Organizational Climate and Performance: The Mediation Roles of Cohesiveness and Organizational Commitment

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Abstract. This study aims to investigate the effect of organizational climate on performance. Specifically, objective the current study to explain the mediating roles of cohesiveness and organizational commitment within the effect organizational climate toward performance. Using PLS analysis, the hypothesis was tested base 197 academics at private higher education institutions in the Indonesian context. The result reveals that the organizational climate has a positive effect on cohesiveness, organizational commitment, and performance. In addition, the result also describes that cohesiveness and organizational commitment mediate the effect of organizational climate on performance.

Keywords: organizational climate, performance, cohesiveness, and commitment.

1. Introduction
Performance is a critical issue in organizations, especially for higher education institutions. Performance is an outcome of an organization that is often associated with job satisfaction and reward levels, influenced by the skills, abilities and individual traits. Therefore, individual performance is fundamentally influenced by several factors such as expectations of rewards, motivation, ability, needs and nature, perceptions of tasks, internal and external rewards, organizational climate and job satisfaction [1][2].

Studies on factors that affect performance are often done by scholars in the field of management, especially human resource management and organizational science [1]. One of the critical factors in determining subordinates’ performance is the organizational climate [3]. This explains that the results of work both quality and quantity achieved by a subordinate in carrying out the work in accordance with the responsibility given to the organization to him caused by subordinates’ perceptions about the characteristics of the education institution is reflected in policies, practices and conditions in the environment work [4].
The term of organizational climate was first introduced by using the term social climate. Climate is a condition that deals with the thoughts, feelings, and behaviors of the members of the higher education institution. Therefore, the climate is a subjective judgment and is bound by the full manipulation of a person with power and influence. Organizational climate refers to organizational characteristics that are reflected in the employee’s description of the policies, practices, and conditions that exist in the work environment. Another factor that may affect performance is cohesiveness. Cohesiveness refers to “the resultant of all the forces acting on members to remain in the group.” Subordinates cohesiveness will result in a number of positive consequences. The strong group interaction might tend to make greater subordinates’ involvement, less absenteeism in the higher education institution. Cohesiveness also “increases the energy group members can devote to task-related activities because group maintenance needs are reduced” which in the end will increase organizational performance.

Moreover, organizational commitment also often be connected to performance. Organizational commitment refers to “the acceptance of organizational goals and a willingness to exert effort on behalf of the organization and is associated with positive behaviors such as job performance and attendance.” Organizational commitment plays an important role in shaping the difference in motivation between individuals with low and high organizational commitment. The subordinates who commit to the higher education institution tends to have high performance. Conversely, the subordinates who have low commit to higher education institution tends to have a low performance. An adequate organizational climate may determine subordinate cohesiveness and increase subordinate commitment to the organization. Conversely, the inadequate condition of organization, policy and work environment will reduce cohesiveness and subordinates’ commitment to the higher education institution. Subordinates cohesiveness and commitment to the organization will ultimately shape the high or low their performance. The purpose of this study is to investigate the relationship between organizational climate on performance. Specifically, this study aims to explain the role of mediation cohesiveness and organizational commitment within the effect of organizational climate toward performance at private higher education institution in the Indonesian context. This research is expected to provide theoretical, empirical and practical contribution especially in management of higher education institution. Based on discussion which describes above, the current study investigates the following hypothesis:

- $H_1$: Organizational climate positively affects performance
- $H_2$: Organizational climate positively affects cohesiveness
- $H_3$: Organizational climate positively affects organizational commitment
- $H_4$: Cohesiveness positively affects performance
- $H_5$: Organizational commitment positively affects performance
- $H_6$: Cohesiveness and organizational commitment mediate the effect of organizational climate on performance

2. Research Methods

2.1. Procedure and sample.

The current study using survey questionnaires. The study was conducted on 18 Private Universities in Riau Province, Indonesia. A total of 369 sets of questionnaires were distributed to the higher education institutions. Of all the questionnaires sent, only 197 (53.38%) can be analyzed.

2.2. Measures.

This study used five-point Likert scales for all the sections. The respondents evaluate each statement based on seven-point Likert scales ranging from “1” strongly disagree to “5” strongly agree. Organizational climate was measured reflectively using the eight items developed by authors base on
prior studies \cite{1} \cite{4} \cite{10}. The $\alpha$ reliability for the measure was above conventional standards (i.e., 0.900). Cohesiveness was measured reflectively using the seven items developed by authors based on prior studies \cite{7} \cite{8}. The $\alpha$ reliability for the measure was above conventional standards (i.e., 0.809). Furthermore, organizational commitment was measured reflectively using the eighteen items developed by authors based on prior studies \cite{9} \cite{11}. The $\alpha$ reliability for the measure was above conventional standards (i.e., 0.934). In addition, performance was measured reflectively using the six items developed by authors based on Ministry of Education, Republic of Indonesia. The $\alpha$ reliability for the measure was above conventional standards (i.e., 0.871).

2.3. PLS analysis.

The hypothesis of current study was tested using PLS (Partial Least Square) analysis through WarpPLS 6.0. The PLS analysis consists of two stages \cite{12} \cite{9} \cite{13}. First, the measurement model evaluation which “focuses on the reliability and validity of the measures used to represent each construct” \cite{14}. Second, the structural model evaluation which “explains whether the hypotheses are supported statistically or not” \cite{12}.

3. Results

3.1. Measurement Model Evaluation

The result of the statistical test on the evaluation of measurement model shows that the loading factors for all instruments above 0.60 (see table 1, 2, 3, & 4). This reveals that each instrument in this study has adequate convergent validity \cite{12} \cite{14}. The table also show that all instrument items have the loading factor higher than the cross-loadings which describe each instrument have adequate discriminant validity \cite{12} \cite{13} \cite{14}.

### Table 1. Validity of organizational climate instruments

| Organizational Climate | Organizational Commitment | Cohesiveness | Performance |
|------------------------|---------------------------|-------------|-------------|
| OC11                   | 0.636                     | -0.101      | 0.119       | -0.192      |
| OC12                   | 0.733                     | -0.068      | 0.083       | -0.215      |
| OC13                   | 0.769                     | -0.087      | 0.104       | -0.158      |
| OC14                   | 0.760                     | -0.051      | 0.073       | 0.037       |
| OC15                   | 0.805                     | -0.067      | -0.054      | 0.020       |
| OC16                   | 0.788                     | 0.100       | -0.178      | 0.161       |
| OC17                   | 0.663                     | 0.153       | -0.092      | 0.156       |
| OC18                   | 0.660                     | 0.141       | -0.041      | 0.193       |

### Table 2. Validity of organizational commitment instruments

| Organizational Climate | Organizational Commitment | Cohesiveness | Performance |
|------------------------|---------------------------|-------------|-------------|
| OC1                    | -0.177                    | 0.667       | 0.157       | -0.007      |
| OC2                    | -0.200                    | 0.631       | 0.125       | -0.002      |
| OC3                    | -0.136                    | 0.677       | 0.100       | 0.017       |
| OC4                    | -0.193                    | 0.624       | 0.083       | 0.029       |
| OC5                    | -0.064                    | 0.675       | 0.087       | -0.024      |
| OC6                    | -0.033                    | 0.699       | 0.096       | -0.056      |
| OC7                    | 0.014                     | 0.669       | 0.024       | -0.077      |
| OC8                    | 0.026                     | 0.697       | -0.038      | -0.041      |
| OC9                    | 0.093                     | 0.712       | -0.078      | 0.034       |
| OC10                   | 0.088                     | 0.715       | -0.068      | 0.094       |
| OC11                   | -0.047                    | 0.750       | -0.055      | 0.096       |
| OC12                   | 0.011                     | 0.679       | -0.025      | 0.070       |
| OC13                   | 0.074                     | 0.685       | -0.169      | 0.058       |
| OC14                   | 0.094                     | 0.684       | -0.055      | 0.058       |
| OC15                   | 0.128                     | 0.650       | -0.043      | -0.068      |
| OC16                   | 0.171                     | 0.647       | -0.031      | -0.080      |
| OC17                   | 0.233                     | 0.614       | -0.093      | -0.134      |
| OC18                   | -0.177                    | 0.667       | 0.157       | -0.007      |
Table 3. Validity of cohesiveness instruments

|             | Organizational Climate | Organizational Commitment | Cohesiveness | Performance |
|-------------|------------------------|---------------------------|--------------|-------------|
| Coh1        | -0.030                 | 0.057                     | 0.697        | 0.090       |
| Coh2        | 0.066                  | -0.024                    | 0.688        | -0.085      |
| Coh3        | -0.045                 | 0.004                     | 0.720        | 0.063       |
| Coh4        | 0.011                  | -0.034                    | 0.763        | -0.065      |

Table 4. Validity of performance instruments

|             | Organizational Climate | Organizational Commitment | Cohesiveness | Performance |
|-------------|------------------------|---------------------------|--------------|-------------|
| Per1        | 0.039                  | -0.001                    | -0.040       | 0.711       |
| Per2        | -0.009                 | 0.018                     | 0.060        | 0.763       |
| Per3        | 0.043                  | -0.028                    | -0.024       | 0.770       |
| Per4        | -0.027                 | 0.011                     | -0.014       | 0.677       |
| Per5        | -0.018                 | 0.007                     | 0.046        | 0.781       |
| Per6        | -0.032                 | -0.007                    | -0.040       | 0.658       |

Furthermore, after evaluating the validity of each instrument, evaluating the reliability of each variable is done. Table 5 shows that the value of composite reliability each variable above 0.80 which describes that “the all of the constructs possess internal consistency” [12].

Table 5. Reliability test

|              | Organizational Climate | Organizational Commitment | Cohesiveness | Performance |
|--------------|------------------------|---------------------------|--------------|-------------|
|              | 0.900                  | 0.934                     | 0.809        | 0.871       |

3.2. Structural Model Evaluation

Table 6 shows the results of the PLS analysis. The findings suggest that organizational climate has a significant positive affect performance (β = 0.348, p < 0.01). This support H₁, which statement that Organizational climate positively affects performance. The table also reveals that organizational climate has a significant positive affect cohesiveness (β = 0.330, p < 0.01). This support H₂, which states that organizational climate positively affects cohesiveness. Furthermore, organizational climate has a significant positive affect organizational commitment (β = 0.457, p < 0.01). This result statistically supports H₃ which states that organizational climate positively affects organizational commitment.

Table 6. Path coefficients and P values

|               | Organizational Climate | Organizational Commitment | Cohesiveness |
|---------------|------------------------|---------------------------|--------------|
| Organizational Commitment | 0.457*                |                           |              |
| Cohesiveness  | 0.330*                 |                           |              |
| Performance   | 0.348*                 | 0.190*                    | 0.234*       |

* p < 0.01

This study furthermore extends the mediation roles of cohesiveness and organizational commitment within the influence of organizational commitment toward performance. Cohesiveness has a significant effect on performance (β = 0.234, p < 0.01). This result statistically supports H₄ which states that cohesiveness positively affects performance. Table 6 also reveals that organizational commitment has a significant positive effect on performance (β = 0.190, p < 0.01). This result statistically supports H₅ which states that organizational commitment positively affects performance. In addition,
Table 7. Mediation roles of cohesiveness and organizational commitment

|                         | Path coefficient | P value     |
|-------------------------|------------------|-------------|
| Organizational Climate  | 0.164            | p < 0.01    |
|                         |                  |             |

In addition, organizational climate indirectly influences performance through cohesiveness and organizational commitment (see table 7). This result support H6 which describes that cohesiveness and organizational commitment mediate the effect of organizational climate on performance.

4. Discussion, Conclusion and Limitation

The current study investigated the mediating roles of cohesiveness and organizational commitment within the influence organizational climate toward performance at private higher education institution in the Indonesian context. The results of this study concluded that the organizational climate has a positive effect on cohesiveness, organizational commitment, and performance. Furthermore, cohesiveness and organizational commitment have a positive effect on performance. In addition, cohesiveness and organizational commitment mediate the effect of organizational climate on performance.

A conducive and productive organizational climate is crucial to strengthening and maintaining bonds between the organization and subordinates as it is capable of preserving and sustaining high motivation and performance \[1] \[15] \[16]. An organizational climate received by subordinates is one of the most critical factors affecting and impacting subordinate perceptions of workplace contribution and involvement \[12] \[17]. Subordinates faced with a work climate that has made information sharing, positive management support, contributions and involvement in the decision-making process are likely to have a direct and indirect impact on the job. Subordinates who understand and perceive an adequate, safe and enjoyable work environment will develop a positive attitude toward the various components of the work that ultimately result in higher cohesiveness, organizational commitment and performance \[1] \[16].

This study has several limitations. First, the study only uses a sample that was selected from private higher education institutions, so that the results could not be generalized to other organizations. Second, the data was collected in the Indonesian context, so the current study might not be confirmed to different national culture.

5. References

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