organisational climate along nine dimensions: structure, responsibility, reward, risk, warmth, support, standards, conflict, and identity.

Another systematic study of climate factors was reported by Schneider and Bartlett (1968). Their research sample was a group of managers in two life insurance agencies. A group of 299 items describing various characteristics of the agencies was administered to 143 management personnel. As a result of factor analysis (a statistical procedure used to group those items that are most alike), six climate factors were emerged: managerial support, managerial structure, concern for new employees,

intra-agency conflict, agent independence, and general satisfaction.

Payne and Pheysey (1971) reconceptualised the Stern's Organisational Climate Index (1956), which was developed mainly as a measure of the college environment, and applied it to business organisations. Their sample was 120 junior managers from more than one 100 different companies. Two main factors were revealed; organisational progressiveness, and normative control.

Lawler et al. (1974) distributed a questionnaire to 291 scientists in 21 subsamples of 117 research and development organisations. As a result of factor analysis, five climate factors describing organisations were obtained: competence, potency, responsible, practical, risk oriented, and impulsive.

However, it may be beneficial here to mention that the previously discussed climate instruments as well as other ones could be used equally well in different organisational settings. The exceptions to this universal application included Halpin and Crofts' (1963) instrument (designed to be used in schools) and Schneider and Bartlett's (1970) (which was designed to measure climate of insurance agencies only).

In their analysis of the different climate instruments, Campbell et al. (1970) suggested that these instruments were characterised by four common dimensions which consistently re-appeared across all organisations and thus could be considered the main factors of climate. These major factors were: 1) autonomy; 2) structure; 3) reward; and 4) consideration, warmth, and support.

This discussion of the factors in the major climate instruments demonstrates both a noticeable similarity as well as diversity. However, one could argue that the diversity of these factors does coincide with the multidimensional nature of climate, as proposed by Campbell (1970) and Joyce and Slocum (1979). On another hand , the instruments were similar in that they stressed both the structural and the nonstructural characteristics of organisations. That of course does not contradict the idea of climate being psychological in nature as long as the properties of organisations are, ultimately, subject to the perceptions of people within the organisation. This gives a psychological meaning to the structural and nonstructural properties of the work environment.

2.7 IS CLIMATE DIFFERENT FROM OTHER ASSOCIATED CONCEPTS ?

Recent conceptual and methodological discussions of the concept of climate have considered whether it is distinguishable from other constructs such as job satisfaction, corporate culture, and leadership style. This section seeks to clarify these points.

2.7.1 ORGANISATIONAL CLIMATE AND JOB SATISFACTION

The relationship between the terms 'organisational climate' and 'job satisfaction' is one of the issues that has generated a considerable amount of debate among researchers in the field. Johannesson (1973) and Guion (1973) suggested that the concept of climate was redundant being, in their view, indistinct from the construct of job satisfaction. They claimed that organisational climate researchers had borrowed items for their instruments from established measures of job satisfaction and had used methods of measurement identical to those used in job satisfaction research.

In defense of the climate research, there is evidence to suggest that while climate and job satisfaction concepts do tend to be related, they are eventually different constructs. A large number of research studies have supported this view. Litwin and Stringer (1968), in their

field experiments for example, created different climates through which they discovered that these climates contributed to different levels of employee satisfaction. That is to say, organisational climate was a determinant of, rather than redundant with, job satisfaction. Friendlander and Margulies (1969) reported that individuals with different work values were more satisfied in different types of climate, and that individuals' satisfaction with various aspects of their work depended on certain combinations of climate components. LaFollette and Sims (1975), in their survey of 1161 employees of a medical centre, concluded that the relationship between organisation climate and performance was significantly different from the relationship between satisfaction and performance. In their view, therefore, the constructs of climate and job satisfaction were not the same. Schneider and Snyder (1975), in their attempt to resolve the issue raised by Guion and Johannesson, distributed an organisation climate and a job satisfaction instrument to 522 managerial and nonmanagerial employees from 50 life insurance companies. One of their main findings was that there was a higher level of agreement among employees about the climate of their organisation than about their level of job satisfaction.

The above research results show that job satisfaction and organisation climate, although related, are not the same construct. Furthermore, Schneider (1975); Payne, Fineman, and Wall (1976); Joyce and Slocum (1979); as well as other researchers have provided a useful way of distinguishing climate from job satisfaction based on the idea of 'level of affect'. They portray organisational climate as a perceptual description of the work setting and job satisfaction as an affective evaluation of the aspects of the work setting. Therefore, although both concepts refer to aspects of a work setting, the process of describing and evaluating these aspects creates two distinct constructs. For instance, words like 'favourable' vs. 'unfavourable', 'good' vs. 'bad', and 'positive' vs. 'negative' are usually used to denote the evaluation or judgement process of job satisfaction. However, in reporting climate perceptions, these words are normally avoided and words such as 'high' vs. 'low' could be used instead.

Thus, the previous discussion of conceptual and empirical evidence on the relationship between the constructs of organisational climate and job satisfaction, when added to the present study's definition of organisational climate given in section 2.4, would challenge the view that the two constructs overlapped with or were

indistinct from each other. It is to be noted also that in the current investigation, the construct of organisational climate will be studied in relation to job satisfaction at the organisational level of analysis. That is, job satisfaction is viewed as a possible **consequence** of organisational climate.

2.7.2 ORGANISATIONAL CLIMATE AND CORPORATE CULTURE

The debate concerning the similarity of the constructs of organisational climate and corporate culture differs significantly from the one between the similarity of organisational climate and job satisfaction.

Many writers use the terms 'corporate culture' and 'organisational climate' interchangeably, such as Katz and Kahn (1966), and Porter, Lawler, and Hackman (1975). The latter (1975:489) clearly represent that view as they asserted:

"organizational climate or 'culture'-a set of customs and typical patterns of ways of doing things. The force, pervasiveness, and nature of such modal beliefs and values vary considerably from organization to organization"

In the quotation above, the terms 'culture' and 'climate' are used interchangeably, to refer to beliefs, values, philosophies, and traditions that exist in organisations. That is to say, this group of writers use both terms to represent the same thing.

However, if one looks closely at the theoretical and empirical research on organisational climate and corporate culture, one can identify multifarious differences between the two terms. The disciplinary base of climate developed from a social psychology framework, while the basis of culture stemmed from anthropological roots (Glick, 1985). On the methodological level, climate research tends to be 'nomothetic', using quantitative techniques to describe a certain phenomenon at a given time from an external (researcher)'s point of view. In contrast, the majority of culture research (i.e. Martin, Feldman, Hatch, and Sitkin, 1983) is 'idiographic' in nature (Glick, 1985). Culture research has utilised qualitative methods to explain the human functioning by interviewing key members of the organisation, or relies on observation done by an external person (Gregory, 1983; and Schein, 1984). For many researchers, climate is viewed as a tool for a 'summary description' of organisational settings whereas culture has the potential to offer 'rich details' of those settings (Rousseau, 1988).

While there are methodological differences between the two concepts, there are also similarities. Some of the issues concerning the concept of organisational climate are also issues of culture research. For example the question of unit of analysis is one of these. Several authors have recognised multiple or subunit cultures in organisations and, therefore, multiple units of analysis (Wilkins and Ouchi, 1983; and Louis, 1985). Nonetheless, research on corporate culture still lacks the development of separate labels for culture at the individual level of organisation, as compared to climate research which, as has been shown in section 2.7.1, has produced the concept of 'psychological climate' to represent that level. Therefore, it seems possible to conclude that culture researchers do not accept the fact that culture may exist at the individual level. Instead, they argue that "there cannot be a culture unless there is a group that 'owns' it" (Schein, 1984:5). This is to say, not all individuals in the organisation experience a culture, whereas all of them experience a climate. On another hand, it is possible for many organisations (new or in transition) to lack any common beliefs and values, and therefore, to possess no culture at all. In contrast, climate does exist in all types of organisations whether they are new or old (Rousseau, 1988).

In fact, both constructs of organisational climate and corporate culture were regarded as methods of change available to management in organisations (Huczynski, 1987). As far as corporate culture is concerned, most of the research focused on the dynamic process of creating and changing culture (i.e. Peters and Waterman, 1982; Deal and Kennedy, 1982). Culture is regarded as a learning process. It is taught to new organisational recruits. The longer people live in a given culture, and the older the culture is, the more it will influence their perceptions, thoughts, and feelings. In order to analyse why people behave in a certain way, we often look to the organisation values that govern their behaviour (Schein, 1984).

However, this was not quite the case in organisational climate. There is no process of teaching new employees about the climate, nor is there any great emphasis on the values of the organisation that govern behaviour. Instead, the main focus of climate research is upon the characteristics of the organisational setting as it is perceived by its members and on the expected effect of this setting on the behaviour and performance of these members.

To summarise, while some writers quoted at the start of the section may consider the two concepts the same and

hence are redundant, it has been argued they are wrong and the two are in fact separable.

2.7.3 ORGANISATIONAL CLIMATE AND LEADERSHIP STYLE

It has been argued that since a leader sets the tone for an organisation, leadership style should be considered synonymous with organisational climate. There is relatively little literature which questions the distinctiveness or the redundancy of the concept of organisational climate vis-a-vis that of leadership style. However, in order to successfully carry out this task, a short briefing of the term 'leadership' will be presented before proceeding any further.

A leader can be defined as someone who exercises influence over other people. Leaders in organisations may carry out functions such as: establishing basic values; clarifying and solving problems for others; administering rewards and punishments; providing information, advice and expertise; and providing social and emotional support (Buchanan and Huczynski, 1985). Leadership behaviour can be measured through questionnaires such as Leadership Behavior Description Questionnaire (LBDQ) by Stogdill (1963) in which subordinates describe the leadership characteristics they perceive in their superior.

For the specific purposes of this section, the researcher was able to extract three 'forms' of relationship between leadership style and organisational climate as evidenced in the literature. These were: first, leadership as having an effect on the creation of climate in organisations (a cause among many other causes of climate). Second, leadership as being one among many other dimensional factors of climate evidenced in many climate instruments. Third, leadership as being a specific form or type of climate with its own multidimensional instrument.

Among those writers who could be considered under the first heading were: Likert (1961, 1967, 1976); Litwin and Stringer (1968); Mukhi (1981), and Field and Abelson (1982). The theoretical work of Likert (1961, 1967, 1976) considered the behaviour of top level superiors as setting conditions and procedures for organisations. Likert (1976) suggested that organisation structure and policies influenced leadership behaviour, and both of these factors in turn affected the group or organisational work process. In its turn, the latter influenced organisational climate, with the climate at the top echelon of the company cascading down to the middle and lower levels. Accordingly, the ability of supervisors at each level to exert influence on the organisational climate is expected to decline gradually

as one proceeds down the hierarchical levels of organisations. That is to say, the climate which is set by the leaders at the very top level of the organisation creates a substantial constraint upon the style of management that superiors at middle and lower levels feel able to adopt. Litwin and Stringer (1968) remarked that different styles of leadership may create different organisational climates, and these different climates, consequently, create different performance levels. Mukhi (1981), following the path of Litwin and Stringer, studied the relationship between leadership styles, climate, and the performance of employees in organisations. He found that leadership styles affected organisational climate and that these styles accounted for less variance in job performance than organisational climate. Field and Abelson (1982) developed a model that viewed organisational climate as affected by external, organisational, and personal factors. According to this model, personal factors included variables of the managerial behaviour, leadership pattern, and rewards/control.

Under the second heading, the literature did reveal that several instruments of organisational climate did use variables that sought to describe leadership characteristics. Among these variables were: leader's psychological distance (Payne and Pheysey, 1971);

managerial trust and consideration (Gavin and Howe, 1975); leader facilitation and support (Jones and James, 1979); and managerial function (Schneider et al., 1980).

Under the third heading, it was found that some climate researchers did design a specific 'micro-climate' instruments that aimed to assess a specific characteristic of organisations. Some authorities studied a climate for leadership (Fleishman, 1953); climate for creativity (Taylor, 1972); and climate for safety (Zohar, 1980).

McGregor (1960:134) used the term of psychological climate to refer to the many behavioural manifestations of managerial attitudes, and clarified the importance of climate, compared it to the construct of leadership style, and expressed the view that:

"The climate is more significant than the type of leadership or the personal 'style' of the superior. The boss can be autocratic or democratic, warm and outgoing or remote and introverted, easy or tough, but these personal characteristics are of less significance than the degree of attitudes to which his subordinates respond."

However, organisational climate as a construct does have specific boundaries that differentiate it from

leadership style. Organisational climate is a psychological description of employees' work environment, while leadership style is mainly a description of the perceived personal traits or characteristics (i.e. democratic or autocratic) of a certain superior in the organisation. That is to say, the concept of climate describes the organisation-based experience of informants in which the whole organisation is the target, whereas a single individual is the target in the case of leadership research.

The multidimensional assessment of situational perceptions also enables organisational climate to serve as an umbrella concept that covers several variables in organisation. Thus, "the great advantage of climate assessment over more discrete topical measures (e.g. leadership,...) is their summary quality" (Rousseau, 1988:147). The importance attached to 'summary quality' comes out when it is noted that it is the general descriptions of contexts that climate researchers often seek to obtain.

By comparing and reviewing the literature on organisational climate alongside that of leadership style, the following differences between the two constructs can be noted:

1. Climate refers to the molar (macro) perceptions (Litwin and Stringer, 1968) people have of their work environment, while leadership behaviour refers to molecular (micro) perceptions of a specific situational dimension.
2. Climate is a summary perception of internal work environment in which perceptions of employees are shifted upwards to form an aggregate climate in the organisation. In the case of leadership, the construct is perceived at the individual level and hence it is not aggregated upwards for the whole organisation.
3. Climate may exist at different descriptive levels in organisational (individual, department, and organisation), and can be reported by various levels in organisations, in contrast a description of leadership style is usually reported by a certain work group (not all individuals in organisation can describe the behavioural characteristics of a certain leader, but only subordinates to the leader are asked to describe the leadership style or behaviour of their immediate superior).
4. In climate research, leaders or managers, together with other employees, have the chance to respond to the climate instruments that describe the characteristics of their organisational setting. In the case of leadership research, only the subordinates

of a certain leader or manager are asked to describe his leadership behaviour or style.

To summarise this discussion, it seems highly unlikely that a redundancy occurs between organisational climate and the construct of leadership. Furthermore, it is to be noted that any attempt to abandon the concept of climate is likely to lead to 'unidimensional' approaches that focus exclusively on specific dimensions such as leadership or communication (Glick, 1985), instead of focusing on the whole characteristics of organisational settings.

The concept of organisational climate, therefore, does appear to be independent, both conceptually and methodologically, of leadership behaviour or style. Nevertheless, it is to be admitted that there would seem to be some sort of 'partial relationship' between these two constructions when, from the second view, leadership is seen as one of many dimensional factors of climate. Practically speaking, when conducting a climate research, it is not unusual, though not necessarily, to have a dimensional factor in climate instruments that describes the behavioural characteristics of leaders in organisations.

However, the present research was concerned, at the theoretical level, with the view that leadership style

was an indirect determinant of organisational climate. Nonetheless, the study did not seek to establish a link between leadership style or behaviour and organisational climate at the empirical level. The effect of leadership style or behaviour may be found implicitly in several dimensions of organisational climate.

2.8 SUMMARY

The concept of organisational climate has created great interest and controversy in the literature of organisational behaviour. From the review of literature discussed in the chapter, it was clear that differences do exist among researchers, both at the conceptual and at the methodological level.

In the second section of the chapter, the historical and conceptual foundations of research concerning organisational climate were examined. In so doing, particular attention was paid to reviewing the individual behaviour theories, management theories, and organisational theories.

The third section highlighted the many definitions which were given to the concept of organisational climate. The definitions were categorised, under three headings: 'an organisation variable' , 'a combination of organisation

and person variable', and 'a person variable'. It was shown that, in this study, climate was viewed as neither an organisation attribute, nor an individual attribute exclusively. Rather, it was a combination of both.

In the fourth section, a working definition of climate was adopted to suit the specific purposes of this thesis and to help to avoid unnecessary arguments that may surround the concept. The concept of climate has been regarded as being perceptual, abstract, multidimensional, and descriptive in nature.

The fifth section devoted itself to a discussion of methods through which the climate of organisations could be assessed. Measures of organisational climate were shown to operationalise along two lines, objective and subjective measurements. Objective measures relied upon structural properties of organisations (size, levels of authority, etc.). Subjective measures relied upon employees' perceptions of their work environment. The latter have generated the greatest amount of climate research and have been regarded as the best available methods with which to measure climate. Various drawbacks of both measures were thoroughly addressed in that section.

The main focus of the sixth section was upon various instruments and factors that have been used by researchers when they measured climate perceptually. This thesis utilises a perceptual measurement of climate which coincides with the working definition of climate given earlier in the chapter. A perceptual measure seems an appropriate method to be used when assessing climate in organisations since it emphasises the role of employees' perception of organisational properties. These perceptions were hypothesised to have a considerable influence on human behaviour compared to the mere existence of certain structural properties in organisations.

The last section of the chapter addressed the relationship between climate and other associated concepts of job satisfaction, organisation culture, and leadership style. In the case of the first concept, it was concluded that organisational climate and job satisfaction while related, were not the same. While climate involved a perceptual description of the work setting, job satisfaction was an affective evaluation of aspects of the job itself. Furthermore, the working definition of climate, given in section 2.4, sought to avoid any suspicion of overlap or redundancy between the two concepts. The second concept was organisational culture whose relationship with organisational climate

did seem to be different than the one between organisational climate and job satisfaction. The reason was that some researchers have used the terms culture and climate as synonyms, but to represent values, beliefs, philosophies, and customs of organisations. On another hand, climate and culture do have some methodological differences. All of these differences were discussed in that subsection. The third associated concept with climate was leadership behaviour or style. In relevant literature sources, leadership behaviour or style was considered as a potential influence on the creation of climate; a component or a dimension in organisational climate instruments; or as a specific type of climate that had its own multidimensional instrument. However, the term of climate and the concept of leadership, even though they had some sort of partial relationship, did appear to be of major theoretical and methodological differences. More details on these differences were provided in the designated subsection.

The next chapter of this thesis will be devoted to the understanding of the concept of 'organisational effectiveness' in terms of its definitions, approaches, and methods of measurement. One section of that chapter will be concerned with a discussion of theoretical and empirical evidence on the relationship between dimensions

of organisational climate and level of performance or effectiveness in organisations.

CHAPTER THREE

ORGANISATIONAL EFFECTIVENESS: CONCEPTUAL AND EMPIRICAL FRAMEWORK

3.1 INTRODUCTION

This chapter presents and discusses the dominant approaches to the study of organisational effectiveness; namely, the 'goals' and the 'systems' models. Next, operational measures of organisational effectiveness are introduced. Two groups of effectiveness measures; 'univariate', and 'multivariate' are examined. The fourth section delineates the specific effectiveness criteria utilised in the present study. The fifth section is devoted to linking the present chapter with the previous one by presenting empirical research that deals with the construct of organisational effectiveness as a function of organisational climate.

3.2 APPROACHES TO THE STUDY OF ORGANISATIONAL EFFECTIVENESS

The concept of organisational effectiveness is one of the most interesting, important, and frequently referenced themes in organisational research and practice. Nonetheless, researchers have been unable to agree on a

common ground to conceptualise the concept. The fact that the meaning of organisational effectiveness is hard to pin down does not in any way diminish its central place and role in organisational functioning.

At the theoretical level, there exist two underlying approaches to the study of organisational effectiveness; the goals and the systems approach model. These models or perspectives are considered by many researchers in the field, to be the dominant ones in the study of organisational effectiveness (i.e. Etzioni, 1960; Katz and Kahn, 1966; Price, 1972; Campbell et al., 1977; Miles, 1980; and Bedeian, 1984). Researchers in the field who, at least theoretically, advocated these approaches are cited in Table 3.1.

3.2.1 THE GOALS MODEL

The goal-centered model was the earliest approach to the study of organisational effectiveness. Many past and present management theoreticians have conceived organisational effectiveness as the meeting or surpassing of organisational goals or objectives. Barnard (1938:19) asserted that "when a specific desired end is attained we shall say that the action is effective." The

Table 3.1 Studies on the goals and systems approaches of organisational effectiveness

Contributor	Goals model	Systems model
1. Barnard (1938)	X	
2. Parsons (1951)		X
3. Seashore (1956)	X	
4. Georgopoulos&Tannenbaum(1957)		X
5. Gouldner (1959)	X	
6. Etzioni (1960)		X
7. Katz and Kahn(1966)		X
8. Mahoney (1967)	X	
9. Yuchtman and Seashore(1967)		X
10. Mahoney and Weitzel (1969)	X	
11. Reddin (1970)	X	
12. Price (1972)	X	
13. Baker(1973)		X
14. Campbell (1977)	X	
15. Hannan and Freeman (1977)	X	
16. Cummings (1978)		X
17. Miller (1978)		X

goal-attainment model tends to rely, either explicitly or implicitly, upon the two assumptions that organisations have goals that they attempt to achieve; and that the attainment of these goals can be measured (Miles, 1980).

According to this approach, effectiveness can be assessed by establishing measures that evaluate how well an organisation has achieved its goals or objectives. The goals here are usually referred to the stated purposes of an organisation, as given by its documents, such as by-laws, or the reports of its stakeholders (owners, customers, employees, managers, government officials, etc.).

However, the goals model approach is subject to some drawbacks on theoretical and methodological grounds. Etzioni (1960) criticised the judgment of effectiveness based on goal achievement. He contended that goals, or targets, are ideal states. In actual situations, organisations tended to be less perfect in their performance than anticipated. Therefore, the existence of a gap between goals (an ideal state) and performance (an actual state) was almost inescapable. That is to say, judgment of effectiveness based solely on the complete attainment of goals would lead to disappointing results in the investigation. On another hand, an organisation

may theoretically be judged effective when it is attaining simple, or ill-defined goals.

Another difficulty in the goals approach concerns the multifunctional nature of most organisations where they strive to achieve several different goals simultaneously. Therefore, effectiveness in the attainment of one goal may inhibit effectiveness in the accomplishment of another (Bedeian, 1984). The cost-effectiveness goal of an organisation may be in conflict with the responsibilities of the organisation towards its society and external environment. For instance, dumping chemical wastes in rivers may be a cost-effective method but pollutes the environment. Therefore, it is likely that an organisation with multiple goals will not be effective in all areas at the same time.

A further weakness of the goals model is associated with the fact that the assessment of effectiveness on the basis of goals, depends on the extent to which goals are measurable or quantifiable. For instance, sales, number of units of production, profitability, and so on, are quantifiable and identifiable measures of organisational outputs. However, these measures are not available in all organisations. Service organisations may lack such measures.

3.2.2 THE SYSTEMS MODEL

The systems model is the second dominant approach to studying organisational effectiveness. It is based on the idea that organisations are 'open systems' as suggested by Katz and Kahn (1966). The interaction process between the organisation and its environment is the primary focus of this approach. As open systems, organisations depend on the external environment for their functioning and output. Therefore, the interdependence between the organisation and its environment takes the form of input-output acquisitions. According to the theory, the overriding goal of organisations is 'survival' (Hefforn, 1989).

By relying on the notion that scarce and valued resources are usually subject to competition between organisations, a second view within the systems approach emerges. This perspective focuses on the input acquisition side of the relationship between organisation and its environment as a way of studying the effectiveness of organisations. Effectiveness is defined as "the ability of the organisation, in either absolute or relative terms, to exploit its environment in the acquisition of scarce and valued resources. It is most effective when it maximizes its bargaining position and optimizes its resource procurements" (Yuchtman and Seashore, 1967:898). The

definition offered here, emphasises the success of an organisation in competing for scarce and valued resources (the organisation bargaining position in its environment) as an indicator of its level of effectiveness.

While the systems approach provides additional insights into the nature and assessment of organisational effectiveness, it suffers from several shortcomings. Principal among these are that, instead of focusing on specific measurable ends, the systems model focuses on a vague, futuristic goal of organisational survival. Studies employing the systems perspective tend to avoid measuring survival altogether, preferring instead to focus on concepts such as organisational flexibility or adaptability to changes in external environmental factors. Nonetheless, these criteria are often both difficult to define and measure (Miles, 1980).

As far as the resource acquisition view was concerned, it was criticised for making 'maximum' as a key word in the organisation bargaining position and the exploitation of its environment, and for offering little guidance as to what constituted this maximum exploitation (Bedeian, 1984). The same criticism was also applicable to the use of 'optimum' as a key word in achieving resource procurement without giving a clear explanation of what it

was composed of, or how it would be measured in empirical research.

Another shortcoming of the systems approach lay in its failure to offer guidance for selecting the scarce resources to be studied. Yuchtman and Seashore (1967:901), themselves admitted this point when they asserted that:

"A crucial problem in this context is the determination of the relevant and critical resources to be used as a basis for absolute or comparative assessment of organisational effectiveness."

A fourth drawback of the systems model approach is that it focuses mainly on the acquisition of resources by organisations, and neglects the importance of the term 'goal' in this process, while actually embodying it. In this regard, Mohr (1973:472) observed that:

"It is possible to find in some manner that the goal of a specific organisation is, purely and simply, to acquire certain resources. If that is not the case, then one must identify other goals in order to establish which resources are important for attaining them. Either way, the concept of goal is essential, although in the

second case the goals themselves may often be assumed or implicit."

A final shortcoming leveled at the systems approach was that it based organisational effectiveness solely on resource acquisition rather than upon resource use. It emphasised resource acquisition and ignored whether resources were being used effectively or not (Bedeian, 1984). This critique seems to focus on the 'process' element which mediates the input-output relationship as suggested in the system model.

3.2.3 A RECONCILIATION OF THE TWO MODELS

Before ending our discussion on the goals and systems approaches to the study of organisational effectiveness, it is important to mention that even though these two approaches reflect divergent definitions and perspectives of organisational effectiveness, it would be an error to assume that they are mutually exclusive. Each possesses some capabilities that make a reconciliation between them likely to take place.

A closer look at the goals and the systems approaches reveals that both are concerned, either directly or indirectly, with the objectives of organisations. While the goals approach has a specific goal focus, the systems

approach is oriented towards a more long-term objective of organisational survival and the ability of an organisation to articulate its parts and meet shifting contingencies in its current and future environments (Miles, 1980). Also, one can be able here to view goals as the *raison d'être* for organisations' continued existence or survival.

With regard to the acquisition of scarce resources, such acquisition cannot take place unless the organisation already possesses a predetermined goal(s) at which these resources are aimed. Therefore, the concept of goal is essential in both situations. In other words, resource acquisition is undoubtedly a prerequisite for the attainment of organisational goals. Therefore, both courses of action are essential, if not critical, to an organisation's success (Bedeian, 1984).

One may be able here to conclude that there is no need to choose one of the two models while rejecting the other. The two approaches are not totally different but rather represent complementary explanatory devices of organisational effectiveness. The stand taken in this research sees both of these approaches as being ultimately directed towards goals. The ability to find measurable or available indicators of effectiveness plays

a crucial role in adopting one model of effectiveness rather than another.

3.3 MEASUREMENT OF ORGANISATIONAL EFFECTIVENESS

The previous section discussed the two major theoretical formulations to the study of organisational effectiveness; the Goals and the Systems approaches. Attention will now turn to an exploration of the way in which one might be able to operationalise and measure the construct of organisational effectiveness.

Steers (1975) reviewed several models of organisational effectiveness that had been used by researchers in the field. He was able to distinguish between two measurement models of effectiveness- the univariate and the multivariate. These two measures will be the subject of the following subsections.

3.3.1 UNIVARIATE MEASURES OF ORGANISATIONAL EFFECTIVENESS

Earlier measures of organisational effectiveness were predominantly univariate. They used only one property of organisation such as 'productivity' or 'net profit' as a 'single' or an 'overall' indicator of organisational effectiveness. Campbell's (1977:36-39) review of these

measures of organisational effectiveness identified a total of 30 variables which had been used as univariate indicators of effectiveness. These are shown in Table 3.2.

Although univariate measures of organisational effectiveness continue to be widely used in contemporary research of performance, their value can be questioned on several grounds. First, given the diversity of variables used to measure effectiveness, it would be difficult to defend the use of any single variable (for example, absenteeism) as a comprehensive or adequate measure of organisational effectiveness (Steers, 1975). Second, one may question the interdependence of the effectiveness variables listed. It is possible for one indicator of effectiveness, e.g. productivity to be determinant of another indicator, e.g. profit (Bedeian, 1984).

Table 3.2 Univariate measures of organisational effectiveness

Overall effectiveness
Productivity
Efficiency
Profit
Quality
Accidents
Growth
Absenteeism
Turnover
Job satisfaction
Motivation
Morale
Control
Cohesion
Flexibility/Adaptation
Planning and goal setting
Goal consensus
Internalisation of organisational goals
Role and Norm congruence
Managerial interpersonal skills
Managerial task skills
Information management and communication
Readiness
Utilisation of environment
Evaluations by external entities
Stability
Value and human resources
participation and shared influence
Training and development emphasis
Achievement emphasis

3.3.2 MULTIVARIATE MEASURES OF ORGANISATIONAL EFFECTIVENESS

Recent research on organisational effectiveness has shifted away from focusing on univariate (single) property of organisations and has focused instead on more advanced measures that utilise multivariate (multiple) properties to assess organisational effectiveness. Steers (1975:549) reviewed 17 studies that used multivariate measures of effectiveness. These are displayed in Table 3.3.

If we consider the main rationale behind these recent efforts to use multiple measures of effectiveness in organisational research, we can conclude that this is due to the fact that no single criterion alone can be used to represent the overall level of performance in organisations. It is useless to ask a general question (even though it is not valid) as to whether a certain organisation is effective or ineffective. In fact, organisations are usually judged effective or ineffective not in general terms, but on a number of different dimensions. The multiple criteria measures can resolve this dilemma by considering in a more comprehensive way, the major sets of variables involved in the effectiveness construct.

Table 3.3 Frequency of occurrence of evaluation criteria in 17 models of organisational effectiveness

Evaluation criterion	No of Times Mentioned
Adaptability-Flexibility	10
Productivity	6
Satisfaction	5
Profitability	3
Resource acquisition	3
Absence of strain	2
Control over environment	2
Development	2
Efficiency	2
Employee retention	2
Growth	2
Integration	2
Open communication	2
Survival	2
All other criteria	1

Despite its distinct advantages over the univariate criteria measures, multivariate measures are, however, subject to one major difficulty. This is, the lack of agreement among researchers as to what constitutes a valid set of variables that should be used to measure effectiveness.

This lack of agreement may be due partly to the differences in perspectives and objectives of the

researchers themselves; to the unforeseen hindrances in the availability of data on various performance measures; and to the difficulty in measuring some criteria of performance in the organisations under scrutiny. Once combined, these factors would undoubtedly allow a researcher to limit his focus to specific organisational properties for the assessment of organisational performance with the aim of satisfying the previous setbacks.

3.4 THE ADOPTED CRITERIA OF ORGANISATIONAL EFFECTIVENESS

As explained earlier, univariate and multivariate measures can be employed to assess the effectiveness of organisations. The usual way of coping with the methodological problems of using 'singular' measures of performance is to apply a multiple criteria. The rationale is that as organisations are multifunctional in nature and as they pursue multifarious goals, their effectiveness or performance is expected to be multifaceted too.

In the present study, multivariate criteria of effectiveness are employed. The decision has been taken to rely on a group of financial (economic) and behavioural indicators or organisational effectiveness.

Prior to that decision, a consideration was given to the availability of the previous measures in the context of Jordanian manufacturing companies.

The financial or economic indices utilised in the present study tap two sub-areas of effectiveness: growth and profitability. The growth measures are sales growth and growth in profit. The measures of profitability are return on sales, asset turnover, and return on investment. All of these measures are based on a five-year average (1984-1988). The behavioural measures of performance considered are the ability of organisation to retain high-level manpower, employees' satisfaction at work, and the intention of employees to quit working in the present company. Further details of these measures will be given in Chapter 5.

Financial or economic indicators of effectiveness were adopted because profitability and growth are major goals that all business companies, regardless of the functions they perform, seek to accomplish. Behavioural measures were also utilised since organisations cannot operate and attain their goals without their labour forces. Organisations, therefore, are expected to pay considerable attention to and take care of their employees. This attention and care is assumed to

represent a noticeable aspect in the goals of organisations.

3.5 ORGANISATIONAL EFFECTIVENESS AS A FUNCTION OF ORGANISATIONAL CLIMATE

In Chapter Two of this thesis, attention was focused upon the concept of organisational climate in terms of its evolution, nature, measurement, and its current issues. So far in the present chapter, the emphasis has been mainly upon understanding the concept of effectiveness in terms of its conceptual models, operational measures, and the specific indicators which are adopted in the present investigation.

Now we shall examine the linkage between organisational climate and the effectiveness of organisations as evidenced in previous studies in the literature. While the literature showed no lack of organisational climate research, there was a lack of empirical attempts to examine the relationship between organisational climate and organisational effectiveness or performance. The researcher was able to locate only seven contributions made by Litwin and Stringer (1968), Kaczka and Kirk (1968), McClelland and Burnham (1976), Gordon and Goldberg (1977), Heller (1978), Benjamin (1983), and Boer (1985).

Litwin and Stringer (1968) found that different organisational climates had significant effects on motivation and, consequently, on organisational performance and satisfaction. Sales units were found to perform better with less structure and more individual responsibility. In that study, leadership style was viewed as a cause of organisational climate which, in turn, would influence different organisational outcomes, and result in different behaviours of organisational members and organisational outcomes.

The results of Kaczka and Kirk (1968) indicated that certain dimensions of climate had significant effects on the organisational performance of business organisations as measured by both economic and socio-psychological criteria. It was also found that an employee-centered climate had higher performance (in terms of higher profits and lower cost) but not in all cases. Employee-oriented climate also yielded higher satisfaction than task-centered climate.

McClelland and Burnham (1976) studied sales performance of different sales divisions within a consumer products company. They reported that sales divisions that had higher degrees of clarity and team spirit achieved higher sales volumes than other divisions which had relatively lower degrees of these variables.

Gordon and Goldberg (1977) administered a questionnaire to 29 organisations which contained eight dimensions of climate in an attempt to investigate their relationship to growth in net income. Their major findings showed that high profit/growth companies were clearly similar on some climate elements. The items that produced a strong relationship to profit were clarity, decision making, performance orientation, and compensation.

Heller (1978) studied the relationship between organisational climate and organisational effectiveness of thirty-two estate offices. He found that the lower the climate the more effective the real estate offices were. The climate dimensions of clarity, responsibility, commitment, standards, recognition, and team work were found to have negative relationships with rate of return (profitability).

Benjamin (1983) administered a climate questionnaire to subjects in five factories located in several states in the eastern area of the United States in an attempt to investigate the relationship between climate factors and selected performance indices. He found that the statistically significant results were limited to five correlations: work flow-turnover, involvement-turnover,

clarity-lost time accidents, compensation-profit, and compensation-return on net assets.

Boer (1985) aimed at investigating the possible relationship between organisation climate, need for achievement training, and organisation performance in clothing manufacturing companies in South Africa. The perception of climate of 65 management and supervisory staff members were measured at the beginning and again at the end of the study. The changes in climate perceptions were studied together with the changes in organisation performance in that period. It was found that the changes in performance parameters of labour productivity, turnover and absenteeism could not be related to changes in climate perceptions. However, a significant relationship was found between the change in climate perception and a change in the fault rate (faulty manufactured products).

This review indicates that the relationship between the perception of organisational climate and the parameters of effectiveness do not form a consistent pattern. The relationship was established in some of the cases but not others. It has been suggested by Hellriegel and Slocum (1974) that variance in the relationship may be due to the wide diversity of organisations studied. That is, the possible effects of contingency variables were

not controlled for. The present research, as was indicated earlier and will be discussed later in Chapter 5, will control most of the potential causes of this lack of consistency such as type of ownership, type of business, organisation size, and type of technology. The control of many of the contingency variables would exclude the extraneous variables that may prevent cross-comparability and the establishment of relationships between organisational climate and organisational effectiveness to take place.

3.6 SUMMARY

This chapter has sought to shed light on four principal aspects related to the construct of organisational effectiveness. These are: 1) theoretical approaches to the study of organisational effectiveness; 2) operational measures of effectiveness; 3) measures of effectiveness adopted for the study; and 4) previous research attempts to study organisational effectiveness as a function of organisational climate.

The two prominent approaches to the study of organisational effectiveness; the goals and the systems approach were analysed in the chapter. While the goals approach relied mainly upon goal attainment (i.e productivity, profitability, etc.) as a single standard

of organisational effectiveness, the systems approach sought to view organisational effectiveness in terms of the interaction process between the organisation and its external environment. Organisational survival and the acquisition of scarce and valued resources were examples of measures in this approach. However, these two approaches of effectiveness were subject to a number of critiques. The shortcomings associated with each approach were spelled out in the designated section.

Following that discussion, the concept of effectiveness was viewed in terms of two operational lines of measurement; univariate and multivariate measures. Univariate measures of effectiveness relied on a single organisational property through which effectiveness can be assessed. Multivariate measures, in contrast, utilised multiple indicators in order to assess organisational effectiveness. However, the univariate and multivariate models of effectiveness suffered from a number of difficulties which were addressed in the chapter.

The attention then turned to a presentation and justification of the effectiveness criteria adopted for the study. It was decided to utilise two groups of multiple measures of effectiveness: financial (economic), and behavioural measures. The economic or financial indicators were divided into two sub-areas: growth, and

profitability indices. Indicators of growth were sales growth, and growth in profit; while the profitability indicators were return on sales, asset turnover, and return on investment. The behavioural indices of effectiveness adopted by the researcher were retention of high-level manpower, employee satisfaction in work, and the intention of employees to quit the present company.

In the fifth section, a link was established between organisational climate construct and organisational effectiveness as evidenced in seven empirical studies of the literature. The results of these pieces of research showed that the relationship between organisational climate and effectiveness was established in some cases but not others. It was suggested that the variance in the relationship was due to the wide diversity of organisations studied. Thus, in order to avoid this heterogeneity of organisations, the present study will seek to control for the contingency variables of type of ownership, type of business, organisation size, and level of technology. Details of these contingency variables will be presented in the chapter which deals with methodology. The next chapter will provide a background information on the external environment that Jordanian industrial companies operate in.

CHAPTER FOUR

JORDAN: ITS MAJOR ENVIRONMENTAL FACTORS

4.1 INTRODUCTION

Formal organisations operate within macro-environments that significantly vary in terms of their socio-cultural, educational and economic variables. As organisations do not exist in a vacuum, external environmental factors will impinge directly or indirectly on their functioning.

In terms of social and cultural environment, there is a widespread acceptance of the idea that organisations are likely to be influenced by the culture of the societies in which they are embodied. In fact, studying the extent and nature of the predominant value orientations of a society clearly helps in understanding why people behave the way they do in their working organisations. Furthermore, organisations, especially private ones, are expected to be also influenced by the various opportunities and constraints, and by the general economic conditions prevailing in a specific country.

Hence, it is essential to describe the various environmental parameters of the national context in which the present study is conducted. The present chapter,

then, aims at examining the more salient environmental conditions that prevail in Jordan, with which the reader needs to be acquainted. Only those environmental aspects that are thought to be necessary for a better comprehension of the research setting and its periphery have been included. The value of presenting these background aspects will be realised when, at later stages of the thesis, references will be made to these features in the analysis and interpretation of research results.

This chapter is composed of seven sections that aim to introduce the reader to the background of Jordan. These sections include information on the country's general background, demographic features, educational milieu, work force, economic context, industrial sector, and social and cultural environment.

4.2 GENERAL BACKGROUND

The people of Jordan are predominantly Arab Muslims. However, there exist minority ethnic groups, both non-Arabs, and non-Muslims. Non-Arabs constitute nearly 1 per cent of the population. Non-Muslims are represented by Christians who form about 5 per cent of the population. The country is situated off the south-east of the Mediterranean sea. It is bordered by Syria to the

north, Iraq to the north-east, Saudi Arabia to the south and east and by the West Bank to the west.

The formerly known Emirate of Transjordan (or East Bank of Jordan) was established in 1921. In 1946, the country obtained its independence from the British mandate and the Hashemite Kingdom of Jordan, or Jordan as commonly known, was founded. In 1948, the Arab-Israeli war broke out in which Israel was established, and thousands of refugees from former Palestine crossed to the East bank of the River Jordan. In December 1948, a Palestinian Arab congress meeting in Jericho invited King Abdullah, the grand father of the present king (Hussein), to unite Arab Palestine with Transjordan (Seccombe, 1984). In 1950, the West Bank territories were formally united with the kingdom. During the whole period of 1950-1967, the West Bank was treated as part of Jordan. Following the 1967 Arab-Israeli war, the West Bank fell into the Israeli occupation. However, Jordan continued to have administrative and legal ties with the West Bank until 1989 when Jordan severed all of such ties.

Jordan is a constitutional hereditary monarchy. The constitution separates legislative, executive, and judicial powers. The legislative power is vested in a bicameral house of parliament that consists of two houses: the House of Notables or the upper house

(appointed by the king), and the House of Representatives or the lower house (selected by national election). The executive power is exercised by the king and appointed council of ministers. The judiciary is independent of the legislative and executive branches and exercises its power through different courts of laws.

The country is composed of eight administrative governorates: Amman, Zarqa, Irbid, Mafraq, Balqa, Karak, Tafiela, and Ma'an. Amman is the capital as well as the commercial and industrial centre of the country.

4.3 DEMOGRAPHIC FEATURES

The population of Jordan was estimated to be 3,001,100 in 1988 (excluding the West Bank) as compared to 586,200 (excluding the West Bank) in 1952 census. The growth in population for the period of 1952-1988 is given in Table 4.1. The most striking finding of the table is the rapidly changing population size of Jordan. The population has more than tripled in the last thirty years or so. The population is also expected to reach 6.6 million in 2000 and 12.3 million in 2020. This growth rate of population places Jordan amongst the highest demographic growth rates in the world.

This high population growth in Jordan could be attributed to several factors other than the influx of Palestinian refugees. Amongst these are the high birth rate; the drop in crude death rates following enhancements and expansion in the public health services; and the improvements in economic and social conditions in the country. The figures in Table 4.1 also reveal another characteristic of Jordan population concerning its gender distribution. The male population outnumbers that of the females. The average male population was 51.7 per cent of the total population during the period 1952-1988.

Table 4.1 Population of the East Bank of Jordan for the period 1952-1988

Year	Male	Female	Total
1952	301,700	284,500	586,200
1961	469,400	431,400	900,800
1975	941,500	869,000	1,810,500
1979	1,115,800	1,017,200	2,133,000
1984	1,257,600	1,237,500	2,495,100
1988	1,569,500	1,431,500	3,001,000

Source: Department of Statistics (1988:19), Jordan
Statistical Yearbook, No. 39, Amman.

Another structural characteristic of the Jordanian population is that most of the people are young. As can

be seen from Table 4.2, people under the 14-age group constitute about one-half (48.1 per cent) of the 1988 population. The table also shows that those who are of working age group (15-64 years) represent 49.3 per cent of the total population. However, people in the age band of 65 years and above are the smallest (2.6 per cent). Thus, the domination of young age groups will inevitably lead to a lower proportion of people in the working age group and a higher dependency ratio (viz., number of dependents related to number of persons at the working age). The dependents here may be children, wife, parents, or siblings.

Table 4.2 Percentage distribution of population according to age groups in 1988

Age Group	Male	Female	Total
0-14	47.8	48.3	48.1
15-64	49.7	49.0	49.3
65+	2.5	2.7	2.6

Source: Department of Statistics (1988:31), Jordan Statistical Yearbook, No.39, Amman.

The majority of the Jordanian population is concentrated in the north-west region of the country which contains the capital and the major cities. The estimated population of 1988 indicates an uneven demographic

distribution. Amman and Zarqa governorates, with only 20 per cent of the total area of the kingdom, contain 56 per cent of the population. People who lived in the governorates of Amman, Zarqa, and Irbid formed more than 80 percent of the total population.

4.4 THE EDUCATIONAL MILIEU

Jordan considers education as one of its remarkable achievements. The government's frequently raised banner 'The human being is our most valuable asset' implicitly pointed out to the importance of educated members of the society. Education in Jordan played a significant role in the economic and social development of the society.

Education in Jordan is provided by public and private sectors. Elementary education is free (in state schools) and, where possible, compulsory in the first nine grades. The literacy rate in Jordan is considered among the best in the Middle East. In 1986, the rate of literate population aged 15 or above was as high as 79.4 per cent (Encyclopaedia Britannica, 1989).

The educational ladder in Jordan consists of elementary, preparatory, and secondary schooling. The duration of the first cycle is six years, whilst each of the preparatory and secondary cycles lasts three years. The secondary

school cycle is divided into three types: academic school, vocational school, and comprehensive school. At the end of the secondary cycle, students sit the General Secondary Certificate Examination (GSCE). The Ministry of Education is responsible for all educational decisions related to curricula planning and examination.

Students who pass the (GSCE) and wish to continue their education can join universities or community colleges. Presently there are four state-run, but autonomous, universities in Jordan: University of Jordan, Yarmouk University, Mu'tah University, and Jordan University of Science and Technology. In 1990, three more universities, run by the private sector, were given licenses to operate in Jordan. As the community colleges (two-year post-secondary duration) are concerned, there are 12 colleges controlled by The Ministry of Higher Education, 22 colleges of the private sector but supervised by the ministry, and seven other colleges controlled by some governmental agencies.

The number of Jordanian students in all educational cycles for the year 1987/1988 is given in Table 4.3. A quick glance at the numbers compiled in the table shows the remarkable enrollment rate in various levels of education which almost reached one million students. When compared with the whole population, the figures revealed

that almost one-third (33 per cent) of the Jordanian population were students.

Table 4.3 Distribution of Jordanian students by educational level during 1987/1988

Educational level	Male	Female	Total
Elementary	291,777	279,018	570,795
Preparatory	116,817	103,994	220,811
Academic Secondary	49,039	54,092	103,131
Vocational secondary	19,484	14,049	33,533
Community college	12,412	17,440	29,852
University degree	14,711	10,792	25,503
Postgraduate degree	2,800	792	3,592
Total	507,040	480,177	987,217

Source: Department of statistics (1988:241,251), Jordan Statistical Yearbook, No.39, Amman.

The table also shows the high female participation in schools and educational institutions. During the academic year 1987/1988, females represented almost half (48.6 per cent) of the total number of students enrolled in various levels of education. The female representation outnumbered that of their male counterparts in community colleges (58.4 per cent), and in the academic secondary schools (54.4 per cent).

The notable educational achievements of Jordan can be attributed to the following considerations (Shaikh, 1989):

1. Most of the people in Jordan believe that education is one of the best means through which one can improve one's status and prestige in the society (as will be discussed in section 4.8).
2. The introduction of compulsory education in the first nine grades.
3. The notable increase in the number of schools (the public in particular), community colleges, and universities.
4. The change in the attitudes of Jordanians towards accepting the idea of enrolling their daughters in post-secondary education.
5. The socialisation and communication with other countries which has opened up new avenues for Jordanian students to carry out their higher education abroad (In the academic year 1988/1989 there were 36,019 students studying in higher education institutions abroad).

4.5 THE WORK FORCE

As observed in section 4.3, the population of Jordan was characterised by the domination of youth age groups.

Hence, one would not be surprised to find the reciprocal and imperative effect of this feature reflected in the low ratio of economically active population (viz., number of national people employed in the market).

Indeed, there were three factors , other than the low proportion of people in the working age groups, that contributed to the low participation rate (viz., proportion of members of Jordanian labour force). First was the high enrollment ratio in educational institutions as explained in the previous section. Second, the markedly low, although significantly expanding, female participation rate in the work force. Third, the high rate of emigration of Jordanian labour force particularly to Arab oil producing countries (Zaghal, 1984).

Based on the figures compiled in Table 4.4, the ratio of economically active population amounts to 17.4 per cent in 1988. One can also observe from that table the mass employment of labour in service-oriented, as opposed to production-oriented, economic activities. The table indicates that in 1988, nearly half of the labour force in Jordan was employed by the social and public administrative services (48.1 per cent). The manufacturing and mining sector was the second largest employer and accounted for 10.3 per cent of the total labour force. The sector also employed the largest amount

of the labour force within the productive economic activities (the first four in the table). In fact, the workers in the agricultural sector dropped significantly from 33.7 per cent of the labour force in 1961, to 11.5 in 1979, and to 7.6 per cent in 1988. These figures reflect another shift in the attitude of Jordanians, their unwillingness to work in agriculture.

As for the participation of Jordanian women in the labour force, the available data indicates that in 1980, females accounted for 20 per cent of the working population in various economic activities (Kurian, 1987). However, more recent, but limited data, is available on establishments employing five or more workers for the period 1983-1987. These data is presented in Table 4.5. The table shows a slight increase in female representation in the years 1984-1987 as compared to 1983. On the other hand, male-specific rates showed a slight decrease in the years of 1984-1987 in relation to 1983. In spite of the moderate increase in female participation, the structure of the labour force is still overwhelmingly male. The low level of female participation in Jordanian work force has been associated with a range of variables. Foremost among these are the cultural values, marital status, level of education, fertility rate, husband's education, and the degree of urbanization (Mujahid, 1982).

Table 4.4 Distribution of employed Jordanian manpower by major economic activity for 1979 and 1988

Economic activity	1979		1988	
	N	%	N	%
Agriculture	46,728	11.5	39,658	7.6
Manuf. & Mining	34,935	8.6	53,747	10.3
Electricity & Water	2,472	0.6	8,349	1.6
Construction	52,645	13.0	52,182	10.0
Trade	41,541	10.3	52,182	10.0
Transport & Comm.	28,977	7.2	46,693	9.0
Financial services	8,673	2.1	17,741	3.4
Social & Public				
Admin. services	189,303	46.7	250,993	48.1
Total	405,274	100.0	521,815	100.0

Sources: Ministry of Planning (1985:63), Five-Year Plan for Economic and Social Development 1986-1990, Amman. Department of statistics (1988:81), Jordan Statistical Yearbook, No.39, Amman.

Table 4.5 Employment of Jordanian manpower by sex (1983-1987)

Year	Male		Female		Total
	N	%	N	%	
1983	102,007	78.4	28,045	21.6	130,052
1984	105,729	75.7	33,904	24.3	139,633
1985	111,094	76.3	34,570	23.7	145,664
1986	122,370	76.0	38,715	24.0	161,085
1987	140,009	76.1	43,871	23.9	183,880

Source: Department of Statistics (1988:72-73), Jordan Statistical Yearbook, No. 39, Amman.

The labour market in Jordan is characterised by a considerable drain of manpower which was estimated by Ministry of Labour (1987) as 330,000 workers in 1987, of whom 84 per cent went to work in Arab countries. To compensate for this drain, the replacement migration (immigration) took place. The number of non-Jordanian workers (of whom the majority are Arabs) amounted to 143,000 in 1985. In 1989, Non-Jordanian work force was estimated to be around 300,000 workers.

"Jordan has the most highly educated and best trained work force in the Arab world. Its workers have been in heavy demand in the Gulf states and Saudi Arabia. Jordan citizens play an important role in the running of these economies, occupying key positions in government ministries and agencies, as well as in many service activities such as health and education." (Wilson, 1988:326).

The increase in domestic demand for labour during the second half of 1970s, resulting from rapid economic growth and the emigration (outflow) of Jordanian labour to neighbouring oil countries, led to a general rise in wages as well as to replacement immigration (inflow) of non-Jordanian labour. This pattern was revised during the second half of the 1980s. As a result of sluggishness in economic activities in the region, there was a fall in labour demand and a rise in supply in domestic and

foreign markets. The resulting imbalance was reflected in emerging unemployment and falling of wage rates.

The unemployment among Jordanian manpower started surging rapidly in the eighties, when it climbed from 3.9 per cent in 1981 to 8.0 in 1986 (Ministry of Labour, 1987). In 1987, the rate of unemployment was unofficially estimated at 17 per cent of the work force (Fisher, 1990). Several factors exacerbated this situation. Foremost among these were the vast increase in the supply of university and community college graduates and the tightening economic conditions in the country especially from the mid-1980s onwards.

The interests of the Jordanian labour force are usually defended by labour unions and professional organisations. The General Federation of Jordanian Labour Unions is the principal labour organisation. However, only 20 per cent of Jordanian labour is unionised. This low proportion is due primarily to the population's lack of familiarity with unions, rather than to government or business efforts to suppress union membership (Kurian, 1987).

4.6 THE ECONOMIC CONTEXT

Among the salient features of the Jordanian economy is its liberal economic climate and the limited government

intervention. This is despite the fact that the government holds important equity positions in many of the larger enterprises. Despite its meager natural and physical resources, the country's free market policy seems to have brought some economic success. Jordan achieved buoyant economic growth in recent years that was considered one of the highest in the world. This can be noticed in the expansion of the Gross Domestic Product (GDP), in real terms, at an average annual rate of more than 8 per cent between 1974 and 1984 (Fisher, 1990).

However, the real growth rate of GDP, at factor cost, experienced a decline in 1986 when it dropped as low as 2.4 per cent, but moved up again in 1987 to reach 3.5 per cent (Department of Statistics, 1988). So too, the world economy witnessed a decline in its growth rate in the 1980s. The slackening growth of the Jordanian economy, as compared to many other Arab countries, was still at lower level. The growth rates of oil-producing Arab countries is shown in Table 4.6.

At sectorial level of the Jordanian economy, the relative importance of the industry and mining in GDP, at factor cost, went up from 11.2 per cent in 1973 to 18.8 per cent in 1980. This rise was ascribed to the rapid increase in volume and value of industrial products due to

Table 4.6 Expected average GDP at current prices in the Gulf countries for 1986, 1987

Country	1986	1987
Saudi Arabia	-13.4	1.5
Kuwait	-16.4	2.0
United Arab Emirates	-21.2	2.5
Qatar	-21.1	1.5
Oman	-8.0	2.0
Bahrain	-7.6	1.0

Source: Amman Financial Market (1987:21), The Tenth Annual Report, Amman.

expansion of the production base. Conversely, there was a decrease in the relative importance of the agricultural importance of the agricultural sector. From an average share of 21.1 per cent, it fell to 7.1 per cent between 1973 and 1980. The relative importance of the services sector compared to the production sectors declined in favour of the commodity producing sectors. It dropped from 70 per cent in 1973 to 61 per cent in 1980. In fact, this trend was considered a positive one as it would lead to a better balance in the sectorial composition of the GDP, and a greater economic stability. Data on the relative importance of the economic sectors in GDP is given in Table 4.7.

Table 4.7 The relative importance of the economic sectors in GDP in percentages (1973-1980)

Economic sector	1973	1980
Manufacturing and Mining	11.2	18.8
Agriculture	12.1	7.1
Electricity and Water	1.5	1.9
Construction	8.0	11.0
Total Commodity Producing Sectors	32.8	38.8
Wholesale and Retail Trade	20.2	18.7
Transport and Communication	9.5	9.0
Financial and Real Estate Services	11.1	10.7
Government Services	24.7	19.0
Other Services	4.5	3.4
Total Services Sector	70.0	61.0

Source: Ministry of Planning (1985:13), Five-Year plan for Economic and Social Development 1986-1990, Amman.

The structure of Jordanian economy in 1988 is presented in Figure 4.1 (Central Bank of Jordan, 1988:7). It can be observed that the importance of the agricultural sector slightly increased, but remained low, at an annual average of only 9.6 per cent. The value added in the manufacturing and mining sector accounted for 16.8 per cent of the GDP. Although declining, the services sector continued to dominate the economy where it accounted for more than two-third (68 per cent) of the GDP.

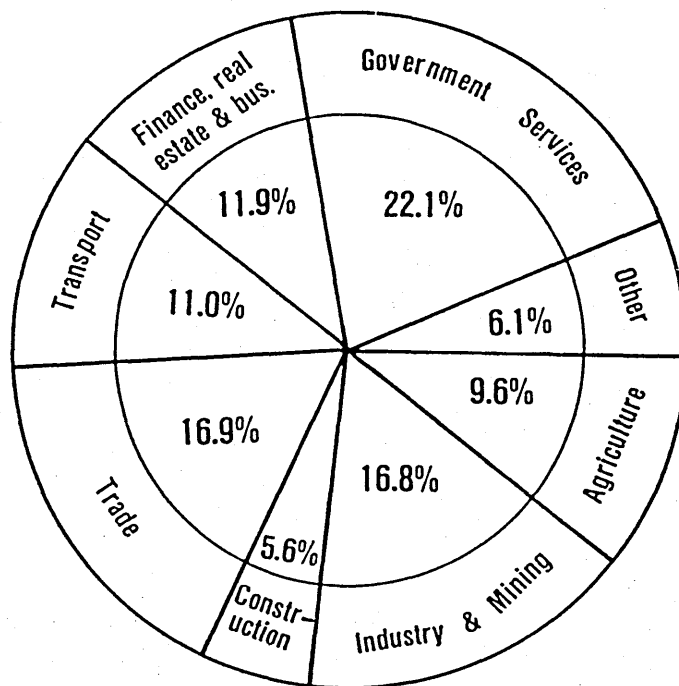


Figure 4.1 Gross Domestic Product in 1988 (at current factor cost)

The actual performance of the Jordanian economy from 1981 onwards fell below the projection of the Five-Year Plan (1981-1985). The plan assumed continuation of existing positive trends such as the remittances of Jordanians working abroad and the inflow of official aid from Arab countries. Other factors in the area such as the Iran-Iraq war in the Gulf and the civil war in Lebanon, brought economic and political instability to the whole region.

In the early 1980s, the economies of Arab Gulf states (the major host of Jordanian workers, and the major

importer of Jordanian exports) were hampered by the decline in the world oil prices. This had negative repercussions on the economic condition of Arab oil-producing countries which, as a result, meant less money was available for their imports, employment, and other forms of government expenditures. As far as the Jordanian economy was concerned, the effect of these developments had certain consequences. Principal among these were : 1) a sharp fall in size of official transfers to the Government from JD 415 million in 1981 to JD 290 in 1985; 2) a reduction in real annual growth rate of commodity exports to 7.4 per cent as opposed to 28 per cent envisaged by the plan; and 3) a fall in the growth rate of remittances by Jordanians working abroad (Ministry of Planning, 1985).

On the other hand, the Jordanian economy witnessed a substantial increase in the general price level during the 1980s. In 1981 until 1987, the cost of living index (1980=100) was 107.7, 115.7, 121.5, 126.2, 130.0, 130.0, and 129.6 respectively (Central Bank of Jordan, 1987). As a result of these progressive levels of inflation, the real wage rates in various sectors of the economy were thought to have dropped significantly.

4.7 THE INDUSTRIAL SECTOR

The development of the manufacturing industry in Jordan is almost entirely of recent origin. Before 1948, there were practically no factories in Jordan and even the production of handicrafts was on a very restricted scale. In 1954, there were 421 industrial establishments (employing five persons or more) with a total of JD 4.3 million capital investment and 7,218 employees. In 1955, the government passed an Investment Act No. (28) to encourage the inflow of foreign capital for investment in Jordan. In 1959, the number of firms rose to 6,887 with an annual invested capital of JD 23 million. However, the contribution of the industrial sector to the national economy was still at a lower level at that time, accounting for only 8.0 and 7.6 per cent of the GDP in 1954 and 1959 respectively (Al-Sumadi et al., 1984). In 1987, the number of industrial establishments employing 20 workers or more amounted to 9,679 and employed 65,816 workers, of whom 3,487 (5.3 per cent) were females (Department of Statistics, 1988).

As was shown in the previous section, the contribution of the manufacturing to the GDP was the second highest amongst sectors of the economy in the 1970s and beyond. Income gained from the manufacturing and mining sector rose from JD 18.5 million in 1972 to JD 167.1

million in 1980, achieving an annual growth of 31.7 per cent in current prices. The highest economic sector, in terms of its growth rate, was the construction sector where investment rose from JD 9.2 million in 1972 to JD 97.5 million in 1980 at a growth rate of 34.3 per cent in current prices (Ministry of Planning, 1985).

For an economy of its size, Jordan has a fairly diversified industrial base. The industrial sector is characterised by concentration of a few large capital-intensive industries that include phosphate (the world's second largest producer), potash, cement, and refined petroleum products. On the other hand, the sector includes intermediate and light industries such as chemicals, textiles, fertilizers, paper, leather, cigarettes, food processing and other consumer items (see Table 4.8). Most of these are in the private sector.

There are four types of ownership in the private sector:

- 1) public share-holding companies (open for public subscription and listed in Amman Financial Market);
- 2) limited share-holding companies (shares are owned by limited number of people and the subscription is not open for public);
- 3) ordinary partnership (two or more partners);
- and 4) proprietary (one owner).

Table 4.8 Industrial production of principal industries
(1985-1987)

	Unit	1985	1986	1987
Phosphate	000 tons	6067.1	6249.2	6845.4
Cement	000 tons	2022.9	1794.7	2371.6
Petrol. Prod.	000 tons	2423.9	2257.1	2404.5
Iron	000 tons	198.4	209.6	217.0
Textiles	000 Yards	2249.0	2249.2	1958.0
Metallic Pipes	000 tons	14.2	12.5	18.5
Cigarettes	Mill. Cig.	3538.1	3327.7	4000.4
Paper	tons	21.1	15.1	20.5
Sole Leather	tons	29.3	18.1	34.4
Upper leath.	000 Sq. Ft.	1937.8	2393.1	2140.6
Liquid Batt.	000 Batt.	49.6	55.7	54.4
Detergents	tons	15.0	28.1	25.9
Potash	000 tons	908.2	1102.0	1203.2
Fertilizers	000 tons	510.5	551.1	604.0
Chemical Acids	000 tons	1007.6	1024.8	1103.2

Source: Central Bank of Jordan (1987:74-75), Monthly Statistical Bulletin, Vol. 23, No. 12.

The majority of industrial publicly-held companies, as well as other forms of industrial establishments mentioned earlier, are located in the Amman and Zarqa governorates in the north west corner of the country. In the year 1988, 38 out of the 43 industrial share-holding companies (88 per cent) were concentrated in that region (Amman Financial Market, 1989). The total number of workers employed by the manufacturing share-holding

companies were 1,826 in 1974, 6,199 in 1975, 13,662 in 1982, 15,129 in 1986, and 17,368 in 1988 (Al-Sumadi, 1984; Amman Financial Market, 1989). In the year 1988, the number of employees in manufacturing share-holding companies represented 26 per cent of the total labour force in the industrial sector.

As far as the growth of income is concerned, industrial share-holding companies achieved outstanding rates as their production rose from around JD 50 million in 1974 to around JD 58 million in 1975. In 1977, the value of production was about JD 75 and continued to climb until it reached JD 222.6 million in 1980. Table 4.9 showed growth rate in the value of production of share-holding companies.

Table 4.9 Value of production of industrial share-holding companies (1974-1982)

Year	Value of production (JD)	Growth rate (%)
1974	49,675	-
1975	57,821	16.4
1976	67,737	17.1
1977	74,703	10.3
1978	91,267	22.1
1979	120,766	32.3
1980	222,638	84.4
1981	305,675	37.3
1982	416,409	36.2

Source: Al-Sumadi et al., (1984:24), Royal Scientific Society, Amman.

4.8 THE SOCIO-CULTURAL ENVIRONMENT

At the outset, it should be stated that Jordan is a developing country and its social values and culture are within the broad Arab tradition. Nonetheless, the socio-cultural environment prevailing in Jordan can be considered as being uniquely and distinctly Jordanian in a limited sense. In terms of the value orientation and social structure of the Jordanian society, five major national traits were identified by Malallah (1976) based on the following aspects: 1) general ethical orientation, 2) authority, 3) interpersonal relationships, 4) status and prestige orientation, and 5) social structure. Details of these characteristics are given in the following paragraphs.

While Jordan possessed some traditional characteristics which are common to many developing countries such as the personalistic social relationships, it probably qualified as modern in terms of its physical facilities. Traditional societies tend to adhere to values that give more importance to who a person is rather than to what he is capable of doing or has done; more to whom one knows rather than what one knows; and more to who are affected by particular events rather than what the events are. In the Arab countries, "personalities superimpose themselves on issues to such an extent that personalities

and issues cannot be separated." (Pezeshkpur, 1978:53). The Jordanian individual can be described as personalistic and particularistic in value orientation. This attribute, to large extent, is reflected in one's loyalty to his own group or family more than to one's class or nation.

One of the most notable Jordanian traits is a high regard for authority. Authoritarianism in Jordan is rooted in and demonstrated by the structure and child-rearing practices of the Jordanian family. "It should be remembered that Arabs spend most of their time within their family units. Family norms, then play significant roles in the behavior of Middle Easterners." (Pezeshkpur, 1978:52). Children are taught to show respect and obedience to their parents, grandparents, members of the extended family, kin relatives, and even to the people in the community (especially elderly ones).

Another salient Jordanian value is the predisposition towards subordinating one's personal interest and goals to the welfare of one's family or group. The group-centredness is evidenced in Arab cultures where the individual, in general, is regarded as subservient to the group. Berger (1964:33) alluded to this trait with fierce equalitarianism:

"Through most of their history, despite the recent introduction of Western political forms, Arab communities have been collections of groups rather than of individuals. The family and the tribe have been the social units through which the individual has related himself to others and to governments."

One of the notable peculiarities of Jordanian people is that they are generally known for their excessive concern for status and prestige in the society. The Jordanian concern for status consideration can be readily inferred, for example, by the way people are addressed or introduced even in social informal gatherings. Jordanians, as people from all over the world, enjoy having prestige in their community. In the Arab culture, three sources of prestige are paramount; piety, education, and land (Berger, 1964). To this list one might add being in occupations such as members of parliament, high ranking army officers, senior civil servants, independent professionals (i.e. physicians, engineers, lawyers); and wealthy individuals in general.

Perhaps the most salient aspect of Jordanian society is the extent of its segmentation. This structural characteristic is associated with traditional societies, which:

"deploys people by kinship into communities isolated from each other and from a centre; ... lacking the bonds of interdependence, people's horizons are limited by locale and their decisions involve only other known people in known societies." (Lerner, 1958:50)

The segmentation of Jordan society, a society being rooted in the kinship system with a personalistic value orientation, has both vertical and horizontal manifestations. Jordanian people form self-contained social enclaves which are made up of people from all socio-economic classes. The apex of such social formations is typically occupied by the wealthiest and, to a large extent, the most powerful. This stratum has typically been represented by the chiefs of tribes, landlords, entrepreneurs, and professionals. An important consequence of the kinship-based vertical ego-centred segmentation of Jordanian society is the absence of overriding feeling of class identification. It might be convenient to regard Jordan, in terms of socioeconomic stratum, as a two-class society. While this may be true in the remote rural areas, there also seems to be an emergent, but not yet fully developed, middle class in the cities and towns. In spite of the fact that it may be meaningful to speak of the structure of the whole Jordanian society in terms of socioeconomic classes, it should be borne in mind that these classes do not

constitute homogeneous layers of people that are bound together by a strong feeling of belonging.

On the whole, the aspects of Jordanian society and its value system can be summarised as follows (Malallah, 1976):

Table 4.10 Aspects of Jordan society value orientation

Aspect	Characteristic
1. General ethical orientation	-Personalistic and particularistic
2. Authority	-Highly respected
3. Interpersonal relationships	-Group oriented
4. Status and prestige	-Very high concern
5. Social structure	-High degree of vertical (kinship) and lateral (class) stratification

4.9 SUMMARY

The purpose of this chapter was to provide a background to several features of the Jordanian context in which the research was undertaken. The factors discussed in the chapter were the demographic characteristics of the population, educational system, labour force, the

economic context, the industrial sector, and the socio-cultural environment.

Among the paramount demographic features of the Jordanian society were the domination of young age groups and that the male population outnumbered that of the females. When it came to the educational context, Jordanians showed significant achievements in terms of enrollment in educational institutions. The imperative result of all of these aspects, in addition to the low female participation in the labour force and the high rate of labour emigration, was reflected in the low proportion of members of the Jordanian work force. Nearly half of the Jordanian labour force was employed by the social and public administrative services. The industrial and mining sector was the second largest employer of labour force.

The Jordanian economy experienced rising economic growth during the 1970's and mid-1980's. After that, a substantial economic decline was evidenced. The economy was dominated by the service sectors. The commodity producing sectors were dominated by the industrial and mining activities. In recent years, the economy has witnessed a substantial rise in the general price level which hampered the rates of real wages and salaries in the country.

The following five characteristics of the Jordanian society were addressed: 1) the personalistic and particularistic value orientations, 2) the high regard for authority, 3) the group-centredness of interpersonal relationships, 4) the excessive concern for status and prestige in the society, and 5) the high degree of vertical (kinship) and lateral (class) stratification. The socio-cultural environment describe here can be expected to impinge, either directly or indirectly, on the functioning and practices of formal organisations. The explanation of social factors prevailing in the Jordanian society will be utilised in order to gain insights into the pattern of results portrayed in Chapter Seven of the study. In that chapter, nine dimensions of organisational climate were investigated: Structure, Responsibility, Reward, Risk, Warmth, Support, Standards, Conflict, and Identity. These climate aspects of organisations, where possible and appropriate, can be related to characteristics of the external environment prevailing in Jordanian society. The next chapter will examine the methodology used in the study.

CHAPTER FIVE

METHODOLOGY OF THE STUDY

5.1 INTRODUCTION

The main purpose of this research was to investigate the characteristics of organisational climate in Jordanian industrial companies, study the difference in climate perceptions according to backgrounds attributes of employees, and to relate the dimensions of organisational climate to parameters of organisational effectiveness. The intention of this chapter is to address various aspects of research design and strategy utilised in the data collection phase.

The present chapter, first, elucidates the main objectives of the study, and then, introduces an operational definition of research design followed by an evaluation of the different research designs and methods available to the researcher. The sixth section of the chapter is devoted to justifying the research design adopted in the study. The next two sections describe the criteria that were applied in selecting the companies to be studied, and delineate the techniques used for data collection. Next, the research instrument for collecting certain research data is explained. The tenth section

examines the financial indicators of organisational effectiveness adopted in the study. The second last section describes the sample obtained in terms of companies and employees. The last two parts of the chapter discuss the statistical methods utilised in the data analysis and the limitations of the study.

5.2 OBJECTIVES OF THE STUDY

The present study was motivated by the desire to ascertain the nature of organisational climate in Jordanian industrial companies and its relationship to levels of organisational effectiveness. Diagram 5.1 displays the major variables investigated in the study. More specifically, the study sought to:

1. Examine the internal consistency and reliability of the organisation climate instrument in the setting of industrial companies in Jordan.
2. Test the independence of organisational climate dimensions from each others by the investigation of interrelationships among these variables.
3. Develop an understanding of the kind of organisational climate that existed in Jordanian manufacturing organisations. Organisational climate was assessed via perceptions of employees towards nine dimensions of climate. These were: Structure,

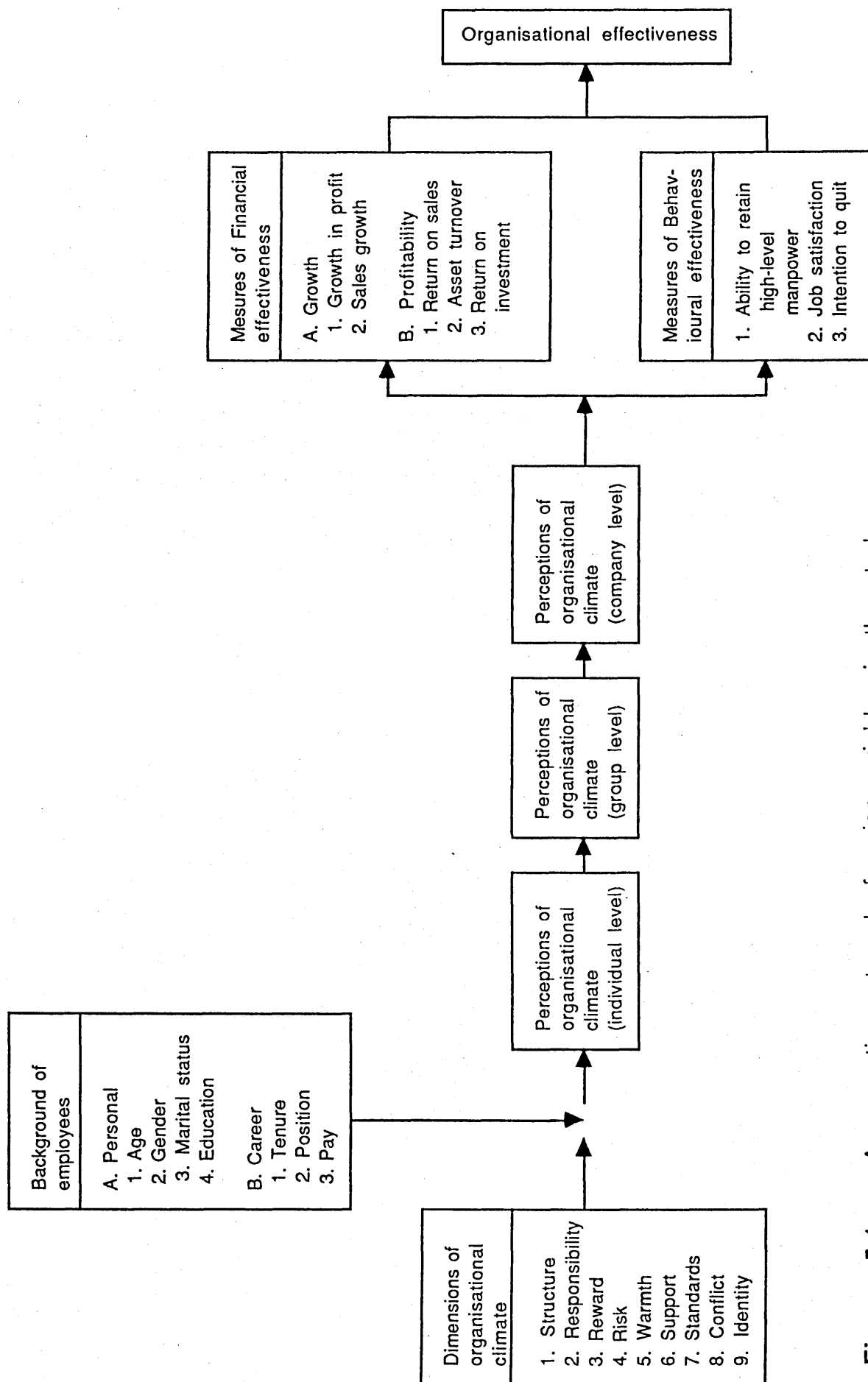


Figure 5.1 A schematic portrayal of major variables in the study

Responsibility, Reward, Risk, Warmth, Support, Standards, Conflict, and Identity.

4. Explore the differences in perceptions of organisational climate according to personal and career-related characteristics of respondents. The personal characteristics were age, sex, marital status, and educational level. The career-related variables included length of time in the present organisation, hierarchical position, and level of pay.
5. Assess the relationships between dimensions of organisational climate and behavioural indicators of organisational effectiveness. These behavioural indicators were: the ability of organisation to retain qualified labour force, the overall satisfaction of employee in their work, and the intention of organisational members to quit working for the present company.
6. Investigate the relationship between organisational climate dimensions and financial parameters of organisational effectiveness. The financial parameters were of two sub-areas of 'growth' and 'profitability'. The growth indices used were: sales growth and growth in profit; whereas the profitability indicators were return on sales, asset turnover, and return on investment.
7. Compare and contrast, where possible, the findings of

the present study with those of related studies conducted in developed as well as developing countries. This comparison was made to give additional illumination to the topics under investigation.

Once the purposes of the study were clearly described, the next step was to look at the strategies of data collection through which the objectives of the study could be attained. The following sections identify the meaning of the term research design, and review the various designs and methods available in the literature of research methodology.

5.3 RESEARCH DESIGN: AN OPERATIONAL DEFINITION

A research design can be defined as a plan and structure of investigation conceived to obtain answers to research questions and to control variance. All research activities can be said to have the purpose of providing answers to questions raised by research. Therefore, the main technical function of the research design is to control for variance. There are three forms of variance: experimental, extraneous, and error variance. Accordingly, an effective research design is one that attempts to :1) maximises the systematic variance of the variables being investigated, 2) controls the variance of extraneous or 'unwanted' variables that may have an

effect on the research outcomes, and 3) minimises the error of random variance, including the so-called errors of measurement (Kerlinger, 1986). These will be considered in turn.

1) Maximisation of experimental variance. This refers to maximising the variance of dependent variables influenced by the independent variables of the study. In experimental studies, it is only the variance of the dependent variables that is analysed since the experimenter has the ability to manipulate and control variance of independent variables. However, this is not the case in correlational survey studies. When we say 'the variance of the independent variable', we mean just that. When correlating two variables of the survey, the concern is with the variances of both the independent and dependent variables as the variations in independent variables are not necessarily reflected in the dependent variable measures.

An example of experimental variance is the case of an educational investigator who is interested in testing the hypothesis that achievement in science is enhanced by a new teaching regime called Mastery Learning Approach (A1) more than by a traditional method (A2). Therefore, one of the main tasks of an experimenter is to maximise the variance due to manipulated variance caused by the

manipulated variable. He must 'pull' the methods of A1 and A2 apart to make them as unlike as possible.

2) Controlling extraneous variables. The aim of controlling extraneous variables is to minimise, nullify, or isolate the influences of independent variables that are extraneous to the objectives of the study. In the previous example, the extraneous variables that are thought to influence achievement are intelligence, sex, social class, and so on.

3) Minimisation of error variance. This refers to the variability of measures due to random fluctuations. When variance is caused by individual differences it is called 'systematic variance', and when the source of variance cannot be identified or controlled it is called 'error variance'. One possible source of error variance is error of measurement. Examples of errors of measurement are variation of responses from trial to trial, guessing, momentary inattention, fatigue, transient emotional states, and so on.

In the present investigation, the researcher attempted to consider all of the aforementioned points regarding the control of variance. The maximisation of experimental variance is given in sections 7.3, 9.2, and 9.3; the control of extraneous variables is discussed in section

5.7 of this chapter; whilst the minimisation of error variance is considered in section 7.2 of the study.

5.4 TYPES OF RESEARCH DESIGN

Research design can be classified into three major types:

1) experiment, 2) case study, and 3) survey. In the following three subsections, each one of these types are examined in detail.

5.4.1 EXPERIMENT

This is a classical type of designs used mainly by researchers in the natural sciences. Its most important feature is the possibility of controlling and manipulating variables. The conditions under which an event occurs are deliberately varied to assess the effect of one or more independent (manipulated) variables on one or more dependent variables, while holding other variables constant. Thus, experimental design is strong on internal control. Experiments also allowed for the creation of conditions that may be uneconomical, difficult, or even impossible to establish in the field.

The prime criticisms of laboratory experiments centres around their artificiality and generalisability (Bedeian, 1984). The first criticism refers to whether or not the

conditions of laboratory experiments do truly reflect the realities of the case under investigation. The second criticism is about the difficulty of generalising experimental results to large populations or different settings. As a result, experimental designs suffer from low external validity. Furthermore, there remain some difficulties in applying experimental design in studies of social sciences as some political, social, and ethical factors may hinder the application of controlled experiments.

5.4.2 CASE STUDY

The main characteristics of the case study approach can be summarised as follows (Stone, 1978): a) the researcher thoroughly examines one or more units of analysis (person, group, or organisation); b) data is collected by various unstructured means (observation, interview, documents and records); c) no attempt is made to exercise experimental or statistical controls; d) phenomena are studied in natural settings; and e) the strategy suited more to the generation of hypotheses than their testing.

However, there are some factors which militate against the use of case study. These factors were (Stone, 1978): a) causal inferences from case study data are impossible since there is no control over confounding variables; b)

hypothesis testing is not possible using case study data; c) generalisation from case study results is not possible; and d) case studies are more time-consuming than other strategies.

5.4.3 SURVEY

All too often, the design that is commonly used by studies of social sciences is survey research. A survey can be defined as:

"A form of planned collection of data for the purpose of description or prediction as a guide to action or for the purpose of analyzing the relationships between certain variables."
(Oppenheim, 1966:1).

Surveys are of two major types, descriptive and analytical. The focus of a descriptive survey is upon describing the phenomenon rather than explaining relationships between variables. The analytical survey is concerned with finding and explaining relationships between variables. For example, an analytical study questioned a sample of individuals about their background (i.e, age, sex, income) and their voting behaviour. It then explored the association between these properties and dispositions using some statistical techniques.

The survey design has both advantages and disadvantages. Its chief advantages are the following (McNeill, 1985): the results are representative of a wider population; the personal influence of the researcher on the results is slight; and the survey design produces a large amount of standardised data that can be easily expressed in statistical terms which, as a result, allows for the testing of hypotheses (answering research questions) that are generated by the investigator. However, with these advantages come two disadvantages. First, the data obtained from surveys tends to be superficial. Breadth of information is typically obtained at the expense of depth. Second, the answers that people give to questions of a sensitive personal nature concerning their views or attitudes (particularly in interviews) may not be their true views.

5.5 RESEARCH METHODS

Once the purposes and strategies of investigation have been decided, the next issue to be addressed is how the researcher will actually collect the data. The previous section on research design had presented three broad strategies and different research designs available to the researcher. In this section, the various methods that might be used in collecting data will be discussed. Research methods can be divided into three main types: 1)

observation; 2) questionnaire/interview; and 3) archival records.

5.5.1 OBSERVATION

In the observational method the observer may or may not participate in the research setting being observed. The researcher has the choice of using human versus mechanical observation (i.e audio-visual, tape recording or cameras).

There are both advantages and disadvantages to using observation as a method of data collection (Stone, 1978). Among the advantages are: the ability of observer to obtain data about behaviour that subjects may be either unwilling or unable to report themselves; the ability to make (with varying degrees of accuracy) inferences about what causes the behaviour. However, observation was subject to the following criticisms: observers may provide incomplete reports of what they observe; observers often require considerable training; and the observation of behaviour may be very costly.

5.5.2 QUESTIONNAIRE/INTERVIEW

The second method of research is asking questions in the form of a questionnaire or interview. The questionnaire

is the most common method in research of social sciences. It is an instrument that is used for obtaining data which is beyond the physical reach of the observer. The questions asked in any questionnaire are of two main types: closed (fixed alternative) and open-ended. Questions can be distributed by the researcher himself or by mail.

Like any method of data collection, the questionnaire has its advantages and disadvantages (Selltiz, 1959). Among the advantages or benefits associated with the use of questionnaire are the following: it is relatively inexpensive; can be administered by a relatively unskilled individual; can be distributed to groups of individuals; presents uniformity of stimulus to all subjects; and is often accompanied by anonymity that may lead subjects to be more open and truthful.

In terms of its disadvantages, the following are worthy of note: missing data may be a problem especially if many subjects do not respond to many items in the questionnaire; if the response rate is usually low, particularly in mailed questionnaire; the inapplicability of questionnaire to illiterate subjects; the inflexibility of the questionnaire as subjects must respond in relatively structured terms; and the need for

researcher (not subjects) to interpret 'make sense' of data produced.

The second form of asking questions is the interview. Interviews are face-to-face situations in which an interviewer directs questions at the interviewee and records his responses. If the questions follow a set of order, wording and response options, then this is a structured interview. If there is no prespecified set of questions and response options, then, it is a nonstructured interview. There are several advantages and disadvantages of the interview technique. Among the advantages were (Selltitz, 1959): the ability to use interviews with illiterate individuals; the higher percentage of returned questionnaires compared to mailed questionnaire; and the flexibility especially of the unstructured interview.

Among the disadvantages associated with the interview method are the following (Stone, 1978): the interview is generally more costly than other techniques; the interview has the potential of being a 'reactive' technique where the interpersonal nature of the interview affects the responses; the training of interviewers is often long and costly process; and the validity and reliability of the instrument may suffer if the

interviewer alters the manner or sequence in which questions are presented.

5.5.3 ARCHIVAL RECORDS

The third method of collecting research data is through the analysis of documents and records. Documents and records may take two broad forms: public and private records. Examples of public records are political and judicial records, governmental documents, and the mass media. Private records included organisational records of various types (e.g., records of employees absenteeism or turnover), autobiographies, and diaries (Nachmias and Nachmias, 1981).

The main advantages of using records are the low cost incurred and the accessibility of data in most cases. Nevertheless, the researcher needs to be aware that these methods are not also without inherent limitations. The possible limitations of records were in concern of the accuracy of their data and the limited number of management/organisational research topics where consulting records can be useful as a primary research tool.

5.6 SELECTING APPROPRIATE RESEARCH DESIGN

The previous two sections examined, from a theoretical point of view, various research designs and methods that are available to the researcher and the advantages and disadvantages associated with each. After having done so, we are ready to discuss the research design and the various tools that can be used in the data collection process. This will be the main focus of the following two sections.

In the literature of research methodology, it was argued that there was no one best research design that could be used to tackle a research problem. An eminent researcher in behavioural sciences has stated this concept quite eloquently:

"There is never a single, standard, correct method of carrying out a piece of research. Do not wait to start your research until you find out the proper research, because there are many ways to tackle a problem- some good, some bad, but probably several good ways. There is no single perfect design. A research method for a given problem is not like the solution to a problem in algebra. It is more like a recipe for beef Stroganoff; there is no one best recipe." (Simon, 1969:4)

In this study, the decision was made to follow the tradition of survey design due to the following considerations:

1. This was a type of study that attempted to survey the climate perception of employees in a number of Jordanian industrial companies. Thus, a research survey design which investigated a broad range of different employees in different companies was preferred to a case study which just considered a small number of employees in a few companies.
2. In the literature, the dominant mass of empirical studies on organisational climate were based on this type of research design. Adopting the survey approach would allow comparison of the results of the present study with previous ones.
3. As the current investigation aimed at testing relationships between selected variables in the study, there was a need to utilise statistical techniques to accomplish this mission. This sort of statistical testing requires uniformity in the data. The survey technique was the best suited to the collection of such uniform data.
4. The most common method of data collection in survey designs is the distribution of questionnaire (self-administered or mailed), therefore, using it as the major research method assures the anonymity of

respondents and may thus encourage honesty and frankness (but does not guarantee it).

5. The survey method is suitable for gathering data within a limited amount of time, money, and effort available for a lone researcher. As the present researcher was confronted with all of the aforementioned constraints, the survey approach was considered the most suitable.
6. Anticipating the weaknesses of the survey approach in eliciting deep information from subjects under scrutiny, an open-ended question and informal talks with surveyed employees were added to complement the survey data.
7. Anticipating the weaknesses of the survey in terms of its internal validity, it was decided to carefully select companies where most of the 'unwanted' or extraneous variables to organisational climate and organisational effectiveness were controlled for. A detailed discussion of the controlled variables will be presented in the following section.

5.7 SELECTION OF COMPANIES

In order to make the present study more rigorous and strong in its internal validity, it was decided to control for the possible effect of extraneous variables on organisational climate and on organisational

performance. The literature suggested that a possible reason for the lack of a consistent relationship between organisational climate and organisational performance may be that researchers did not control for the effect of contingency variables on the perception of climate (Hellriegel and Slocum, 1974). It was also suggested in the literature that ownership (Monsen, Chin, and Cooley, 1968), size (Pugh et al., 1963), technology (Weiner and Mahoney, 1981) were determinants of corporate performance.

Therefore, in selecting companies, the prime consideration was to control for as many of the organisational influences on climate and performance as possible. The companies selected were, therefore, similar on the following characteristics: 1) type of ownership, 2) type of business, 3) organisation size, and 4) type of technology.

5.7.1 TYPE OF OWNERSHIP

There was evidence in the literature to suggest that the type of ownership affected the perception of organisational climate. Solomon (1988) found significant effects for the type of ownership on perceptions of organisational climate. The satisfaction with organisational climate characteristics was significantly

higher among private sector managers as compared to their public sector counterparts. On the other hand, a study conducted by Monsen, Chin, and Cooley (1968) found that there was a relationship existing between company ownership and levels of performance in terms of profit rate and growth.

The companies selected in the present research were identical in terms of their ownership. All of them were publicly owned, or as sometimes called, share-holding companies. These companies were selected from the Jordanian Publicly-held Companies Guide published by Amman Financial Market (1987). The total population of companies included in the guide was given in Table 5.1.

Table 5.1 Companies listed in the Amman Financial Market (1987)

Type of business	Number of companies
Banks and financial companies	25
Insurance companies	20
Services companies	32
Industrial companies	46
Grand total	123

5.7.2 TYPE OF BUSINESS

The second variable controlled for was the type of business. The industrial sector was selected from the four sectors of share-holding companies mentioned earlier. The industrial sector was chosen for three reasons:

- 1) The importance of the industrial sector contribution to the national economy of Jordan. More details on this point were presented in the previous chapter.
- 2) The climate instrument adopted by the study (Litwin and Stringer, 1968, Form B) was designed mainly to fit the setting of industrial companies. Some of the items in the instrument did not suit organisations that produced intangible products, for example banks, financial institutions and services companies.
- 3) As organisational effectiveness in the present study was assessed via financial and behavioural measures. Some of the financial measures of effectiveness were not applicable to companies whose end-products were not real goods. In industrial companies, it was possible to apply any of the financial criteria of effectiveness. Furthermore it is more logical to compare financial performance of companies from within the same economic activity or sector, than to compare companies from different type of business.

5.7.3 ORGANISATION SIZE

The third variable considered in the control process was the size of company. In the literature, it was suggested that the size of an organisation had a strong effect on the company's internal environment (Payne and Mansfield, 1973) and organisational performance (Pugh et al., 1963). The size was taken in this study to indicate the number of employees in the company as utilised by Pugh et al. (1969), Payne and Mansfield (1978), and Dastmalchian (1982). The total population of industrial companies was broken down into two categories: large and small size companies.

Data on the number of employees in each company and in the industrial sector as a whole was obtained from the Amman Financial Market Companies Guide (1987). The total number of employees in the industrial sector was divided by the total number of companies to get the average number of employees in industrial companies (the number of employees in five companies was not available). Companies with a number of employees above that average were considered to be large sized, while those below that number were considered to be small sized. As a result, the number of small sized companies was 35 compared to 6

large sized companies. In the current study, small-sized organisations were chosen for further screening process.

5.7.4 LEVEL OF TECHNOLOGY

The fourth contingency variable controlled for was the level of technology utilised in the company. Data pertaining to this variable was obtained from the Amman Financial Market Companies Guide (1987) as well. In the climate literature, it was found that a significant relationship existed between type of technology and perceptions of organisational climate (Peterson, 1975). Additionally, Weiner and Mahoney (1981) found that technology was associated with the profitability of organisations.

In the present research, the type of technology used by the company was based on the work of Weiner and Mahoney (1981), who classified technology on a capital-labour ratio. Two levels of technology were recognised: capital-intensive and labour-intensive. Companies with ratios above average were considered capital-intensive while those below were referred to as labour-intensive ones. As a result, sixteen companies were found to be capital-intensive as opposed to twenty four labour intensive companies. Then, it was decided to consider the labour-intensive companies for the sake of this study.

However, among the twenty four labour-intensive industrial companies, there were four which belonged to the large size. Dropping these five companies from consideration, reduced the total number in the sample to twenty companies.

Before this section comes to an end one point has to be mentioned in regard of the final 'imposed' criterion in selecting companies in the present study. This was the accessibility and willingness of companies to participate in the research project. Details of this point are given in section 5.11.

5.8 DATA COLLECTION PROCEDURES UTILISED IN THE PRESENT INVESTIGATION

After selecting the initial list of companies to be surveyed, the present section reviewed the methods used for collecting data. In order to fully meet the requirements laid down in the objectives of the study, a multiple-method approach was employed. Among the methods of research used were asking questions, observing and consulting published documents.

5.8.1 ASKING QUESTIONS

The asking of questions in the form of a questionnaire was the principal method used to collect views of employees on aspects of their work environment and the behavioural effectiveness of their organisations. The stages that the development and administration of the questionnaire went through were the following:

1. There was a thorough review of the previous, related literature coupled with a substantial discussion with the research supervisor in regard to the survey document. The prime emphasis of the discussion was on the careful selection of appropriate research design; and on the achievement of methodological congruence between the research instrument utilised and the theoretical standpoint adopted by the study.
2. After selecting a research instrument that was thought to be suitable for the study, a lecturer in business administration at the University of Jordan was approached to translate the document from English into Arabic.
3. An official from the Ministry of Labour in Jordan, with considerable experience in management of publicly held companies was consulted for another revision in the wording of the questionnaire to make it best fit

the setting of Jordanian industrial companies and their employees.

4. Then, appointments were made with the general managers or authorised managers of each company to explain the purpose of the research and to seek their agreement that they would allow the researcher to collect data from their companies. A letter from the research supervisor requesting companies for assistance and participation in the study was also provided to companies whenever asked for.
5. Once a company had given a positive response to the researcher in concern of conducting the study, the research instruments were distributed to a representative proportion of personnel from all hierarchical levels in that organisation. This strategy was kept the same in all of the surveyed companies so that comparability of results across organisations would be possible. This comparability of results is especially needed when organisational climate is to be correlated with indicators of organisational effectiveness. In most cases, questionnaires were distributed and collected by the researcher himself, at a mutually agreed upon later date. However, in some cases, companies only allowed the instruments to be distributed and collected by themselves.

6. The respondents were informed about the general purpose of the study and were assured that their responses would be treated in confidence and that no individual responses would be revealed to companies. To encourage further honesty and frankness, each respondent was furnished with an envelope and asked, once he has finished, to put the questionnaire in it and seal it afterwards. He was also asked not to write his name or department on the instrument.
7. An average of three visits were needed to each company to obtain the required data in the form of employees' responses to the questionnaire, and the reports of income statements and balance sheets. The whole period of the field work lasted approximately three months commencing in March 1989.

5.8.2 OBSERVING

In addition to the questionnaire technique, there was an attempt to elicit some 'hidden' and in depth information about the surveyed organisations. This was done by relying on the researcher's experience while conducting the field study, and by listening to informal comments raised by respondents from various levels of the organisations. The intention of these discussions was to give respondents more freedom to talk openly about

various aspects of their work environment and to write down important and interesting points raised by them.

5.8.3 CONSULTING REPORTS AND DOCUMENTS

The third technique used to collect information in the study was the consultation of government and corporate published documents. Data was collected from governmental and semi-governmental reports such as those of the Department of Statistics, Ministry of Planning, Ministry of Labour, Amman Financial Market and Amman Chamber of Industry. As the corporate records were concerned, the main form of data collected were financial figures published in the annual reports. However, in some cases where annual reports were not available for a particular year, the Jordanian Share-Holding Companies Guide (Amman Financial Market, 1989) was consulted in this regard. The essential part of annual reports spelled out the financial status of companies in the form of balance sheets and income statements. Background data about companies was also included in these reports such as type of commodities produced, level of production, and so on.

5.9 EXPLANATION OF THE RESEARCH INSTRUMENT

The majority of data pertaining to employees of the present research and their views was collected by the

questionnaire method. The research instrument utilised in the study was composed of three parts: 1) background of respondents, 2) organisation climate questionnaire, and 3) behavioural measures of organisational effectiveness.

5.9.1 BACKGROUND INFORMATION

This part of the instrument sought to obtain information about the name of company the respondent worked for, and other background information about the respondent himself. The information about respondents was of two types: personal (or demographic) and career-related. The personal variables pertaining to the respondent were age, sex, marital status, and level of education. The career-related ones were length of time working in the present company, hierarchical position and monthly level of wage or salary.

5.9.2 ORGANISATIONAL CLIMATE QUESTIONNAIRE

The second part of the survey instrument was designed to elicit information from respondents regarding their perception of various dimensions of climate in their organisations. A multidimensional climate instrument developed by Litwin and Stringer (1968, Form B) was adopted in this research. Employees were asked to describe the kind of work environment in their

organisations along nine dimensions. Each dimension consisted of several items (statements), and the entire questionnaire consists of 50 items.

The definition of each of the nine dimensions of climate is given below (Litwin and Stringer, 1968:81-82):

1. *STRUCTURE*- the feeling that employees have about the constraints in the group, how many rules, regulations, procedures there are; is there an emphasis on "red tape" and going through channels, or is there a loose and informal atmosphere.
2. *RESPONSIBILITY*- the feeling of being your own boss; not having to double-check all your decisions; when you have a job to do, knowing that it is your job.
3. *REWARD*- the feeling of being rewarded for a job well done; emphasizing positive rewards rather than punishments; the perceived fairness of the pay and promotion policies.
4. *RISK*- the sense of riskiness and challenge in the job and in the organization; is there an emphasis on taking calculated risks, or is playing it safe the best way to operate.
5. *WARMTH*- the feeling of general good fellowship that prevails in the work group atmosphere; the emphasis on being well-liked; the prevalence of friendly and informal social groups.

6. *SUPPORT*- the perceived helpfulness of the managers and other employees in the group; emphasis on mutual support from above and below.

7. *STANDARDS*- the perceived importance of implicit and explicit goals and performance standards; the emphasis on doing a good job; the challenge represented in personal and group goals.

8. *CONFLICT*- the feeling that managers and other workers want to hear different opinions; the emphasis placed on getting problems out in the open, rather than smoothing them over or ignoring them.

9. *IDENTITY*- the feeling that you belong to a company and you are a valuable member of a working team; the importance placed on this kind of spirit.

The decision to adopt Litwin and Stringer's climate instrument was based on the following reasoning:

1. This instrument was used quite frequently in studies of organisational climate. Example of these research studies were Sorcher and Danzig (1969); Downey et al. (1974); Sims and LaFollette (1975); Muchinsky (1976); and Putti and Singh (1988).
2. The work of Litwin and Stringer (1968) was significant in terms of both its theoretical and practical contribution to the development of climate construct. Their theoretical view of climate (equally an

organisational and a personal variable, see section 2.3) was commonly adopted by researchers in the field. Their practical contribution was the development of a 50 item climate questionnaire. In the present study, the endorsed view of organisational climate resembled that taken by Litwin and Stringer.

3. Researcher sought to avoid having too many items in the climate instrument so that it would not only take a short time to complete, but also to minimise the possibility of inaccurate responses or even a low response rate. The relatively small number of climate items in the instrument of Litwin and Stringer (1968, Form B) made it suitable to be applied in the present study.
4. The nine dimensions in Litwin and Stringer's climate instrument (1968, Form B) had the advantage of covering a wide spectrum of organisational practices and procedures. Campbell et al. (1970) found in a review of several climate instruments that at least four dimensions were commonly found in climate instruments. These were: i) individual autonomy- Litwin and stringer's Responsibility, Standards, and Identity scales are related to this dimension; ii) the degree of structure imposed upon the position- Litwin and Stringer's Structure scale related to this dimension; iii) reward orientation- Litwin and Stringer's Reward scale was related to this dimension; and iv)

consideration, warmth, support- Litwin and Stringer's Warmth and Support scales were related to this dimension (Downey et al., 1974).

5. Although the Litwin and Stringer's climate instrument was basically developed in the context of American or Western society, it could nevertheless still be applicable in the judgment of whether aspects of organisational climate existed in the context of a developing country such as Jordan. In fact, various facets of climate could be viewed as culture-free, in a sense that they can be measured in organisations of various countries. Nonetheless, it remains to be seen to what degree these aspects of climate vary across organisations within the same national context. This variation may be thought of as relating to the effects of intraorganisational (internal) rather than the interorganisational (external) dynamics.

In terms of the scale used in the climate instrument, the respondents were asked to reply to each item using a four-point Likert scale format ranging from 'strongly agree' to 'strongly disagree' as it applied to their organisations. Respondents who strongly agreed on a climate statement (item) were assigned a numerical value of four, while those who strongly disagreed were given one point. Therefore, the greater the score, the higher would be the perception of that climate item. However, in

some cases where items denoted a negative wording or meaning, it was necessary to reverse the scaling in order to achieve common directionality in scoring. Employees' responses of 'strongly agree' were given one point value as opposed to 'strongly disagree' responses that were given four points.

The perception of each dimension of organisational climate was calculated by taking an average of the scores given to items in that dimension. Based on the work of Litwin and Stringer (1968:66), "The climate of an organization could then be defined operationally as the sum of perceptions of individuals representing that organization." However, when the perceptions of organisational climate dimensions are calculated at a company level (i.e. when correlating organisational climate with measures of organisational effectiveness), great care should be taken to avoid the views of lower level employees having a disproportional weighting because of their large numbers. Lack of attention to this matter was one of the potential sources of bias in a large number of studies on organisational climate and organisational performance. The suggested method to deal with this problem is to take a grand average and a weighted average (Hage and Aiken, 1967; and Payne and Mansfield, 1973). The weighted average was the arithmetic mean of the average climate scores at all hierarchical

levels. In the current research, this method of climate calculation was followed when dimensions of organisational climate were correlated with indices of organisational effectiveness. Organisational scores on the climate dimensions were calculated by taking an average of climate scores at each organisational level (one average per level), and then an arithmetic mean of the resulting averages was computed to represent the climate for the whole organisation.

5.9.3 BEHAVIOURAL INDICATORS OF ORGANISATIONAL EFFECTIVENESS

The third part of the research instrument contained questions that investigated the views of respondents about certain dimensions of behavioural effectiveness in their organisations. In fact, organisational effectiveness in this research was evaluated in terms of both behaviourally oriented measures and financial criteria. While the present section deals with behavioural indicators of organisational performance, the next section is concerned with the financial indicators of organisational effectiveness. The behaviourally oriented indices examined were: 1) the ability of company to *retain* qualified manpower (Negandhi, 1975); 2) employees' satisfaction in their jobs (Negandhi, 1975); and 3) employees' intention to quit.

The first behavioural indicator of organisational effectiveness was the ability of the company to retain qualified labour force. Respondents were asked to select which one of the following three statements they agreed with most:

1. The company is able to retain a highly qualified labour force.
2. The company is able to retain a moderately qualified labour force.
3. The company is not able to retain even a moderately qualified labour force.

The second measure of behavioural performance used in the study was the overall satisfaction of employees in their works. The alternative answers given to respondents were:

1. I am very satisfied.
2. I am somewhat satisfied.
3. I am very unsatisfied.

The third indicator of behavioural effectiveness was the intended turnover of employees. Respondents were asked whether or not they intended to quit working in the present organisation if the opportunity arose. The alternative responses given to employees were a binary yes-no scale. The measurement of turnover intention

received substantial support from recent research such as those by Angle and Perry (1981), Jackofsky and Slocum (1988), and Harpaz (1989).

On the practical level, it is more appropriate and advantageous to deal with intended turnover rather than actual turnover behaviour. This may help in preventing dysfunctional behaviour instead of dealing with turnover on a *post hoc* basis. Moreover, within the Jordanian context, the existence of a high level of labour unemployment in the economy may prevent the number of terminated employees being used as a yardstick for measuring turnover. The reason being is that the number of voluntary quitters from industrial organisations would be small, not due to a better climate in these companies, but rather, to the general conditions of the labour market and of the economy as a whole.

As regards the scoring of the aforementioned measures, the responses to the first two measures were assigned numerical values ranging from one to three. A value of three was given to the choice denoting a higher level of behavioural effectiveness as opposed to a score of one which represented a lower level of each of the two measures of behavioural performance. However, in the case of intended turnover, a score of one and two were given respectively to the 'No' and 'Yes' replies. The values of

one and two indicated low and high levels of employee intention to quit respectively. At the company level, each of the behavioural indicators was constructed by taking an arithmetic mean of responses across organisational levels of employees and then taking an average of these means to represent the whole company.

As well as asking the above questions of behaviourally oriented measures of organisational effectiveness, the third part of the survey instrument included a final question which was open-ended. Respondents were asked to write down any other comments that they wished to make with regard to the general functioning and characteristics of their companies. This question served to add extra points to the discussion and to extract deeper and more thorough information from respondents about aspects of their organisations which related to the main objectives of the study.

5.10 FINANCIAL INDICATORS OF ORGANISATIONAL EFFECTIVENESS

This section addressed the second set of organisational effectiveness variables utilised in the study. The initial indicators of financial performance employed in the present study represented a modification of the financial indices of effectiveness proposed by Child

(1974). The criteria utilised in this study were the following:

1. Sales growth: This criterion measured percentage increase or decrease in net sales.
2. Growth in profit (loss): This was a measure of percentage growth in net income (loss) after taxes. A loss was attributed a negative value in the calculations.
3. Return on sales: This parameter indicated the amount of earnings as related to sales. It was measured by dividing net income after taxes by net sales. This measure is sometimes referred to as 'profit margin'.
4. Return on investment: This measure showed the profit gained as a ratio of capital employed. It was calculated by dividing net income after taxes by total assets.
5. Asset turnover: This ratio indicated the percentage of net sales divided by total assets.

Each of these indicators of financial performance was calculated on a standardised average of five years annual rate (1984-1988). It was believed that a five-year span was normally sufficient to reduce the effects of unusual variations in levels of performance and to minimise the effect of the company's particular industry or its capital structure. This same time frame was used by

several researchers including Child (1974), Negandhi (1975), Nkomo (1987), and Reed and Reed (1989).

5.11 THE ACHIEVED SAMPLE

The initial phase of the sampling procedure, as discussed earlier in section 5.7, began in selecting representative organisations on a priori basis to be included in the sample. There were twenty companies in which a priori provisos were fulfilled. These companies were then approached to obtain permission to conduct the study on their premises. In fact, the great majority of contacted companies gave a positive response. Sixteen companies expressed their willingness to participate in the study, while four companies did not. The surveyed companies were all situated in Amman and Zarqa Governorates, where the majority of the Jordanian population as well as its companies are situated (see section 4.3 in Chapter Four).

As already noted in section 5.8.1, an attempt was made to survey representative employees at each hierarchical level in the sampled organisations. The sampling strategy applied to this research may be termed a stratified random sampling. In order to perform this process, the population of employees in each company was divided into strata using hierarchical levels as a basis for assigning personnel to mutually exclusive categories. However, due

to some practical difficulties in the surveyed companies, pure stratified random sampling at every level was not possible. The reason for this was the existence of a small proportion of illiterate employees as blue-collar workers in some companies.

Organisational members were classified according to their position level in the hierarchy of chain of command. These levels were:

1. Senior management: This echelon was represented by organisational positions that were responsible for the overall functioning and control of the organisation, such as the company general manager, deputy general manager, or other equivalent posts.
2. Middle management: This level included those people who held posts responsible for the functioning of a department in the company, and who reported directly to the senior manager such as a department manager of production, personnel, marketing, and so on.
3. Junior management: This category embodied holders of posts responsible for the control of organisational subunits that were part of organisational departments. An example of this position was the head of section or division who reported to a department manager.
4. Non-management level: The final category of

organisational levels represented those employees who did not hold managerial positions. All of the remaining personnel whose jobs fell below junior management level were included in this category. For instance, foremen/supervisors, operators, clerks, ordinary and technical workers were classified as 'non-managers'.

The total population of employees in the surveyed manufacturing companies was 2471. The lowest number of employees in any company was 52, whereas the highest was 355. The researcher systematically selected the same number of informants in all of the companies. Twenty five individuals were surveyed in each company, with a total of 400 employees in all of the companies. The number of employees who responded to the survey were 302. These constituted 75.5 per cent of the contacted personnel. However, the valid number of responses gathered were 297 employees representing 74 percent of the original number of employees being contacted. By survey standards, the response rate was considered to be satisfactory for a study of this type.

5.12 METHODS OF STATISTICAL ANALYSIS

After obtaining the responses of employees to the questions raised by the research instrument, the data was

coded and processed at the University of Glasgow Computer Centre via a modified version of the 'Statistical Package for the Social Sciences' (SPSS^X). The raw data as well as computer programmes written for the purpose of statistical analysis were saved in specific files in the computer.

The study utilised the following statistical techniques to gain a general view of the nature and distribution of the results; frequency distribution, percentages, and mean scores. The study also applied additional statistical techniques of reliability analysis, intercorrelations, correlation analysis techniques, Kruskal-Wallis one-way analysis of variance, and principal factor analysis. A conventional level of significance of 0.05 was utilised for testing the significance of various statistical analysis techniques employed in the study. However, and in some cases, a 0.10 level of significance was utilised in addition to the 0.05 one.

5.13 LIMITATIONS OF THE STUDY

1. The generalisations of the findings of the study may be limited to other types of organisations, other types of business, large-sized companies, and companies of intensive level of technology in Jordan.

2. It is necessary to assume that subjects were responding in an honest and straightforward manner.
3. The study was limited to a survey of literate employees in the Jordanian industrial companies.
4. The study was limited to specific organisational climate dimensions and to specific indicators of organisational effectiveness. Therefore, it is not feasible to generalise beyond these particular sets.
5. The study by no means intended to establish a cause-effect relationship between organisational climate and organisational effectiveness measures.

5.14 SUMMARY

This chapter has discussed the research methodology used in the present study. The main objective of this study was to ascertain characteristics of organisational climate in Jordanian manufacturing companies and to relate these attributes to behavioural and financial effectiveness of these organisations. An operational definition and three forms of research design (experiment, case study, and survey) were introduced. These types of design were evaluated in terms of their strengths and weaknesses. As a result, the survey design

was found to be the most appropriate one for the purposes of this study.

Next, three methods for data collection were discussed in terms of their advantages and disadvantages. These methods were observation, questionnaire/interview, and archival records. The nature and purposes of this study required the utilisation of all of these research methods. A questionnaire approach was used in order to obtain the views of employees on climate dimensions and on behavioural effectiveness indicators of their organisations. The researcher also applied his observation and experience while conducting the field study along with informal discussions with organisational members as supplementary data collection techniques in concert with the questionnaire. Such a procedure would have the advantage of providing greater explanatory power and increased insights into the potential range of factors associated with organisational climate. The published documents and records were also consulted to acquire financial indicators of organisational effectiveness as well as other background data.

The a priori criteria utilised for selecting companies to be included in the initial sample of the study were explained in the chapter. The achieved sample of this study was composed of sixteen companies and a valid

number of 297 respondents representing various hierarchical levels in the surveyed organisations. The valid response rate was 74 per cent of the contacted employees. The statistical techniques utilised in the study and the limitations of the research were addressed in the chapter. The next chapter will examine the basic attributes of the sample of companies and their employees.

CHAPTER SIX

CHARACTERISTICS OF THE SAMPLE

6.1 INTRODUCTION

The purpose of this chapter is to describe certain features of the surveyed manufacturing companies and to explore the background attributes of the employees studied therein. The characteristics of companies are represented by the contingency variables controlled for and by type of products produced. The background attributes of surveyed employees (personal and carrer-related) will be used as the basis for a later discussion and analysis to be presented in Chapter Eight. In that chapter, the attempt will be made to examine the differences in employees' views towards dimensions of organisational climate according to their background characteristics.

6.2 CHARACTERISTICS OF COMPANIES

This section is confined to a discussion of characteristics of the surveyed companies represented by the contingency characteristics that were controlled for and by type of products produced. As mentioned earlier in section 5.7, the characteristics of companies that were

controlled for were ownership type, type of business, organisational size, and level of technology.

6.2.1 CONTINGENCY ATTRIBUTES CONTROLLED FOR

The category variables that were controlled for in the surveyed companies were type of ownership, type of business, organisational size, and level of technology. In terms of ownership, the companies included in the sample belonged to the public-shareholding type of companies. As regards type of business, the sample companies belonged to the industrial sector.

Organisational size was measured by the number of employees employed by the company, and level of technology was assessed by the capital-labour ratio. The distribution of surveyed companies according to these variables is shown in Table 6.1.

Table 6.1 Organisational size and level of technology of sampled organisations

Name of company	Number of employees	<u>Capital</u> Labour (JD000)
1. ALADDIN INDUSTRIES	77	12.99
2. DAR AL DAWA DEVELOP. & INVEST.	137	10.94
3. JORDAN CERAMIC INDUSTRIES	239	8.37
4. JORDAN CHEMICAL INDUSTRIES	85	16.04
5. JORDAN DAIRY	172	10.17
6. JORDAN INDUSTRIES AND MATCHES	168	10.12
7. JORDAN PAPER AND CARDBOARD FACTORIES	235	6.38
8. JORDAN TANNING	85	11.76
9. JORDAN WOOD INDUSTRIES	126	11.90
10. THE INDUSTRIAL, COMMERCIAL, AND AGRICULTURAL	284	12.20
11. THE JORDAN PIPES MANUFACTURING	138	18.12
12. THE JORDAN WORSTED MILLS	173	7.80
13. THE TRANSJORDAN MINERALS RESEARCH	41	12.19
14. NATIONAL CABLE AND WIRE MANUFACTURING	79	13.65
15. RAFIA INDUSTRIES	90	7.49
16. WOOLEN INDUSTRIES	37	13.01
TOTAL OF THE POPULATION	15,129	811.50
AVERAGE OF THE POPULATION	369	20.29

6.2.2 TYPE OF PRODUCTS

The sixteen manufacturing companies included in the sample were classified into several groups according to their final products. This classification was suggested by Amman Chamber of Industry in its directory of (1986). The surveyed companies fell in the following sectors : leather products, therapeutic products, chemical products, engineering products, furniture, construction industries, printing/paper and stationery, supply industries, and clothing industry. Table 6.2 shows the distribution of surveyed companies according to these categories.

The products produced by firms in the leather industrial group included shoes, suitcases, tanning, furs, and a like. Therapeutic products included pharmaceuticals, veterinary drugs, and disinfectants. Companies that produced chemical and engineering products formed the largest industrial group in the sample (37.5 percent of the sample). The chemical products included an ample amount of commodities, chief among them were refined oil products, liquid detergents, insecticides, and safety matches. The main product lines of companies in the engineering sector were washing machines, heaters, refrigerators, foundry, and electric cables and wires. The fifth group manufactured furniture, doors, and

Table 6.2 Distribution of sampled companies by type of products

Name of Company	Leather	Therapeutic	Chemical	Engineering	Furniture, Doors & Windows	Construction	Printing	Supply	Clothing	Packing & Packaging
1. ALADDIN INDUSTRIES				X						
2. DAR AL DAWA FOR DEVELOPMENT & INVESTMENT		X								
3. JORDAN CERAMIC INDUSTRIES						X				
4. JORDAN CHEMICAL INDUSTRIES			X							
5. JORDAN DAIRY								X		
6. JORDAN INDUSTRIES & MATCHES /JIMCO			X							
7. JORDAN PAPER & CARDBOARD FACTORIES							X			
8. JORDAN TANNING	X									
9. JORDAN WOOD INDUSTRIES /JWICO					X					
10. THE INDUSTRIAL, COMMERCIAL & AGRICULTURAL			X			X		X		
11. THE JORDAN PIPES MANUFACTURING				X						
12. THE JORDAN WORSTED MILLS									X	
13. THE TRANSJORDAN MINERALS RESEARCH						X				
14. NATIONAL CABLE & WIRE				X						
15. RAFIA INDUSTRIES										X
16. WOOLEN INDUSTRIES									X	

Note: Distributions of companies by type of products are not mutually exclusive

windows. The sixth group was the construction industries which mainly included paints, tiles, white cement, and ceramic fixtures. Printing/paper and stationery group included stationery, cardboard and paper containers. Supply industries produced various types of commodities such as canned foods, tobacco, and dairy products. Clothing sector produces mainly ready-to-wear garments, blankets, and worsted wool textile. The basic products of the final sector (packing and packaging) were plastic, paper, wooden, and glass containers.

6.3 PERSONAL ATTRIBUTES OF EMPLOYEES

6.3.1 AGE

The field data indicated that the responding employees ranged from 20 to 65 years of age. Their average age was 35.5 years. Table 6.3 shows the age distribution of the surveyed sample. A clearer picture of respondents' age is provided in Figure 6.1. The data shows that the highest percentage of employees belongs to the Below 30 age group (37.3 per cent of the total sample). If the second age group was to be added to the first, then 67 percent of the sample would be under 39 years of age. The employees who were 50 years or above constituted only a tiny percentage (11.1) of the sample.

Table 6.3 Distribution of sampled employees by age group

Age Group	Frequency	Percentage
30 years and under	104	37.3
30-39 Years	83	29.7
40-49 Years	61	21.9
50-59 Years	27	9.7
60 Years and over	4	1.4
Total	297	100.00

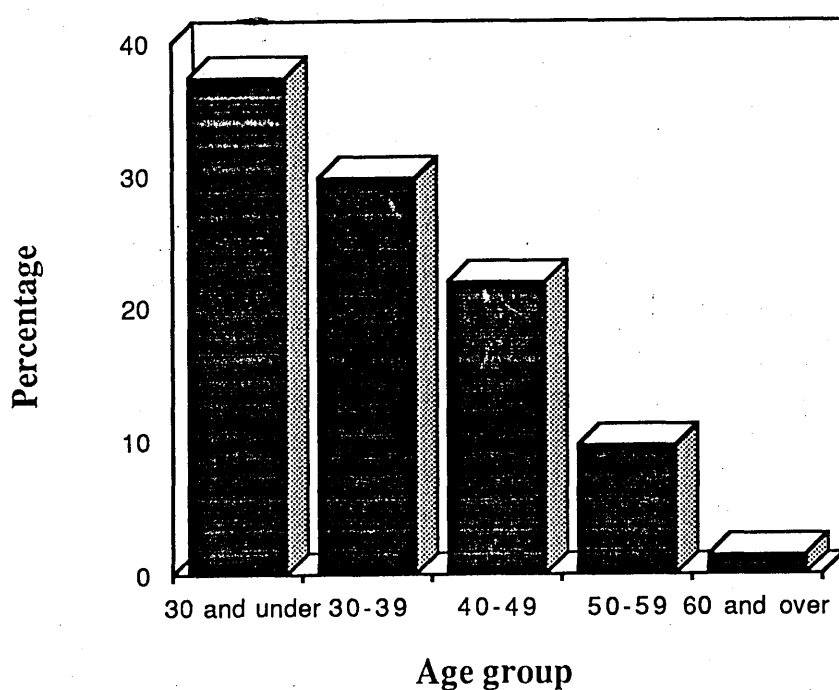


Figure 6.1 Distribution of the sample by age group

The high concentration of employees in younger age brackets as opposed to older ones reflects national age profile of the Jordanian population in general. Chapter Four (section 4.3) showed that the great majority of Jordanian citizens are in the young age groups. Almost half of the population (48.1 percent) is 14 years of age or under, and only 2.6 per cent are 65 years or above. Therefore, it is possible to say that the sample drawn is representative of the age profile of the population of Jordan as a whole.

Nevertheless, further impressions gained from this data need to be treated with caution as the labour force in any country represents only a certain segment, but not the whole, of society. Despite the need for such caution, and due to the absence of data on the age structure of the Jordanian labour force (not population as a whole), the overall 'youngness' of the surveyed employees was less likely to have been different from that of the total population.

6.3.2 GENDER

The sample obtained shows that the great majority of employees were male (88.5%) and 11.5 percent were female (see Table 6.4). This low level of female entry into the manufacturing industry jobs may be attributed to several

reasons. Chief among these is the type of work in manufacturing companies and the culture of the society (see section 4.5 in Chapter Four).

Table 6.4 Distribution of sampled employees by gender

Category	Frequency	Percentage
Male	261	88.5
Female	34	11.5
Total	295	100.0

The manufacturing companies, and even most of the private sector companies, usually operate for long working hours that start from 7:00 A.M to 4:00 P.M. six days a week. In addition, many of the surveyed females, of whom the majority were blue-collar workers, complained that their jobs demanded a great amount of time and effort. For these and other reasons, the bulk of the female labour force was not concentrated in the industrial sector. Instead, it was located in the government sector working as school teachers, office clerks, nurses, and so on. The low female concentration in the manufacturing sector can be observed in industrial countries. Murdy (1972:115-116) maintained that:

"Traditionally, women have occupied subordinate roles in industry, not due to discrimination on the basis of sex per se, but rather as a result of the role-defining forces of social-cultural environment in the industrial world in general." (Murdy, 1972:115-116)

The Jordanian culture, as other Arab and Muslim countries, usually holds males responsible for the provision of financial needs (bread winners) for their dependents, especially if these dependents are female (e.g. wife, daughter, sister). However, as life's conditions get more difficult, in terms of living expenses as well as other reasons also, the majority of qualified females, especially those in the younger age groups, do enter the labour market.

6.3.3 MARITAL STATUS

Another feature investigated was employee marital status. Respondents were classified into married and unmarried categories. Married subjects were found to represent slightly less than three-quarters of the surveyed employees (72.5 percent). The distribution of the sample according to marital status is given in Table 6.5.

Table 6.5 Distribution of sampled employees by marital status

Category	Frequency	Percentage
Married	206	72.5
Unmarried	78	27.5
Total	284	100.0

6.3.4 EDUCATIONAL LEVEL

As far as the educational background is concerned, more than half of the surveyed employees were found to possess a higher degree. Among the 290 respondents, 90 had a bachelor's degree and 83 had a diploma (two year's college degree). Table 6.6 demonstrates that employees with community college, university, and postgraduate degrees constituted more than 62 percent of the sample. The lowest and highest frequencies went to employees with an elementary school certificate and postgraduate degree respectively.

Table 6.6 Distribution of sampled employees by educational level

Level of Education	Frequency	Percentage
Elementary School	4	1.4
Preparatory School	25	8.6
Secondary School	79	27.3
Community College	83	28.6
University	90	31.0
Postgraduate	9	3.1
Total	290	100.0

However, for the Jordanian labour force as a whole, the educational level of the majority of employees was below secondary school (see Table 6.7). The second highest grouping went to the holders of secondary school certificate. Next came the holders of college, university, and postgraduate degrees consequently. When compared to the distribution of the labour force as a whole, it can be observed that the educational attainment of the obtained sample from manufacturing companies seemed to be of higher educational level. It was found that the percentage of employees from each of the secondary school, college, university, and postgraduate educational levels was higher than that of the labour force as a whole.

Table 6.7 Distribution of Jordanian labour force by educational level (1982-1985)

Level of education	1982	1983	1984	1985
Below secondary school	66.4	63.3	60.1	57.1
Secondary school	17.2	19.4	21.6	23.8
Community college	8.2	8.6	9.0	9.4
University	7.3	7.7	8.3	8.7
Postgraduate	0.9	0.9	0.9	1.0
Total	100.0	100.0	100.0	100.0

Source: Al-Khasawneh (1988), "An Analytical Study of the Structure of Jordanian Labour Market", Labour Journal: Ministry of Labour, 42, p. 12.

6.4 CAREER PATTERNS OF EMPLOYEES

6.4.1 TENURE/LENGTH OF SERVICE IN THE PRESENT COMPANY

This section discusses how long employees had been with their present companies. It was found that the average longevity of service was 7.2 years for all of the sample and the maximum value for tenure was 36 years. Other detailed results were given in Table 6.8.

Table 6.8 Distribution of sampled employees by length of service in the present company

Length of service	Number	Percentage
Less Than 5 Years	126	43.0
5-9 Years	81	27.6
10-14 Years	62	21.2
15-19 Years	9	3.1
20 Years or above	15	5.1
Total	293	100.0

Several points emerge from this table. The most notable is that the majority of employees (43 percent) have only been with their current establishments for five years or less. Furthermore, slightly over 70 per cent of employees had been with their present firms for less than 10 years. On the other hand, only 8.2 percent of the sample had spent 15 or more years in their current companies.

6.4.2 ORGANISATIONAL POSITION

As was previously mentioned in the research methodology chapter, the employees were classified into four main categories according to their hierarchical levels in the organisation. These categories were senior managers, middle managers, junior managers, and employees of non-managerial positions. Table 6.9 and Figure 6.2

illustrates the general distribution of employees according to their positional level in the hierarchy.

Table 6.9 Distribution of sampled employees by organisational position

Organisational position	Number	Percentage
Senior management	20	7.0
Middle management	32	11.1
Junior management	68	23.7
Non-management	167	58.2
Total	287	100.00

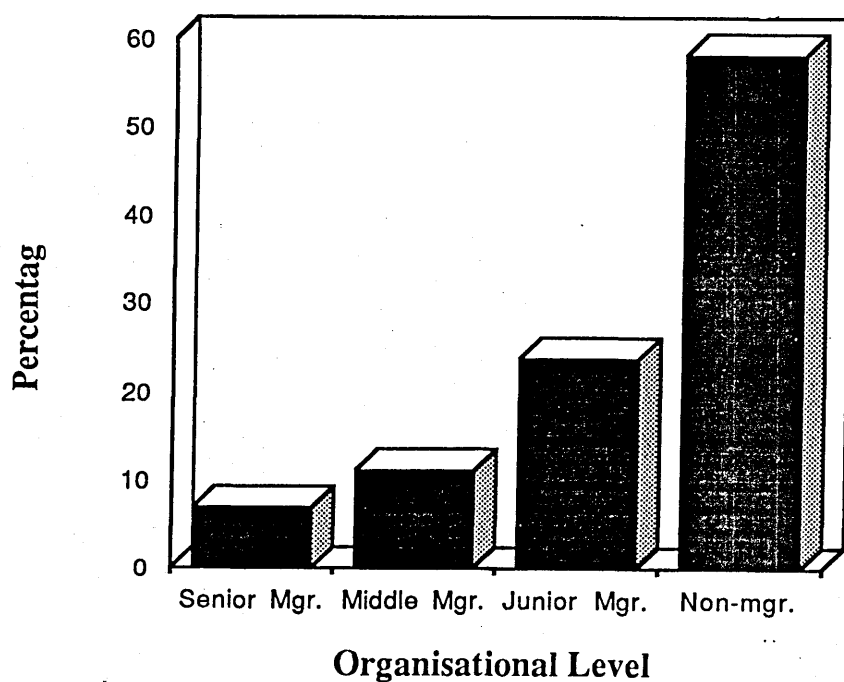


Figure 6.2 Distribution of the sample by organisational position

As can be seen from the table, the sample of respondents seemed to resemble a typical organisational structure situation where a pyramid shape prevailed. The number of surveyed personnel from the apex of the pyramid was 20 persons representing about 6 per cent of the respondents. However, the number of respondents rose as one descended towards the lower organisational echelons.

6.4.3 LEVEL OF PAY

Employees in the manufacturing companies were asked about their salary or monthly wage level. Their wage levels in Jordanian Dinars (JD) is presented in Table 6.10. The exchange rate of the Jordanian Dinar at the time of conducting the filed study was nearly equal to 1.4 Sterling Pound.

The obtained data shows that the majority of employees fall into the pay range of JD 100-150 which represents 24.2 per cent of surveyed employees. Next to that are those subjects in the top pay bracket of 'above JD 300'. Those with pay levels of 'JD 150 and below' form almost half of the sample (45.4 percent). The lowest pay level category in terms of the concentration of employees was the JD 251-300 band.

Table 6.10 Distribution of sampled employees by monthly level of pay

Pay level (JD)	Frequency	Percentage
Less than 100	62	21.2
100-150	71	24.2
151-200	34	11.6
201-250	45	15.4
251-300	18	6.1
Above 300	63	21.5
Total	293	100.0

JD: Jordanian Dinar

6.5 SUMMARY

This chapter has described certain characteristics of the companies selected for the study and has examined the background of the surveyed employees. Companies were described in terms of their industrial sectors and in terms of the contingency variables that were controlled for (type of ownership, type of business, organisational size, and level of technology). Employees background included personal characteristics (age, gender, marital status, and level of education) and career patterns (tenure in the present company, hierarchical position, and pay level).

The distribution of companies according to the controlled contingency variables was presented in the chapter. As the type of products was concerned, the sampled companies fell into ten groups. These were: leather; therapeutic; chemical; engineering; furniture, doors, and windows; construction; printing; supply; clothing; and packing and packaging.

Data indicated that the majority of employees who are worked in the sampled industrial companies were in the young age groups, predominantly male and possessed higher level of education (community college, university, and postgraduate). As of the career-related patterns, it was found that the majority of employees had relatively short length of service in the present company, had non-managerial jobs, and had a low level of monthly wage or salary. The next chapter will investigate the perceptions of employees in the Jordanian industrial companies vis-a-vis the climate in their organisations.

CHAPTER SEVEN

AN INVESTIGATION OF ORGANISATIONAL CLIMATE IN JORDANIAN MANUFACTURING COMPANIES

7.1 INTRODUCTION

This chapter sets out to investigate the views of the sampled members in the selected Jordanian manufacturing organisations concerning nine aspects of climate in their organisations. The next section deals with the reliability of the organisational climate questionnaire used in the study, while the third is concerned with examining the independence of the nine dimensions of climate through the use of intercorrelations amongst these dimensions. After conducting the basic validity tests, attention will then be directed towards the responses of employees vis-a-vis the climate in their organisations. The fourth section will be devoted to a detailed discussion of organisational climate aspects of Jordanian industrial companies as perceived by members in these organisations.

7.2 RELIABILITY TEST OF THE ORGANISATIONAL CLIMATE QUESTIONNAIRE

The aim of reliability tests is to assess the degree to which the responses to a certain research instrument consistently measure what it is intended to measure. Reliability is the extent to which an instrument yields the same results on repeated trials. A research instrument is relatively reliable if it is minimally affected by variable error. For instance, an intelligence test is considered to be reliable if an individual obtains approximately the same score on repeated examinations. Factors such as momentary absent-mindedness, ambiguity in instructions, and technical difficulties (pencil breaking while answering) may cause the introduction of variable errors (Nachmias and Nachmias, 1981).

The result of the reliability test is typically given by a numerical value which is called the 'reliability coefficient'. There is a reliability coefficient for each dimension in the instrument. The coefficient of reliability varies on a scale from zero to one. Values greater than or equal 0.5 are commonly considered acceptable levels of congruence in measurement. The higher the coefficient is, the stronger is the congruence or internal consistency in measurement. If all the

variables in the instrument show acceptable coefficients of reliability, then the whole instrument is judged to be reliable. In this research, a commonly used method of reliability called 'Cronbach's alpha' was utilised (Cronbach, 1951). The results of the alpha reliability test of this study, as well as those of the two previous ones by Sims and LaFollette (1975) and Muchinsky (1976) are presented in Table 7.1

Table 7.1 Internal consistency coefficients of organisational climate dimensions

Dimensions	Sims and LaFollette	Muchinsky	Al-Shammari
1.Structure	.79	.77	.75
2.Responsibility	.34	.46	.72
3.Reward	.67	.81	.72
4.Risk	.12	.47	.67
5.Warmth	.76	.81	.71
6.Support	.69	.77	.68
7.Standards	.37	.49	.67
8.Conflict	.21	.01	.67
9.Identity	.79	.81	.73

In this study, the reliability coefficients of the climate instrument ranged from 0.67 (for Risk, Standards, and Conflict) to 0.75 (for Structure). A comparison of reliability between the present study and the two aforementioned ones showed that the coefficient alpha of

some climate dimensions was higher and that of others was lower. It is also noticeable that the reliability coefficients of Risk, Standards, and Conflict were lower than the coefficients of other variables in the climate questionnaire.

Overall, the most striking feature of the reliability results of this study, as compared to the previously mentioned ones, was that none of the climate dimensions' reliabilities fell into the 'rejection' level. On the contrary, the dimensions of Responsibility, Warmth, Standards, and Identity in the previous two studies showed reliabilities below the acceptable level. Therefore, it can be said that the climate questionnaire used in this study proved to be a reliable instrument and capable of consistently measuring the nine designated facets of organisational climate.

7.3 INTERCORRELATIONS OF ORGANISATIONAL CLIMATE DIMENSIONS

This section sought to examine scale independence of the climate questionnaire by applying intercorrelations amongst dimensions comprising the instrument. Through intercorrelation coefficients, it is possible to determine whether the climate aspects used in the study were independent of each others or not. Higher

intercorrelation coefficients indicate higher association amongst investigated variable, and therefore, indicate a lack of independence amongst these variables. In contrast to coefficients of reliability, the intercorrelation coefficients amongst climate dimensions are considered to be desirable when they show lower values, and undesirable when they yield higher values of coefficient. Intercorrelation coefficients greater than or equal 0.6 indicate very strong association amongst variables, and therefore, the present study will consider these values to represent unacceptable (rejected) level of intercorrelation amongst dimensions of climate. The intercorrelation coefficient results amongst climate dimensions are presented in Table 7.2.

Table 7.2 Intercorrelation coefficients amongst climate dimensions

Dimension	1	2	3	4	5	6	7	8	9
1.Structure	1.0								
2.Respons.	.31	1.0							
3.Reward	-.05	-.02	1.0						
4.Risk	-.13	-.09	.19	1.0					
5.Warmth	-.07	-.02	.12	.33	1.0				
6.Support	-.04	-.12	.28	.38	.28	1.0			
7.Standards	-.06	.06	.31	.50	.28	.42	1.0		
8.Conflict	-.05	.15	.24	.45	.24	.34	.44	1.0	
9.Identity	.06	.18	-.10	.16	.08	.10	.12	.18	1.0

As Table 7.2 shows, almost none of the intercorrelations amongst aspects of organisational climate appear to fall in the 'rejection' level. Instead, many of the climate dimensions showed negative signs of relationship with other dimensions of climate. It can be concluded, therefore, that the climate aspects investigated in this study exhibited acceptable levels of interdependence amongst each other, and that they did measure different facets of organisational climate.

To sum up therefore, the reliability and intercorrelation coefficient findings described in the present and the previous section, can be said to confirm the fact that the organisational climate instrument utilised in this study is a scientifically acceptable one. The climate instrument was found to be reliable in measuring organisational climate of Jordanian industrial companies and that its dimensions were also found to be independent of each other.

7.4 EMPLOYEES' PERCEPTIONS OF ORGANISATIONAL CLIMATE

This section investigates perceptions of employees towards each dimension of organisational climate in turn. A general summary of these results is given in Table 7.3 and Diagram 7.1. It is to be mentioned here that Diagram

7.1 was constructed by adding up employees' percentage responses of 'strongly agree' and 'agree' together to form the latter called 'high' perception of organisational climate, and by adding up the 'strongly disagree' and 'disagree' responses together to form the latter called 'low' perception of organisational climate. Therefore, high degree of Structure, for instance, means that people believe there are many rules, regulations, and procedures in the work place. On the other hand, low Structure suggests that there are few rules, regulations, and procedures in the work organisation. A similar way of interpretation is applied to other dimensions of climate based on their definitions given in section 5.9.2 of Chapter Five.

As can be seen from Table 7.3 and Diagram 7.1, 'high' climate scores were found on only three dimensions of climate, and low scores on the remaining six. The climate dimensions towards which employees had a high perception were Reward, Risk, and Conflict. The dimensions of climate that were perceived low by organisational members were Structure, Responsibility, Warmth, Support, Standards, and Identity. The following subsections are designed to deal with each one of the climate dimensions in detail.

Table 7.3 Responses of employees towards organisational climate dimensions

Climate dimensions		Structure	Respon- sibility	Reward	Risk	Warmth	Support	Standards	Conflict	Identity	Overall
Responses											
Strongly agree	N	302	258	355	235	128	155	167	192	115	1,907
	%	12.8	12.5	20.0	16.0	8.6	10.4	9.4	16.3	9.8	12.9
Agree	N	697	671	638	662	322	426	455	548	254	4,673
	%	29.4	32.5	36.0	45.0	21.8	28.8	25.6	46.5	21.5	31.6
Disagree	N	916	901	634	427	798	730	837	361	576	6,180
	%	38.7	43.5	35.7	29.0	54.0	49.3	47.1	30.7	48.9	41.9
Strongly disagree	N	452	237	147	148	231	170	317	77	234	2,013
	%	19.1	11.5	8.3	10.0	15.6	11.5	17.9	6.5	19.8	13.6

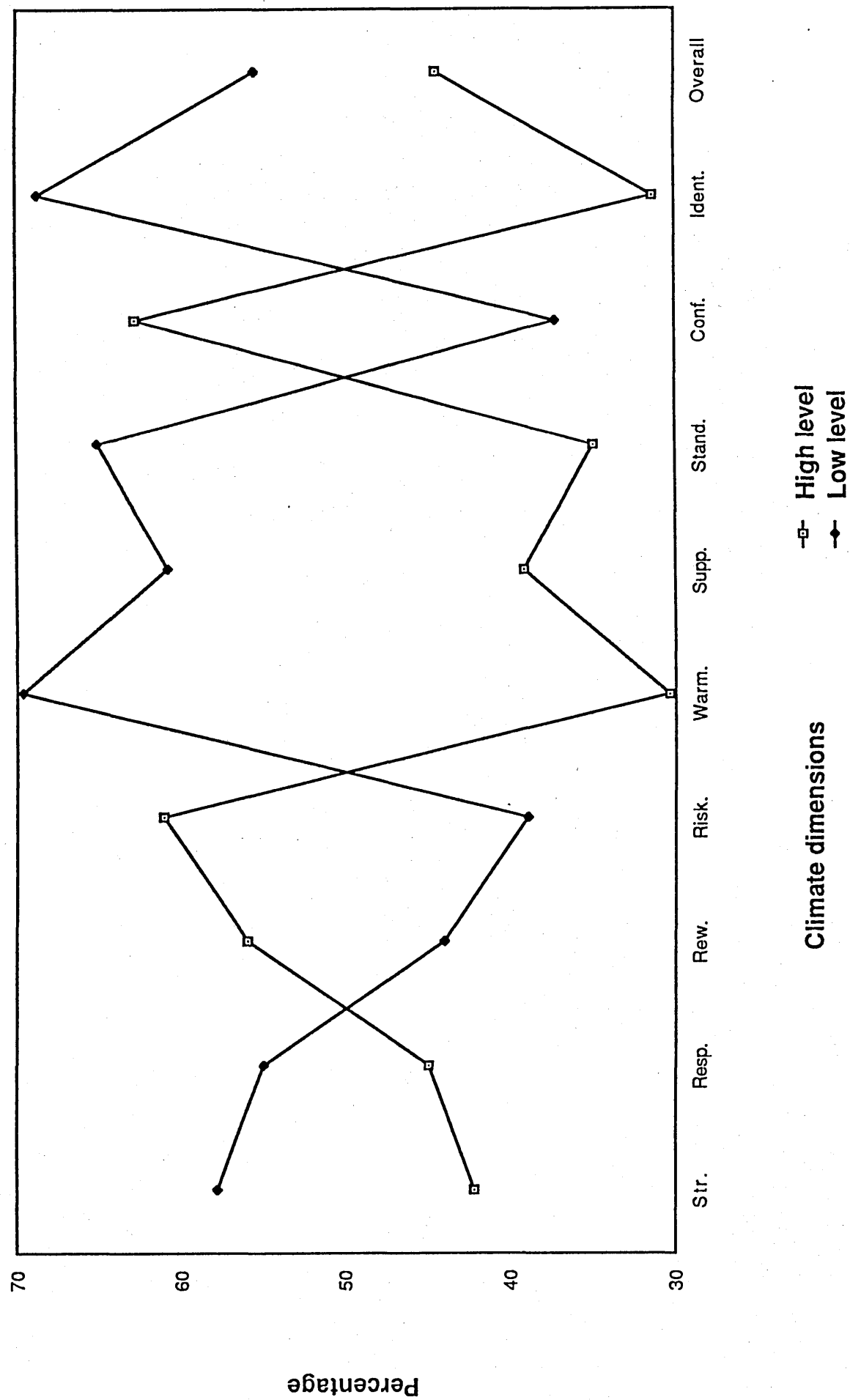


Figure 7.1 A graphic presentation of climate data

7.4.1 STRUCTURE

As the survey results showed in Table 7.3 and Diagram 7.1, the majority (57.8 per cent) of employees in the Jordanian manufacturing companies held a low perception of the Structure dimension in their organisations, as opposed to slightly more than 42 per cent (42.2 per cent) who had a high perception. That is to say, over half of employees believed that there was a low degree of Structure in their companies, and that the job descriptions and lines of authority were not clearly defined. The items that were presented to employees are shown in Table 7.4A, while the responses towards these items are documented in Table 7.4B.

It was found in the results that more than 89 per cent of employees *expressed their disagreement on the statement that* the duties and responsibilities of jobs were clearly explained to them by management. This of course made employees unclear about the scope of their jobs, the degree of their responsibilities, and what they were expected to do.

Table 7.4A Structure dimension items

No.	Description of items
1.1.	The jobs in this organisation are clearly defined.
1.2.	In this organisation it is sometimes unclear who has the formal authority to make a decision.
1.3.	The organisation structure of this organisation has been clearly explained.
1.4.	Red-tape is kept to a minimum in this organisation.
1.5.	Excessive rules, administrative details, and red-tape make it difficult for new and original ideas to receive consideration.
1.6	Our productivity sometimes suffers from a lack of organisation.
1.7.	In some of the sections I've been on, I haven't been sure exactly who my boss was.
1.8.	Our management isn't concerned about formal authority, but concentrates instead on getting the right people together to do the job.

Table 7.4B Structure dimension: responses of employees on its items in percentage

Item number	Strongly agree	Agree	Disagree	Strongly disagree
1-1	2.7	8.1	58.6	30.6
1-2*	26.7	45.9	16.6	10.8
1-3	4.1	18.6	53.6	23.7
1-4*	8.1	20.6	57.4	13.9
1-5	13.5	47.1	23.2	16.2
1-6*	14.1	47.5	25.9	12.5
1-7*	26.9	49.0	11.9	12.2
1-8*	6.5	11.2	49.8	32.5

Asterisk (*) denotes items reversed for scoring biases.

Al-Hourani (1987) reported two reasons that were given by workers in Jordanian manufacturing industry for the lack of clear job description in their companies. The first one was that, in some cases the job was simple and clear, and therefore, did not require explanation or clarification. The second reason was that because employees may previously have been working in a similar job, management did not feel that there was a need to explain what was required of them.

The responding employees also highlighted two further structural peculiarities of their companies. The majority of them believed that there was sometimes an ambiguity about who had the formal authority to make a decision, and there was a lack of clarity as to who has the authority over whom in some sections of the organisation.

In the author's experience of doing the field study, he found that the vast majority of the surveyed industrial companies had neither a formal organisational chart, nor a written description of the duties and responsibilities of various jobs in these companies. A subtle example can be given to show the absence of formal organisational structure and the existence of high concern about authority at the same time. This was the case of a company where one person occupied the posts of deputy general manager, factory manager, and was in charge of

production operations in the company. In so doing, this executive would eventually leave less room for officers in the company to enjoy a reasonable degree of job autonomy or career development within the organisation.

The absence of a formal organisational structure can be exploited by companies, if wanted, in a way that would give them more freedom in assigning some of their employees to extra jobs or duties, or release others from such duties. Even organisations with formal organisational structures sometimes made frequent changes in their structures in order to accommodate the desires of their transitory leaders (Pezeshkpur, 1978). Furthermore, having a designed organisational structure, will virtually commit companies to setting pay scales for their employees (be them waged or salaried). This was not desired by the manufacturing companies surveyed.

The surveyed employees reported that their companies suffered from red tape, excessive rules, and administrative details which, they added, made it difficult for new and original ideas to receive consideration. The failure of management to organise employees successfully led, in their view, to a reduction in their productivity.

But let us not be confused here by the existence of low level of structure accompanied by excessive rules and red-tape as reported previously. In the sampled organisations, work procedures and rules are established by heads of organisations or department managers to be followed by employees. However, these rules and procedures are usually verbal, non-documented, and unstructured in a way that a turnover of bosses will probably bring even more new rules and procedures (Pezeshkpur, 1978). Therefore, the paradoxical existence of low formality in structure on one hand and excessive rules and red-tape on the other is possible in an organisation especially at the informal and the transitory level.

The finding of red-tape in Jordanian industrial companies is hardly surprising considering that it may be partly a reflection of Jordanian societal customs and value orientation. As was demonstrated earlier in section 4.8 of this study, one of the manifestations of the Jordanians was their fetish for status and prestige. It seems that red-tape in Jordanian organisations is a ceremony whose purpose is to demonstrate status. After such a demonstration, the Jordanian executive is likely to brush aside all red-tape and get down to business (Malallah, 1976).

This study confirmed the well-established view that excessive rules and procedures were bottlenecks that hindered new and original ideas. We might expect here that if attitudes and relationships in organisations were based solely upon bureaucratic and strongly centralised organisational authority, the resulting environment would often be a demotivating one and would retard the emergence of innovative ways of doing things. A recent study conducted by Makhamreh and Al-Dahhan (1988) aimed at identifying the variables which might affect the innovation of employees in Jordanian industrial companies. Their results indicated that the surveyed employees considered rigidity in organisational structure as a barrier to innovation.

7.4.2 RESPONSIBILITY

This section reviews employees' perceptions of the level of responsibility conferred on them in their organisations. The results of the climate survey showed that more than half (55 per cent) of the surveyed employees perceived a low level of Responsibility to be given to them by their organisations (see Table 7.3 and Diagram 7.1). The items to the dimension are presented in Table 7.5A, whereas the responses to these items were given in Table 7.5B.

Table 7.5A Responsibility dimension items

No.	Description of items
2.1.	We don't rely heavily on individual judgment in this organisation.
2.2.	Around here management resents your checking everything with them; if you think you've got the right approach you just go ahead.
2.3.	Supervision in this organisation is mainly a matter of setting guidelines for your subordinates; you let them take responsibility for the job.
2.4.	You won't get ahead in this organisation unless you try things on your own sometimes.
2.5.	Our philosophy emphasise that people should solve their problems by themselves.
2.6.	There are an awful lot of excuses around here when somebody makes a mistake.
2.7.	One of the problems of this organisation is that individuals won't take responsibility.

Table 7.5B Responsibility dimension: responses of employees on its items in percentage

Item number	Strongly agree	Agree	Disagree	Strongly disagree
2-1*	8.8	36.1	30.4	24.7
2-2	7.1	28.5	54.2	10.2
2-3	7.8	23.6	54.4	14.2
2-4	8.4	39.7	37.4	14.5
2-5	12.7	36.3	43.8	7.2
2-6*	9.2	33.2	44.7	12.9
2-7*	16.2	45.9	24.0	13.9

Asterisk (*) denotes items reversed for scoring biases.

The findings of the study suggest that employees were not sufficiently encouraged to take personal responsibility within their jobs, to feel that they are their own boss, or to fulfill their roles as they see fit without having to 'run upstairs' every time a decision is to be made. It has been argued that authority in Middle Eastern organisations, in general, is seldomly delegated and that "no one in the organization initiates any activity unless it is assigned to him by top management" (Pezeshkpur, 1978:55). Wright (1981:90) noted that:

"The ramification is that with the exception of the very top managers, all other executives are left with little authority. As a result, even insignificant matters are often pushed up the organisation by the personnel for top-level decisions."

The inclination of Jordanian companies towards authority in running their business functions runs in parallel to the social values in Jordan as explained in section 4.8 of Chapter Four. It is possible that this tendency stretches to organisations in 'traditional' societies in general. Tannenbaum (1980:290) asserted that "researchers report management in traditional countries like Greece and India prefer passive subordinates, while American and British managers prefer more active and involved subordinates."

The essence of the delegation or responsibility, as argued by Handy (1985), lies in the trust-control dilemma. Trust, was what the subordinate felt that his superior had in him, while control was the control that the superior had over the subordinate's work. Handy added that where a control mechanism existed, the tendency of subordinates was to rely on it. For instance, if there were limits to the promotional expenses that could be paid to salesmen, a sales representative would tend to spend up to the limit instead of exercising his judgment on each case. A secretary would rely on her boss to do the final proof-reading of her letters. The subordinate would check his proposed course of action with his boss. On another hand, if trust prevailed, responsibility would flourish and control would become self administered. The opposite of the previous examples would occur. The secretary starts referring only the letters she was worried about to her boss, the salesman and the subordinate would consult their superiors only in doubtful cases (Handy, 1985).

As a corollary to the above, it can be stated that in any managerial situation, the sum of trust + control is always constant, and the implications of this constant sum are that (Handy, 1985):

1. Any increase in the control by management, decreases the amount of trust perceived by the subordinate ($\text{control} + x = \text{trust} - x$);
2. Any wish by the manager to increase his trust in his subordinate must be accomplished by a release of some control if it is to be believed ($\text{trust} + x = \text{control} - x$).

In addition to the trust - control variables, perhaps, other factors may play a role in making superiors reluctant to delegate a large amount of individual responsibility to their employees. Among these factors are the following (Newman, 1956):

1. Some executives get themselves trapped in the 'I do it better myself fallacy'.
2. A lack of ability to direct.
3. A temperamental aversion to taking a chance.

In spite of the previous observations, one may be able to speculate here that it is not only management that alone shoulders the liability of having a low level of responsibility or autonomy in their organisations. Other organisational members themselves may be blamed too. It must be recognised that not every organisational member wants an increased degree of involvement. This view is supported by the results of this study which show that

employees are reluctant to take responsibility in their organisations.

The reluctance of employees to take responsibility within their organisations may be seen to be in line with the socio-cultural environment of Jordan. An important consequence of group centredness (see section 4.8 of this study) in the Jordanian society was the lack of a sense of individual autonomy (Malallah, 1976). The responsibility avoidance tendency could be a product of desire of various factors, chief among them were: (Newman, 1956).

1. Subordinates find it easier to ask the boss to make the decision rather than deal with it themselves.
2. The fear of criticism in case of error.
3. A lack of the necessary information and resources to do a good job.
4. The subordinate already has too much work.
5. A lack of self confidence.
6. Inadequate incentives.

7.4.3 REWARD

This section looks at the climate dimension of Reward. The results of employees responses towards the Reward dimension showed that the majority (56 per cent) of

organisational participants perceived a high degree of Reward in their organisations. They believed that they were fairly rewarded for doing good work, rather than only being punished when something went wrong (Table 7.3 and Diagram 7.1). It is to be noted, however, that the Reward dimension is the first one so far towards which employees had a high perception. The questions asked on the Reward dimension are presented in Table 7.6A and the results of employees' responses toward each one are reported in Table 7.6B.

Formal organisations are presumed to offer different forms of *quid pro quos* to their members. Chief among these are the pay, recognition and encouragement and promotion opportunities. As can be seen from employees' responses, the majority of them expressed a high perception of Reward in their organisations. They felt that their organisations emphasised positive reinforcement rather than punishment and threat. The reward received was seen as depending on their job performance.

Pay can be considered as one of the most powerful elements of motivation. In practice, pay is a comparative motivating agent. That is to say, its absolute level is unimportant as soon as physiological-economic needs are satisfied. It is the level relative to past or future

Table 7.6A Reward dimension items

No.	Description of items
3.1.	We have a promotion system here that helps the best man to rise to the top.
3.2.	In this organisation the rewards and encouragements we get usually outweigh the threats and punishments.
3.3.	In this organisation people are rewarded in proportion to the excellence in their performance.
3.4.	There is a great deal of criticism in this organisation.
3.5.	There is not enough reward given in this organisation for doing good work.
3.6.	If you make a mistake in this organisation you will be punished.

Table 7.6B Reward dimension: Responses of employees on its items in percentage

Item number	Strongly agree	Agree	Disagree	Strongly disagree
3-1	20.2	25.7	40.4	13.7
3-2	22.9	32.7	36.0	8.4
3-3	23.4	34.6	35.2	6.8
3-4*	6.4	50.8	27.3	15.5
3-5*	11.5	36.0	32.0	20.5
3-6*	3.0	15.9	63.5	17.6

Asterisk (*) denotes items reversed for scoring biases.

expectations, to peers or to other opportunities that is important (Handy, 1985). Thus it seemed most meaningful to think of the agreement of employees on the existence of performance-related reward systems in their companies, even though in reality these systems were rarely applied within the Jordanian private sector. In light of these observations, the performance-reward scheme, if used by companies, will be most likely applied at the worker level. Although widely used in Europe and the U.S, the use of performance-reward systems, for various reasons, has rarely been successfully introduced in developing countries especially for senior and middle level managers (Powell, 1987).

The question that arises is how can one interpret employees' responses to this dimension ? Two points can be made in this regard. First, as has been mentioned earlier, there seems to be no formal pay scale in the majority of Jordanian private companies. If one does exist, it is unlikely to be written down. If it is written down, it will be applied only to salaried employees. Salaried employees, however, may also be rewarded indirectly for their good work by linking the excellence in their performance with annual, monthly, or special pay increases. Moreover, in most of Jordanian companies, there is normally a group of employees whose remuneration is based on a reward-performance mechanism.

Such employees include insurance salesmen and sales representatives.

The second point to be made is that despite the fact that there is a general pay dissatisfaction in the country, mainly due to the devaluation of currency and a high inflation rate, private sector employees are still better off in their pay levels than their governmental counterparts. Indeed, employees in the government sector have frequently expressed their discontent about their level of salary (El-Sabbagh, 1982). In most cases, employment in the private sector is more remunerative than in the government service. In addition, the pay rises in private sector come faster and higher than those within the governmental sector (Abu-Jubarah, 1980). Going back to the main point, one can say that this situation may have led the surveyed employees to extend their contentedness of the general pay level in their companies to the case of performance-reward schemes. This phenomenon is known in behavioural research as the 'halo' effect.

On the other hand, members of the organisations in the sample, disagreed on the question about the fairness of the promotion system in their organisations. The normal yardstick of promotion in organisations, at least theoretically, is that organisational members must

demonstrate, through their job performance, that they deserve to be advanced. However, the reaction of surveyed employees suggests that this was not the case in their companies.

Though most of regulations in Jordanian companies, stipulated a set of criteria for promotion based on merit, academic qualifications, training, and seniority; complaints of favourism and nepotism were occasionally received (Al-Faleh, 1986). However, these critiques of the equity of promotional decisions did not seem to be limited to Jordanian companies. Similar practices have been reported in various other Arab countries. In the words of Muna (1980:118):

"Promotion based on efficiency and achievement may frequently be violated in view of the importance in the Arab world of nepotism, loyalty, and personal connections".

Concerning the issue of too much criticism for employees in organisations, the surveyed personnel confirmed that employees were extensively blamed and 'tongue-lashed'. This was a form of disapproval used by management if something went wrong. In Jordanian companies, punishment takes four forms ranging from the 'soft' form of warning or threat to the 'severe' form of laying off. In between, there are two other forms. First, deducting an

unspecified amount of the monthly pay, and second, withholding the annual pay raise (Malallah, 1976). An example of the existence of a great deal of criticism, according to one of the surveyed employees, was the case of a director of the board who sometimes made random checks around the workplace during which he publicly reprimanded employees for anything that he thought was wrong.

7.4.4 RISK

This fourth section deals with the climate dimension of Risk in Jordanian industrial companies. The overall response of employees towards that dimension showed that the majority (61 per cent) believed that there was a willingness by management in their organisations to take some risks and accept challenges in operating the business (Table 7.3 and Diagram 7.1). With regard to this dimension, it can also be noted that this is the second dimension towards which high perceptions were received. The items of Risk dimension were presented in Table 7.7A. The responses of employees towards each one of these questions are presented in Table 7.7B.

The phenomenon of risk in group decision making has received considerable attention by behavioural scientists. In several studies, it was found that when

Table 7.7A Risk dimension items

No.	Description of items
4.1	The philosophy of our management is that in the long run we get head by playing it slow, safe, and sure.
4.2	Our business have been built up by taking calculated risks at the right time.
4.3	Decision making in this organisation is too cautious for maximum effectiveness.
4.4	Our management is willing to take a chance on a good idea.
4.5	We have to make some pretty risks occasionally to keep ahead of the competition in the business we're in.

Table 7.7B Risk dimension: responses of employees on its items in percentage

Item number	Strongly agree	Agree	Disagree	Strongly disagree
4-1*	4.4	13.3	54.7	27.6
4-2	9.5	55.8	25.2	9.5
4-3*	6.4	15.9	54.6	23.1
4-4	13.2	22.3	48.6	15.9
4-5	6.5	37.5	42.0	14.0

Asterisk (*) denotes items reversed for scoring biases.

making decisions in a group, people tend to be more risky than when they make decisions as individuals (Stoner, 1961). A number of explanations have been cited for this tendency towards risk. Among those that have received the greatest considerations are the followings (Hodgetts and Altman, 1979):

1. Making a decision in a group allows for a diffusion of responsibility in the event of an erroneous decision. As each individual would feel less personal responsibility for failure, the group would be driven towards more risk taking.
2. Risky people are more influential in group decisions than conservative people. Therefore, they are more likely to bring others to their point of view.
3. In some cultures risk taking is socially valued, and society desirable qualities are more likely to be expressed in a group rather than alone.

This study's findings on the sense of risk-taking and challenge in Jordanian manufacturing organisations, are supported by another study on innovation in Jordanian corporations. Makhamreh and Al-Dahhan's (1988) study found that the majority of employees believed that their companies did not fear the risk of implementing or carrying out innovative ideas. Furthermore, employees also believed that the social customs and habits

prevailing in the Jordanian society did not hinder innovative thoughts. To some extent, this would provide evidence to confirm the influence of the prevailing values in the Jordanian society as a whole towards taking risk. Therefore, it is not unexpected to find organisations, to various degrees, inclined towards risk-taking since they are inextricably linked to the country's wider social systems and values.

7.4.5 WARMTH

The fifth category looked at the dimension of Warmth. Noteworthy in this section was the change of climate responses from high, as in the two dimensions of Reward and Risk, towards low perception for the Warmth dimension. The majority of employees (69.6 per cent) believed that there was a low degree of Warmth and fellowship in their work places (Table 7.3 and Diagram 7.1). The Warmth questions that have been asked are reported in Table 7.8A. Employees' responses to these items are presented in Table 7.8B.

The general finding of this section revealed that there was an antagonistic and unrelaxed working climate and little Warmth between management and employees. One organisational member commented on the atmosphere by saying that: "The relationship between superior and

Table 7.8A Warmth dimension items

No.	Description of items
5.1.	A friendly atmosphere prevails among the people in this organisation.
5.2.	This organisation is characterised by a relaxed, easy-going working climate.
5.3.	It is very hard to get to know people in this organisation.
5.4.	People in this organisation tend to be cool and aloof toward each other.
5.5.	There is a lot of warmth in the relationships between management and workers in this organisation.

Table 7.8B Warmth dimension: responses of employees on its items in percentage

Item number	Strongly agree	Agree	Disagree	Strongly disagree
5-1	14.2	23.2	47.1	15.5
5-2	9.5	24.0	54.7	11.8
5-3*	21.1	59.1	15.0	4.8
5-4*	16.6	49.8	27.1	6.5
5-5	8.4	19.5	58.9	13.2

Asterisk (*) denotes items reversed for scoring biases.

subordinate must encompass mutual respect and understanding, which are, in turn, very important for improving quality and quantity of production". Another participant bitterly criticised the management-employee relationship when he asserted, quite bluntly that, "the relationship between managers and their employees is really bad, where no affection is prevailing between them".

The low level of Warmth and friendship in the organisations may be partly explained by a comment made by one of the employees who said, "The system in this organisation is a military one". He added that the general manager, deputy general manager, administrative manager, production manager, and the financial manager in this company were all retired army officers. In the companies sampled, the researcher realised that this situation occurred in three out of the sixteen companies. It is also interesting to note that companies which recruited retired personnel of the Jordanian Armed Forces also complained that the people with a military background lacked a business mentality. They criticised them for behaving as rigid bureaucrats ignoring human relations in their dealing with others (Al-Faleh, 1987a).

7.4.6 SUPPORT

The sixth section deals with the level of Support in organisations. The views that the majority of employees (60.8 per cent) held towards the entire spectrum of superiors and associates' helpfulness in accomplishing important tasks and the trust and benevolence amongst people in organisations were at a low level (Table 7.3 and Diagram 7.1). A description of items on support were presented in Table 7.9A. The responses of employees towards each of the Support items is shown in Table 7.9B.

Table 7.9A Support dimension items

No.	Description of items
6.1.	You don't get much sympathy from higher up in this organisation if you make a mistake.
6.2.	Management makes an effort to talk with you about your career aspirations within the organisation.
6.3.	People in this organisation don't really trust each other enough.
6.4.	The philosophy of our management emphasises the human factor, how people feel, etc.
6.5.	When I am on a difficult assignment I can usually count on getting assistance from my boss and co-workers.

Table 7.9B Support dimension: responses of employees on its items in percentage

Item Number	Strongly agree	Agree	Disagree	Strongly disagree
6-1*	9.1	47.3	37.2	6.4
6-2	19.2	39.2	33.8	7.8
6-3*	8.8	47.8	32.3	11.1
6-4	13.2	25.1	51.5	10.2
6-5	2.4	10.1	66.0	21.5

Asterisk (*) denotes items reversed for scoring biases.

Relationships are considered to be supportive when the individuals involved saw them as contributing to their sense of personal worth and importance. The frustration and discontentment which was sometimes found among employees may have been the result of the lack of concern and mistrust that managers and other employees showed towards each other. This attribute seemed to exist also in other Arab countries. Al-Faleh (1987b) made an observation on one of the characteristics of Arab management in which he claimed that a low-trust atmosphere characterised organisations in Arab countries.

7.4.7 STANDARDS

The seventh dimension of climate examined the views of employees towards Standards in their organisations. As

was shown in Table 7.3 and Diagram 7.1, the majority of employees (65 per cent) expressed their belief that there was low Standards of performance set by companies for whom they worked. The questions on the Standards of performance that were asked of employees were presented in Table 7.10A and their responses to these are given in Table 7.10B.

Table 7.10A Standards dimension items

No.	Description of items
7.1.	In this organisation we set very high standards for performance.
7.2.	Our management believes that no job is so well done that it couldn't be done better.
7.3.	Around here there is a feeling of pressure to continually improve our personal and group performance.
7.4.	Management believes that if the people are happy, productivity will take care of itself.
7.5.	To get ahead in this organisation it's more important to get along than is to be a high producer.
7.6.	In this organisation people don't seem to take much pride in their performance.

Normally, organisations are concerned with what constitutes adequate performance. The performance of individuals, departments, and organisations is therefore closely tied to the standards which stipulate what counts

as adequate, satisfactory, or good performance (Buchanan and Huczynski, 1985). One of the implications of this statement is that organisations ought to have standards which, are both high and reasonable. Ironically, it was found that one of the administrative deficiencies in Jordanian organisations was their lack of any established standards of performance (Jreisat, 1988).

Table 7.10B Standards dimension: responses on its items in percentage

Item number	Strongly agree	Agree	Disagree	Strongly disagree
7-1	7.8	39.1	44.6	8.5
7-2	1.7	14.9	63.5	19.9
7-3	2.0	7.1	57.9	33.0
7-4	8.8	18.9	46.1	26.2
7-5*	2.0	10.8	54.1	33.1
7-6*	17.2	59.8	20.0	3.0

Asterisk (*) denotes items reversed for scoring biases.

The results of this study provide no evidence to refute the argument of a lack of performance standards within Jordanian organisations. There is a belief by the majority of responding employees that no emphasis or pressure is placed by their organisations on excellence in personal or group performance. It was also found that the surveyed organisations neither set high standards of

performance, nor did their employees take much pride in their performance.

7.4.8 CONFLICT

The eighth category looked at the tolerance of Conflict in the surveyed organisations. The majority of respondents (62.8 per cent) believed that there was a high level of Conflict tolerance in their organisations. This indicated that most staff members had a feeling that their management was not afraid of different opinions or conflict but liked to get arguments and disagreements out in the open where they could be dealt with (Table 7.3 and Diagram 7.1). The questions on Conflict are presented in Table 7.11A. The employees' responses to these items are presented in Table 7.11B.

Table 7.11A Conflict dimension items

No.	Description of items
8.1.	The best way to make a good impression around here is to steer clear of open arguments and disagreements.
8.2.	The attitude of our management is that conflict between competing units and individuals can be very healthy.
8.3.	We are encouraged to speak our minds, even if it means disagreeing with our superiors.
8.4.	In management meetings the goal is to arrive at a decision as smoothly and quickly as possible.

Table 7.11B Conflict dimension: responses of employees on its items in percentage

Item number	Strongly agree	Agree	Disagree	Strongly disagree
8-1*	3.0	23.6	55.1	18.3
8-2	9.9	42.9	36.7	10.5
8-3	17.9	31.8	45.2	5.1
8-4*	7.5	16.8	56.5	19.2

Asterisk (*) denotes items reversed for scoring biases.

In the literature of conflict, there were two main views concerning the conflict in organisations. These views were known as the 'old view' and the 'new view'. The essence of these two traditions according Buchanan and Huczynski (1985:445) was the following:

Old view	New view
Conflict is avoidable.	Conflict is inevitable and is linked to change.
Conflict is caused by "troublemakers".	Conflict is determined by structural factors, e.g., class system, design of career structure.
Conflict is detrimental task achievement.	A small level of conflict is useful particularly if it is used constructively.

At present, conflict and differences of opinion are regarded by the theorists as a natural thing that exists in a healthy and virile organisation. Handy (1985), on another hand, emphasised the broader concept of 'differences' instead of 'conflict', and distinguished three manifestations of differences which he labeled argument, competition, and conflict. He regarded argument and competition as the fruitful and beneficial aspects of differences, whereas conflict was regarded as the harmful side of it. All the items of the conflict dimension utilised in this study have actually focused on the first two kinds of differences; argument and competition.

This section shows that there was an overall tendency of management towards tolerating and accepting the presence of conflict in Jordanian industrial companies. This was reflected in the hearing of different opinions or problems in the open, where they can be dealt with, instead of hiding them. This finding was by itself evidence of the existence of argument and competition within these organisations. However, this would by no means allude to the existence of open confrontation or conflict in these organisations. Jordanian employees may carp and criticise, but at the same time they are well aware of the need not to complain too loudly. In fact, the majority of labour-management disputes surround wage rates and unfair dismissal. It was very rare, for

instance, that workers in Jordan take industrial action to demand higher wages or fringe-benefits. Nevertheless, there may be negotiations and bargaining between management of companies and workers' representatives (or The General Federation of Jordanian Labour Unions) through officials from the Ministry of Labour. In most cases, the Ministry of Labour plays the role of arbitrator between labour unions or associations and the companies involved. In a study on the topic of conflict management in the Arab world (Muna,1980:65), it was reported that open confrontation was considered taboo and that:

"When irreconcilable positions were reached, neither executive nor subordinate allows it [the situation] to develop into direct or open confrontation. Values and norms dictate the use of a third party to convey the message of rejection. The role of a third person (a mediator) in Arab society is crucial in conflict management".

The desire of Jordanian executives and their subordinates to avoid open confrontation whenever conflict occurred may be attributed to Arab societal values and norms which shun open confrontation. Pointing to the need of differences in opinions not to reach the level of open confrontation between the leader and his subordinates, Caliph Muawiyah (AD 661-681) expressed his rational

method of avoiding head-on confrontation in the following statements (Muna, 1980: 63):

"I apply not my sword where my lash suffices, nor my lash where my tongue is enough. And even if there be one hair binding me to my fellowmen, I do not let it break: when they pull I loosen, and if they loosen I pull".

Since conflict is inevitable, organisations should consider ways of managing it, and ensure that it does not become an end in itself. They need to exhibit a willingness to assist in resolving conflict in a way that is neither disruptive nor counterproductive. In a study on styles of managing conflict in Jordan, Turkey, and the U.S., Kozan (1989) found that the collaboration strategy to solve conflict was used by Jordanian managers more often than any other strategy. A collaboration strategy is one in which superiors bring out into the open the ideas of their subordinates and their own ideas in order to work out a solution together. Compromise (splitting the differences) was used more often than accommodation (satisfying the other party's wishes at the expense of one's own) and avoiding (sidestepping the issue and shying away from its open discussion). In Turkey, managers predominantly used a collaborative style backed up by forcing (using power) and compromise. In terms of the most preferred style, the two Mideastern countries

(Jordan and Turkey) resembled the U.S., in which the style of managing conflict was found to be collaboration backed up by compromise and accommodation. Therefore, both Jordan and Turkey were similar to the U.S. in their preference for the collaborative style in handling conflicts, but were different in the relative absence of the use of accommodation in conflict management.

7.4.9 IDENTITY

The ninth and last part of this section deals with the climate dimension of Identity. The results of employees' perceptions towards the identity dimension indicated that the majority of organisational members (68.7 per cent) believed that there was a a low level of Identity with their companies, as opposed to 31.3 per cent with a high level of identification (Table 7.3 and Diagram 7.1). That is to say, the majority of employees did not have the feeling of being proud to belong to the company family nor to the working team. The results also disclosed the dominance of the individualised self-interest over the corporation interests. The items of the Identity dimension are presented in Table 7.12A, and the responses of employees towards these items are shown in Table 7.12A.

The finding of a low level of employees' identity with their companies in Jordan is consistent with another finding of lack of commitment in Jordanian civil service (Jreisat, 1988). It was expected that different cultures, to various degrees, exerted an influence on the readiness of employees to identify themselves with their working

Table 7.12A: Identity dimension items

No.	Description of items
9.1.	People are proud of belonging to this organisation.
9.2.	I feel that I am a member of a well functioning team.
9.3.	As far as I can see, there isn't very much personal loyalty to the company.
9.4.	In this organisation people pretty much look out for their own interests.

Table 7.12B Identity dimension: responses of employees on its items in percentage

Item number	Strongly agree	Agree	Disagree	Strongly disagree
9-1	6.8	17.0	54.2	22.0
9-2	7.9	20.7	52.7	18.7
9-3*	19.7	49.0	23.8	7.5
9-4*	18.9	39.5	24.7	16.9

Asterisk (*) denotes items reversed for scoring biases.

organisations. Accordingly, one may speculate that an employee who has been brought up in a Jordanian or Arab culture, with its strong family and tribal affiliations (see section 4.8), may not have his first loyalty to the working organisation but to his family or tribe. Therefore, concepts such as loyalty towards an organisation may not have any special significance in an Arab culture. It is worthwhile here to present an interesting comment on that phenomenon presented by Muna (1980:36) who observed that:

"When Arabs meet their countrymen for the first time, they usually attempt to establish each other's family identity. In the west, on the other hand, it appears that the initial conversation resolves around a person's occupation or profession. In Japan, introductions are made with reference to the one's organization or company rather than profession".

In the Middle Eastern societies, loyalty can be felt towards people more than to material things. In Western society, the concept of loyalty is applied also to non-human entities like the organisation (Pezeshkpur, 1978). If this argument was correct , then one would expect Jordanian employees to consider the loyalty or commitment to their organisations as being of secondary importance.

Nonetheless, if loyalty to Jordanian industrial companies does happen to exist, it is most likely to be directed towards the person at the very top position in the organisation rather than to the organisation as a whole. However, the loyalty to that top person may create a loyalty to the organisation itself. Therefore, it is highly unlikely to find loyalty to the organisation unaccompanied by loyalty to the top manager of that organisation. In spite of the fact that there may be a gradual and slow process of transfer of individuals' identification from traditional affiliations, this process is not expected to make people's loyalty to institutions occupy the first priority in their 'identifications hierarchy'.

7.4.10 OVERALL CLIMATE

The perception of Overall climate was calculated by adding up the responses of employees to the several items in the nine designated dimensions of climate. Table 7.13 shows that the percentage of employees who had a low perception (disagreement and strong disagreement) of the climate of their working place was greater than those who showed a high perception (agreement and strong agreement). More than 55 per cent of those surveyed had a *Low* perception of the Overall climate in their organisations.

Table 7.13 Employees' responses on overall organisational climate

Response	Frequency	Percentage
Strongly agree	1,907	12.9
Agree	4,673	31.6
Disagree	6,180	41.9
Strongly disagree	2,013	13.6

In fact, This clearly provides evidence that the overall climate in Jordanian manufacturing companies, as perceived by members of these organisations, falls below the average level.

7.5 SUMMARY

The intent of this chapter has been to display a comprehensive picture on characteristics of climate in the surveyed Jordanian industrial corporations. Prior to that, two statistical tests of reliability and intercorrelation analysis were applied to the climate instrument utilised in the study. The aim of the first was to judge whether the instrument yielded similar results if applied in repeated trials. The purpose of the second was to examine the extent that the dimensions of the instrument measure different facets of climate. The research instrument used was found to be reliable and the

dimensions of the instrument were found to be independent of each other.

The chapter then presented the views that the surveyed employees held vis-a-vis their organisations. According to employees' responses to the Structure dimension, it was found that a lack of clarity was perceived in the sampled companies in respect of lines of authority and the duties and responsibilities assigned to employees. Employees also reported high degree of routine procedures in their organisations. In the second climate variable, employees argued that the ambit of Responsibility in their organisations was rather limited and that they were not encouraged to take personal responsibility within their jobs. As regards the Reward dimension, respondents believed that they were being fairly rewarded for doing good work, and that the rewards they received outweighed the threats and punishments. The fourth climate dimension was Risk. Employees believed that management of their organisations were willing to take some risks and challenges in running their business. In concern of the fifth aspect of climate, Warmth, the surveyed organisational members maintained that their working atmosphere was unfriendly and unrelaxed and that there was little warmth in management-employees relationships. In response to the sixth climate dimension, Support, respondents expressed a lack of helpfulness and support

of managers and coworkers in their companies. As the climate dimension of Standards was concerned, employees claimed that management in their organisations did not set very high standards for personal or group performance in their organisations. In the second last aspect of climate, Conflict, organisational participants believed that their organisations were not afraid of conflict and that they liked to deal with arguments and disagreements in the open. Finally,ⁱⁿ the last investigated dimension of organisational climate, respondents reported that organisational members did not have much Loyalty and identification with the companies they work for. The next chapter looks at the differences in climate perceptions according to employees' background characteristics.

CHAPTER EIGHT

EMPLOYEES' PERCEPTIONS OF ORGANISATIONAL CLIMATE AS A FUNCTION OF THEIR BACKGROUND ATTRIBUTES

8.1 INTRODUCTION

It was advocated earlier in Chapter 2, that an employee's behaviour could be viewed as a function of the simultaneous variation of both personal and organisational factors. The emphasis here was on the assertion that neither individual factors nor organisational variables alone could account for a substantial proportion of the variance in outcome variables such as performance or satisfaction. Therefore, the multiple interactions of individual and situational factors can be considered as expected determinants of behaviour (Sells, 1963).

The climate standpoint taken in this study views organisational climate as a combination of organisational and individual variables (see Chapter Two). The main focus in this perspective is on organisational climate as being organisational characteristics perceived by members of these organisations. The causal organisational characteristics (i.e organisational climate) are assumed

to interact with individual background variables (personality, biographic factors, etc.) to produce perceptions.

In this chapter the researcher has sought to investigate whether employees exhibited similarities or differences vis-a-vis their perceptions of organisational climate according to their background attributes. These attributes were divided into two groups: personal or biographic factors and career-related variables. Personal factors were age, gender, marital status, and level of education. Career or work related factors included length of service, hierarchical level, and level of pay.

8.2 PERSONAL ATTRIBUTES OF EMPLOYEES

AND PERCEPTIONS OF ORGANISATIONAL CLIMATE

It was observed that employees differed in terms of their values or their expectations from a job. For some, an interesting task is an essential job outcome, while for others, satisfactory supervisory or co-worker relations are more desirable. Consequently, a major influence on the reaction of employees towards their work situation are the values and expectations that employees have

concerning their jobs. These values and expectations are, to a large extent, shaped by their personal characteristics and backgrounds (Huczynski and Fitzpatrick, 1989).

This section sets out to examine whether differences in employees' perceptions of organisational climate (arithmetic mean scores) are influenced by a composition of demographic variables. These variables are: age, gender, marital status, and educational level.

8.2.1 AGE AND PERCEPTIONS OF ORGANISATIONAL CLIMATE

As the effect of aging on attitudes is concerned, intuitively one would expect that similarity in age to be related to similarity in people's values and attitudes. This may be because of similar experiences in growing up and the similar value orientations that people tend to hold. For that reason, it was expected to observe more variations in climate perceptions in relation to the age of respondents. That is, greater similarities in climate perceptions of people in the similar age group and more differences in perceptions of people from different age bands. However, previous research on organisational climate found that the age of employees did not significantly relate to the perceptions of any

dimension of organisational climate (Payne and Mansfield, 1978). In order to be able to judge whether or not this sort of finding holds in the present study, it was necessary to use appropriate statistical techniques to measure this association between age (measured in continuous number of years) and perceptions of organisational climate.

When the assumption that the researcher's data are metric (interval or ratio scaled) cannot be met, nonparametric statistical techniques are the substitute. As the climate data in this research was not metric (ordinal data), a Spearman's rank order correlation technique (nonparametric) was utilised as a substitute for the Pearson correlation technique (parametric) in measuring associations between age and perceptual dimensions of climate. Table 8.1 contains the results of this statistical technique in the form of correlation coefficient (r_s) and level of significance (P). If a relationship was found significant ($P \leq .05$), then this would indicate a real relationship. Whereas, when a relationship was found insignificant, then, such relationship would be attributed to chance or random sampling.

As shown in Table 8.1, the majority of climate dimensions maintained a significant correlation but in an inverse

pattern with age of employees. That is to say, the older the respondent was, the lower his perception of the organisational climate will be. Also noteworthy was the lack of significant correlation between the two dimensions of Risk and Conflict with age. These results suggest that age plays an important role in shaping the perceptions of employees than has hitherto been suggested in climate research. The results also seem to lend support to the proposition that younger employees are more likely to hold higher perceptions of climate than their older counterparts.

Table 8.1 Spearman's rank correlation: age with perceptual dimensions of climate (N=279)

Dimension	r_s	P
Structure	-.190	.001
Responsibility	-.188	.001
Reward	-.272	.000
Risk	.004	.476
Warmth	-.244	.000
Support	-.248	.000
Standards	-.141	.009
Conflict	.005	.467
Identity	-.233	.000
Overall climate	-.283	.000

8.2.2 GENDER AND PERCEPTIONS

OF ORGANISATIONAL CLIMATE

The second biographic correlate of climate perceptions considered was employee gender. A nonparametric analysis of variance technique called Kruskal-Wallis was utilised. A Kruskal-Wallis one-way analysis of variance (ANOVA) by ranks was performed to examine difference in the perceptions of organisational climate by gender of employees. In the computation of Kruskal-Wallis test, every observation was assigned a rank. That is, the observations of all samples were combined and ranked in a single series. The lowest score was assigned the rank of 1, the second lowest score was assigned the rank of 2, and so on. After summing the ranks which have been assigned to each sample, it is possible then compute the average rank (mean rank) for each sample or group (Siegel and Castellan, 1988).

The chi-square values (X^2) and significance level (P) for the difference between climate perceptions of employees and their gender that resulted from the Kruskal-Wallis test, are presented in Table 8.2. The results of the table show that there was no significant evidence to suggest that gender determined the way in which individuals perceived their employing organisational climate. Thus, it can be concluded that commonalty rather

than differences was found in climate perceptions by male and female employees.

Table 8.2 Kruskal-Wallis one-way ANOVA: employee's gender with perceptual dimensions of climate (N=295)

Dimension	χ^2	P
Structure	2.758	0.097
Responsibility	1.407	0.236
Reward	1.286	0.257
Risk	1.906	0.167
Warmth	1.392	0.238
Support	0.172	0.678
Standards	0.198	0.657
Conflict	0.076	0.783
Identity	0.044	0.833
Overall climate	0.009	0.922

8.2.3 MARITAL STATUS AND PERCEPTIONS OF ORGANISATIONAL CLIMATE

The marital status of employees was the third biographic variable of employees considered in relation to organisational climate. Marital status was measured in a dichotomy of married and unmarried alternatives. The unmarried category was meant to represent those employees who were not married at the time of conducting the study (single, divorced, and widow or widower employees). The

results of the Kruskal-Wallis one-way analysis of variance test of climate perceptions according to marital status are given in Table 8.3.

Table 8.3 Kruskal-Wallis one-way ANOVA: employee's marital status with perceptual dimensions of climate (N=284)

Dimension	χ^2	P
Structure	0.105	0.745
Responsibility	1.794	0.180
Reward	6.818	0.009
Risk	0.554	0.456
Warmth	8.993	0.003
Support	6.018	0.014
Standards	3.843	0.050
Conflict	0.083	0.774
Identity	6.928	0.008
Overall climate	7.1169	0.007

From the results reported in the table, significant differences ($P \leq .05$) in employees' perceptions according to their marital status were observed in five of the nine climate dimensions as well as in the Overall climate. These five measures were Reward, Warmth, Support, Standards, and Identity. However, to obtain a clearer picture as to which of the two marital status categories showed higher perceptions of climate than the other, it

is beneficial to present the mean ranks of the five climate measures and the overall climate as well. This data is shown in Table 8.4.

Table 8.4 Mean ranks of perceptual dimensions of climate according to marital status (N=284)

Dimension	Married	Unmarried
Reward	134.67	163.18
Warmth	133.51	166.25
Support	135.14	161.93
Standards	136.62	158.03
Identity	134.61	163.35
Overall climate	134.50	163.63

An inspection of the mean ranks in the table reveals that married members of organisations tend to have lower perception of the aforementioned climate dimensions and the overall climate than unmarried organisational participants.

8.2.4 EDUCATIONAL LEVEL AND

PERCEPTIONS OF ORGANISATIONAL CLIMATE

The last personal correlate of climate perceptions was level of education. Education was presumed to play a central part in forming the values and attitudes of

people. Studies on Arab university students showed that university students thinking and attitudes towards authority changed dramatically between the first year and the last year of college or university (Diab and Porthro, 1975). In order to test the effect of employees' educational background on their perceptions of climate, a Kruskal-Wallis one-way analysis of variance was again utilised. The results are shown in Table 8.5.

Table 8.5 Kruskal-Wallis one-way ANOVA: employee's educational level with perceptual dimensions of climate (N=290)

Dimension	χ^2	P
Structure	3.563	0.614
Responsibility	16.471	0.005
Reward	22.035	0.000
Risk	10.004	0.075
Warmth	8.804	0.117
Support	17.979	0.003
Standards	6.628	0.250
Conflict	12.463	0.029
Identity	12.287	0.031
Overall climate	17.252	0.004

The figures in the table reveal that employees' perceptions of several climate dimensions as well as the Overall climate, were affected by their educational

level. The exception were their perceptions of Structure, Risk, Warmth, and Standards in which educational level of employees did not account for significant variations in their responses at the 0.05 level of significance. However, at this stage of analysis it is not possible to determine the direction of variations in climate along educational levels. Table 8.6 presents mean rank data with the aim of tackling this point.

Table 8.6 Mean ranks of perceptual dimensions of climate according to educational level (N=290)

Dimension	Elem.	Prep.	Sec.	Col.	Univ.	Post.
Respons.	86.5	148.2	160.5	162.3	122.6	106.6
Reward	124.1	153.4	159.3	167.7	113.3	129.3
Support	109.1	138.1	155.7	169.7	120.7	121.4
Conflict	165.6	168.4	159.6	151.9	121.9	126.1
Identity	58.0	146.0	145.8	163.8	138.9	96.8
Overall climate	94.8	148.2	156.0	167.0	121.8	106.9

The perceptions of five climate measures as well as of the Overall climate seem to follow a pattern in which higher mean ranks are cited as one goes up the educational ladder to the college level. From then on, the views of respondents experienced downward deviations as the educational level became higher. The only

exception to this was the dimension of Conflict where mean ranks of responses moved downwards from the primary school until the university level and then moved up slightly in the case of postgraduate degree holders.

Overall, one can say that most perceptions of climate varied according to educational levels in a way that became lower as respondents moved up in the educational cycle. This was noticed in the the case of employees with educational attainments above college level. It was maintained that "more highly educated people can be said to be more concerned with having a job that provides them with challenge and achievement opportunities than are less well-educated people." (Huczynski and Fitzpatrick, 1989:52). For that reason, it seems logical to expect that as employees pass on to higher levels of education (universities and postgraduate studies), they will develop expectations concerning their work atmosphere that are higher than those of employees with lower educational attainments.

Furthermore, one can also interpret the high expectations associated with the higher educational attainments of Jordanian employees as being a function of the social domain prevailing in Jordan. The previous discussion presented in Chapter Four (section 4.8) is relevant here. There, it was noted that Jordanians counted on education

as one of several means through which respect and status in the wider society were usually gained. Therefore, it seems reasonable to speculate that the sampled Jordanian employees have transferred this wider social value to their narrower society (viz., work organisation).

8.3 CAREER PATTERNS OF EMPLOYEES AND

PERCEPTIONS OF ORGANISATIONAL CLIMATE

The second family of explanatory variables of perceptions of climate was factors associated with the job or work of respondents. The aim of the present section is to shed light on the differences in employees' perceptions in relation to three career variables, namely; length of service in the present organisation, hierarchical position and level of pay. These variables are dealt with consequently in the following subsections.

8.3.1 TENURE IN ORGANISATION AND

PERCEPTIONS OF ORGANISATIONAL CLIMATE

As the longevity of service or tenure is concerned, it was argued in the literature that it had a noteworthy effect on job attitudes of employees, particularly towards level of pay and promotional opportunities (Smith, Kendall, and Hulin, 1969). In order to test the relationship between length of tenure in the company

(measured in continuous number of years) and perceptions of organisational climate, a Spearman rank correlation test was conducted. Results of Spearman's correlation coefficients and significance level are presented in Table 8.7.

Table 8.7 Spearman's rank correlation: employee's tenure with perceptual dimensions of climate (N=293)

Dimension	r_s	P
Structure	-.039	0.251
Responsibility	-.049	0.204
Reward	-.133	0.011
Risk	-.101	0.043
Warmth	-.096	0.050
Support	-.166	0.002
Standards	-.081	0.083
Conflict	-.029	0.311
Identity	-.148	0.005
Overall climate	-.134	0.011

The results indicated employees' length of service in the organisation maintained significant correlations ($P \leq .05$) but in a negative weak pattern with perceptions of Reward (-.133), Risk (-.101), Warmth (-.096), Support (-.166), Identity (-.148), and Overall climate (-.134). That is, the longer the service of respondents in the company, the lower their perceptions of climate will be. Length of

service showed lack of correlation with other dimensions of climate. However, although correlation coefficients between employee's tenure and the majority of climate dimensions was low, there was some evidence to suggest that the views that employees held of their work environment varied according to number of years they had worked in current company.

Thus, one may conclude here that subjects with long periods of service seem to hold significantly lower perceptions towards the majority of climate dimensions than those with shorter periods of service. This divergence in climate perceptions can be related to changes in the orientations and values of organisational members throughout their service in the work organisation. In a sense, it is maintained that peoples' values and expectations are not fixed. These can change during their working careers (Huczynski and Fitzpatrick, 1989).

8.3.2 HIERARCHICAL POSITION AND

PERCEPTIONS OF ORGANISATIONAL CLIMATE

The hierarchical level of organisational members was the second work related factor to be studied in relation to perceptions of organisational climate. The association between position of organisational members and their

views of climate has been examined in previous studies. In several studies (i.e. Gavin, 1975; Schneider and Snyder, 1975; Payne and Mansfield, 1978; El-Sabbagh, 1982; Al-Shammari and Al-Madi, 1988) it was found that the majority of climate perceptions varied with organisational position of respondents. A Kruskal-Wallis one-way analysis of variance test was run between perceptions of organisational climate and the hierarchical level of employees. The test results were compiled in Table 8.8.

Table 8.8 Kruskal-Wallis one-way ANOVA: employees' hierarchical level with perceptions of climate (N=287)

Dimension	χ^2	P
Structure	6.947	0.074
Responsibility	20.608	0.000
Reward	34.249	0.000
Risk	7.069	0.070
Warmth	18.084	0.000
Support	13.540	0.004
Standards	13.053	0.004
Conflict	13.190	0.004
Identity	15.841	0.001
Overall climate	28.730	0.000

As the results suggested, in all but two dimensions (Structure and Risk) the respondent's level in the hierarchy was significantly related at $P \leq .05$ to perceptions of organisational climate. These results also provided some evidence on the existence of multiple climates within the surveyed companies as argued by recent climate literature discussed in section 2.4 of the thesis. On the other hand, if the level of significance was to be stretched to $P \leq .10$, this would probably lead us to conclude that all perceptions of climate did vary significantly across hierarchical positions. The results of the investigation into the distribution of climate variations across hierarchical levels is presented in Table 8.9.

Table 8.9 Mean ranks of perceptual dimensions of climate according to hierarchical level (N=287)

Dimension	Top Mgt.	Mid Mgt.	Jun.Mgt.	Non-Mgt.
Responsibility	80.30	127.63	131.60	159.81
Reward	84.82	108.67	121.01	167.22
Warmth	75.85	125.11	146.08	154.93
Support	97.97	123.66	133.85	157.54
Standards	92.52	118.66	147.32	153.67
Conflict	112.13	115.81	131.42	158.34
Identity	100.10	107.28	142.78	156.79
Overall climate	75.32	110.36	133.52	162.94

The climate scores in the table vary widely between employees according to their job ranks. The most notable finding is that the climate scores (mean ranks) of executives at the very top of the organisational hierarchy fall below those of employees at the very bottom of the corporate hierarchy. The profound difference that members of various hierarchical levels exhibit in response to climate perceptions may be due to differences in their needs, values, and expectations of the work organisation.

8.3.3 LEVEL OF PAY AND PERCEPTIONS OF ORGANISATIONAL CLIMATE

The last work-related factor that was considered was respondents' levels of pay. It has been advocated in earlier studies of organisational climate that an individual's salary was strongly related to his perception of climate (Payne and Mansfield, 1978). To ascertain the potential variance in climate perceptions due to pay level, a Kruskal-Wallis one-way ANOVA was conducted between categories of pay level and views employees tended to hold of their organisational climate. The results are presented in Table 8.10.

Table 8.10 Kruskal-Wallis one-way ANOVA: employee's pay level with perceptions of climate (N=293)

Dimension	χ^2	P
Structure	7.358	0.195
Responsibility	24.094	0.002
Reward	40.864	0.000
Risk	5.105	0.403
Warmth	23.885	0.002
Support	29.810	0.000
Standards	16.044	0.007
Conflict	15.531	0.019
Identity	20.324	0.001
Overall climate	41.430	0.000

The results of the surveyed employees reveal that of the nine climate dimensions, seven varied significantly ($P \leq .05$) across pay levels of respondents. The only two climate components that did not significantly vary ($P \leq .05$) were Structure and Risk. Overall, these results provide some evidence to support the existence of significant differences in perceptions of staff members according to their wage or salary levels. These results, however, are to a large extent compatible with those of hierarchical level and perceptions of organisational climate. That is to say, the individual's organisational position and his pay level are related. However, the pattern of climate relationships with these background

aspects are dissimilar. While climate perceptions varied negatively with hierarchical level, the climate variations with respect to pay levels, did not show a consistent pattern.

Nonetheless, the question which arises is do better remunerated employees have higher perceptions of climate than their less well remunerated counterparts or vice versa ? The answer to this question can be inferred from data in Table 8.11 which contains climate mean ranks for each level of pay.

Table 8.11 Mean ranks of climate perceptions according to pay level in Jordanian Dinars (N=293)

Dimension	100 or under	101-150	151-200	201-250	250-300	300 or above
Respons.	158.76	178.27	152.56	118.67	149.42	116.74
Reward	175.90	182.25	131.41	129.21	141.52	101.5
Warmth	161.35	178.73	134.60	139.90	136.47	111.88
Support	172.49	178.92	133.13	128.01	118.75	115.06
Standards	152.21	175.92	150.90	126.87	139.81	123.62
Conflict	169.70	162.24	131.65	138.47	144.14	122.68
Identity	159.83	178.45	140.51	125.46	132.11	122.07
Overall						
climate	169.65	188.15	133.40	123.60	139.33	104.58

From that table, significant variations can be discerned in perceptions of climate according to pay levels. Nonetheless, these variations do not seem to take a simple form or pattern. For instance, persons in the second pay level (JD 100-150) scored higher points on climate dimensions (with the exception of Conflict dimension) than those at lower levels. The next two higher levels of pay (JD 151-200 and 201-250) experienced a downward shift in climate mean ranks. In the pay level of JD 251-300, perceptions of climate rose up again (except for Warmth and Support). However, the most interesting point to note here is that employees at the highest pay bracket (JD 300 or higher) scored the lowest mean rank of climate as compared to other levels of pay.

While climate perceptions were found to significantly vary across various pay bands, the discrepancies in the views of climate seemed not to follow a steady pattern according to these levels. For that reason, it seems virtually impossible to make any further judgments in this regard.

8.4 SUMMARY

The present chapter attempted to assess the possible effect of employees background on the formation of their perceptions of climate. Employees attributes were

categorised into demographic and career related factors. Demographic variables included age, gender, marital status, and educational level. Whereas, work related factors were represented by tenure in present company, organisational position, and level of pay.

An analysis of biographic data indicated that age was found to be a predictor of seven out of nine climate dimensions as well as the Overall climate. However, the pattern of relationship existing between age and measures of climate was significant but in a negative direction. That is, younger generations of employees tended to agree more on the climate of their companies than older generations did. As regards the gender of employees, this variable failed to account for any significant variations in views of climate. When attention is turned to marital status as a correlate of climate, a significant relationship was found with five dimensions of organisational climate as well as with the Overall climate. In these measures, unmarried employees scored higher than their married counterparts. The educational level was the last demographic factor investigated. Responses to five climate dimensions, as well as to the overall climate, were significantly related to educational levels of the perceivers. It was also found that employees with higher education degrees (university

and postgraduate) tended to hold lower perceptions of climate than the other employees.

The second group of factors tested for their effect on climate perceptions was career-related variables. Length of service was found to relate significantly (and in a positive manner) to five of the climate measures as well as to the overall organisational climate. Higher climate scores were associated with longer tenure and vice versa. The second job related correlate of climate was hierarchical position. It was found that the respondent's job grade correlated significantly with most of the climate dimensions as well as with the Overall climate. Employees at lower organisational positions had higher perceptions of the climate in their organisations than their counterparts at higher organisational echelons. As the last career related attribute of employees was concerned, level of pay was found to contribute significantly to differences in the perceptions of the great majority of organisational climate measures as well as the Overall organisational climate. However, inconsistent variations in perceptions of climate were cited across pay levels of the employees surveyed. The next chapter examines the relationships between measures of organisational climate and indices of organisational effectiveness.

CHAPTER NINE

ORGANISATIONAL CLIMATE AND INDICATORS OF ORGANISATIONAL EFFECTIVENESS

9.1 INTRODUCTION

The ultimate objective of the data analysis process was to ascertain the relationship between organisational climate dimensions and indicators of organisational effectiveness in Jordanian industrial companies. Organisational effectiveness was evaluated both in terms of behaviourally oriented measures and on financial criteria. The present chapter begins by presenting the distribution of behavioural and financial indicators of organisational effectiveness obtained from the surveyed companies. Following that, the results of a factor analysis conducted on financial indices of effectiveness are presented (in the fourth section). In the fifth section, the behavioural effectiveness indices are correlated with dimensions of organisational climate. The sixth section is devoted to an analysis of relationships between the organisational climate measures and the indicators of financial effectiveness.

9.2 BEHAVIOURAL MEASURES OF ORGANISATIONAL EFFECTIVENESS

This section is confined to the presentation of basic statistics of the behavioural indicators of organisational effectiveness as found in the field study. The results are reported in Table 9.1. The behavioural effectiveness data are perceptually-based indicators of three facets of sampled organisations. These three measures are:

1. The ability of companies to retain high-level manpower.
2. Employee work satisfaction.
3. The intention of employees to quit working in their companies.

Table 9.1 Distribution of behavioural effectiveness indicators of the sampled companies

Indicator	N	Mean	SD	Range
1. Ability to retain high-level personnel	16	1.60	.31	1.25 to 2.54
2. Employee satisfaction in work	16	1.66	.25	1.36 to 2.14
3. Intention of employee to quit	16	1.46	.20	1.19 to 1.85

After presenting the statistics of the behavioural effectiveness variables, any possible internal relationships amongst these measures are investigated. Table 9.2 documents the Spearman rank correlation coefficients and significance level results. The results reveal a significant positive relationship (at the .05 level of significance) between employee satisfaction at work and the ability of companies to retain qualified labour force. There was also a negative association (this time at $P \leq .10$) between the intention to quit and employee satisfaction. In fact, both of these relationships were at a moderate level of strength, and none of them appeared to be very strongly related ($P \geq .60$) to each other. Thus, the dimensions of behavioural effectiveness can be regarded as being independent of each other and as depicting different facets of behavioural effectiveness.

Table 9.2 Spearman rank correlation amongst behavioural indices of effectiveness (N=16)

Indicator	1	2	3
1. Ability to retain qualified personnel	1.00		
2. Employee satisfaction in work	.58**	1.00	
3. Intention of employee to quit	-.27	-.40*	1.00

* significant at $P \leq .10$

** significant at $P \leq .05$

9.3 FINANCIAL INDICATORS OF ORGANISATIONAL EFFECTIVENESS

This segment of the chapter reports the descriptive statistics on the indices of financial effectiveness and examines the intercorrelations amongst these measures. As explained earlier (Section 5.10), the financial or economic measures of organisational effectiveness considered were: sales growth, growth in profit, return on sales, net sales to total assets, and return on investment. The first two of these measures tap the 'rate of growth' subcategory of financial effectiveness, whilst the other three represent the 'profitability' sub-area of financial performance. Table 9.3 presents the basic statistics of the previous measures obtained from the field study.

Table 9.3 Distribution of financial effectiveness indicators of the sampled organisations

Indicator	N	Mean	SD	Range
1. Sales growth	16	37.47	66.26	-97.10 to 163.40
2. Growth in profit	16	32.96	31.89	-2.60 to 102.40
3. Return on sales	16	4.03	9.38	-17.30 to 15.20
4. Asset turnover	16	61.65	18.65	25.10 to 89.20
5. Return on investment	16	4.13	4.36	-3.30 to 11.40

Further understanding of the main features of the financial indicators of organisational effectiveness can be gained by examining the relationships amongst these indicators themselves. The results of the Pearson product-moment correlation amongst the five indices of financial performance utilised in the study are documented in Table 9.4.

As can be seen from the correlation matrix, of the nine possible correlations amongst indicators of financial effectiveness, six were significant at the .05 level of significance. The return on sales indicator as well as indicators of asset turnover and return on investment were all negatively related to growth in profitability. Return on investment was also found to be very strongly correlated with both return on sales ($r=.89$) and with asset turnover ($r=.65$).

One possible explanation of these sorts of relationships may be in terms of the fact that whereas growth variables concern changes in the value of one variable (i.e sales, profit), the profitability measures pertain to the simultaneous contribution of two variables represented by the nominator and the denominator to the construction of the ratio. Return on investment, for instance, is likely to be affected by changes in either the net income gained

Table 9.4 Pearson correlations amongst financial indicators of performance (N=16)

Indicator	1	2	3	4	5
1. Sales growth	1.0				
2. Growth in profit	.40	1.0			
3. Return on sales	.32	-.63*	1.0		
4. Asset turnover	.16	-.58*	.54*	1.0	
5. Return on investment	.44*	-.56*	.89*	.65*	1.0

* Significant at $P \leq .05$

or the amount of capital employed. For this reason, any change in profit will not be accompanied by a change in the return on investment ratio when the amount of employed capital is altered significantly in the same rate and direction. Furthermore, it is quite possible for growth in profit to grow markedly whilst return on investment experiences a substantial decline, due, for example, to a higher rate of increase in the amount of capital employed.

On the other hand, positive correlations were found amongst the three measures of return on sales, asset turnover, and return on investment. However, the results also indicate that the two criteria of return on sales and return on investment are much more closely interrelated than any of the other pairs of performance variables considered. Another very strong relationship

revealed was between return on investment and asset turnover. These findings together are probably indicative of the fact that companies with greater profitability are the ones with higher return on sales and higher asset turnover.

It can also be noted here that as some of the financial effectiveness indicators are highly correlated with each other, a factor analysis technique had to be used in order to sift through these measures and find the common factors that they would load on. The next section will be concerned with this analysis.

9.4 FACTORIAL ANALYSIS OF FINANCIAL INDICATORS OF EFFECTIVENESS

Factor analysis is a multivariate statistical technique whose primary purpose is data reduction and summarisation. It is concerned with analysing the relationships among a set of variables and then explaining these variables in terms of their common underlying dimensions (factors). The factor analysis test was conducted for the five indices of financial performance utilised in the study. The extraction of factors from these indices was based on the principal-components method, whilst the adopted rotation method was the varimax rotation.

The common criteria for deciding the number of factors to extract are the latent root, or eigenvalue, and the cumulative percentage of variance criteria. The latent root criteria holds that the factors should score greater than one in the 'eigenvalues' (defined as amount of variance accounted for by an individual factor). Any factor that does not account for at least the variance of a single variable is considered insignificant and, therefore, is not retained for interpretation. The cumulative percentage of the variance extracted by successive factors is the basis of the second criterion. Although no absolute cut-off line has been adopted, it is common for researchers to consider a value which accounts for 60 percent of the total variance, and sometimes even lower, as a satisfactory solution (Hair, et al., 1979).

On the other hand, there is a criterion for the significance of factor loadings (the correlation between an original variable and its respective factor) that should be considered. It was suggested that factor loadings of at least $\pm .30$ are considered significant. Variables with higher loadings (in absolute value) are considered important and they influence the name or label selected to represent a factor to a large extent (Hair, et al., 1979).

The results of the factor analysis were given in Table 9.5 in which two factors emerged. The highest loading for each variable on a factor was underlined . It was found in the results that both factors had eigenvalues of more than one and that both accounted for 87.4 cumulative percentage of variance. On the other hand, the absolute size of factor loadings on any factor was at least 0.79. It became obvious from these results that both factors had satisfactorily fulfilled the conditions for the number of factors as well as factor loadings criterion. Hence, both factors will be retained for further analysis in the study. The extracted factors were:

Factor One: The variables that loaded significantly on this factor were growth in profit ($-.79$), return on sales ($.91$), asset turnover ($.80$), and return on investment ($.92$). With the exception of growth in profit, the variables with significant loadings on this factor were Profitability sub-area measures of financial effectiveness. The results suggested that the previous four measures of financial effectiveness tapped the same construct or factor. Therefore, this factor will be labeled **Profitability** and will be so referred to from now on.

Factor Two: The only variable that showed significant loading on this factor was sales growth (.97). As there was only one variable loading on this factor, the factor will be labeled after this variable name, **Sales growth**, and will be so referred to in the subsequent discussion.

Table 9.5 Factor analysis of indicators of financial effectiveness

Indicator	Factor 1	Factor 2
Sales Growth	0.19	<u>0.97</u>
Growth in profit	<u>-0.79</u>	0.58
Return on sales	<u>0.91</u>	-0.17
Asset turnover	<u>0.80</u>	-0.02
Return on investment	<u>0.92</u>	0.29
Eigenvalue	2.98	1.39
Percent of variance	59.6	27.8
cumulative percent of variance	59.6	87.4

To assist in a later stage of analysis, when organisational climate will be correlated with financial effectiveness, these two factors will be the representative indices of financial effectiveness. They were constructed on the following formulae:

Factor One: Profitability = $(-.79 \times \text{growth in profit}) + (.91 \times \text{return on sales}) + (.80 \times \text{asset turnover}) + (.92 \times \text{return on investment})$.

Factor Two: Sales growth = $.97 \times \text{growth in sales}$.

9.5 ORGANISATIONAL CLIMATE AND BEHAVIOURAL INDICATORS OF EFFECTIVENESS

This section aims at assessing the relationship between aspects of organisational climate and three behaviourally-based measures of organisational effectiveness. To test this relationship, it was necessary to have the dimensions of organisational climate as well as the behavioural effectiveness computed at the company level. This procedure was described in the methodology in Chapter Five. It involved taking a weighted average of the mean scores of responses at each level of the organisation. The behavioural indicators of effectiveness were derived from the same employee questionnaire as the climate dimensions.

However, in order to avoid the inherent single-source bias associated with the relationship between organisational climate and behavioural effectiveness, an alternative technique was utilised for testing this correlation. The essence of this approach was utilised and recommended by Angle and Perry (1981). In the present

research, the sample of respondents was randomly divided across organisational levels so that, for each organisation, the parameters of behavioural effectiveness were obtained for half of the employees at each hierarchical level and an average for each level was arrived at. Then, a mean of these averages was taken for the whole organisation. For the remaining half of employees in each hierarchical level, dimensions of climate were obtained by taking the arithmetic mean, and then these means were averaged for the organisation as a whole.

9.5.1 ORGANISATIONAL CLIMATE AND THE ABILITY

OF COMPANY TO RETAIN QUALIFIED PERSONNEL

The aim of this section is to test whether aspects of organisational climate are related to the ability of companies to retain their qualified employees. It appears that the quality of human resources, along with other inputs to the production process, such as capital, equipment and technical know-how do contribute to the achievement of goals and objectives of organisations. Rosow (1962:23) argued that "the future of the enterprise depends increasingly upon the energy of its best minds. Brainpower is the energy source of industrial growth". The Spearman rank correlation results between climate

dimensions and ability to keep qualified employees are given in Table 9.6.

The results show that none of the climate dimensions significantly correlated with the ability of company to retain its highly qualified employees ($P \leq .05$). Nevertheless, at a higher significance level of .10,

Table 9.6 Correlations between dimensions of climate and ability of company to retain qualified employees (N=16)

Dimension	r_s	P
Structure	.363	.083
Responsibility	.185	.246
Reward	.228	.198
Risk	-.287	.140
Warmth	.116	.334
Support	.255	.171
Standards	.391	.067
Conflict	-.154	.285
Identity	.387	.069
Overall climate	.154	.284

three dimensions (Structure, Standards, and Identity) did produce meaningful correlations with the behavioural effectiveness variables. These three relationships were positive. The climate aspects which found to be

significantly correlated with retention of qualified personnel were:

- i) The clarity of rules, procedures, and lines of authority in the organisation.
- ii) The degree to which challenging goals were set for organisational members, and that employees felt an emphasis being placed on improving their personal and group performance, and,
- iii) The degree of which employees identified themselves with the company, and with which they felt proud to belong.

In the main, the results of this section suggest that higher degrees of Structure, Standards, and Identity can be expected to have an impact on the ability of an organisation to hold onto its valuable employees.

9.5.2 ORGANISATIONAL CLIMATE AND EMPLOYEES' JOB SATISFACTION

The second behavioural parameter of effectiveness considered along with the dimensions of organisational climate was employees' satisfaction in their work. The results of the Spearman correlation test between measures of organisational climate and employees' satisfaction in work are presented in Table 9.7. Five out of nine

dimensions of climate as well as the Overall climate were found to have a positive and significant association with the satisfaction of employees at $P \leq .05$. These dimensions were Responsibility, Reward, Warmth, Support, and Identity.

Table 9.7 Correlations between dimensions of climate and employee satisfaction in work (N=16)

Dimension	r_s	P
Structure	-.133	.312
Responsibility	.478	.031
Reward	.622	.005
Risk	-.162	.274
Warmth	.451	.040
Support	.761	.000
Standards	.422	.052
Conflict	.322	.112
Identity	.559	.012
Overall climate	.575	.010

These findings may in fact lead one to expect that the degree to which employees feel that they have a lot of personal responsibility delegated to them would have a profound effect on their overall satisfaction at work. "When commenting on the need for greater level of satisfaction in work, (Jordanian) managers often mentioned the need for more responsibility and authority,

expressing a desire 'to be able to develop new ideas' and for 'greater autonomy in organising my work'" (Al-Faleh, 1988:36).

The results also indicate the importance of other variables that are correlated with satisfaction. The level of perceived Reward and recognition for doing good work is significantly related to employees' work satisfaction. In fact, many behavioural scientists, such as Porter and Lawler (1968), assign greater importance to the role that rewards play in bringing satisfaction to employees. The feeling of fellowship and Warmth in the work group atmosphere and the perceived Support and assistance of managers and other colleagues in the organisation would also stimulate greater satisfaction at work. Relatively speaking, the climate aspect of Support was the strongest ($r_s=.76$) correlational variable of work satisfaction. The perceived level of Identity with the company also displays a positive and significant relationship with employees work satisfaction.

9.5.3 ORGANISATIONAL CLIMATE AND THE INTENTION OF EMPLOYEES TO QUIT

Labour turnover is one form of withdrawal behaviour that might be detrimental to organisations, if for no other reason than that numerous types of costs are usually

associated with it. These costs are termination costs (i.e. medical insurance costs), replacement costs (advertising and interviewing costs), and training costs (wastage and low quality of work) (Smith and Watkins, 1978). Therefore, the problem of employee turnover, should be addressed (and ideally prevented) by the employing organisations.

This subsection is confined to examining the relationship between employees' intention to quit (anticipated turnover) and the various aspects of climate in their organisations. The results of the Spearman rank correlation test in the form of correlation coefficients and the level of significance are shown in Table 9.8.

The table shows that five out of the nine dimensions of organisational climate (Reward, Warmth, Support, Standards, and Identity) as well as the Overall climate had a negative significant relationships ($P \leq .05$) with the intention of employees to quit working in their present companies. The majority of these relationships were found to be at the moderate level of strength. In fact, the highest significant correlation with intention to quit was the degree of Support ($r_s = -.636$, $P = .004$) and the lowest was perceived level of Reward ($r_s = -.431$, $P = .048$).

Table 9.8 Correlations between dimensions of climate and intention to quit (N=16)

Dimension	r_s	P
Structure	-.196	.233
Responsibility	-.354	.089
Reward	-.431	.048
Risk	.088	.373
Warmth	-.565	.011
Support	-.636	.004
Standards	-.507	.022
Conflict	.061	.412
Identity	-.49	.026
Overall climate	-.475	.031

The results of the study indicate that the higher the degree to which employees feel that they were being fairly rewarded for doing good work, the lower their propensity to leave will be. The literature on employee turnover is replete with studies that demonstrate an inverse relationship between level of reward and turnover (i.e Goodman et al., 1973; Porter and Steers, 1973; Mobley, 1982). The overall findings of previous studies showed that the reward or pay variable was the prime reason for voluntary turnover. Somewhat differently, the present study maintains that whilst Reward dimension relates significantly to the intention to quit, it is the

second last turnover correlate in terms of its importance.

On the other hand, as the results indicate, it may be argued that when the climate was characterised as being more friendly and warm, and that managers and peers were seen as more helpful and supportive, this was likely to relate to a lower intention of employees to quit working in their current companies. This finding agrees with Dastmalchian's (1982) empirical study which found that an informal atmosphere between management and employees was strongly related to labour turnover.

It was suggested that the superior-subordinate relationship was a major factor which affected employees' decisions to stay or quit the present organisation. Pointing out to this factor, Mobley (1982:65) maintained that:

"To the extent that the supervisor establishes a positive personal relationship with employees; demonstrates consideration for the employee; and creates a supportive environment, the employee may become less likely to quit because of the personal attachment to the supervisor".

The climate dimension of Standards and Identity were also negatively related to employees intention to quit work.

It seems that the more the Standards of performance are oriented towards doing a good job, the less will be the employees' desire to quit. The research findings also indicate that the higher the degree to which employees identify themselves with their organisation, the less will be their intent to quit that organisation. Certainly, weakened ties to the organisation will provide a kind of freedom that will make it less difficult for employees to leave their organisations.

9.6 ORGANISATIONAL CLIMATE AND

FINANCIAL INDICATORS OF EFFECTIVENESS

The focus of this segment of the chapter is on testing the association between organisational climate dimensions and financial measures of organisational effectiveness. As noted earlier in section 9.4, two factors of financial effectiveness, Profitability and Sales Growth, emerged. The next two subsections will deal with each of these factors in turn as they relate to organisational climate aspects.

9.6.1 ORGANISATIONAL CLIMATE AND

PROFITABILITY FACTOR

The Profitability measure of organisational effectiveness was tested in relation to organisational climate. Nine

aspects of climate as well as the Overall organisational climate were investigated in terms of their relationship to Profitability via the Spearman rank correlation. The results of this statistical test are displayed in Table 9.9.

Table 9.9 Correlations between dimensions of climate and profitability of organisations (N=16)

Dimension	r_s	P
Structure	.050	.427
Responsibility	.071	.398
Reward	-.091	.369
Risk	.208	.219
Warmth	.050	.427
Support	-.094	.364
Standards	.297	.132
Conflict	-.321	.113
Identity	.029	.457
Overall climate	.003	.496

A casual look at figures contained in the table reveals that neither of the climate dimensions under study nor the Overall organisational climate exhibited a statistically significant relationship ($P \leq .05$, $P \leq .10$) with the Profitability of organisations under scrutiny. Moreover, three out of the nine dimensions of climate were negatively related (though not significantly) to the

construct measure of Profitability. However, as none of the climate aspects was found to be related significantly to the Profitability factor, it seems that there is little to be gained from showing further concern to the direction of these relationships.

Based on these measures and this sample, one can argue that the highly Profitable companies did not have a distinctively higher working climate and vice versa. These results, therefore, seem to emphasise on the failure of the climate aspects to account for any difference in the Profitability of organisations.

9.6.2 ORGANISATIONAL CLIMATE AND SALES GROWTH FACTOR

The second factor of financial effectiveness considered was growth in Sales. A Spearman rank correlation test was utilised to examine the relationship between dimensions of organisational climate and Sales growth in the sampled organisations. The results of this test are reported in Table 9.10.

These results indicate that none of the individual nine dimensions of climate, nor the Overall organisational climate, were significantly related at ($P \leq .05$) to growth of Sales in the sampled companies. However, at the 0.10

Table 9.10 Correlations between climate dimensions and 'growth in sales' (N=16)

Dimension	r_s	P
Structure	.194	.236
Responsibility	-.341	.098
Reward	-.312	.120
Risk	.121	.328
Warmth	-.200	.229
Support	-.338	.100
Standards	-.210	.219
Conflict	.150	.290
Identity	-.121	.328
Overall climate	-.200	.229

level of significance, two climate dimensions (Responsibility and Support) were found to be negatively related to growth in Sales. It is to be noted that four dimensions of organisational climate (Reward, Warmth, Standards, and Identity) showed a negative (but insignificant) relationships with Sales growth. Generally speaking, these results lend support to the conclusion that companies with higher Sales growth do not exhibit a distinctively higher organisational climate. Moreover, at the 0.10 level of significance, it was found that lower levels of Responsibility and Support dimensions were associated with higher rates of Sales growth.

9.7 SUMMARY

This chapter sought to explain the findings of the research study with regard to the distribution of the obtained behavioural and financial indicators of organisational effectiveness. It examined the relationship between organisational climate components and these effectiveness measures. The behavioural indicators of organisational effectiveness were the ability of companies to retain high-level manpower, employees' satisfaction in work, and intention of employees to quit their work. The financial indices of effectiveness were sales growth, growth in profit, return on sales, asset turnover, and return on investment.

Basic statistics on measures of behavioural and financial effectiveness were introduced in the chapter. Intercorrelations between each set of the behavioural and financial indices were performed. While no strong intercorrelation was discovered amongst the behavioural indicators of effectiveness, some of the financial indices were, nonetheless, found to be strongly correlated with each other. In order to eliminate or reduce this overlap, a factor analysis technique was

applied. The five indicators of financial effectiveness were reduced to two factors, Profitability and Sales growth.

In the fifth and sixth sections of the chapter, dimensions of organisational climate were correlated with behavioural and financial indices of organisational effectiveness. Considering the first measure of behavioural effectiveness, the ability to retain qualified employees, none of the perceptual dimensions of climate was found to be significantly related to it ($P \leq .05$). However, at a 0.10 level of significance, the climate dimensions of Structure, Standards, and Identity were able to maintain positive correlation with this indicator. The second behavioural measure, satisfaction in work, evidenced a positive significant relationship ($P \leq .05$) with the climate dimensions of Responsibility, Reward, Warmth, Support, Identity, as well as the Overall climate. In the last behavioural measure of effectiveness, intention to quit, five climate dimensions of Reward, Warmth, Support, Standards, Identity, as well as the Overall climate were found to be negatively associated with it ($P \leq .05$).

Following that, the dimensions of organisational climate were correlated with the two factors of financial effectiveness, Profitability and Sales growth. The

correlation results indicated that none of the climate dimensions was found to be related to the Profitability factor either at 0.05 or the 0.10 level of significance. A similar result was found in the correlation between dimensions of climate and Sales growth at the 0.05 level of significance. However, with the higher level of 0.10, it was possible to discern a negative relationship between two dimensions of climate (Responsibility and Support) and growth in Sales. The next chapter presents a summary of the major findings and conclusions of the research.

CHAPTER TEN

SUMMARY AND CONCLUSIONS OF THE STUDY

10.1 INTRODUCTION

The aim of this final chapter of the thesis is to present a summary and conclusion of the research results. The chapter begins by giving a brief outline of the nature of the study; presents a summary of the major findings; discusses the conclusions; and offers suggestions for future research.

10.2 PURPOSE AND METHODOLOGY OF THE STUDY

The main objective of this study was to develop an understanding of the nature of the organisational climate prevailing in Jordanian industrial companies as perceived by members of these organisations, and to examine the relationship between the dimensions of organisational climate and indicators of organisational effectiveness. Specifically, the objectives of the study were to:

1. Examine the internal consistency and reliability of the organisation climate instrument in the setting of industrial companies in Jordan.
2. Test the independence of organisational climate

dimensions from each other by the application of interrelationships among these variables.

3. Develop an understanding of the kind of organisational climate that existed in Jordanian manufacturing organisations. Organisational climate was assessed via the perceptions of employees towards nine dimensions of organisational climate. These dimensions were: Structure, Responsibility, Reward, Risk, Warmth, Support, Standards, Conflict, and Identity.
4. Explore the differences in perceptions of organisational climate according to biographic and career-related characteristics of respondents. The personal characteristics were: age, sex, marital status, and educational level. The career attributes included length of time in the present organisation, hierarchical position, and level of pay.
5. Assessing the relationships between the dimensions of organisational climate and behavioural indicators of organisational effectiveness. These behavioural indicators were: the ability of the organisation to retain qualified labour force, the overall satisfaction of employees in their work, and the intention of organisational members to quit working for their companies.
6. Investigate the relationship between organisational climate dimensions and financial indices of organisational effectiveness. These indices were of

two sub-areas: 'growth' and 'profitability'. Indicators of growth were: sales growth and growth in profit: whereas the profitability indicators were: return on sales, asset turnover, and return on investment.

7. Compare and contrast, where possible, the findings of the present study with those of related studies conducted in developed as well as developing countries. This comparison was made to give additional illumination to the topics under investigation.

A cross-sectional survey of employees in sixteen public-shareholding industrial companies in Jordan was carried out in order to achieve the above purposes. In selecting companies to be included in the sample, a decision was made to control for the possible effect of the contingency variables of type of ownership, type of business, organisational size, and level of technology on perceptions of climate from one side and on the performance of companies on the other. A valid number of 297 respondents from the sampled companies was obtained. Respondents were selected to represent four levels of organisational positions: senior management, middle management, junior management, and non-management employees.

The research instrument was composed of three sections. The first consisted of the background information on the respondents. This was divided into two categories: personal variables and career patterns. The personal variables were age, gender, marital status, and level of education. The career patterns included tenure in the present company, hierarchical position, and level of pay. The second part of the instrument was the organisational climate questionnaire adopted from Litwin and Stringer (1968). The climate questionnaire was composed of nine dimensions: Structure, Responsibility, Reward, Risk, Warmth, Support, Standards, Conflict, and Identity. An open-ended question and informal discussions with sampled employees were also utilised to supplement the techniques used to elicit climate data. The third section measured three behavioural dimensions of organisational effectiveness: ability of companies to retain high-level personnel (adopted from Negandhi, 1975), employees satisfaction in work (adopted from Negandhi, 1975), and the intention of employees to quit working for their companies.

Financial indices of organisational effectiveness were collected from the sampled companies and from the Amman Financial Market Guide (1989). Financial indicators tapped two sub-areas: growth and profitability. The growth measures were growth in sales and growth in

profit. The profitability measures included return on sales, asset turnover, and return on investment. The growth measures were sales growth and growth in profit.

The importance of the present research stems from the following:

First, the study is the first research project to be carried out within the context of Middle Eastern countries as of its study of organisational climate and organisational effectiveness is concerned.

Second, the study controlled for the possible effect of extraneous variables on the relationship between organisational climate and organisational effectiveness. These variables were type of ownership, type of business, organisational size, and level of technology.

Third, the study introduced new variables of employees background when studying the differences in perceptions of organisational climate. These variables were gender, educational level, marital status, and tenure in the present firm.

Fourth, this research was the first to utilise weighted average (average of averages) of employees' perceptions of organisational climate when correlated with indicators

of organisational effectiveness. This method reduces the influence of the views of personnel at lower levels of organisations because of their large numbers.

10.3 MAJOR FINDINGS OF THE STUDY

10.3.1 FINDINGS PERTAINING TO PERCEPTIONS

OF ORGANISATIONAL CLIMATE

The initial step, prior to the analysis of employees responses on dimensions of organisational climate, was to assess the reliability and interdependence of the organisational climate instrument. The reliability test aimed at examining the degree of consistency in the responses of employees. Consistency is the extent to which an instrument yields the same results on repeated trials. The results of reliability coefficients of this study 'Cronbach Alpha' ranged from 0.67 to 0.75. These values were found to be at an acceptable level. The scale independence of the climate questionnaire was tested by conducting intercorrelations amongst dimensions of organisational climate. The results indicated that none of the intercorrelation coefficients fell into the rejection level. All of these coefficients were equal to or less than 0.50. This indicates that the climate dimensions had low intercorrelations with each other. That is to say the dimensions of climate were different from one other and therefore they tapped different

aspects of climate. In sum, it can be said that the organisational climate instrument used in the study was a scientifically acceptable instrument as it passed both the reliability and intercorrelation tests.

The study results on the first climate dimension showed that respondents believed that there was a low degree of Structure (the sum of 'strongly disagree' and 'disagree' responses) in their companies. The majority of employees maintained that the job descriptions and lines of authority in their organisations were not clearly defined. Furthermore, employees reported that their companies suffered from red-tape, excessive rules, and administrative details, which, they added, made it difficult for new and original ideas to receive consideration. The absence of a formal organisational structure and the simultaneous existence of red-tape was thought to serve the companies' own interests. In such circumstances, the managers in these firms would have greater flexibility in assigning some people to perform more tasks while reducing the number of those performed by others.

The results of the study revealed that the majority of employees believed that a low level of Responsibility was being given to them by their organisations. Employees believed that they were not sufficiently encouraged to

take personal responsibility within their jobs. This finding was in line with Pezeshkpur's (1978) argument that authority in Middle Eastern organisations is seldom delegated. It was also found that organisations in traditional societies preferred passive subordinates (Tannenbaum, 1980). The essence of the delegation problem lies in the trust-control dilemma (Handy, 1985). Any increase in the control by management, decreases the amount of trust, and any increase in trust must be accompanied by a release of some control. Nonetheless, it is possible to argue here that it is not only management that ought to be blamed for a failure to delegate responsibility within organisations. Organisational members may also be at fault. This observation was reinforced by the research results that showed a reluctance among employees to take on responsibility in their organisations. This reluctance could be an important consequence of the group-centredness value of the Jordanian, and even Arab, culture.

The majority of employees believed that there was a high degree of Reward (summation of 'strongly agree' and 'agree') in their companies. They claimed that they were fairly rewarded for doing good work. Despite the fact that there is a general pay dissatisfaction in the country due to the devaluation of the currency and due to the rising levels of prices. However, employees in the

private sector were generally better remunerated than their counterparts in the government sector. As far as promotion was concerned, personnel questioned the fairness of the promotion system in their organisations. The normal yardstick for promotion, at least theoretically, is that employees must demonstrate through their job performance that they deserve to be promoted. However, it seems that this was not the case in the surveyed industrial companies. Complaints about favouritism and nepotism were occasionally received (Al-Faleh, 1986). On the other hand, the surveyed employees revealed that they were extensively blamed and 'tongue-lashed', sometimes publicly, if their management thought that something was going wrong.

Risk was the second climate dimension towards which the overall response of employees was rather high. The majority of employees believed that their organisations were willing to take some risks and challenges in operating their business. This finding corroborates that of Makhamreh and Al-Dahhan (1988) who found that the majority of employees believed that Jordanian organisations did not fear the risk of implementing or carrying out innovative ideas. Furthermore, employees believed that the social customs and habits prevailing in the Jordanian society did not hinder innovative thoughts.

The majority of sampled employees indicated there was a low level of Warmth and fellowship in their organisations. It was found that an antagonistic and strained working atmosphere combined with a little warmth between management and employees characterised the surveyed organisations. As one organisational member clearly put it, "the relationship between managers and their employees is really bad. In fact, there is no affection prevailing between them." Another participant bitterly criticised his company as he asserted that "the system in this organisation is a military one." He added that "the general manager, deputy general manager, administrative manager, production manager, and the financial manager are all retired army officers." The companies that recruited retired personnel also complained that people with a military background lacked a business mentality and behaved as rigid bureaucrats ignoring human relations issues (Al-Faleh, 1987a).

As the degree of Support was concerned, the majority of respondents believed that there were low levels of helpfulness, trust, and benevolence amongst people in their organisations. This attribute was also found in other Arab countries. Al-Faleh (1987b) argued that this low-trust atmosphere was a characteristic of management in Arab countries.

The majority of personnel described their working organisations as being low in terms of Standards of performance. Jreisat (1988) maintained that one of the administrative deficiencies in Jordanian public service organisations was a lack of standards of performance. The results of this study do not refute this conclusion. It was found that organisations neither set high standards of performance, nor did their employees take much pride in their performance.

Tolerance of Conflict was the third climate dimension towards which the majority of organisational members held a high perception. Most of respondents had a feeling that their management was not afraid of different opinions or conflict, but liked to get arguments and disagreements out in the open where they can be dealt with. Members of Jordanian organisations may carp and criticise, but at the same time they are well aware of the need not to complain too loudly. It is very rare for Jordanian workers to go on strike in demand for higher wages or fringe benefits. If it was likely to happen, there would be negotiations and bargaining between companies and workers' representatives (or The General Federation of Jordanian Labour Unions) through officials from the Ministry of Labour. In this case, the Ministry of Labour plays a mediating role between labour unions and the companies involved. Commenting on conflict management in

the Arab world, Muna (1980:65) reported that conflict was considered taboo and that:

"When irreconcilable positions were reached, neither executive nor subordinate allows it to develop into direct or open confrontation. Values and norms dictate the use of a third party to convey the message of rejection. The role of a third person (a mediator) in Arab society is crucial in conflict management."

In a study on styles of handling conflict amongst Jordanian, Turkish, and U.S. managers, Kozan (1989) found that collaboration strategy to solve conflict was used by Jordanian managers more often than any other single conflict-resolution strategy. In a collaboration strategy, superiors bring out into the open the ideas of their subordinates and their own ideas, in order to work out a solution together. Compromising (splitting the differences) was used more often than accommodation (satisfying the other party's wishes at the expense of one's own) and avoiding (sidestepping the issues and shying away from its open discussion). Avoiding itself was used more often than forcing (using power). In Turkey, managers used collaboration backed up by forcing and compromise. In terms of the most preferred style, the two Middle Eastern countries (Jordan and Turkey) resembled the U.S., where the preferred style for managing conflict was collaboration backed up by

compromise. However, the U.S. differed from both these countries in terms of its use of accommodation in conflict management.

The last dimension of climate investigated was Identity. The results of the study showed that the majority of respondents perceived a low level of employees' Identity towards their organisations. That is, employees did not have a feeling of either being proud to belong to the company family or to the work team. It was expected that different cultures, to various degrees, have an influence on the readiness of employees to identify themselves with their working organisations. One may be able to speculate that an employee who has been raised up in a Jordanian or Arab culture (a culture with strong familial and tribal affiliations as seen in section 4.8), the organisation he works for may not claim his first loyalty as the family or tribe does. As a result, concepts such as loyalty towards an organisation may not have a special meaning in the Arab culture. Muna (1980:36) commented that :

"When Arabs meet their countrymen for the first time, they usually attempt to establish each other's family identity. In the West, on the other hand, it appears that the initial conversation resolves around a person's occupation or profession. In Japan, introductions were made with reference to the

one's organization or company rather than profession."

Nonetheless, if loyalty towards Jordanian organisations happens to exist, it is very likely that it will be directed towards the person at the very top position rather than the organisation itself. Reciprocally, the loyalty to the very top person may create a loyalty to the organisation itself. Therefore, it is highly unlikely for organisational loyalty to exist unaccompanied by loyalty to the very top manager of that organisation. In spite of the possible existence of a gradual and slow process of transfer in individuals' identification in the Jordanian society, this process is not expected to make people's loyalty to working organisations occupy the first priority in their 'identifications' hierarchy.

A general view of climate responses can be gained from the Overall climate results. The Overall climate was the summation of employees responses on all items in the climate instrument. The results of the study indicated that there was rather a low perception of the Overall climate in Jordanian industrial companies. Those who responded in agreement ('strongly agree' and 'agree') manner outnumbered those of disagreement responses ('strongly disagree' and 'disagree').

10.3.2 RESULTS PERTAINING TO CLIMATE PERCEPTIONS AS A FUNCTION OF EMPLOYEES ATTRIBUTES

1. PERCEPTIONS OF CLIMATE AND DEMOGRAPHIC ATTRIBUTES OF EMPLOYEES

As far as the age of respondents is concerned, one would intuitively expect that similarity in age to be related to people's attitudes and perceptions. This may be because of similar experiences in growing up and similar value orientations that people tend to hold. The correlation analysis between age and perceptions of climate indicated that age was significantly correlated with seven of the nine dimensions of climate as well as with the Overall climate. These seven dimensions were Structure, Responsibility, Reward, Warmth, Support, Standards, and Identity. The direction of relationship between age and these perceptual dimensions of climate was a negative one. That is, younger employees tended to have higher perceptions of climate than older ones and vice versa. This finding contrasts with that of Payne and Mansfield (1978).

The second personal or biographic variables was gender. The results indicated that there was no significant evidence to suggest that gender determined the way in which individuals perceived the employing organisational

climate. Similarities rather than differences were evidenced in perceptions of male and female employees.

With respect to employees' marital status, the statistical results revealed that the perceptions of five climate dimensions as well as the overall climate, significantly varied according to marital status. These five dimensions were Reward, Warmth, Support, Standards, and Identity. Unmarried personnel tended to have lower scores of these climate dimensions than their married counterparts.

An analysis of perceptions of organisational climate according to educational level indicated that education was a predictor of five climate dimensions as well as Overall climate. These climate dimensions were Responsibility, Reward, Support, Conflict, and Identity. Employees with higher educational attainments (university and postgraduate) tended to hold lower views of climate than the rest of employees. As was demonstrated in Chapter Four (section 4.8), Jordanians count on education as one of several means through which respect and status in the society are usually gained. One can, therefore, speculate that highly educated Jordanian employees have attempted to transfer this wider social value to their narrower societal context (that is, to their working organisations).

2. PERCEPTIONS OF CLIMATE AND CAREER PATTERNS OF EMPLOYEES

The results of this study reveal that length of service was significantly related (in a negative pattern) with perceptions of Reward, Risk, Warmth, Support, Identity, and Overall climate. That is, the longer employees have been in the company, the lower their view of climate will be and vice versa. The divergence in climate perceptions may be related to changes in employees' value orientation throughout their service in organisations. In fact, people's values and expectations are not fixed. They can change over their working careers. (Huczynski and Fitzpatrick, 1989:52).

The statistical analysis revealed that hierarchical levels of respondents contributed significantly to the variations in most of the climate dimensions as well as in the Overall climate. This result provides evidence to suggest the existence of multiple climates within the surveyed organisations. This would lead one to confirm the view adopted in this study, of the possible existence of multiple climates within organisations (see section 2.4). The climate dimensions that were found to vary with hierarchical positions were Responsibility, Reward, Warmth, Support, Standards, Conflict, and Identity. Employees at higher organisational positions had lower

perceptions of the previous dimensions of climate than those at higher organisational positions and vice versa.

Past research studies have suggested that individual salary was strongly related to perceptions of organisational climate (Payne and Mansfield, 1978). This was confirmed by the present study which found that the perceptions of seven dimensions of climate, as well as Overall climate, showed significant differences across pay levels. The climate dimensions were Responsibility, Reward, Warmth, Support, Standards, Conflict, and Identity. However, the variations in climate perceptions did not take a simple and consistent pattern across levels of pay.

10.3.3 RESULTS PERTAINING TO RELATIONSHIPS BETWEEN MEASURES OF ORGANISATIONAL CLIMATE AND ORGANISATIONAL EFFECTIVENESS

Prior to the analysis of organisational climate with indicators of organisational effectiveness, intercorrelations were conducted amongst behavioural and financial indices of organisational effectiveness. The results showed that there were no strong interrelationships amongst behavioural indicators of organisational effectiveness. However, some of the financial indices were found to be strongly correlated

with each other. A factor analysis was performed in order to reduce or eliminate this overlap. As a result, two financial factors emerged. These were Profitability and Sales growth.

1. BEHAVIOURAL INDICATORS OF ORGANISATIONAL EFFECTIVENESS

Correlational analysis between dimensions of climate and the ability of companies to retain high-level personnel showed no significant relationships at the 0.05 level of significance. However, at 0.10 level of significance, three dimensions of climate were able to show positive and significant correlations with this indicator. These dimensions were Structure, Standards, and Identity. That is to say, higher degrees of Structure, Standards, and Identity in organisations are associated with the ability of companies to get hold of their high-level personnel.

The results indicated that five dimensions of climate as well as the Overall climate, maintained positive significant relationships ($P \leq .05$) with employees satisfaction in work. These dimensions were Responsibility, Reward, Warmth, Support, and Identity. In other words, higher levels of Responsibility, Reward, Warmth, Support, and Identity were all related to higher degrees of employee satisfaction. The strongest correlate

variable (the one with highest correlation coefficient) was Support whereas the lowest was Warmth. These results seemed to be in agreement with previous results of Kaczka and Kirk (1968) and Litwin and Stringer (1968) where organisational climate was found to relate to Job satisfaction.

The last indicator of behavioural effectiveness studied was employees' intention to quit. Jackofsky and Slocum (1988) found that organisational climate had an effect on employees' intentions to leave. In this study, five dimensions of organisational climate as well as Overall climate, were found to exhibit negative and significant correlations with intention to quit ($P \leq .05$). These dimensions were Reward, Warmth, Support, Standards, and Identity. The highest correlate of intention to quit was Support whereas the lowest was Reward. These results would seem to indicate that the low-intention-to-quit organisations were characterised by high levels of Reward, Warmth, Support, Standards, and Identity. The most interesting out of these results was the fact that the degree of Support was found to be more important than Reward in explaining the intention of employees to quit their organisations.

2. FINANCIAL INDICATORS OF ORGANISATIONAL EFFECTIVENESS

The first factor of financial effectiveness that emerged from the factor analysis technique was Profitability. When correlated with Profitability, none of the dimensions of organisational climate were able to maintain a significant relationship either at the 0.05 or the 0.10 level of significance. In spite of the failure of climate dimensions to account for significant variations in Profitability of organisations, it is intriguing to note that three climate dimensions of Reward, Support, and Conflict maintained negative (but insignificant) relationships with the Profitability factor. The overall findings here run in counter to those of Kaczka and Kirk (1968) and Gordon and Goldberg (1977). However, these results may be viewed as somewhat similar to those of Benjamin (1983) in which only one dimension of climate (viz. compensation) was found related to profitability of organisations. On the other hand, Heller (1978) found that organisational climate related negatively and significantly to rate of return (profitability) of organisations.

The second factor of financial effectiveness emerged was Sales growth. It was found in this study that none of the climate dimensions were related to this factor at the

0.05 level of significance. However, at the 0.10 level of significance, two dimensions of climate (Responsibility and Support) maintained negative relationships with growth in Sales. This inverse relationship seems to suggest that companies with high levels of Sales growth displayed less individual Responsibility and low level of Support to their employees. It is possible, therefore, to say that in the Jordanian context, more successful organisations in terms of Sales growth were task-centered rather than employee-centered. This result contrasts with the findings of Litwin and Stringer (1968) and McClelland and Burham (1976).

10.4 CONCLUSIONS OF THE STUDY

Previous studies on the concept of organisational climate were conducted almost exclusively in Western countries. Most of the previous studies on organisational climate and indicators of organisational performance often arrived at fragmented and contradictory results. The literature suggested that a possible reason for this lack of relationship lies in the fact that researchers do not control for the effect of contingency variables in such relationships.

How did this research study control for contingency variables? It was decided to control for the effect of

contingency variables of organisation ownership, type of business, size, and level of technology. All of the companies selected for the study were similar on the aforementioned contingency variables. They were small size publicly-owned companies, engaged in manufacturing type of business, and had low levels of technology. This, however, may have limited the generalisability of the results of the study to those companies that met the above criteria in Jordan. In fact, the study was more concerned with controlling the effect of extraneous variables on the climate-performance relationship than with the generalisation of research results. It is to be mentioned also that the study by no means intends to establish a cause-effect relationship between organisational climate and measures of organisational performance.

In the course of the study it was found that some of the results concerning the concept of organisational climate were consistent with previous studies in developed countries, while others were not. More specifically, the study results were somewhat similar to others in terms of the relationships found between climate perceptions and employees' background characteristics of hierarchical position and pay level. The present research arrived at the conclusion that multiple climates may exist within an organisation. This study found out

that the higher the age or position of respondent, the lower his view of climate will be. Previous studies reached opposite results.

On the other hand, as explained earlier, the study found that none of the climate dimensions bore any significant influence on the Profitability of organisations. This finding contradicts some previous studies and supports others. In contrast to all of the previous studies, it was discovered that two of the climate dimensions (Responsibility and Support) were correlates of Sales growth but in the negative direction. The simple conclusion that can be drawn out of this result seemed to suggest that in the Jordanian context, more successful organisations in terms of Sales growth were task-centred rather than employee-centred.

In the overall, there are three possible explanations for the failure of establishing positive climate-financial performance link in organisations:

1. Either the construct of organisational climate is not positively bound to financial measures of organisational effectiveness regardless of the national context of organisations under scrutiny.
2. Or that some other climate and performance measures

(not included in the study) may exhibit a positive and significant relationships.

3. Or that there were some other uncontrollable influences on the climate-performance relationship that were not accounted for.

A practical implication of this study may be that it draw attention of organisational behaviour/theory academics to the role that organisational climate plays in shaping employees attitudes, behaviours, and as a consequence, level of performance. The emerged pattern of relationships seemed to suggest that there is no necessarily universal set of organisational relationships that can neatly be applied to organisations and employees in various national contexts. Rather, a contingency paradigm which operate in a certain socio-cultural, economic, and political environment is the one that should be sought for.

The present study is of importance to managers and industrial organisations in Jordan in terms of its ability to enhance the understanding of employees' diverse views and attitudes towards climate based on their background attributes. This could be a useful tool in any organisational change or development programme.

The study may also assist managers to design suitable organisational structures, policies, and actions that would result in higher retention of qualified personnel, higher employees' job satisfaction, and lower intentions to leave companies. At the minimum, decisions need to be made about when and where fostering employee-oriented climate may be most important and whether the benefits associated with this trend outweigh the costs involved.

Another implication of the present study is that it leads managers in Jordan, and may be in other Mideastern or developing countries, to recognise their external environment before importing management and organisational theories from countries with different socio-cultural values, economic systems, and political conditions. That is, managers should introduce organisational changes to see to what extent their results meet their planned goals. In this case, instruments such as an organisational climate questionnaire can be helpful in judging how organisational participants perceive the various sides of their organisations. This would help in detecting areas of the organisation where required changes could be implemented.

10.5 AVENUES FOR FUTURE RESEARCH

It is to be admitted that no individual researcher can claim to have encompassed all aspects of the research topic. Additional research opportunities are typical outcomes that arise from any study. These opportunities provide directions for future researchers who intend to carry out related studies. Based on this, the researcher believes that the following suggestions are worthy of consideration:

1. Replicate the present study in a context of another Middle Eastern or Arab country to see how far the results are compatible with each others. The study may also be replicated in a developing country, not necessarily Middle Eastern or Arab, to compare and contrast the results with those of the present study.
2. Conduct a somewhat similar study in the governmental sector organisations in Jordan. This of course may urge future researchers to modify the parameters of financial effectiveness utilised in the assessment of organisational effectiveness to make it fit the sort of functioning and objectives in public organisations.
3. Investigate whether multiple climates exist within

functional departments of organisations (i.e marketing, production, personnel, etc.).

4. Include additional backgrounds of employees such as personality, values, beliefs, etc. These aspects may be examined in terms of their effect on the way that people perceive the climate of their working organisations.
5. Add extra measures of organisational effectiveness that may be affected by the type of climate that exists in organisations. Such variables may include employee absenteeism, tardiness, loitering, etc.
6. Identify additional aspects of organisational climate which have particular relevance to the Jordanian/Arab national context.
7. Take notice of the complexity of the relationship between climate perceptions and performance. Performance could be considered as both affecting and being affected by perceptions of organisational climate.

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APPENDIX A- THE RESEARCH INSTRUMENT IN ENGLISH

Dear Sir/Madam

This instrument investigates some general characteristics of Jordanian Manufacturing companies which can be examined by asking employees about their views on certain aspects of their organisations. Throughout this questionnaire, the word 'organisation' will be mentioned to refer to the company in which you work.

Your views on this instrument will be transformed into numbers and analysed by computer, therefore, there is no need to mention your name at all. This study is conducted for the purpose of fulfilling the requirements of a Ph.D in management at the University of Glasgow, U.K. Your answers will be treated in confidence and will not be used for any other purpose.

This study is possible only with your cooperation in filling out this questionnaire. Your assistance in this matter is greatly appreciated.

With my best thanks

Minwir Al-Shammari

Section One: General Information

This section aims at getting some background information for the purpose of statistical analysis only. Please, put an (X) next the option that best fits your answer or fill in the blank as appropriate.

1. Age -----

2. Sex: Male ----- Female -----

3. Marital Status: Married ----- Unmarried -----

4. Educational level -----

5. Name of this company -----

6. Number of years working in this company -----

7. Position of respondent -----

8. Monthly wage or salary:

Less than JD 100 -----

JD 201-250 -----

JD 151-200 -----

JD 251-300 -----

JD 201-250 -----

More than JD 300 -----

Section Two: Organisational Climate Instrument

The aim of this section is to find out how people perceive the environment in which they work. Please identify the statement that best describes your view of your organisation. Place an (X) under the relevant alternative: 'strongly agree', 'agree', 'disagree', or 'strongly disagree'.

No.	Statement (item)	Strongly Agree	Agree	Disagree	Strongly Disagree
1.	The jobs in this organisation are clearly defined.				
2.	In this organisation it is sometimes unclear who has the formal authority to make a decision.				
3.	The organisation structure of this organisation has been clearly explained.				
4.	Red-tape is kept to a minimum in this organisation.				
5.	Excessive rules, administrative details, and red-tape make it difficult for new and original ideas to receive consideration.				
6.	Our productivity sometimes suffers from a lack of organisation.				
7.	In some of the sections I've been on, I haven't been sure exactly who my boss was.				
8.	Our management isn't concerned about formal authority, but concentrates instead on getting the right people together to do the job.				

	Strongly Agree	Agree	Disagree	Strongly Disagree
9. We don't rely heavily on individual judgment in this organisation.				
10. Around here management resents your checking everything with them; if you think you've got the right approach you just go ahead.				
11. Supervision in this organisation is mainly a matter of setting guidelines for your subordinates; you let them take responsibility for the job.				
12. You won't get ahead in this organisation unless you try things on your own sometimes.				
13. Our philosophy emphasise that people should solve their problems by themselves.				
14. There are an awful lot of excuses around here when somebody makes a mistake.				
15. One of the problems of this organisation is that individuals won't take responsibility.				
16. We have a promotion system that helps the best man to rise to the top.				
17. In this organisation the rewards and encouragements we get usually outweigh the threats and punishments.				
18. In this organisation people are rewarded in proportion to the excellence in their performance.				
19. There is a great deal of criticism in this organisation.				
20. There is not enough reward given in this organisation for doing good work.				
21. If you make a mistake in this organisation you will be punished.				

	Strongly Agree	Agree	Disagree	Strongly Disagree
22. The philosophy of our management is that in the long run we get ahead by playing it slow, safe, and sure.				
23. Our business have been built up by taking calculated risks at the right time.				
24. Decision making in this organisation is too cautious for maximum effectiveness.				
25. Our management is willing to take a chance on a good idea.				
26. We have to make some pretty risks occasionally to keep ahead of the competition in the business we're in.				
27. A friendly atmosphere prevails among the people in this organisation.				
28. This organisation is characterised by a relaxed, easy-going climate.				
29. It is very hard to get to know people in this organisation.				
30. People in this organisation tend to be cool and aloof toward each other.				
31. There is a lot of warmth in the relationships between management and workers in this organisation.				
32. You don't get much sympathy from higher up in this organisation if you make a mistake.				
33. Management makes an effort to talk with you about your career aspirations within the organisation.				
34. People in this organisation don't really trust each other enough.				
35. The philosophy of our management emphasises the human factor, how people feel, etc.				

	Strongly Agree	Agree	Disagree	Strongly Disagree
36. When I am on a difficult assignment I can usually count on getting assistance from my boss and co-workers.				
37. In this organisation we set very high standards for performance.				
38. Our management believes that no job is so well done that it couldn't be done better.				
39. Around here there is a feeling of pressure to continually improve our personal and group performance.				
40. Management believes that if the people are happy, productivity will take care of itself.				
41. To get ahead in this organisation it's more important to get along than is to be a high producer.				
42. In this organisation people don't seem to take much pride in their performance.				
43. The best way to make a good impression around here is to steer clear of open arguments and disagreements				
44. The attitude of our management is that conflict between competing units and individuals can be very healthy.				
45. We are encouraged to speak our minds, even if it means disagreeing with our superiors.				
46. In management meetings the goal is to arrive at a decision as smoothly and quickly as possible.				
47. People are proud of belonging to this organisation.				
48. I feel that I am a member of a well functioning team.				

	Strongly Agree	Agree	Disagree	Strongly Disagree
49. As far as I can see, there isn't very much personal loyalty to the company.				
50. In this organisation people pretty much look out for their own interests.				

Section Three: Behavioural Indices of Effectiveness

In the questions below, please put a circle around the answer with which you most strongly agree.

1. The ability of this company to retain high-level personnel:

a. This organisation is able to retain a highly qualified labour force.

b. This organisation is able to retain a moderately qualified labour force.

c. This organisation is not able to retain even a moderately qualified labour force.

2. The degree of your overall level of satisfaction in your job:

a. I am very satisfied.

b. I am somewhat satisfied.

c. I am very unsatisfied.

3. If the opportunity arose, would you like to quit working in this organisation ?

a. Yes

b. No

4. Please indicate any other comments that you would like to make:

a. -----

b. -----

c. -----

APPENDIX B- THE RESEARCH INSTRUMENT IN ARABIC

اخي الكريم :

تحية طيبة ، وبعد :

يهدف هذا الاستبيان الى التعرف على مجموعة من الخصائص العامة التي تميز وتصف الشركات الصناعية الاردنية ، والتي يتم ادراكها من خلال دراسة اتجاهات العاملين نحو المؤسسة والعمل الذي يقومون به ، وسوف ترد كلمة (مؤسسة) في عبارات كثيرة في هذا الاستبيان والمقصود بها الشركة الصناعية التي تعمل بها .

عزيزي :

ان الآراء التي ستدلون بها سوف تتحول الى ارقام يتم التعامل معها بالكمبيوتر ، ولذلك لا حاجة لذكر اسمك مطلقاً ، مع العلم بأن هذه المعلومات هي فقط لأغراض الدراسة واتمام متطلبات الحصول على درجة الدكتوراه في ادارة الاعمال من جامعة جلاسكو في بريطانيا ولن تستخدم لأي غرض آخر .

ان هذه الدراسة لا يمكن ان تتم بدون مساعدتكم وتعاونكم في تعبئة هذا الاستبيان ، فكلّي أمل بحسن تعاونكم خدمة للبحث العلمي وتطويراً لعلم الادارة في الأردن والعالم العربي .

وتقبلوا مني خالص الشكر والعرفان ،،

منور الشمري

معلومات عامة

يهدف هذا الجزء الى التعرف على بعض المعلومات بهدف التحليل الاحصائي فقط .
يرجى وضع اشارة (x) في المربع المناسب أو تعبئة الفراغ لبعض الاسئلة .

- ١ - العمر بالسنوات
 - ٢ - الجنس : ☐ ذكر ☐ انثى
 - ٣ - الحالة الاجتماعية : ☐ متزوج ☐ غير متزوج
 - ٤ - المستوى التعليمي
 - ٥ - اسم هذه المؤسسة
 - ٦ - عدد السنوات في العمل لدى هذه المؤسسة
 - ٧ - الوظيفة أو العمل الحالي
 - ٨ - الراتب أو الاجر الشهري :
- | | |
|---|--|
| <input type="checkbox"/> اقل من ١٠٠ دينار | <input type="checkbox"/> ٢٠١ - ٢٥٠ دينار |
| <input type="checkbox"/> ١٠٠ - ١٥٠ دينار | <input type="checkbox"/> ٢٥١ - ٣٠٠ دينار |
| <input type="checkbox"/> ١٥١ - ٢٠٠ دينار | <input type="checkbox"/> اكثر من ٣٠٠ دينار |

لاستعمال
الباحث

الجزء الاول

يهدف هذا الجزء من الاستبيان الى التعرف على البيئة العامة التي تعمل بها في هذه المؤسسة من خلال ابداء وجهة نظرك بول عدد من العبارات ، والتي ربما تتطابق الواقع في مؤسستك او لا تتطابقه . فاذا كنت تعتقد بأن العبارة تتطابق مع افع هذه المؤسسة ضع اشارة (x) في المربع المخصص بعد العبارة وتحت البديل (اوافق بشدة) في حالة موافقتك بدرجة عالية أو تحت البديل (اوافق) في حالة موافقه بدرجة اعتيادية . اما اذا كنت لاتعتقد بأن العبارة تتطابق مع افع المؤسسة فضع اشارة (x) في المربع وتحت (لاوافق) في حالة عدم الموافقة بدرجة عادية او تحت (لاوافق بشده) حالة عدم الموافقة على الاطلاق .

لاستعمال الباحث	اوافق بشده	اوافق	لاوافق	لاوافق بشده
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

لاوافق بشدة	لاوافق	وافق	وافق بشدة		لاستعمال الباحث
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٦ . الانتاجية في هذه المؤسسة تعاني من نقص في التنظيم.	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٧ . في بعض أقسام المؤسسة التي عملت بها لم يكن واضحاً من هو مسؤولي المباشر وصاحب الكلمة .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٨ . الادارة في هذه المؤسسة لاهتم بمظاهر السلطة ولكن تركز على إنجاز العمل .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٩ . في هذه المؤسسة لا يوجد تشجيع كاف للمبادرات والاجتهادات الفردية في العمل .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١٠ . لاترغب الادارة في هذه المؤسسة بأن يرجع اليها في كل الامور فاذا اعتقد الفرد ان عمله صحيح عليه ان يتابع عمله .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١١ . طريقة الاشراف في هذه المؤسسة هي وضع خطوط عريضة للرؤوسين وتركهم يتحملون المسؤولية بأنفسهم .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١٢ . لايمكن للفرد ان يتقدم في هذه المؤسسة مالم يخرج عن الطرق التقليدية وينجز بعض المبادرات باجتهاده الشخصي .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١٣ . فلسفة هذه المؤسسة تقوم على اساس اعطاء الافراد فرصة حل مشاكل العمل بأنفسهم .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١٤ . في هذه المؤسسة يعطى اعدار متعددة عندما يقع شخص في خطأ ما .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١٥ . ان الافراد في هذه المؤسسة ليست لديهم الرغبة لتحمل المسؤولية .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١٦ . ان نظام الترقية في هذه المؤسسة يساعد الافراد ذوي الاداء الجيد في الارتقاء الى أعلى .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١٧ . ان التشجيع والمكافآت في هذه المؤسسة اكثر من التهديد والانتقادات .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١٨ . ان رواتب أو اجور الافراد في هذه المؤسسة تعتمد على مستوى ادائهم في العمل .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	١٩ . تكثر في هذه المؤسسة الانتقادات الموجهة للفرد .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢٠ . لا يوجد دعم مادي كافي في هذه المؤسسة لمن ينجز العمل بشكل جيد .	<input type="checkbox"/>

لاوافق بشدة	لاوافق	ارافق	ارافق بشدة		لاستعمال الباحث
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢١. اذا ارتكب شخص خطأ في هذه المؤسسة فانه سوف يعاقب.	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢٢. ان فلسفة الادارة في هذه المؤسسة هي البقاء في المقدمة على المدى البعيد وذلك عن طريق تجاوز العمل بصورة تدريجية ودقيقة .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢٣. ان التقدم الحاصل بنشاطات هذه المؤسسة يعتمد اساساً على عنصر المصارمة واخذها بعين الاعتبار حينما يكون الوقت مناسباً لذلك .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢٤. يتم اتخاذ القرارات في هذه المؤسسة بتأني وحذر وذلك لتحقيق الحد الأعلى من الفعالية .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢٥. الادارة في هذه المؤسسة على استعداد للاستفادة من كل رأي أو فكرة جيدة تطرح من قبل العاملين .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢٦. يجب أن يكون هناك مخاطرة أو مغامرة من قبل هذه المؤسسة أحياناً وذلك لكي تبقى في مقدمة المنافسين .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢٧. ان جو الصداقة والصرافة هو الجو السائد بين الأفراد في هذه المؤسسة .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢٨. يتصف مناخ وجو العمل في هذه المؤسسة بأنه مرن وسهل وممتع .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٢٩. انه من الصعب جداً التعرف على الافراد في هذه المؤسسة .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٣٠. يميل الافراد في هذه المؤسسة الى الفتور والانزلال فى علاقاتهم مع بعضهم البعض .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٣١. تتصف العلاقة بين المسؤولين والمؤوسين في هذه المؤسسة بالدفء والمودة .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٣٢. لا يوجد تسامح أو تساهل من جانب المسؤولين في هذه المؤسسة عندما يرتكب شخص خطأ ما .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٣٣. تبذل الإدارة جهوداً كبيرة لمعرفة طموحات الافراد للتقدم وتحسين مركزهم في هذه المؤسسة .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٣٤. لا يوجد ثقة كافية فيما بين الافراد في هذه المؤسسة .	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	٣٥. تركز الادارة في هذه المؤسسة على العوامل الانسانية وتهتم بمشاعر الافراد لديها .	<input type="checkbox"/>

استعمال ساح	وافق بشدة	وافق	لاوافق	لاوافق بشدة
<input type="checkbox"/>			<input type="checkbox"/>	٣٦. عندما يكون الفرد في مهمة صعبة فإنه عادة يتلقى المساعدة من مسؤوله المباشر أو من زملائه في العمل.
<input type="checkbox"/>			<input type="checkbox"/>	٣٧. في هذه المؤسسة توضع معايير عالية للاداء .
<input type="checkbox"/>			<input type="checkbox"/>	٣٨. تعتقد الادارة في هذه المؤسسة بأنه مهما انجز العمل بشكل جيد فإنه يمكن انجازته بشكل أفضل .
<input type="checkbox"/>			<input type="checkbox"/>	٣٩. يوجد تركيز في هذه المؤسسة على تحسين الاداء ورفع الانتاجية .
<input type="checkbox"/>			<input type="checkbox"/>	٤٠. تعتقد الادارة في هذه المؤسسة بأنه كلما كان الافراد سعداء ومرتاحين كلما كانت انتاجيتهم عالية وجيدة .
<input type="checkbox"/>			<input type="checkbox"/>	٤١. لكي يتقدم الفرد في هذه المؤسسة فلا بد أن يكون ناجحاً في علاقاته الاجتماعية بالإضافة الى ادائه عمله بانتقان .
<input type="checkbox"/>			<input type="checkbox"/>	٤٢. يبدو أن الافراد في هذه المؤسسة لايفتنغرون بادائهم الجيد .
<input type="checkbox"/>			<input type="checkbox"/>	٤٣. لكي يعطي الفرد انطباعاً جيداً عنه في هذه المؤسسة فلا بد ان يتجنب المناقشات والخلافات بشكل علني .
<input type="checkbox"/>			<input type="checkbox"/>	٤٤. تعتقد الادارة في هذه المؤسسة بأن الخلاف بين الاقسام المتنافسة أو الافراد يمكن ان يكون له فوائد .
<input type="checkbox"/>			<input type="checkbox"/>	٤٥. تشجع هذه المؤسسة الفرد على طرح وجهة نظره حتى وأن كانت تتعارض مع فكرة المسؤولين فيها .
<input type="checkbox"/>			<input type="checkbox"/>	٤٦. في جميع الاجتماعات أو اللقاءات يكون الهدف هو الوصول الى القرار المناسب بهدوء وبامرع ما يمكن .
<input type="checkbox"/>			<input type="checkbox"/>	٤٧. يشعر الافراد بالفخر والاعتزاز لانجازهم الى هذه المؤسسة .
<input type="checkbox"/>			<input type="checkbox"/>	٤٨. يشعر الفرد في هذه المؤسسة بأنه عضو ثمين في مجموعة ذات انتاجية واداء عال .
<input type="checkbox"/>			<input type="checkbox"/>	٤٩. لا يوجد لدى الافراد درجة عالية من الولاء والانتماء لهذه المؤسسة .
<input type="checkbox"/>			<input type="checkbox"/>	٥٠. يتم أغلب الاشخاص في هذه المؤسسة بمصالحهم الشخصية فقط .

الجزء الثاني

يهدف هذا الجزء من الاستبيان الى التعرف على وجهة نظرك في عدد من القضايا ، يرجى وضع اشارة (x) عند البديل الذي تعتقد انه يتناسب مع رأيك وفي المربع المخصص لذلك .

١- هل تعتقد بان هذه المؤسسة قادرة على جذب الافراد ذوي الكفاءة والخبرة والاحتفاظ بهم للعمل لديها ؟

☐ هذه المؤسسة قادرة على جذب الافراد ذوي الكفاءات والخبرات العالية والاحتفاظ بهم .

☐ هذه المؤسسة قادرة على جذب الافراد ذوي الكفاءات والخبرات المتوسطة والاحتفاظ بهم .

☐ هذه المؤسسة غير قادرة حتى على جذب الافراد ذوي الكفاءات والخبرات المتوسطة والاحتفاظ بهم .

٢- كيف يمكن ان تصف رضاك بشكل عام عن العمل الذي تقوم به في هذه المؤسسة ؟

☐ اشعر بالرضا التام .

☐ اشعر بالرضا نوعاً ما .

☐ لا اشعر بالرضا اطلاقاً .

٣- اذا حصلت لك فرصة عمل خارج المؤسسة ، فهل ستفكر في ترك عملك الحالي ؟

☐ لا

☐ نعم

٤- هل لديك أية ملاحظات اخرى تود ذكرها :

أ -

ب -

ج -

لاستكمال
الباحث

☐☐☐